

# GHL BANK LIMITED

## UNAUDITED FINANCIAL STATEMENTS FOR THE QUARTER ENDED MARCH 31, 2018

(All amounts are expressed in Ghana Cedis )

### UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH

	2018	2017
<b>Assets</b>		
Cash and cash equivalent	30,110,983	84,080,001
Placement with other banks	6,008,384	43,959,956
Investment securities	51,947,348	8,977,180
Loan and advances to customers	492,680,140	453,214,268
Prepaid expenses	8,165,550	8,093,067
Other assets	8,749,359	4,177,932
Property and equipment	33,661,263	4,927,293
<b>Total Assets</b>	<b>631,323,027</b>	<b>607,429,697</b>
<b>Liabilities</b>		
Deposit and current accounts	14,569,276	-
Tax liabilities	566,928	3,478,505
Provisions and other liabilities	40,143,876	29,605,967
Long term borrowings	358,138,382	371,210,335
	<b>413,418,462</b>	<b>404,294,807</b>
<b>Shareholders' Fund</b>		
Ordinary share capital	127,079,493	127,079,493
Income surplus	44,708,346	34,602,239
Statutory reserves	16,223,208	15,636,030
Statutory credit risk reserve	29,893,518	25,817,128
<b>Shareholders' Fund</b>	<b>217,904,565</b>	<b>203,134,890</b>
<b>Total Liabilities and Shareholders' Fund</b>	<b>631,323,027</b>	<b>607,429,697</b>

Cash flow from investing activities		
Purchase of software, property and equipment	(26,380,890)	(2,588,023)
(Investment in securities) / Sales of securities	(5,018,595)	43,961,208
<b>Net Cash used in investing activities</b>	<b>(31,399,485)</b>	<b>41,373,185</b>
Cash flow from financing activities		
Dividend paid	-	(2,748,000)
Movement in long term loans	(14,669,485)	75,466,889
<b>Net cash used in financing activities</b>	<b>(14,669,485)</b>	<b>72,718,889</b>
Net increase in cash and cash equivalent	(53,969,018)	68,686,584
Cash and cash equivalent at beginning of year	84,080,001	15,393,417
<b>Cash and cash equivalent at March 31</b>	<b>30,110,983</b>	<b>84,080,001</b>

### NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

#### 1 Reporting Entity

GHL Bank Limited is incorporated in Ghana

#### 2 Registered Office

The address of the Bank's registered office is No 1 Kofi Annan Street, Airport Residential Area, PMB CT 470, Cantonments, Accra.

#### 3 Significant Accounting Policies

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standard Board (IASB) and adopted by the Institute of Chartered Accountants, Ghana (ICAG), and in the manner required by the Bank's Specialised Deposit-Taking Institutions Act, 2016, ACT 930. The principal accounting policies applied in the preparation of these financial statements are consistent with the accounting policies applied in the financial statements for the year ended December 31, 2017. These policies have been consistently applied to all the periods presented.

#### 4 Functional and Presentation Currency

These financial statements are presented in Ghana Cedis, which is the Bank's functional currency.

#### 5 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.

#### 6 Quantitative Disclosures:

	Mar-18	Mar-17
Capital Adequacy Ratio	46.38%	63.88%
Non Performing Loans (NPL) Ratio	8.32%	5.68%

#### 7 Risk Management

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

Credit Risk	Liquidity Risk
Market Risk	Operational Risk

The risks inherent in the Bank's activities are managed through an ongoing process of identification, measurement 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.

#### 8 Defaults in statutory Liquidity and accompanying sanctions

	Mar-18	Mar-17
a) Default in statutory liquidity	Nil	Nil
b) Sanctions	Nil	Nil

Signed  
**Dominic Adu**  
(Chief Executive Officer)

Signed  
**Albert K. Essien**  
(Board Chairman)

### UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 MARCH

	2018	2017
Interest income	17,345,409	14,735,289
Interest expense	(5,662,100)	(5,754,017)
<b>Net Interest Income</b>	<b>11,683,309</b>	<b>8,981,272</b>
Fee and commission revenue	685,315	1,195,845
Fee and commission expense	(917,483)	(416,008)
<b>Net Fee and Commission Revenue</b>	<b>(232,168)</b>	<b>779,837</b>
Net trading revenue	2,986,681	524,114
Unrealised exchange gain/(loss)	(922,625)	4,573,717
	<b>2,064,056</b>	<b>5,097,831</b>
<b>Total Income</b>	<b>13,515,197</b>	<b>14,858,940</b>
Credit impairment charges	(614,051)	(265,000)
<b>Income after impairment charges</b>	<b>12,901,146</b>	<b>14,593,940</b>
<b>Operating expenses</b>		
Staff cost	(5,292,180)	(2,509,718)
Depreciation and amortisation	(845,135)	(185,220)
Other operating expenses	(3,700,117)	(2,542,991)
<b>Total Operating Expenses</b>	<b>9,837,432</b>	<b>5,237,929</b>
<b>Net income before taxes</b>	<b>3,063,714</b>	<b>9,356,011</b>
Income tax expense	715,000	1,223,907
<b>Profit for the Period</b>	<b>2,348,714</b>	<b>8,132,104</b>

### UNAUDITED STATEMENT OF CASHFLOW FOR THE QUARTER ENDED 31 MARCH

	2018	2017
Cashflow from operating activities		
Profit after tax	2,348,714	8,132,102
Adjustment for:		
Depreciation	845,135	185,220
Net interest income	(11,683,309)	(8,981,272)
Impairment loss	614,051	265,000
Income tax expense	715,000	1,223,907
	<b>(7,160,409)</b>	<b>824,957</b>
Changes in:		
Loans and advances	(40,079,923)	(27,597,497)
Receivables and other assets	(4,643,910)	(6,495,406)
Customer deposits	14,569,276	-
Short term liabilities	-	(43,550,572)
Other liabilities	7,626,333	23,134,880
Mandatory reserves	14,182,497	-
	<b>(15,506,136)</b>	<b>(53,683,638)</b>
Interest received	17,345,409	14,735,289
Interest paid	(5,662,100)	(5,754,017)
Income tax paid	(4,077,221)	(703,124)
<b>Net cash generated from operating activities</b>	<b>(7,900,048)</b>	<b>(45,405,490)</b>