

## UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30<sup>TH</sup> SEPTEMBER 2018

(All amounts are expressed in Ghana Cedis)

	2018	2017
Interest income	47,851,697	66,039,743
Interest expense	(16,573,082)	(25,596,800)
<b>Net interest income</b>	<b>31,278,615</b>	<b>40,442,943</b>
Fee and commission income	6,666,321	5,599,541
Fee and commission expense	(231,567)	(253,653)
<b>Net fee and commission income</b>	<b>6,434,754</b>	<b>5,345,888</b>
Net trading income	13,196,597	6,180,382
<b>Operating income</b>	<b>50,909,966</b>	<b>51,969,213</b>
Loans and advances impairment charge	(687,072)	(1,446,298)
Personnel expenses	(17,091,612)	(15,703,309)
Depreciation and amortisation	(4,872,175)	(3,253,498)
Operating expenses	(19,590,172)	(18,942,300)
<b>Profit before tax</b>	<b>8,668,935</b>	<b>12,623,808</b>
Income tax expense	(2,167,234)	(3,155,952)
National stabilisation levy	(433,447)	(631,190)
<b>Profit for the period after tax</b>	<b>6,068,254</b>	<b>8,836,666</b>
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<b>6,068,254</b>	<b>8,836,666</b>

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

## UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30<sup>TH</sup> SEPTEMBER 2018

(All amounts are expressed in Ghana Cedis)

	2018	2017
<b>Assets</b>		
Cash and cash equivalent	174,509,829	170,519,365
Investment securities	178,877,327	187,387,712
Loans and advances	70,638,959	72,300,907
Current income tax assets	236,953	-
Other assets	17,647,836	10,230,380
Investments in associates	8,088,100	8,088,100
Property and equipment	10,773,189	12,509,896
Intangible assets	1,187,676	1,709,158
Deferred income tax asset	585,662	-
<b>Total assets</b>	<b>462,545,531</b>	<b>462,745,518</b>
<b>Liabilities</b>		
Customer deposits	282,253,315	255,818,687
Deposits from banks and other financial institutions	34,152,186	69,375,036
Other liabilities	18,657,911	15,948,784
Current income tax liability	-	117,616
Deferred income tax liability	-	22,559
<b>Total liabilities</b>	<b>335,063,412</b>	<b>341,282,682</b>
<b>Shareholders' funds</b>		
Stated capital	60,000,000	60,000,000
Income surplus	24,427,301	24,913,029
Statutory reserve	34,436,228	32,270,525
Credit risk reserve	7,329,638	2,990,330
Capital surplus	1,288,952	1,288,952
<b>Shareholders' funds</b>	<b>127,482,119</b>	<b>121,462,836</b>
<b>Total liabilities and shareholders' funds</b>	<b>462,545,531</b>	<b>462,745,518</b>

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

## STATEMENT OF CHANGES IN EQUITY AS AT 30<sup>TH</sup> SEPTEMBER 2018

(All amounts are expressed in Ghana Cedis)

	Stated Capital	Income Surplus	Statutory Reserves	Regulatory credit risk reserve	Revaluation reserve	Total
At 1 January 2017	60,000,000	16,891,574	30,061,358	4,384,286	1,288,952	112,626,170
Profit for the period	-	8,836,666	-	-	-	8,836,666
<b>Total comprehensive income</b>	-	<b>8,836,666</b>	-	-	-	<b>8,836,666</b>
Transfer to statutory reserve	-	(2,209,167)	2,209,167	-	-	-
Transfer to regulatory credit risk reserve	-	1,393,956	-	(1,393,956)	-	-
<b>Total transactions with owners</b>	-	<b>(815,211)</b>	<b>2,209,167</b>	<b>(1,393,956)</b>	-	-
<b>At 30 September 2017</b>	<b>60,000,000</b>	<b>24,913,029</b>	<b>32,270,525</b>	<b>2,990,330</b>	<b>1,288,952</b>	<b>121,462,836</b>
At 1 January 2018	60,000,000	26,282,147	32,919,164	3,567,131	1,288,952	124,057,394
Profit for the period	-	6,068,254	-	-	-	6,068,254
<b>Total comprehensive income</b>	-	<b>6,068,254</b>	-	-	-	<b>6,068,254</b>
Transfer to statutory reserve	-	(1,517,064)	1,517,064	-	-	-
Transfer to regulatory credit risk reserve	-	(3,762,507)	-	3,762,507	-	-
Transfer from retained earnings	-	(2,643,529)	-	-	-	(2,643,529)
<b>Total transactions with owners</b>	-	<b>(7,923,100)</b>	<b>1,517,064</b>	<b>3,762,507</b>	-	<b>(2,643,529)</b>
<b>At 30 September 2018</b>	<b>60,000,000</b>	<b>24,427,301</b>	<b>34,436,228</b>	<b>7,329,638</b>	<b>1,288,952</b>	<b>127,482,119</b>

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

## UNAUDITED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30<sup>TH</sup> SEPTEMBER 2018

(All amounts are expressed in Ghana Cedis)

	2018	2017
<b>Cash flows from operating activities</b>		
Profit before income tax	8,668,935	12,623,808
<b>Adjustment for:</b>		
Depreciation and amortisation	4,872,175	3,253,498
Impairment charge on loans and advances	911,624	1,760,590
Gain on disposal of property and equipment	(273,514)	(2,827)
Changes in loans and advances to customers	(7,488,074)	19,087,675
Changes in restricted balances	1,741,524	2,444,444
Changes in other assets	(9,173,764)	(1,350,451)
Changes in customer deposits	(10,914,537)	(22,150,188)
Changes in deposits from banks and other financial institutions	(81,503,978)	(89,266,492)
Changes in other liabilities	5,626,521	(202,677)
Changes in investment securities	(28,659,852)	(33,007,579)
<b>Cash used in operations</b>	<b>(116,192,940)</b>	<b>(106,810,199)</b>
Tax paid	(2,784,010)	(2,161,419)
National stabilisation levy paid	(444,300)	(471,158)
<b>Net cash used in operating activities</b>	<b>(119,421,250)</b>	<b>(109,442,776)</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(2,829,783)	(3,368,849)
Purchase of intangible assets	(430,934)	(820,727)
Proceeds from disposal of property and Equipment	273,514	82,993
<b>Net cash used in investing activities</b>	<b>(2,987,203)</b>	<b>(4,106,583)</b>
<b>Decrease in cash and cash equivalents</b>	<b>(122,408,453)</b>	<b>(113,549,359)</b>
<b>Analysis of changes in cash and cash equivalents</b>		
Cash and cash equivalents at 1st January	354,557,025	389,395,029
Decrease in cash and cash equivalents	(122,408,453)	(113,549,359)
<b>Cash and cash equivalents at 30th September</b>	<b>232,148,572</b>	<b>275,845,670</b>

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30<sup>TH</sup> SEPTEMBER 2018

### 1.0 Significant Accounting policies

The accounting policies followed for the period ended 30th September, 2018 are consistent with those followed in the financial statements for the year ended 31st December, 2017.

### 2.0 Quantitative Disclosures

	SEPTEMBER 2018	SEPTEMBER 2017
Capital Adequacy Ratio	46.42%	45.39%
Non-Performing Loan Ratio	19.57%	9.41%
Liquid Ratio	111.69%	110.06%

### 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)

	SEPTEMBER 2018	SEPTEMBER 2017
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.

  
GBENGA ODEYEMI  
(Managing Director/ CEO)

  
JOSEPH YIELEH CHIREH  
(Chairman)