

ACCESS BANK (GHANA) PLC

UNAUDITED SUMMARY FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2019

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE

(All amounts are in thousands of Ghana Cedis unless otherwise stated)

Assets	The Group		The Bank	
	June 2019	Dec 2018	June 2019	Dec 2018
Cash and cash equivalents	2,004,797	1,512,990	2,004,797	1,512,990
Investment securities	814,570	866,065	814,570	866,065
Loans and advances to customers	839,071	815,559	839,071	815,559
Investment other than securities	-	-	20	20
Property and equipment	141,755	126,150	141,755	126,150
Intangible assets	3,015	4,077	3,015	4,077
Current Tax	-	3,011	-	3,181
Deferred income tax asset	7,974	7,974	7,974	7,974
Other assets	175,560	205,188	175,297	204,925
Total assets	3,986,742	3,541,014	3,986,499	3,540,941
Liabilities				
Deposits from banks	15,808	111,066	15,808	111,066
Deposits from customers	2,726,070	2,452,029	2,726,070	2,452,076
Borrowings	445,465	301,616	445,465	301,616
Current income tax	4,860	-	4,860	-
Deferred income tax liabilities	5,263	5,263	5,263	-
Other liabilities	45,249	38,279	46,027	39,180
Total liabilities	3,242,715	2,908,253	3,243,493	2,909,201
Equity				
Stated capital	400,000	400,000	400,000	400,000
Statutory reserve	209,835	154,202	209,835	154,202
Credit risk reserve	116,549	116,549	116,549	116,549
Income surplus	17,012	(38,621)	15,991	(39,642)
Fair value reserve	631	631	631	631
Total equity	744,027	632,761	743,006	631,740
Total equity and liabilities	3,986,742	3,541,014	3,986,499	3,540,941

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE

(All amounts are in thousands of Ghana Cedis unless otherwise stated)

	The Group		The Bank	
	June 2019	June 2018	June 2019	June 2018
Interest income	223,089	190,660	223,089	190,660
Interest expense	(93,575)	(89,696)	(93,575)	(89,696)
Net interest income	129,514	100,964	129,514	100,964
Fees and commission	39,841	23,019	39,841	23,019
Other operating income	79,486	37,471	79,486	37,471
Total operating income	248,841	161,454	248,841	161,454
Impairment loss on financial assets	(10,001)	(13,717)	(10,001)	(13,717)
Personnel expenses	(32,638)	(30,122)	(32,638)	(30,122)
Depreciation and amortization	(9,498)	(8,917)	(9,498)	(8,917)
Other expenses	(37,752)	(38,969)	(37,752)	(38,969)
Profit before income tax	158,952	69,729	158,952	69,729
Taxation	(47,686)	(17,682)	(47,686)	(17,682)
Profit after tax	111,266	52,047	111,266	52,047
Other comprehensive income	-	-	-	-
Total comprehensive income for the period attributable to equity holders of the Bank	111,266	52,047	111,266	52,047
Earnings per share - Basic & Diluted	0.64	0.44	0.64	0.44

STATEMENT OF CHANGES IN EQUITY

(All amounts are in thousands of Ghana Cedis unless otherwise stated)

The Group 30 June 2019	Stated capital	Fair value reserve	Statutory reserve	Credit risk reserve	Income surplus	Total
Profit for the year	-	-	-	-	111,266	111,266
Changes in fair value of held-to-collect-and-sell financial assets, net of tax	-	-	-	-	-	-
Total comprehensive income					111,266	111,266
Transfer to Statutory reserve	-	-	55,633	-	(55,633)	-
At 30 June 2019	400,000	631	209,835	116,549	17,012	744,027
31 December 2018						
At 1 January 2018	144,738	11,797	129,279	139,625	44,319	469,758
Changes on initial application of IFRS 9	-	-	-	-	(90,399)	(90,399)
Increase in impairment provisioning	-	-	-	-	79,365	-
Transfer between reserves	-	-	-	(79,365)	-	-
Restated balance at 1 January 2018	144,738	11,797	129,279	60,260	379,359	379,359
Profit for the year	-	-	-	-	49,846	49,846
Changes in fair value of held-to-collect-and-sell financial assets, net of tax	-	(11,166)	-	-	-	(11,166)
Total comprehensive income		(11,166)			49,846	38,680
Transfer to Stated Capital	37,154	-	-	-	(37,154)	-
Cost of transfer to Stated Capital	-	-	-	-	(3,386)	(3,386)
Transfer from credit risk reserve	-	-	-	56,289	(56,289)	-
Transfer to statutory reserve	-	-	24,923	-	(24,923)	-
Rights Issue	218,108	-	-	-	-	218,108
Total transactions with owners	255,262	-	24,923	56,289	(121,752)	214,722
At 31 December 2018	400,000	631	154,202	116,549	(38,621)	632,761
The Bank 30 June 2019						
At 1 January 2019	400,000	631	154,202	116,549	(39,642)	631,740
Profit for the year	-	-	-	-	111,266	111,266
Changes in fair value of held-to-collect-and-sell financial assets, net of tax	-	-	-	-	-	-
Total comprehensive income					111,266	111,266
Transfer to Statutory reserve	-	-	55,633	-	(55,633)	-
At 30 June 2019	400,000	631	209,835	116,549	15,991	743,006
31 December 2018						
At 1 January 2018	144,738	11,797	129,279	139,625	43,298	468,737
Changes on initial application of IFRS 9	-	-	-	-	(90,399)	(90,399)
Increase in impairment provisioning	-	-	-	-	79,365	-
Transfer between reserves	-	-	-	(79,365)	-	-
Restated balance at 1 January 2018	144,738	11,797	129,279	60,260	32,264	378,338
Profit for the year	-	-	-	-	49,846	49,846
Changes in fair value of held-to-collect-and-sell financial assets, net of tax	-	(11,166)	-	-	-	(11,166)
Total comprehensive income		(11,166)			49,846	38,680
Transfer to Stated Capital	37,154	-	-	-	(37,154)	-
Cost of transfer to Stated Capital	-	-	-	-	(3,386)	(3,386)
Transfer from credit risk reserve	-	-	-	56,289	(56,289)	-
Transfer to statutory reserve	-	-	24,923	-	(24,923)	-
Rights Issue	218,108	-	-	-	-	218,108
Total transactions with owners	255,262	-	24,923	56,289	(121,752)	214,722
At 31 December 2018	400,000	631	154,202	116,549	(39,642)	631,740

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE

(All amounts are in thousands of Ghana Cedis unless otherwise stated)

	The Group		The Bank	
	2019	2018	2019	2018
Cash flows from operating activities				
Profit before tax	158,952	71,788	158,952	71,788
Adjustments for:				
Depreciation of property, plant and equipment	8,114	14,962	8,114	14,962
Write off of property, plant and equipment	-	20	-	20
Amortisation of intangible assets	1,385	3,112	1,385	3,112
Interest expense on borrowings	(5,131)	19,977	(5,131)	19,977
Impairment on financial instruments	10,001	92,514	10,001	92,514
Profit on disposal of property and equipment	(6)	(220)	(6)	(220)
Change in loans and advances	(23,512)	(30,398)	(23,512)	(30,398)
Change in investment securities	(68,034)	(33,058)	(68,034)	(33,058)
Change in other assets	29,628	(25,010)	29,628	(25,010)
Change in deposits from customers	301,396	288,492	301,396	288,492
Change in deposits from banks	(95,258)	(76,228)	(95,258)	(76,228)
Change in other liabilities	6,847	(3,616)	6,847	(3,616)
Tax paid	(47,686)	(49,478)	(47,686)	(49,478)
Net cash generated from operating activities	276,696	272,857	276,696	272,857
Cash flows from investing activities				
Purchase of property and equipment	(32,576)	(20,331)	(32,576)	(20,331)
Purchase of intangible assets	(323)	(2,454)	(323)	(2,454)
Proceeds from sale of property and equipment	7	309	7	309
Net cash used in investing activities	(32,892)	(22,476)	(32,892)	(22,476)
Cash flows from financing activities				
Drawdown on borrowings	262,794	319,384	262,794	319,384
Repayment of borrowings	(14,791)	(379,073)	(14,791)	(379,073)
Cost of transfer to stated capital	-	(3,386)	-	(3,386)
Proceeds from issue of shares	-	218,108	-	218,108
Net cash generated from financing activities	248,003	155,033	248,003	155,033
Net increase in cash and cash equivalents	491,807	405,414	491,807	405,414
Cash and cash equivalents at 1 January	1,512,990	1,107,576	1,512,990	1,107,576
Cash and cash equivalents at period end	2,004,797	1,512,990	2,004,797	1,512,990

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 2019 are consistent with those adopted for the year ended 31 December 2018.

3. QUANTITATIVE DISCLOSURES

	June 2019	June 2018
i. Capital Adequacy Ratio (%)	25.06	12.56
ii. Non-performing loans (%)	32.79	35.67
iii. Default in statutory liquidity	Nil	Nil
iv. Default in statutory liquidity sanction	Nil	Nil

Signed
Frank Beecham
Chairman

Signed
Olumide Olatunji
Managing Director

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 2019 are consistent with those applied in the financial statements for the year ended 31 December 2018; with the exception of IFRS 16 as indicated below.

1.2 Change in Accounting Policies

On 01 January 2019 the Bank adopted IFRS 16 (Leases) which replaced IAS 17 (Leases). As a result of this, the accounting policies with regards to recognition, measurement and presentation of Leases have been updated. As permitted by the transitional provisions of IFRS 16, the Bank has elected to not restate comparative information.

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TOLL FREE: 0800 004400
www.ghana.accessbankplc.com

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