



PRESS RELEASE

PR. No 386/2019

GHL BANK
UNAUDITED FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDING 30 SEPTEMBER 2019

GHL Bank has released its unaudited Financial Statements for the third quarter ending September 30, 2019 as per the attached.

Issued in Accra, this 29th
day of October, 2019

- E N D -

att'd.

Distribution:

1. All LDMs
2. General Public
3. Listed Companies
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5. Custodians
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Head of Listing, GSE on 0302 669908, 669914, 669935

**GA*

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 | 4 009 731 |
| Investment Securities | 47 376 498 | 19 832 752 |
| Loans and advances to customers | 585 525 610 | 549 584 810 |
| Prepaid expenses | 11 002 587 | 6 493 839 |
| Other assets | 7 082 730 | 8 376 000 |
| Property and equipment | 45 680 633 | 45 645 540 |
| 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 | 22 036 888 |
| 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 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 |
| Fees and Commission Revenue | | |
| Fee and commission revenue | 3 250 434 | 5 761 671 |
| 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 | 2 103 388 | - |
| 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 | (3 215 488) | 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 | (1 557 947) | (1 497 956) |
| Net cash generated from operating activities | (44 440 076) | 37 945 040 |
| 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 |

| 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 | 25 969 363 | 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 | 30 069 465 | 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

- Reporting Entity**
GHL Bank Limited is incorporated in Ghana.
- Registered Office**
The address of the Bank's registered office is No 1 Kofi Annan Street, Airport Residential Area, PMB CT 470, Cantonments, Accra.
- 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.
- Functional and Presentation Currency**
These financial statements are presented in Ghana Cedis, which is the Bank's functional currency.
- 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.
- Quantitative Disclosures:**

| | Sep-19 | Sep-18 |
|----------------------------------|--------|--------|
| Capital Adequacy Ratio | 21.67% | 27.69% |
| Common Equity Tier 1 Ratio | 21.36% | 26.07% |
| Non-Performing Loans (NPL) Ratio | 9.47% | 7.90% |
- 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.
- 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
Kejo Addo-Kuhfor
(Director)