GHL BANK PLC
(PREVIOUSLY GHANA HOME LOANS LIMITED)

FINANCIAL STATEMENTS

31 DECEMBER 2016

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ACCRA NOMINEES LTD
(Company Secretaries)

GHL BANK PLC

ANNUAL REPORTS AND FINANCIAL STATEMENTS

GHL BANK PLC

CORPORATE INFORMATION

BOARD OF DIRECTORS	Jacob Kholi *(Chairman)* Dominic Adu *(Chief Executive Officer)* Kojo Addo-Kufuor Christopher Nordeen Kwadwo Adjei-Barwuah *(Appointed: 19/12/16)* Albert Kobina Essien *(Appointed: 19/12/16)* Nana Ama Dowuona *(Appointed: 19/12/16)* Isaac Owusu-Ansah *(Resigned: 19/12/16)* Ellis Atekpe *(Resigned: 19/12/16)*
SECRETARY	Accra Nominees Limited Company Secretaries Cedar House No 13 Samora Machel Road Asylum Down c/o P O Box GP 242 Accra
SOLICITOR	Sterling Partnership No 3 Tackie Tawiah Street Off Farrar Avenue Adabraka P O Box GP 21373 Accra
AUDITOR	KPMG Chartered Accountants 13 Yiyiwa Drive, Abelenkpe P O Box GP 242 Accra
REGISTERED OFFICE	1 Aviation Road Airport Residential Area PMB CT 470 Cantonments Accra
BANKERS	Cal Bank Ghana Limited Ecobank Ghana Limited Ghana International Bank Stanbic Bank Ghana Limited

REPORT OF THE DIRECTORS
TO THE MEMBERS OF
GHL BANK PLC

Report of the Directors

The Directors submit their report together with the audited consolidated and separate financial statements for the year ended 31 December 2016, which disclose the state of affairs of the Group.

Statements of Directors' Responsibilities

The Directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view of GHL Bank Plc, comprising the statements of financial position at 31 December 2016 and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and in the manner required by the Companies Act 1963 (Act 179) and the Non-Bank Financial Institutions Act 2008 (Act 774). In addition, the directors are responsible for the preparation of the Report of the Directors.

The Directors are also responsible for such internal control as the directors deem necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The Directors have made an assessment of the ability of the Company and its subsidiary to continue as going concerns and have no reason to believe that the businesses will not be going concerns in the year ahead.

The auditor is responsible for reporting on whether the consolidated and separate financial statements give a true and fair view in accordance with the applicable financial reporting framework.

Financial Performance

The financial results of the Company and its subsidiary for the year ended 31 December 2016 are set out in the attached financial statements, highlights of which are as follows:

Results and Dividend

	The Group GH¢	GHLB GH¢
Profit for the year ended 31 December 2016 before taxation is	33,153,039	26,930,681
from which is deducted taxation of	(8,966,562)	(7,374,478)
Giving profit for the period after taxation of	24,186,477	19,556,203
Less: transfer to stated capital, statutory reserve fund and credit risk reserve of	14,052,009	13,319,106
Dividend paid	1,584,000	1,584,000
Leaving a balance of	8,586,468	4,653,097
when added to the surplus balance brought forward -on retained earnings of	21,501,206	4,291,713
Leaves a balance of	30,087,674	8,944,810

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REPORT OF THE DIRECTORS
TO THE MEMBERS OF
GHL BANK PLC (CONT'D)

The Directors have proposed a dividend of GH¢2,748,000 for the year under review.

The Directors confirm that to the best of their knowledge the financial statements, prepared in accordance with applicable laws and the company's financial reporting framework, give a true and fair view of the company's financial position, performance and cash flows; and the state of the company's affairs is satisfactory.

Nature of Business

The company is authorised by the Central Bank to carry on the business of lending funds which are secured by mortgages on the properties financed. There was no change in the nature of business of the company and its subsidiary during the year. During the year Ghana Home Loans Limited, after receiving an approval in principle to become a universal bank, changed its name to GHL Bank PLC.

Subsidiary Company

The company has a wholly owned subsidiary, Ghana Home Loans (Fund 1) Limited (GHL Fund 1), that is incorporated in Ghana to borrow for the purposes of purchasing loans from its parent company.

Holding Company

The company is wholly owned by Harborough Limited, a company incorporated in Ghana.

Approval of the Consolidated and Separate Financial Statements

The consolidated and separate financial statements of GHL Bank Plc as identified in the first paragraph, were approved by the Board of Directors and signed on their behalf by:

DIRECTOR

DIRECTOR

30 March 2017

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(Company Secretaries)

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GHL BANK PLC

CORPORATE GOVERNANCE

Commitment to Corporate Governance

GHL Bank Plc and its subsidiary operate according to its principles and practices of corporate governance. These principles and practices are guided by rigorous Committee standards on corporate governance, which constitute the best of international practice in this area.

These principles and practices have been articulated in the Terms of Reference of the Board and various sub-committees of the Board.

The Board

The Board is responsible for setting the Group's strategic direction, leading, controlling and monitoring the activities of executive and senior management.

As at 31 December 2016, the Board of Directors of GHL Bank Plc consisted of seven (7) members made up of a non-executive Chairman, four (4) non-executive Directors, and two (2) Executive Directors. These Board members have a wide experience and in-depth knowledge in management, industry and the financial and capital markets, which enables them to make informed decisions and valuable contributions to the Group's progress. The Board met four (4) times during the year.

The Board has delegated various aspects of its governance to the Audit and Compliance, Assets and Liability and Remuneration Committees.

The Board has adopted standard evaluation tools that help assess the performance of the Board, its committees and individual members on an annual basis.

Asset and Liability Committee (ALCO)

The committee members are:

Mr. Albert Essien (chairman), Mr. Jacob Kholi, Mr. Dominic Adu and Mr. Kojo Addo-Kufuor.

The ALCO's primary function is to assist the Board of Directors in fulfilling its risk management responsibilities as defined by applicable laws and regulations as well as GHL's articles of association and internal regulations, periodically by;

- Reviewing and assessing the integrity and adequacy of the risk management function of the Group, in particular as it relates to market, credit, operational, liquidity and funding risks. The review and assessment of the adequacy of the management of reputational risks, however, is a joint responsibility of the ALCO and Audit Committee.
- Reviewing the adequacy of the Group's capital and its allocation to the Group's businesses.
- Reviewing certain risk limits and regular risk reports and making recommendations to the Board of Directors.
- Reviewing the Company's policy in respect of corporate responsibility and sustainable development.

GHL BANK PLC

CORPORATE GOVERNANCE (CONT'D)

The ALCO has direct access to, and receives regular reports from the Group's management. It also has powers to conduct or authorize investigations into any matter within the committee's scope of responsibilities. The ALCO is authorized to obtain any information of the Company and is empowered to obtain advice and assistance from independent professional advisors without seeking the Board's approval, but in conjunction with the Chairman of the Board of Directors, to assist in carrying out its responsibilities as set forth in its charter.

The ALCO's role is one of oversight, recognizing that management is responsible for executing the Group's risk management policy. While the ALCO has the responsibilities and powers set forth in its charter, it is not the duty of the ALCO to plan or conduct risk management tasks. Nor is it the duty of the ALCO to conduct investigations or to assure compliance with applicable laws and regulations of the Company's Code of Conduct. The ALCO however has other responsibilities as are required by applicable law or regulation and any other responsibilities delegated to it by the Board from time to time.

Other ALCO Responsibilities

The Committee would also:

- Report committee activities to the Board at every Board meeting.
- Annually perform a self-assessment of the ALCO's performance.
- Review and assess the adequacy of its charter from time to time and recommend any proposed changes to the Board for approval.

Audit Committee

The committee members are:

Kwadwo Adjei-Barwuah (chairman), Mr. Christopher Nordeen, and Mr. Jacob Kholi.

The Audit committee's primary function is to assist the Board of Directors in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, the audit process, and the company's process for monitoring compliance with laws and regulations and the code of conduct.

The audit committee has authority to conduct or authorize investigations into any matters within its scope of responsibility. It is empowered to:

- Appoint, compensate, and oversee the work of any registered public accounting firm employed by the organization.
- Resolve any disagreements between management and the auditor regarding financial reporting.
- Pre-approve all auditing and non-audit services.
- Retain independent counsel, accountants, or others to advise the committee or assist in the conduct of an investigation.

GHL BANK PLC

CORPORATE GOVERNANCE (CONT'D)

Audit Committee (cont'd)

- Seek any information it requires from employees-all of whom are directed to cooperate with the committee's requests-or external parties.

- Meet with company officers, external auditors, or outside counsel, as necessary.

Audit Committee Responsibilities and Duties

The committee reviews and reports on the following:

- Financial statements both internal and external

- All Internal Control issues

- Management of the internal auditor, the charter, activities, findings, staffing, and organizational structure of the internal audit function.

- The external auditors' proposed audit scope and approach, including coordination of audit effort with internal audit and their findings.

- Effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.

Reporting Responsibilities

- Regularly report to the Board of Directors about committee activities, issues and related recommendations.

- Provide an open avenue of communication between internal audit, the external auditors, and the Board of Directors.

- Report annually to the shareholders, describing the committee's composition, responsibilities and how they were discharged, and any other information required by law, including approval of non-audit services.

- Review any other reports the company issues that relate to the committee's responsibilities.

Remuneration Committee (REMCO)

The committee members are:

Nana Ama Dowuona (Chairperson), Mr. Albert Essien, Mr. Kwadwo Adjei-Barwuah and Kojo Addo - Kufuor.

The primary responsibility of the REMCO is to set overall compensation guidelines for the Group's senior management and Board members and to make recommendations to the board regarding changes to remuneration policy. The Committee reviews the Group's personnel and staffing requirements to make sure that appropriate resources are in place to allow the Group to properly execute its goals and objectives.

The REMCO has direct access to, and receives regular reports from the Group's management and any employee. It has the power to conduct or authorize investigations into any matter within the committee's scope of responsibilities. The REMCO is authorized to obtain any information of the Group and it is empowered to obtain advice and assistance from independent professional advisors in consultation with the Board Chairman to assist in carrying out its responsibilities as set forth in its charter.

REMCO Responsibilities and Duties

The Committee:

- Reviews and makes recommendations to the board regarding the Group's broad policy relating to total remuneration paid to the Board members and the Group's senior management. No director or manager shall be involved in any decisions as to their own remuneration.
- Reviews, and within the broad policy from time to time approved by the Board, determines the terms of employment and remuneration packages for the Group's key management team, including the component parts of the package such as: pensions, bonus plans, participation in grants and awards under share incentive plans, with a view to ensuring that the key management team are fairly but responsibly rewarded for their individual contributions.
- Reviews and makes recommendations to the full board regarding the amount and payment of any performance based bonus.
- Reviews and within the broad policy from time to time approved by the Board, determine the remuneration package of the Chairman of the Board and other Board members.
- Approves any compensation packages or arrangements following the severance of any senior manager's employment contract, with a view to ensuring that the executive is treated fairly but that failure is not rewarded and that the duty to mitigate loss is fully recognized.
- Agrees on a policy for authorizing claims for expenses from the Group's Chief Executive Officer and the Chairman.
- Selects, appoints and determines the terms of reference of independent remuneration consultants appointed to advise the committee on remuneration policy, levels of remuneration, and any other issues relating to senior managers and Directors.
- Recommends to the board the establishment of any employee share plans, including material amendments to existing plans, which require the approval of the company's shareholders, and in respect of any plans so approved by the Board, to approve any non-material amendments thereto.

Other Responsibilities

The Committee will also carry out the following responsibilities:

- The committee shall, at least once a year, review its terms of reference and if necessary, make recommendations to the Board for their amendment.
- Consider other topics, as from time to time referred to toby the Board.

KPMG

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

GHL BANK PLC

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of GHL Bank Plc. ("the Group"), which comprise the statements of financial position at 31 December 2016, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, as set out on pages 12 to 49.

In our opinion, these financial statements give a true and fair view of the consolidated and separate financial position of GHL Bank Plc at 31 December 2016 and of its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Non-Bank Financial Institutions Act, 2008 (Act 774) and in the manner required by the Companies Act, 1963 (Act 179).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)*, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report and the Directors' Report as required by the Companies Act, 1963 (Act 179) and the Non-Bank Financial Institutions Act, 2008 (Act 774) but does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

KPMG

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

GHL BANK PLC (CONT'D)

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The Directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 1963 (Act 179) and the Non-Bank Financial Institutions Act, 2008 (Act 774), and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion.

KPMG

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

GHL BANK PLC (CONT'D)

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements (cont'd)

Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Section 133 of the Companies Act, 1963 (Act 179) and the Non-Bank Financial Institutions Act, 2008 (Act 774)

We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purpose of our audit.

In our opinion, proper books of account have been kept, and the consolidated and separate statements of financial position and comprehensive income are in agreement with the books of account.

The engagement partner on the audit resulting in this independent auditor's report is Frederick Nyan Dennis (ICAG/P/1426).

KPMG

FOR AND ON BEHALF OF:
KPMG: (ICAG/F/2017/038)
CHARTERED ACCOUNTANTS
13 YIYIWA DRIVE, ABELENKPE
P O BOX GP 242
ACCRA

30 March 2017

GHL BANK PLC

STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2016

		The Group		GHLB	
		2016	2015	2016	2015
	Note	GH¢	GH¢	GH¢	GH¢
ASSETS					
Cash and cash equivalents	9(a)	15,005,938	14,147,878	9,338,782	8,660,028
Mortgage finance receivable	11	439,617,190	363,636,913	439,617,190	363,636,913
Other assets	14	4,910,851	4,548,229	4,886,928	4,524,306
Investment in subsidiary		-	-	600	600
Other investments	18	94,459,255	7,881,428	85,515,183	249,597
Current tax assets	10	719,362	131,870	703,387	-
Property and equipment	12	4,860,332	3,595,691	4,860,332	3,595,691
Deferred tax assets	12	-	701,160	-	691,425
Total assets		559,572,928	394,643,169	544,922,402	381,358,560
LIABILITIES					
Short–term borrowings	12	42,454,335	30,295,438	42,454,335	30,295,438
Customer deposits	9(b)	24,824,988	19,112,327	22,485,780	18,146,237
Current tax liabilities	10	-	-	-	45,361
Intercompany operational balances	19	-	-	6,994,255	1,703,980
Other liabilities	16	9,329,713	8,722,766	8,054,374	7,826,866
GHL F1 loans portfolio	19	-	-	133,113,831	136,674,894
Long-term borrowings	15	281,330,715	270,044,997	157,027,982	142,377,438
Deferred tax liabilities	13	3,410,552	-	3,378,788	-
Total liabilities		361,350,303	328,175,528	373,509,345	337,070,214
EQUITY					
Stated capital	20	12,287,797	12,287,797	12,287,797	12,287,797
Deposit for shares	21	114,791,696	-	114,791,696	-
Retained earnings	22	30,087,674	21,501,206	8,944,810	4,291,712
Credit risk reserve	23	25,419,429	20,672,942	25,419,429	20,672,942
Statutory reserve	24	15,636,029	12,005,696	9,969,325	7,035,895
Total equity		198,222,625	66,467,641	171,413,057	44,288,346
Total equity and liabilities		559,572,928	394,643,169	544,922,402	381,358,560

DIRECTOR

DIRECTOR

The notes on pages 16 to 49 are an integral part of these financial statements.

GHL BANK PLC

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2016

		The Group		GHLB	
	Note	2016 GH¢	2015 GH¢	2016 GH¢	2015 GH¢
Interest income	5	51,930,129	44,578,272	33,767,141	26,206,211
Interest expense	5	(19,912,131)	(16,689,293)	(12,652,307)	(8,764,408)
Net interest income		32,017,998	27,888,979	21,114,834	17,441,803
Fees income	6	4,548,081	4,455,067	4,548,081	4,455,067
Fees expenses	6	(1,567,123)	(992,457)	(1,075,922)	(516,024)
Net fee income		2,980,958	3,462,610	3,472,159	3,939,043
Revenue		34,998,956	31,351,589	24,586,993	21,380,846
Other operating income	13	14,761,064	7,065,850	14,825,244	5,860,299
Total income		49,760,020	38,417,439	39,412,237	27,241,145
Personnel and administrative expenses	13	14,710,021	10,103,342	10,584,596	5,984,014
Rental lease expenses		780,792	322,598	780,792	322,598
Depreciation	12	535,061	452,128	535,061	452,128
Impairment loss	12	581,107	922,800	581,107	922,800
Total expenses		16,606,981	11,800,868	12,481,556	7,681,540
Profit before tax		33,153,039	26,616,571	26,930,681	19,559,605
Income tax expense	10	(8,966,562)	(5,942,776)	(7,374,478)	(4,419,034)
Profit for the year		24,186,477	20,673,795	19,556,203	15,140,571
Total comprehensive income		24,186,477	20,673,795	19,556,203	15,140,571

The notes on pages 16 to 49 are an integral part of these financial statements.

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ACCRA NOMINEES LTD
(Company Secretaries)

GHL BANK PLC

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

The Group	Stated capital GH¢	Retained earnings GH¢	Credit risk reserve GH¢	Statutory reserve GH¢	Deposit for shares GH¢	Total GH¢
Balance at 1 January 2016	12,287,797	21,501,206	20,672,942	12,005,696	-	66,467,641
Total comprehensive income						
Profit for the period	-	24,186,477	-	-	-	24,186,477
Regulatory and other reserves						
Transfer to credit risk reserve	-	(4,746,487)	4,746,487	-	-	-
Transfer to statutory reserve	-	(3,630,333)	-	3,630,333	-	-
Transactions with shareholders						
Dividends	-	(1,584,000)	-	-	-	(1,584,000)
Transfer from retained earnings	-	(4,291,712)	-	-	4,291,712	-
Deposit for shares	-	-	-	-	110,499,984	110,499,984
Transfer to deferred tax	-	(1,347,477)	-	-	-	(1,347,477)
Balance at 31 December 2016	12,287,797	30,087,674	25,419,429	15,636,029	114,791,696	198,222,625
Balance at 1 January 2015	5,565,696	12,636,939	13,524,867	8,904,627	6,722,101	47,354,230
Total comprehensive income						
Profit for the period	-	20,673,795	-	-	-	20,673,795
Regulatory and other reserves						
Transfer to credit risk reserve	-	(7,148,075)	7,148,075	-	-	-
Transfer to statutory reserve	-	(3,101,069)	-	3,101,069	-	-
Transactions with shareholders						
Dividends	-	(1,560,384)	-	-	-	(1,560,384)
Issue of shares	6,722,101	-	-	-	(6,722,101)	-
Balance at 31 December 2015	12,287,797	21,501,206	20,672,942	12,005,696	-	66,467,641

GHLB

GHLB	Stated capital GH¢	Retained earnings GH¢	Credit risk reserve GH¢	Statutory reserve GH¢	Deposit for shares GH¢	Total GH¢
Balance at 1 January 2016	12,287,797	4,291,712	20,672,942	7,035,895	-	44,288,347
Total comprehensive income						
Profit for the period	-	19,556,203	-	-	-	19,556,203
Regulatory and other reserves						
Transfer to credit risk reserve	-	(4,746,487)	4,746,487	-	-	-
Transfer to statutory reserve	-	(2,933,430)	-	2,933,430	-	-
Transactions with shareholders						
Dividends	-	(1,584,000)	-	-	-	(1,584,000)
Transfer from retained earnings	-	(4,291,712)	-	-	4,291,712	-
Deposit for shares	-	-	-	-	110,499,984	110,499,984
Transfer to deferred tax	-	(1,347,477)	-	-	-	(1,347,477)
Balance at 31 December 2016	12,287,797	8,944,810	25,419,429	9,969,325	114,791,696	171,413,057
Balance at 1 January 2015	5,565,696	130,686	13,524,867	4,764,809	6,722,101	30,708,159
Total comprehensive income						
Profit for the period	-	15,140,571	-	-	-	15,140,571
Regulatory and other reserves						
Transfer to credit risk reserve	-	(7,148,075)	7,148,075	-	-	-
Transfer to statutory reserve	-	(2,271,086)	-	2,271,086	-	-
Transactions with shareholders						
Dividends	-	(1,560,384)	-	-	-	(1,560,384)
Issue of shares	6,722,101	-	-	-	(6,722,101)	-
Balance at 31 December 2015	12,287,797	4,291,712	20,672,942	7,035,895	-	44,288,346

The notes on pages 16 to 49 are an integral part of these financial statements.

GHL BANK PLC

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2016

	The Group		GHLB	
	2016 GH¢	2015 GH¢	2016 GH¢	2015 GH¢
Cash flows from operating activities				
Profit after tax	24,186,477	20,673,795	19,556,203	15,140,571
Adjustment for:				
Depreciation	535,061	452,128	535,061	452,128
Net interest income	(32,017,998)	(27,888,979)	(21,114,834)	(17,441,803)
Profit on disposal of property and equipment	(199,117)	-	(199,117)	-
Asset write off	12,477	-	12,477	-
Impairment loss	581,107		581,107	-
Income tax expense	8,966,562	5,942,776	7,374,478	4,419,034
	2,064,569	(820,280)	6,745,375	2,569,930
Changes in:				
Mortgage finance receivable	(76,561,384)	(73,310,995)	(76,561,384)	(73,311,000)
Receivables and other assets	(362,622)	(1,460,140)	(362,622)	(1,460,140)
Short term borrowings	12,158,897	17,016,152	12,158,897	17,016,152
Related party balances	-	-	1,729,212	14,034,262
Customer deposits	5,712,661	9,063,274	4,339,543	8,097,185
Other liabilities	606,947	3,065,096	227,508	2,661,536
	(56,380,932)	(46,446,893)	(51,723,471)	(30,392,075)
Interest received	51,930,129	44,578,272	33,767,141	26,206,211
Interest paid	(19,912,131)	(16,689,293)	(12,652,307)	(8,764,408)
Income tax paid	(6,789,819)	(6,592,590)	(5,400,490)	(4,939,920)
Net cash used in operating activities	(31,152,753)	(25,150,504)	(36,009,127)	(17,890,192)
Cash flows from investing activities				
Purchase of property and equipment	(1,855,916)	(971,275)	(1,855,915)	(971,275)
Purchase of investments	(86,577,827)	(7,881,428)	(85,265,586)	(249,597)
Proceeds on disposal of property and equipment	242,852	-	242,852	-
Net cash used in investing activities	(88,190,891)	(8,852,703)	(86,878,649)	(1,220,872)
Cash flows from financing activities				
Movements in Long term loans	11,285,720	38,284,968	14,650,546	23,333,174
Deposit for shares	110,499,984	-	110,499,984	-
Dividend paid	(1,584,000)	(1,560,384)	(1,584,000)	(1,560,384)
Net cash from financing activities	120,201,704	36,724,584	123,566,530	21,772,790
Net increase/(decrease) in cash and cash equivalents	858,060	2,721,377	678,754	2,661,726
Cash and cash equivalents at 1 January	14,147,878	11,426,501	8,660,028	5,998,302
Cash and cash equivalents at 31 December	15,005,938	14,147,878	9,338,782	8,660,028

The notes on pages 16 to 49 are an integral part of these financial statements.

GHL BANK PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1. REPORTING ENTITY

GHL Bank Plc (GHLB) is a company domiciled in Ghana. The address of the Company's registered office is 1 Aviation Road, Airport Residential Area, PMB CT 470, Accra. The financial statements of the Group as at and for the year ended 31 December 2016 comprise GHLB and its subsidiary, Ghana Home Loans (Fund 1) Limited (GHL Fund1) (together referred to as the "Group"). The Group primarily is involved in providing mortgage finance services in Ghana.

2. BASIS OF PREPARATION

a. Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards and in the manner required by the Companies Act 1963 (Act 179) and the Non-Bank Financial Institutions Act 2008 (Act 774). They were authorised for issue by the company's board of directors on 30 March 2017.

b. Basis of Measurement

The financial statements have been prepared on the historical cost basis except for financial instruments measured at fair value.

c. Functional and Presentation Currency

These consolidated and separate financial statements are presented in Ghana cedis, which is the Company's functional currency. All amounts have been rounded to the nearest Ghana cedi, unless otherwise indicated.

d. Use of Accounting Estimates and Judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Estimates and underlying assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period or in the period of the revision and future periods, if the revision affects both current and future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on amounts recognised in the financial statements is included in the following notes:

- Note 3 – Impairment of financial assets

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been considered and applied consistently to all the years presented, unless otherwise stated.

a. **Basis of consolidation**

i. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Investment in subsidiary is measured at cost in the separate financial statements of the Company.

ii. Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

iii. Transactions eliminated on consolidation

Intra-Group balances and transactions, and any unrealised income and expenses arising from intra-Group transactions are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

b. Foreign currency

Transactions in foreign currencies are translated to the functional currency of the Group at exchange rates on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate ruling at the reporting date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss.

c. Interest income and expense

Interest income and expense are recognised in the profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. The calculation of the effective interest rate includes all fees and points paid or received and transaction costs that are an integral part of the effective interest rate.

Transaction costs are incremental costs that are directly attributable to the acquisition or issue of a financial asset or liability.

Interest income and expense presented in the statement of comprehensive income include interest on financial assets and liabilities at amortised cost on an effective interest basis.

d. Commission and fees

Fees and commission income and expenses that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate.

Other fees and commission income, including service income fees, commission and other income, are recognised as the related services are performed. When a loan commitment is not expected to result in the draw-down of a loan, loan commitment fees are recognised on a straight-line basis over the commitment period.

Other fees and commission expense relating mainly to transaction and service fees, are expensed as the services are received.

e. **Lease payment**

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Lease assets - Lessee

Assets held by the Group under leases that transfer to the Group substantially all of the risks and rewards of ownership are classified as finance leases. The leased asset is initially measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognized in the Group's statement of financial position.

Lease assets - Lessor

Where significant portions of the risks and rewards of ownership or leases are retained by the lessor, such leases are classified as operating leases. Lease income from operating leases are recognised in rental income on a straight-line basis over the period of the lease.

f. **Taxation**

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in Other Comprehensive Income (OCI).

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or the tax assets and liabilities will be realised simultaneously.

g. **Financial assets and financial liabilities**

The Group classifies non-derivative financial assets into loans and receivables and held to maturity and non-derivative financial liabilities into other financial liability category.

i. Recognition

The Group initially recognises loans and receivables and debt securities issued on the date that they are originated. All other financial assets and financial liabilities are initially recognised on the trade date when the Group becomes a party to the contractual provisions of the instrument.

ii. Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or 19 transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

iii. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions.

iv. Loans and receivables - Measurement

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, and that the Group does not intend to sell immediately or in the near term.

These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method less any impairment losses.

Loans and receivables comprises cash and cash equivalents, mortgage finance receivables and other receivables.

v. Held-to-maturity - Measurement

Held-to-maturity investments are non-derivative assets with fixed or determinable payments and fixed maturity that the Group has the positive intent and ability to hold to maturity and which are not designated at fair value through profit or loss or available-for-sale.

Held to maturity assets are initially measured at fair value plus any directly attributable transaction costs, and subsequently measured at amortized cost using the effective interest method less any impairment losses.

The Group classifies investments in Government securities as held-to-maturity.

vi. Other financial liabilities - Measurement

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transactions costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities measured at amortized cost include customer deposits, other liabilities and borrowings.

vii. *Impairment: Financial assets (Assets measured at amortised cost)*

At each reporting date the Group assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. Financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset, and that the loss event has an impact on the future cash flows on the asset that can be estimated reliably.

vii. *Impairment: Financial assets (Assets measured at amortised cost)*

The Group considers evidence of impairment at both a specific asset and collective level. All individually significant financial assets are assessed for specific impairment. All significant assets found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are then collectively assessed for impairment by grouping together financial assets (carried at amortised cost) with similar risk characteristics.

Objective evidence that financial assets are impaired can include default or delinquency by a borrower, restructuring of a loan or advance by the Group on terms that the Group would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, the disappearance of an active market for a security, or other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the Group, or economic conditions that correlate with defaults in the Group.

In assessing collective impairment the Group uses statistical modelling of historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical modelling. Default rates, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure that they remain appropriate.

Impairment losses on assets carried at amortised cost are measured as the difference between the carrying amount of the financial assets and the present value of estimated cash flows discounted at the assets' original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and advances. Interest on the impaired asset continues to be recognised through the unwinding of the discount.

When a subsequent event causes the amount of impairment loss to decrease, the impairment loss is reversed through profit or loss.

b. Property and equipment

(i) Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

If significant parts of an item of property or equipment have different useful lives, then they are accounted for as separate items (major components) of property and equipment.

(ii) Subsequent costs

The cost of replacing part of an item of property or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits associated with the expenditure will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values using the straight-line method over the estimated useful lives, and is recognised in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives.

The annual depreciation rate for the current and comparative periods are as follows:

Motor vehicles	25%
Office equipment	25%
Furniture and fittings	20%
Computer equipment	25%
Leasehold improvements	10%

Depreciation methods, useful lives and residual values are reassessed at the reporting date and adjusted if appropriate.

(iv) Derecognition

Property and equipment are derecognised upon disposal or when no future economic benefits are expected to flow to the Company from either their use or disposal.

Gains and losses on disposal of property and equipment are determined by comparing proceeds from disposal with the carrying amounts of property and equipment and are recognised in the profit or loss.

i. Impairment: Non-financial assets

The carrying amounts of the Group's non-financial assets other than deferred tax assets are reviewed at each reporting date to determine whether there is an indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash flows from continuing use that are largely independent of the cash inflows of other assets or cash generating unit (CGU).

The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rates that reflect current market assessments of the time value of money and risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed where there has been a change in circumstances or in the basis of estimation used to determine the recoverable value, but only to the extent that the asset's net carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

j. Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as personnel expenses in profit or loss in the period during which related services are rendered.

Defined contribution plans (cont'd)

Social Security and National Insurance Trust

Under the national pension scheme, the Bank contributes 13% of employees' basic salary to the Social Security and National Insurance Trust (SSNIT) for employee pensions. The Bank's obligation is limited to the relevant contributions, which have been recognised in the financial statements. The pension liabilities and obligations, however, rest with SSNIT.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognized for the amount expected to be paid under short-term cash bonus or profit sharing plans, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

k. Ordinary shares

Proceeds from the issue of ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

4. NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

There are new or revised Accounting Standards and Interpretations in issue that are not yet effective for the year ended 31 December 2016 and have not been applied in preparing these financial statements.

These include the following Standards and Interpretations that may have an impact on future financial statements:

Standard/Interpretation		Date issued by IASB [1]	Effective date Periods beginning on or after
IFRS 16	*Leases*	January 2016	1 January 2019
IFRS 15	*Revenue from contracts with customers*	May 2014	1 January 2018
IFRS 9	*Financial Instruments*	July 2014	1 January 2018
IAS 12	*Recognition of Deferred Tax Assets for Unrealised Losses*	May 2014	1 January 2017
IAS 1	*Disclosure Initiative*	December 2014	1 January 2017
IAS 7	*Disclosure amendments*	January 2014	1 January 2017

IFRS 16 *Leases*

IFRS 16 was published in January 2016. It sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, ie the customer ('lessee') and the supplier ('lessor'). IFRS 16 replaces the previous leases Standard, IAS 17 *Leases*, and related Interpretations. IFRS 16 has one model for lessees which will result in almost all leases being included on the Statement of Financial position. No significant changes have been included for lessors.

The standard is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted only if the entity also adopts IFRS 15. The transitional requirements are different for lessees and lessors. The group and company are assessing the potential impact on the financial statements resulting from the application of IFRS 16.

IFRS 15 Revenue from contracts with customers

This standard replaces IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers and SIC-31 Revenue – Barter of Transactions Involving Advertising Services.

The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised.

This new standard will most likely have a significant impact on the Group, which will include a possible change in the timing of when revenue is recognised and the amount of revenue recognised. The Group is currently in the process of performing a more detailed assessment of the impact of this standard on the Group and will provide more information in the year ending 31 December 2017 financial statements.

The standard is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted under IFRS.

IFRS 9 Financial Instruments

On 24 July 2014, the IASB issued the final IFRS 9 Financial Instruments Standard, which replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement.

This standard will have a significant impact on the Group, which will include changes in the measurement bases of the Group's financial assets to amortised cost, fair value through other comprehensive income or fair value through profit or loss. Even though these measurement categories are similar to IAS 39, the criteria for classification into these categories are significantly different. In addition, the IFRS 9 impairment model has been changed from an "incurred loss" model from IAS 39 to an "expected credit loss" model, which is expected to increase the provision for bad debts recognised in the Group.

The standard is effective for annual periods beginning on or after 1 January 2018 with retrospective application, early adoption is permitted.

Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12)

The amendments provide additional guidance on the existence of deductible temporary differences, which depend solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset.

The amendments also provide additional guidance on the methods used to calculate future taxable profit to establish whether a deferred tax asset can be recognised.

Guidance is provided where an entity may assume that it will recover an asset for more than its carrying amount, provided that there is sufficient evidence that it is probable that the entity will achieve this.

Guidance is provided for deductible temporary differences related to unrealised losses are not assessed separately for recognition. These are assessed on a combined basis, unless a tax law restricts the use of losses to deductions against income of a specific type.

The amendments apply for annual periods beginning on or after 1 January 2017 and early application is permitted.

Disclosure Initiative (Amendments to IAS 1)

The amendments provide additional guidance on the application of materiality and aggregation when preparing financial statements. The amendments also clarify presentation principles applicable to of the order of notes, OCI of equity accounted investees and subtotals presented in the statement of financial position and statement of profit or loss and other comprehensive income.

The amendments apply for annual periods beginning on or after 1 January 2016 and early application is permitted.

Disclosure Initiative (Amendments to IAS 7)

The amendments provide for disclosures that enable users of financial statements 24 evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. This includes providing a reconciliation between the opening and closing balances for liabilities arising from financing activities.

The amendments apply for annual periods beginning on or after 2< January 2017 and early application is permitted.

5. INTEREST INCOME

	The Group		GHLB	
	2016 GH¢	2015 GH¢	2016 GH¢	2015 GH¢
Mortgage interest income	49,648,895	44,386,545	32,190,860	26,188,216
Other interest income	2,281,234	191,727	1,576,281	17,995
Total interest income	51,930,129	44,578,272	33,767,141	26,206,211
Interest expense	(19,912,131)	(16,689,293)	(12,652,307)	(8,764,408)
Net interest income	32,017,998	27,888,979	21,114,834	17,441,803

6. FEE INCOME

Early termination fees	1,082,421	1,475,068	1,082,421	1,475,068
Insurance commissions	754,259	629,122	754,259	629,122
Processing fees	60,914	133,977	60,914	133,977
Facility fees	274,071	335,277	274,071	335,277
Late fee income	1,412,066	1,472,013	1,412,066	1,472,013
Other fee income	964,350	409,610	964,350	409,610
Total fee income	4,548,081	4,455,067	4,548,081	4,455,067
Facility costs	(705,319)	(122,835)	(688,836)	(105,808)
Commitment fees	(861,804)	(869,622)	(387,086)	(410,216)
Fee expenses	(1,567,123)	(992,457)	(1,075,922)	(516,024)
Net fee income	2,980,958	3,462,610	3,472,159	3,939,043

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7. OTHER OPERATING INCOME

	The Group		GHLB	
	2016	2015	2016	2015
	GH¢	GH¢	GH¢	GH¢
Net exchange gains/(losses)	13,465,134	6,435,019	13,529,314	5,229,468
Marketing income	225,364	297,941	225,364	297,941
Other income	1,070,566	332,890	1,070,566	332,890
	14,761,064	7,065,850	14,825,244	5,860,299

8. PERSONNEL AND ADMINISTRATIVE EXPENSES

	The Group		GHLL	
	2016	2015	2016	2015
	GH¢	GH¢	GH¢	GH¢
Wages and salaries	2,327,644	1,897,221	2,327,644	1,897,221
Social security fund contributions	501,538	401,004	501,538	401,004
Pension fund contribution	241,864	176,085	241,864	176,085
Other employee cost	2,673,164	2,357,752	2,673,164	2,357,752
Directors cost and remuneration	2,300,200	1,718,368	2,300,200	1,718,368
Personnel overhead	-	-	(2,768,860)	(2,751,181)
	8,044,410	6,550,430	5,275,550	3,799,249
Auditor's remuneration	113,000	94,600	89,000	74,600
Administrative expenses	4,158,607	3,458,312	4,099,467	3,386,711
Pre-operating expenses*	2,394,004	-	2,394,004	-
Overhead allocation	-	-	(1,273,425)	(1,276,546)
	14,710,021	10,103,342	10,584,596	5,984,014

* Pre-operating expenses relate to expenses incurred in lieu of the conversion to a bank.

9a. CASH AND CASH EQUIVALENTS

	The Group		GHLB	
	2016	2015	2016	2015
	GH¢	GH¢	GH¢	GH¢
Cash at bank	15,005,938	14,147,878	9,338,782	8,660,028
Cash reconciliation				
Gross Cash and bank balances	15,631,068	15,213,057	9,963,912	9,725,207
Less: Escrow account balances	625,130	1,065,179	625,130	1,065,179
Cash and cash equivalents	15,005,938	14,147,878	9,338,782	8,660,028

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9b. CUSTOMER DEPOSITS

	The Group		GHLB	
	2016 GH¢	2015 GH¢	2016 GH¢	2015 GH¢
Gross Cash and bank balances	25,450,118	20,177,506	23,110,910	19,211,416
Less: Escrow account balances	625,130	1,065,179	625,130	1,065,179
Customer deposits	24,824,988	19,112,327	22,485,780	18,146,237

Customer deposits relates to advance payments that customers make in respect of their mortgages.

Escrow account balances - Per the mortgage loan facilities granted by the Group, some customers are expected to make upfront payment of amounts up to the equivalent of three (3) months regular monthly instalment payments as security deposits. These deposits are placed in an escrow account and are refundable to the customer on full settlement of the loan. Alternatively, these amounts can be used to settle the last instalments towards the end of the loan term. If the customer defaults, the deposit is used to settle some of the outstanding mortgage balance.

10. CURRENT TAX ASSET/(LIABILITY)

The Group	Balance at 1/1/16 GH¢	Payments GH¢	Charge for the year GH¢	Balance at 31/12/16 GH¢
Income tax				
2012 - 2014	98,461	-	-	98,461
2015	(65,554)	102,813	-	37,259
2016	-	5,341,393	(4,855,793)	187,099
	32,907	5,444,206	(4,855,793)	621,320
NFSL	98,963	1,345,613	(1,346,534)	98,042
	131,870	6,789,819	(6,202,327)	719,362

GHLB

Income tax				
2012 - 2014	93,929	-	-	93,929
2015	(102,268)	102,813	-	545
2016	-	3,952,064	(3,305,208)	646,856
	(8,339)	4,054,877	(3,305,208)	741,330
National fiscal stabilisation levy	(37,022)	1,345,613	(1,346,534)	(37,943)
	(45,361)	5,400,490	(4,651,742)	703,387

This tax position is subject to the agreement of Ghana Revenue Authority.

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10. CURRENT TAX ASSET/(LIABILITY) (CONT'D)

Recognised in profit or loss

	The Group 2016 GH¢	The Group 2015 GH¢	GHLB 2016 GH¢	GHLB 2015 GH¢
Current tax expense	(4,855,793)	(5,326,046)	(3,305,208)	(3,781,556)
Deferred tax (charge)/credit	(2,764,235)	361,250	(2,722,736)	340,502
	(7,620,028)	(4,964,796)	(6,027,944)	(3,441,055)
National fiscal stabilisation levy	(1,346,534)	(977,980)	(1,346,534)	(977,980)
Income tax expense	(8,966,562)	(5,942,776)	(7,374,478)	(4,419,034)

Reconciliation of effective tax rate

	The Group 2016 GH¢	The Group 2015 GH¢	GHLB 2016 GH¢	GHLB 2015 GH¢
Profit before tax	33,153,040	26,616,571	26,930,681	19,559,605
Income tax using domestic tax rate (25%)	(8,288,260)	(6,654,143)	(6,732,670)	(4,889,901)
Tax charged at different rate (5%)	(1,346,534)	(977,980)	(1,346,534)	(977,980)
Non-deductible expenses	(63,465)	(370,349)	(42,718)	(349,601)
Non-taxable income	64,983	2,059,696	80,730	1,798,448
Changes to estimates relating to prior years	(680,763)	-	(680,763)	-
Transferred from retained earnings	1,347,477	-	1,347,477	-
Income tax expense	(8,966,562)	(5,942,776)	(7,374,478)	(4,419,034)
Effective tax rate	27%	22.33%	27%	22.59%

National Fiscal Stabilization Levy

The National Fiscal Stabilization Levy Act, 2013 (862) was introduced in 2013 and is effective prospectively from July 2013 with an eighteen (18) months tenure. On 31 December 2014, Act (862) was amended by Act (882) to extend the date of expiration of the national fiscal stabilization levy and to provide for related matters. Under the amendment Act, the levy is payable in respect of profit before tax for the 2013, 2014, 2015, 2016 and 2017 years of assessment.

Under the Act, an additional 5% levy, which is payable quarterly, is charged on profit before tax of selected entities.

11. MORTGAGE FINANCE RECEIVABLE

	2016 Gross amount GH¢	2016 Impairment amount GH¢	2016 Carrying amount GH¢	2015 Gross amount GH¢	2015 Impairment amount GH¢	2015 Carrying amount GH¢
Group/GHLB	442,783,976	(3,166,786)	439,617,190	366,222,592	(2,585,679)	363,636,913

Impairment loss charged to profit or loss

	The Group 2016 GH¢	The Group 2015 GH¢	GHLB 2016 GH¢	GHLB 2015 GH¢
Individual impairment	804,356	640,737	804,356	640,737
Collective impairment	(223,249)	282,063	(223,249)	282,063
	581,107	922,800	581,107	922,800

11. MORTGAGE FINANCE RECEIVABLE (CONT'D)

Allowance for impairment

	The Group		GHLB	
	2016	2015	2016	2015
	GH¢	GH¢	GH¢	GH¢
Opening balance	2,585,679	1,662,879	2,585,679	1,662,879
Charge to profit or loss	581,107	922,800	581,107	922,800
Closing balance	3,166,786	2,585,679	3,166,786	2,585,679

12. PROPERTY AND EQUIPMENT

The Group/GHLB 2016	Motor vehicles GH¢	Equipment GH¢	Furniture & fittings GH¢	Leasehold improvement GH¢	Total GH¢
Cost					
At 1/1/16	1,303,144	2,054,750	176,348	2,349,378	5,883,620
Additions	109,421	601,781	55,952	1,088,761	1,855,915
Disposals	(162,781)	(2,630)	(920)	-	(166,331)
Write off	-	(15,354)	-	-	(15,354)
At 31/12/16	1,249,784	2,638,547	231,380	3,438,139	7,557,850
Accumulated depreciation					
At 1/1/16	483,472	1,663,422	85,658	55,377	2,287,929
Charge for the year	228,823	249,987	29,354	26,897	535,061
Release on disposal	(119,046)	(2,630)	(920)	-	(122,596)
Write off	-	(2,877)	-	-	(2,877)
At 31/12/16	593,249	1,907,902	114,092	82,274	2,697,517
Carrying amount					
At 31/12/16	656,535	730,644	117,288	3,355,865	4,860,332
2015					
Cost					
At 1/1/15	963,186	1,847,684	104,060	1,997,415	4,912,345
Additions	339,958	207,066	72,288	351,963	971,275
At 31/12/15	1,303,144	2,054,740	176,348	2,349,378	5,883,620
Accumulated depreciation					
At 1/1/15	330,262	1,417,929	59,130	28,481	1,835,802
Charge for the year	153,210	245,493	26,528	26,896	452,127
At 31/12/15	483,472	1,663,422	85,658	55,377	2,287,929
Carrying amount					
At 31/12/15	819,672	391,328	90,690	2,294,001	3,595,691

a. Profit on disposal of property and equipment

	2016 GH¢	2015 GH¢
Cost of the asset	166,331	-
Accumulated depreciation	(122,596)	-
Net book value	43,735	-
Sale proceeds	242,852	-
Profit on disposal	199,117	-

13. DEFERRED TAX ASSETS AND LIABILITIES

	The Group		GHLB	
a. Movement in deferred tax balances	2016 GH¢	2015 GH¢	2016 GH¢	2015 GH¢
Balance at 1 January	701,160	339,909	691,425	350,923
Transfer from retained earnings	(1,347,477)	-	(1,347,477)	-
Credit for the year	(2,764,235)	361,251	(2,722,736)	340,502
Balance at 31 December	(3,410,552)	701,160	(3,378,788)	691,425

b. **Recognised deferred tax assets and liabilities**

Deferred tax assets and liabilities are attributable to the following:

The Group	Net at 1/1 GH¢	Transfer from retained earnings GH¢	Recognised in profit GH¢	Net 31/12 GH¢	Deferred tax assets GH¢	Deferred tax liabilities GH¢
2016						
Property, plant and equipment	(93,242)	-	(30,727)	(123,969)	-	(123,969)
Impairment	794,402	-	(2,733,508)	(1,939,106)	-	(1,939,106)
Revaluation gains	-	(1,347,477)	-	(1,347,477)	-	(1,347,477)
Net tax assets/(liabilities)	701,160	(1,347,477)	(2,764,235)	(3,410,552)	-	(3,410,552)
2015						
Property, plant and equipment	(75,811)	-	(17,431)	(93,242)	-	(93,242)
Impairment	415,720	-	378,681	794,401	794,401	-
Net tax assets/(liabilities)	339,909	-	361,250	701,159	794,401	(93,242)
GHLB						
2016						
Property, plant and equipment	(82,226)	-	(9,979)	(92,205)	-	(92,205)
Impairment	773,651	-	(2,712,757)	(1,939,106)	-	(1,939,106)
Revaluation gains	-	(1,347,477)	-	(1,347,477)	-	(1,347,477)
Net tax assets/(liabilities)	691,425	(1,347,477)	(2,722,736)	(3,378,788)	-	(3,378,788)

Deferred tax assets and liabilities are attributable to the following: (cont'd)

GHLB 2015	Net at 1/1 GH¢	Recognised in profit GH¢	Net 31/12 GH¢	Deferred tax assets GH¢	Deferred tax liabilities GH¢
Property, plant and equipment	(64,797)	(17,429)	(82,226)	-	(82,226)
Impairment	415,720	357,931	773,651	773,651	-
Net tax assets/ (liabilities)	350,923	340,502	691,425	773,651	(82,226)

14. OTHER ASSETS

	The Group		GHLB	
	2016 GH¢	2015 GH¢	2016 GH¢	2015 GH¢
Prepayments	836,860	389,537	836,860	389,537
Other receivables	1,087,908	1,316,593	1,063,985	1,292,670
Late fee receivables	1,320,922	1,092,121	1,320,922	1,092,121
Insurance commission receivables	863,889	831,295	863,889	831,295
Other fees receivables	801,272	918,683	801,272	918,683
	4,910,851	4,548,229	4,886,928	4,524,306

15. LONG TERM BORROWING

The Group

	2016 GH¢	2015 GH¢
Overseas Private Investment Corporation (OPIC)	124,302,733	127,667,559
Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V (FMO)	39,782,908	20,120,457
International Finance Corporation (IFC)	26,982,494	31,104,046
Shelter Afrique	13,408,887	14,298,764
Deg Deutsche Investitions Und Entwicklungsgesellschaft Mbh (DEG)	28,965,487	30,671,577
Societe de Promotion et de Participation pour la Cooperation Economique (Proparco)	19,127,366	20,275,563
Ghana International Bank (GHIB)	17,862,323	25,907,031
GHL medium term note	10,898,517	-
	281,330,715	270,044,997
Current – due within 12 months	51,512,724	41,827,101
Non-current – due after 12 months	229,817,991	228,217,896
	281,330,715	270,044,997

15. LONG TERM BORROWING (CONT'D)

GHLB

	2016 GH¢	2015 GH¢
Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V (FMO)	39,782,908	20,120,457
International Finance Corporation (IFC)	26,982,494	31,104,046
Shelter Afrique	13,408,887	14,298,764
Deg Deutsche Investitions Und Entwicklungsgesellschaft Mbh (DEG)	28,965,487	30,671,577
Societe de Promotion et de Participation pour la Cooperation Economique (Proparco)	19,127,366	20,275,563
Ghana International Bank (GHIB)	17,862,323	25,907,031
GHL medium term note	10,898,517	-
	157,027,982	142,377,438
Current – due within 12 months	43,726,100	33,912,478
Non-current – due after 12 months	113,301,882	108,464,960
	157,027,982	142,377,438

The OPIC facilities entitled the Group to drawdown from the respective funders after mortgage loans have been granted. At any point in time, the amount of drawdown should be equivalent to the amount of mortgage loans granted. Prior to draw down by the Group, short term facilities were obtained from Stanbic Bank and CAL Bank to finance the mortgage loans until there was a draw down from the above mentioned providers.

OPIC made available to Ghana Home Loans (Fund 1) Limited a loan principal amount not exceeding US$30 million for on-lending to customers, over a 20 year period from 12 October 2011 to 12 October 2031. The facility attracts interest at US Treasury with twenty (20) year maturity plus a spread of 2.5% p.a.

Two loan facilities of US$7,750 million each was made available to the company by FMO under an agreement dated 21 July 2008. The facilities attract interest at LIBOR plus a margin of 2.5% per annum for the first facility and LIBOR plus a margin of 4%. This loan has a tenure of 10 years and is repayable by 15 October 2018.

IFC provided the company with a credit line totaling US$10million on 23 April 2010 to be used to fund eligible mortgage loans to qualified mortgagors. The facility was granted at an interest rate of LIBOR plus a spread to be determined at each repayment date. Repayments are on 15 December each year and the facility matures on 15 December 2020.

The company secured a credit facility from Shelter Afrique on 18 January 2012 for a tenure of ten years. The total principal amount is not to exceed US$5million and interest is at a rate of LIBOR plus 6% payable quarterly for each year.

DEG made available to the company a loan amount of US$ 10million on 31 January 2013. The facility attracts an interest rate of LIBOR plus 4.5% and has a tenure of ten years.

The company secured a credit facility with PROPARCO on 25 April 2012 for a loan principal amount of US$7million. The interest rate is set at LIBOR plus a spread to be determined at each repayment date. The facility has a tenure of ten years.

GHIB provided the company with a loan facility of GB£5milion on 26 February 2015 for a tenure of five years. The interest rate on the facility is LIBOR plus a margin of 4.8%.

The company issued a US$ 2.67million 5 year medium term note in August 2016 at an interest rate of 9%.

All borrowings are collateralised.

16. OTHER LIABILITIES

	The Group		GHLB	
	2016	2015	2016	2015
	GH¢	GH¢	GH¢	GH¢
Accrued expenses	4,090,979	2,099,791	2,815,640	1,203,891
Undisbursed loans	5,238,734	6,622,975	5,238,734	6,622,975
	9,329,713	8,722,766	8,054,374	7,826,866

Undisbursed loans are in respect of the portions of loan facilities granted to customers that are yet to be paid to the customer.

17. SHORT-TERM BORROWINGS

Short-term facilities of GH¢42,454,335 (2015: GH¢30,295,438) represent bridging facilities offered by CAL Bank for mortgage loans granted pending drawdowns from long-term loan facility providers. The company has a two year bridge facility of US$10 million with CAL Bank with interest at 11% p.a. (subject to revision from time to time) on daily uncleared balances.

18. OTHER INVESTMENTS

	The Group		GHLB	
	2016	2015	2016	2015
	GH¢	GH¢	GH¢	GH¢
Government of Ghana eurobond	8,944,072	7,631,831	-	-
Government of Ghana treasury bills	315,183	249,597	315,183	249,597
Fixed deposit	85,200,000	-	85,200,000	-
	94,459,255	7,881,428	85,515,183	249,597

The Group purchased US$2.175million of Eurobond at an interest rate of 7.875% in 2015. The Eurobond was issued in 2013 with an original maturity of 10 years.

Sovereign debt security is 182 day Treasury bill issued by the Government of Ghana. The interest rate is 24.53%.

The Group also invested US$20 million 32 a fixed deposit with Stanbic Bank for a period of 3 months at an interest rate of 0.64%.

19. INTERCOMPANY OPERATIONAL BALANCES

Intercompany operational balance (due to)/due from GHL Fund 1

	2016	2015
	GH¢	GH¢
GHLB		
Ghana Home Loans (Fund 1) Limited	6,994,255	1,703,980
GHL Fund 1		
Loans portfolio	(133,113,831)	(136,674,894)

Intercompany operational balance (due to)/due from GHL Fund 1 (cont'd)

Balances due to and from related company, relate to mortgages financed with OPIC loans taken by GHL Fund 33 These mortgages have been transferred from (or to) GHLB to GHL Fund I, however, the credit risk associated with these loans still rests with GHLB. In event of default by the customer, GHLB has the obligation to purchase the carrying value of the loan from GHL Fund 1. As a result, these loans are included in the mortgage loans on the balance sheet of GHLB.

During the year, GHL Fund 1 did not transfer any amount (2015: GH¢15,705,678) to GHLB in return for loans advanced under the OPIC facility.

Key management personnel transactions

Included in mortgage receivables are amounts of GH¢3,708,089 (2015: GH¢3,239,983) due from Executive Directors and senior management of the Group. Interest rate on these facilities ranges from 7% to 12.5% per annum.

Senior executive compensation comprises reimbursements and remunerations of non-executive Directors and Executive Directors amounting to GH¢77,200 (2015: GH¢76,400) and GH¢1,915,753 (2015: GH¢1,718,368) respectively.

	2016 GH¢	2015 GH¢
Short-term employee benefits		
Senior executive	410,452	339,473
Directors cost and remuneration	1,962,634	1,718,368
Post-employment benefits	127,672	101,723

Transactions with related parties

Administration and personnel expenses amounting to GH¢4,042,285 (2015: GH¢4,027,727) were charged by the Company to GHL Fund 1.

20. STATED CAPITAL

	No. of shares 2016	No. of shares 2015	Proceeds 2016 GH¢	Proceeds 2015 GH¢
Authorised:				
Ordinary shares	100,000,000,000	100,000,000,000		
Issued ordinary shares comprise:				
Issued for cash	18,407,656,231	18,407,656,231		
Issued for consideration other than cash	-	-		
Ordinary shares	18,407,656,231	18,407,656,231		
Issued and fully paid				
Balance at 1 January	18,407,656,231	15,137,875,190	12,287,797	5,565,696
Issue during the year	-	3,269,781,041	-	6,722,101
Ordinary shares	18,407,656,231	18,407,656,231	12,287,797	12,287,797

There is no unpaid liability and no call or instalment unpaid on any share. There is no share in treasury.

21. DEPOSIT FOR SHARES

	2016 GH¢	2015 GH¢
At 1 January	-	6,722,101
Additions	114,791,696	-
Transferred to share capital	-	(6,722,101)
	114,791,696	-

As at 31 December 2016, an amount of GH¢114,791,696 was deposited for 20,666,383,561 shares which are yet to be registered.

22. RETAINED EARNINGS

	The Group		GHLB	
	2016 GH¢	2015 GH¢	2016 GH¢	2015 GH¢
At 1 January	21,501,206	12,636,939	4,291,712	130,686
Profit for the year	24,186,477	20,673,795	19,556,203	15,140,571
Dividend paid relating to prior year	(1,584,000)	(1,560,384)	(1,584,000)	(1,560,384)
Transfer to statutory banking reserve	(3,630,333)	(3,101,069)	(2,933,430)	(2,271,086)
Transfer to regulatory credit risk reserve	(4,746,487)	(7,148,075)	(4,746,487)	(7,148,075)
Transfer to stated capital	(4,291,712)	-	(4,291,712)	-
Transfer to deferred tax	(1,347,477)	-	(1,347,477)	-
At 31 December	30,087,674	21,501,206	8,944,810	4,291,712

This represents the residual of cumulative annual profits.

23. CREDIT RISK RESERVE

	The Group		GHLB	
	2016 GH¢	2015 GH¢	2016 GH¢	2015 GH¢
At 1 January	20,672,942	13,524,867	20,672,942	13,524,867
Transfer from retained earnings	4,746,487	7,148,075	4,746,487	7,148,075
At 31 December	25,419,429	20,672,942	25,419,429	20,672,942

This reserve represents excess or shortfalls between amounts recognized as impairment loss on loans and advances calculated in accordance with IFRS and the Bank of Ghana guidelines for allowances on impairment.

24. STATUTORY RESERVE

	The Group		GHLB	
	2016 GH¢	2015 GH¢	2016 GH¢	2015 GH¢
At 1 January	12,005,696	8,904,627	7,035,895	4,764,809
Transfer from retained earnings	3,630,333	3,101,069	2,933,430	2,271,086
At 31 December	15,636,029	12,005,696	9,969,325	7,035,895

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24. STATUTORY RESERVE (CONT'D)

Statutory reserve represents cumulative amounts set aside from annual profits after tax required under the Non-Bank Financial Institutions Business Rules for mortgage companies.

The proportion of net profits transferred to reserves ranges from 12.5% to 50% of net profit after tax, depending on the ratio of the balance on statutory reserves to paid up capital.

25. FINANCIAL RISK MANAGEMENT

Introduction and overview

The Group has exposure to the following risks from its use of financial instruments in its operations:

i. Credit risk
ii. Liquidity risk
iii. Interest rate risks
iv. Foreign exchange risks
v. Operational risk

This note presents information about the Group's exposure to each of the above risks, its objectives, policies as well as the processes for measuring and managing risk, and its capital management.

Risk management framework

The Board of Directors of GHLB have overall responsibility for the establishment and oversight of the Group's risk management framework. GHLB has a risk management subcommittee whose role is to ensure that the Group does its business within the risk levels specified by the Board of Directors to maximise the return of the shareholders. This committee consists of executive and non-executive Directors who report regularly to the Board.

The Group has risk management policies that assist it to identify and analyse financial management risk and to set appropriate risk limits and controls, as well as to monitor risks and adherence to risk limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and products offered.

The Group's Assets and Liabilities Committee (ALCO) is responsible for monitoring compliance with the Group's risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee handles all audit related issues with the external auditors and acts on external audit reports in executing its function.

(i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument does not honour their contractual obligations. The Group's exposure to credit risk arises principally from the Group's mortgage loan facilities.

(ii) Management of credit risk

The Board of Directors has delegated responsibility for the management of credit risk to the ALCO of the Board. The Group manages its exposure to credit risk with the following policies:

- All mortgage facilities are backed by the property for which the facility was used to finance as collateral.
- All customers pay up to three months instalments as security deposits on mortgage facilities granted.
- All mortgage facilities are insured with reputable insurance companies.

Impaired mortgage receivables

Impaired mortgage receivables are loans for which the Group determines whether it is probable that they will be unable to collect all principal and interest due according to the contractual terms of the mortgage agreement(s).

Past due but not impaired loans

These represent mortgage loans whose contractual interest or principal payments are past due but not impaired. The Group believes that impairment is not appropriate on the basis of the level of security and/or the stage of collection of amounts owed to the Group.

Loans with renegotiated terms

Loans with renegotiated terms are loans that have been restructured due 36 deterioration in the borrower's financial position and where the Group has made concessions that it would otherwise not consider. Once the loan is restructured it remains in this category independent of satisfactory performance after restructuring for a period of 1 year.

Allowances for impairment

The Group establishes an allowance for impairment losses and it represents the estimate of incurred losses in its loan portfolio. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss allowance established for Groups of homogeneous assets in respect of loss that have been incurred but have not been identified on loans subject to individual assessment for impairment.

Write-off policy

The Group writes off a loan balance (and any related allowances for impairment losses) when the Board's sub-credit committee (ALCO) determines that the loans are uncollectible. The decision is taken after considering information such as the occurrence of significant changes in the borrower's financial position such that the borrower can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure. For the 2016 financial year end, there was impairment charge amounting to GH¢581,107 (2015: GH¢922,800) in respect of mortgage receivables.

The Group holds collateral against loans and advances to customers in the form of mortgage interests over property.

An estimate of the carrying amount and fair value of collateral and other security enhancements held against mortgage loans is shown below:

	The Group/GHLB		The Group/GHLB	
	Fair Value 2016 GH¢	Carrying amount 2016 GH¢	Fair value 2015 GH¢	Carrying amount 2015 GH¢
Property value against past due but not impaired	49,558,655	17,470,593	87,448,822	34,087,051
Property value against past due and impaired	20,778,640	13,245,179	53,095,788	20,696,435
Property value against neither due nor impaired	1,069,409,135	408,901,418	792,349,799	308,853,427
	1,139,746,430	439,617,190	932,894,409	363,636,913

The Group does not use non-cash collateral for its own operations.

Write-off policy (cont'd)

Repossessed items are expected to be sold and the proceeds from their sale used to reduce the related outstanding indebtedness of the customer.

The Group monitors concentrations of credit risk by the currency of earnings of the borrower and the employment status. An analysis of concentrations of credit risk at the reporting date for mortgage receivables is shown below:

	The Group		GHLB	
	2016 GH¢	2015 GH¢	2016 GH¢	2015 GH¢
Customers earning in GH¢	268,654,675	257,200,385	268,654,675	257,200,385
Customers earning in US$	109,852,329	61,381,910	109,852,329	61,381,910
Customers earning in other currencies	61,110,186	45,054,618	61,110,186	45,054,618
	439,617,190	363,636,913	439,617,190	363,636,913
Self-employed customers	42,190,409	21,090,946	42,190,409	21,090,946
Employed customers	397,426,781	342,545,967	397,426,781	342,545,967
	439,617,190	363,636,913	439,617,190	363,636,913

At 31 December 2016, the ageing of mortgage loans receivables are as follows:

	The Group		GHLB	
	2016 GH¢	2015 GH¢	2016 GH¢	2015 GH¢
Neither past due nor impaired	394,441,560	330,855,656	394,441,560	330,855,656
Past due but not impaired (1-30days)	12,743,839	9,210,773	12,743,839	9,210,773
Past due but not impaired (31-120days)	6,466,513	3,631,907	6,466,513	3,631,907
	413,651,912	343,698,336	413,651,912	343,698,336
Individually impaired	29,132,064	22,524,256	29,132,064	22,524,256
Gross amount	442,783,976	366,222,592	442,783,976	366,222,592

Analysis of credit quality of neither past due nor impaired loans

These customers are rated excellent in the company's books and they have a relatively longer history of trading with the Company.

The Group has mortgage loans amounting to GH¢13,995,619 (2015: GH¢13,319,006) with its top ten customers and represents 3.13% (2015: 3.59%) of the total mortgage portfolio of the Group.

Other investments

The Group limits its exposure to credit risk by investing in the Government of Ghana bonds and treasury bills.

Cash and cash equivalents

Cash and cash equivalents are held with reputable banks and financial institutions.

(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations from its financial liabilities as and when they fall due.

Management of liquidity risk

The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group ensures that for every financial liability existing, there is a matching financial asset in the form of mortgage loans. In this regard, loans are not drawn down unless a mortgage asset portfolio equivalent to the loan drawdowns has been created. The obligations from loans are largely met by cash inflows from mortgage assets. The Group has a servicing department that has the responsibility of ensuring that all mortgage repayments due are followed up and collected.

The daily liquidity position is monitored and regular liquidity stress testing is conducted. There is also a bi-monthly treasury reporting by the Finance Department to ensure that there is sufficient cash balances at the end of every month to meet the next month's expected financial obligations.

Management of liquidity risk (cont'd)

A summary of the Group's liquidity gap positions ar: as follows:

The Group 2016	Carrying Amount GH¢	Refinance ST loans to LT loans GH¢	Inflows/ outflows (Less than 3mths) GH¢	Inflows/ outflows (3-6mths) GH¢	Inflows/ outflows (6-12mths) GH¢	Inflows/ outflows (1-5yrs) GH¢	Inflows/ outflows (more than 5yrs) GH¢
Cash & cash equivalents	15,005,938	-	15,005,938	-	-	-	
Mortgage receivable balance	439,617,190	-	17,906,552	17,906,553	35,813,207	286,541,478	538,245,220
	454,623,128	-	32,912,490	17,906,553	35,813,207	286,541,478	538,245,220
Long term loans[1]	281,330,715	-	12,615,877	12,600,676	25,149,929	197,070,829	314,931,410
New LT drawdown[2]		42,454,335	-	986,420	1,971,478	17,372,396	28,943,166
Short-term loans	42,454,335	(42,454,335)	986,420	-	-	-	0
Customer deposits	24,824,988	-	413,749	413,749	827,500	8,274,980	14,895,010
	348,610,038	-	14,016,046	14,000,845	27,948,907	222,718,205	358,769,586
Interest GAP position	106,013,090	-	18,896,444	3,905,708	7,864,300	63,823,273	179,475,634

1. Carrying amount reported in this table reflects the current account balance reported in the financials. It therefore does not include future interest to be received or paid and is therefore different from the outflows as portrayed in the table above.

2. These are reclassifications from short term loans occurring over 3 months.

Management of liquidity risk (cont'd)

The Group	Carrying Amount GH¢	Refinance ST loans to LT loans GH¢	Inflows/ outflows (Less than 3mths) GH¢	Inflows/ outflows (3-6mths) GH¢	Inflows/ outflows (6-12mths) GH¢	Inflows/ outflows (1-5yrs) GH¢	Inflows/ outflows (more than 5yrs) GH¢
2015							
Cash & cash equivalents	14,147,878	-	14,147,878	-	-	-	-
Mortgage receivable balance	363,636,913	-	14,884,443	14,884,443	29,768,886	238,151,087	446,533,288
	377,784,791	-	29,032,321	14,884,443	29,768,886	238,151,087	446,533,288
Long term loans[1]	270,044,997	-	12,300,717	12,288,535	24,535,048	192,693,063	310,858,845
New LT drawdown[2]	-	30,295,438	-	910,825	1,821,650	16,025,939	27,858,140
Short-term loans	30,295,438	(30,295,438)	910,825	-	-	-	-
Customer deposits	19,112,327	-	241,545	245,797	504,650	4,738,822	13,381,512
	319,452,762	-	13,453,087	13,445,157	26,861,348	213,457,824	352,098,498
Interest GAP position	58,332,024	-	15,579,234	1,439,286	2,907,538	24,693,263	94,434,790

GHLB

2016	Carrying Amount GH¢	Refinance ST loans to LT loans GH¢	Inflows/ outflows (Less than 3mths) GH¢	Inflows/ outflows (3-6mths) GH¢	Inflows/ outflows (6-12mths) GH¢	Inflows/ outflows (1-5yrs) GH¢	Inflows/ outflows (more than 5yrs) GH¢
Cash & cash equivalents	9,338,782	-	9,338,782	-	-	-	-
Mortgage receivable balance	439,617,190	-	17,906,552	17,906,553	35,813,207	286,541,478	538,245,220
	448,955,972	-	27,245,334	17,906,553	35,813,207	286,541,478	538,245,220
Long term loans	157,027,630	-	6,485,381	6,478,958	12,935,760	101,594,715	163,895,967
New LT drawdown		42,454,335	-	986,420	1,971,478	17,372,396	28,943,166
Short-term loans	42,454,335	(42,454,335)	986,420	-	-	-	-
Customer deposits	22,485,780	-	374,763	374,763	749,526	7,495,260	13,491,468
	221,967,745	-	7,846,564	7,840,141	15,656,764	126,462,371	206,330,601
Interest GAP position	226,988,227	-	19,398,770	10,066,412	20,156,443	160,079,107	331,914,619

Management of liquidity risk (cont'd)

GHLB 2015	Carrying Amount GH¢	Refinance ST loans to LT loans GH¢	Inflows/ outflows (Less than 3mths) GH¢	Inflows/ outflows (3-6mths) GH¢	Inflows/ outflows (6-12mths) GH¢	Inflows/ outflows (1-5yrs) GH¢	Inflows/ outflows (more than 5yrs) GH¢
Cash & cash equivalents	8,660,028	-	8,660,028	-	-	-	-
Mortgage receivable balance	363,636,913	-	14,884,443	14,884,443	29,768,886	238,151,087	446,533,288
	372,296,941	-	23,544,471	14,884,443	29,768,886	238,151,087	446,533,288
Long term loans	142,377,438	-	6,485,381	6,478,958	12,935,760	101,594,715	163,895,967
New LT drawdown	-	30,295,438	-	910,825	1,821,650	16,025,939	27,858,140
Short-term loans	30,295,434	(30,295,438)	910,825	-	-	-	-
Customer deposits	18,146,237	-	362,925	362,925	725,849	5,806,796	10,887,742
	190,819,109	-	7,759,131	7,752,708	15,483,259	123,427,450	202,641,849
Interest GAP position	181,477,832	-	15,785,340	7,131,735	14,285,627	114,723,637	243,891,439

(iii) **Interest rate risk**

Interest rate risk is the exposure of current and future earnings and capital to adverse changes in the level of interest rates. Exposure to interest rate risk can result from a variety of factors, including: (i) Differences between the timing of market interest rate changes and the timing of cash flows (repricing risk); (ii) Changes in the market interest rates producing different effects on yields on similar instruments with different maturities (yield curve risk); and (iii) Changes in the level of market interest rates producing different effects on rates received or paid on instruments with similar repricing characteristics (basis risk).

Interest rate sensitivity analysis

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	The Group		GHLB	
	2016 GH¢	2015 GH¢	2016 GH¢	2015 GH¢
Fixed rate assets (mortgages)	133,113,831	136,674,894	133,113,831	136,674,894
Fixed rate liabilities (borrowing)	(124,302,733)	(129,083,787)	-	-
Related party balances (GHL F1)	-	-	(133,113,831)	(136,674,894)
	8,811,098	7,591,107	-	-
Variable rate assets (mortgages)	306,508,879	234,553,121	306,508,879	234,553,121
Variable rate liabilities (borrowing)	(157,027,630)	(143,822,871)	(157,027,630)	(143,822,871)
	149,481,249	90,730,250	149,481,249	90,730,250

Cash flow sensitivity analysis for variable-rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss and equity by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2015.

	The Group		GHLB	
	Profit or loss/ Equity 100Bp Increase GH¢	100Bp Decrease GH¢	Profit or loss/ Equity 100Bp Increase GH¢	100Bp Decrease GH¢
31 December 2016				
Variable rate instruments (GH¢)	1,494,812	(1,494,812)	1,494,812	(1,494,812)
Cashflow sensitivity	1,494,812	(1,494,812)	1,494,812	(1,494,812)
31 December 2015				
Variable rate instruments (GH¢)	907,303	(907,303)	907,303	(907,303)
Cashflow sensitivity	907,303	(907,303)	907,303	(907,303)

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss. A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2015.

	The Group Profit or loss/Equity		GHLB Profit or loss/Equity	
	100Bp Increase GH¢	100Bp Decrease GH¢	100Bp Increase GH¢	100Bp Decrease GH¢
31 December 2016				
Fixed rate instruments (GH¢)	98,338	(98,338)	1,341,365	(1,341,365)
Fair value sensitivity (net)	98,338	(98,338)	1,341,365	(1,341,365)

Fair value sensitivity analysis for fixed-rate instruments (cont'd)

	The Group Profit or loss/Equity		GHLB Profit or loss/Equity	
	100Bp Increase GH¢	100Bp Decrease GH¢	100Bp Increase GH¢	100Bp Decrease GH¢
31 December 2015				
Fixed rate instruments (GH¢)	(75,911)	(75,911)	-	-
Fair value sensitivity (net)	(75,911)	(75,911)	-	-

(iv) Foreign exchange risk

Foreign exchange risk exists when a financial transaction is denominated in a currency other than that of the base currency of the company. The risk is that there may be an adverse movement in the exchange rate of the denomination currency in relation to the base currency before the date when the transaction is closed.

Management of foreign exchange risks

The Group has exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Company sets limits on the level of exposure by currency. The Group manages its exposure to foreign currency risk by ensuring that loans that are obtained in foreign currency have mortgage loans granted also in foreign currency. In addition, repayments from customers for mortgage loans are also fixed to the foreign currency although customers can pay equivalent amounts in GH¢. The Group uses treasury management techniques to ensure that all receipts in GH¢ are not exposed to fluctuations in foreign currency rates.

The table below summarises the Company's exposure to foreign currency exchange rate risk:

	2016 US$	2015 US$
Bank balances	4,253,274	2,503,794
Loans and advances to customers	104,988,667	97,938,926
Total assets	109,241,941	100,442,720
Customer deposits	5,827,462	2,940,026
Short-term facilities	10,033,217	5,369,762
Long-term borrowing	65,867,417	71,441,533
Total liabilities	81,728,096	79,751,321
Net exposure	27,513,845	20,691,399

The following significant exchange rates applied during the year:

	Reporting rate		Average rate	
	2016	2015	2016	2015
US$	4.26	3.82	3.98	3.83

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Sensitivity analysis on currency risks

The following table shows the effect of a strengthening or weakening of GH¢ against the US$ on profit or loss and equity. This sensitivity analysis indicates the potential impact on equity and profit or loss based upon the foreign currency exposures recorded at 31 December. (See "Foreign exchange risk" above) and it does not represent actual or future gains or losses. The sensitivity analysis is based on the percentage difference between the closing exchange rate and the average exchange rate per currency recorded in the course of the respective financial year.

This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2015.

A strengthening/weakening of the Ghana Cedi, by the rates shown in the table, against the following currencies at 31 December would have increased/decreased profit or loss and equity by the amount shown below.

This analysis assumes that all other variables, in particular interest rates, remain constant.

	2016			2015		
	% Change	Profit or Loss impact: Strengthening	Profit or loss impact: Weakening	% Change	Profit or loss impact: Strengthening	Profit or loss impact: Weakening
US$	(6.6%)	(8,007,192)	(8,007,192)	(0.33%)	256,142	(256,142)

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks, such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Group's operations.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and innovation. In all cases, Group policy requires compliance with all applicable legal and regulatory rules and laws.

The Board of Directors has delegated responsibility for operational risk to its Asset & Liability Committee, which is responsible for the development and implementation of controls to address operational risk. This responsibility is supported by the development of overall Group standards for the management of operational risk in the following areas:

- Requirements for appropriate segregation of duties, including the independent authorisation of transactions;
- Requirements for the reconciliation and monitoring of transactions;
- Compliance with regulatory and other legal requirements;
- Documentation of controls and procedures;
- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- Requirements for the reporting of operational losses and proposed remedial action;
- Development of contingency plans;
- Training and professional development;
- Ethical and business standards; and
- Risk mitigation, including insurance where this is cost effective.

Compliance with Group standards is supported by a programme of periodic reviews undertaken by Internal Audit. The results of Internal Audit reviews are discussed with the Group Audit Committee, with summaries submitted to the Asset and Liability Committee and senior management of the Group.

Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also monitored and the Group recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

The Company and its subsidiary have complied with all externally imposed capital requirements throughout the period. There have been no material changes in the Group's management of capital during the year.

The Group's regulatory capital position at 31 December was as follows:

The Group

	2016 GH¢	2015 GH¢
Tier 1 capital		
Ordinary share capital	12,287,797	12,287,797
Retained earnings	30,087,674	21,501,206
Deposit for shares	114,791,696	-
Statutory reserve	15,636,029	12,005,696
Total tier 1 capital	172,803,196	45,794,699
Tier 2 capital	-	-
Total regulatory capital	172,803,196	45,794,699

GHLB

	2016 GH¢	2015 GH¢
Tier 1 capital		
Ordinary share capital	12,287,797	12,287,797
Retained earnings	8,944,810	4,291,712
Deposit for shares	114,791,696	-
Statutory reserve	9,969,325	7,035,895
Total tier 1 capital	145,993,628	23,615,404
Tier 2 capital	-	-
Total regulatory capital	145,993,628	23,615,404
Capital adequacy ratio		
The Group	59.48 %	19.36%
GHLB	52.47 %	10.96%

26. FAIR VALUES OF FINANCIAL INSTRUMENTS

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Bank determines fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

(a) **Valuation models**

The Company measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

Level 1: inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which market observable prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates and foreign currency exchange rates and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The Group uses widely recognised valuation models for determining the fair value of common and more simple financial instruments that use observable market data and require little management judgement and estimation.

Availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determining fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

(b) **Financial instruments not measured at fair value**

The following table shows the fair values of financial instruments not measured at fair value in the statement of financial position, analysed by reference to levels in the fair value hierarchy into which each fair value measurement is categorized. Fair values have not been disclosed for financial instruments not measured at fair value where their carrying amounts are a reasonable approximation of their fair value.

2016 Group	Level 1 GH¢	Level 2 GH¢	Level 3 GH¢	Total GH¢	Fair Value GH¢
Financial assets					
Cash and cash equivalents	-	15,005,938	-	15,005,938	15,005,938
Government securities – held to maturity	-	94,459,255	-	94,459,255	94,459,255
Mortgage finance receivable (net)	-	439,617,190	-	439,617,190	247,105,325
	-	549,082,383	-	549,082,383	356,570,518
Financial liabilities					
Customer deposits & Escrow balances	-	-	24,824,988	24,824,988	24,824,988
Short-term facilities	-	42,454,335	-	42,454,335	42,454,335
Long-term borrowing	-	281,330,715	-	281,330,715	225,208,816
	-	323,785,050	24,824,988	348,610,038	292,488,139

(b) Financial instruments not measured at fair value (cont'd)

2016 GHLB	Level 1 GH¢	Level 2 GH¢	Level 3 GH¢	Total GH¢	Fair Value GH¢
Financial assets					
Cash and cash equivalents	-	9,338,782	-	9,338,782	9,338,782
Government securities – held to maturity	-	85,515,183	-	85,515,183	85,515,183
Mortgage finance receivable (net)	-	439,617,190	-	439,617,190	247,105,325
	-	534,471,155	-	534,471,155	341,959,290
Financial liabilities					
Customer deposits & Escrow balances	-	-	22,485,780	22,485,780	22,485,780
Short-term facilities	-	42,454,335	-	42,454,335	42,454,335
Long-term borrowing	-	157,027,982	-	157,027,982	137,265,909
	-	199,482,317	22,485,780	221,968,097	202,206,024

2015
Group

	Level 1 GH¢	Level 2 GH¢	Level 3 GH¢	Total GH¢	Fair Value GH¢
Financial assets					
Cash and cash equivalents	-	14,147,878	-	14,147,878	14,147,878
Government securities – held to maturity	-	7,881,428	-	7,881,428	7,881,428
Mortgage finance receivable (net)	-	363,636,913	-	363,636,913	277,214,625
	-	385,666,219	-	385,666,219	299,243,931
Financial liabilities					
Customer deposits & Escrow balances	-	1,065,179	-	1,065,179	1,065,179
Short-term facilities	-	30,295,438	-	30,295,438	30,295,438
Long-term borrowing	-	270,044,997	-	270,044,997	214,672,396
	-	301,405,614	-	301,405,614	246,033,013

GHLB

	Level 1 GH¢	Level 2 GH¢	Level 3 GH¢	Total GH¢	Fair Value GH¢
Financial assets					
Cash and cash equivalents	-	8,660,028	-	8,660,028	8,660,028
Government securities – held to maturity	-	249,597	-	249,597	249,597
Mortgage finance receivable (net)	-	363,636,913	-	363,636,913	277,214,625
	-	372,546,538	-	372,546,538	286,124,250
Financial liabilities					
Customer deposits & Escrow balances	-	1,065,179	-	1,065,179	1,065,179
Short-term facilities	-	30,295,438	-	30,574,030	30,574,030
Long-term borrowing	-	142,377,438	-	142,377,438	116,851,494
	-	173,738,055	-	173,738,055	148,490,703

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(c) Accounting classification for financial instruments

2016 Group	Held to Maturity GH¢	Loans & receivables GH¢	Other Liabilities GH¢	Total GH¢
Financial assets				
Cash and cash equivalents	-	15,005,938	-	15,005,938
Mortgage finance receivable	-	439,617,190	-	439,617,190
Other receivables	-	4,073,991	-	4,073,991
Other investments	94,459,255	-	-	94,459,255
	94,459,255	458,697,119	-	553,156,374
Financial liabilities				
Customer deposits	-	-	24,824,988	24,824,988
Short-term facilities	-	-	42,454,335	42,454,335
Long-term borrowing	-	-	281,330,715	281,330,715
Other liabilities	-	-	9,329,713	9,329,713
	-	-	357,939,751	357,939,751

GHLB

	Held to Maturity GH¢	Loans & receivables GH¢	Other Liabilities GH¢	Total GH¢
Financial assets				
Cash and cash equivalents	-	9,338,782	-	9,338,782
Mortgage finance receivable	-	439,617,190	-	439,617,190
Other receivables	-	4,050,068	-	4,050,068
Other investments	85,515,183	-	-	85,515,183
	85,515,183	453,006,040	-	538,521,223
Financial liabilities				
Customer deposits	-	-	22,485,780	22,485,780
Short-term facilities	-	-	42,454,335	42,454,335
GHL FI loans portfolio	-	-	133,113,831	133,113,831
Intercompany balance	-	-	8,435,959	8,435,959
Long-term borrowing	-	-	157,027,982	157,027,982
Other liabilities	-	-	8,054,375	8,054,375
	-	-	371,572,262	371,572,262

2015
Group

	Held to Maturity GH¢	Loans & receivables GH¢	Other Liabilities GH¢	Total GH¢
Financial assets				
Cash and cash equivalents	-	14,147,878	-	14,147,878
Mortgage finance receivable	-	363,636,913	-	363,636,913
Other receivables	-	4,056,844	-	4,056,844
Other investments	7,881,428	-	-	7,881,428
	7,881,428	381,841,635	-	389,723,063

Accounting classification for financial instruments (cont'd)

2015 Group	Held to Maturity GH¢	Loans & receivables GH¢	Other Liabilities GH¢	Total GH¢
Financial liabilities				
Customer deposits	-	-	19,112,327	19,112,327
Short-term facilities	-	-	30,295,438	30,295,438
Long-term borrowing	-	-	270,044,997	270,044,997
Other liabilities	-	-	8,722,766	8,722,766
	-	-	328,175,528	328,175,528

GHLB

	Held to Maturity GH¢	Loans & receivables GH¢	Other Liabilities GH¢	Total GH¢
Financial assets				
Cash and cash equivalents	-	8,660,028	-	8,660,028
Mortgage finance receivable	-	363,636,913	-	363,636,913
Other receivables	-	4,032,921	-	4,032,921
Other investments	249,597	-	-	249,597
	249,597	376,329,862	-	376,579,459
Financial liabilities				
Customer deposits	-	-	18,146,237	18,146,237
Short-term facilities	-	-	30,295,438	30,295,438
GHL FI loans portfolio	-	-	136,674,894	136,674,894
Intercompany balance	-	-	1,703,980	1,703,980
Long-term borrowing	-	-	142,377,438	142,377,438
Other liabilities	-	-	7,826,866	7,826,866
	-	-	337,024,853	337,024,853

27. COMMITMENTS

There were no commitments for capital expenditure at 31 December 2016 and at 31 December 2015.

28. CONTINGENT LIABILITIES

There were no contingent liabilities at the reporting date and also at 31 December 2015.

29. EVENTS AFTER THE REPORTING PERIOD

Events subsequent to the financial position date are reflected only to the extent that they relate directly to the Financial Statements and their effect is material. There were no significant events as at the date the Financial Statements were approved.