

press release

Standard Chartered Bank Ghana Limited – 2015 Full Year Results

2 March 2016, Accra – Standard Chartered Bank Ghana Limited comments on 2015 Full Year Results.

This week we released our 2015 Full Year Results. Underlying operating income of GHS531m was up 2 percent over previous year however, operating profit declined by 67 percent to GHS91m. Our results are below expectation relative to our initial 2015 projections.

The year 2015 is on record in Ghana as one of the most challenging and exceptional years on many fronts. The volatility experienced on global commodity and currency markets, coupled with Ghana's macroeconomic headwinds and three consecutive years of an energy crisis had a material adverse impact on business. During 2015, we had to make very exceptional and unprecedented loan impairment provisions of GHS213m, up 333% from 2014 largely on account of the effects of a massive disruption to working capital cycles across almost all sectors in the Ghanaian economy. Naturally, the Bank is as disappointed with the 2015 operating results as our stakeholders would be due to the material deviation from our consistently good performance over the last decade.

Commenting on the 2015 operating results, **Chief Executive Officer of Standard Chartered Bank Ghana Limited, Kwaku Bedu-Addo** said *“The nature of these shocks in Ghana have been both cyclical and structural and have persisted for the last three years. We started picking early warning signals in 2013 and the stressed operating environment unfortunately intensified over time. As expected, within difficult operating environments, a lot of businesses would have stressed cashflow which undermines debt repayment capacity across most sectors in the economy. Under prudential and regulatory guidelines we are obliged to take loan impairments on distressed assets. What this means is that we will pursue a dual strategy of recovery and restructuring within the new cashflow realities”.*

Fortunately, our decisions on profit retention in prior years since 2013 has given the Bank a balance sheet that has been able to withstand the severe and unprecedented shocks to the business operating environment in Ghana. This enables us to focus on achieving a quick rebound of the business as a more benign operating environment returns. The focus for 2016 is to continue to invest in technology, improve the customer experience and to introduce innovative products onto the market. We will deliver our medium term strategy through disciplined execution and efficient cost management.

We remain proud of our record of consistently stellar operating results over an extended period of time and we are confident that we will restore the business to an attractive growth trajectory once more over the medium term, in line with market expectations.

Under the auspices of the Ghana Stock Exchange Facts Behind the Figures session, the Bank will be engaging the investor community, analysts and the financial media. The details will be circulated in the next few days.

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Standard Chartered

We are a leading international bank, with over 1500 employees and about 120-year history in Ghana and some of the world's most dynamic markets. We bank the people and companies driving investment, trade and the creation of wealth across Ghana. Our heritage and values are expressed in our brand promise, Here for good.

Standard Chartered Ghana is listed on the Ghana Stock Exchange and has been one of the leading stocks over a sustained period of time. Standard Chartered is also among the top 20 companies on the Ghana Club 100, the Ghana Investment Promotions Council's coveted list of Ghana's top corporate entities.

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