



## UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019

### CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE, 2019

In thousands of GH¢

	2019		2018	
	Bank	Group	Bank	Group
<b>Assets</b>				
Cash and cash equivalents	683,912	683,912	492,666	494,060
Non-Pledged assets	823,770	823,770	369,658	369,658
Pledged assets	34,387	34,387	62,000	62,000
Investment securities	47,272	54,761	46,856	58,277
Loans and advances to customers	1,288,448	1,278,330	990,739	990,739
Current income tax assets	5,475	5,359	1,415	1,584
Deferred tax assets	12,599	12,530	19,941	19,852
Intangible assets	8,692	8,742	5,789	5,952
Other assets	51,335	61,149	49,399	61,913
Property, plant and equipment	61,238	64,233	62,371	65,519
<b>Total assets</b>	<b>3,017,128</b>	<b>3,027,173</b>	<b>2,100,834</b>	<b>2,129,554</b>
<b>Liabilities and equity</b>				
Deposits to banks	50,065	50,065	94,276	94,276
Deposits from customers	2,281,271	2,271,180	1,650,497	1,650,497
Borrowing	60,408	60,408	12,061	12,061
Current tax liabilities	-	-	2,040	-
Other liabilities	112,789	117,842	110,778	122,367
<b>Total liabilities</b>	<b>2,504,533</b>	<b>2,499,495</b>	<b>1,869,652</b>	<b>1,879,201</b>
<b>Equity</b>				
Stated capital	401,191	401,191	146,191	146,191
Income surplus	(65,946)	(55,657)	(36,255)	(20,990)
Revaluation reserve	24,852	24,852	32,018	32,018
Statutory reserve fund	94,385	94,385	75,665	75,665
Regulatory credit risk reserve	57,369	57,369	12,819	12,819
Housing development assistance reserve	744	744	744	744
<b>Total equity attributable to equity holders of the Bank</b>	<b>512,595</b>	<b>522,884</b>	<b>231,182</b>	<b>246,447</b>
Non-controlling interest	-	4,794	-	3,906
<b>Total equity</b>	<b>512,595</b>	<b>527,678</b>	<b>231,182</b>	<b>250,353</b>
<b>Total liabilities and equity</b>	<b>3,017,128</b>	<b>3,027,173</b>	<b>2,100,834</b>	<b>2,129,554</b>

### CONSOLIDATED AND SEPARATE STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE, 2019

In thousands of GH¢

	2019		2018	
	Bank	Group	Bank	Group
Interest income	193,939	199,983	137,753	143,383
Interest expense	(84,252)	(84,252)	(63,176)	(63,176)
<b>Net interest income</b>	<b>109,687</b>	<b>115,731</b>	<b>74,577</b>	<b>80,207</b>
Fee and commission income	18,063	28,005	19,523	30,588
Fee and commission expense	(531)	(531)	(482)	(482)
<b>Net fee and commission income</b>	<b>17,532</b>	<b>27,474</b>	<b>19,041</b>	<b>30,106</b>
Net trading income	11,725	11,725	10,963	10,963
Net income from investments at fair value thru. P&L	-	-	1,094	1,094
Other operating income	4,943	4,943	4,568	4,568
Other income	1,058	2,485	2,699	3,318
<b>Operating income</b>	<b>144,945</b>	<b>162,358</b>	<b>112,942</b>	<b>130,256</b>
Net impairment loss on financial asset	(8,007)	(1,590)	(6,374)	(6,374)
Net loss from investments at fair value thru. P&L	(3,894)	(3,894)	-	-
Personnel expenses	(53,290)	(61,963)	(45,372)	(52,960)
Operating lease expenses	(4,651)	(5,403)	(4,265)	(5,016)
Depreciation and amortization	(5,149)	(5,755)	(6,169)	(6,697)
Other expenses	(27,193)	(31,358)	(24,717)	(28,837)
<b>Profit before income tax for the period</b>	<b>42,761</b>	<b>52,395</b>	<b>26,045</b>	<b>30,372</b>
National Stabilization Levy	(2,138)	(2,625)	(1,327)	(1,582)
Tax expense	(9,621)	(10,451)	(5,410)	(6,314)
<b>Profit for the period</b>	<b>31,002</b>	<b>39,319</b>	<b>19,308</b>	<b>22,476</b>
Other comprehensive income, net of income tax	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>31,002</b>	<b>39,319</b>	<b>19,308</b>	<b>22,476</b>
<b>Profit / attributable to:</b>				
Controlling Equity holders of the bank	31,002	38,828	19,308	22,134
Non-controlling interest	-	491	-	342
<b>Profit for the period</b>	<b>31,002</b>	<b>39,319</b>	<b>19,308</b>	<b>22,476</b>
<b>Total comprehensive income attributable to:</b>				
Controlling Equity holders of the bank	31,002	38,828	19,308	22,134
Non-controlling interest	-	491	-	342
<b>Total comprehensive income</b>	<b>31,002</b>	<b>39,319</b>	<b>19,308</b>	<b>22,476</b>

### CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 30 JUNE, 2019

In thousands of GH¢

	2019		2018	
	Bank	Group	Bank	Group
<b>Cash flows from Operating activities</b>				
Cash generated from operations	117,121	111,785	(199,353)	(191,950)
Interest paid-long term bonds and borrowing	(9,451)	(9,451)	(4,085)	(4,085)
Corporate tax paid	(10,189)	(10,955)	(8,427)	(9,449)
National stabilization levy paid	(1,486)	(1,656)	(1,981)	(2,162)
<b>Net cash generated from operating activities</b>	<b>95,995</b>	<b>89,723</b>	<b>(213,846)</b>	<b>(207,646)</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(4,445)	(4,516)	(1,942)	(3,090)
Purchase of Intangible asset- software	(1,472)	(1,472)	(1,998)	(1,998)
Proceeds from sale of property, plant and equipment	224	224	286	287
Purchase of government securities	(361,498)	(361,498)	(201,096)	(201,096)
Sale of government securities	92,072	92,072	47,509	47,509
Redemption of other investment	586	2,490	3,000	3,000
Purchase of other investment	(4,300)	(4,300)	-	(4,840)
Purchase of investment securities	(2,000)	-	-	-
<b>Net cash used in investing activities</b>	<b>(280,833)</b>	<b>(277,000)</b>	<b>(154,241)</b>	<b>(160,228)</b>
<b>Cash flows from financing activities</b>				
Borrowings repaid	(51,732)	(51,732)	(2,939)	(2,939)
Proceeds from bonds issued	-	-	6,000	6,000
<b>Net cash generated from financing activities</b>	<b>(51,732)</b>	<b>(51,732)</b>	<b>3,061</b>	<b>3,061</b>
Increase in cash and cash equivalents	(236,570)	(239,009)	(365,026)	(364,813)
Net foreign exchange difference	17,269	17,269	14,769	14,769
At 1 January	903,213	905,652	842,923	844,104
<b>Cash and cash equivalents as at 30<sup>th</sup> June</b>	<b>683,912</b>	<b>683,912</b>	<b>492,666</b>	<b>494,060</b>

### Notes to the consolidated and separate unaudited financial statements for the period ended 30 JUNE, 2019

#### 1. Significant accounting policies

The unaudited consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee ("IFRIC") as adopted by the Institute of Chartered Accountant Ghana (ICAG) and in a manner required by the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) and the Companies Act 1963 (Act 179).

#### Basis of preparation

The unaudited Consolidated and Separate Financial Statements have been extracted from the unaudited consolidated and separate financial statements of the Bank and Group in accordance with the International Financial Reporting Standards and in a manner required by the Companies Act 1963, Act (179) and the Banks and Specialised Deposit -Taking Institutions Act, 2016 (Act 930).

#### 2. Quantitative Disclosures

	2019	2018
a. Capital Adequacy Ratio (%)	27.10	18.74
b. Non-Performing Loan (NPL) Ratio (%)	17.11	20.71

#### 3. Qualitative Disclosures

##### a. Dominant Risks

The Bank is exposed to the following risks:

- Credit Risk
- Liquidity Risk
- Operational Risk
- Market Risk

The Board of Directors established the Bank's Risk Management Frameworks and Assets and Liabilities Committee (ALCO) to be responsible for the monitoring of the Bank's risks.

The Bank has Risk Management and Compliance Department which is guided by the Anti Money Laundering Act 2008 (Act 749 as amended), Anti-Terrorism Act 2008 (Act 762), all Regulations under the enactments and of policy and procedure manuals which have been instituted by the Board of Directors and Management. A comprehensive departmental manual has established a framework within which Management effectively manages and controls risks. The tasks involve in the risk management functions are to identify, define, measure, control, monitor and mitigate potential events that could impair the ability of the Group to generate stable and sustainable financial results from its operations.

##### b. Risk management, compliance frameworks and measurement

All risks are qualitatively and quantitatively evaluated on a recurring basis. Management understands the degree and nature of risk exposures on decisions regarding allocation of resources. Risk assessment is validated by the risk department which also tests the effectiveness of risk management activities and makes recommendations for remedial action. The Bank also identifies risk by evaluating the potential impact of internal and external factors, business transactions and positions. Once the risks are identified, various mitigating measures are put in place to regulate the degree of risks involved.

#### 4. Defaults in statutory liquidity and accompanying sanctions

	2019	2018
Default in Statutory Liquidity (Times)	Nil	Nil
Default in Statutory Liquidity Sanctions (GHS'000)	Nil	Nil

"The financial statements do not contain untrue statements, misleading facts, or omit material facts, to the best of our knowledge."

Sgn  
Charles William Zwennes  
Chairman

Sgn  
Farid Antar  
Managing Director

