

GHL BANK PLC

UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2019

(All amounts are expressed in Ghana Cedis unless otherwise stated)

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2019		
	2019	2018
Assets		
Cash and Cash Equivalent	41 979 962	46 629 970
Placement with other banks	32 671 470	4 009 751
Investment Securities	47 376 498	39 832 752
Loans and advances to customers	585 525 610	549 584 810
Prepaid expenses	11 002 587	6 493 839
Other assets	7 082 720	8 376 000
Property and equipment	45 680 633	45 645 546
Total Assets	771 319 480	700 572 668
Liabilities		
Deposit from customer accounts	74 398 017	71 054 586
Deposits from banks & other FI	15 006 959	22 036 886
Mortgage retainers	23 620 129	25 660 560
Tax liabilities	-	267 042
Provisions and other liabilities	20 135 580	27 062 157
Long term borrowing	425 338 330	351 417 613
Total Liabilities	558 499 015	497 498 844
Shareholders' Fund		
Ordinary share capital	127 079 493	127 079 493
Income surplus	19 898 695	36 546 447
Statutory reserves	26 666 450	18 576 796
Statutory credit risk reserve	39 175 827	20 871 088
Total Shareholders' Fund	212 820 465	203 073 824
Total Liabilities and Shareholders' Fund	771 319 480	700 572 668

UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2019						
	Stated Capital GHS	Retained Earnings GHS	Credit Risk Reserve GHS	Statutory Reserve GHS	Deposit for Shares GHS	Total GHS
Balance at January 1 2019	127 079 493	25 999 363	32 333 905	26 666 450	-	212 079 211
Profit for the period	-	741 254	-	-	-	741 254
Deposit for shares	-	-	-	-	-	-
Transfers to/from credit risk reserves	-	(6 841 922)	6 841 922	-	-	-
Transfers to statutory reserves	-	-	-	-	-	-
Balance at September 30 2019	127 079 493	19 898 695	39 175 827	26 666 450	-	212 820 465
Balance at January 1 2018	12 287 797	30 069 463	33 770 018	18 576 796	114 791 696	209 495 770
Profit for the period	-	10 181 820	-	-	-	10 181 820
Deposit for shares	114 791 696	-	-	-	(114 791 696)	-
Transfers to/from credit risk reserves	-	-	(12 898 930)	-	-	(12 898 930)
IFRS 9 Transition	-	(3 704 836)	-	-	-	(3 704 836)
Balance at September 30 2018	127 079 493	36 546 447	20 871 088	18 576 796	-	203 073 824

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2019

1. Reporting Entity

GHL Bank Limited is incorporated in Ghana.

2. Registered Office

The address of the Bank's registered office is No 1 Kofi Annan Street, Airport Residential Area, PMB CT 470, Cantonments, Accra.

3. Significant Accounting Policies

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB) and adopted by the Institute of Chartered Accountants, Ghana (ICAG), and in the manner required by the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) and the Companies Act, 1963 (Act 179).

The principal accounting policies applied in the preparation of these financial statements are consistent with the accounting policies applied in the financial statements for the year ended December 31 2018. These policies have been consistently applied to all the periods presented, unless otherwise stated.

4. Functional and Presentation Currency

These financial statements are presented in Ghana Cedis, which is the Bank's functional currency.

5. Use of Judgements and Estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Bank's accounting policies and the reported amounts of assets, liabilities, income and expenses.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognised prospectively.

6. Quantitative Disclosures:

	Sep-19	Sep-18
Capital Adequacy Ratio	21.67%	27.69%
Common Equity Tier 1 Ratio	21.56%	26.07%
Non Performing Loans (NPL) Ratio	9.47%	7.90%

7. Risk Management

The Bank's activities expose the business to the following types of risks:

Credit Risk	Liquidity Risk
Market Risk	Operational Risk

The risks inherent in the Bank's activities are managed through an ongoing process of identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Bank's continuing profitability and each individual within the Bank is accountable for the risk exposures relating to his or her responsibilities. The Board of Directors is responsible for the overall risk management approach and for approving the risk management strategies and principles.

In addition, the Board's Risk Committee has responsibility for the development of risk strategy and implementing principles, frameworks, policies and limits. The Bank has a 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 policies and procedure manuals which have been instituted by the Board of Directors and Management.

Risk management policies and systems, when implemented, are reviewed regularly to reflect changes in market conditions, products and services offered by the Bank.

8. Defaults in Statutory Liquidity and accompanying sanctions

	Sep-19	Sep-18
Default in Statutory Liquidity	Nil	Nil
Sanctions	Nil	Nil

Signed
Dominic Adu
(Chief Executive Officer)

Signed
Kojo Addo-Kufuor
(Director)

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEP 2019		
	2019	2018
Interest income	62 608 472	56 434 172
Interest expense	(24 638 598)	(19 164 877)
Net Interest Income	37 969 874	37 269 295
Fee and Commission Revenue		
Fee and commission revenue	3 250 434	6 761 671
Fee and commission expense	(1 222 502)	(3 008 344)
Net Fee and Commission Revenue	2 027 932	3 753 327
Net trading revenue	2 547 620	2 171 857
Other income	2 102 388	-
Unrealised exchange gain	15 167 750	8 098 370
Total Other Operating Income	19 817 758	10 270 227
Total Income	59 815 564	51 292 849
Credit impairment charges	(1 277 568)	(2 735 726)
Income after Impairment Charges	58 537 996	48 557 123
Operating Expenses		
Staff cost	(25 208 977)	(18 429 317)
Depreciation and amortisation	(7 300 801)	(4 504 469)
Other operating expenses	(25 012 802)	(12 908 542)
Total Operating Expenses	(57 522 580)	(35 842 328)
Net Income Before Taxes	1 015 416	12 714 795
Income tax expense	(274 162)	(2 532 975)
Profit for the Period	741 254	10 181 820

UNAUDITED STATEMENT OF CASHFLOW FOR THE PERIOD ENDED 30 SEP 2019		
	2019	2018
Cashflow from operating activities		
Profit after tax	741 254	10 181 820
Adjustment for:		
Depreciation	7 300 801	4 504 469
Net interest income	(37 969 874)	(37 269 295)
Impairment loss	1 277 568	2 735 726
Income tax expense	274 162	2 532 975
	(28 376 089)	(17 314 305)
Changes in:		
Loans and advances	(35 940 800)	(103 928 479)
Receivables and other assets	(3 215 468)	13 201 205
Customer deposits	3 343 431	71 054 586
Mortgage retainers and other liabilities	(9 234 050)	39 158 694
Deposits from banks & other FI	(7 029 927)	-
	(80 452 903)	2 171 701
Interest received	62 608 472	56 434 172
Interest paid	(24 638 598)	(19 164 877)
Income tax paid	(1 957 047)	(1 497 956)
Net cash generated from operating activities	(44 440 076)	37 943 400
Cashflow from investing activities		
Purchase of software, property and equipment	(9 995 736)	(41 662 806)
(Investment in securities)/Sale of securities	(36 205 465)	29 355 444
Net Cash used in investing activities	(46 201 201)	(12 307 362)
Cashflow from financing activities		
Dividend paid	-	-
Movement in long term loans	85 991 269	(13 359 110)
Net cash used in financing activities	85 991 269	(13 359 110)
Net increase in cash and cash equivalent	(4 650 008)	12 276 568
Cash and cash equivalent at beginning of period	46 629 970	34 353 402
Cash and cash equivalent at end of period.	41 979 962	46 629 970