

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE

	The Group		The Bank	
	June 2018 GHc'000	Dec 2017 GHc'000	June 2018 GHc'000	Dec 2017 GHc'000
Assets				
Cash and cash equivalents	1,006,826	1,107,576	1,006,826	1,107,576
Investment securities	989,571	906,238	989,571	906,238
Loans and advances to customers	827,415	877,675	827,415	877,675
Investment other than securities		-	20	20
Property and equipment	130,349	121,419	130,349	121,419
Intangible assets	4,459	4,206	4,459	4,206
Deferred income tax asset	6,552	2,517	6,552	2,517
Other assets	317,168	180,178	316,905	179,915
Total assets	3,282,340	3,199,809	3,282,097	3,199,566
Liabilities				
Deposits from banks	111,434	187,294	111,434	187,294
Deposits from customers	2,152,225	2,131,482	2,152,225	2,131,529
Borrowings	149,089	341,328	149,089	341,328
Deposit for shares	220,220	-	220,220	-
Current income tax	23,859	19,891	23,859	19,721
Deferred income tax liabilities	7,896	8,161	7,896	8,161
Other liabilities	154,844	41,895	155,622	42,796
Total liabilities	2,819,567	2,730,051	2,820,345	2,730,829
Equity				
Stated capital	144,738	144,738	144,738	144,738
Statutory reserve	142,291	129,279	142,291	129,279
Credit risk reserve	139,625	139,625	139,625	139,625
Income surplus	24,322	44,319	23,301	43,298
Fair value reserve	11,797	11,797	11,797	11,797
Total equity	462,773	469,758	461,752	468,737
Total equity and liabilities	3,282,340	3,199,809	3,282,097	3,199,566

STATEMENT OF CHANGES IN EQUITY

Group June 2018	Share Capital	Credit risk reserve	Statutory Reserve	Fair value reserve	Retained Earnings	Total Equity
Changes on initial application of IFRS 9					(59,032)	(59,032)
Profit for the period	-	-	-	-	52,047	52,047
Transfers for the year	-	-	13,012	-	(13,012)	-
Balance at 30 June 2018	144,738	139,625	142,291	11,797	24,322	462,773
December, 2017						
	Share Capital	Credit risk reserve	Statutory Reserve	Fair value reserve	Retained Earnings	Total Equity
Balance at 1 January 2017	144,738	147,624	121,881	1,200	14,119	429,562
Profit for the year	-	-	-	-	29,599	29,599
Net changes in fair value of AFS financial instruments	-	-	-	10,597	-	10,597
Transfers for the year	-	(7,999)	7,398	-	601	-
Balance at 31 December 2017	144,738	139,625	129,279	11,797	44,319	469,758
The Bank June 2018						
	Share Capital	Credit risk reserve	Statutory reserve	Fair value reserve	Retained Earnings	Total Equity
Balance at 1 January 2018	144,738	139,625	129,279	11,797	43,298	468,737
Changes on initial application of IFRS 9					(59,032)	(59,032)
Profit for the period	-	-	-	-	52,047	52,047
Transfers for the year	-	-	13,012	-	(13,012)	-
Balance at 30 June 2018	144,738	139,625	142,291	11,797	23,301	461,752
December 2017						
	Share Capital	Credit risk reserve	Statutory Reserve	Fair value reserve	Retained Earnings	Total Equity
Balance at 1 January 2017	144,738	147,624	121,881	1,200	13,105	428,548
Profit for the year	-	-	-	-	29,592	29,592
Net changes in fair value of AFS financial instruments	-	-	-	10,597	-	10,597
Transfers for the year	-	(7,999)	7,398	-	601	-
Balance at 31 December 2017	144,738	139,625	129,279	11,797	43,298	468,737

NOTES FORMING PART OF THE UNAUDITED FINANCIAL STATEMENTS

1 SIGNIFICANT ACCOUNTING POLICIES

1.1 Accounting Policies

The accounting policies applied for the period ended 30 June 2018 are consistent with those applied in the financial statements for the year ended 31 December 2017 with the exception of International Accounting Standard (IAS) 39 which has been replaced by International Financial Report Standard (IFRS) 9. The bank has elected not to reinstate the 2017 figures but pass the day one impact on the Equity.

1.2 Impact of IFRS 9 on Comparative Figures

This has been disclosed in the Statement of Changes in Equity.

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE

	The Group		The Bank	
	June 2018 GHc'000	June 2017 GHc'000	June 2018 GHc'000	June 2017 GHc'000
Interest income	190,660	186,693	190,660	186,693
Interest expense	(89,696)	(98,362)	(89,696)	(98,362)
Net interest income	100,964	88,331	100,964	88,331
Fees and commission	23,019	14,072	23,019	14,072
Other operating income	37,471	17,575	37,471	17,564
Total operating income	161,454	119,978	161,454	119,967
Impairment loss on financial assets	(13,717)	(1,875)	(13,717)	(1,875)
Personnel expenses	(30,122)	(26,840)	(30,122)	(26,840)
Depreciation and amortization	(8,917)	(8,311)	(8,917)	(8,311)
Other expenses	(38,969)	(42,688)	(38,969)	(42,679)
Profit before income tax	69,729	40,264	69,729	40,262
Taxation	(17,682)	(12,080)	(17,682)	(12,078)
Profit after tax	52,047	28,184	52,047	28,184
Other comprehensive income	-	-	-	-
Total comprehensive income for the year attributable to equity holders of the Bank	-	28,184	-	28,184
Earnings per share - Basic & Diluted	0.44	0.24	0.44	0.24

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE

	The Group		The Bank	
	June 2018 GHc'000	Dec 2017 GHc'000	June 2018 GHc'000	Dec 2017 GHc'000
Profit before tax	69,729	58,597	69,729	58,587
<i>Adjustments for:</i>				
Depreciation and amortization	8,917	17,217	8,917	17,217
Net impairment loss on financial assets	13,717	40,816	13,717	40,816
Gain on disposal of property & equipment	(20.36)	(55)	(20.36)	(55)
<i>Changes in:</i>				
Government securities	(83,332)	(578,238)	(83,332)	(578,238)
Loans and advances to customers	1,542	367,121	1,542	367,121
Other assets	(136,990)	(66,618)	(136,990)	(66,608)
Due to other bank	(75,860)	187,294	(75,860)	187,294
Restricted balances with central bank	2,074	(12,238)	2,074	(12,238)
Customer deposits	20,743	122,383	20,743	122,383
Other liabilities	112,948	25,464	112,948	25,464
Taxes paid	(18,013)	(14,911)	(18,013)	(14,911)
Net cash flow from operating activities	(84,545)	146,832	(84,545)	146,830
Cash flow from investing activities				
Acquisition of property and equipment	(16,791)	(25,639)	(16,791)	(25,639)
Acquisition of intangible assets	(1,347)	(1,586)	(1,347)	(1,586)
Proceeds from the sale of property and equipment	59	786	59	786
Net cash flow used in investing activities	(18,079)	(26,439)	(18,079)	(26,439)
Financing activities				
Interest paid on interest bearing borrowings	7,645	-	7,645	-
Proceeds from borrowings	68,048	288,496	68,048	288,496
Repayments of borrowings	(180,920)	(150,836)	(180,920)	(150,836)
Deposit for rights issue	220,220	-	220,220	-
Net cash flows from financing activities	114,993	137,660	114,993	137,660
Net increase in cash and cash equivalents	12,369	258,053	12,369	258,053
Cash and cash equivalents at 1 January	1,076,259	818,206	1,076,259	818,206
Cash and cash equivalents at 30 June*	1,092,810	1,076,259	1,092,810	1,076,259

*Cash and Cash Equivalents at the end of June 2018 factors in restricted cash reserve and treasury bills maturing within 90days

2 QUALITATIVE DISCLOSURES

- The Bank's risk management framework defines the approach to risk management.
- The scope of risks that are directly managed by the Bank is as follows: Credit risk, Operational Risk, Market and Liquidity risk, Legal and Compliance risk, Strategic risk, Reputational risk and Capital risk.
- Key elements of the Bank's risk management framework are as follows:
 - Establishment of the Bank's risk philosophy, culture and objectives;
 - Establishment of the Bank's risk management governance framework;
 - Articulation of the Bank's risk management stakeholders and development of an action plan to meet their risk management expectations; and
 - Establishment of policies and procedures to identify, measure, monitor, report and control the risks the Bank faces.

The processes adopted for risk management for the period ended 30 June 2018 are consistent with those adopted for the year ended 31 December 2017.

3 QUANTITATIVE DISCLOSURES

	June 2018	Dec 2017
i. Capital Adequacy Ratio(%)	12.56	13.29
ii. Non-performing loans(%)	35.67	32.31
iii. Default in statutory liquidity	Nil	Nil
iv. Default in statutory liquidity sanction	Nil	Nil
v. Other Operational penalties (GHs'000)	102	Nil

Signed
Frank Beecham
Chairman

Signed
Ifeanyi Njoku
Managing Director