

GHL BANK LIMITED

CONDENSED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	The Group		The Company	
	2017 GH¢	2016 GH¢	2017 GH¢	2016 GH¢
ASSETS				
Cash and cash equivalents	28,318,053	15,005,938	19,305,030	9,338,782
Investment securities	57,899,489	94,459,255	48,376,626	85,515,183
Mortgage finance receivable	508,051,206	439,617,190	508,051,206	439,617,190
Investment in subsidiary	-	-	600	600
Corporate tax assets	1,403,119	719,362	664,182	705,387
Other assets	4,301,983	4,910,851	4,278,060	4,886,928
Capital work-in-progress	22,230,179	-	22,230,179	-
Property and equipment	8,885,142	4,860,332	8,885,143	4,860,332
Total assets	631,089,171	559,572,928	611,791,026	544,922,402
LIABILITIES				
Short-term borrowings	-	42,454,335	-	42,454,335
Mortgage retainers	28,825,804	24,824,988	27,448,560	22,485,780
Long-term borrowings	369,759,063	281,330,715	251,289,477	157,027,982
Intercompany operational balances	-	-	3,963,112	6,994,255
GH¢. FI loans portfolio	-	-	130,374,279	133,113,831
Other liabilities	16,845,731	9,329,713	15,234,119	8,054,374
Deferred tax liabilities	6,162,803	3,410,552	5,311,438	3,378,788
Total liabilities	421,593,401	361,350,303	433,620,985	373,509,345
EQUITY				
Stated capital	12,287,797	12,287,797	12,287,797	12,287,797
Deposit for shares	114,791,696	114,791,696	114,791,696	114,791,696
Retained earnings	30,069,463	30,087,674	4,974,958	8,944,810
Credit risk reserve	33,770,018	25,419,429	33,770,018	25,419,429
Statutory reserve	18,576,796	15,636,029	12,345,572	9,969,325
Total equity	209,495,770	198,222,625	178,170,041	171,413,057
Total equity and liabilities	631,089,171	559,572,928	611,791,026	544,922,402

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER, 2017

Note	The Group		The Company	
	2017 GH¢	2016 GH¢	2017 GH¢	2016 GH¢
Interest income	64,704,098	51,930,129	46,401,727	33,767,141
Interest expense	(24,021,760)	(19,912,131)	(16,865,676)	(12,652,307)
Net interest income	40,682,338	32,017,998	29,536,051	21,114,834
Fees income	3,493,181	4,548,081	3,493,181	4,548,081
Fees expenses	(1,418,813)	(1,567,123)	(935,906)	(1,075,922)
Net fee income	2,074,368	2,980,958	2,557,275	3,472,159
Revenue	42,756,706	34,998,956	32,093,326	24,586,993
Net exchange gain	8,416,020	13,465,134	5,137,207	13,529,314
Other operating income	491,150	1,295,930	491,150	1,295,930
Total income	51,663,876	49,760,020	37,721,683	39,412,237
Personnel and administrative expenses	28,534,165	15,490,813	20,613,520	11,365,388
Depreciation	900,109	535,061	900,109	535,061
Impairment loss	2,571,392	581,107	2,571,392	581,107
Total expenses	32,005,666	16,606,981	24,085,021	12,481,556
Profit before tax	19,658,210	33,153,039	13,636,662	26,930,681
Income tax expense	(5,637,065)	(8,966,562)	(4,131,678)	(7,374,478)
Profit for the year	14,021,145	24,186,477	9,504,984	19,556,203
Total comprehensive income	14,021,145	24,186,477	9,504,984	19,556,203

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2017

	The Group		The Company	
	2017 GH¢	2016 GH¢	2017 GH¢	2016 GH¢
Cash flows from operating activities				
Profit after tax	14,021,145	24,186,477	9,504,984	19,556,203
Adjustments for:				
Depreciation	900,109	535,061	900,109	535,061
Net interest income	(40,682,338)	(32,017,998)	(29,536,051)	(21,114,834)
Profit on disposal of property and equipment	(5,074)	(199,117)	(5,074)	(199,117)
Asset write-off	-	12,477	-	12,477
Impairment loss	2,571,392	581,107	2,571,392	581,107
Income tax expense	5,637,065	8,966,562	4,131,678	7,374,478
Changes in:	(17,557,701)	2,064,569	(12,432,962)	6,745,375
Mortgage finance receivable	(71,005,408)	(76,561,394)	(71,005,408)	(76,561,394)
Receivables and other assets	608,868	(362,622)	608,868	(362,622)
Short-term borrowings	(42,454,335)	12,158,897	(42,454,335)	12,158,897
Related party balances	-	-	(5,770,695)	1,229,212
Mortgage retainers	4,000,816	5,712,661	4,962,780	4,339,543
Other liabilities	7,516,018	606,947	7,179,745	227,508
	(118,891,742)	(56,380,932)	(118,912,007)	(51,722,471)
Interest received	64,704,096	51,930,129	46,401,726	33,767,141
Interest paid	(24,021,760)	(19,912,131)	(16,865,676)	(12,652,307)
Income tax paid	(3,568,370)	(6,789,819)	(2,159,823)	(5,400,490)
Net cash used in operating activities	(81,777,976)	(31,152,753)	(91,535,780)	(36,009,127)
Cash flows from investing activities				
Purchase of property and equipment	(4,924,918)	(1,855,916)	(4,924,919)	(1,855,915)
Sale/(Purchase) of investments	16,559,766	(86,577,877)	17,118,558	(86,265,586)
Proceeds on disposal of property and equipment	5,074	242,852	5,074	242,852
Capital WIP	(22,230,179)	-	(22,230,179)	-
Net cash from/(used) in investing activities	9,409,743	(88,190,891)	9,988,534	(86,878,649)
Cash flows from financing activities				
Movements in Long term loans	88,428,348	11,285,720	94,261,494	14,650,546
Deposit for shares	-	110,499,984	-	110,499,984
Dividend paid	(2,748,000)	(1,584,000)	(2,748,000)	(1,584,000)
Net cash from financing activities	85,680,348	120,201,704	91,513,494	123,566,530
Net increase/(decrease) in cash and cash equivalents	13,312,115	858,060	9,966,348	678,744
Cash and cash equivalents at 1 January	15,005,938	14,147,878	9,338,782	8,660,028
Cash and cash equivalents at 31 December	28,318,053	15,005,938	19,305,030	9,338,782

EXTRACT OF NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. Significant Accounting Policy

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), the Non-Bank Financial Institutions Act 2008 (Act 774) and in the manner required by the Companies Act, 1963 (Act 179).

2. Quantitative Disclosures

	2017	2016
Capital Adequacy Ratio	35.00%	59.48%
Gross Non-Performing Loans Ratio	8.78%	6.22%

3. Risk Management Framework

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.

4. Other Disclosures

	2017	2016
Default in Statutory Liquidity	N/A	N/A
Default in Statutory Liquidity Sanction	N/A	N/A

The financial statements presented are an extract from the annual consolidated and separate financial statements of the Company for the year ended 31 December 2017. This information is extracted directly from the annual report and financial statements, which are available for inspection at the Company's Head Office, 1 Kofi Annan Street, Airport Residential Area.

The consolidated and separate financial statements of the Bank were approved by the Board of Directors on 22 March 2018 and were signed on their behalf by

CHAIRMAN

CHIEF EXECUTIVE OFFICER

CONDENSED INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GHL BANK LIMITED

Opinion

The condensed consolidated and separate financial statements, which comprise the statements of financial position at 31 December 2017 and the statements of comprehensive income, and cash flows for the year then ended and related notes, are derived from the audited consolidated and separate financial statements of GHL Bank Limited for the year ended December 2017.

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 Non-Bank Financial Institutions Act 2008 (Act 774) applied in the preparation of the audited consolidated and separate financial statements of GHL Bank Limited. 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 condensed consolidated and separate financial statements and the audited consolidated and separate financial statements do not reflect the effects of events that occurred subsequent to that date of our report on the audited consolidated and separate financial statements.

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 22 March 2018. 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 consolidated and separate 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/2018/038)
CHARTERED ACCOUNTANTS
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ACCRA
15 May 2018