

UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2021

CONSOLIDATED AND SEPARATE STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER, 2021

	2021		2020	
	Bank	Group	Bank	Group
Interest income	342,353	353,278	329,847	339,737
Interest expense	(133,026)	(132,206)	(147,173)	(146,569)
Net interest income	209,327	221,072	182,674	193,168
Fee and commission income	37,431	56,836	33,891	49,912
Fee and commission expense	(1,833)	(1,833)	(1,356)	(1,356)
Net fee and commission income	35,598	55,003	32,535	48,556
Net trading income	19,394	19,394	15,709	15,709
Net income / (loss) from investments at fair value thru. P&L	2,170	2,471	1,170	1,170
Other operating income	4,582	4,582	1,870	1,870
Other income	4,101	6,206	5,587	6,952
Operating income	275,172	308,728	239,545	267,425
Net impairment loss on financial asset	(13,549)	(14,574)	(35,341)	(34,652)
Personnel expenses	(98,105)	(112,940)	(94,788)	(108,695)
Operating lease expenses	(1,863)	(1,863)	(1,000)	(1,751)
Depreciation and amortization	(15,562)	(16,783)	(14,619)	(15,879)
Other expenses	(54,400)	(62,796)	(46,575)	(54,393)
Profit before income tax for the period	91,693	99,772	47,222	52,055
National Fiscal Stabilization Levy	(4,663)	(5,088)	(2,494)	(2,821)
Financial Sector Recovery Levy	(2,971)	(2,971)	-	-
Tax expense	(23,163)	(25,298)	(14,394)	(15,720)
Profit for the period	60,896	66,415	30,334	33,514
Other comprehensive income				
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the period	60,896	66,415	30,334	33,514
Profit / (loss) attributable to:				
Controlling Equity holders of the Bank	60,896	65,322	30,334	33,501
Non-controlling interest	-	1,093	-	13
Profit for the period	60,896	66,415	30,334	33,514
Total comprehensive income attributable to:				
Controlling Equity holders of the bank	60,896	65,322	30,334	33,501
Non-controlling interest	-	1,093	-	13
Total comprehensive income for the period	60,896	66,415	30,334	33,514

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER, 2021

	2021		2020	
	Bank	Group	Bank	Group
Assets				
Cash and cash equivalents	776,999	777,027	962,541	962,568
Non-pledged trading assets	74,988	74,988	29,335	29,335
Pledged assets	11,146	11,146	65,984	65,984
Investment securities	1,149,939	1,175,891	835,746	857,416
Loans and advances to customers	1,628,841	1,628,841	1,555,919	1,555,919
Investment in subsidiaries	13,542	-	12,042	-
Current income tax assets	-	-	476	353
Deferred tax assets	16,361	16,625	19,555	19,657
Intangible assets	8,232	8,394	6,928	6,988
Other assets	18,173	26,935	16,123	24,758
Property, plant and equipment	110,068	113,500	102,561	106,837
Total assets	3,808,289	3,833,347	3,607,210	3,629,815
Liabilities and equity				
Deposits from banks	64,022	64,022	-	-
Deposits from customers	2,780,754	2,763,937	2,765,317	2,747,865
Borrowing	147,239	147,239	114,867	114,867
Current tax liabilities	9,143	9,286	-	-
Other liabilities	138,001	146,236	140,082	153,892
Total liabilities	3,139,159	3,130,720	3,020,266	3,016,624
Equity				
Stated capital	401,191	401,191	401,191	401,191
Income surplus	46,419	73,817	(8,907)	12,443
Revaluation reserve	24,852	24,852	24,852	24,852
Statutory reserve fund	151,476	151,476	125,664	125,664
Regulatory credit risk reserve	44,448	44,448	43,400	43,400
Housing development assistance reserve	744	744	744	744
Total equity attributable to equity holders of the Bank	669,130	696,528	586,944	608,294
Non-controlling interest	-	6,099	-	4,897
Total equity	669,130	702,627	586,944	613,191
Total liabilities and equity	3,808,289	3,833,347	3,607,210	3,629,815

CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 SEPTEMBER, 2021

	2021		2020	
	Bank	Group	Bank	Group
Profit before tax	91,693	99,772	47,222	52,055
Adjustments for:				
Depreciation and amortization	15,562	16,783	14,619	15,879
Net impairment loss on loans and advances	13,549	14,574	35,341	34,652
Interest expense on long term bonds and borrowings	15,908	15,908	23,653	23,653
Fair value change- investments securities FVTPL	(2,170)	(2,471)	(1,170)	(1,170)
Effect of foreign exchange fluctuations on cash & cash equiv.	(30,525)	(30,525)	(44,682)	(44,682)
Increase in loans and advances to customers	(117,291)	(118,316)	(189,077)	(189,080)
Decrease in interest receivable and other assets	(40,882)	(41,019)	(12,315)	(11,618)
Increase / (decrease) in deposits from customers	75,373	72,635	194,763	186,184
Increase in interest payables and other liabilities	(14,061)	(13,744)	7,975	4,540
Cash generated from operations	5,309	11,750	76,329	70,413
Interest paid- long term bonds and borrowings	(12,053)	(12,053)	(11,474)	(11,474)
Tax refund	6,486	6,486	-	-
Corporate tax paid	(18,396)	(21,372)	(7,710)	(8,804)
National fiscal stabilization levy paid	(2,882)	(2,996)	(1,498)	(1,612)
Financial Sector recovery levy	(1,850)	(1,850)	-	-
Net cash generated from operating activities	(23,386)	(20,035)	55,647	48,523
Cash flows from investing activities				
Purchase of property, plant and equipment	(12,093)	(12,982)	(25,354)	(26,269)
Purchase of Intangible asset- software	(2,767)	(2,767)	(448)	(448)
Proceeds from sale of property, plant and equipment	7,863	7,865	-	-
Purchase of investment securities at amortised cost	(780,018)	(784,874)	(576,905)	(578,239)
Sale of investment securities at amortised cost	632,364	633,274	282,978	294,878
Sale of investment securities / interest received - FVTPL	222	222	222	222
Purchase of investment securities - FVTPL	(10,000)	(10,000)	-	(2,508)
Purchases - investment in subsidiary	(1,500)	-	-	-
Net cash used in investing activities	(165,929)	(169,262)	(319,507)	(312,364)
Cash flows from financing activities				
Redemption of bonds	17,514	17,514	-	-
Proceeds from bonds issued	(18,000)	(18,000)	-	-
Repayment of borrowings	(29,029)	(29,029)	(63,876)	(63,876)
Proceeds from borrowings	58,663	58,663	108,846	108,846
Net cash generated from financing activities	29,148	29,148	44,970	44,970
Increase in cash and cash equivalents	(160,167)	(160,149)	(218,890)	(218,871)
Effect of foreign exch. fluctuations on cash & cash equiv.	30,525	30,525	44,682	44,682
At 1 January	906,641	906,651	1,136,749	1,136,757
Cash and cash equivalents as at 30 September	776,999	777,027	962,541	962,568

CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER, 2021

The Bank-2021

In thousands of GHC	Stated Capital	Income surplus account	Statutory reserve fund	Revaluation reserve	Housing development assistance reserve	Regulatory credit risk reserve	Total Equity
Balance at 1 January 2021	401,191	(14,477)	151,476	24,852	744	44,448	608,234
Profit for the year	-	60,896	-	-	-	-	60,896
Transfer to regulatory credit risk reserve	-	-	-	-	-	-	-
Total comprehensive income and movements therein	-	60,896	-	-	-	-	60,896
At 30 September 2021	401,191	46,419	151,476	24,852	744	44,448	669,130

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UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2021

The Bank-2020

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

CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER, 2021

The Group-2021

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 2021	401,191	8,495	151,476	24,852	744	44,448	5,006	636,212
Profit for the year	-	65,322	-	-	-	-	1,093	66,415
Transfer to regulatory credit risk reserve	-	-	-	-	-	-	-	-
Total comprehensive income and movements therein	-	65,322	-	-	-	-	1,093	66,415
At 30 September 2021	401,191	73,817	151,476	24,852	744	44,448	6,099	702,627

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	4,884	579,677
Profit for the year	-	33,501	-	-	-	-	13	33,514
Transfer from regulatory credit risk reserve	-	(1,790)	-	-	-	1,790	-	-
Total comprehensive income and movements therein	-	31,711	-	-	-	1,790	13	33,514
At 31 September 2020	401,191	12,443	125,664	24,852	744	43,400	4,897	613,191

NOTES TO THE CONSOLIDATED AND SEPARATE UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2021

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	2021	2020
a. Capital Adequacy Ratio (CRD) (%)	26.36	24.94
b. Non-Performing Loan (NPL) Ratio (%)	17.56	19.27
c. Liquidity ratio (%)	162.34	178.06

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 have policy and procedure manuals instituted by the Board of Directors and Management. A comprehensive departmental manual has been established 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

	2021	2020
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