



## UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2020

### CONSOLIDATED AND SEPARATE STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER, 2020

In thousands of GHS

	2020		2019	
	Bank	Group	Bank	Group
Interest income	329,847	339,737	296,994	306,192
Interest expense	(147,173)	(146,569)	(130,228)	(130,170)
<b>Net interest income</b>	<b>182,674</b>	<b>193,168</b>	<b>166,766</b>	<b>176,022</b>
Fee and commission income	33,891	49,912	30,566	45,572
Fee and commission expense	(1,356)	(1,356)	(932)	(932)
<b>Net fee and commission income</b>	<b>32,535</b>	<b>48,556</b>	<b>29,634</b>	<b>44,640</b>
Net trading income	15,709	15,709	17,120	17,120
Net income / (loss) from investments at fair value thru. P&L	1,170	1,170	(3,894)	(3,894)
Other operating income	1,870	1,870	6,965	6,965
Other income	5,587	6,952	12,458	14,187
<b>Operating income</b>	<b>239,545</b>	<b>267,425</b>	<b>229,049</b>	<b>255,040</b>
Net impairment loss on financial asset	(35,341)	(34,652)	(20,901)	(8,427)
Personnel expenses	(94,788)	(108,695)	(81,600)	(94,501)
Operating lease expenses	(1,000)	(1,751)	(6,913)	(7,665)
Depreciation and amortization	(14,619)	(15,879)	(7,497)	(8,373)
Other expenses	(46,575)	(54,393)	(44,660)	(51,330)
<b>Profit before income tax for the period</b>	<b>47,222</b>	<b>52,055</b>	<b>67,478</b>	<b>84,744</b>
National Fiscal Stabilization Levy	(2,494)	(2,821)	(3,245)	(4,119)
Tax expense	(14,394)	(15,720)	(19,482)	(20,717)
<b>Profit after tax</b>	<b>30,334</b>	<b>33,514</b>	<b>44,751</b>	<b>59,908</b>
Other comprehensive income, net of income tax	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>30,334</b>	<b>33,514</b>	<b>44,751</b>	<b>59,908</b>
<b>Profit / (loss) attributable to:</b>				
Controlling Equity holders of the Bank	30,334	33,501	44,751	59,138
Non-controlling interest	-	13	-	770
<b>Profit for the period</b>	<b>30,334</b>	<b>33,514</b>	<b>44,751</b>	<b>59,908</b>
<b>Total comprehensive income attributable to:</b>				
Controlling Equity holders of the bank	30,334	33,501	44,751	59,138
Non-controlling interest	-	13	-	770
<b>Total comprehensive income for the period</b>	<b>30,334</b>	<b>33,514</b>	<b>44,751</b>	<b>59,908</b>

### CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER, 2020

In thousands of GHS

	2020		2019	
	Bank	Group	Bank	Group
<b>Assets</b>				
Cash and cash equivalents	962,541	962,568	597,028	597,028
Non-pledged trading assets	29,335	29,335	-	-
Pledged assets	65,984	65,984	34,464	34,464
Investment securities	835,746	857,416	910,839	939,907
Loans and advances to customers	1,555,919	1,555,919	1,367,007	1,356,889
Investment in subsidiaries	12,042	-	12,331	-
Current income tax assets	476	353	2,912	2,708
Deferred tax assets	19,555	19,657	11,568	11,499
Intangible assets	6,928	6,988	8,692	8,742
Other assets	16,123	24,758	34,426	43,233
Property, plant and equipment	102,561	106,837	63,806	66,461
<b>Total assets</b>	<b>3,607,210</b>	<b>3,629,815</b>	<b>3,043,073</b>	<b>3,060,931</b>
<b>Liabilities and equity</b>				
Deposits from banks	-	-	60,025	60,025
Deposits from customers	2,765,317	2,747,865	2,228,448	2,221,674
Borrowing	114,867	114,867	61,122	61,122
Other liabilities	140,082	153,892	151,018	153,990
<b>Total liabilities</b>	<b>3,020,266</b>	<b>3,016,624</b>	<b>2,500,613</b>	<b>2,496,811</b>
<b>Equity</b>				
Stated capital	401,191	401,191	401,191	401,191
Income surplus	(8,907)	12,443	(52,196)	(35,346)
Revaluation reserve	24,852	24,852	24,852	24,852
Statutory reserve fund	125,664	125,664	94,385	94,385
Regulatory credit risk reserve	43,400	43,400	73,484	73,484
Housing development assistance reserve	744	744	744	744
<b>Total equity attributable to equity holders of the Bank</b>	<b>586,944</b>	<b>608,294</b>	<b>542,460</b>	<b>559,310</b>
Non-controlling interest	-	4,897	-	4,810
<b>Total equity</b>	<b>586,944</b>	<b>613,191</b>	<b>542,460</b>	<b>564,120</b>
<b>Total liabilities and equity</b>	<b>3,607,210</b>	<b>3,629,815</b>	<b>3,043,073</b>	<b>3,060,931</b>

### CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 30 SEPTEMBER, 2020

In thousands of GHS

	2020		2019	
	Bank	Group	Bank	Group
Profit before tax	47,222	52,055	67,478	84,744
Adjustments for:				
Depreciation and amortization	14,619	15,879	7,497	8,373
Profit on disposal of property and equipment	-	-	(224)	(224)
Net impairment loss on loans and advances	35,341	34,652	20,901	8,427
Interest expense on long term bonds and borrowings	23,653	23,653	8,516	8,516
Inflation adjustment on long term bonds	-	-	13	13
Fair value change- investments securities FVTPL	(1,170)	(1,170)	3,894	3,894
Effect of foreign exchange fluctuations on cash & cash equiv.	(44,682)	(44,682)	(26,708)	(26,708)
Increase in loans and advances to customers	(189,077)	(189,080)	(202,807)	(127,491)
(Increase) / decrease in interest receivable and other assets	(12,315)	(11,618)	17,402	7,018
Increase in deposits from customers	194,763	186,184	127,053	120,279
Increase in interest payables and other liabilities	7,975	4,540	67,832	4,557
<b>Cash generated from operations</b>	<b>76,329</b>	<b>70,413</b>	<b>90,846</b>	<b>91,398</b>
Interest paid- long term bonds and borrowings	(11,474)	(11,474)	(11,583)	(11,583)
Corporate tax paid	(7,710)	(8,804)	(16,527)	(19,907)
National fiscal stabilization levy paid	(1,498)	(1,612)	(2,522)	(2,845)
<b>Net cash generated from operating activities</b>	<b>55,647</b>	<b>48,523</b>	<b>60,214</b>	<b>57,063</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(25,354)	(26,269)	(8,010)	(8,140)
Purchase of Intangible asset- software	(448)	(448)	(2,882)	(2,882)
Proceeds from sale of property, plant and equipment	-	-	283	412
Purchase of government securities	(576,905)	(578,239)	(417,689)	(417,689)
Sale of government securities	282,978	294,878	96,083	96,083
Sale of investment securities / interest received - FVTPL	222	222	586	(649)
Purchase of investment securities - FVTPL	-	(2,508)	(4,300)	(4,300)
Purchase of other short-term investment	-	-	(1,948)	-
<b>Net cash used in investing activities</b>	<b>(319,507)</b>	<b>(312,364)</b>	<b>(337,877)</b>	<b>(337,165)</b>
<b>Cash flows from financing activities</b>				
Repayment of borrowings	(63,876)	(63,876)	(55,230)	(55,230)
Proceeds from borrowings	108,846	108,846	-	-
<b>Net cash generated from financing activities</b>	<b>44,970</b>	<b>44,970</b>	<b>(55,230)</b>	<b>(55,230)</b>
Increase in cash and cash equivalents	(218,890)	(218,871)	(332,893)	(335,333)
Effect of foreign exch. fluctuations on cash & cash equiv.	44,682	44,682	26,708	26,708
At 1 January	1,136,749	1,136,757	903,213	905,652
<b>Cash and cash equivalents as at 30 September</b>	<b>962,541</b>	<b>962,568</b>	<b>597,028</b>	<b>597,028</b>

### CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER, 2020

#### The Bank-2020

	Stated Capital	Income surplus account	Statutory reserve fund	Revaluation reserve	Housing development assistance reserve	Regulatory credit risk reserve	Total Equity
In thousands of GHS							
<b>Balance at 1 January 2020</b>	<b>401,191</b>	<b>(37,451)</b>	<b>125,664</b>	<b>24,852</b>	<b>744</b>	<b>41,610</b>	<b>556,610</b>
Profit for the year	-	30,334	-	-	-	-	30,334
Transfer to regulatory credit risk reserve	-	(1,790)	-	-	-	1,790	-
<b>Total comprehensive income and movements therein</b>	<b>-</b>	<b>28,544</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,790</b>	<b>30,334</b>
<b>At 30 September 2020</b>	<b>401,191</b>	<b>(8,907)</b>	<b>125,664</b>	<b>24,852</b>	<b>744</b>	<b>43,400</b>	<b>586,944</b>

#### The Bank-2019

	Stated Capital	Income surplus account	Statutory reserve fund	Revaluation reserve	Housing development assistance reserve	Regulatory credit risk reserve	Total Equity
In thousands of GHS							
<b>Balance at 1 January 2019</b>	<b>401,191</b>	<b>(65,092)</b>	<b>94,385</b>	<b>24,852</b>	<b>744</b>	<b>41,629</b>	<b>497,709</b>
Profit for the year	-	44,751	-	-	-	-	44,751
Charge to income surplus	-	(16,115)	-	-	-	16,115	-
Transfer from regulatory credit risk reserve	-	(15,740)	-	-	-	15,740	-
<b>Total comprehensive income and movements therein</b>	<b>-</b>	<b>12,896</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31,855</b>	<b>44,751</b>
<b>At 30 September 2019</b>	<b>401,191</b>	<b>(52,196)</b>	<b>94,385</b>	<b>24,852</b>	<b>744</b>	<b>73,484</b>	<b>542,460</b>



# UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2020

## CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER, 2020

### The Group-2020

In thousands of GHC	Stated Capital	Income surplus account	Statutory reserve fund	Revaluation reserve	Housing development assistance reserve	Regulatory credit risk reserve	Non-controlling interest	Total Equity
Balance at 1 January 2020	401,191	(19,268)	125,664	24,852	744	41,610.00	4,884	579,677
Profit for the year	-	33,501	-	-	-	-	13	33,514
Transfer to regulatory credit risk reserve	-	(1,790)	-	-	-	1,790	-	-
<b>Total comprehensive income and movements therein</b>	-	<b>31,711</b>	-	-	-	<b>1,790</b>	<b>13</b>	<b>33,514</b>
<b>At 30 September 2020</b>	<b>401,191</b>	<b>12,443</b>	<b>125,664</b>	<b>24,852</b>	<b>744</b>	<b>43,400</b>	<b>4,897</b>	<b>613,191</b>

### The Group-2019

In thousands of GHC	Stated Capital	Income surplus account	Statutory reserve fund	Revaluation reserve	Housing development assistance reserve	Regulatory credit risk reserve	Non-controlling interest	Total Equity
Balance at 1 January 2019	401,191	(62,629)	94,385	24,852	744	41,629	4,303	504,475
Profit for the year	-	59,138	-	-	-	-	770	59,908
Charge to income surplus	-	(16,115)	-	-	-	16,115	-	-
Transfer from regulatory credit risk reserve	-	(15,740)	-	-	-	15,740	-	-
Dividend paid to NCI	-	-	-	-	-	-	(263)	(263)
<b>Total comprehensive income and movements therein</b>	-	<b>27,283</b>	-	-	-	<b>31,855</b>	<b>507</b>	<b>59,645</b>
<b>At 30 September 2019</b>	<b>401,191</b>	<b>(35,346)</b>	<b>94,385</b>	<b>24,852</b>	<b>744</b>	<b>73,484</b>	<b>4,810</b>	<b>564,120</b>

## Notes to the consolidated and separate unaudited financial statements for the period ended 30 September, 2020

### 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, 2019, (Act 992).

### Basis of preparation

The summary of the Consolidated and Separate Financial Statements have been extracted from the unaudited consolidated and separate financial statements of the Bank and its subsidiaries in accordance with the Bank of Ghana Guide for Financial Publication for Banks & Bank of Ghana (BOG) Licensed Financial Institutions.

### 2. Quantitative Disclosures

	2020	2019
a. Capital Adequacy Ratio (CRD) (%)	24.94	28.69
b. Non-Performing Loan (NPL) Ratio (%)	19.27	18.66
c. Liquidity ratio (%)	178.06	180.97

### 3. Qualitative Disclosures

#### a. Dominant Risks

The Bank is exposed to the following risks:

- Credit Risk
- Operational Risk
- Liquidity 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

	2020	2019
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."

Charles William Zwennes  
Chairman

Farid Antar  
Managing Director