



UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH, 2020

CONSOLIDATED AND SEPARATE STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH, 2020

In thousands of GHS

	2020		2019	
	Bank	Group	Bank	Group
Interest income	108,408	112,061	94,588	97,594
Interest expense	(49,149)	(49,149)	(40,724)	(40,724)
Net interest income	59,259	62,912	53,864	56,870
Fee and commission income	12,180	17,307	10,649	15,598
Fee and commission expense	(516)	(516)	(271)	(271)
Net fee and commission income	11,664	16,791	10,378	15,327
Net trading income	6,006	6,006	5,995	5,995
Other operating income	1,515	1,515	2,201	2,201
Other income	5,151	5,499	552	1,520
Operating income	83,595	92,723	72,990	81,913
Net impairment loss on financial asset	(4,628)	(4,628)	(3,548)	(2,977)
Net loss from investments at fair value thru. P&L	-	-	(3,894)	(3,894)
Personnel expenses	(32,312)	(37,000)	(25,932)	(28,470)
Operating lease expenses	(211)	(962)	(2,387)	(3,138)
Depreciation and amortization	(4,420)	(4,729)	(2,751)	(3,057)
Other expenses	(15,290)	(17,070)	(12,330)	(15,968)
Profit before income tax for the period	26,734	28,334	22,148	24,409
National Stabilization Levy	(1,337)	(1,402)	(1,107)	(1,211)
Tax expense	(7,391)	(7,709)	(4,984)	(5,479)
Profit for the period	18,006	19,223	16,057	17,719
Other comprehensive income, net of income tax	-	-	-	-
Total comprehensive income for the period	18,006	19,223	16,057	17,719
Profit / (loss) attributable to:				
Controlling Equity holders of the bank	18,006	18,874	16,057	17,457
Non-controlling interest	-	349	-	262
Profit for the period	18,006	19,223	16,057	17,719
Total comprehensive income attributable to:				
Controlling Equity holders of the bank	18,006	18,874	16,057	17,457
Non-controlling interest	-	349	-	262
Total comprehensive income for the period	18,006	19,223	16,057	17,719

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH, 2020

In thousands of GHS

	2020		2019	
	Bank	Group	Bank	Group
Assets				
Cash and cash equivalents	965,514	965,540	708,792	708,792
Non-pledged trading assets	38,679	38,679	-	-
Pledged assets	24,598	24,598	30,216	30,216
Investment securities	734,064	762,946	752,968	762,101
Loans and advances to customers	1,463,470	1,453,355	1,265,991	1,265,991
Investment in subsidiaries	12,042	-	12,383	-
Current income tax assets	6,101	6,453	5,305	5,275
Deferred tax assets	12,881	12,811	12,599	12,501
Intangible assets	7,579	7,639	8,692	8,742
Other assets	20,099	31,516	30,883	41,124
Property, plant and equipment	92,010	95,416	60,082	63,320
Total assets	3,377,037	3,398,953	2,887,911	2,898,062
Liabilities and equity				
Deposits from banks	60,023	60,023	70,095	70,095
Deposits from customers	2,463,121	2,451,370	2,085,831	2,074,879
Borrowing	113,278	113,278	114,618	114,618
Other liabilities	165,999	175,382	103,601	116,277
Total liabilities	2,802,421	2,800,053	2,374,145	2,375,869
Equity				
Stated capital	401,191	401,191	401,191	401,191
Income surplus	(21,235)	(2,184)	(45,208)	(41,347)
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	37,802	37,802
Housing development assistance reserve	744	744	744	744
Total equity attributable to equity holders of the Bank	574,616	593,667	513,766	517,627
Non-controlling interest	-	5,233	-	4,566
Total equity	574,616	598,900	513,766	522,193
Total liabilities and equity	3,377,037	3,398,953	2,887,911	2,898,062

CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 31 MARCH, 2020

In thousands of GHS

	2020		2019	
	Bank	Group	Bank	Group
Profit before tax	26,734	28,334	22,148	24,409
Adjustments for:				
Depreciation and amortization	4,420	4,729	2,751	3,057
Net impairment loss on loans and advances	4,628	4,628	3,548	3,548
Net impairment gain on investment securities	-	-	-	(571)
Interest expense on long term bonds and borrowings	6,910	6,910	9,148	9,148
Inflation adjustment on long term bonds	-	-	13	13
Fair value appreciation – investments securities FVTPL	-	-	3,894	3,894
Effect of foreign exchange fluctuations on cash & cash equiv.	(11,031)	(11,031)	(9,173)	(9,173)
Increase in loans and advances to customers	(56,154)	(56,157)	(94,470)	(94,470)
Decrease in interest receivable and other assets	15,324	17,307	31,493	31,213
Decrease in deposits from customers	(47,410)	(50,288)	(5,494)	(16,446)
Increase in interest payables and other liabilities	30,655	35,929	11,869	10,788
Cash generated from operations	(25,924)	(19,639)	(24,273)	(34,590)
Interest paid-long term bonds and borrowing	(4,645)	(4,645)	(1,672)	(1,672)
Corporate tax paid	-	(586)	(5,094)	(5,410)
National stabilization levy paid	-	-	(743)	(760)
Net cash generated from operating activities	(30,569)	(24,870)	(31,782)	(42,432)
Cash flows from investing activities				
Purchase of property, plant and equipment	(5,782)	(6,577)	(959)	(974)
Purchase of Intangible asset- software	-	-	(1,403)	(1,403)
Purchase of government securities	(352,704)	(353,189)	(205,787)	(205,787)
Sale of government securities	159,510	159,510	38,226	38,226
Sale of investment securities – FVTPL	-	-	111	111
Purchase of investment securities – FVTPL	-	(2,401)	(2,000)	-
(Purchase) / Sale of other short-term investment	-	(2,000)	-	6,226
Net cash used in investing activities	(198,976)	(204,657)	(171,812)	(163,601)
Cash flows from financing activities				
Repayment of borrowings	(61,567)	(61,567)	-	-
Proceeds from borrowings	108,846	108,846	-	-
Net cash generated from financing activities	47,279	47,279	-	-
Increase in cash and cash equivalents	(182,266)	(182,248)	(203,594)	(206,033)
Effect of foreign exchange fluctuations on cash & cash equiv.	11,031	11,031	9,173	9,173
At 1 January	1,136,749	1,136,757	903,213	905,652
Cash and cash equivalents as at 31 March	965,514	965,540	708,792	708,792

CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH, 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							
Balance at 1 January 2020	401,191	(37,451)	125,664	24,852	744	41,610	556,610
Profit for the year	-	18,006	-	-	-	-	18,006
Transfer to regulatory credit risk reserve	-	(1,790)	-	-	-	1,790	-
Total comprehensive income and movements therein	-	16,216	-	-	-	1,790	18,006
At 31 March 2020	401,191	(21,235)	125,664	24,852	744	43,400	574,616

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							
Balance at 1 January 2019	401,191	(65,092)	94,385	24,852	744	41,629	497,709
Profit for the year	-	16,057	-	-	-	-	16,057
Transfer from regulatory credit risk reserve	-	3,827	-	-	-	(3,827)	-
Total comprehensive income and movements therein	-	19,884	-	-	-	(3,827)	16,057
At 31 March 2019	401,191	(45,208)	94,385	24,852	744	37,802	513,766

UNAUDITED CONSOLIDATED AND SEPERATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH, 2020
CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH, 2020
The Group-2020

In thousands of GHC of	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	-	18,874					349	19,223
Transfer to regulatory credit risk reserve	-	(1,790)	-	-	-	1,790	-	-
Total comprehensive income and movements therein	-	17,084	-	-	-	1,790	349	19,223
At 31 March 2020	<u>401,191</u>	<u>(2,184)</u>	<u>125,664</u>	<u>24,852</u>	<u>744</u>	<u>43,400</u>	<u>5,233</u>	<u>598,900</u>

The Group-2019

In thousands of GHC of	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	(62,631)	94,385	24,852	744	41,629	4,304	504,474
Profit for the year	-	17,457	-	-	-	-	262	17,719
Transfer from regulatory credit risk reserve	-	3,827	-	-	-	(3,827)	-	-
Total comprehensive income and movements therein	-	21,284	-	-	-	(3,827)	262	17,719
At 31 March 2019	<u>401,191</u>	<u>41,347</u>	<u>94,385</u>	<u>24,852</u>	<u>744</u>	<u>37,802</u>	<u>4,566</u>	<u>522,193</u>

Notes to the consolidated and separate unaudited financial statements for the period ended 31 March, 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 Publication for Banks & Bank of Ghana (BOG) licensed financial institutions.

2. Quantitative Disclosures

	2020	2019
a. Capital Adequacy Ratio (%)	28.71	30.12
b. Capital Adequacy Ratio (CRD) (%)	26.51	26.72
c. Non-Performing Loan (NPL) Ratio (%)	17.08	18.96
d. Liquidity ratio (%)	131.65	122.23

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

	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

