

GHL BANK PLC

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

STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2018

	Group		Bank	
	2018 GHC	2017 GHC	2018 GHC	2017 GHC
ASSETS				
Cash and cash equivalents	25,338,255	28,318,053	21,978,619	19,305,030
Investment securities	43,750,080	57,899,489	33,627,573	48,376,626
Loans and advances to customers	561,648,176	508,051,206	561,648,176	508,051,206
Investment in subsidiary	-	-	600	600
Current tax assets	979,507	1,403,119	-	664,182
Intercompany operational balances	-	-	16,812,626	-
Other assets	9,212,655	4,301,983	9,195,910	4,278,060
Property and equipment	32,479,383	23,939,612	32,479,383	23,939,612
Intangible assets	13,167,022	7,175,709	13,167,022	7,175,709
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Total assets	686,575,078	631,089,171	688,909,909	611,791,026
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LIABILITIES				
Deposit from other financial institutions	20,565,505	-	20,565,505	-
Customer deposits	74,276,451	-	74,276,451	-
Long-term borrowings	339,114,637	369,759,063	229,573,413	251,289,477
Intercompany operational balances	-	-	-	3,963,112
Borrowings from GHL F1	-	-	127,144,194	130,374,279
Other liabilities	33,338,917	45,671,535	26,545,473	42,682,679
Current tax liabilities	229,695	-	229,695	-
Deferred tax liabilities	6,970,661	6,162,803	5,759,304	5,311,438
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Total liabilities	474,495,866	421,593,401	484,094,035	433,620,985
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EQUITY				
Stated capital	127,079,493	12,287,797	127,079,493	12,287,797
Retained earnings	25,999,364	30,069,463	18,736,026	4,974,958
Credit risk reserve	32,333,905	33,770,018	32,333,905	33,770,018
Statutory reserve	26,666,450	18,576,796	26,666,450	12,345,572
Deposit for shares	-	114,791,696	-	114,791,696
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Total equity	212,079,212	209,495,770	204,815,874	178,170,041
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Total equity and liabilities	686,575,078	631,089,171	688,909,909	611,791,026
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STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	Group		Bank	
	2018 GHC	2017 GHC	2018 GHC	2017 GHC
Interest income	79,383,399	64,704,098	61,053,812	46,401,727
Interest expense	(27,259,578)	(24,021,760)	(20,874,720)	(16,865,676)
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Net interest income	52,123,821	40,682,338	40,179,092	29,536,051
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Fees and commission income	11,350,232	3,493,181	11,209,385	3,493,181
Fees and commission expense	(3,739,377)	(1,418,813)	(3,133,901)	(935,906)
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Net fee commission income	7,610,855	2,074,368	8,075,484	2,557,275
	=====	=====	=====	=====
Revenue	59,734,676	42,756,706	48,254,576	32,093,326
	=====	=====	=====	=====
Net exchange gain	11,799,665	8,416,020	9,598,884	5,137,207
Other operating income	932,658	491,150	26,027,163	491,150
	=====	=====	=====	=====
Total income	72,466,999	51,663,876	83,880,623	37,721,683
	=====	=====	=====	=====
Personnel and administrative expenses	59,114,563	28,534,165	46,825,787	20,613,520
Impairment on financial assets	(1,591,095)	2,571,392	(1,591,095)	2,571,392
Depreciation and amortisation	6,810,205	900,109	6,810,205	900,109
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Total expenses	64,333,673	32,005,666	52,044,897	24,085,021
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Profit before tax	8,133,326	19,658,210	31,835,726	13,636,662
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Income tax expense	(3,553,961)	(5,637,065)	(3,193,970)	(4,131,678)
	=====	=====	=====	=====
Profit for the year	4,579,365	14,021,145	28,641,756	9,504,984
	=====	=====	=====	=====
Total comprehensive income	4,579,365	14,021,145	28,641,756	9,504,984
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STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2018

	Group		Bank	
	2018 GHC	2017 GHC	2018 GHC	2017 GHC
Cash flows from operating activities				
Profit after tax	4,579,365	14,021,145	28,641,756	9,504,984
Adjustment for:				
Depreciation and amortisation	6,810,205	900,109	6,810,205	900,109
Profit on disposal of property and equipment	-	(5,074)	-	(5,074)
Impairment on financial assets	(1,591,095)	2,571,392	(1,591,095)	2,571,392
Net interest income	(52,123,821)	(40,682,338)	(40,179,092)	(29,536,051)
Income tax expense	3,553,961	5,637,065	3,193,970	4,131,678
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Changes in:				
Loans and advances to customers	(54,582,157)	(71,005,408)	(54,582,157)	(71,005,408)
Other assets	(4,910,672)	608,868	(4,917,850)	608,868
Deposits from other financial institutions	20,565,505	(42,454,335)	20,565,505	(42,454,335)
Intercompany operational balance	-	-	(20,775,738)	(3,031,143)
Borrowings from GHL F1	-	-	(3,230,085)	(2,739,552)
Deposits from customers	74,276,451	-	74,276,451	-
Other liabilities	(12,332,618)	11,516,834	(16,137,206)	12,142,525
	=====	=====	=====	=====
Interest received	79,383,399	64,704,096	61,053,812	46,401,726
Interest paid	(27,259,578)	(24,021,760)	(20,874,720)	(16,865,676)
Income tax paid	(938,479)	(3,568,570)	(697,909)	(2,159,823)
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Net cash from/ (used) in operating activities	35,430,466	(81,777,976)	31,555,847	(91,535,779)
	=====	=====	=====	=====
Cash flows from investing activities				
Purchase of property and equipment	(13,259,071)	(27,155,097)	(17,289,279)	(27,155,098)
Acquisition of intangible assets	(8,082,218)	-	(4,052,010)	-
Proceeds from sale of investment securities	14,149,409	36,559,766	14,749,053	37,138,558
Proceeds on disposal of property and equipment	-	5,074	-	5,074
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Net cash (used) in /from investing activities	(7,191,880)	9,409,743	(6,592,236)	9,988,534
	=====	=====	=====	=====
Cash flows from financing activities				
Movements in long term borrowings	(30,644,426)	88,428,348	(21,716,064)	94,261,494
Share registration expense	(573,958)	-	(573,958)	-
Dividend paid	-	(2,748,000)	-	(2,748,000)
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Net cash (used) in / from financing activities	(31,218,384)	85,680,348	(22,290,022)	91,513,494
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Net increase/(decrease) in cash and cash equivalents	(2,979,798)	13,312,115	2,673,589	9,966,248
Cash and cash equivalents at 1 January	28,318,053	15,005,938	19,305,030	9,338,782
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Cash and cash equivalents at 31 December	25,338,255	28,318,053	21,978,619	19,305,030
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STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

Group	Stated capital GHC	Retained earnings GHC	Credit risk reserve GHC	Statutory reserve GHC	Deposit for shares GHC	Total GHC
Balance at 1 January 2018	12,287,797	30,069,463	33,770,018	18,576,796	114,791,696	209,495,770
Adjustment on initial application of IFRS 9 (net of tax)	-	(1,421,965)	-	-	-	(1,421,965)
Excess in credit risk reserve per IFRS 9 computation transferred from Retained earnings	-	(1,631,899)	1,631,899	-	-	-
Restated balance at 1 January 2018	12,287,797	27,015,599	35,401,917	18,576,796	114,791,696	208,073,805
Total comprehensive income	-	4,579,365	-	-	-	4,579,365
Profit for the period	-	-	-	-	-	-
Transactions with shareholders	114,791,696	-	-	-	(114,791,696)	-
Conversion of Deposit for shares to stated capital	-	-	-	-	-	-
Share registration cost	-	(573,958)	-	-	-	(573,958)
Other Transfers	-	-	-	-	-	-
Transfer from credit risk reserve	-	3,068,012	(3,068,012)	-	-	-
Transfer to statutory reserve	-	(8,089,654)	-	8,089,654	-	-
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Balance at 31 December 2018	127,079,493	25,999,364	32,333,905	26,666,450	-	212,079,212
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Balance at 1 January 2017	12,287,797	30,087,674	25,419,429	15,636,029	114,791,696	198,222,625
Total comprehensive income	-	14,021,145	-	-	-	14,021,145
Profit for the period	-	-	-	-	-	-
Transactions with shareholders	-	(2,748,000)	-	-	-	(2,748,000)
Dividends	-	-	-	-	-	-
Other Transfers	-	-	-	-	-	-
Transfer to credit risk reserve	-	(8,350,589)	8,350,589	-	-	-
Transfer to statutory reserve	-	(2,940,767)	-	2,940,767	-	-
	=====	=====	=====	=====	=====	=====
Balance at 31 December 2017	12,287,797	30,069,463	33,770,018	18,576,796	114,791,696	209,495,770
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STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

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

KPMG

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

30 April 2019

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