



# PRUDENTIAL BANK

## (UNAUDITED) CONSOLIDATED & SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2022

### STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31ST MARCH, 2022

	2022		2021	
	BANK GH¢'000	GROUP GH¢'000	BANK GH¢'000	GROUP GH¢'000
Interest Income	154,326	154,157	140,531	140,277
Interest Expense	(59,344)	(59,336)	(52,438)	(52,431)
<b>Net Interest Income</b>	<b>94,982</b>	<b>94,821</b>	<b>88,093</b>	<b>87,846</b>
Fee and Commission Income	21,356	21,356	17,443	17,443
Fee and Commission Expense	(2,933)	(2,933)	(2,500)	(2,500)
<b>Net Fee and Commission Income</b>	<b>18,423</b>	<b>18,423</b>	<b>14,943</b>	<b>14,943</b>
Net Trading Income	12,142	12,142	5,806	5,806
Other income	752	1,992	1,253	3,467
	<b>12,894</b>	<b>14,134</b>	<b>7,059</b>	<b>9,273</b>
<b>Operating Income</b>	<b>126,299</b>	<b>127,378</b>	<b>110,095</b>	<b>112,062</b>
Net Impairment on Financial Assets	(8,012)	(8,012)	(19,666)	(19,666)
Personnel Expenses	(38,888)	(39,040)	(36,379)	(36,598)
Depreciation and Amortisation	(6,329)	(6,344)	(6,160)	(6,175)
Other Expenses	(22,632)	(22,797)	(17,766)	(17,787)
	<b>(75,861)</b>	<b>(76,193)</b>	<b>(79,971)</b>	<b>(80,226)</b>
<b>Profit Before Income Tax</b>	<b>50,438</b>	<b>51,185</b>	<b>30,124</b>	<b>31,836</b>
Income Tax Expense	(20,493)	(20,683)	(13,556)	(13,988)
<b>Profit for the Period</b>	<b>29,945</b>	<b>30,502</b>	<b>16,568</b>	<b>17,848</b>
Other comprehensive income for the period (net of income tax)	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>29,945</b>	<b>30,502</b>	<b>16,568</b>	<b>17,848</b>

### STATEMENTS OF FINANCIAL POSITION AS AT 31ST MARCH, 2022

	2022		2021	
	BANK GH¢'000	GROUP GH¢'000	BANK GH¢'000	GROUP GH¢'000
<b>Assets</b>				
Cash and Cash Equivalents	880,982	880,982	924,731	924,731
Investment securities	1,983,387	1,993,519	1,117,060	1,124,401
Loans and Advances to Customers	1,519,753	1,515,724	1,699,679	1,692,849
Property, Plant, Equipment & Right-of-Use Assets	237,143	237,277	243,664	243,810
Intangible Assets	10,437	10,444	14,130	14,157
Investment (other than securities)	1,766	275	1,766	253
Deferred Tax Assets	8,639	8,626	-	-
Other Assets	72,057	71,261	52,397	55,961
<b>Total Assets</b>	<b>4,714,164</b>	<b>4,718,108</b>	<b>4,053,427</b>	<b>4,056,162</b>
<b>Liabilities</b>				
Deposits from Banks	5,529	5,529	1,408	1,408
Deposits from Customers	3,079,367	3,075,842	2,593,575	2,589,797
Deferred Tax Liabilities	-	-	13,922	13,935
Current Tax Liabilities	7,479	7,285	2,471	2,638
Other Liabilities	112,572	117,125	93,612	96,524
Borrowings	738,240	738,240	675,432	675,432
<b>Total Liabilities</b>	<b>3,943,187</b>	<b>3,944,021</b>	<b>3,380,420</b>	<b>3,379,734</b>
<b>Equity</b>				
Stated Capital	402,431	402,431	402,431	402,431
Income Surplus	71,263	74,373	39,377	42,798
Statutory Reserve	115,447	115,447	72,298	72,298
Revaluation Reserve	120,914	120,914	120,914	120,914
Credit Risk Reserve	60,922	60,922	37,987	37,987
<b>Total Equity</b>	<b>770,977</b>	<b>774,087</b>	<b>673,007</b>	<b>676,428</b>
<b>Total Liabilities and Equity</b>	<b>4,714,164</b>	<b>4,718,108</b>	<b>4,053,427</b>	<b>4,056,162</b>

### STATEMENTS OF CASHFLOW FOR THE PERIOD ENDED 31ST MARCH, 2022

	2022		2021	
	BANK GH¢'000	GROUP GH¢'000	BANK GH¢'000	GROUP GH¢'000
<b>Cash Flows from Operating Activities</b>				
Profit before tax	50,438	51,185	30,124	31,836
<b>Adjustments for:</b>				
Net Interest Income	(94,982)	(94,821)	(88,093)	(87,845)
Depreciation and Amortisation	6,329	6,344	6,160	6,175
Profit on Sale of Fixed Assets	(247)	(247)	84	84
Impairment on Financial Assets	8,012	8,012	19,666	19,666
	<b>(30,450)</b>	<b>(29,527)</b>	<b>(32,059)</b>	<b>(30,084)</b>
Change in Loans and Advances to Customers	(18,196)	(18,696)	(1,160)	(1,160)
Change in Other Assets	(25,115)	(27,741)	(9,403)	(9,307)
Change in Deposits from Banks and Customers	220,828	221,217	124,289	122,611
Change in Other Liabilities	1,524	1,926	241	719
	<b>179,041</b>	<b>176,706</b>	<b>113,967</b>	<b>112,863</b>
Interest received	154,326	154,157	140,531	140,277
Interest paid	(59,344)	(59,336)	(52,438)	(52,431)
Income Tax paid	(15,882)	(15,965)	(9,089)	(9,299)
	<b>79,100</b>	<b>78,856</b>	<b>79,004</b>	<b>78,547</b>
<b>Net cash used in operating activities</b>	<b>227,691</b>	<b>226,035</b>	<b>160,912</b>	<b>161,326</b>
<b>Cash flows from investing activities</b>				
Change in Investments	(70,338)	(68,682)	95,006	94,593
Purchase of property, plant and equipment	(5,445)	(5,445)	(1,723)	(1,724)
Proceeds from the sale of property, plant and equipment	256	256	40	40
Purchase of intangible assets	-	-	(920)	(920)
	<b>(75,527)</b>	<b>(73,871)</b>	<b>92,403</b>	<b>91,989</b>
<b>Cash flows from financing activities</b>				
Change in Borrowings	70,074	70,074	(60,117)	(60,117)
	<b>70,074</b>	<b>70,074</b>	<b>(60,117)</b>	<b>(60,117)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>222,238</b>	<b>222,238</b>	<b>193,198</b>	<b>193,198</b>
Cash and cash equivalents at 1 January	658,744	658,744	731,533	731,533
<b>Cash and cash equivalents at 31st March</b>	<b>880,982</b>	<b>880,982</b>	<b>924,731</b>	<b>924,731</b>

### STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MARCH, 2022 - BANK

	Stated Capital GH¢'000	Income Surplus GH¢'000	Statutory Reserve GH¢'000	Capital Surplus GH¢'000	Credit Risk Reserve GH¢'000	Total Equity GH¢'000
Balance 1st January, 2022	402,431	49,799	115,447	120,914	52,441	741,032
Total Comprehensive Income, net of tax	-	29,945	-	-	-	29,945
	<b>402,431</b>	<b>79,744</b>	<b>115,447</b>	<b>120,914</b>	<b>52,441</b>	<b>770,977</b>
Transaction with Owners recorded directly in equity	-	(8,481)	-	-	8,481	-
Transfer to Credit Risk Reserve	-	-	-	-	-	-
<b>Balance at 31st March, 2022</b>	<b>402,431</b>	<b>71,263</b>	<b>115,447</b>	<b>120,914</b>	<b>60,922</b>	<b>770,977</b>

#### Comparative Figures - 2021

Balance 1st January, 2021	402,431	21,985	72,298	120,914	38,811	656,439
Total Comprehensive Income net of Tax	-	16,568	-	-	-	16,568
	<b>402,431</b>	<b>38,553</b>	<b>72,298</b>	<b>120,914</b>	<b>38,811</b>	<b>673,007</b>
Transaction with Owners recorded directly in equity	-	824	-	-	(824)	-
Transfer from Credit Risk Reserve	-	39,377	72,298	120,914	37,987	673,007
<b>Balance at 31st March, 2021</b>	<b>402,431</b>	<b>39,377</b>	<b>72,298</b>	<b>120,914</b>	<b>37,987</b>	<b>673,007</b>

### STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MARCH, 2022 - GROUP

	Stated Capital GH¢'000	Income Surplus GH¢'000	Statutory Reserve GH¢'000	Capital Surplus GH¢'000	Credit Risk Reserve GH¢'000	Total Equity GH¢'000
Balance 1st January, 2022	402,431	52,352	115,447	120,914	52,441	743,585
Total Comprehensive Income net of Tax	-	30,502	-	-	-	30,502
	<b>402,431</b>	<b>82,854</b>	<b>115,447</b>	<b>120,914</b>	<b>52,441</b>	<b>774,087</b>
Transaction with Owners recorded directly in equity	-	(8,481)	-	-	8,481	-
Transfer to Credit Risk Reserve	-	-	-	-	-	-
<b>Balance at 31st March, 2022</b>	<b>402,431</b>	<b>74,373</b>	<b>115,447</b>	<b>120,914</b>	<b>60,922</b>	<b>774,087</b>

#### 2021

Balance 1st January, 2021	402,431	24,077	72,298	120,914	38,811	658,531
Prior Year adjustment	-	49	-	-	-	49
Total Comprehensive Income net of Tax	-	17,848	-	-	-	17,848
	<b>402,431</b>	<b>41,974</b>	<b>72,298</b>	<b>120,914</b>	<b>38,811</b>	<b>676,428</b>
Transaction with Owners recorded directly in equity	-	824	-	-	(824)	-
Transfer from Credit Risk Reserve	-	42,798	72,298	120,914	37,987	676,428
<b>Balance at 31st March, 2021</b>	<b>402,431</b>	<b>42,798</b>	<b>72,298</b>	<b>120,914</b>	<b>37,987</b>	<b>676,428</b>

### NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2022

#### 1. Significant Accounting Policies

The Consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and adopted by the Institute of Chartered Accountants, Ghana (ICAG) and are consistent with those applied in the preparation of the annual consolidated financial statements.

#### 2. Quantitative Disclosures

	Mar - 2022		Mar - 2021	
	BANK	GROUP	BANK	GROUP
(a) Capital Adequacy Ratio (CRD) %	21.11	21.31	18.60	18.76
(b) Common Equity Tier 1	19.11	19.31	16.60	16.76
(c) Non-Performing Loan (NPL) Ratio %	23.56	23.56	16.64	16.64
(d) Liquid Ratio	180.43	181.44	165.71	166.82

#### 3. Qualitative Disclosures

##### Dominant Risks and Methods of Measurement

The nature of the Bank's operations as a financial intermediary exposes it to credit, market, liquidity, operational, compliance and reputational risks.


##### Risk Management objectives, policies and processes

The Bank has established a comprehensive risk management framework for managing the risks inherent in its operations. The risk management framework ensures the identification, measurement and control of the risks at all levels in the Bank with a view to safeguarding its integrity, reputation and financial strength.

The risk management framework also contains details of the Bank's risk governance system, which is multi-faceted, involving the Board of Directors, Management Committees and Risk Management Department. The Board determines the risk strategy, policy, limits and appetite for the Bank. The Risk Management Department assists Management in the formulation of the overall policies and strategies regarding risk management and control. The Risk Management Department coordinates risk management in the Bank and is primarily responsible for ensuring that the Bank's risk profile is consistent with its financial resources and the risk appetite set by the Board.

#### 4. Defaults in Statutory Liquidity and accompanying sanctions (if any)

	March-2022		March-2021	
	BANK	GROUP	BANK	GROUP
a) Default in statutory liquidity (Times)	NIL	NIL	NIL	NIL
b) Sanctions (GH¢)	NIL	NIL	NIL	NIL

  
Muriel Susan Edusei (Mrs.)  
Chairperson

  
John Kpakpo Addo  
Managing Director