Standard Chartered

Annual Report 2015

Driving investment, trade and the creation of wealth in Ghana

About us

We are Ghana's premier bank, and a member of a leading international group, with about 1000 employees and a 120-year presence in the country. We bank the people and companies driving investment, trade and the creation of wealth in Ghana. Our heritage and values are expressed in our brand promise, Here for good.

Standard Chartered Ghana Limited is listed on the Ghana Stock Exchange (GSE).

For more information please visit sc.com/gh

Facebook.com/standardcharteredGH

Unless otherwise stated, "The Group" or "Group" used in this document refers to Standard Chartered PLC.

Cover: Standard Chartered Bank Ghana Limited
head office located within the central business district in Accra

Country overview

Strategic report

Corporate governance

Financial statements and notes

Supplementary information

Notice and Agenda

Notice is hereby given that the Annual General Meeting of Standard Chartered Bank Ghana Limited will be held at the National Theatre, opposite the Efua Sutherland Children's Park, Accra on Tuesday 7th June 2016 at 11.00 a.m for the ordinary business of the Company.

Agenda

1. To receive and consider the reports of the directors and auditors, the balance sheet as at 31st December, 2015 together with the profit and loss and income surplus accounts for the year ended on that date.
2. To declare a dividend for the year ended December 31, 2015
3. To elect directors
4. To approve directors' remuneration.
5. To approve the remuneration of the auditors.

Dated this 11th day of February, 2016

BY ORDER OF THE BOARD

ANGELA NAA SAKUA OKAI
(COMPANY SECRETARY)

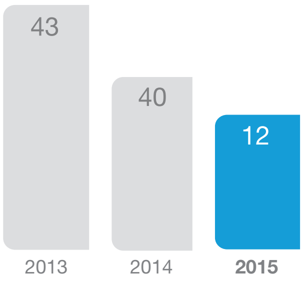
Note:

A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of him/her. Such a proxy need not be a member of the Company. A form of proxy is attached. Please see page 87 of the report.

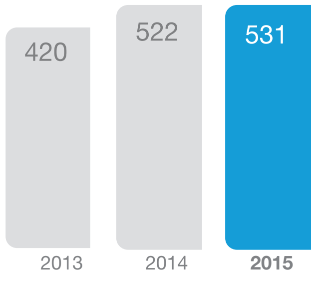
Our performance

Repositioning the bank in a challenging environment

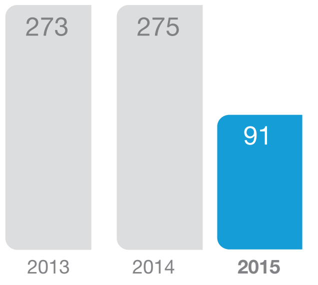
Return on equity %



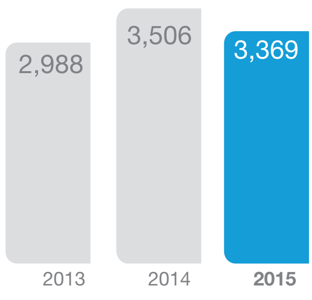
Operating income GH¢million



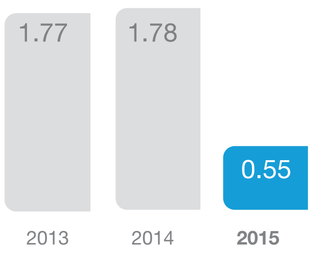
Profit before tax Gh¢million



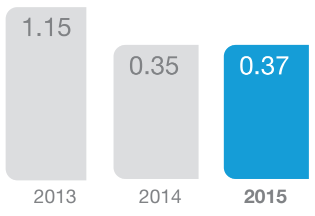
Total assets GH¢million



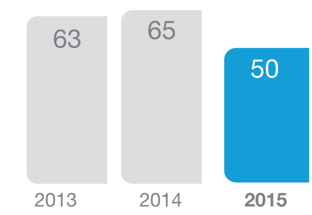
Earnings per share GH¢



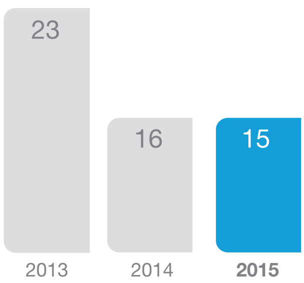
Dividend per share GH¢



Advances-to-deposits ratio %



Capital adequacy ratio %



Liquid asset ratio (%)


TRAKKER
420

Operating and financial review

Chairman's statement

Taking action to restore shareholder returns

"The Board is confident that with the expected rebound in Ghana's economy over the medium term, the Bank's operating performance and shareholder returns will be restored to an attractive growth trajectory in line with market expectations."

Ishmael Yamson, *Chairman*

Earnings per share	Dividend per share
GH¢ 0.55	GH¢ 0.37
2014: GH¢1.78	**2014:** GH¢0.35

Distinguished Shareholders, Ladies and Gentlemen, I have pleasure once again in welcoming you to the 2015 Annual General Meeting of your Company.

Our results this year clearly show that the Bank had some real challenges during 2015. There is no denying that on the surface the results look disappointing – for us your directors and you our shareholders. While businesses will see performance ebb and flow over time, many of the issues we faced last year were largely extraneous but also internal structural issues which require urgent action and we are already taking those actions.

In 2015, Ghana witnessed perhaps one of the worst unstable macro-economic environment in recent years with high exchange rate volatility, steep depreciation of the cedi, rising inflation leading to high interest rates and above all the extended energy crisis with its destructive impact on businesses.

The combined effect of all these developments were destabilizing not only to the Bank, but even more especially our clients whose operating cycles were extended beyond their ability to manage their finances effectively. In the process many were unable to meet their obligations to the Bank culminating in the short term high impairment provision for the year.

We believe that the action we took to de-risk the book was most prudent. Providing for the impaired loans does not mean the monies have been lost but it provides the Bank the opportunity and space to focus on those actions required to regroup and rebound the business.

Clear actions are already being taken. Most of the loans have been restructured and recoveries have started. Without providing for the impaired loans, we could have lost long-standing valuable clients whose real challenge was an economy in great difficulty.

Besides, as you may also be aware the Bank globally has undertaken major internal re-organisation and strategy revisions in the last 18 months in response to the changing risk models of global banks, especially regarding capitalisation rules.

These changes inevitably led to modifications to our internal structures and operating policies and procedures, thus slowing the business momentum while the business adjusted and re-aligned to the new operating framework.

Additionally, in the external environment three global economic developments, i.e.

- the collapse of world commodity prices, especially crude oil,
- the weakening of the Chinese economy and its impact on economies all over the world, and
- the volatilities of the global financial market

all had serious implications for the world economy. The country's inability to respond proactively and on time, as well as the inconsistencies in many of the policy responses made the situation for Ghana even worse.

The reality is that these events described above, whether local or global in origin, were formidable in nature as they ultimately terminated as capital, liquidity, operational and credit risks, for banks. It was therefore our responsibility to carefully balance the demands and expectations of all our stakeholders with the associated industry and unique business risks. We had to carefully manage and protect the franchise from damage as we navigated the business through the peaks and troughs of the business cycle. We believe that most of the actions we took internally are in the right direction, as they will allow us to build a more robust and sustainable business for the future. With Ghana under the International Monetary Fund (IMF) programme and the tough demands from the front loaded fiscal consolidation and tight monetary policy stance, we trust that the government will stay on course to correct the prevailing economic imbalance.

Business Performance:

Operating income increased marginally by 2 percent from GH¢521.7 million to GH¢531.1 million. Profit before tax declined by 67 per cent from 2014 to GH¢91 million with profit after tax declining by 68 per cent to GH¢66.1 million.

As already indicated above, the most obvious influencing factor to our 2015 operating result was the level of loan impairment charge. During 2015, the loan impairment charge went up to GH¢212.7 million, representing growth of 333 per cent relative to 2014, mainly as a result of the significant level of distressed assets on our legacy loan book. With the difficult operating conditions, the reality was a severe market disruption across sectors and a lowering of business and consumer confidence. We believe that the most prudent action was to recognise these developments and manage them in ways that secure the long term viability of the Bank.

Dividend:

Our focus going forward is to restore shareholder returns to market expectations. We do acknowledge the importance of dividend to shareholders. However we must also continue to balance shareholder returns with sufficient investments into the franchise, to support not only current and future growth prospects but also to hold sufficient capital against our risk exposure in the normal course of business. This is now the global best practice.

Fortunately the Board's decision to retain profits in 2013 and 2014 has paid off. It has given the Bank a strong balance sheet and enabled it to withstand the extended adverse business operating environment in Ghana. In spite of the numerous challenges we have described, we will pay dividend for the 2015 financial year. The Board is recommending a higher dividend at GH¢0.37 per share compared to GH¢0.35 paid out last year. We will not make any profit retention from our 2015 profits.

Board Changes:

During the course of 2015, Anil Dua, a Non-Executive Director and Dayo Omolukun, Chief Financial Officer and Executive Director both left the Bank. We have also had two additions to the Board. Felix Addo the immediate past Country Senior Partner of PricewaterhouseCoopers (Ghana) Limited joined the board as an Independent Non-Executive Director on August 6, 2015. David Adepoju, the Head of Financial Markets, Nigeria and West Africa was appointed as a Non-Executive Director on February 11, 2016. We will announce Mr. Omolukun's replacement in due course.

Summary:

The challenging operating environment continues to persist in 2016. While the local market volatility seems to be stabilizing, global commodity prices have slumped since the beginning of the year. Even if there appears to be some recovery, there is still a general slowdown in business activity. This together with the usual uncertainties associated with an election year, can dampen overall growth prospects for Ghana in 2016.

Nevertheless our performance outlook for 2016 remains positive although our posture will remain cautious. We will continue to focus on executing our strategy within our defined risk appetite that is aligned to the prevailing economic conditions and the operating environment, while we also devote equal attention to restructuring and recovery of the impaired assets.

Your Bank is a great bank with a strong business model at the heart. We have a strong brand and a strong team. We are focussed and success is squarely in our sight. Above all we believe in our future, which is already looking promising.

On behalf of the Board, I would like to express our appreciation to you, our shareholders and all our other stakeholders for the continued support through a challenging period for their confidence in the Bank. The Board is confident that with the expected rebound in Ghana's economy over the medium term, the Bank's operating performance and shareholder returns will be restored to a strong growth trajectory in line with market expectations.

Ishmael Yamson
Chairman
11 February 2016.

Chief Executive's review

A relentless focus on execution

> "We will pursue a dual approach of recovery and restructuring of impaired assets to compliment a disciplined execution of the strategy."
>
> **J. Kweku Bedu-Addo,**
> *Chief Executive and Managing Director*

Our 2015 financial performance was below expectation relative to our historical performance over the last decade. The past year was a most unusual and exceptional year on many fronts. We faced a tough economic environment and volatile external factors which significantly impacted the Bank's ability to create shareholder value. To place it in its proper perspective, Ghana's economy has been hit by various external shocks since 2012. Some of these shocks have been cyclical in nature while others are structural. In addition, over the last three years, some of these shocks have been sequential in occurrence and timing while others, have been simultaneous. It is overwhelmingly clear that the combined outcome of these shocks has been inimical to sustained business growth and profitability across many sectors, the banking sector inclusive.

As observed in 2014, the operating variables that bore the brunt of stressed operating environment were the Operating Cost and Non Performing Loans (NPLs). Profit after taxation declined 68 per cent to GH¢66.1million in 2015 on account of flat revenue growth, operating cost growth of 15 percent relative to 2014 and a highly exceptional 333% increase in loan impairments charge to GH¢212.7million in compliance with International Financial Reporting Standards (IFRS) and the Bank's own internal risk guidelines. The NPL ratio therefore increased from 27 per cent in 2014 to 41 per cent in 2015. Accordingly, the Bank recorded a sharp decline in Return on Equity (ROE) to 12 per cent compared to the 5 year trend average of 39 per cent. Naturally we are very disappointed with this outcome as it is not the standard we hold ourselves up to.

The reality is that the drivers of the domestic economic growth started showing signs of strains towards the end of 2013. As a business, we started taking action as far back as 2014, when we shared our concerns with the market. Specifically, we announced our intention to put the brakes on asset growth until the return of more benign and predictable market conditions. Unfortunately the stressed market conditions only intensified over time culminating in a severe disruption to the working capital cycle across many sectors in Ghana's economy. An important clarification to make is that the deterioration in asset quality has been on the legacy loan book comprising facilities to mostly viable and operating entities which have since buckled temporarily under weight of an extended economic downturn in Ghana, post 2013. It is not attributable to a reckless asset growth spree on high yield targets. We have over the years remained conservative in our credit stance, our underwriting standards and portfolio management discipline.

Our 2015 performance hopefully also, highlights that beyond counterparty or credit risk, there are other equally important risk parameters that we have to manage and balance on a continuous basis to enable the Bank survive inevitable business cycles and shocks. That is a very important distinction for what Standard Chartered Bank stands for. I am referring to operational risk, market risk, liquidity risk and capital management which are integral to our overall risk management framework.

The assurance I want to give you is that the Bank's ability to survive the recent severe challenges demonstrates the robustness of the current operating model. It should be a great source of comfort to investors. While profits have been affected in the short term, I am confident of a strong rebound for the business as we have come out of a crisis, still well capitalised, liquid and able to pay dividend. 2015 was also a watershed for the Standard Chartered Group after a major leadership shake up at the group level and the announcement of a refreshed global strategy which prioritises returns and investment into key areas of the bank's operations. The strategy which is a response to a rapidly changing operating landscape for banks and the financial sector generally focuses on three core priorities to drive the medium term growth agenda. The core priorities going forward are to secure our foundations, get lean and focused and invest and innovate in order to reposition the bank's medium term growth and returns trajectory. The Group also announced its strong desire to build its Africa business into a regional financial powerhouse.

Securing the foundations

We will remain focused on ensuring that we generate attractive returns on capital. We have tightened our risk tolerance across board including operational risk, conduct risk, market risk and credit risk. We will achieve this objective by reducing risk concentrations on single-name exposures, upgrading low returning client relationships and increasing cross sell ratio to diversify concentration risk. We will be reshaping the Retail and Commercial Banking businesses with a focus on key cities and strengthened client proposition, branch optimisation and a reduction in low returning portfolios. Though 2015 was a difficult year, our balance sheet remains strong and we are well capitalised and in a good position to support growth in the short to medium term. Our balance sheet has been able to see us through a very tough period and our Capital Adequacy Ratio remains above 13 per cent after acounting for 2015 distributable reserves.

Getting lean and focused

In addition to securing our foundations we are looking to keeping a tight lid on cost while improving efficiency and investing to enhance controls and drive stronger returns in the future. We have embarked on significant cost-saving initiatives including optimising our branches and further investment in our digitization agenda. In line with the Group we have simplified our businesses in Retail and Corporate and Institutional Banking segments by aligning key products with their client segments. We will continue to restructure our client businesses and be more focused on where we can differentiate against local competition, delivering cost savings and driving greater efficiencies.

Invest and innovate

We will invest and innnovate in our three client segments; (Corporate and Institutional Banking, Commercial and Retail Banking) and Wealth Management to capture emerging opportunities as follows:

i. Building Returns in Corporate and Institutional Banking

Our Corporate and Institutional Banking segment which serves our Global Corporate clients and Financial Institutions accounts for 59 per cent of our revenue. The returns on this segment however have been impacted by loan impairments. We are working with our clients in providing restructuring solutions taking into consideration disruptions to their normal working capital cycles. We have further amended our portfolio standards in line with the current operating market conditions and we will continue to cautiously grow our assets as we build a sustainable business, while supporting our clients to navigate the challenges presented by the recent economic downturn. Our core Corporate and Institutional Banking business is profitable and will grow in a less severe external environment. Our clients value our services and differentiated product offerings that solve their problems and deliver efficiencies. We are executing our strategy, including re-prioritising our investments, de-risking certain portfolios and reallocating capital. The restructuring of the underlying business will position us well for future growth in a market with good medium term prospects.

ii. Overhauling Commercial Banking

The Commercial Banking business was established in January 2016 as a focused division of small and medium sized corporate clients whose needs are local – but can take advantage of the Group's strong international presence. The setting up of the commercial banking Business reinforced the Bank's commitment to deepen its support to the specialized needs of this segment which drives the growth of the local economy. We believe that with a consistent and client–focused approach, we will build a competitive business that leverages the best Standard Chartered has to serve this important client base. We continue to deploy innovative digital solutions for our clients in this segment. Our cutting edge electronic platforms also provide capabilities which allow clients to improve efficiency and convenience. The bank continues to be a leader in providing FX solutions for our clients covering a wide range of trading currencies primarily in US Dollar but increasing provided cover solutions for Renminbi in support of an active Ghana-China trade corridor.

iii. Transforming Retail Banking

Our Retail Banking transformation which was started in 2014 is well underway and has continued to make good progress in 2015. We have streamlined the business to make it more efficient and empowered our frontline to be more innovative in driving growth through deepening relationships with our clients. Our goal is to deliver value to our clients to help them succeed and grow at every stage of their journey. To help us achieve this, we revised our client segment strategies to re-affirm our client-led approach focusing on our three main client segments - Priority, Business and Personal. While we sharpened our focus on our clients, we also invested in service improvement initiatives and took deliberate steps to strengthen conduct among staff.

We have remained focused on our digital revolution and commitment to our digital agenda remains the key cornerstone to addressing client needs and providing exceptional client experience. We continue to invest in our online and mobile banking capabilities to bring convenience to our clients. Over the course of 2016, we will retain our ambition to continually grow the Retail Client base, deepen relationship with our clients and continue to make significant investment into digital. The purpose is to put more control in the hands of our customers. Digital will also help us improve our risk management and enhance both the customer and frontline experience.

Investing in Wealth Management

We have a great distribution platform for wealth products delivered through our priority clients. Our global footprint enables us to provide our clients access to growth opportunities across the world and provide 'Best in Class' investment solutions in the world's financial markets. We have real competitive advantage in these businesses and we will focus on upgrading our infrastructure to improve our digital offering and service quality. We are focused on offering our clients solutions at every stage along their life cycle through Insurance, Investment Services and Foreign Exchange services. Our strong Wealth Management platform, strong brand, deep understanding of the local market and our international expertise positions us very well to offer unparalleled value and innovation which enables our clients to manage their wealth optimally.

We have invested sigificant amounts in people and into our underlining conduct and compliance agenda

Establishing best-in-class control and conduct capabilities.

Financial Crime Risk Prevention and Management remains a high priority for the Bank as does Conduct and Compliance. Our commitment to improve our Conduct and controls is factored into every strategic and operational decision we make. The bar for engaging in ethical and sustainable business practices remains integral to our Culture.

Summary and outlook

The pass through effects of the on-going front loaded fiscal consolidation programme by the Government under the Enhanced Structural Adjustment Facility with the International Monetary Fund, the current commodity down cycle which has affected Ghana's export commodities (gold, oil and cocoa), the slowdown in business and investment activities because of the usual election year uncertainties means that economic recovery will remain fragile at best and muted at worst. The medium term outlook for economic growth remains strong nevertheless.

Although first quarter 2016 financial performance would be strong, our growth strategy remains a cautious one at this stage. We will pursue a dual strategy of recovery and restructuring as well as focus on delivering on our strategy through disciplined execution. We remain focused on executing our 2016 priorities by maintaining the right financial framework to carry us through business cycles in a sustainable manner. This means remaining well capitalized and liquid with a healthy balance sheet that generates attractive returns. Finally I would like to assure our shareholders that we are investing into the business with an eye firmly placed on the future. Our aim is to bring 21st century banking services and innovations to the market through multi channels. Our approach is designed to place shareholder return at the heart of our execution of various initiatives across the Bank.

J. Kweku Bedu-Addo
Chief Executive and Managing Director
11 February 2016


Standard Chartered
Here for generations
Here for good
You have spent a lifetime building wealth. Now you want future generations to understand the responsibilities that come with it. One bank is here for you.
sc.com/hereforgood

Our business
Who we are

Standard Chartered Bank Ghana is Ghana's premier bank with a 120 – year presence in the country. We bank the people and companies driving investment, trade and the creation of wealth in Ghana
Our brand promise, Here for good, is embedded in every decision we make, and is the cornerstone of our commitment to our clients, our stakeholders and our shareholders.

Our organisational structure

In October 2015, we announced a new management team in line with a new organisational structure. With the new structure, we have simplified and streamlined the business, reducing layers, driving efficiencies while maintaining a sharp focus on the highest standards of risk management, compliance and conduct.

Organisational structure as at 1 January 2016

- **J. Kweku Bedu-Addo** – Chief Executive Officer
  - **Sam Kwaku Peprah** – Business Planning Manager
  - **Client Businesses**
    - **Henry Baye** – Retail Banking
    - **Kwabena Boateng** – Commercial Banking
    - **Xorse Godzi *** – International Corporates & Financial Institutions
  - **Products**
    - **Mansa Nettey** – Financial Markets
    - **Kwame Asante** – Transaction Banking
    - **Setor Quashigah** – Wealth Management
  - **Functions**
    - **Rosie Ebe - Arthur** – Human Resources
    - **Joan Essel - Appiah** – Compliance
    - **Simon Burutu** – Risk
    - **Sheikh Jobe *** – Information Technology and Operation
    - **Asiedua Addae** – Corporate Affairs and Brand & Marketing
    - **Chief Financial Officer[1]** – To be announced
    - **Head of Legal[1]** – To be announced

1. Replacements for Chief Financial Officer and Head of Legal will be announced in due course.

* Subject to regulatory approval

For current Management Team biographies see pages 33 to 37

Our strategy and business model

Our aspirations

We are well capitalised and highly liquid with a well diversified balance sheet. We are confident that this has given us the solid foundation that will protect us through this period of volatility and economic headwinds.

Our new strategy announced by the Group in November 2015 and the initiatives we are continuing to drive will result in a leaner, more focused organisation.

Our core objectives

Our new strategy has three core objectives: to secure the foundations, get lean and focused and invest and innovate. Underpinning this new strategy, our objectives are to manage our risks, returns and capital to create real value for our clients and shareholders, to improve our efficiency through investment and careful cost management and to invest in capabilities to allow us to grow profitably and safely.

What we are doing

In order to deliver our new strategy and meet the three core objectives, we are following through a comprehensive programme of actions (see diagram below). A key element of our strategy is to continue to invest in our core strength to ensure we are taking advantage of the opportunities in this market. Our investments in our client businesses is outlined in the Chief Executive's review on page 10.

Our culture

Underpinning our approach to conducting our businesses and achieving our aspirations is our commitment to our brand promise Here for good. This is at the core of who we are and builds upon our rich heritage, culture and values.

Conducting our business to the highest ethical standards is central to our culture. Here for good alongside our values guides our decision and actions across all aspects of our business including the way we design and sell products, how we treat each other and how we respect and serve the communities in which we operate. Our core values are:

- **Courageous**: we stand up for what we believe and do the right thing
- **Responsive**: we can be relied on to respond quickly and deliver lasting value
- **International**: we value others and collectively collaborate
- **Creative**: we adapt and innovate to meet evolving needs
- **Trustworthy**: we act with integrity and earn the trust of others

Our culture and commitment to doing the right thing is not new, but we are determined to continue to strengthen both and to build on our progress in conduct, leadership and diversity and inclusion.

1 Secure the foundations

- Maintain capital adequacy ratio above prudential limits
- Business strategy aligned with tightened risk tolerance
- Risk-weighted assets to be managed efficiently
- Deliver our conduct and financial crime risk programmes

2 Get lean and focused

- Accelerate Retail Banking transformation
- Fundamentally overhaul Commercial Banking
- Assertively manage costs to create investment capacity

3 Invest and innovate

- Invest and innovate in Wealth Management
- Capture Opportunities in Renminbi internationalisation
- Roll out enhanced Retail digital capabilities

How we create value

Through our business model, we aim to create long-term value for a broad range of stakeholders

We have a sustainable approach to our business, which is reflected in our brand promise, Here for good

- **Focusing on Clients**
  Developing long-term relationships with clients.
- **Contributing to sustainable economic growth.**
  Ensuring that our core business of banking supports sustainable growth and job creation
- **Being a responsible company.**
  Managing our operations to deliver long-term value for our stakeholders
- **Investing in communities**
  Working with local communities to promote social and economic development

We add value for our clients by using our distinctive strengths

- **Strong brand**
  Ghana's premier bank with a 120-year presence in the country, clear strategic objectives and a strong focus on client satisfaction
- **International network**
  International expertise in providing banking services across Asia, Africa and the Middle East
- **Local connectivity**
  Supporting our clients by drawing on our deep knowledge of the local market.
- **Investment approach**
  Investing in our business and its systems to improve our services and drive long-term value for our clients
- **Our people**
  A diverse and inclusive workforce that is highly skilled and committed to the highest standards of conduct and integrity

Our business is structured to allow us to serve our clients better

- **Corporate and Institutional Banking**
  Allowing companies and financial institutions to operate and trade globally by serving them across multiple markets
- **Commercial Banking**
  Providing mid-sized companies with financial solutions and services that help them achieve their ambitions of expansion and growth
- **Retail Banking**
  Offering a full spectrum of banking support to our three client segments;
  – Priority
  – Personal
  – Business

Our business activity is founded on a robust Risk Management Framework

- We manage our risks to build a sustainable franchise, in the interest of all our stakeholders
- We only take risk within our risk tolerances and risk appetite, and where consistent with our approved strategy
- We manage our risk profile so as to maintain a low probability of an unexpected loss event that would materially undermine the confidence of our investors
- We seek to anticipate material future risks, learn lessons from events that have produced adverse outcomes and ensure awareness of known risks

We provide solutions that meet our clients' evolving needs

Through our activities we aim to generate income, profits and return on equity

We create long-term value for a broad range of stakeholders

- **Retail Products**
  Deposits, savings, personal loans and other retail banking products
- **Wealth Management**
  Investments, portfolio management, insurance and advice and planning services
- **Transaction Banking**
  Cash management, payments and collections, transactions, securities holdings and trade finance products
- **Corporate Finance**
  Financing, strategic advice, structured financing, commercial real estate and principal financing
- **Financial Markets**
  Investment, risk management and debt capital markets

- **Income**
  Net interest income, fee income and trading income
- **Profits**
  Income gained from providing our products and services minus expenses impairment and taxes
- **Return on equity**
  Profit generated relative to the equity invested

- **Shareholders**
  Aiming to deliver robust returns and long-term sustainable value for shareholders
- **Clients**
  Enabling individuals to grow and protect their wealth, and helping businesses to invest, trade, transact and expand
- **Regulators, government and industry bodies**
  Supporting governing bodies in their drive for monetary and fiscal improvement
- **Communities**
  Supporting growth and job creation, delivering financial innovation and having a low environmental impact
- **Employees**
  Providing learning and development opportunities and forming a collegial value–driven team

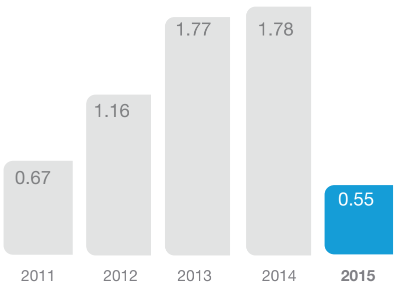
We execute our business to the highest standards of conduct

- We uphold our brand promise, Here for good, and our Code of Conduct, through the way we conduct our business
- Good conduct is the creation and execution of an appropriate business strategy aligned to our stated risk tolerances
- We are guided by both the letter and the spirit of laws and regulations
- Our success in living up to the highest standards of conduct is measured by our ability to achieve fair outcomes for clients, investors, and our reputation.

Our business
Key performance indicators

1 Deliver sustainable improvements in returns over time

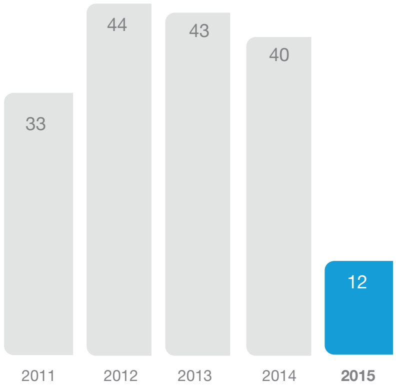
Earnings per share GH¢



Aim
To deliver sustainable earning per share (EPS) growth

Analysis
EPS declined sharply compared to previous five years reflecting a challenging macro-economic environment Actions are being taken to reposition the Bank and drive sustainably better returns over time.

Return on equity %

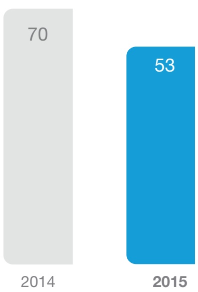


Aim
To deliver return on equity of equity of over 30 per cent in the medium term.

Analysis
Returns declined sharply compared to previous years, emanating from a challenging macro-economic environment. Actions are being taken to reposition the Bank and drive sustainably better returns over time.

2 Build trusted relationships with clients

Retail Clients' Net promoter score (NPS) %



Aim
To increase customer satisfaction with our products and services and to become the bank that clients recommend

Analysis
NPS score declined from previous year, which was a ripple effect of major restructing in Retail Banking .

Corporate & Institutional Clients' depth of client relationships.

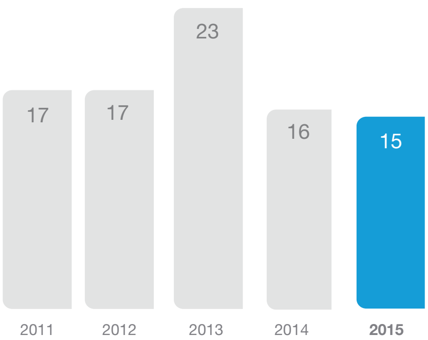
Average products per client

Aim
To leverage on our product capabilities and our network to increase the number of products per client

Analysis
Average number of products and average number of markets per client remained fairly stable.

3 Maintain a strong capital position to support the execution of our strategy

Capital adequacy ratio %



Aim
To maintain strong capital position to support the execution of the Bank's strategy

Analysis
In spite of a marginal decrease in the Bank's capital adequacy ratio resulting mainly from increase in non-performing loans, it remains reasonably above regulatory requirement (10 per cent plus 3 percent buffer)

Our business
People
Engaging our people through a period of change

Our highlights in 2015

- Simplified organisational structure to improve accountability and efficiency to drive profitable growth
- Raised the bar on conduct through a clear conduct agenda with a focus on the right behaviours
- Enhanced leadership and line manager capability to improve team engagement and performance through periods of change
- Built on our diversity and inclusion agenda to promote a more cohesive workplace and strengthen the employee value proposition
- Improved compliance and governance structures through revised risk management

The challenging macro-economic environment in 2015 coupled with the energy crises over the last few years had a direct impact on businesses which created a stretch in our performance last year. In line with the reorganisation that the Bank went through to reposition itself for profitable growth, it was important for us to equip our line managers with change management capabilities. This was to ensure that our people remained engaged, focused and committed through this period to deliver sustainable growth. A lot of focus was given to the conduct agenda to ensure that our behaviours were aligned to the expectation of the regulator and our stakeholders. Our managers were more determined than ever to engage authentically with their teams to provide them with clarity and reassurance as we navigated the changes that were necessary to deliver on our strategy. Our Here for good brand promise continues to be meaningful in the way we interact with our employees and it remains a key part of why our people join us and stay with us.

We closed 2015 with a workforce of 1046, representing a balanced gender mix made up of 51 per cent male and 49 percent female employees. We continue to harness the benefits of a diverse workforce and the Bank currently has a representation of 9 nationalities.

Standard Chartered Bank Ghana Limited is an equal opportunities employer, attracting people who have the passion to be successful and pursue a career in a vibrant business environment. Our drive to promote diversity and inclusion is particularly demonstrated at our country Executive Committee level with 42 per cent of the team being female.

Building employee engagement through change

Our employee engagement survey, My Voice Survey, was launched in 2014 and measures employee sentiment and qualitative feedback across a variety of areas including conduct, leadership and strategy. In 2014 our survey results demonstrated strongly that our people are committed to the Bank's strategy, with a strong alignment to the Code of Conduct, treating customers fairly. Due to the reorganisation last year, the 2015 survey was suspended to ensure that the change was effectively embedded. There were informal surveys through the year to help us gain an understanding of the issues that staff were facing and how they felt about the change. This enabled us deploy resources and tools to help our line managers with managing their teams through the change process.

The Leadership Fora held every year, continue to be one of the platforms that the bank uses to share with employees the changing business trends whilst creating opportunity for two way communication between management and employees. The fora are grade focused to allow employees to comfortably share their views and ideas with colleagues and management. Our employee relations strategy remains collaborative and positioned to promote employee well-being through good conduct and high performance. This stable business environment has been achieved through a well embedded Group Code of Conduct, Fair Accountability Principles and our Management Responsibilities Policy.

Embedding a culture of good conduct

Our culture is the key bedrock of how we deliver business and we will continue to invest considerably in this to align all our people to the highest ethical standards. Our leadership and managers are required to uphold this and take vigorous steps to ensure that they are individually responsible for their conduct and the conduct of their teams. This is ably understood through our policies and procedures and the quality of conversations we continue to hold in this area. Last year we refreshed our Code of Conduct and achieved a 100 per cent recommitment from employees that they understood the importance of conduct to the way we managed and delivered to our stakeholders. We have also embedded this in our performance and reward processes, and managers have to attest to the conduct of their teams during the performance reviews. Financial crime is a key aspect of conduct and towards the end of last year we launched a campaign to heighten awareness of this area so that our people can get a real understanding of the far reaching impact of financial crime on our societies. We will continue to focus on this area through 2016.

In pursuit of a fit for growth agenda, we successfully executed the Retail Banking reorganisation despite several bottlenecks that threatened completion of the exercise. The reorganisation resulted in significant cost saves for the bank and achieved the required operating rhythm in the Retail business. We will focus on clarifying and simplifying our processes and systems to adhere to the highest standards of conduct and ways of doing business.

"Our brand promise Here for good remains a key part of why our people join us and stay with us."

Investing in learning and development

Throughout 2015, we focused on building on the skills and capabilities of our people by creating opportunities for exposure to other markets within our Group to further unlock the potential of our high performing employees. Twenty five (25) employees took advantage of short term assignments and permanent international moves within the bank. We also ensured that high performing employees attended cross-border meetings and worked on projects with colleagues across countries in order to build stronger diverse teams and strengthen our leadership pipeline.

We engineered collaboration across functions and businesses through job rotations within Retail Banking and Information Technology and Operations resulting in twenty-seven (27) employees successfully completing their rotations. This had a huge impact on knowledge and speed to execution between business and function and we will continue to roll this out in 2016. The Relationship Managers (RM) Buddying Programme was also introduced to provide a structured coaching relationship between the more experienced RMs and the younger RMs to quickly bring them up the learning curve. Our first pilot was in Retail Banking and Commercial Banking and we have already seen the benefits of these relationships in creating a solution-driven mindset. The thirty-three (33) sales staff will continue on the program in 2016 and we will bring this experience to broader job families.

We launched a number of programs last year including the New Manager Programme which we piloted in Ghana with 12 line managers. Our aim is to bring this progamme to all new managers and also introduce the Mastery Program for more senior managers through 2016. We participated in SC Ready, our new induction program for mid level managers, which is to equip new employees with an understanding of our culture, leadership and risk management expectations.
Our people managers remain key to driving the engagement and retention of our employees. We held the first ever Line Manager Conference in October to bring our line managers together for a knowledge sharing workshop on how to manage their teams better and improve their capabilities.

"Our line manager conference brought together all our line managers for a knowledge sharing workshop."

Diversity and Inclusion

"In 2015, 100 per cent of employees committed or recommitted to our Code of Conduct."

Our commitment to Diversity and Inclusion (D&I) is to ensure that we get the best out of the broadest spectrum of people in order to sustain strong business performance and gain a competitive advantage. We believe that managing diversity through inclusion will enable us understand and serve all our stakeholders better and make us the preferred employer.

2015 marked ten years of D&I in Standard Chartered Bank globally. This journey has brought about the implementation of several initiatives over the years towards achieving a more inclusive environment. Last year we tapped into initiatives driven from the Group level to strengthen our existing D&I networks, for example, the Global Women's Network which brings together women from across the Bank's footprint to share ideas and build collaboration towards improving productivity. The Global Disability Network is also aimed at improving the Employee Value Proposition, especially with regard to persons with disability. We continued our partnership with the Ghana Federation of the Disabled, and Sightsavers Ghana and leveraged on this to deliver the career workshop for students with disability, which we have done for three (3) consecutive years. Through this, we have given employment opportunities to people with disability and we remain committed to engaging with stakeholders to offer more of such opportunities going forward.

Health, safety and wellness

Our commitment to providing a safe, secure and healthy working environment for our people and customers is part of our core values.

We do this through a comprehensive health and safety Management Framework which includes an annual health and Safety action plan, policy and standards compliance register, a training and communication plan and an online portal for accident and incident reporting.

Our staff including managers have a responsibility to take reasonable care of the health and safety of themselves and of others who may be affected by what they do.

Health and safety is closely linked with our Crisis Management Plan, and the protection of staff, customers and property are paramount during a crisis.

Our priorities in 2016

- Embedding our new organisational structure
- Supporting our people through change and building engagement
- Reinforcing a culture of performance and good conduct, from hiring processes and training and development, to recognising good performance
- Addressing feedback from My Voice Survey.

To create long-term value, we seek to address social and economic issues that affect the communities where we work and live. In 2015, we invested GH¢224,000 in our communities. We delivered programmes focused on health and education, working closely with local Non-governmental organizations (NGOs) and our employee volunteers.

Employee volunteering

We encourage our employees to share their skills to support the successful delivery of our programmes and to contribute to their communities. In this regard, every employee is entitled to three days of paid volunteering leave annually. To support the adoption of the United Nation's Sustainable Development Goals (SDGs) in 2015, we launched an internal campaign encouraging our employees to volunteer and support the SDG that matters most to them. In 2015, 61 per cent of employees volunteered, contributing to a total of 1,534 volunteering days.

Community programmes

Seeing is Believing (SiB)

The health of a community greatly impacts the quality of life for individuals and their ability to take up employment opportunities. Seeing is Believing (SiB) is our global programme to tackle avoidable blindness and visual impairment. In 2015, we raised GH¢25,515 through fundraising from employees only. From 2003 to 2015, we raised GH¢13.3 million from staff donations and bank matching. Working in partnership with local NGO's we have built four eye clinics and are currently supporting 35 district hospital eye units across the 10 regions of the country. These projects have delivered medical interventions, supported health education and improved access to eye-care for more than 5 million people nationwide.

Positive Living

Our Positive Living programme promotes awareness and understanding of HIV and AIDS in our communities and schools. In 2015, we updated our Positive Living training toolkits and also strengthened our internal HIV and AIDS procedure to ensure that employees across all of our branches are protected through non-discrimination and non-disclosure clauses. Through our partnership with the Ghana AIDS Commission, we were able to carry out outreach programmes which reached over 40,000 people in 2015. We gave out 50,000 male and female condoms and educational leaflets during our interactions with our local communities.

Financial Education

Financial Education provides the tools for financial security. Our financial education programmes use employee volunteering to empower youth with basic financial knowledge so they can make wise financial choices in future. Working with schools and communities, our financial education programme for youth reached more than 7000 young people in 2015.

Supporting education delivery with our school desk programme

In our bid to support education delivery in Ghana, we embarked on a plan to supply desks to schools in deprived communities. This initiative began in 2007 with the aim of delivering 11,600 dual desks to 116 schools nation-wide by the end of 2013. The plan was to ensure that each region of Ghana receives a minimum of 1,000 desks. The target was achieved and the Bank extended this commitment to 2015, giving out additional 2,000 desks. We believe this would greatly enhance the learning experience in the classroom for the children and make their journey through school an enjoyable one.

Standard Chartered Bank Limited in 2015

Executing our strategy with conviction and discipline

> "We remain well capitalised and are taking fundamental actions through our refreshed strategy approved by the board to return the business to sustained profitability"
>
> **Kweku Nimfah-Essuman**
> *Acting Chief Financial Officer*

2015 was a year of considerable challenges and changes. The substantial impairment loss booked for the year and disappointing underlying financial performance is a reflection of adverse external market conditions as well as the financial impact of planned management actions. Many of these actions have had an upfront negative impact on earnings, but they are the right steps to secure a sustained improvement in future earnings.

The key external factors that have adversely impacted the 2015 performance included severe macroeconomic headwinds experienced in Ghana since 2013 which has been exacerbated by currency volatility, commodity down cycle, a crippling energy crisis and a front loaded fiscal consolidated programme with IMF from the second quarter of 2015. These have equally impacted our clients and their businesses.

Though we have little control over external events, we are actively repositioning the Bank to increase resilience and reduce correlation to these factors. We are further strengthening and diversifying our balance sheet, tightening risk tolerances, reducing areas of cost and focusing on businesses where we can build stronger returns.

The main highlights of the financial performance are as follows;

- Operating income was GH¢531 million, up 2 per cent from previous year reflecting the adverse external economic impact as well as the strategic actions taken towards risk reduction and improving future returns.
- Operating expense was GH¢227 million, up 15 per cent compared to prior year largely on account of cost relating to staff salaries, redundancy, impact of the energy crisis and general inflationary price increases.
- Loan impairment charge increased by GH¢164 million to GH¢213 million largely on the back of payment difficulties posed to clients from the exacerbated macro economic disruptions.
- Capital adequacy ratio was computed at 15.35 per cent, above the statutory limit by 2.35 per cent (Statutory limit: 13 per cent).
- Customer loans and advances were down by 5 per cent, in line management's deliberate action to selectively grow quality assets.
- Customer deposits have grown 10 per cent as we continue to leverage on our superior technology platforms to provide world class cash management solutions to our clients.

Overall, the balance sheet remains highly liquid and well-capitalised to support growth in the short to medium term

Our highlights

- Maintained a strong and resilient balance sheet, posting a capital adequacy ratio of 15.3 per cent, above the statutory target of 13 per cent.
- Actively managed our balance sheet to retain high-quality deposits, price away low-quality deposits and optimise risk-weighted assets for better returns.
- Managed cost tightly
- Tightened our risk tolerance and took action to reduce risk concentrations

Against a backdrop of ongoing turbulence in the local and global economies, 2015 performance was below expectation as profit went down by 68% largely due to an unexpected increase in impairment charges.

Summary and outlook

The weak momentum in the business performance reflects continued challenging market conditions combined with the immediate impact of the actions we have taken to strengthen the position of the Bank. As we look forward, some constraints remain apparent in the economy, and therefore we will continue to actively manage our portfolios within our enhanced risk tolerances.

However the strategy we are following is right for the Bank. In these challenging conditions it is actually important that we protect our franchise from material damage.

We will intensify our focus on and commit to the basics of banking, balance sheet optimisation, cost efficiency and investing to enhance controls and drive stronger returns in the future when benign conditions return. The bank is well capitalised and we are expecting the headwinds to dissipate in the medium term where our business will be well positioned for a rebound.


Standard Chartered
Here for innovators
Here for good
You are creating runway successes. Seizing opportunities to realise your global aspirations. One bank is here for you.
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Corporate governance

Corporate information

Board of directors	Ishmael Yamson	(Chairman)
	J. Kweku Bedu-Addo	(Managing Director)
	Herbert Morrison	(Retiring on 4/5/2016)
	Felicia Gbesemete	
	Dr. Emmanuel Oteng Kumah	
	Mansa Nettey	
	Felix Addo	(Appointed on 6/8/2015)
	David Adepoju	(Appointed on 11/2/2016)
	Anil Dua	(Resigned on 30/9/2015)
	Dayo Omolokun	(Resigned on 13/10/2015)

Secretary

Angela Naa Sakua Okai
Standard Chartered Bank Building
John Evans Atta Mills High Street
P. O. Box 768
Accra

Auditors

Deloitte & Touché
Chartered Accountants
4 Liberation Road
P. O. Box GP 453
Accra

Solicitors

Bentsi-Enchill Letsa & Ankomah
1st Floor Teachers' Hall Complex
Education Loop (off Barnes Road)
Adabraka
P. O. Box GP 1632
Accra

Registrars

GCB Bank Limited
Share Registry Department
Thorpe Road,
John Evans Atta Mills High Street
P.O. Box 134
Accra

Registered Office

Standard Chartered Bank Building
John Evans Atta Mills High Street
P. O. Box 768
Accra

* Please refer to page 30 for profile of board of directors


Standard Chartered
Here for visionaries
Here for good
You know that reliable energy can change lives. By powering homes, businesses and ambition. Our five billion dollar commitment to develop clean energy in Africa is helping your vision become a reality for millions. One bank is here for you.
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Board of directors

Ishmael Yamson
Chairman

Appointed: Board Chairman in 2005.

Experience: Ishmael's career has spanned almost 4 decades and he is a well known corporate executive in Ghana. He is the first African to be appointed by Unilever as Chairman of a Unilever company offshore and served as Chief Executive Officer and Chairman for 18 years at Unilever Ghana and is currently the Non-Executive Chairman. Ishmael has held many private sector positions including President of the Ghana National Chamber of Commerce, Ghana Employers' Association and the Private Enterprise Foundation in Ghana. He was also a founding director of the Ghana Stock Exchange and founding member of the Centre for Policy Analysis.

He currently serves on the boards of MTN Ghana, Mantrac Ghana, Benso Oil Palm Plantation Ltd and Ghacem Ltd.

Ishmael is a prolific speaker and well known for his authoritative speeches on the economy of Ghana and global issues. He contributed to the ICC publication, "The New Europe in the New World Economy" at the ICC 33rd World Congress, Budapest 2000. He has spoken at several international conferences including the World Economic Forum in South Africa.

J. Kweku Bedu-Addo
Chief Executive Officer, Ghana & West Africa Cluster 2

Appointed: November 2015

Experience: Kweku's career has spanned Public Policy, International Development and Banking & Finance. He joined Standard Chartered Bank Ghana in 2000 and rose to become the first Ghanaian Chief Executive in 2010. In between, he held several senior roles within the Wholesale Bank in Ghana and West Africa (excluding Nigeria), Zambia and Singapore. He was a recipient of the prestigious Wholesale Bank Global Star Awards in 2007. His role has since November 2015 been expanded to Chief Executive Officer, West Africa Cluster 2 (Ghana, Sierra Leone and Gambia) and he is also on the Africa - Middle East Regional Management Team.

Kweku's affiliations include Advisory Board Chairman for the University of Ghana's Institute of Applied Sciences, Vice Chairman, Ghana Fixed Income Market Council, Member Global Investment Committee, Acumen Fund, New York, Member, Ghana Stock Exchange Council and Ghana Employers Association's Executive Committee.
He holds a Bachelor of Science degree in Agricultural Economics from the University of Ghana and a Masters degree in Economic Policy Management from Columbia University, New York.

Felicia Gbesemete
Independent Non-Executive Director

Appointed: May, 2009

Experience: Felicia is a lawyer and a founding Partner and Director of Lexconsult & Co. She has over 40 years of practice providing legal services to local and foreign corporate entities and individuals in addition to offering company secretarial services to many companies. Felicia has been a member of the Ghana Bar Association (GBA) since 1969 and has served on many GBA Committees. Significantly she was elected the first female Vice President of the Ghana Bar Association serving in that capacity from 2004 to 2007, during which period she was also a member of the General Legal Council. She has served as director on various boards and served as Chairperson of the Governing Board of the Ghana Broadcasting Corporation from May 2011 to May 2013, being the first woman to hold this sensitive position. Felicia is a member of the International Bar Association and currently serves on the Council of the Bible Society of Ghana. She is a Notary Public appointed in 1984.

Herbert Morrison

Independent Non-Executive Director

Appointed: May, 2009.

Experience: Herbert has a wealth of experience in Auditing, Accountancy, Taxation, Corporate Finance and Management Consultancy spanning over 30 years in very responsible positions, 24 years of which were with KPMG. He is currently a Managing Partner of Morrison and Associates, a firm of Chartered Accountants, Tax and Management Consultants which he set up in January 1998. He is the current President of the Canadian Chamber of Commerce now Canada-Ghana Chamber of Commerce.

Felix E. Addo

Independent Non-Executive Director

Appointed: August 2015

Experience: Felix E. Addo is the immediate past Country Senior Partner and a former member of the PwC Africa Governance Board. Felix has more than 30 years of practice and consulting experience in corporate finance and recovery, financial and forensic auditing, organisational restructuring and performance improvement in both developed and developing economies. Mr Addo has worked on a number of important projects including the privatisation of Ashanti Gold Fields Limited and GCB Bank Limited, and served as the transaction advisor to the Government of Ghana on the acquisition of VALCO.

Felix serves on various Boards and Committees: He was a member of the KOSMOS Advisory Council. The Ghana American Chamber of Commerce (Director), Ghana Association of Restruc-turing and In-solvency Advisors (President), AIESEC Ghana (Chairman) and a member of the Advisory Council of the University of Ghana, College of Education. He is presently the chairman of the Ghana National Petroleum Corporation (GNPC). Felix holds an MA (Professional Accounting) from Loyola College, Maryland (USA). Felix has professional memberships in the Institute of Chartered Accountants, Ghana; Institute of Chartered Accountants, Sierra Leone, and the American Institute of Certified Public Accountants, USA.

Mansa Nettey

Executive Director and Head Financial Markets

Appointed: November 2015

Experience: Mansa Nettey was appointed Head of Financial Markets in 2012, having previously held various positions in Corporate Banking and Financial Markets with responsibilities covering a number of West African countries.

With over 17 years of experience in the banking industry, Mansa has acquired extensive experience from working across geographies.

She was appointed as the first female Executive Director of Standard Chartered Bank Ghana Limited in 2013 and in 2015, was also appointed as a non-executive director on the board of Standard Chartered Bank Nigeria respectively

Mansa holds a Bachelor of Pharmacy Degree from the Kwame Nkrumah University of Science and Technology, Ghana and a Masters in Business Administration from Manchester Business School in the UK.

Dr. Emmanuel Oteng Kumah
Independent Non-Executive Director

Appointed: October, 2013.

Experience: He is an International Economic Consultant and Advisor and has served in various high profile roles in many organisations including the International Monetary Fund (IMF), where he served for 25 years as Division Chief, IMF Resident Representative in Djibouti and Deputy Division Chief at the Balance of Payments and External Debt Division.

David Adepoju
Non-Executive Director and Head of Financial Markets, Nigeria and West Africa.

Appointed: February 2016

Experience: He has over 15 years banking experience in Financial markets having worked in 14 different markets in Africa, the U.K. and the Middle East. He is specialised in asset and liability management, market risk and fixed income trading. He has a strong appreciation of Risk Management (with a focus on Market Risk), sustained revenue track record and active involvement in market development across multiple markets through partnership with respective regulators.

David is currently the President of the Financial Markets Dealers Association, Nigeria. He is a director, on the Board of Standard Chartered Capital Nigeria, a member of the Institute of Directors and an Honorary Senior Member of the Chartered Institute of Bankers of Nigeria.

Angela Naa Sakua Okai
Company Secretary

Appointed: April, 2014.

Experience: Angela is a lawyer with a wealth of experience in branch banking having served in many roles, including Branch Manager, within the Retail Segment of the Bank. She joined the Legal and Compliance department as a Compliance Officer in 2008, transitioning to the role of Legal Counsel for the Corporate and Institutional Clients Segment in 2010. In her role as Company Secretary, Angela is the first female to have held this position in the Bank's history in Ghana. In April 2015, Angela was appointed Regional Head for Subsidiary Governance, West Africa (excluding Nigeria), with responsibility for providing leadership and support to Cameroon, Cote D'Ivoire, Gambia and Sierra Leone to ensure that the Group's subsidiary governance standards are fully implemented. Angela is a member of the Ghana Bar Association and an alumni of the 2010 Fortune/US State Department Global Women's Mentoring Program.

Management Team

J. Kweku Bedu-Addo
Chief Executive Officer,
Ghana & West Africa Cluster 2

Appointed: November 2015

Experience: Kweku's career has spanned Public Policy, International Development and Banking & Finance. He joined Standard Chartered Bank Ghana in 2000 and rose to become the first Ghanaian Chief Executive in 2010. In between, he held several senior roles within the Wholesale Bank in Ghana and West Africa (excluding Nigeria), Zambia and Singapore. He was a recipient of the prestigious Wholesale Bank Global Star Awards in 2007. His role has since November 2015 been expanded to Chief Executive Officer, West Africa Cluster 2 (Ghana, Sierra Leone and Gambia), and he is also on the Africa - Middle East Regional Management Team.

Kweku's affiliations include Advisory Board Chairman for the University of Ghana's Institute of Applied Sciences, Vice Chairman, Ghana Fixed Income Market Council, Member Global Investment Committee, Acumen Fund, New York, Member, Ghana Stock Exchange Council and Ghana Employers Association's Executive Committee.

He holds a Bachelor of Science degree in Agricultural Economics from the University of Ghana and a Masters degree in Economic Policy Management from Columbia University, New York.

Mansa Nettey
Head, Financial Markets

Appointed: November 2015

Experience: Mansa Nettey was appointed Head of Financial Markets in 2012, having previously held various positions in Corporate Banking and Financial Markets with responsibilities covering a number of West African Countries.

With over 17 years of experience in the banking industry, Mansa has acquired extensive experience from working across geographies.

She was appointed first female Executive Director of Standard Chartered Bank Ghana Limited in 2013 and in 2015, was also appointed as a non-executive director on the board of Standard Chartered Bank Nigeria respectively

Mansa holds a Bachelor of Pharmacy Degree from the Kwame Nkrumah University of Science and Technology, Ghana and a Masters in Business Administration from Manchester Business School in the United Kingdom.

Henry Baye
Head, Retail Banking,
West Africa

Appointed: November 2015

Experience: Henry Baye was appointed as Head of Retail Banking West Africa in November 2015. Prior to this he was Head of Retail Clients for Ghana, Gambia and Sierra Leone. Henry has 19 years of banking experience. He commenced his banking career in Standard Chartered Bank in 1997. Henry has extensive experience across various roles including senior roles. During his first eleven years in Standard Chartered he served in various roles including Branch Manager, General Manager Unsecured Lending, General Manager Distribution and Wealth all in Ghana and then General Manager, Wealth Management, West Africa. He also worked for Barclays Bank Ghana Limited as Head of Distribution. He also served as Head of Consumer Banking and doubled as Head of Corporate Banking at the Universal Merchant Bank.

Kwabena Boateng
Head, Commercial Banking

Appointed: November 2015

Experience: Kwabena Boateng was appointed as Head Commercial Banking in November, 2015. Prior to this, he was Head, Local Corporate from 2013 to 2014. He was also the General Manager, SME between 2010 and 2012. He joined Standard Chartered as a Senior Relationship Manager in 2006.

Kwabena has vast experience in the industry especially SME and Local Corporate Banking. He made a significant impact on the bank's SME business by developing it to a major part of the SME franchise in Africa.

Prior to joining the bank, he was with The Trust Bank and Amalgamated Bank where he was a Senior Relationship Manager handling SMEs and Local Corporate.

Kwabena practised Civil Engineering for 6 years before joining the banking industry.

Xorse Godzi
Head, International Corporates & Financial Institutions

Appointed: November 2015

Experience: Xorse Godzi was appointed, Head, International Corporates and Financial Institutions in November 2015. Prior to this role Xorse was Regional Head, Commodity Traders and Agri-business, based in Johannesburg.

Xorse is in his fourteenth year with the Bank and has worked in various roles in a number of geographies. He has rich experience in client coverage having worked as Director, Global Corporates, London between 2006 and 2010. He was in charge of the Bank's coverage of commodity and agri-business clients in our footprints in Africa between 2013 and 2015 and was based in South Africa. He also previously held senior roles in Corporate and Institutional Clients business in Ghana. Xorse is tasked with developing and executing our country client strategy within Corporate and Institutional Banking to optimise revenue and adequate returns on capital employed.

Setor Quashigah
Head, Wealth Management

Appointed: March 2013

Experience: Appointed March 2013, Head Wealth Management, Ghana. April 2016, Executive Director, Wealth Management.

Setor joined Standard Chartered as a Management trainee. 18 years on she has a vast banking experience ranging from branch banking as a Sales Consultant, Customer Services manager and Branch Manager. Setor held other managerial roles as Head, Direct Banking, Head, Proximity and Remote banking, then General Manager, Preferred and Priority Banking. Setor built a team of high performing Relationship Managers, best in Class Trusted Advisors managing our Priority Clients segment. Setor has an excellent track record in Sales, Relationship and Portfolio Management.

Prior to joining Standard Chartered, Setor's career started in 1997 at Unilever Ghana Ltd.

Setor has an MBA from University of Leicester, UK. B.A from Kwame Nkrumah University of Science and Technology in Ghana.

Kwame Asante

Head Transaction Banking

Appointed: November 2015

Experience: Kwame Asante was appointed as Head of Transaction Banking, Ghana on 1st November 2015. He is responsible for leading the Transaction Banking product agenda for Corporate & Institutional and Commercial Banking in Ghana. Prior to this role, Kwame was the Regional Head of Transaction Banking Sales, Commercial Clients, Africa.

Kwame joined Standard Chartered Bank in 2006 and has held a variety of roles across Africa including, Interim Head of Corporate Sales, Transaction Banking, South Africa; Country Head of Transaction Banking, Botswana and Director, Transaction Banking Sales, Ghana.

Kwame is a graduate of Kwame Nkrumah University of Science and Technology in Ghana, and holds a postgraduate degree from the University of Leicester, UK.

Rosie Ebe-Arthur, FCIPD

Head, Human Resources, West Africa

Appointed: November 2015

Experience: Rosie Ebe-Arthur was appointed Head of HR, Ghana and West Africa on 1st November, 2015. She joined the Bank in August 2011 and has held various positions including Regional Employee Relations Head for Africa.

Rosie has over 25 years of experience in the global as well as Pan-African context, having worked across continents to execute on both business and HR strategies to drive profitable growth. Before Standard Chartered Bank, Rosie worked with Ecobank Transnational Inc. (ETI), where she was the HR Business Partner for the Domestic Bank business with oversight for over 30 countries. Prior to ETI, she was the Director for People Effectiveness at Ernst and Young, South Africa with a reach of 19 countries with responsibility for aligning Africa HR to EMEIA standards and practices.

Rosie is a Chartered Fellow of the Chartered Institute of Personnel Development, UK.

Simon Burutu

Country Chief Risk Officer (Ghana) and Senior Credit Officer (Ghana, Gambia and Sierra Leone)

Appointed: November 2015

Experience: Simon Burutu was appointed Country Chief Risk Officer (Ghana) and Senior Credit Officer (Ghana, Gambia and Sierra Leone) in 2015. Before the current role he was Chief Risk Officer (Ghana) and Senior Credit Officer (Ghana and West 4) from 2012 to 2014, Senior Credit Officer (East Africa-Kenya, Tanzania and Uganda) from 2009 to 2011, Senior Credit Officer (Zambia and Zimbabwe) from 2007 to 2008, Senior Credit Officer (Zimbabwe) from 2005 to 2006, Head of Credit from 2002 to 2004, Senior Manager (Agri Business) from 1999-2001 and Regional Account Relationship Manager from 1996 to 1998.

Simon has had a long and successful career at Standard Chartered spanning over 30 years and has held roles in both Wholesale and Consumer Banking.

Sheikh Jobe

Chief Information Officer, Ghana & West Africa

Appointed: November 2015

Experience: Sheikh Jobe was appointed Chief Information Officer, Ghana & West Africa in November 2015.

Sheikh has 22 years of banking experience at global, regional and country level across banking technology and operations, operational risk management, financial crime risk management, compliance, audit and branch banking. These include positions held as Global Head, Lending Operations and Technology based in Singapore between 2007 and 2012 and Africa Regional CIO based in Nigeria between 2014 and 2015.

Prior to joining Standard Chartered in 1994, Sheikh worked with National Audit Office of The Gambia.

Asiedua Addae

Head, Corporate Affairs and Brand and Marketing

Appointed: November 2015

Experience: Asiedua Addae was appointed Head, Corporate Affairs and Brand and Marketing in November 2015. She is responsible for promoting and protecting the Bank's reputation through Corporate Affairs and Brand and Marketing activities in Ghana. Asiedua joined Standard Chartered in 2012 and has held various positions in the Bank including Head, Business Marketing and Head, Brand and Marketing.

Asiedua has 15 years of experience working with a number of global brands across geographies. Prior to joining Standard Chartered, Asiedua worked with Unilever in Ghana and the United States. She also worked at L'Oreal Ghana. Asiedua has an MBA from Fordham University in New York.

Kweku Nimfah-Essuman

Ag. Chief Financial Officer

Appointed: N/A

Experience: Kweku has a strong finance, regulatory and audit background. He has been the bank's Financial Controller since June 2009. Prior to this, Kweku held various positions including Regulatory Reporting Manager and Financial Controls Manager. He was instrumental in the roll out of BASEL II and IFRS implementation in the financial services sector in Ghana.

Before joining the Bank in 2005, Kweku worked with the Banking Supervision Department of the Bank of Ghana for a period of eight (8) years as a Bank Examiner.

He is a Chartered Accountant by profession and holds an Executive MBA in Finance from the University of Ghana Business School, Ghana.

Joan Essel-Appiah

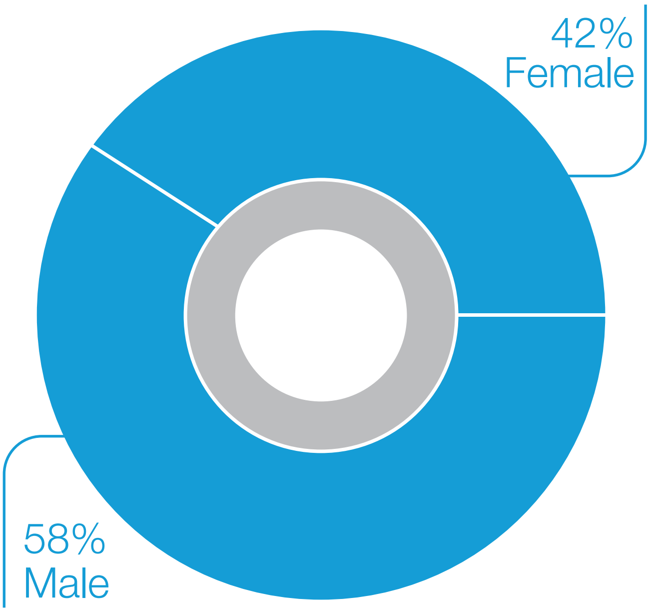
Head, Compliance, West Africa and Ag. Head of Legal, Ghana

Appointed: November 2015

Experience: Joan was appointed Head, Compliance West Africa in November 2015 and is responsible for leading and strengthening the Bank's compliance and regulatory framework across West Africa. She moved to this role after leading the Legal and Compliance team in West Africa excluding Nigeria from April 2014 till end October 2015. Prior to that Joan headed Compliance for Ghana and West Africa (excluding Nigeria) when she joined the Bank in May 2011.

Joan has 25 years extensive experience in legal both in the public and private sectors. She was Director, Legal in CAL Bank just before she joined Standard Chartered Bank. Before that she was Senior and then Principal Counsel at the Volta River Authority and also worked as Head of Legal in the Ghana National Fire Service.

Gender diversity on the management team



Financial statements and notes

Report of the directors

to the members of Standard Chartered Bank Ghana Limited

The Directors have the pleasure in submitting their report and the financial statements of the Bank for the year ended 31 December 2015.

On behalf of the Board, the Audit Committee has reviewed the annual report and accounts and the process by which the Bank believes that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the performance of the bank. Following its review, the Audit Committee has advised the Board that such a statement can be made in the annual reports and accounts.

Nature of business

The Bank is licensed to carry out universal banking business in Ghana. There was no change in the nature of the Bank's business during the year. The financial statements and the notes thereon as stated from page 43 thereon provide the business performance for 2015.

Directors and their interest

The Board and its Committees

The Board is accountable for the long term success of the Bank and it is responsible for ensuring leadership, approving the strategy, and that the Bank is suitably resourced to achieve its strategic aspirations into the future. In doing so, the Board considers its responsibilities to, and the impact of its decisions on its stakeholders including shareholders, employees, customers, suppliers, the environment and the communities the Bank operates in.

The Board also delegates certain responsibilities to its Committees to ensure its independent oversight. In addition, the Board also delegates authority for the operational management of the Bank to the Chief Executive Officer or further delegation by him in respect of matters which are necessary for the day to day running and management of the Bank.

The Board remains very diverse with a distinctive mixture of backgrounds, experience and skills with a mixture of executive and non-executive directors, risk and governance, shareholder and stakeholder relationships, strategy and budget, financial performance oversight, business development and people were some of the key activities the Board focused its time on in 2015 as it provided guidance to Management in steering the Bank through a turbulent period in the economy and in the banking industry.

The Board met regularly throughout the year. In addition to substantial strategy discussions held at each meeting, the Board held an off-site strategy session in December 2015 at which it had a systematic and comprehensive discussion around the strategy and direction of the Bank.

The Board appointed Mr. Felix Addo and Mr David Adepoju as non executive directors of the Bank on 6 August 2015 and 11 February 2016 respectively. Anil Dua and Dayo Omolokun stepped down from the Board on 30 September 2015 and 13 October 2015 respectively.

The Board, at the time of the approval of the Annual Report and Accounts on 11 February 2016, comprises 8 directors: 2 executive directors and 6 non-executive directors and the list is as stated below:

Mr. Ishmael Yamson (Chairman)

Mr. J. Kweku Bedu-Addo (Chief Executive Officer)

Dr. Emmanuel Oteng Kumah

Mrs. Mansa Nettey

Mrs. Felicia Gbesemete

Mr. Felix Addo

Mr. Herbert Morrison

Mr. David Adepoju

Board roles and key responsibilities

Chairman-

The Chairman is responsible for leading the Board and its overall effectiveness and governance, promoting high standards of integrity and ensuring effective communication between the Board, Management, shareholders and other stakeholders.

Managing Director/Chief Executive Officer (CEO):-

The MD/CEO is responsible for managing all aspects of the Bank's businesses, developing the strategy in conjunction with the businesses, the Chairman and the Board and leading its implementation.

Non-Executive Directors (NEDs)

NEDs provide an independent perspective, constructive challenge and monitor the performance and delivery of the strategy within the risk and controls set by the Board.

Board Committees

The Board has made a conscious decision to delegate a broader range of issues to the Board Committees, namely Audit and Risk. The linkages between the Committees and the Board are critical for the smooth running of the Bank.

The Board receives the minutes and updates of each Committee meetings throughout the reporting period.

The Bank has effective mechanisms in place to ensure that there are no gaps or unnecessary duplication between the remit of each Committee.

The Audit Committee oversees the management of financial and internal controls. The Committee's role is to review, on behalf of the Board, the Bank's internal controls; to identify, assess, manage and monitor financial risks. It is also responsible for oversight and advice to the Board on internal controls and matters relating to financial reporting. In discharging its responsibilities, the Committee acknowledges and embraces its role of protecting the interest of shareholders.

The Board Risk Committee maintains oversight accountability for credit, capital, market, liquidity, operational, cross border and pension risks. In discharging its responsibilities, the Committee monitors risk positions and seeks assurance on behalf of the Board around the Bank's Risk Management Framework which assigns accountability and responsibility for the management and control of risk.

Interaction with Management

On an annual basis, the Committee members meet individually with our statutory auditor, Deloitte, Chief Financial Officer, Head of Internal Audit, Head of Compliance and Chief Risk Officer. These meetings allow the Committee members to discuss freely matters relating to the auditor's remit and issues arising from the audit.

Directors' securities transactions

The Directors' beneficiary interest in the ordinary shares of the Bank as at 31 December 2015 are as shown per note 35 of the financial statement.

Directors' responsibility for the financial statements

The Bank's Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act, 1963 (Act 179), the Banking Act, 2004 (Act 673), as amended by the Banking (Amendment) Act, 2007 (Act 738) and Securities and Exchange Commission Regulations (L.I 1728); and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Going concern

The Bank's Management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, Management is not aware of any material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Parent company

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

Area of operation

The Bank comprises a network of 25 branches and head office as at the time of signing this account.

Subsidiary

The Bank maintains a special purpose legal entity, Standard Chartered Ghana Nominee Limited, to warehouse assets held in trust on behalf of custody clients in the conduct of its fiduciary activities. The assets and income due to such clients arising thereon are not the bonafide property of the Bank and therefore not consolidated with these financial statements.

Re-organisation of the Bank

In the beginning of the year, Standard Chartered PLC (The SCB Group) announced another wave of re-organisation programme. This resulted in a major overhaul of the Bank' strategic direction and priorities although the Bank was in the middle of implementing the earlier re-organization programme announced in 2014. The purpose of the current reorganisation programme is to ensure the attainment of a leaner and more profitable organisation emanating from the need to reduce complexity, speed up decision making, improve efficiency in order to lower cost and enhance shareholder value.

This process has led to the elimination of duplicated functions/roles, process reengineering and branch rationalisations. Closely related to the above Group changes was the adoption of a more aggressive provisioning policy which coincided with an economic downturn in Ghana, thereby resulting in a sharp upward swing in loan impairments during 2015.

The Board therefore reviewed and approved a refreshed strategy in December 2015 with measures aimed at securing and protecting the Bank from material downsides and to return the Bank swiftly to long term sustainable and profitable growth. Refer to note 13b and 13c for the financial impact of the reorganisation.

Auditor

The Board reviewed the appointment of the statutory auditor, its effectiveness and its relationship with the Bank, which includes monitoring the Bank's use of the auditors for non-audit services and the balance of audit.

The Board is of the view that, Deloitte should continue to be the statutory auditor of the Bank.

Statutory Reserve Fund

In accordance with Section 29(c) of the Banking Act, 2004 (Act 673), as amended by the Banking (Amendment) Act, 2007 (Act 738), a cumulative amount of GH¢183.5 million (2014: GH¢175.2 million) has been set aside in a Statutory Reserve Fund from the Retained Earnings (Income Surplus Account). The cumulative balance includes an amount set aside from the net profit for the year.

Dividend

Based on the Bank's performance, the Directors are recommending a dividend of GH 0.37 (2014: GH¢0.35) per share for ordinary shares amounting to GH¢ 42.74 million (2014: GH¢40.5 million.)

Approval of the Financial Statements

The Directors have taken all the necessary steps to make themselves and Deloitte aware of any information needed in performing the audit of the 2015 Annual Report and account and as far as each of the directors is aware, there is no relevant audit information of which Deloitte is unaware.

The financial statements of the Bank were approved by the Board of Directors and authorized for issue on 11 February 2016 and were signed on its behalf by:

J. Kweku Bedu - Addo	**Mansa Nettey**
Director	**Director**

Independent Auditor's report to the members of Standard Chartered Bank Ghana Limited

Report on the financial statements

We have audited the financial statements of Standard Chartered Bank Ghana Limited set out on pages 43 to 81, which comprise the statement of financial position as at 31 December 2015, and the statement of profit or loss, statement of other comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, and the notes comprising a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The Bank's Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act, 1963 (Act 179), and the Banking Act, 2004 (Act 673), as amended by the Banking (Amendment) Act, 2007 (Act 738); and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Standard Chartered Bank Ghana Limited as at 31 December 2015, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 1963 (Act 179), and the Banking Act, 2004 (Act 673), as amended by the Banking (Amendment) Act, 2007 (Act 738).

Report on other legal and Regulatory Requirements

The Ghana Companies Act, 1963 (Act 179) requires that in carrying out our audit work we consider and report on the following matters.

We confirm that:

i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit,

ii. In our opinion proper books of accounts have been kept by the Bank, so far as appears from our examination of those books, and

iii. The balance sheet (Statement of Financial Position) and Profit & Loss of the Bank are in agreement with the books of accounts.

The Banking Act 2004 (Act 673), section 78 (2), requires that we state certain matters in our report

We hereby state that:

i. The accounts give a true and fair view of the state of affairs of the Bank and its results for the period under review,

ii. We were able to obtain all the information and explanation required for the efficient performance of our duties as auditors,

iii. The Bank transactions are within their powers, and

iv. The Bank has generally complied with the provisions of Act 673 and the Banking (Amendment) Act of 2007.

Deloitte & Touche.

Deloitte & Touché

Licence Number: ICAG/F/2016/129

Chartered Accountants

Accra, Ghana

Felix Nana Sackey

Practicing Certificate No.: ICAG/P/1131

11th February, 2016

Statement of profit or loss

For the year ended 31 December 2015

	Notes	2015 GH¢'000	2014 GH¢'000
Interest income	8	**490,482**	422,136
Interest expense	9	**(116,730)**	(88,250)
Net interest income		**373,752**	333,886
Fees and commission income	10	**74,956**	72,966
Fees and commission expense	10	**(9,719)**	(6,285)
Net fee and commission income		**65,237**	66,681
Net trading income	11	**86,986**	107,396
Other income	12	**5,140**	13,772
Total non-interest income		**157,363**	187,849
Operating income		**531,115**	521,735
Operating expenses	13	**(227,272)**	(197,774)
Operating profit before impairment and taxation		**303,843**	323,961
Impairment charges on loans and advances	14	**(212,781)**	(49,121)
Profit before taxation		**91,062**	274,840
Income tax expense	16(i)	**(20,361)**	(52,827)
National fiscal stabilisation levy	16(ii)	**(4,553)**	(13,742)
Profit for the year		**66,148**	208,271
Basic earnings per share (Ghana Cedi per share)	36(ii)	**GH¢0.55**	GH¢1.78
Diluted earnings per share (Ghana cedi per share)	36(ii)	**GH¢0.55**	GH¢1.78

Statement of other comprehensive income
For the year ended 31 December 2015

	2015 GH¢'000	2014 GH¢'000
Profit for the year	**66,148**	208,271
Other comprehensive income:		
Items that may be reclassified subsequently to profit & loss:		
Net fair value gains on available for sale financial assets	**3,111**	(31,220)
Total comprehensive income for the year	**69,259**	177,051

The notes on pages 48 to 81 form an integral part of these financial statements.

Statement of financial position

At 31 December 2015

Assets	Notes	2015 GH¢'000	2014 GH¢'000
Cash and balances with Bank of Ghana	18	**725,360**	764,126
Short–term government securities	19(i)	**336,226**	455,559
Due from other banks and financial institutions	20	**282,586**	396,107
Loans and advances	21	**1,219,459**	1,278,362
Taxation	16(ii)	**27,910**	-
Medium -term investments in other securities	19(ii)	**583,231**	356,093
Equity investment	19(iii)	**1**	1
Other assets	22	**166,431**	226,166
Property, plant and equipment	23	**24,809**	25,270
Intangible assets	24	**3,435**	4,613
Total assets		**3,369,448**	3,506,297
Liabilities			
Customer deposits	26	**2,422,382**	2,198,585
Due to other banks and financial institutions	27	**141,290**	382,558
Provisions	30	**89,648**	65,811
Borrowings	31	**1,552**	113,104
Interest payable and other liabilities	29	**154,210**	195,785
Taxation	16(ii)	**-**	4,844
Deferred taxation	17	**5,266**	16,683
Total liabilities		**2,814,348**	2,977,370
Shareholders' funds			
Share capital	32(i)	**61,631**	61,631
Retained earnings	32(ii)	**152,061**	150,319
Statutory reserve fund	32(iii)	**183,480**	175,211
Credit risk reserve	32(iv)	**152,163**	137,934
Other reserves	32(v)	**5,765**	3,832
Total shareholders' funds		**555,100**	528,927
Total liabilities and shareholders' funds		**3,369,448**	3,506,297
Net Assets Value per Share (Ghana Cedi per share)	37(i)	**4.8**	4.6

These financial statements were approved by the Board of Directors on 11 February 2016 and signed on its behalf by:

J. Kweku Bedu -Addo

Director

Mansa Nettey

Director

The notes on pages 48 to 81 form an integral part of these financial statements.

Statement of changes in equity

For the year ended 31 December 2015

	Share Capital	Retained Earnings	Statutory Reserve	Credit Risk Reserve	Other Reserves	Shareholders Fund
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Balance at 1 January 2014	61,631	177,809	149,177	62,137	36,230	486,984
Profit for the year	-	208,271	-	-	-	208,271
Loss recognised directly in equity	-	-	-	-	(31,220)	(31,220)
Transfer to statutory reserve	-	(26,034)	26,034	-	-	-
Transfer to credit risk reserve	-	(75,797)	-	75,797	-	-
Transfer from other reserves	-	1,178	-	-	(1,178)	-
Dividends paid	-	(135,108)	-	-	-	(135,108)
As at 31 December 2014	**61,631**	**150,319**	**175,211**	**137,934**	**3,832**	**528,927**
Profit for the year	**-**	**66,148**	**-**	**-**	**-**	**66,148**
Gains recognised directly in equity	**-**	**-**	**-**	**-**	**3,111**	**3,111**
Transfer to statutory reserve	**-**	**(8,269)**	**8,269**	**-**	**-**	**-**
Transfer to credit risk reserve	**-**	**(14,229)**	**-**	**14,229**	**-**	**-**
Transfer from other reserves	**-**	**1,178**	**-**	**-**	**(1,178)**	**-**
Dividends paid	**-**	**(43,086)**	**-**	**-**	**-**	**(43,086)**
As at 31 December 2015	**61,631**	**152,061**	**183,480**	**152,163**	**5,765**	**555,100**

The notes on pages 48 to 81 form an integral part of these financial statements.

Statement of cash flows

For the year ended 31 December 2015

	Notes	2015 GH¢'000	2014 GH¢'000
Cash flows from operating activities			
Profit before tax		**91,062**	274,840
Adjustments for:			
Depreciation	23	**5,437**	5,300
Profit on disposal		**(5,140)**	(13,772)
Amortisation of intangible assets	24	**(1,178)**	(1,178)
Movement in property, plant and equipment		**(3,773)**	-
Impairment on financial assets	14	**212,781**	49,121
		301,545	316,667
Change in:			
Short term government securities		**122,444**	(35,258)
Medium term investment		**(227,139)**	200,604
Loans and advances		**(153,878)**	(197,239)
Other assets		**60,839**	(53,466)
Customer deposits		**223,796**	419,477
Amounts due to other banks		**(241,267)**	(23,637)
Interest payable, other liabilities		**(54,574)**	15,968
Provisions		**23,837**	18,037
Borrowings		**(111,552)**	42,999
Cash generated from operating activities		**(55,949)**	704,152
Income tax paid	16(ii)	**(56,086)**	(62,307)
Net cash (used in) / generated from operating activities		**(112,035)**	641,845
Cash flows from investing activities			
Proceeds from sale of property and equipment		**5,227**	13,819
Purchase of property and equipment	23	**(2,393)**	(7,330)
Net cash generated from investing activities		**2,834**	6,489
Cash flows from financing activities			
Dividend paid	28	**(43,086)**	(135,108)
Net cash used in financing activities		**(43,086)**	(135,108)
Net increase in cash and cash equivalents		**(152,287)**	513,226
Cash and cash equivalents at 1 January		**1,160,233**	647,007
Cash and cash equivalents at 31 December	39	**1,007,946**	1,160,233

Operational cash flows from interest

	2015 GH¢'000	2014 GH¢'000
Interest paid	**70,409**	67,721
Interest received	**453,779**	413,573

The notes on pages 48 to 81 form an integral part of these financial statements.

Notes to the financial statements

1. Reporting entity

Standard Chartered Bank Ghana Limited is a bank incorporated in Ghana. The address and registered office of the Bank can be found on page 28 of the annual report. The Bank operates with a Universal Banking license that allows it to undertake Banking and related activities. Its registered office is at Standard Chartered Bank Building situated on John Evans Atta Mills High Street, Accra.

Refer to page 45 for date of financial statements authorization.

2. Basis of preparation

a. Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations as issued by the International Accounting Standards Board (IASB).

b Basis of preparation

The financial statements are presented in Ghana cedis which is the Bank's functional and presentational currency. All values are rounded to the nearest thousand GH¢ except otherwise indicated. They are prepared on the historical cost basis except for the following assets and liabilities that are stated at their fair value: derivative financial instruments, financial instruments at fair value through profit or loss and financial instruments classified as available-for-sale.

c Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgement, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgement about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

d Fiduciary activities

The Bank commonly acts as trustees and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trustees and other institution. The assets and income arising thereon are excluded from this financial statement as they are not assets and income of the Bank.

All the investments made on behalf of third parties are done within the Bank's operating jurisdiction.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements by the Bank.

a. Revenue recognition

Interest income and expense on available-for-sale assets and financial assets and liabilities held at amortised cost, are recognized in the statement of profit or loss using the effective interest method.

Gains and losses arising from changes in the fair value of financial assets and liabilities held at fair value through profit or loss is included in the statement of profit or loss in the period in which they arise. Gains and losses arising from changes in the fair value of available-for-sale financial assets, other than foreign exchange gains and losses from monetary items, are recognised directly in equity, until the financial asset is derecognised or impaired at which time the cumulative gain or loss previously recognised in equity is recognised in the statement of profit or loss. Dividends are recognised in the statement of profit or loss when the Bank's right to receive payment is established.

b. Interest income and expense

Interest income and expense is recognised in statement of profit or loss using the effective interest method. The effective interest rate is the rate that discounts estimated future receipts or payments through the expected life of the financial instruments or, when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. The effective interest rate is established on initial recognition of the financial asset or liability and is not revised subsequently when calculating the effective interest rate; the Bank estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees received or paid between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts. Transactions costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability.

When a financial asset or a group of similar financial assets have been written down as a result of impairment, interest income is recognised using the original effective interest rate.

Interest income and expense on financial assets and liabilities held at fair value through profit or loss is recognised in the statement of profit or loss in the period they arise.

c. Fees and commissions

Fees and commission income and expenses that are an integral part of the effective interest rate on financial instruments are included in the measurement of the effective interest rate.

Other fees and commission income, including account servicing fees, investment management fees, sales commission, placement and arrangement fees and syndication fees are recognised as the related services are performed.

Other fees and commission expense relates mainly to transaction and service fees, which are expensed as the services are received.

d. Net trading income

Net trading income comprises other income including gains or losses arising on fair value changes in trading assets and liabilities, derecognised available for sale financial assets, and foreign exchange differences.

e. Foreign currency – reference rate

The transaction rates used are the average of the buying and selling of the underlying inter-bank foreign exchange rate as quoted by the Ghana Bankers Association. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the statement of profit or loss. On-monetary assets and liabilities are translated at historical exchange rates if held at historical cost or exchange rates at the date the fair value was determined if held at fair value, and the resulting foreign exchange gains and losses are recognised in the statement of profit or loss or shareholders' equity as appropriate.

f. Leases

(i) Where the Bank is the lessee

The leases entered into by the Bank are primarily operating leases. The

total payments made under operating leases are charged to the profit or loss on a straight-line basis over the period of the lease.

3. Significant accounting policies cont'd

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

Where the Bank is a lessee under finance leases, the leased assets are capitalized and included in property and equipment with a corresponding liability to the lessor recognized in other liabilities. Financing charges payable are recognized over the period of the lease based on the interest rate implicit in the lease to give a constant periodic rate of return.

(ii) Where the Bank is the lessor
When assets are leased to customers under finance leases, the present value of the lease payments is recognized as a receivable. The difference between the gross receivable and the present value of the receivable is recognized as unearned finance income. Lease income is recognised over the term of the lease using the net investment method (before tax), which reflects a constant periodic rate of return ignoring tax cash flows.

Assets leased to customers under operating leases are included within property plant and equipment and depreciated over their useful lives. Rental income on these leased assets is recognised in the profit or loss on a straight-line basis unless another systematic basis is more representative.

g. Financial assets and liabilities

(i) Date of recognition
All financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Bank becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

(ii) Categorisation of financial assets and liabilities
The Bank classifies its financial assets in the following categories: financial assets held at fair value through profit or loss; loans and receivables and available-for-sale financial assets. Financial liabilities are classified as either held at fair value through profit or loss, or at amortised cost. Management determines the categorisation of its financial assets and liabilities at initial recognition.

(iii) Financial assets and liabilities held at fair value through profit or loss
This category has two sub-categories: financial assets and liabilities held for trading and those designated at fair value through profit or loss at inception. A financial asset or liability is classified as trading if acquired principally for the purpose of selling in the short term.

Financial assets and liabilities may be designated at fair value through profit or loss when the designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities on a different basis, or a group of financial assets and/or liabilities is managed and its performance evaluated on a fair value basis.

(iv) Loans and advances
Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

(v) Available for sale financial assets
Available-for-sale assets are those non-derivative financial assets that are designated as available for sale or are not classified as financial assets at fair value through profit or loss, loans and receivable or held to maturity.

(vi) Financial liabilities measured at amortised cost
This relates to all other liabilities that are not designated at fair value through profit or loss.

(vii) Initial recognition
Purchases and sales of financial assets and liabilities held at fair value through profit or loss, available for sale financial assets and liabilities are recognised on trade- date (the date the Bank commits to purchase or sell the asset).Loans and receivables are recognised when cash is advanced to customers or borrowers.

Financial assets and liabilities are initially recognised at fair value plus directly attributable transaction cost except for those that are classified as fair value through profit or loss.

(viii) Subsequent measurement
Available for sale financial assets are subsequently measured at fair value with the resulting changes recognised in equity. The fair value changes on available for sale financial assets are recycled to the statement of profit or loss when the underlying asset is sold, matured or derecognised. Financial assets and liabilities classified as fair value through profit or loss are subsequently measured at fair value with the resulting changes recognised in income. Loans and receivables and other liabilities are subsequently carried at amortised cost using the effective interest method, less impairment loss.

(ix) Derecognition
Financial assets are derecognised when the right to receive cash flows from the financial assets has expired or where the Bank has transferred substantially all the risks and rewards of ownership. Any interest in the transferred financial assets that is created or retained by the Bank is recognised as a separate asset or liability.

Financial liabilities are derecognised when the contractual obligations are discharged, cancelled or expire.

(x) Fair value measurement
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Bank.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Bank measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation.

3. Significant accounting policies cont'd

This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

For complex instruments such as swaps, the Bank uses proprietary models, which are usually developed from recognised valuation models. Some or all of the inputs into these models may be derived from market prices or rates or are estimates based on assumptions.

The value produced by a model or other valuation technique may be adjusted to allow for a number of factors as appropriate, because valuation techniques cannot appropriately reflect all factors market participants take into account when entering into a transaction. Management believes that these valuation adjustments are necessary and appropriate to fairly state financial instruments carried at fair value on the statement of financial position statement of financial position.

Day 1 profit or loss

When the transaction price differs from the fair value of other observable current market transactions in the same instrument, or based on a valuation technique whose variables include only data from observable markets, the Bank immediately recognises the difference between the transaction price and fair value (a Day 1 profit or loss) in Net trading income. In cases where fair value is determined using data which is not observable, the difference between the transaction price and model value is only recognised in the profit or loss when the inputs become observable, or when the instrument is derecognised.

Reclassification of financial assets

For a financial asset reclassified out of the available-for-sale category, any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the Effective Interest Rate (EIR) Method.

Any difference between the new amortised cost and the expected cash flows is also amortised over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired, then the amount recorded in equity is recycled to the profit or loss profit or loss.

Reclassification is at the election of management, and is determined on an instrument by instrument basis.

(xi) Offsetting

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, and only when, the Bank has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions such as in the Bank's trading activity.

(xii) Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

(xiii) Identification and measurement of impairment

The Bank assesses at each statement of financial position date whether there is objective evidence that a financial asset or group of financial assets are impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after initial recognition of the asset (a "loss event"), and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Objective evidence that financial assets are impaired can include default or delinquency by a borrower, restructuring of a loan and other observable data that suggests adverse changes in the payment status of the borrower.

The Bank first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Bank determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised, are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on a loan and receivable has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred), discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the profit or loss. If a loan and receivable has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects cash flows from the realization of the collateral and other sources. For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (i.e. on the basis of the Bank's grading process which considers asset type, industry, geographical location, collateral type, past due status and other relevant factors).These characteristics are relevant to the estimation of future cash flows for group of such assets being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the Bank. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based, and to remove the effects of conditions in the historical period that do not exist currently.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the statement of profit or loss.

Impairment losses on available-for-sale financial assets are recognised by transferring the difference between the amortised acquisition cost and current fair value out of equity to the statement of profit or loss .When a subsequent event causes the impairment loss on an available for sale financial asset to decrease, the impairment loss is reversed through the statement of profit or loss .However, any subsequent recovery in the fair value of an impaired available for sale financial asset is recognised directly in equity.

(xiv) Repurchase and reverse repurchase agreements

Securities sold under agreements to repurchase at a specified future date are not derecognised from the statement of financial position as the Bank retains substantially all of the risks and rewards of ownership. The corresponding cash received is recognised in the statement of financial position as an asset with a corresponding obligation to return it, including accrued interest as a liability within Cash collateral on securities lent and repurchase agreements, reflecting the transaction's economic substance as a loan to the Bank. The difference between the sale and repurchase prices is treated as interest expense and is accrued over the life of agreement using the EIR.

When the counterparty has the right to sell or repledge the securities; the Bank reclassifies those securities in its statement of financial position to Financial assets held for trading pledged as collateral or to Financial investments available-for-sale pledged as collateral, as appropriate.

Conversely, securities purchased under agreements to resell at a specified future date are not recognised in the statement of financial position. The consideration paid, including accrued interest, is recorded in the statement of financial position, within cash collateral on securities borrowed and reverse repurchase agreements, reflecting the transaction's economic substance as a loan by the Bank. The difference between the purchase and resale prices is recorded in Net interest income and is accrued over the life of the agreement using the EIR.

If securities purchased under agreement to resell are subsequently sold to third parties, the obligation to return the securities is recorded as a short sale within Financial liabilities held for trading and measured at fair value with any gains or losses included in Net trading income.

h. Derivative financial instruments

Derivative contracts are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. Fair values may be obtained from quoted market prices in active markets, recent market transactions, and valuation techniques, including discounted cash flow models and option pricing models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. The fair value changes in the derivative are recognised in the profit or loss.

i. Cash and cash equivalents

For the purposes of the statement of cash flow, cash and cash equivalents comprise cash on hand, cash and balances with the Bank of Ghana and amounts due from banks and other financial institutions.

j. Investment securities

This comprises investments in short-term Government securities and medium term investments in Government and other securities such as treasury bills and bonds. Investment securities are categorized as available-for-sale or trading financial assets and carried in the statement of financial position at fair value.

k. Loans and advances

This is mainly made up of loans and advances to customers. Loans and advances are carried in the statement of financial position at amortised cost, i.e. gross receivable less impairment allowance.

l. Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, and any other costs directly attributable to bringing the asset to a working condition for its intended use purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property plant and equipment have different useful lives, they are accounted for as separate items (major components).

(ii) Subsequent costs

The cost of replacing part of an item of property or equipment is recognised in the carrying amount of the item if it is probable that future economic benefits embodied within the part will flow to the Bank and its cost can be measured reliably. The costs of the day-to-day servicing of property and equipment are recognised in the profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in the profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment. Leased assets are depreciated over their useful lives. Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

Buildings	-	50 years
Leasehold improvements	-	life of lease up to 50 years
IT equipment and vehicles	-	3 - 5 years
Fixtures and fittings	-	5 - 10 years

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

Gains and losses on disposal of property and equipment are determined by comparing proceeds from disposal with the carrying amounts of property and equipment and are recognised in the profit or loss as other income.

m. Intangible Assets

(i) Software

Software acquired by the Bank is stated at cost less accumulated amortisation and accumulated impairment losses. Subsequent expenditure on software is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation is recognised in the profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The estimated useful life of software is three to five years.

(ii) Other intangible assets

Other intangible assets that are acquired by the Bank and have finite useful lives are recognised at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenses excluding expenses on internally generated goodwill and brands is recognised in profit and loss as incurred.

Amortisation is based on the cost of the asset less its residual value.

Amortisation is recognised in profit and loss on a straight line basis over the lifespan of the asset. The estimated remaining useful life is three (3) years.

3. Significant accounting policies cont'd

n. Taxation
Current tax is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

o. Deferred taxation
Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at tax rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

p. Events after the reporting date
Events subsequent to the statement of financial position date are reflected in the financial statements only to the extent that they relate to the year under consideration and the effect is material.

q. Dividend
Dividend payable is recognised as a liability in the period in which they are declared.

r. Provisions
A provision is recognised if, as a result of a past event, the Bank has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Financial guarantees are initially recognised at their fair value, and the fair value is amortised over the life of the financial guarantee. The financial guarantees are subsequently carried at the higher of the amortised amount and the present value of any expected payment (when a payment under the guarantee has become probable).

s. Employee benefits
(i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit or loss when they are due.

(ii) Termination benefits
Termination benefits are recognised as an expense when the Bank is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognised if the Bank has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted and the number of acceptances can be estimated reliably.

(iii) Short-term benefits
Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Bank has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

t. Impairment on non-financial assets
The carrying amount of the Bank's non-financial assets other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessment of the time value of money and risks specific to the asset. Impairment losses are recognised in the profit or loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

u. Share capital
(i) Ordinary share capital

Ordinary shares are classified as equity.

(ii) Preference share capital

Preference share capital of the Bank is classified as equity. The preference shares are non-redeemable and redeemable only at the Bank's option, and any dividends are discretionary.

v. Earnings per share
The Bank presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank after adjustments for preference dividends by the weighted average number of ordinary shares outstanding during the period. The Bank has no convertible notes and share options, which could potentially dilute its EPS and therefore the Bank's Basic and diluted EPS are essentially the same.

Initial application of new amendments to the existing Standards effective for current financial period

The following new amendments to the existing standards issued by the International Accounting Standards Board are effective for current financial period:

- **Amendments to IAS 19 "Employee Benefits"** - Defined Benefit Plans: Employee Contributions (effective for annual periods beginning on or after 1 July 2014),,issued by IASB on 21 November 2013. The narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service as a negative cost.

3. Significant accounting policies cont'd

• **Amendments to various standards "Improvements to IFRSs (cycle 2010-2012)"** issued by IASB on 12 December 2013. Amendments to various standards and interpretations resulting from the annual improvement project of IFRS (IFRS 2, IFRS 3, IFRS 8, IAS 16, IAS 24 and IAS 38) primarily with a view to removing inconsistencies and clarifying wording. The revisions clarify the required accounting recognition in cases where free interpretation used to be permitted. The most important changes include new or revised requirements regarding: (i) definition of 'vesting condition'; (ii) accounting for contingent consideration in a business combination; (iii) aggregation of operating segments and reconciliation of the total of the reportable segments' assets to the entity's assets; (iv) proportionate restatement of accumulated depreciation/ amortisation application in revaluation method and (v) clarification on key management personnel. The amendments are to be applied for annual periods beginning on or after 1 July 2014.

• **Amendments to various standards "Improvements to IFRSs (cycle 2011-2013)"** issued by IASB on 12 December 2013. Amendments to various standards and interpretations resulting from the annual improvement project of IFRS (IFRS 3, IFRS 13 and IAS 40) primarily with a view to removing inconsistencies and clarifying wording. The revisions clarify the required accounting recognition in cases where free interpretation used to be permitted. The most important changes include new or revised requirements regarding: (i) scope of exception for joint ventures; (ii) scope of paragraph 52 if IFRS 13 (portfolio exception) and (iii) clarifying the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property. The amendments are to be applied for annual periods beginning on or after 1 July 2014).

The adoption of these amendments to the existing standards has not led to any material changes in the Entity's financial statements.

New Standards and amendments to existing standards in issue not yet adopted

At the date of authorisation of these financial statements the following new standards and amendments to existing standards were in issue, but not yet effective:

• **IFRS 9 "Financial Instruments"** (effective for annual periods beginning on or after 1 January 2018).

IFRS 9 "Financial Instruments" issued on 24 July 2014 is the IASB's replacement of IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes requirements for recognition and measurement, impairment, derecognition and general hedge accounting.

Classification and Measurement - IFRS 9 introduces new approach for the classification of financial assets, which is driven by cash flow characteristics and the business model in which an asset is held. This single, principle-based approach replaces existing rule-based requirements under IAS 39. The new model also results in a single impairment model being applied to all financial instruments.

Impairment - IFRS 9 has introduced a new, expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis.

Hedge accounting - IFRS 9 introduces a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity. The new model represents a significant overhaul of hedge accounting that aligns the accounting treatment with risk management activities.

Own credit - IFRS 9 removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognised in profit or loss.

• **IFRS 14 "Regulatory Deferral Accounts"** (effective for annual periods beginning on or after 1 January 2016).

IFRS 14 "Regulatory Deferral Accounts" issued by IASB on 30 January 2014. This Standard is intended to allow entities that are first-time adopters of IFRS, and that currently recognise regulatory deferral accounts in accordance with their previous GAAP, to continue to do so upon transition to IFRS.

• **IFRS 15 "Revenue from Contracts with Customers"** and further amendments (effective for annual periods beginning on or after 1 January 2018).

IFRS 15 "Revenue from Contracts with Customers" issued by IASB on 28 May 2014 (on 11 September 2015 IASB deferred effective date of IFRS 15 to 1 January 2018). IFRS 15 specifies how and when an IFRS reporter will recognise revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes IAS 18 "Revenue", IAS 11 "Construction Contracts" and a number of revenue-related interpretations. Application of the standard is mandatory for all IFRS reporters and it applies to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts. The core principle of the new Standard is for companies to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the company expects to be entitled in exchange for those goods or services. The new Standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.

• **Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures"** - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and further amendments (effective date was deferred indefinitely until the research project on the equity method has been concluded).

Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture issued by IASB on 11 September 2014 (on 17 December 2015 IASB deferred indefinitely effective date). The amendments address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business.

• **Amendments to IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosure of Interests in Other Entities" and IAS 28 "Investments in Associates and Joint Ventures"** - Investment Entities: Applying the Consolidation Exception (effective for annual periods beginning on or after 1 January 2016).

• **Amendments to IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosure of Interests in Other Entities" and IAS 28 "Investments in Associates and Joint Ventures" - Investment Entities: Applying the Consolidation Exception** issued by IASB on 18 December 2014. The narrow-scope amendments to IFRS 10, IFRS 12 and IAS 28 introduce clarifications to the requirements when accounting for investment entities. The amendments also provide relief in particular circumstances.

• **Amendments to IFRS 11 "Joint Arrangements"** – Accounting for Acquisitions of Interests in Joint Operations (effective for annual periods beginning on or after 1 January 2016).

3. Significant accounting policies cont'd

Amendments to IFRS 11 "Joint Arrangements" – Accounting for Acquisitions of Interests in Joint Operations issued by IASB on 6 May 2014. The amendments add new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments specify the appropriate accounting treatment for such acquisitions.

- **Amendments to IAS 1 "Presentation of Financial Statements"** - Disclosure Initiative (effective for annual periods beginning on or after 1 January 2016).

Amendments to IAS 1 "Presentation of Financial Statements" - Disclosure Initiative issued by IASB on 18 December 2014. The amendments to IAS 1 are designed to further encourage companies to apply professional judgement in determining what information to disclose in their financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. Furthermore, the amendments clarify that companies should use professional judgement in determining where and in what order information is presented in the financial disclosures.

- **Amendments to IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets"** - Clarification of Acceptable Methods of Depreciation and Amortisation (effective for annual periods beginning on or after 1 January 2016).

Amendments to IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets" - Clarification of Acceptable Methods of Depreciation and Amortisation issued by IASB on 12 May 2014. Amendments clarify that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. Amendments also clarify that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.

- **Amendments to IAS 16 "Property, Plant and Equipment" and IAS 41 "Agriculture"** - Agriculture: Bearer Plants (effective for annual periods beginning on or after 1 January 2016).

- **Amendments to IAS 16 "Property, Plant and Equipment" and IAS 41 "Agriculture" - Agriculture: Bearer Plants** issued by IASB on 30 June 2014. The amendments bring bearer plants, which are used solely to grow produce, into the scope of IAS 16 so that they are accounted for in the same way as property, plant and equipment.

- **Amendments to IAS 27 "Separate Financial Statements"** - Equity Method in Separate Financial Statements (effective for annual periods beginning on or after 1 January 2016).

- **Amendments to IAS 27 "Separate Financial Statements" - Equity Method in Separate Financial Statements** issued by IASB on 12 August 2014. The amendments reinstate the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements.

- **Amendments to various standards "Improvements to IFRSs (cycle 2012-2014)"** issued by IASB on 25 September 2014. Amendments to various standards and interpretations resulting from the annual improvement project of IFRS (IFRS 5, IFRS 7, IAS 19 and IAS 34) primarily with a view to removing inconsistencies and clarifying wording. The revisions clarify the required accounting recognition in cases where free interpretation used to be permitted. Changes include new or revised requirements regarding: (i) changes in methods of disposal; (ii) servicing contracts; (iii) applicability of the amendments to IFRS 7 to condensed interim financial statements; (iv) discount rate: regional market issue; (v) disclosure of information 'elsewhere in the interim financial report'. The amendments are to be applied for annual periods beginning on or after 1 January 2016.

The entity has elected not to adopt these new standards and amendments to existing standards in advance of their effective dates. [If the Entity elected to adopt some of the standards and interpretations in advance, the information under IAS 8.28 should be disclosed.] The Entity anticipates that the adoption of these standards and amendments to existing standards will have no material impact on the financial statements of the Entity in the period of initial application. [If the impact is significant, it should be disclosed; alternatively, the impact (or its absence) should be added to respective standard or interpretation]

4. Regulatory disclosures

(i) Non–Performing Loans Ratio

Percentage of gross non-performing loans ("substandard to loss") to total loans/advances portfolio (gross) BoG 43.4%, IFRS 41 % (2014: BoG 27%, IFRS 12%).

(ii) Capital Adequacy Ratio

The capital adequacy ratio was calculated at approximately 15.35% (2014: 15.67%).

(iii) Regulatory Breaches

A breach was recorded during the year resulting from a delay in the renewal of custodian license with the Securities & Exchange Commission (SEC) which led to an imposition of a fine of GH¢3,000. (2014: GH¢3,000 Delayed submission of application for renewal of custodian license to the Securities & Exchange Commission (SEC) and inaccurate submission to the Bank of Ghana leading to a GH¢54,000 penalty).

5. Contingencies and commitments

	2015	2014
	GH¢'000	GH¢'000
i) Contingent Liabilities		
*Pending Legal Suits	-	-

* There are a number of legal proceedings outstanding against the Bank as at 31 December 2015. Provisions have been recognised for those cases where the Bank is able to reliably estimate the probable loss. There are no contingent liabilities with respect to legal cases for the year (2014: Nil).

The comparative information, have been reclassified to achieve consistency with presentation of current year figures.

(ii) Commitments for capital expenditure

There was no commitment for capital expenditure at the statement of financial position date (2014: Nil)

(iii) Unsecured contingent liabilities and commitments

	2015	2014
	GH¢'000	GH¢'000
This relates to commitments for trade letters of credit and guarantees. (Net of margin deposits)	684,145	368,172

6. Social responsibility cost

An amount of **GH¢ 224,000** (2014: GH¢253,000) was spent under the Bank's social responsibility program.

7. Segmental reporting

The Bank was re-segmented during the year 2015 into three main business segments: Retail Banking, Commercial Banking, and Corporate Institutional Banking.

Retail Banking

Retail Banking business serves the banking needs of Personal, Priority and International and Business clients, offering a full suite of innovative products and services to meet their borrowing, wealth management and transacting needs.

A client-focused approach enables a deeper understanding of clients' evolving needs and provision of customised financial solutions

Commercial Banking

Commercial Banking focuses on helping mid-sized local companies grow, especially as they expand across borders. This group of clients is already a key contributor to trade and investment in our footprint markets today and presents a large and growing opportunity.

Corporate and Institutional Banking

Corporate and Institutional Banking focuses on driving origination by building core banking relationships with clients across the full range of their product needs. The SCB network is fundamental to our strategy, structured to provide clients with Global expertise delivered through local support.

Some of the Bank's corporate costs are managed centrally and standardised basis are used to allocate these costs to the business segments on a reasonable basis.

Interest income is reported net as management primarily relies on net interest revenue as a performance measure, not the gross income and expense.

No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Bank's total revenue in 2015.

No operating segments have been aggregated in arriving at the reportable segment of the Bank.

The executive management committee monitors operating results of its business units separately for the purpose of decision making about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss.

Transfer prices between operating segments are on arms length basis in a manner similar to transactions with third parties.

2015

Class of Business	Retail Banking GH¢'000	Commercial Banking GH¢'000	Corporate &Institutional Banking GH¢'000	Unallocated GH¢'000	Total GH¢'000
Net interest income	119,106	27,745	226,901	-	373,752
Non-interest income	51,120	16,516	84,587	5,140	157,363
Operating income	**170,226**	**44,261**	**311,488**	**5,140**	**531,115**
Operating Expenses	(110,471)	(17,840)	(98,961)	-	(227,272)
Operating profit before impairment losses and taxation	**59,755**	**26,421**	**212,527**	**5,140**	**303,843**
Impairment loss	(9,833)	(44,160)	(158,788)	-	(212,781)
Profit before tax	**49,922**	**(17,739)**	**53,739**	**5,140**	**91,062**
Total assets	302,967	281,448	1,837,147	947,886	3,369,448
Total liabilities	1,025,221	245,451	1,305,305	238,368	2,814,348

Segment revenue above represents revenue generated from external customers. There were no inter – segments sales in the current year (2014: nil)

The accounting policies of the reportable segments are the same as the Bank's accounting policies.

For the purpose of monitoring segment performance and allocating resources between segments:

- All assets are allocated to reportable segments other than other financial assets and current and deferred tax assets and
- All liabilities are allocated to reportable segments other than borrowing, other financial liabilities and current and deferred tax liabilities.

7. Segmental reporting cont'd

2014

Class of Business	Retail Banking GH¢'000	Commercial Banking GH¢'000	Corporate & Institutional Banking GH¢'000	Unallocated GH¢'000	Total GH¢'000
Net interest income	105,978	24,279	203,629	-	333,886
Non-interest income	39,295	20,631	114,151	13,772	187,849
Operating income	145,273	44,910	317,780	13,772	521,735
Operating expenses	(99,956)	(25,596)	(72,222)	-	(197,774)
Operating profit before impairment losses and taxation	45,317	19,314	245,558	13,772	323,961
Impairment loss	(8,787)	(4,473)	(35,861)	-	(49,121)
Profit before tax	36,530	14,841	209,697	13, 772	274,840
Total assets	339,331	259,252	1,901,000	1,006,714	3,506,297
Total liabilities	1,112,852	176,286	1,262,000	426,232	2,977,370

The following table details entity-wide net operating income by product:

	2015 GH¢'000	2014 GH¢'000
Personal Loans	**22,791**	22,820
High Value Small Business Clients	**34,153**	36,471
Consumer Transactional Banking& Wealth Management	**153,917**	125,938
Lending and Portfolio Management	**29,240**	41,253
Transaction Banking	**140,301**	150,980
FM Sales	**42,614**	55,013
Financial Markets (excluding Asset &Liability Management)	**15,400**	11,400
Asset & Liability Management (ALM)	**87,559**	64,088
Profit on disposal	**5,140**	13,772
	531,115	521,735

8. Interest income

i) Classification

	2015 GH¢'000	2014 GH¢'000
Placements, Special deposits	**18,410**	10,907
Investment securities	**230,023**	182,022
Loans and advances	**242,049**	229,207
	490,482	422,136

(ii) Categorisation

	2015 GH¢'000	2014 GH¢'000
Available for sale instruments	**230,023**	182,022
Loans and advances	**260,459**	240,115
	490,482	422,137

Included in interest income on loans and advances is a total amount of GH¢ Nil (2014: GH¢ Nil) accrued on impaired financial assets.

9. Interest expense

	2015 GH¢'000	2014 GH¢'000
Current accounts	9,887	14,454
Time and other deposits	59,337	45,991
Overnight and call accounts	34,569	14,178
Borrowings	12,937	13,627
	116,730	88,250

The total interest expense relate to those financial liabilities measured at amortised cost.

10. Fees and commissions income

	2015 GH¢'000	2014 GH¢'000
Customer account servicing fees	14,404	10,680
Letters of credit issued	5,471	10,039
Others (Note 10b)	55,081	52,247
	74,956	72,966

10 b. Others

Therein includes fees and commissions relating to interchange fees for debit cards, lending fees, remittances, commissions on trade finance, guarantees and all other fees on facilities provided.

10. Fees and commission expense

	2015 GH¢'000	2014 GH¢'000
Debit card interchange fee	7,444	2,950
Agency cost	2,275	3,335
	9,719	6,285

11. Net trading income

This comprises significantly income from exchange gains or losses, fair value gains or losses from financial instruments and transfer prices.

12. Other income

	2015 GH¢'000	2014 GH¢'000
Profit on disposal of fixed asset	5,140	13,772

13. Operating expenses

	2015 GH¢'000	2014 GH¢'000
Staff cost (Note 13b)	**145,422**	129,559
Advertising and marketing	**2,516**	3,206
Premises and equipment	**22,196**	19,622
Administrative	**40,167**	30,367
Training	**647**	844
Depreciation	**5,437**	5,300
Amortisation of intangible assets	**1,178**	1,178
Directors' emolument (Note 13a)	**4,417**	4,860
Auditors' remuneration	**360**	300
Donations and sponsorship	**224**	357
Others	**4,708**	2,181
	227,272	197,774

The comparative information, have been reclassified to achieve consistency with presentation of current year figures.

13a. Particulars of directors' emoluments

In line with section 128 of the Companies Code, 1963 (Act 179), the following are the aggregate of the directors' emoluments:

	2015 GH¢'000	2014 GH¢'000
Salaries, allowances and benefits in kind	**2,234**	2,120
Pension contributions	**276**	310
Bonuses paid or receivable	**1,887**	2,215
Share-based payments	**20**	215
	4,417	4,860

13b. Staff costs

	2015 GH¢'000	2014 GH¢'000
Wages, salaries, bonus and allowances	**91,972**	87,016
Social security costs	**8,516**	7,364
Pension and retirement benefits	**4,262**	4,061
Other staff costs	**19,824**	16,533
Redundancy costs (Note 13c)	**20,848**	14,585
	145,422	129,559

The average number of persons employed by the Bank during the year was 1,153 (2014: 1,096).

The comparative information, necessary have been reclassified to achieve consistency with presentation of current year figures. The reclassification is due to realignment of hubbing cost of 7 million.

13c. Redundancy cost

Following the approval of a redundancy and voluntary retirement program by the Board of Directors on the 9th of December 2014, organised union and workers representatives were duly engaged and informed in December 2014. The approved collective separation program would affect up to 95 employees of the Bank in Retail Client, Risk Management and Technology and Operations in the Head Office and three branches. Relevant regulatory authorities also been notified of the approved program and thus the Bank has recognised the cost of the plan based on the estimates approved. The redundancy program continued to 2015.

14. Impairment loss

	2015 GH¢'000	2014 GH¢'000
Individual impairment provision	215,646	43,074
Portfolio impairment provision	3,174	2,240
(Recovery)/Charge off	(6,039)	3,807
	212,781	49,121

15. Financial instruments classification summary

Financial instruments are classified along four recognition principles: held at fair value through profit or loss (comprising trading and designated), available-for-sale, held-to-maturity and loans and receivables. These categories of financial instruments have been combined for presentation on the face of the statement of financial position.

Deposits, amounts due to banks and borrowings

This is mainly made up of customer deposit accounts, overnight placements by Banks and other financial institutions and medium term borrowings. They are categorised as other financial liabilities and carried in the balance sheet at amortised cost.

Financial guarantees

Financial guarantees are contracts that require the Bank to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

15a. The Bank's classification of its principal financial assets and liabilities are summarised below:

Financial Assets	Notes	Held at fair value through profit or Loss (Trading) GH¢'000	Available for Sale GH¢'000	Loans & Receivables GH¢'000	Total Carrying GH¢'000	Fair Value GH¢'000
Cash and balances with Bank of Ghana	**18**	**-**	**-**	**725,360**	**725,360**	**725,360**
Government securities	**19**	**6,940**	**912,517**		**919,457**	**919,457**
Due from other banks and financial institutions	**20**	**-**	**-**	**282,586**	**282,586**	**282,586**
Loans and advances	**21**	**-**	**-**	**1,219,459**	**1,219,459**	**1,219,459**
Equity investment	**19**	**-**	**1**	**-**	**1**	**1**
Other assets	**22**	**-**	**-**	**166,431**	**166,431**	**166,431**
Total at 31 December 2015		**6,940**	**912,518**	**2,393,836**	**3,313,294**	**3,313,294**
Financial Assets						
Cash and balances with Bank of Ghana	18	-	-	764,126	764,126	764,126
Government securities	19	47,637	764,014	-	811,652	811,652
Due from other banks and financial institutions	20	-	-	396,107	396,107	396,107
Loans and advances	21	-	-	1,278,362	1,278,362	1,278,362
Equity investment	19	-	1	-	1	1
Other assets	22	-	-	226,166	226,166	226,166
Total at 31 December 2014		47,637	764,015	2,664,761	3,476,414	3,476,414

15. Financial instruments classification summary cont'd

Financial liabilities	Notes	Held at fair value through profit or Loss (Trading) GH¢'000	Financial Liabilities Measured at Amortised Cost	Total Carrying Amount	Fair Value
Customer deposits	**26**	**-**	**2,422,382**	**2,422,382**	**2,422,382**
Due to other banks and financial institutions	**27**	**-**	**153,777**	**153,777**	**153,777**
Other liabilities	**29**		**154,210**	**154,210**	**154,210**
Borrowings	**31**	**-**	**1,552**	**1,552**	**1,552**
Total at 31 December 2015			**2,731,921**	**2,731,921**	**2,731,921**

Financial Liabilities					
Customer deposits	26	-	2,198,585	2,198,585	2,198,585
Due to other banks and financial institutions	27	-	382,558	382,558	382,558
Other liabilities	29	-	195,785	195,785	195,785
Borrowings	31	-	113,104	113,104	113,104
Total at 31 December 2014			2,890,032	2,890,032	2,890,032

15b Fair value of financial instruments

Financial instruments recorded at fair value

The following is a description of how fair values are determined for financial instruments that are recorded at fair value using valuation techniques. These incorporate the Bank's estimate of assumptions that a market participant would make when valuing the instruments.

Derivatives

Derivative products valued using a valuation technique with market-observable inputs is mainly interest rate swaps and currency swaps contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves. The Bank does not have any over the counter derivative instruments.

Financial investments – available-for-sale

Available-for-sale financial assets valued using valuation techniques or pricing models primarily consist of unquoted equities and debt securities. These assets are valued using models that use both observable and unobservable data. The unobservable inputs to the models include assumptions regarding the future financial performance of the investee, its risk profile, and economic assumptions regarding the industry and geographical jurisdiction in which the investee operates.

Other trading assets

Other trading assets valued using a valuation technique consists of certain debt securities and asset–backed securities. The Bank values the securities using discounted cash flow valuation models which incorporate observable and unobservable data. Observable inputs include assumptions regarding current rates of interest and broker statements. Unobservable inputs include assumptions regarding expected future default rates, prepayment rates and market liquidity discounts.

Fair value hierarchy as defined under Note 3 ((x)) analysis with respect to Financial Assets and Financial Liabilities measured on a recurring basis.

The table below analyses financial instruments measured at fair value at the end of the reporting period by the level in fair value hierarchy, into which the fair value measurement is categorised.

15. Financial instruments classification summary cont'd

	Notes	Level 1 GH¢'000	Level 2 GH¢'000	Level 3 GH¢'000	Total GH¢'000
2015					
Government securities	19	-	919,457	-	919,457
Total at 31 December 2015		**-**	**919,457**	**-**	**919,457**
2014			811,652		811,652
Government securities	19	-		-	
Total at 31 December 2014		-	811,652	-	811,652

The level 2 financial assets securities have been valued using the discounted cashflow, discounted at the market rate of a similar instrument on the market.

The following table shows total gains and losses recognised in profit or loss during the year relating to assets and liabilities held at the yearend:

	2015 GH¢'000	2014 GH¢'000
Fair value amount recognised in profit and loss		
Financial assets:- Government securities	**1,465**	1,435
Financial liabilities:- Derivatives	**1,495**	(1,394)

There are no transfers between the fair value levels during the year.
Day 1 profit

When financial instruments were initially recognised, valuation techniques used for the fair valuing took into consideration all observable market data and hence there is no Day 1 profit or loss.

16. Taxation

(i) Income tax expense

	Notes	**2015 GH¢'000**	2014 GH¢'000
Current Tax	16(ii)	**18,779**	50,768
Deferred Tax	17	**1,582**	2,059
		20,361	52,827
National Fiscal Stabilisation Levy	16(ii)	**4,553**	13,742
		24,914	66,569

(ii) Taxation Payable

	Balance at 1/1/2015 GH¢'000	Payment during the year GH¢'000	Charge for the year GH¢'000	**Balance at 31/12/15 GH¢'000**
Income Tax	6,002	(46,466)	18,779	**(21,685)**
National Fiscal Stabilisation Levy	(1,158)	(9,620)	4,553	**(6,225)**
	4,844	(56,086)	23,332	**(27,910)**

16. Taxation cont'd

(iii) Reconciliation of Effective Tax Rate

Analysis of tax charge in the year:

The charge for taxation based upon the profit for the year comprises:

	2015 GH¢'000	2014 GH¢'000
Current tax on income for the year	**18,779**	50,768
Total current tax	**18,779**	50,768
Deferred tax Charged of temporary differences	**1,582**	2,059
Tax on profits on ordinary activities	**20,361**	52,827
Effective tax rate	**22.36%**	19.22%
The differences are explained below:		
Profit before tax	**91,062**	274,840
Tax at 25% (2014: 25%)	**22,765**	68,710
Non-deductible expenses	**15,968**	21,947
Capital allowances	**(5,851)**	(1,308)
Capital gains tax	**-**	2,053
Deferred tax	**1,582**	2,059
Other deductions	**(14,103)**	(39,706)
Tax rebates	**-**	(928)
Current tax charge	**20,361**	52,827

Tax liabilities up to 2012 have been agreed with the Ghana Revenue Authority. The 2015 liability is subject to agreement with the Ghana Revenue Authority.

National Fiscal Stabilisation Levy is a levy introduced by the Government as a charge on profit before tax effective July 2013. This is at the rate of 5% on the profit before tax.

17. Deferred taxation

	2015 GH¢'000	2014 GH¢'000
Balance at 1 January	**16,683**	15,734
Charge to profit and loss	**1,582**	2,059
Charge to equity	**(13,000)**	(1,110)
Balance at 31 December	**5,265**	16,683

17. Deferred taxation cont'd

(i) Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	2015			2014		
	Assets GH¢'000	**Liabilities GH¢'000**	**Net GH¢'000**	Assets GH¢'000	Liabilities GH¢'000	Net GH¢'000
Property and equipment	-	1,303	1,303	-	1,849	1,849
Impairment provision	-	3,575	3,575	-	18,949	18,949
Unrealised losses on trading investments	-	-	-	(3,854)	-	(3,854)
FX revaluation gain	-	-	-	-	-	
Available for sale assets	-	387	387	(261)	-	(261)
Net tax liabilities/(assets)	-	5,265	5,265	(4,115)	20,798	16,683

18. Cash and balances with Bank of Ghana

	2015 GH¢'000	2014 GH¢'000
Cash on hand	62,757	81,145
Bank of Ghana operating accounts	651,326	635,247
Bank of Ghana mandatory deposit (Vostro)	11,277	47,734
	725,360	764,126

19. Investments

(i) Short-Term Government Securities

	2015 GH¢'000	2014 GH¢'000
Treasury bills held for trading	6,940	47,458
Treasury bills available for sale	329,286	408,101
	336,226	455,559

(ii) Medium-term investment in other securities

	2015 GH¢'000	2014 GH¢'000
Debt Securities	583,231	356,093

These are fixed and floating Government of Ghana Bonds maturing between 2015 and 2017.The floating rate instruments are bench marked against the 91 day Treasury bill rate plus a markup.

(iii) Equity Investment

	2015 GH¢'000	2014 GH¢'000
Investment in subsidiary	1	1

Investment in subsidiaries represents the Bank's equity interest in Standard Chartered Ghana Nominees Limited, which is a wholly owned subsidiary specifically set-up to warehouse fiduciary assets under management.

(iv) Fiduciary Activities

The Bank commonly acts as trustee and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefits plans and other institutions. The assets under management are excluded from these financial statements as they are not assets of the Bank.

19. Investments cont'd

These instruments are held in trust on behalf of customers and are therefore not treated as assets of the Bank and accordingly have not been included in the financial statements.

	2015 GH¢'000	2014 GH¢'000
The total assets under the company's management which wholly relates to investments in Ghana is	**6,362,166**	7,341,128

20. Due from other banks and financial institutions

	2015 GH¢'000	2014 GH¢'000
Balances from financial entities within Ghana	**37,386**	36,678
Balances to financial entities outside Ghana- Group	**245,179**	358,893
Balances to financial entities outside Ghana- Non Group	**21**	536
	282,586	396,107

21. Loans and advances

i. Analysis by Type

The above constitutes loans and advances (including credit bills negotiated) to customers and staff.

	2015 GH¢'000	2014 GH¢'000
Overdrafts	**471,836**	339,962
Term loans	**1,050,505**	1,028,501
Gross loans and advances	**1,522,341**	1,368,463
Impairment allowance (Note 21(ii))	**(302,882)**	(90,101)
Net loans and advances	**1,219,459**	1,278,362

ii. Impairment allowance

	2015 GH¢'000	2014 GH¢'000
Individual impairment	**286,148**	76,541
Portfolio impairment	**16,734**	13,560
	302,882	90,101

iii. A reconciliation of the allowance for impairment losses for loans and advances is as follows:

	2015 GH¢'000	2014 GH¢'000
Individual impairment at 1 January	**76,541**	35,879
Provision charged in the year	**215,646**	43,074
(Recovery)/Previous provision written off	**(6,039)**	(2,412)
At 31 December	**286,148**	76,541

21. Loans and advances cont'd

Portfolio impairment

	2015 GH¢'000	2014 GH¢'000
Portfolio impairment at 1 January	**13,560**	11,320
Provision charged in the year	**3,174**	2,240
	16,734	13,560

iv Provision written off

	2015 GH¢'000	2014 GH¢'000
Gross loan written off	**-**	15,043
Interest in suspense	**-**	(12,631)
Individual impairment provision	**-**	(2,412)
	-	-

v. Key ratios on loans and advances

a. Loan loss provision ratio was 20% (2014: 7%).

b. Gross non-performing loan ratio with respect to Bank of Ghana Prudential Guidelines was 43.4% (2014:27%).

c. Gross non-performing loan ratio with respect to IFRS was 41 % (2014: 12%).

d. Ratio of fifty (50) largest exposures (gross funded and non-funded) to total exposures was 83% (2014: 37%).

e. Loan deposit ratio 50% (2014: 58%).

vi. Analysis by business segments

	2015 GH¢'000	2014 GH¢'000
Agriculture, forestry and fishing	**38,664**	4,629
Mining and quarrying	**-**	-
Manufacturing	**242,262**	215,896
Construction	**3,159**	-
Electricity, gas and water	**8,121**	10,202
Commerce and finance	**843,328**	718,217
Transport, storage and communication	**22,255**	16,162
Services	**14,269**	13,179
Miscellaneous	**73,381**	62,166
Individuals	**276,902**	328,012
Gross loans and advances	**1,522,341**	1,368,463
Impairment allowance	**(302,882)**	(90,101)
Net loans and advances	**1,219,459**	1,278,362

vii Analysis by type of customer

	2015 GH¢'000	2014 GH¢'000
Individuals	**276,902**	328,012
Private enterprises	**1,163,550**	961,268
Public institutions	**8,508**	17,017
Staff	**73,381**	62,166
Gross loans and advances	**1,522,341**	1,368,463
Impairment allowance	**(302,882)**	(90,101)
Net loans and advances	**1,219,459**	1,278,362

21. Loans and advances cont'd

viii Assets held as collateral

This comprises the following:

	2015 GH¢'000	2014 GH¢'000
Against impaired assets	**1,214,719**	599,323
Against past due but not impaired assets	**404,301**	103,676
Good assets	**995,230**	1,923,915
	2,614,250	2,626,914

ix Loan write-off

	2015 GH¢'000	2014 GH¢'000
Balance as at 1 January	**3,807**	-
Charge off of the year	**-**	3,807
Balance as at 31 December	**3,807**	3,807

22. Other assets

This comprises the following:

	2015 GH¢'000	2014 GH¢'000
Accounts receivable and prepayments	**20,727**	47,546
LC Acceptance (Note 29)	**74,964**	126,037
Accrued interest receivable	**69,236**	47,543
Impersonal accounts	**1,504**	5,040
	166,431	226,166

*Letters of Credit Acceptance - Acceptances and endorsements counter signed by the Bank is recognised on the Statement of financial position, with an equal amount recognised in assets representing the customer's obligation to repay amounts disbursed by the Bank.

23. Property, plant and equipment

	Land and Building GH¢'000	Furniture and Equipment GH¢'000	Computers GH¢'000	Motor Vehicle GH¢'000	Capital Work in Progress GH¢'000	Total GH¢'000
Gross value						
At 1 January 2015	26,703	11,482	6,938	426	-	45,549
Additions	211	1,201	981	-	-	2,393
Disposal	(407)	-	-	-	-	(407)
Transfers/Re-classification	628	(1,847)	(1,758)	(195)	2,620	(552)
At 31 December 2015	27,135	10,836	6,161	231	2,620	46,983
Depreciation						
At 1 January 2015	9,607	6,515	3,850	308	-	20,280
Changes for the year	2,085	2,015	1,265	72	-	5,437
Disposal	(321)	-	-	-	-	(321)
Transfers	628	(1,847)	(1,808)	(195)	-	(3,222)
At 31 December 2015	11,999	6,683	3,307	185	-	22,174
Net book value	**15,136**	**4,153**	**2,854**	**46**	**2,620**	**24,809**
Gross value						
At 1 January 2014	23,995	9,411	4,755	425	4,423	43,009
Additions	2,837	2,310	2,183	-	-	7,330
Disposal	(129)	-	-	-	-	(129)
Transfers/ Re-classification	-	(239)	-	1	(4,423)	(4,661)
At 31 December 2014	26,703	11,482	6,938	426	-	45,549

23. Property, plant and equipment cont'd

	Land and Building GH¢'000	Furniture and Equipment GH¢'000	Computers GH¢'000	Motor Vehicle GH¢'000	Capital Work in Progress GH¢'000	Total GH¢'000
Depreciation						
At 1 January 2015	7,665	4,588	2,573	236	-	15,062
Changes for the year	2,024	1,927	1,277	72	-	5,300
Disposal	(82)	-	-	-	-	(82)
At 31 December 2014	9,607	6,515	3,850	308	-	20,280
Net book value	17,096	4,967	3,088	119	-	25,270

Disposal schedule

	2015 GH¢'000	2014 GH¢'000
Gross sales proceeds	**5,500**	14,260
Cost of sale	**(273)**	(441)
Gain	**5,227**	13,819
Book cost of asset	**407**	129
Accumulated depreciation	**(320)**	(82)
Net book value	**87**	47
Profit on disposal	**5,140**	13,772

Operating leases in respect of Property and Equipment

Non-cancellable operating lease rentals are payable as follows:

	2015 GH¢'000	2014 GH¢'000
Less than one year	**2,523**	2,431
Between one and 5 years	**1,728**	1,399
	4,251	3,830

24. Intangible asset

Custody Business

At cost	2015 GH¢'000	2014 GH¢'000
Balance at 1 January	**4,613**	5,792
Amount written off	**(1,178)**	(1,178)
Carrying Amount	**3,435**	4,613

The intangible asset comprise of those assets recognised as part of the acquisition of the Custody Business from Barclays Bank Ghana Limited in 2010, with the approval from the Bank of Ghana. It is being written off over eight years. The amount therein is the carrying value for the respective years.

There is a reserve in place as directed by Bank of Ghana to cater for impairment.

25. Derivative financial instruments

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts. The notional amount, recorded gross, is the amount of a derivative's underlying asset, reference rate or index and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at the year end and are indicative of neither the market risk nor the credit risk.

25. Derivative financial instruments cont'd

Derivatives held for trading	Assets 2015	Liabilities 2015	Net Amount 2015	Notional Amount 2015	Assets 2014	Liabilities 2014	Net Amount 2014	Notional Amount 2014
Interest rate swaps	434	(434)	-	US$ 14,914	1,713	(1,713)	-	US$ 31,408
Currency swaps	11,379	(11,379)	-	GH¢ 9,900	22,385	(22,385)	-	GH¢23,100
Currency swaps	(10,128)	10,128	-	GH¢ 9,900	24,297	(24,297)	-	GH¢23,100
	1,685	(1,685)			48,395	(48,395)	-	

At their inception, derivatives often involve only a mutual exchange of promises with little or no transfer of consideration. However, these instruments frequently involve a high degree of leverage and are very volatile.

A relatively small movement in the value of the asset, rate or index underlying a derivative contract may have a significant impact on the profit or loss of the Bank.

Over–the–counter derivatives may expose the Bank to the risks associated with the absence of an exchange market on which to close out an open position.

The Bank's exposure under derivative contracts is closely monitored as part of the overall management of its market risk

Forwards and futures

Forward and futures contracts are contractual agreements to buy or sell a specified financial instrument at a specific price and date in the future. Forwards are customised contracts transacted in the over–the–counter market. Futures contracts are transacted in standardised amounts on regulated exchanges and are subject to daily cash margin requirements.

The main differences in the risks associated with forward and futures contracts are credit risk and liquidity risk. The Bank has credit exposure to the counterparties of forward contracts. The credit risk related to future contracts is considered minimal because the cash margin requirements of the exchange help ensure that these contracts are always honoured. Forward contracts are settled gross and are, therefore, considered to bear a higher liquidity risk than the futures contracts that are settled on a net basis. Both types of contracts result in market risk exposure.

Swaps

Swaps are contractual agreements between two parties to exchange streams of payments over time based on a specified notional amounts, in relation to movements in a specified underlying index such as an interest rate, foreign currency rate or equity index.

Interest rate swaps relate to contracts taken out by the Bank with other financial institutions in which the Bank either receives or pays a floating rate of interest, respectively, in return for paying or receiving a fixed rate of interest. The payment flows are usually netted against each other, with the difference being paid by one party to the other.

In a currency swap, the Bank pays a specified amount in one currency and receives a specified amount in another currency. Currency swaps are mostly gross–settled.

Derivative financial instruments held or issued for trading purposes

Most of the Bank's derivative trading activities relate to deals with customers that are normally offset by transactions with other counterparties. The Bank may also take positions with the expectation of profiting from favourable movements in prices, rates or indices.

26. Customer deposits and current accounts

Analysis by type and product:

	2015 GH¢'000	2014 GH¢'000
Current accounts	1,387,083	1,245,391
Time deposit	120,269	184,324
Savings deposit	525,716	482,818
Call deposit	389,314	286,052
	2,422,382	2,198,585

Analysis by type of depositors

	2015	2014
Individuals and other private enterprises	2,413,147	2,197,203
Public enterprises	9,235	1,382
	2,422,382	2,198,585

Ratio of twenty largest depositors to total deposit is 29.8% (2014: 32%).

27. Due to other banks and financial institutions

	2015 GH¢'000	2014 GH¢'000
Balances to financial entities within Ghana	40,077	80,077
Balances to financial entities outside Ghana- Group	101,213	302,481
	141,290	382,558

28. Dividend

	2015 GH¢'000	2014 GH¢'000
Ordinary dividend	40,427	132,863
Preference dividend	2,659	2,245
Payments during the year	43,086	135,108

The amount in the table above reflects the actual dividend per share declared and paid. Dividends are recorded in the period in which they are declared and after it has been approved by the shareholders. Accordingly the final dividend set out above relate to the respective prior years.

The Directors are recommending a dividend of GH¢0.37 per share for ordinary shares (2014: GH¢0.35 per share) amounting to GH¢ 42.74 million (2014: GH¢40.5 million) for 2015 financial year, payable in 2016. This amount has not been recognised as liabilities as it is yet to be declared.

29. Interest payable and other liabilities

	2015 GH¢'000	2014 GH¢'000
Accrued interest payable	4,651	7,481
Other creditors and accruals	74,595	62,267
LC acceptance (Note 24)	74,964	126,037
	154,210	195,785

30. Provisions

	Staff related GH¢'000	Others GH¢'000	Total GH¢'000
Balance at 1 January	31,689	34,122	65,811
Charged to Profit or loss	30,196	31,673	61,869
	61,885	65,795	127,680
Utilised during the year	(28,046)	(9,986)	(38,032)
Balance at 31 December	33,839	55,809	89,648

Staff related
This relates to provisions made for staff related obligations that exist at the year end.

Others
This comprises provisions made for various operational obligations during the year. These are expected to be utilised during 2016.

31. Borrowings

	2015 GH¢'000	2014 GH¢'000
Short-term loan	1,552	113,104

The short-term loan represents borrowing with related parties (2014: 91-day Treasury Bill rate).

32. Capital and reserves

(i) Share capital

(a). Ordinary shares Authorised	2015 No of Shares '000	Proceeds GH¢000	2014 No of Shares '000	Proceeds GH¢000
No. of ordinary shares of no par value	**250,000**		250,000	
Issued and fully paid				
Issued for cash consideration	**5,655**	**48,001**	5,655	48,001
Transferred from income surplus account	**109,852**	**4,540**	109,852	4,540
	115,507	**52,541**	115,507	52,541

(b) Preference Shares
Issued and fully paid

No. of preference shares	**17,486**	**9,090**	17,486	9,090
Total share capital		**61,631**		61,631

There is no share in treasury and no call or instalment unpaid on any share.

The preference shares are irredeemable and non-cumulative with respect to dividend payments.

(ii) Retained earnings (Income surplus account)

This represents the residual of cumulative annual profits that are available for distribution to shareholders.

(iii) Statutory reserve

This represents amounts set aside as a non-distributable reserve from annual profits in accordance with section 29 of the Banking Act, 2004 (Act 673) and guidelines from the Central Bank. A cumulative amount of 2015 GH¢183.5 million (2014: GH¢175.2 million) has been set aside in a Statutory Reserve Fund from the Retained Earnings (Income Surplus Account). The cumulative balance includes an amount set aside from the retained earnings during the year.

(iv) Credit risk reserve

	2015 GH¢'000	2014 GH¢'000
Bank of Ghana provision	**227,010**	124,918
IFRS provision	**(212,781)**	(49,121)
Transfer to credit risk reserve	**14,229**	75,797
Opening balance at 1 January	**137,934**	62,137
	152,163	137,934

This represents amounts set aside from the retained earnings account to meet the minimum requirements of statutory impairment allowance for non-performing loans and advances, separately from the requirement under the International Financial Reporting Standards.

(v) Other reserves

This comprises mainly of the available for sale fair value movements.

	2015 GH¢'000	2014 GH¢'000
Marked-to-market gains on available for sale securities (Net of Tax)	**2,330**	(781)
Amount relating to intangible assets	**3,435**	4,613
	5,765	3,832

33. Related party transactions

(i) Parent and ultimate controlling party

The Bank is a subsidiary of Standard Chartered Holdings (Africa) B.V and its ultimate parent company is Standard Chartered PLC.

(ii) Key management compensation

IAS 24 “Related party disclosures” requires the following information for key management compensation. Key management comprises members of the Executive Management, which includes all executive directors

	2015 GH¢'000	2014 GH¢'000
Salaries, allowances and benefits in kind	**6,134**	5,292
Pension contributions	**1,227**	1,007
Bonuses paid or receivable	**3,012**	1,789
Share based payments	**417**	215
	10,790	8,303

33. Related party transactions cont'd

iii) Transactions with Directors, Officers and other Employees

The following are loan balances due from related parties:

	2015 GH¢'000	2014 GH¢'000
Directors	**302**	393
Officers and other Employees	**73,079**	61,773
	73,381	62,166

Interest rates charged on balances outstanding from related parties are lower than the Bank's base rate which is in compliance with Bank of Ghana notice number BG/GOV/SEC/2012/02.This is due to the risk inherent in these products. Mortgages and secured loans granted are secured over property of the respective borrowers. Other balances are not secured and no guarantees have been obtained.

No impairment losses have been recorded against balances outstanding during the period from directors, officers and employees, and no specific allowance has been made for impairment losses on balances due from these persons at the period end.

(iv). Associated Companies

	2015 GH¢'000	2014 GH¢'000
Nostro account balances	**46,298**	6,458
Due from group entities	**198,881**	352,435
	245,179	358,893

Amounts due to associated companies at the balance sheet date were as follows:

	2015 GH¢'000	2014 GH¢'000
Short-term borrowing	**31**	7,269
Vostro account balances	**4,570**	2,833
Due to group entities	**101,213**	302,481
	105,814	312,583

All transactions with related parties were carried out at arm's length.

(v). Management and Technical Services Fees

The Bank has two (2) agreements with the SCB Group under the Technology Transfer Regulation (LI 1547) which have been approved by GIPC to expire by 31 January 2016.

(vi). Share based Payments

Included in staff cost is an amount of GH¢1,477,309 (2014: GH¢2,431,545) payable to the Holding company in respect of value of equity settled share based payments allocated to employees of the Bank on a group arrangement basis.

(vii). Financial Guarantee

Financial guarantees of SCB Ghana that have been counter guaranteed (Back To Back) by other SCB offices for the period are GH¢450,089,644 (2014: GH¢203,563,717)

34. Financial risk management

(i) Introduction and Overview

Standard Chartered has a defined risk appetite, approved by the Board, which is an expression of the amount of risk we are prepared to take and plays a central role in the development of our strategic plans and policies. Our overall risk appetite has not changed. We regularly assess our aggregate risk profile, conduct stress tests and monitor concentrations to ensure that we are operating within our approved risk appetite.

We review and adjust our underwriting standards and limits in response to observed and anticipated changes within our environment and the evolving expectations of our stakeholders. In 2015, we maintained our cautious stance overall whilst continuing to support our core clients.

The management of risk lies at the heart of Standard Chartered's business. One of the main risks we incur arises from extending credit to customers through our trading and lending operations. Beyond credit risk, we are also exposed to a range of other risk types such as country cross-border, market, liquidity, operational, pension, reputational and other risks that are inherent to our strategy and product range

Risk Management Framework

Ultimate responsibility for setting our risk appetite and for the effective management of risk rests with the Board. Acting within an authority delegated by the Board, the Board Risk Committee (BRC), whose membership is comprised exclusively of non-executive directors of the Board, has responsibility for oversight and review of prudential risks including but not limited to credit, market, and liquidity, operational and reputational. It reviews the country's overall risk appetite and makes recommendations thereon to the Board.

Its responsibilities also include reviewing the appropriateness and effectiveness of the country's risk management systems and controls, considering the implications of material regulatory change proposals, ensuring effective due diligence on monitoring the activities of the Country Risk Committee (RiskCO) and Asset and Liability Committee (ALCO).

The BRC receives quarterly reports on risk management, including portfolio trends, policies and standards, liquidity and capital adequacy, and is authorised to investigate or seek any information relating to an activity within its terms of reference.

The Risk Committee (RiskCo) is responsible for the management of all risks other than ALCO and the Pensions Executive Committee (PEC). RiskCo is responsible for the establishment of and compliance with, policies relating to credit risk, market risk, operational risk, and reputational risk. The RiskCo also defines our overall risk management framework. RiskCO oversees committee such as Country Operational Risk Committee, Group Special Asset Management, Early Alert (SME, CIC and CC), and Credit Approval Committee.

ALCO is responsible for the management of capital and the establishment of, and compliance with, policies relating to statement of financial position management, including management of liquidity, capital adequacy and structural foreign exchange and interest rate risk.

The PEC is responsible for the management of pension risk.

The committee governance structure ensures that risk-taking authority and risk management policies are cascaded down through to the appropriate functional, divisional and country-level committees. Information regarding material risk issues and compliance with policies and standards is communicated to the functional committees and country-level sub-committees.

Roles and responsibilities for risk management are defined under a Three Lines of Defence model. Each line of defence describes a specific set of responsibilities for risk management and control.

The first line of defence is that all employees are required to ensure the effective management of risks within the scope of their direct organisational responsibilities. Business and function governance heads are accountable for risk management in their respective businesses and functions.

The second line of defence comprises the Risk Control Owners, supported by their respective control functions. Risk Control Owners are responsible for ensuring that the risks within the scope of their responsibilities remain within appetite. The scope of a Risk Control Owner's responsibilities is defined by a given Risk Type and the risk management processes that relate to that Risk Type. These responsibilities cut across and are not constrained by functional and business boundaries.

The third line of defence is the independent assurance provided by the Country's Internal Audit function. Its role is defined and overseen by the Audit Committee. The findings from the country audits are reported to management and governance bodies – accountable line managers, relevant oversight function or committee and committees of the Board. The country's internal audit provides independent assurance of the effectiveness of management's control of its own business activities (the first line) and of the processes maintained by the Risk Control Functions (the second line). As a result, Internal Audit provides assurance that the overall system of control effectiveness is working as required within the Risk Management Framework.

- **Credit Risk**

Credit risk is the potential for loss due to the failure of counterparty to meet its obligations to pay the bank in accordance with agreed terms. Credit exposures may arise from both the banking and trading books. Credit risk is managed through a framework that sets out policies and procedures covering the measurement and management of credit risk. There is a clear segregation of duties between transaction originators in the businesses and approvers in the Risk function. All credit exposure limits are approved within a defined credit approval authority framework.

- **Credit monitoring**

We regularly monitor credit exposures, portfolio performance, and external trends that may impact risk management outcomes. Internal risk management reports are presented to risk committees, containing information on key environmental, political and economic trends across major portfolios; portfolio delinquency and loan impairment performance; and Internal Risk Based (IRB) portfolio metrics including credit grade migration.

- **Credit mitigation**

Potential credit losses from any given account, customer or portfolio are mitigated using a range of tools such as collateral, netting agreements, credit insurance, and other guarantees. The reliance that can be placed on these mitigants is carefully assessed in light of issues such as legal certainty and enforceability, market valuation correlation and counterparty risk of the guarantor. Risk mitigation policies determine the eligibility of collateral types.

- **Traded products**

Credit risk from traded products is managed within the overall credit risk appetite for corporates and financial institutions. The credit risk exposure from traded products is derived from the positive mark-to-market value of the underlying instruments, and an additional component to cater for potential market movements.

Problem credit management and provisioning

Corporate & Institutional Banking

A non-performing loan is any loan that is more than 90 days past due or is otherwise individually impaired (which represents those loans against which individual impairment provisions have been raised) and excludes:

- Loans renegotiated before 90 days past due and on which no default in interest payments or loss of principal is expected
- Loans renegotiated at or after 90 days past due, but on which there has been no default in interest or principal payments for more than 180 days since renegotiation, and against which no loss of principal is expected

The loan loss provisions are established to recognize incurred impairment losses either on specific loan assets or within a portfolio of loans and receivables. Individually impaired loans are those loans against which individual impairment provisions have been raised.

Estimating the amount and timing of future recoveries involves significant judgment, and considers the level of arrears as well as the assessment of matters such as future economic conditions, court processes and the value of collateral, for which there may not be a readily accessible market.

The total amount of the Bank's impairment allowances is inherently uncertain being sensitive to changes in economic and credit conditions. It is possible that actual events over the next year differ from the assumptions built into the model resulting in material adjustments to the carrying amount of loans and advances

Impairment losses identified in our books are prepared in tandem with GAAP principles/Bank of Ghana regulations which was until very recently replaced by IAS provisioning used in this report. Any difference which is the outcome of using the two principles above is reported in our statement of financial position under Credit Risk Reserve.

Retail Banking

In Retail Banking, where there are large numbers of small value loans, a primary indicator of potential impairment is delinquency. A loan is considered delinquent (past due) when the counterparty has failed to make a principal or interest payment when contractually due. However, not all delinquent loans (particularly those in the early stage of delinquency) will be impaired. For delinquency reporting purposes we follow industry standards, measuring delinquency as of 1, 30, 60, 90, 120 and 150 days past due. Accounts that are overdue by more than 30 days are more closely monitored and subject to specific collections processes.

Provisioning within Retail Banking reflects the fact that the product portfolios consist of a large number of comparatively small exposures.

For the main unsecured products and loans secured, the entire outstanding amount is generally written off at 150 days past due. Unsecured consumer finance loans are written off at 90 days past due. For secured loans individual impairment provisions (IIPs) are generally raised at either 150 days (Mortgages) or 90 days (Wealth Management) past due.

The provisions are based on the estimated present values of future cash flows, in particular those resulting from the realisation of security. Following such realisation any remaining loan will be written off. The days past due used to trigger write-offs and IIPs are broadly driven by past experience, which shows that once an account reaches the relevant number of days past due, the probability of recovery (other than by realising

security where appropriate) is low. For all products there are certain situations where the individual impairment provisioning or write-off process is accelerated, such as in cases involving bankruptcy, customer fraud and death. Write-off and IIPs are accelerated for all restructured accounts to 90 days past due (unsecured and automobile finance) and 120 days past due (secured) respectively.

Individually impaired loans for Retail Businesses will therefore not equate to those reported as non-performing, because non-performing loans include all those over 90 days past due. This difference reflects the fact that, while experience shows that an element of delinquent loans is impaired it is not possible to identify which individual loans the impairment relates to until the delinquency is sufficiently prolonged that loss is almost certain, which, in the bank's experience, is generally around 150 days in Retail Businesses. Up to that point the inherent impairment is captured in portfolio impairment provision (PIP).

The PIP methodology provides for accounts for which an individual impairment provision has not been raised, either individually or collectively. PIP is raised on a portfolio basis for all products, and is set using expected loss rates, based on past experience supplemented by an assessment of specific factors affecting the relevant portfolio. These include an assessment of the impact of economic conditions, regulatory changes and portfolio characteristics such as delinquency trends and early alert trends. The methodology applies a larger provision against accounts that are delinquent but not yet considered impaired.

Set out below is an analysis of various credit exposures.

34. Financial risk management cont'd

Analysis by credit grade of loans and advances

Loans and receivables

	2015 GH¢'000	2014 GH¢'000
Impaired loans		
Individually impaired	**622,099**	169,326
Allowance for impairment	**(286,148)**	(76,541)
Impaired loans, net of individual provisions	**335,951**	92,785
Loans past due but not impaired		
Past due up to 30 days	**1,660**	37,187
Past due 31-60 days	**3,247**	6,347
Past due 61-90 days	**-**	3,613
Past due 91-120 days	**10,781**	-
Past due 121-150 days	**-**	-
Past due more than 150 days	**-**	-
	15,688	47,147
Loans neither past due nor impaired		
Credit grading 1-12 or equivalent	**884,556**	1,151,990
Less: Portfolio impairment provision	**(16,736)**	(13,560)
	883,508	1,185,577
Total net loans	**1,219,459**	1,278,362

Analysis of credit concentration risk

The concentration of loans and advances by business segment and customer types are disclosed in Note 21(iv) and 21(v) respectively. Investment securities are held largely in Government instruments.

Maximum credit exposure

At 31 December 2015, the maximum credit risk exposure of the Bank in the event of other parties failing to perform their obligations is detailed below. No account has been taken of any collateral held and the maximum exposure to loss is considered to be the instruments' statement of financial position carrying amount or, for non-derivative off-statement of financial position transactions, their contractual nominal amounts.

	2015 GH¢'000	2014 GH¢'000
Placements with other banks	**37,407**	37,214
Loans and advances	**1,219,459**	1,278,362
Unsecured contingent liabilities and commitments	**684,145**	368,172
	1,941,011	1,683,748

The Bank holds collateral against loans and advances to customers in the form of mortgage interests over property, other registered securities over assets, and guarantees. Estimates of fair value are based on the value of collateral assessed at the time of borrowing, and generally are not updated except when a loan is individually assessed as impaired.

An estimate of the fair value of collateral and other security enhancements held against financial assets is shown below:

Loans and receivables

	2015 GH¢'000	2014 GH¢'000
Against impaired assets	**1,214,719**	599,323
Against past due but not impaired assets	**404,301**	103,676
	1,619,020	702,999

Commitments and guarantees

To meet the financial needs of customers, the Bank enters into various irrevocable commitments and contingent liabilities. Even though these obligations may not be recognised on the statement of financial position, they do contain credit risk and are, therefore, part of the overall risk of the Bank.

34. Financial risk management cont'd

The table below shows the Bank's maximum credit risk exposure for commitments and guarantees.

The maximum exposure to credit risk relating to a financial guarantee is the maximum amount the Bank could have to pay if the guarantee is called upon. The maximum exposure to credit risk relating to a loan commitment is the full amount of the commitment. In both cases, the maximum risk exposure is significantly greater than the amount recognised as a liability in the statement of financial position.

	2015 GH¢'000	2014 GH¢'000
Guarantees	**645,505**	280,123
Letters of credit	**95,731**	109,733
	741,236	389,856
Margins against contingents	**(57,091)**	(21,684)
	684,145	368,172

(ii) Liquidity Risk

The Bank defines liquidity risk as the risk that the Bank will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

It is the policy of the Bank to maintain adequate liquidity at all times, and for all currencies. Hence the Bank aims to be in a position to meet all obligations, to repay depositors, to fulfill commitments to lend and to meet any other commitments.

Liquidity risk management is governed by the Bank's Asset and Liability Management Committee (ALCO), which is chaired by the Chief Executive Officer. ALCO is responsible for both statutory and prudential liquidity. These responsibilities include the provision of authorities, policies and procedures.

ALCO has primary responsibility for compliance with regulations and Bank policy and maintaining a liquidity crisis contingency plan.

A substantial portion of the Bank's assets are funded by customer deposits made up of current and savings accounts and other deposits. These customer deposits, which are widely diversified by type and maturity, represent a stable source of funds. Lending is normally funded by liabilities in the same currency.

The Bank also maintains significant levels of marketable securities either for compliance with local statutory requirements or as prudential investments of surplus funds.

ALCO oversees the structural foreign exchange and interest rate exposures that arise within the Bank. These responsibilities are managed through the provision of authorities, policies and procedures that are co-ordinated by ALCO. Compliance with Bank ratios is also monitored by ALCO.

Refer to Note 21(v) for key ratios of the bank.

An analysis of various maturities of the Bank's assets and liabilities is provided below.

Maturities of assets and liabilities

Assets	**0-3 months GH¢'000**	**3-6 months GH¢'000**	**6-12 months GH¢'000**	**over 1 year GH¢'000**	**2015 GH¢'000**	2014 GH¢'000
Cash and balances with Bank of Ghana	725,360	-	-	-	**725,360**	764,126
Short-term government securities	332,418	3,762	43	3	**336,226**	455,559
Due from other banks and financial institutions	282,586	-	-	-	**282,586**	396,107
Loans and advances	269,059	224,744	192,285	533,371	**1,219,459**	1,278,362
Equity investment	-	-	-	1	**1**	1
Taxation	-	-	-	27,910	**27,910**	-
Other assets	166,431	-	-	-	**166,431**	226,166
Government bonds medium term securities	62,253	10,916	11,216	498,846	**583,231**	356,093
Property, and equipment	-	-	-	-	**24,809**	25,270
Intangible assets	-	-	-	-	**3,435**	4,613
	1,838,107	239,422	203,544	1,060,131	**3,369,448**	3,506,297

34. Financial risk management cont'd

Maturities of assets and liabilities (cont'd)

Liabilities	0-3 months GH¢'000	3-6 months GH¢'000	6-12 months GH¢'000	over 1 year GH¢'000	2015 GH¢'000	2014 GH¢'000
Customer deposits	2,364,811	57,451	120	-	**2,422,382**	2,198,585
Due to other banks and financial institutions	65,402	-		75,888	**141,290**	382,558
Interest payables and other liabilities	-	-	154,210	-	**154,210**	195,785
Taxation	-	-	-	-	**-**	4,844
Deferred tax	-	-	5,266	-	**5,266**	16,683
Borrowings	-	-	1,552	-	**1,552**	113,104
Provisions	-	89,648	-	-	**89,648**	65,811
Total liabilities	2,430,213	147,099	161,148	75,888	**2,814,348**	2,977,370
Net liquidity gap						
Total assets	1,838,107	239,442	203,544	1,060,131	**3,369,448**	3,506,297
Total liabilities	2,430,213	147,099	161,148	75,888	**2,814,348**	2,977,370
Net liquidity gap	(592,106)	92,343	42,396	984,243	**555,100**	528,927

The table below shows the contractual expiry by maturity of the Bank's contingent liabilities and commitments. Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down. For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.

2015	On demand GH¢'000	Less than 3 months GH¢'000	3 to 12 months GH¢'000	Over 12 months GH¢'000	Total GH¢'000
Financial guarantees	**2,099**	**229,455**	**340,000**	**73,952**	**645,505**
Letters of credit	**33,002**	**33,748**	**28,980**	**-**	**95,731**
Total	**35,101**	**263,203**	**368,980**	**73,952**	**741,236**

2014	On demand GH¢'000	Less than 3 months GH¢'000	3 to 12 Months GH¢'000	Over12 months GH¢'000	Total GH¢'000
Financial guarantees	-	77,613	188,797	13,713	280,123
Letters of credit	12,468	72,010	25,256	-	109,733
Total	12,468	149,623	214,053	13,713	389,856

(iii) Market Risks

Management of Market Risk

The Bank recognises market risk as the exposure created by potential changes in market prices and rates, such as interest rates, equity prices and foreign exchange rates. The Bank is exposed to market risk arising principally from customer driven transactions.

Market risk is governed by the Bank's Market Risk unit which is supervised by ALCO, and which agrees policies, procedures and levels of risk appetite in terms of Value at Risk ("VaR").The unit provides market risk oversight and guidance on policy setting. Policies cover both the trading and non-trading books of the Bank. The non-trading book is defined as the Banking book. Limits are proposed by the businesses within the terms of agreed policy.

The unit also approves the limits within delegated authorities and monitors exposures against these limits. Additional limits are placed on specific instruments and currency concentrations where appropriate. Sensitivity measures are used in addition to VaR as risk management tools.

VaR models are back tested against actual results to ensure pre-determined levels of accuracy are maintained. The Bank's Market Risk unit complements the VaR measurement by regularly stress testing market risk exposures to highlight potential risks that may arise from extreme market events that are rare but plausible. Stress testing is an integral part of the market risk management framework and considers both historical market events and forward looking scenarios. Ad hoc scenarios are also prepared reflecting specific market conditions. A consistent stress testing methodology is applied to trading and non-trading books.

34. Financial risk management continued

Stress scenarios are regularly updated to reflect changes in risk profile and economic events. The unit has responsibility for reviewing stress exposures and, where necessary, enforcing reductions in overall market risk exposure. It also considers stress testing results as part of its supervision of risk appetite. The stress test methodology assumes that management action would be limited during a stress event, reflecting the decrease in liquidity that often occurs. Contingency plans are in place and can be relied on in place of any liquidity crisis. The Bank also has a liquidity crisis management committee which also monitors the application of its policies.

The Bank has not identified any limitations of the VaR methodology.

Foreign Exchange Exposure

The Bank's foreign exchange exposures comprise trading and non-trading foreign currency translation exposures. Foreign exchange exposures are principally derived from customer driven transactions. Concentration of Ghana cedi equivalent of foreign currency denominated assets and liabilities and off statement of financial position items are disclosed below:

Assets	USD GH¢'000	GBP GH¢'000	EUR GH¢'000	Others GH¢'000	2015 GH¢'000	2014 GH¢'000
Cash and Balances with Bank of Ghana	399,049	11,137	28,953	62	439,201	23,267
Due from other banks and financial institutions	204,040	30,058	10,776	325	245,199	775,687
Loans and advances	362,491	649	37,412	-	400,552	434,380
Other assets	87,725	677	7,062	-	95,464	143,444
Total assets	1,053,305	42,521	84,203	387	1,180,416	1,376,778
liabilities						
Customer deposits	871,980	39,988	54,223	4,075	970,267	772,405
Due to other banks and financial institutions	75,888	-	-	-	75,888	393,164
Interest Payable and other Liabilities	118,574	2,382	8,439	176	129,571	151,121
Total Liabilities	1,066,442	42,370	62,662	4,251	1,175,726	1,316,690
Net-on Statement of financial position	(13,137)	151	21,541	-3,864	4,690	60,088
Off-statement of financial position Credit and Commitments	628,750	134	11,410	-	640,294	374

Sensitivity Analysis

A 5% strengthening of the cedi against the following currencies at 31 December 2015 would have impacted equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2014.

Sensitivity analysis

Effect in cedis

31 December 2015

	Profit/(loss) GH¢'000
USD	(3,579)
GBP	230
EUR	(203)
Others	110

31 December 2014

	Profit/(loss) GH¢'000
USD	3,045
GBP	1
EUR	(36)
Others	(36)

34. Financial risk management continued

A best case scenario 5% weakening of the Ghana cedi against the above currencies at 31 December 2015 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Interest Rate Exposure

The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instrument because of a change in market interest rates. Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for repricing bands. ALCO is the monitoring body for compliance with these limits and is assisted by the Bank's Market Risk unit in its day-to-day monitoring activities.

The management of interest rate risk against interest rate gap limits is supplemented by monitoring the sensitivity of the Bank's financial assets and liabilities to various standard and non-standard interest rate scenarios. Standard scenarios that are considered on a monthly basis include a 100 basis point (bp) parallel fall or rise in market interest rates.

A change of a 100 basis points in interest rates at the reporting date would have impacted equity and profit or loss by the amounts shown below:

31-Dec-15	**100 bp Increase GH¢'000**	100 bp Decrease GH¢'000
Interest income impact	**23,976**	**(23,976)**
Interest expense impact	**(25,784)**	**25,784**
Net impact	**(1,808)**	**1,808**

31-Dec-14	100 bp Increase GH¢'000	100 bp Decrease GH¢'000
Interest income impact	21,679	(21,679)
Interest expense impact	(22,875)	22,875
Net impact	(1,196)	1,196

Operational risk is the risk of direct or indirect loss due to an event or action resulting from the failure of internal processes, people and systems, or from external events. The Bank seeks to ensure that key operational risks are managed in a timely and effective manner through a framework of policies, procedures and tools to identify assess, monitor, control and report such risks.

The Bank's Country Operational Risk Committee (CORC) has been established to supervise and direct the management of operational risks across the Bank.CORC is also responsible for ensuring adequate and appropriate policies, and procedures are in place for the identification, assessment, monitoring, control and reporting of operational risks.

The CORC is responsible for establishing and maintaining the overall operational risk framework and for monitoring the Bank's key operational risk exposures. This unit is supported by Corporate & Institutional Clients and Retail Clients Operational Risk units. These units are responsible for ensuring compliance with policies and procedures in the business, monitoring key operational risk exposures, and the provisions of guidance to the respective business areas on operational risk.

(iv) Compliance and regulatory risk

Compliance and Regulatory risk includes the risk of non-compliance with regulatory requirements. The Bank's compliance and Regulatory Risk function is responsible for establishing and maintaining an appropriate framework of the Bank's compliance policies and procedures. Compliance with such policies and procedures is the responsibility of all managers.

(vii) Capital Management

The Central Bank sets and monitors capital requirements for the Bank. Under the guidelines of the Central Bank, the Bank is required to maintain a prescribed ratio of total capital to total risk-weighted assets.

The Bank's capital is analysed into two tiers:

Tier 1 capital, which includes ordinary paid up share capital, permanent preference shares and disclosed reserves, after deducting certain assets such as investments in capital of other Banks and financial institutions.

Tier 2 capital, which includes some reserves such as the element of the fair value reserve relating to unrealised gains on equity instruments classified as available-for-sale.

Various limits are applied to elements of the capital base, and other assets are given various classifications such as claims on government, claims on the Central Bank and contingent liabilities and risk-weighted assets are determined according to specified requirements that seek to reflect the varying levels of risk attached to assets and off-statement of financial position exposures.

34. Financial risk management cont'd

Summary of the recorded Capital adequacy ratio

	2015 GH¢'000	2014 GH¢'000
Adjusted Capital base	392,023	380,539
Risk weighted assets	2,553,311	2,429,213
Capital adequacy ratio	15.35%	15.67%

The Bank's policy is to maintain a strong capital base so as to maintain investor, and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also taken into consideration, and the Bank recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

The Bank has complied with all externally imposed capital requirements throughout the year.

There has been no material change in the Bank's management of capital during the year.

35. Directors' shareholding

The Directors named below held the following number of shares in the Bank as at 31 December 2015:

Ordinary Shares

	2015	2014
Ishmael Yamson	5,000	5,000

36. Number of shares in issue

(i) Dividend and net assets per share

Dividend and net assets per share are based on 115,507,284 (2014: 115,507,284) ordinary shares in issue during the year.

(ii) Basic and diluted earnings per share

The calculation of basic and diluted earnings per share at 31 December 2015 was based on the profit attributable to ordinary shareholders after adjustments for preference dividends of GH¢ 2,626,858 (2014: GH¢2,225,978) and 115,507,284 (2014: 115,507,284)) weighted average shares in issue.

37. Number of shareholders

The company had ordinary and preference shareholders at 31 December 2015 distributed as follows:

(i). Ordinary shares

Range of shares	Number of Shareholders	Holding	Percentage
1 - 1,000	3,732	1,187,395	1.03
1,001 - 5,000	1,687	3,689,592	3.19
5,001 - 10,000	198	1,357,630	1.18
Over 10,000	206	109,272,667	94.6
	5,823	115,507,284	100.0

(ii) Preference Shares

1 - 1,000	778	288,682	1.65
1,001 - 5,000	144	324,273	1.85
5,001 - 10,000	23	185,611	1.06
Over 10,000	27	16,687,699	95.44
	972	17,486,265	100.0

38. Employee benefits

(i) Defined Contribution Plans
The Bank now operates the new three-tier pension scheme as directed by the National Pension Authority. This requires an additional contribution rate of 1% to be shared equally between the employer and the employee. The bank now pays 13% (instead of the current 12.5%) and the employee now pays 5.5% (instead of the current 5%), making a total contribution of 18.5% (instead of the 17.5%).

Out of a total contribution of 18.5%, the bank remits 13.5% to a restructured Social Security and National Insurance Trust towards the first tier pension scheme, out of which 2.5% is a levy for the National Health Insurance scheme. The bank remits the remaining 5% to a privately managed and mandatory second tier for lump sum benefit.

The third tier is a voluntary provident fund and personal pension scheme which the bank contributes 7% of staff basic salary.

38. Employee benefits cont'd

ii. Retired Staff Medical Plan
The Bank has a scheme to pay the medical cost of some retired staff and their spouses from the date of retirement till death. Under the scheme, the Bank pays the medical cost of eligible persons with a cost cap of GH¢5000 per person. The Bank has taken an insurance policy to cover the scheme.

39. Cash and cash equivalents in the statement of cashflow

For the purposes of the cash flow statement, cash and cash equivalents comprise the following balances with less than three months maturity from the date of acquisition.

	2015 GH¢'000	2014 GH¢'000
Cash and balances with Bank of Ghana	**725,360**	764,126
Due from other banks and financial institutions	**282,586**	396,107
	1,007,946	1,160,233

40. Details of shareholders at 31 December 2015

(i) Details of 20 largest ordinary shareholders at 31 December 2015

Name of Shareholder	**Number of Shares held**	**(%) Holding**
Standard Chartered Holdings(Africa) B.V	80,181,096	69.42
Social Security And National Insurance Trust	16,566,612	14.34
SCGN/Standard Chartered Bank Singapore Branch S/A HI Bank A/C Client	1,000,000	0.87
SCGN/SSB& Trust As Cust For Kimberlite Frontier Africa Master Fund , L.P-Rckm	997,299	0.86
SCGN/Northern Trust Global Services	928,847	0.80
STD Noms TVL PTY/Credit Suisse Sec (USA) LLC/Africa Opportunity Fund L.P	474,686	0.41
Ghana Union Assurance Company	434,784	0.38
Council of University Of Ghana Endowment Fund	362,340	0.31
SCGN/ELAC Policyholders Fund	325,026	0.28
Teachers Fund	544,092	0.47
SCGN/Epack Investment Fund Ltd - Transactions A/C	302,855	0.26
Anim-Addo Kojo	250,000	0.22
SCGN/SSB Eaton Vance Tax-Managed Emerging Market Fund	242,700	0.21
SSNIT SOS Fund	233,010	0.20
STD Noms TVL PTY/Bnym Sanv/ Frontier Market Opportunities Master Fund , L.P.	193,792	0.17
SCBN/SSB Eaton Vance Structured Emerging Market Fund	171,500	0.15
STD Noms TVL PTY/Bnym Sanv/Vanderbilt University	159,710	0.14
University of Science & Technology	148,500	0.13
Enterprise Group Limited	145,494	0.13
SCGN/SSB & Trust As Cust For Conrad N Hilton Foundation-	140,400	0.12
	103,802,743	**89.87**

40. Details of shareholders at 31 December 2015 cont'd

(ii) Details of 20 largest preference shareholders at 31 December 2015

Name of Shareholder	Number of Shares held	(%) Holding
Standard Chartered Holdings (Africa) BV	15,220,598	87.03
Glymin Jnr. Barton Kwaku	422,019	2.42
SSNIT SOS Fund	307,692	1.76
Anim-Addo Kojo	106,806	0.61
Ghana Union Assurance Company	99,351	0.57
Afedo Moses Kwasi	69,759	0.40
Kudjawu Norbert Kwasivi	68,775	0.39
Akosah-Bempah F. Ophelia	54,150	0.31
Akosah- Bempah Kwaku	40,654	0.23
STD Noms TVL PTY/Credit Suisse Sec (USA) LLC/Africa Opportunity Fund L.P.	29,366	0.17
Aryee Clifford Edward	25,000	0.14
Boye Ebenezer Magnus	25,000	0.14
EBA Holdings Company Ltd	20,661	0.12
Minkah Anthony	20,268	0.12
Nyako John Percival Awuku	20,000	0.11
Safo Kwakye Eddie	20,000	0.11
Yankson Edem	20,000	0.11
NTHC Trading Account	19,231	0.11
HFCN/ GLICO Pensions Re: Fidelity Securities	19,231	0.11
Nelson Aruna	19,230	0.11
	16,627,791	**95.08**

41. Fair value of financial assets and liabilities

The following sets out the Bank's basis of establishing fair values of financial instruments disclosed under note 15.

Cash and balances held at Central Bank

The fair value of floating rate placements and overnight deposits is their carrying amounts. The estimated fair value of fixed interest bearing deposits is based on discounted cash flows using the prevailing money-market rates for debts with a similar credit risk and remaining maturity.

Loans and advances to customers

Loans and advances are net of allowance for impairment. The estimated fair value of loans and advances represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

Investment securities

Investment securities with observable market prices, including debt are fair valued using that information. Equity instruments held that do not have observable market data to reliably estimate their fair values are presented at cost. Debt securities that do not have observable market data are fair valued by either discounting cash flows using the prevailing market rates for debts with a similar credit risk and remaining maturity or using quoted market prices for securities with similar credit, maturity and yield characteristics.

Deposits and borrowings

The estimated fair value of deposits with no stated maturity is the amount repayable on demand. The estimated fair value of fixed interest bearing deposits and other borrowings without quoted market prices is based on discounting cash flows using the prevailing market rates for debts with a similar credit risk and remaining maturity.

Debt securities in issue subordinated liabilities and other borrowed funds

The aggregate fair values are calculated based on quoted market prices. For those notes were quoted market prices are not available, a discounted cash flow model is used based on a current market related yield curve appropriate for the remaining term of maturity.

Derivatives

The fair value of derivatives is based on discounted cash flows of using observable market quotes of similar credit risk and maturity.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Supplimentary information

Supplimentary information

5-year Financial Summary	2015 GH¢'000	2014 GH¢'000	2013 GH¢'000	2012 GH¢'000	2011 GH¢'000
Interest income	490,482	422,136	375,526	222,725	195,775
Interest expense	(116,730)	(88,250)	(95,046)	(52,982)	(45,372)
Net interest income	**373,752**	**333,886**	**280,480**	**169,743**	**150,403**
Fees and commission income	65,238	91,048	83,303	74,075	32,103
Other operating income	92,125	96,801	56,282	38,452	34,833
Non - interest income	**157,363**	**187,849**	**139,585**	**112,527**	**66,936**
Operating income	531,115	521,735	420,065	282,270	217,339
Operating expenses	**(227,273)**	**(197,774)**	**(129,393)**	**(105,059)**	**(93,454)**
Impairment changes on loans and advances	(212,781)	(49,121)	(17,429)	(6,720)	(9,847)
Profit before taxation	**91,062**	**274,840**	**273,243**	**170,491**	**114,038**
Taxation	(24,914)	(66,569)	(65,224)	(34,203)	(36,362)
Profit for the year	**66,148**	**208,271**	**208,019**	**136,288**	**77,676**
Transfer to statutory and from other reserve fund	(21,320)	(100,653)	(36,054)	(80,369)	(17,288)
Retained profit / available for distribution	**44,828**	**107,618**	**171,965**	**55,919**	**60,388**
Networth	555,100	528,927	486,984	311,349	232,576
Net own funds	392,023	387,161	388,617	247,287	183,830
Total assets	3,369,448	3,506,297	2,988,358	2,390,684	1,971,062
Total deposits	2,422,382	2,198,585	1,779,108	1,704,198	1,479,687
Loans & advances	1,219,459	1,278,362	1,130,244	959,597	596,724

Information on ordinary shares	GH¢	GH¢	GH¢	GH¢	GH¢
Earnings per share	0.55	1.78	1.77	1.16	0.67
Proposed final dividend per share	0.37	0.35	1.15	0.47	3.05

Ratios					
Return on assets (PAT/Total assets)	2%	6%	7%	6%	4%
Return on equity (PAT/Equity)	12%	40%	43%	44%	33%
Capital Adequacy ratio	15%	16%	23%	17%	17%
Cost/income ratio	43%	38%	31%	37%	43%

Form of Proxy

I…….
(Block Capitals Please)

Of

………..
being Member/Members of STANDARD CHARTERED BANK GHANA LIMITED hereby appoint

……….

Of

…….

or failing him the duly appointed Chairman of the Meeting, as my/our Proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 11.00 am on Tuesday the 7th day of June 2016 and at every adjournment thereof.

Please indicate with an X in the spaces below how you wish your votes to be cast.

RESOLUTION	FOR	AGAINST
1. Declaring a Dividend		
2. Electing the following Directors - FELIX ADDO - DAVID ADEPOJU		
3. Approving Directors' Remuneration		
4. Approving the Remuneration of the Auditor		

Signed……………………………….. day of ………………………. 2016 Signature …………………….....

cut here **cut here**

IMPORTANT: Before posting the Form of Proxy above, please tear off this part and retain it – see over. If you wish to insert in the blank space on the form the name of any person, whether a Member of the company or not, who will attend the meeting and vote on your behalf, you may do so; if you do not insert a name, the Chairman of the Meeting will vote on your behalf. If this Form is returned without any indication as to how the person appointed a proxy shall vote, he will exercise his discretion as to how he votes or whether he abstains from voting. To be valid, this Form must be completed and must reach the Registered Office of the Company not less than 48 hours before the time fixed for holding the Meeting or adjourned Meeting.

This Form is only to be completed if you will NOT attend the Meeting

FIRST FOLD HERE

PLEASE
AFFIX
STAMP
HERE

SECOND FOLD HERE

The Company Secretary
Standard Chartered Bank Ghana Limited
Head Office
P. O. Box 768
Accra

THIRD FOLD HERE

CUT HERE

CUT HERE

IMPORTANT: A person attending the meeting should not produce this form

Standard Chartered

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Registrar information

GCB Bank Limited
Share Registry Department, Head Office
Thorpe Road
Accra, Ghana

Digital Reports and Accounts

www.sc.com/gh/annual-report/2015