GHL BANK PLC



AUDITED CONDENSED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

	SITION AT 31	DECEMBER	2018		STATEMENTS OF CASH				J. DEC.	EMBER 20	
	20						Gr e	oup 18	2017	Bank 2018	2017
	GH	l¢ GH¢	GH¢	GH¢			GH		GH¢	GH¢	GH¢
ASSETS Cash and cash equivalents	25,338,2	55 28,318,053	3 21,978,619	19,305,030	Cash flows from operating activitien Profit after tax	es .	4,579,30	55 14,02	21,145 2	28,641,756	9,504,984
nvestment securities	43,750,0	80 57,899,489	9 33,627,573	48,376,626	Adjustment for: Depreciation and amortisation		6,810,20	05 90	00,109	6,810,205	900,109
oans and advances to customers nvestment in subsidiary	561,648,1	76 508,051,200 -	6 561,648,176 - 600		Profit on disposal of property and ed	quipment			(5,074)	-	(5,074)
urrent tax assets	979,50	7 1,403,119	9 -	664,182	Impairment on financial assets		(1,591,0			1,591,095)	2,571,392
ntercompany operational balances Other assets	9,212,65	55 4,301,98	- 16,812,626 3 9,195,910		Net interest income		(52,123,8	21) (40,68	2,338) (4	40,179,092)	(29,536,051)
Property and equipment ntangible assets	32,479,38 13,167,02	22 7,175,709	9 13,167,022	7,175,709	Income tax expense		3,553,9	51 5,63	37,065	3,193,970	4,131,678
otal assets	686,575,0	78 631,089,17	1 688,909,909				(38,771,3	85) (17,55	7,701)	(3,124,256)	(12,432,962)
	======	== ======	= =======	=======	Changes in: Loans and advances to customers		(54,582,1	57) (71,00	5,408) (!	54,582,157)	(71,005,408)
ABILITIES	20.545.54		20.545.505		Other assets		(4,910,6	72) 60	08,868	(4,917,850)	608,868
eposit from other financial institutions ustomer deposits	20,565,50 74,276,45		20,565,50574,276,451	-	Deposits from other financial institu	tions	20,565,5	05 (42,45	(4,335)	20,565,505	(42,454,335)
ong-term borrowings	339,114,63		, ,		Intercompany operational balance			-	- ((20,775,738)	(3,031,143)
ntercompany operational balances orrowings from GHL F1		-	 - 127,144,194	3,963,112 130,374,279	Borrowings from GHL F1			-	-	(3,230,085)	(2,739,552)
ther liabilities	33,338,9		5 26,545,473	42,682,679	Deposits from customers		74,276,4	51	- 7	74,276,451	-
urrent tax liabilities Deferred tax liabilities	229,69 6,970,66		- 229,695 3 5,759,304		Other liabilities		(12,332,6	18) 11,51	6,834 (1	16,137,206)	12,142,525
otal liabilities	474,495,86		, ,	, ,			(15,754,8	 76) (118,89	91,742)	(7,925,336) (118,912,007)
				= ==	Interest received		79,383,3	99 64,70	04,096 6	61,053,812	46,401,726
QUITY					Interest paid		(27,259,5	78) (24,02	21,760) (2	20,874,720)	(16,865,676)
tated capital etained earnings	127,079,49 25,999,36				Income tax paid		(938,47	79) (3,56	58,570)	(697,909)	(2,159,823)
edit risk reserve	32,333,90	05 33,770,01	8 32,333,905	33,770,018							
atutory reserve eposit for shares	26,666,4	50 18,576,79 - 114,791,69		12,345,572 114,791,696	Net cash from/ (used) in operating	activities	35,430,4	66 (81,77	'7,976)	31,555,847	(91,535,779)
otal equity	212,079,2	 12 209,495,770	204,815,874	178,170,041	Cash flows from investing activities						
tal equity	212,079,2			176,170,041	Purchase of property and equipmer	it		71) (27,15		17,289,279)	(27,155,098)
otal equity and liabilities	686,575,0			611,791,026	Acquisition of intangible assets Proceeds from sale of investment se	curitios	(8,082,2 ⁻ 14,149,4			(4,052,010) 14,749,053	37,138,558
					Proceeds on disposal of property an		ד, כדו, דו		5,074	-	5,074
					Net cash (used) in /from investing a	activities	(7,191,8	-		(6,592,236)	9,988,534
TATEMENTS OF COMPREHENSIV	'E INCOME FO	R THE YEAR	ENDED 31 DE	CEMBER 2018	Cash flows from financing activitie						
					Movements in long term borrowing Share registration expense	S	(30,644,4)		28,348 (2	(573,958)	94,261,494
	Gre	oup	Bank		Dividend paid		(373,7.		18,000)	(373,730)	(2,748,000)
	2018	2017	2018	2017	·						
	GH¢	GH¢	GH¢	GH¢	Net cash (used) in / from financing	activities	(31,218,3			22,290,022)	91,513,494
erest income	79,383,399	64,704,098	61,053,812	46,401,727	Net increase/(decrease) in cash and	i	=====	== =====	===== =		=======
terest expense	(27,259,578)	(24,021,760)	(20,874,720)	(16,865,676)	cash equivalents		(2,979,79			2,673,589	9,966,248
et interest income	52,123,821	40,682,338	40,179,092	29,536,051	Cash and cash equivalents at 1 January		28,318,0		05,938 1 	19,305,030	0 220 702
es and commission income	11,350,232	3,493,181	5,75,161		Cash and cash equivalents at 31 De	ecember	25,338,2	55 28,31	18,053 2	21,978,619	9,338,782
es and commission expense	(3,739,377)		(3,133,901)	(935,906)			=====		====		19,305,030
	7.640.055	(1,418,813)									
	7,610,855	2,074,368	8,075,484	2,557,275	STATEMENTS OF CHANG	GES IN EQU	IITY FOR THE	YEAR EI	NDED 31	I DECEMB	19,305,030 =====
	7,610,855 59,734,676	2,074,368			STATEMENTS OF CHANG	GES IN EQU		YEAR EI	NDED 31 Statutory		19,305,030 =====
venue t exchange gain		2,074,368	8,075,484	2,557,275	STATEMENTS OF CHANG					Deposit for	19,305,030 =====
venue t exchange gain her operating income	59,734,676 11,799,665	2,074,368 42,756,706 8,416,020	8,075,484 48,254,576 9,598,884 26,027,163	2,557,275 32,093,326 5,137,207 491,150	Group Balance at 1 January 2018	Stated capital	R etained C earnings GH¢	redit risk reserve	Statutory reserve	Deposit for shares	19,305,030 ====== ER 2018
venue t exchange gain ner operating income	59,734,676 11,799,665 932,658 72,466,999	2,074,368 42,756,706 8,416,020 491,150	8,075,484 48,254,576 9,598,884 26,027,163	2,557,275 32,093,326 5,137,207 491,150	Group	Stated capital GH¢	R etained C earnings GH¢	redit risk reserve GH¢	Statutory reserve GH¢	Deposit for shares	19,305,030 ====== ER 2018 Tota GHC 209,495,776
venue t exchange gain ner operating income tal income	59,734,676 11,799,665 932,658 72,466,999	2,074,368 42,756,706 8,416,020 491,150 51,663,876	8,075,484 48,254,576 9,598,884 26,027,163 	2,557,275 32,093,326 5,137,207 491,150 37,721,683	Group Balance at 1 January 2018 Adjustment on initial application of IFRS 9 (net of tax)	Stated capital GH¢	Retained earnings GH¢ 30,069,463 3 (1,421,965)	redit risk reserve GH¢	Statutory reserve GH¢	Deposit for shares	19,305,030 ====== ER 2018 Tota GHC 209,495,77
venue It exchange gain her operating income Ital income Ital income	59,734,676 11,799,665 932,658 72,466,999	2,074,368 42,756,706 8,416,020 491,150 51,663,876	8,075,484 48,254,576 9,598,884 26,027,163 	2,557,275 32,093,326 5,137,207 491,150 37,721,683	Group Balance at 1 January 2018 Adjustment on initial application of IFRS 9 (net of tax) Excess in credit risk reserve per IFRS 9 computation transferred from Retained earnings	Stated capital GH¢ 12,287,797	Retained earnings GHc 30,069,463 3 (1,421,965) (1,631,899)	redit risk reserve GH¢ 3,770,018	Statutory reserve GH¢ 18,576,796	Deposit for shares GH¢ 114,791,696	19,305,030 ====== ER 2018 Tota GHG 209,495,77 (1,421,96)
venue It exchange gain her operating income tal income rsonnel and administrative expenses	59,734,676 11,799,665 932,658 72,466,999 ======= 59,114,563	2,074,368 42,756,706 8,416,020 491,150 51,663,876 ======	8,075,484 48,254,576 9,598,884 26,027,163 	2,557,275 32,093,326 5,137,207 491,150 37,721,683 ======	Group Balance at 1 January 2018 Adjustment on initial application of IFRS 9 (net of tax) Excess in credit risk reserve per IFRS 9 computation transferred from Retained earnings Restated balance at 1 January 2018 Total comp r ehensive income	Stated capital GH¢	Retained earnings GHC 30,069,463 3 (1,421,965) (1,631,899)	redit risk reserve GH¢ 3,770,018	Statutory reserve GH¢ 18,576,796	Deposit for shares	19,305,030 ====== ER 2018 Tota GHC 209,495,77 (1,421,96)
t exchange gain her operating income tal income tsonnel and administrative typenses pairment on financial assets	59,734,676 11,799,665 932,658 72,466,999	2,074,368 42,756,706 8,416,020 491,150 51,663,876	8,075,484 48,254,576 9,598,884 26,027,163 	2,557,275 32,093,326 5,137,207 491,150 37,721,683	Group Balance at 1 January 2018 Adjustment on initial application of IFRS 9 (net of tax) Excess in credit risk reserve per IFRS 9 computation transferred from Retained earnings Restated balance at 1 January 2018 Total comprehensive income Profit for the period Transactions with shareholders	Stated capital GHC 12,287,797	Retained earnings GHc 30,069,463 3 (1,421,965) (1,631,899)	redit risk reserve GH¢ 3,770,018	Statutory reserve GH¢ 18,576,796	Deposit for shares GHC 114,791,696	19,305,030 ====== ER 2018 Tota GHC 209,495,77 (1,421,96)
t exchange gain her operating income tal income rsonnel and administrative expenses pairment on financial assets	59,734,676 11,799,665 932,658 72,466,999 ====== 59,114,563 (1,591,095)	2,074,368 42,756,706 8,416,020 491,150 51,663,876 ======= 28,534,165 2,571,392	8,075,484 48,254,576 9,598,884 26,027,163 	2,557,275 32,093,326 5,137,207 491,150 37,721,683 ====== 20,613,520 2,571,392	Group Balance at 1 January 2018 Adjustment on initial application of IFRS 9 (net of tax) Excess in credit risk reserve per IFRS 9 computation transferred from Retained earnings Restated balance at 1 January 2018 Total comp rehensive income Profit for the period Transactions with shareholders Conversion of Deposit for shares to stated capital	Stated capital GH¢ 12,287,797	Retained earnings GHC 30,069,463 3 (1,421,965) (1,631,899)	redit risk reserve GH¢ 3,770,018	Statutory reserve GH¢ 18,576,796	Deposit for shares GH¢ 114,791,696	19,305,030 ====== ER 2018 Tota GHG 209,495,77 (1,421,96)
venue It exchange gain ther operating income tal income rsonnel and administrative expenses pairment on financial assets preciation and amortisation	59,734,676 11,799,665 932,658 72,466,999 59,114,563 (1,591,095) 6,810,205	2,074,368 42,756,706 8,416,020 491,150 51,663,876 ====== 28,534,165 2,571,392 900,109	8,075,484 48,254,576 9,598,884 26,027,163 83,880,623 46,825,787 (1,591,095) 6,810,205	2,557,275 32,093,326 5,137,207 491,150 37,721,683 ===== 20,613,520 2,571,392 900,109	Group Balance at 1 January 2018 Adjustment on initial application of IFRS 9 (net of tax) Excess in credit risk reserve per IFRS 9 computation transferred from Retained earnings Restated balance at 1 January 2018 Total comprehensive income Profit for the period Transactions with shareholders Conversion of Deposit for shares to	Stated capital GHC 12,287,797	Retained earnings GHC 30,069,463 3 (1,421,965) (1,631,899)	redit risk reserve GH¢ 3,770,018	Statutory reserve GH¢ 18,576,796	Deposit for shares GHC 114,791,696	19,305,030 ====== ER 2018 Tota GHG 209,495,77 (1,421,96)
venue t exchange gain ner operating income tal income rsonnel and administrative spenses pairment on financial assets preciation and amortisation	59,734,676 11,799,665 932,658 72,466,999 59,114,563 (1,591,095) 6,810,205 64,333,673	2,074,368 42,756,706 8,416,020 491,150 51,663,876 ======= 28,534,165 2,571,392	8,075,484 48,254,576 9,598,884 26,027,163 	2,557,275 32,093,326 5,137,207 491,150 37,721,683 ====== 20,613,520 2,571,392	Group Balance at 1 January 2018 Adjustment on initial application of IFRS 9 (net of tax) Excess in credit risk reserve per IFRS 9 computation transferred from Retained earnings Restated balance at 1 January 2018 Total comprehensive income Profit for the period Transactions with shareholders Conversion of Deposit for shares to stated capital Share registration cost Other Transfers Transfer from credit risk reserve	Stated capital GHC 12,287,797	Retained earnings GHC 30,069,463 3 (1,421,965) (1,631,899)	redit risk reserve GH¢ 3,770,018	Statutory reserve GHc 18,576,796	Deposit for shares GHC 114,791,696	19,305,030 ======= ER 2018 Tota GHC 209,495,777 (1,421,969
t exchange gain her operating income tal income sonnel and administrative expenses pairment on financial assets preciation and amortisation tal expenses	59,734,676 11,799,665 932,658 72,466,999 59,114,563 (1,591,095) 6,810,205 64,333,673	2,074,368 42,756,706 8,416,020 491,150 	8,075,484 48,254,576 9,598,884 26,027,163	2,557,275 32,093,326 5,137,207 491,150 37,721,683 20,613,520 2,571,392 900,109 24,085,021	Group Balance at 1 January 2018 Adjustment on initial application of IFRS 9 (net of tax) Excess in credit risk reserve per IFRS 9 computation transferred from Retained earnings Restated balance at 1 January 2018 Total comp rehensive income Profit for the period Transactions with shareholders Conversion of Deposit for shares to stated capital Share registration cost Other Transfers	Stated capital GHC 12,287,797	Retained earnings GHC 30,069,463 3 (1,421,965) (1,631,899) ———————————————————————————————————	redit risk reserve GHC 3,770,018 - 1,631,899	Statutory reserve GHC 18,576,796	Deposit for shares GHC 114,791,696	19,305,030 ====== ER 2018 Tota
t exchange gain ther operating income tal income rsonnel and administrative expenses pairment on financial assets preciation and amortisation tal expenses	59,734,676 11,799,665 932,658 72,466,999 59,114,563 (1,591,095) 6,810,205 64,333,673 8,133,326	2,074,368 42,756,706 8,416,020 491,150 	8,075,484 48,254,576 9,598,884 26,027,163	2,557,275 32,093,326 5,137,207 491,150 37,721,683 20,613,520 2,571,392 900,109 24,085,021 13,636,662	Group Balance at 1 January 2018 Adjustment on initial application of IFRS 9 (net of tax) Excess in credit risk reserve per IFRS 9 computation transferred from Retained earnings Restated balance at 1 January 2018 Total comprehensive income Profit for the period Transactions with shareholders Conversion of Deposit for shares to stated capital Share registration cost Other Transfers Transfer from credit risk reserve Transfer to stautory reserve Balance at 31 December 2018	Stated capital GHc 12,287,797	Retained earnings GHC 30,069,463 3 (1,421,965) (1,631,899) ———————————————————————————————————	redit risk reserve GHc 3,770,018 - 1,631,899 - 5,401,917 3,068,012) 2,2333,905	Statutory reserve GH¢ 18,576,796	Deposit for shares GHC 114,791,696 114,791,696	19,305,030 ====== ER 2018 Tota GHC 209,495,77 (1,421,96:
et exchange gain her operating income Ital income rsonnel and administrative xpenses pairment on financial assets epreciation and amortisation Ital expenses	59,734,676 11,799,665 932,658 72,466,999 59,114,563 (1,591,095) 6,810,205 64,333,673	2,074,368 42,756,706 8,416,020 491,150 	8,075,484 48,254,576 9,598,884 26,027,163	2,557,275 32,093,326 5,137,207 491,150 37,721,683 20,613,520 2,571,392 900,109 24,085,021	Group Balance at 1 January 2018 Adjustment on initial application of IFRS 9 (net of tax) Excess in credit risk reserve per IFRS 9 computation transferred from Retained earnings Restated balance at 1 January 2018 Total comprehensive income Profit for the period Transactions with shareholders Conversion of Deposit for shares to stated capital Share registration cost Other Transfers Transfer from credit risk reserve Transfer to statutory reserve Balance at 1 January 2017 Total comprehensive income	Stated capital GHC 12,287,797	Retained earnings GHC 30,069,463 3 (1,421,965) (1,631,899) ———————————————————————————————————	redit risk reserve GHC 3,770,018 - 1,631,899	Statutory reserve GHC 18,576,796	Deposit for shares GHC 114,791,696 - 114,791,696 - 114,791,696 - 114,791,696 - 114,791,696 - 114,791,696 - 114,791,696	19,305,030 ====== ER 2018 Tota GHG 209,495,777 (1,421,969
et exchange gain ther operating income etal income ersonnel and administrative expenses epairment on financial assets epreciation and amortisation etal expenses ofit before tax come tax expense	59,734,676 11,799,665 932,658 72,466,999 59,114,563 (1,591,095) 6,810,205 64,333,673 8,133,326 (3,553,961) 4,579,365	2,074,368 42,756,706 8,416,020 491,150 51,663,876 28,534,165 2,571,392 900,109 32,005,666 19,658,210 (5,637,065) 14,021,145	8,075,484 48,254,576 9,598,884 26,027,163 83,880,623 46,825,787 (1,591,095) 6,810,205 52,044,897 31,835,726 (3,193,970) 28,641,756	2,557,275 32,093,326 5,137,207 491,150 37,721,683 20,613,520 2,571,392 900,109 24,085,021 13,636,662 (4,131,678) 9,504,984	Group Balance at 1 January 2018 Adjustment on initial application of IFRS 9 (net of tax) Excess in credit risk reserve per IFRS 9 computation transferred from Retained earnings Restated balance at 1 January 2018 Total comp rehensive income Profit for the period Transactions with shareholders Conversion of Deposit for shares to stated capital Share registration cost Other Transfers Transfer from credit risk reserve Transfer to statutory reserve Balance at 31 December 2018 Balance at 1 January 2017 Total comp rehensive income Profit for the period Transactions with shareholders	Stated capital GHc 12,287,797	Retained earnings GHC 30,069,463 3 (1,421,965) (1,631,899) ———————————————————————————————————	redit risk reserve GHc 3,770,018 - 1,631,899 - 5,401,917 3,068,012) 2,2333,905	Statutory reserve GH¢ 18,576,796	Deposit for shares GHC 114,791,696 114,791,696	19,305,030 ====== ER 2018 Tota GHC 209,495,77 (1,421,96:
et fee commission income evenue et exchange gain ther operating income otal income ersonnel and administrative expenses apairment on financial assets epreciation and amortisation otal expenses rofit before tax come tax expense rofit for the year	59,734,676 11,799,665 932,658 72,466,999 59,114,563 (1,591,095) 6,810,205 64,333,673 8,133,326 (3,553,961) 4,579,365	2,074,368 42,756,706 8,416,020 491,150 	8,075,484 48,254,576 9,598,884 26,027,163	2,557,275 32,093,326 5,137,207 491,150 37,721,683 20,613,520 2,571,392 900,109 24,085,021 13,636,662 (4,131,678)	Group Balance at 1 January 2018 Adjustment on initial application of IFRS 9 (net of tax) Excess in credit risk reserve per IFRS 9 computation transferred from Retained earnings Restated balance at 1 January 2018 Total comprehensive income Profit for the period Transactions with shareholders Conversion of Deposit for shares to stated capital Share registration cost Other Transfers Transfer from credit risk reserve Transfer to statutory reserve Balance at 31 December 2018 Balance at 1 January 2017 Total comprehensive income Profit for the period	Stated capital GHc 12,287,797	Retained earnings GHC 30,069,463 3 (1,421,965) (1,631,899) ———————————————————————————————————	redit risk reserve GHc 3,770,018 - 1,631,899 - 5,401,917 3,068,012) 2,2333,905	Statutory reserve GH¢ 18,576,796	Deposit for shares GHC 114,791,696 114,791,696	19,305,030 ====== ER 2018 Tota GHG 209,495,777 (1,421,969

Transfer to statutory reserve

Balance at 31 December 2017

(2,940,767)

30,069,463

12,287,797

2,940,767

33,770,018 18,576,796 114,791,696 209,495,770

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

Bank	Stated capital GH¢	R etain ed ear nings GH¢	Credit risk reserve GH¢	Statutory reserve GH¢	Deposit for shares GH¢	Total GH
Balance at 1 January 2018	12,287,797	4,974,958	33,770,018	12,345,572	114,791,696	178,170,041
Adjustment on initial application of IFRS 9 (net of tax) Excess in credit risk reserve per IFRS 9 computation transferred from	-	(1,421,965)	-	-	-	(1,421,965)
Retained earnings	-	(1,631,899)	1,631,899	-	-	-
Restated balance at 1 January 2018 Total comprehensive income	12,287,797	1,921,094	35,401,917	12,345,572	114,791,696	176,748,076
Profit for the period Transactions with shareholders	-	28,641,756	-	-	-	28,641,756
Conversion of Deposit for shares to	114,791,696	-	-	-	(114,791,696)	-
stated capital Share registration cost Other Transfers	-	(573,958)	-	-	-	(573,958)
Transfer to credit risk reserve	-	3,068,012	(3,068,012)	-	-	-
Transfer to statutory reserve	-	(14,320,878)	-	14,320,878	-	-
Balance at 31 December 2018	127,079,493	18,736,026	32,333,905	26,666,450	-	204,815,874
	=======	======	=======	======	=======	=======
Balance at 1 January 2017 Total comprehensive income	12,287,797	8,944,810	25,419,429	9,969,325	114,791,696	171,413,057
Profit for the period Transactions with shareholders	-	9,504,984	-	-	-	9,504,984
Dividends Other Transfers	-	(2,748,000)	-	-	-	(2,748,000)
Transfer to credit risk reserve	-	(8,350,589)	8,350,589	-	-	-
Transfer to statutory reserve	-	(2,376,247)	-	2,376,247	-	-
Balance at 31 December 2017	12,287,797	4,974,958	33,770,018	12,345,572	114,791,696	178,170,041
	=======	======		======		

INDEPENDENT AUDITOR'S REPORT

To the Members of GHL Bank Plc

Opinion

The condensed consolidated and separate financial statements, which comprise the statements of financial position at 31 December 2018, and the statements of comprehensive income, changes in equity and cash flows for the year then ended and related notes, are derived from the audited consolidated and separate financial statements of GHL Bank Plc for the year ended 31 December 2018.

In our opinion, the accompanying condensed consolidated and separate financial statements are consistent, in all material respect with the audited consolidated and separate financial statements, in accordance with the basis described in the notes.

Condensed Consolidated and Separate Financial Statements

The condensed consolidated and separate financial statements do not contain all the disclosures required by International Financial Reporting Standards and in the manner required by the Companies Act 1963, (Act 179) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) applied in the preparation of the audited consolidated and separate financial statements of GHL Bank Plc. Reading the condensed consolidated and separate financial statements and our report thereon, therefore, is not a substitute for reading the audited consolidated and separate financial statements and our report thereon.

The Audited Consolidated and Separate Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated and separate financial statements in our report dated 30 April 2019. That report also includes the communication of key audit matters. Key audit matters are those matters that in our professional judgement, were of most significance in our audit of the financial statements for the current period.

Directors' Responsibility for the Condensed Consolidated and Separate Financial Statements

The directors are responsible for the preparation of the condensed consolidated and separate financial statements in accordance with the basis described in the notes.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the condensed consolidated and separate financial statements are consistent, in all material respects, with the audited consolidated and separate financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.

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

For and on behalf of:
KPMG: (ICAG/F/2019/038)
CHARTERED ACCOUNTANTS
13 YIYIWA DRIVE, ABELENKPE
P O BOX GP 242
ACCRA

EXTRACT OF NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

Reporting Entity

GHL Bank Plc is a company domiciled in Ghana. The address of the Group's registered office is 1 Kofi Annan Street, Airport Residential Area, PMB CT 470, Accra. The condensed financial statements comprise the consolidated financistatements of the Bank and its subsidiaries (together referred to as the "Group") as well as the separate financial statements of the bank.

The Bank's principal activities are in retail banking, corporate banking and mortgage financing.

Basis of Preparation

The condensed financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies Act, 1963 (Act 179) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

The financial statements presented in this publication are extracts from the audited financial statements for the year ended 31 December 2018, which are available for inspection at the Head Office GHL Bank Plc located at 1 Kofi Annar Street, Airport Residential Area, PMB CT 470, Accra.

Going Concern

In September 2017, Bank of Ghana ("BoG") announced for the information of Banks and the general public that it had revised the minimum paid up capital for existing banks and new entrants from GHS 120 million to GHS 400 million. Accordingly, all existing banks were to meet this new capital requirement by 31 December 2018.

To ensure compliance with the new capital requirement, GHL Bank Plc ("GHL") began negotiations with First Nation. Bank ("FNB"), prior to the end of the year, for FNB to acquire all the shares of GHL Bank Plc (both Group and Bank).

GHL requested for and obtained approval from the Regulator to begin negotiations with FNB. The negotiations are progressing significantly and are expected to be concluded before the end of the first half of the year after which a complete application will be submitted to BOG for final approval. The asset and liabilities of GHL would be merged with FNB after conclusion of the acquisition process.

Based on the above, the directors have prepared the financial statements on the basis of accounting policies applicable to a going concern. This basis presumes that the Group and Bank will be able to realise its assets and settle its liabilities in the ordinary course of business.

Adoption and Impact of IFRS 9 on the Financial Statements

IFRS 9, 'Financial instruments' published in July 2014, replaces the existing standard in IAS 39 Financial Instruments: Recognition and Measurement IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets. IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018. The net impact of IFRS 9 on equity at 1 January 2018 was GHS 1,421,965 and this has been treated in the Statement of Changes in Equity.

Use of Judgements and Estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Bank's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Quantitative Disclosures

	Dec 18	Dec 1
a) Capital Adequacy Ratio	39.39%	35.009
b) Non-Performing Loans (NPL) Ratio	7.90%	6.38%
c) Liquidity Ratio	71.34%	156.00
d) Default in statutory liquidity	Nil	Nil
e) Sanctions	Nil	Nil

Qualitative Disclosures

Risk Management

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

Credit Risk Market Risk
Liquidity Risk Operational

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

The Board of Directors is responsible for the overall risk management approach and for approving the risk management strategies and principles. In addition, the Board's Risk Committee has responsibility for the development of risk strategy and implementing principles, frameworks, policies and limits.

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

APCL4

Signed

ominic Adu Thief Executive Officer) Albert K. Essien Board Chairman)