

UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE, 2022

UNAUDITED CONSOLIDATED AND SEPARATE STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE, 2022

In thousands of GHS

	2022		2021	
	Bank	Group	Bank	Group
Interest income	258,517	267,359	226,983	234,023
Interest expense	(93,744)	(93,173)	(88,122)	(87,598)
Net interest income	164,773	174,186	138,861	146,425
Fee and commission income	33,033	48,268	25,162	37,659
Fee and commission expense	(628)	(628)	(1,378)	(1,378)
Net fee and commission income	32,405	47,640	23,784	36,281
Net trading income	25,405	25,405	10,616	10,616
Net income / (loss) from investments at fair value thru. P&L	4,668	5,184	1,463	1,764
Other operating income	4,396	4,396	3,139	3,139
Other income	9,096	10,797	3,027	4,411
Operating income	240,743	267,608	180,890	202,636
Net impairment loss on financial asset	(41,643)	(41,643)	(8,037)	(9,062)
Personnel expenses	(77,468)	(89,842)	(63,493)	(73,431)
Operating lease expenses	(853)	(853)	(1,283)	(1,283)
Depreciation and amortization	(11,370)	(12,265)	(10,226)	(11,059)
Other expenses	(46,162)	(51,216)	(33,511)	(38,813)
Profit before income tax for the period	63,247	71,789	64,340	68,988
National Fiscal Stabilization Levy	(3,163)	(3,571)	(3,296)	(3,533)
Financial Sector Recovery Levy	(3,163)	(3,163)	(1,604)	(1,604)
Tax expense	(15,864)	(17,924)	(16,285)	(17,472)
Profit for the period	41,057	47,131	43,155	46,379
Other comprehensive income				
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the period	41,057	47,131	43,155	46,379
Profit / (loss) attributable to:				
Controlling Equity holders of the Bank	41,057	45,888	43,155	45,658
Non-controlling interest	-	1,243	-	721
Profit for the period	41,057	47,131	43,155	46,379
Total comprehensive income attributable to:				
Controlling Equity holders of the bank	41,057	45,888	43,155	45,658
Non-controlling interest	-	1,243	-	721
Total comprehensive income for the period	41,057	47,131	43,155	46,379

UNAUDITED CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE, 2022

In thousands of GHS

	2022		2021	
	Bank	Group	Bank	Group
Assets				
Cash and cash equivalents	892,827	892,853	799,877	799,904
Non-pledged trading assets	10,304	10,304	3,180	3,180
Pledged assets	20,577	20,577	15,038	15,038
Investment securities	1,319,284	1,349,803	1,174,486	1,198,011
Loans and advances to customers	1,883,319	1,883,319	1,587,449	1,587,449
Investment in subsidiaries	13,543	-	13,542	-
Deferred tax assets	19,877	20,561	16,361	16,625
Intangible assets	8,178	8,343	8,419	8,579
Other assets	26,279	33,307	21,223	27,897
Property, plant and equipment	131,793	136,679	110,649	113,769
Total assets	4,325,981	4,355,746	3,750,224	3,770,452
Liabilities and equity				
Deposits from banks	95,054	95,054	-	-
Deposits from customers	3,173,947	3,151,978	2,834,298	2,817,129
Borrowing	109,849	109,849	102,355	102,355
Current tax liabilities	3,504	3,496	7,088	6,187
Deferred tax liabilities	9,957	10,121	-	-
Other liabilities	202,682	212,028	155,094	162,190
Total liabilities	3,594,993	3,582,526	3,098,835	3,087,861
Equity				
Stated capital	401,191	401,191	401,191	401,191
Income surplus	(28,424)	5,919	28,678	54,153
Revaluation reserve	24,852	24,852	24,852	24,852
Statutory reserve fund	192,326	192,326	151,476	151,476
Regulatory credit risk reserve	140,299	140,299	44,448	44,448
Housing development assistance reserve	744	744	744	744
Total equity attributable to equity holders of the Bank	730,988	765,331	651,389	676,864
Non-controlling interest	-	7,889	-	5,727
Total equity	730,988	773,220	651,389	682,591
Total liabilities and equity	4,325,981	4,355,746	3,750,224	3,770,452

UNAUDITED CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOW FOR THE PERIOD ENDED 30 JUNE, 2022

In thousands of GHS

	2022		2021	
	Bank	Group	Bank	Group
Profit before tax	63,247	71,789	64,340	68,988
Adjustments for:				
Depreciation and amortization	11,370	12,265	10,226	11,059
Profit on disposal of property and equipment	(41)	(41)	-	-
Net impairment loss on loans and advances	41,643	41,643	8,037	9,062
Impairment of goodwill	971	971	-	-
Net interest income	(164,773)	(174,186)	(138,861)	(146,425)
Fair value change- investments securities FVTPL	(4,668)	(5,184)	(1,463)	(1,764)
Realised exchange difference	28,031	28,031	1,088	1,088
Effect of foreign exchange fluctuations on cash & cash equiv.	(56,200)	(56,200)	(13,559)	(13,559)
Decrease in trading assets	7,357	7,357	-	-
Decrease in pledged assets	53,829	53,829	27,196	27,196
Increase in loans and advances to customers	(135,324)	(135,324)	(70,387)	(71,412)
(Increase) /decrease in interest receivable and other assets	(9,006)	(6,758)	23,984	25,935
Increase in deposits from customers	58,906	57,704	64,895	61,805
Increase in interest payables and other liabilities	27,160	21,147	1,217	395
Cash generated from operations	(77,498)	(82,957)	(23,287)	(27,632)
Interest paid	(93,744)	(93,744)	(88,122)	(88,122)
Interest received	258,517	262,624	226,983	234,023
Tax refund	-	-	6,486	6,486
Corporate tax paid	(13,752)	(15,527)	(12,689)	(15,573)
National fiscal stabilization levy paid	(2,774)	(3,138)	(1,957)	(2,071)
Financial Sector recovery levy paid	(2,774)	(2,774)	(925)	(925)
Net cash generated from operating activities	67,976	64,485	106,489	106,186
Cash flows from investing activities				
Purchase of property, plant and equipment	(8,382)	(10,634)	(8,203)	(8,391)
Purchase of Intangible asset- software	-	-	(1,814)	(1,814)
Proceeds from sale of property, plant and equipment	253	253	7,708	7,710
Purchase of investment securities at amortised cost	(1,693,592)	(1,765,513)	(612,937)	(612,937)
Sale of investment securities at amortised cost	1,568,204	1,645,888	416,527	415,533
Proceeds from sale of investment securities / interest received - FVTPL	7,199	7,199	111	111
Purchase of investment securities - FVTPL	-	-	(10,000)	(10,000)
Purchases - investment in subsidiary	-	-	(1,500)	-
Net cash used in investing activities	(126,318)	(122,808)	(210,108)	(209,788)
Cash flows from financing activities				
Redemption of bonds	-	-	(17,732)	(17,732)
Proceeds from bonds issued	-	-	18,000	18,000
Repayment of borrowings	(51,086)	(51,086)	(16,972)	(16,972)
Net cash generated from financing activities	(51,086)	(51,086)	(16,704)	(16,704)
Decrease in cash and cash equivalents	(109,428)	(109,409)	(120,323)	(120,306)
Effect of foreign exch. fluctuations on cash & cash equiv.	56,200	56,200	13,559	13,559
At 1 January	946,055	946,062	906,641	906,651
Cash and cash equivalents as at 30 June	892,827	892,853	799,877	799,904

UNAUDITED CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE, 2022

The Bank-2022

In thousands of GHS	Stated Capital	Income surplus account	Statutory reserve fund	Revaluation reserve	Housing development assistance reserve	Regulatory credit risk reserve	Total Equity
Balance at 1 January 2022	401,191	24,371	192,326	24,852	744	46,448	689,932
Profit for the year	-	41,057	-	-	-	-	41,057
Transfers from income surplus to reserves							
Transfer to regulatory credit risk reserve	-	(93,851)	-	-	-	93,851	-
Total transfers	-	(93,851)	-	-	-	93,851	-
At 30 June 2022	401,191	(28,424)	192,326	24,852	744	140,299	730,988

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UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE, 2022

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	-	43,155	-	-	-	-	43,155
Transfers from income surplus to reserves							
Transfer from regulatory credit risk reserve	-	-	-	-	-	-	-
Total transfers	-	-	-	-	-	-	-
At 30 June 2021	401,191	28,678	151,476	24,852	744	44,448	651,389

UNAUDITED CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE, 2022

The Group-2022

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 2022	401,191	53,882	192,326	24,852	744	46,448	6,646	726,089
Profit for the year	-	45,888	-	-	-	-	1,243	47,131
Transfers from income surplus to reserves								
Transfer to regulatory credit risk reserve	-	(93,851)	-	-	-	93,851	-	-
Total transfers	-	(93,851)	-	-	-	93,851	-	-
At 30 June 2022	401,191	5,919	192,326	24,852	744	140,299	7,889	773,220

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	-	45,658	-	-	-	-	721	46,379
Transfers from income surplus to reserves								
Transfer from regulatory credit risk reserve	-	-	-	-	-	-	-	-
Total transfers	-	-	-	-	-	-	-	-
At 30 June 2021	401,191	54,153	151,476	24,852	744	44,448	5,727	682,591

NOTES TO THE UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE, 2022

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

	2022	2021
a. Capital Adequacy Ratio (CRD) (%)	21.89	26.33
b. Non-Performing Loan (NPL) Ratio (%)	18.22	17.40
c. Liquidity ratio (%)	145.94	151.19
d. Leverage ratio (%)	11.39	13.92

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 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

	2022	2021
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



Benjamin Dzoboku

Managing Director