

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30TH JUNE 2019

(All amounts are expressed in Ghana Cedis)

	2019	2018
Interest income	81,807,471	33,823,786
Interest expense	(36,251,242)	(12,398,176)
Net interest income	45,556,229	21,425,610
Fee and commission income	5,655,533	4,207,869
Fee and commission expense	(345,609)	(167,392)
Net fee and commission income	5,309,924	4,040,477
Net trading income	6,836,369	8,177,461
Other income	4,109	273,514
Operating income	57,706,631	33,917,062
Net impairment loss on financial assets	(6,776,655)	577,234
Personnel expenses	(11,816,508)	(11,077,168)
Depreciation and amortisation	(2,723,064)	(3,184,996)
Operating expenses	(15,955,960)	(13,012,130)
Profit before tax	20,434,444	7,220,002
Income tax expense	(5,108,611)	(1,805,001)
National stabilisation levy	(1,021,722)	(361,000)
Profit for the period after tax	14,304,111	5,054,001
Other comprehensive income	-	-
Total comprehensive income for the period	14,304,111	5,054,001

The accompanying notes 1 to 4 form part of these financial statements

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2019

(All amounts are expressed in Ghana Cedis)

	2019	2018
Assets		
Cash and cash equivalent	181,084,028	111,305,823
Investment securities	729,905,370	246,586,218
Loans and advances	66,081,562	66,162,184
Current income tax assets	842,697	-
Other assets	23,190,932	12,522,128
Investments in associates	8,088,100	8,088,100
Property and equipment	9,479,828	11,052,726
Intangible assets	895,249	1,349,544
Deferred income tax asset	992,097	585,662
Total assets	1,020,559,863	457,652,385
Liabilities		
Customer deposits	295,370,986	259,627,600
Deposits from banks and other financial institutions	214,423,477	59,237,960
Other liabilities	51,906,983	12,143,457
Current income tax liability	-	175,502
Total liabilities	561,701,446	331,184,519
Shareholders' funds		
Stated capital	400,000,000	60,000,000
Income surplus	4,016,955	22,913,788
Statutory reserve	44,771,216	34,182,664
Credit risk reserve	8,781,294	8,082,462
Capital surplus	1,288,952	1,288,952
Shareholders' funds	458,858,417	126,467,866
Total liabilities and shareholders' funds	1,020,559,863	457,652,385

The accompanying notes 1 to 4 form part of these financial statements

STATEMENT OF CHANGES IN EQUITY AS AT 30TH JUNE 2019

(All amounts are expressed in Ghana Cedis)

	Stated Capital	Income Surplus	Statutory Reserves	Credit risk reserve	Capital Surplus	Total
At 1 January 2018	60,000,000	26,282,147	32,919,164	3,567,131	1,288,952	124,057,394
Changes on initial application of IFRS 9	-	(2,643,529)	-	-	-	(2,643,529)
Increase in impairment provisioning	-	(2,643,529)	-	(2,643,529)	-	-
Transfer from credit risk reserve	-	-	-	-	-	-
Restated balance at 1 January 2018	60,000,000	26,282,147	32,919,164	923,602	1,288,952	121,413,865
Profit for the period	-	5,054,001	-	-	-	5,054,001
Total comprehensive income	-	5,054,001	-	-	-	5,054,001
Transfer to statutory reserve	-	(1,263,500)	1,263,500	-	-	-
Transfer to credit risk reserve	-	(7,158,860)	-	7,158,860	-	-
Total transactions with owners	-	(8,422,360)	1,263,500	7,158,860	-	-
At 30 June 2018	60,000,000	22,913,788	34,182,664	8,082,462	1,288,952	126,467,866
At 1 January 2019	400,000,000	(2,761,536)	37,619,160	8,407,730	1,288,952	444,554,306
Profit for the period	-	14,304,111	-	-	-	14,304,111
Total comprehensive income	-	14,304,111	-	-	-	14,304,111
Transfer to statutory reserve	-	(7,152,056)	7,152,056	-	-	-
Transfer to credit risk reserve	-	(373,564)	-	373,564	-	-
Total transactions with owners	-	(7,525,620)	7,152,056	373,564	-	-
At 30 June 2019	400,000,000	4,016,955	44,771,216	8,781,294	1,288,952	458,858,417

The accompanying notes 1 to 4 form part of these financial statements

UNAUDITED STATEMENT OF CASHFLOWS FOR THE PERIOD ENDED 30TH JUNE 2019

(All amounts are expressed in Ghana Cedis)

	2019	2018
Cash flows from operating activities		
Profit before income tax	20,434,444	7,220,002
Adjustment for:		
Depreciation and amortisation	2,723,064	3,184,996
Impairment charge on loans and advances	7,960,897	(464,882)
Gain on disposal of property and equipment	(4,109)	(273,514)
Changes in loans and advances to customers	(1,992,631)	(1,634,793)
Changes in restricted balances	2,307,457	3,974,428
Changes in other assets	(8,142,323)	(4,048,057)
Changes in customer deposits	(8,942,566)	(33,540,252)
Changes in deposits from banks and other financial institutions	24,117,056	(56,418,204)
Changes in other liabilities	1,166,739	(959,354)
Changes in investment securities	(91,236,758)	4,967,101
Cash used in operations	(51,608,730)	(77,992,529)
Tax paid	(5,400,300)	(2,009,321)
National stabilisation levy paid	(876,063)	(300,432)
Net cash used in operating activities	(57,885,093)	(80,302,282)
Cash flows from investing activities		
Purchase of property and equipment	(1,434,522)	(1,650,643)
Purchase of intangible assets	(172,854)	(364,300)
Proceeds from disposal of property and Equipment	4,109	273,514
Net cash used in investing activities	(1,603,267)	(1,741,429)
Decrease in cash and cash equivalents	(59,488,360)	(82,043,711)
Analysis of changes in cash and cash equivalents		
Cash and cash equivalents at 1st January	243,643,603	354,557,025
Decrease in cash and cash equivalents	(59,488,360)	(82,043,711)
Cash and cash equivalents at 30th June	184,155,243	272,513,314

The accompanying notes 1 to 4 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 2019

1.0 Significant Accounting policies

The accounting policies followed for the period ended 30th June, 2019 are consistent with those followed in the financial statements for the year ended 31st December, 2018.

2.0 Quantitative Disclosures

	JUNE 2019	JUNE 2018
Capital Adequacy Ratio	74.55%	51.80%
Non-Performing Loan Ratio	38.27%	20.39%
Liquid Ratio	178.61%	112.24%

3.0 Qualitative Disclosures

(i) The Bank's dominant risks are: credit risk, liquidity risk, market risk and operational risk.

(ii) Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Bank's risk management framework. Under this framework, the Board has established a number of separate independent bodies responsible for managing and monitoring risks. These include, Board sub-committees, Credit Committee of management (MCC), Risk Management Department, Asset and Liability Management Committee (ALCO), which are responsible for developing and monitoring the Bank's risk management policies in their specified areas. All Board committees report regularly to the Board of Directors on their activities.

The Bank's risk management policies are established to identify and analyse the risks faced by the Bank, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Bank, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations

The risks arising from financial instruments to which the Bank is exposed are financial risks, which includes credit risk, liquidity risk and market risk.

(iii)

	JUNE 2019	JUNE 2018
Default in Statutory Liquidity	Nil	Nil
Default in Statutory Liquidity Sanction	Nil	Nil

4.0 The financial statements do not contain untrue statements, misleading facts or omit material facts to the best of our knowledge.

VICTOR YAW ASANTE
(Managing Director/ CEO)

JOSEPH YIELEH CHIREH
(Chairman)