

## CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2022

### STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(All amounts are in thousands of Ghana Cedis)

	2022		2021	
	BANK	GROUP	BANK	GROUP
Interest income	750,349	749,063	583,637	580,766
Interest expense	(363,822)	(363,822)	(239,643)	(239,606)
<b>Net interest income</b>	<b>386,527</b>	<b>385,241</b>	<b>343,994</b>	<b>341,160</b>
Fee and commission income	97,096	97,096	74,611	74,611
Fee and commission expense	(14,671)	(14,671)	(10,224)	(10,224)
<b>Net fee and commission income</b>	<b>82,425</b>	<b>82,425</b>	<b>64,387</b>	<b>64,387</b>
Net trading income	64,076	64,059	31,047	31,053
Other operating income	16,159	19,028	7,324	12,423
	<b>80,235</b>	<b>83,087</b>	<b>38,371</b>	<b>43,476</b>
<b>Operating income</b>	<b>549,187</b>	<b>550,753</b>	<b>446,752</b>	<b>449,023</b>
Net impairment loss on loans and advances	(89,618)	(89,618)	(63,492)	(63,492)
Net impairment loss on other financial assets	(610,027)	(610,027)	(607)	(607)
Personnel expenses	(158,992)	(159,688)	(144,277)	(145,181)
Depreciation and Amortisation	(25,085)	(25,134)	(24,553)	(24,614)
Finance cost on lease	(179)	(179)	(255)	(255)
Other expenses	(103,346)	(103,741)	(77,309)	(77,968)
	<b>(987,247)</b>	<b>(988,387)</b>	<b>(310,493)</b>	<b>(312,117)</b>
<b>(Loss)/Profit before income tax</b>	<b>(438,060)</b>	<b>(437,634)</b>	<b>136,259</b>	<b>136,906</b>
Income tax credit/(expense)	81,004	80,776	(49,963)	(50,152)
<b>(Loss)/Profit for the year</b>	<b>(357,056)</b>	<b>(356,858)</b>	<b>86,296</b>	<b>86,754</b>
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (loss)/income for the year</b>	<b>(357,056)</b>	<b>(356,858)</b>	<b>86,296</b>	<b>86,754</b>
Basic and diluted (loss)/earnings per share	<b>-0.4043</b>	<b>-0.404</b>	<b>0.0977</b>	<b>0.0982</b>

### CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31ST DECEMBER 2022

(All amounts are in thousands of Ghana Cedis)

	2022		2021	
	BANK	GROUP	BANK	GROUP
<b>Assets</b>				
Cash and cash equivalents	1,365,428	1,365,428	658,743	658,743
Investment Securities	1,613,177	1,621,902	1,912,730	1,924,518
Loans and advances to customers	1,701,349	1,697,819	1,509,558	1,505,029
Investment (Other than Securities)	766	259	1,766	240
Deferred tax asset	157,000	156,987	8,639	8,626
Current tax asset	4,389	4,651	-	-
Intangible assets	10,398	10,425	11,764	11,785
Right-of-use assets	11,942	11,942	9,688	9,688
Other assets	115,230	115,098	46,943	47,372
Property and equipment	226,667	226,918	227,021	227,157
<b>Total Assets</b>	<b>5,206,346</b>	<b>5,211,429</b>	<b>4,386,852</b>	<b>4,393,158</b>
<b>Liabilities</b>				
Deposits from banks	6,225	6,225	11,600	11,600
Deposits from customers	3,375,048	3,372,059	2,852,468	2,848,554
Current tax liabilities	-	-	2,869	2,567
Other liabilities	143,843	149,164	107,315	115,284
Lease liabilities	2,505	2,505	3,403	3,403
Borrowings	1,309,749	1,309,749	668,165	668,165
<b>Total liabilities</b>	<b>4,837,370</b>	<b>4,839,702</b>	<b>3,645,820</b>	<b>3,649,573</b>
<b>Equity</b>				
Stated capital	402,431	402,431	402,431	402,431
Retained Earnings	(464,238)	(461,487)	49,799	52,352
Statutory reserve	115,447	115,447	115,447	115,447
Revaluation reserve	120,914	120,914	120,914	120,914
Credit risk reserve	194,422	194,422	52,441	52,441
<b>Total Equity</b>	<b>368,976</b>	<b>371,727</b>	<b>741,032</b>	<b>743,585</b>
<b>Total liabilities and equity</b>	<b>5,206,346</b>	<b>5,211,429</b>	<b>4,386,852</b>	<b>4,393,158</b>

### SUMMARY CONSOLIDATED STATEMENTS OF CASH FLOWS

(All amounts are in thousands of Ghana Cedis)

	2022		2021	
	BANK	GROUP	BANK	GROUP
<b>Cash generated from operating activities</b>	<b>486,735</b>	<b>483,870</b>	<b>778,578</b>	<b>783,889</b>
Income tax paid	(74,615)	(74,803)	(69,361)	(69,780)
<b>Net Cash flow generated from operating activities</b>	<b>412,120</b>	<b>409,067</b>	<b>709,217</b>	<b>714,109</b>
<b>Cash flows from investing activities</b>				
Purchase of investment securities	(310,638)	(307,575)	(700,671)	(705,532)
Purchase of property & equipment	(24,381)	(24,381)	(10,601)	(10,632)
Proceeds from the sale of property and equipment	9,143	9,143	3,046	3,046
Purchase of intangible assets	(4,010)	(4,020)	(2,496)	(2,496)
<b>Net cash used in investing activities</b>	<b>(329,886)</b>	<b>(326,833)</b>	<b>(710,722)</b>	<b>(715,614)</b>
<b>Cash flows from financing activities</b>				
Dividend Paid	(15,000)	(15,000)	-	-
Change in Borrowings	641,584	641,584	(67,384)	(67,384)
Payment of lease liabilities	(2,133)	(2,133)	(3,901)	(3,901)
<b>Net cash from/(used) in financing activities</b>	<b>624,451</b>	<b>624,451</b>	<b>(71,285)</b>	<b>(71,285)</b>
<b>Net increase in cash and cash equivalents</b>	<b>706,685</b>	<b>706,685</b>	<b>(72,790)</b>	<b>(72,790)</b>
Cash and cash equivalents at 1 January	658,743	658,743	731,533	731,533
<b>Cash and cash equivalents at 31st December</b>	<b>1,365,428</b>	<b>1,365,428</b>	<b>658,743</b>	<b>658,743</b>

### CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (All amounts are in thousands of Ghana Cedis)

	Stated capital	Retained Earnings	Statutory reserve	Revaluation reserve	Credit risk reserve	Total Equity
<b>BANK</b>						
<b>2022</b>						
Balance at 1 January, 2022	402,431	49,799	115,447	120,914	52,441	741,032
Loss for the year	-	(357,056)	-	-	-	(357,056)
Other Comprehensive income net of tax	-	-	-	-	-	-
	<b>402,431</b>	<b>(307,257)</b>	<b>115,447</b>	<b>120,914</b>	<b>52,441</b>	<b>383,976</b>
<b>Transactions with Owners, recorded directly in equity</b>						
Dividend Paid	-	(15,000)	-	-	-	(15,000)
Transfer to Credit Risk Reserve	-	(141,981)	-	-	141,981	-
Transfer to Statutory Reserve	-	-	-	-	-	-
<b>Total transfers and transactions with owners</b>	<b>-</b>	<b>(156,981)</b>	<b>-</b>	<b>-</b>	<b>141,981</b>	<b>(15,000)</b>
<b>Balance at 31 December 2022</b>	<b>402,431</b>	<b>(464,238)</b>	<b>115,447</b>	<b>120,914</b>	<b>194,422</b>	<b>368,976</b>

### CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (All amounts are in thousands of Ghana Cedis)

	Stated capital	Retained Earnings	Statutory reserve	Revaluation reserve	Credit risk reserve	Total Equity
<b>BANK</b>						
<b>2021</b>						
Balance at 1 January, 2021	402,431	20,282	72,299	120,914	38,810	654,736
Profit for the year	-	86,296	-	-	-	86,296
Other Comprehensive income net of tax	-	-	-	-	-	-
	<b>402,431</b>	<b>106,578</b>	<b>72,299</b>	<b>120,914</b>	<b>38,810</b>	<b>741,032</b>
<b>Transactions with Owners, recorded directly in equity</b>						
Transfer to Credit Risk Reserve	-	(13,631)	-	-	13,631	-
Transfer to Statutory Reserve	-	(43,148)	43,148	-	-	-
<b>Total transfers and transactions with owners</b>	<b>-</b>	<b>(56,779)</b>	<b>43,148</b>	<b>-</b>	<b>13,631</b>	<b>-</b>
<b>Balance at 31 December 2022</b>	<b>402,431</b>	<b>49,799</b>	<b>115,447</b>	<b>120,914</b>	<b>52,441</b>	<b>741,032</b>

### CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (All amounts are in thousands of Ghana Cedis)

	Stated capital	Retained Earnings	Statutory reserve	Revaluation reserve	Credit risk reserve	Total Equity
<b>GROUP</b>						
<b>2022</b>						
Balance at 1 January 2022	402,431	52,352	115,447	120,914	52,441	743,585
Loss for the year	-	(356,858)	-	-	-	(356,858)
Other Comprehensive income net of tax	-	-	-	-	-	-
	<b>402,431</b>	<b>(304,506)</b>	<b>115,447</b>	<b>120,914</b>	<b>52,441</b>	<b>386,727</b>
<b>Transactions with Owners, recorded directly in equity</b>						
Dividend Paid	-	(15,000)	-	-	-	(15,000)
Transfer to Credit Risk Reserve	-	(141,981)	-	-	141,981	-
Transfer to Statutory Reserve	-	-	-	-	-	-
<b>Total transfers and transactions with owners</b>	<b>-</b>	<b>(156,981)</b>	<b>-</b>	<b>-</b>	<b>141,981</b>	<b>(15,000)</b>
<b>Balance at 31 December 2022</b>	<b>402,431</b>	<b>(461,487)</b>	<b>115,447</b>	<b>120,914</b>	<b>194,422</b>	<b>371,727</b>

### CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (All amounts are in thousands of Ghana Cedis)

	Stated capital	Retained Earnings	Statutory reserve	Revaluation reserve	Credit risk reserve	Total Equity
<b>GROUP</b>						
<b>2021</b>						
Balance at 1 January, 2021	402,431	22,377	72,299	120,914	38,810	656,831
Profit for the year	-	86,754	-	-	-	86,754
Other Comprehensive income net of tax	-	-	-	-	-	-
	<b>402,431</b>	<b>109,131</b>	<b>72,299</b>	<b>120,914</b>	<b>38,810</b>	<b>743,585</b>
<b>Transactions with Owners, recorded directly in equity</b>						
Transfer to Credit Risk Reserve	-	(13,631)	-	-	13,631	-
Transfer to Statutory Reserve	-	(43,148)	43,148	-	-	-
<b>Total transfers and transactions with owners</b>	<b>-</b>	<b>(56,779)</b>	<b>43,148</b>	<b>-</b>	<b>13,631</b>	<b>-</b>
<b>Balance at 31 December 2022</b>	<b>402,431</b>	<b>52,352</b>	<b>115,447</b>	<b>120,914</b>	<b>52,441</b>	<b>743,585</b>

## Convenient banking for everyone

Our cutting-edge solutions make banking effortless, enabling you to focus on what really matters.



mobileWise  
MOBILE  
BANKING



netWise  
INTERNET  
BANKING



digitPay  
CORPORATE  
INTERNET BANKING



INTERNATIONAL  
DEBIT & PREPAID  
CARDS



POINT-OF-SALE  
DEVICES



E-Commerce



ChQR



mPay



Tel: 0302 750 420 | Toll-free: 0800 000 772  
WhatsApp: 020 233 0261  
www.prudentialbank.com.gh |  
customercare@prudentialbank.com.gh



...Truly dependable





## REPORT OF THE DIRECTORS

The Directors have pleasure in presenting to the members the financial statements of the Bank and its subsidiary for the year ended 31st December 2022 and report thereon as follows:

### A. Subsidiary Companies

The subsidiary company of the Bank, Prudential Securities LTD was incorporated in Ghana and wholly owned by the Bank. The Company is engaged in fund management services, corporate finance, and business advisory services. The Bank disposed of shares in Prudential Stockbrokers LTD, the other wholly owned subsidiary of the Bank in the year under review.

### B. Principal Activities

The principal activities carried out by the Bank during the year under review are within the limits permitted by its regulations and its banking licence and consistent with its strategic focus. There were no changes in the principal activities of the Bank during the year.

### C. Results and Dividend

The results of operations for the year ended 31st December 2022 are set out in the statements of comprehensive income, statements of financial position, statements of cash flows, statements of changes in equity and the notes to the financial statements.

The Directors are unable to recommend the payment of dividend in respect of the year ended 31st December 2022.

D. The Consolidated Statement of Financial Position and this report have been signed by two Directors indicating the Board's approval of the Consolidated Statement of Financial Position, Annexed Consolidated Financial Statements and their Notes.


E. Prudential Bank recognizes that giving back to our host communities is crucial for increasing and sustaining the value of our company. Our corporate social responsibility (CSR) initiatives embody our unwavering commitment and social contract with all our stakeholders. We are passionate about community development and dedicated to meeting the economic, social, and environmental needs of the community.

To ensure that our CSR initiatives are effective and sustainable, we prioritize timely and long-term strategies. Our CSR footprints are strategically directed by six fundamental pillars that we believe are essential building blocks for community development and a prerequisite for economic prosperity. These pillars are Education, Health, Environment, Religion, Arts & Culture, Industry, and Social Welfare.



**Muriel Susan Edusei (Mrs.)**  
Chairperson

Accra  
21st April 2023



**Mr. Felix Duku**  
Director

## INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL STATEMENTS TO THE MEMBERS OF PRUDENTIAL BANK LIMITED

### Our Opinion

In our opinion, the accompanying summary financial statements of Prudential Bank Limited (the "Bank") and its subsidiary (together the "Group"), are consistent, in all material respects, with the audited financial statements of the Bank standing alone and the Group for the year ended 31 December 2022, on the basis described in the notes.

### The summary financial statements

The summary financial statements derived from the audited financial statements for the year ended 31 December 2022 comprise:

- the summary separate and consolidated statements of financial position as at 31 December 2022;
- the summary separate and consolidated statements of comprehensive income for the year then ended;
- the summary separate and consolidated statements of cash flows for the year then ended
- the summary separate and consolidated statements of changes in equity for the year then ended, and
- the related notes to the summary separate and consolidated financial statements.

The summary separate and consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards and the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-taking Institutions Act, 2016 (Act 930).

Reading the summary separate financial statements and consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited separate and consolidated financial statements and the auditor's report thereon. The audited financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on the audited separate and consolidated financial statements.

### The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited separate and consolidated financial statements in our report. 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 audited separate and consolidated financial statements of the current period.

### Directors' Responsibility for the summary financial statements

The Directors are responsible for the preparation of the summary separate and consolidated financial statements on the basis described in the notes.

### Auditor's responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standards on Auditing 810 (Revised), 'Engagements to Report on Summary Financial Statements'.

The engagement partner on the audit resulting in this independent auditor's report is Dr Adom Adu-Amoah (ICAG/P/1294)

Morrison & Associates (Licence Number: ICAG/F/2023/097)  
(Chartered Accountants, Tax & Management Consultants)  
Accra, Ghana

19th April 2023



## SUMMARY NOTES TO THE CONSOLIDATED STATEMENTS

### 1.0 REPORTING ENTITY

The "Bank" is a company domiciled in Ghana. The address of the Bank's registered office is No. 8, John Harmond Street, Ring Road Central, Accra. The Consolidated Financial Statements of the Group for the year ended 31st December 2022 comprise those of the Bank and its subsidiary (together referred to as the "Group"). The Group primarily is involved in corporate, retail and investment banking.

### 2.0 BASIS OF PREPARATION

#### 2.1 Statement of Compliance

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 Institute of the Chartered Accountants, Ghana (ICAG) and Guide for Financial Publications for Banks & BOG licensed Financial Institutions. These consolidated financial statements were approved by the Board of Directors on 21st April 2023.

#### 2.2 Basis of Measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following:

- Financial instruments at fair value through profit or loss or Other Comprehensive income.
- Investment property is measured at fair value.
- Property, plant & equipment are re-valued to reflect the fair value option.

#### 2.3 Functional and Presentation Currency

The financial statements are presented in Ghana Cedi (GH¢), which is the Group's functional currency.

### 3.0 QUANTITATIVE DISCLOSURES

	Bank 2022	Group 2022	Bank 2021	Group 2021
Capital Adequacy Ratio% (CRD)	14.23	14.30	23.49	23.70
Common Equity Tier 1 Ratio (%)	11.60	11.63	21.49	21.70
Liquid Ratio (%)	166	167	189	189
Leverage Ratio (%)	6.08	6.13	11.69	11.78
Statutory Liquidity Breaches	Nil	Nil	Nil	Nil
Non-Compliance with Other Prudential Requirements (GH¢'000)	282	282	None	None
Gross Non-Performing Loans (%)	28.78	28.78	22.10	22.10
Amount spent in fulfilling Social Responsibility Obligations (GH¢'000)	1,338	1,338	545	545

### 4.0 QUALITATIVE DISCLOSURES

#### Dominant Risks and Methods of Measurement

As a financial intermediary, the Bank is exposed to credit, market, liquidity, operational, compliance, and reputational risks.

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

The Bank's risk management framework is a comprehensive system designed to identify, measure, and control the risks inherent in its operations. The framework plays a critical role in safeguarding the Bank's integrity, reputation, and financial strength by ensuring that risks are managed at all levels within the organization.

The Bank's risk governance system is multi-faceted and involves the Board of Directors, Management Committees, and the Risk Management Department. The Board of Directors sets the risk strategy, policy, limits, and appetite for the Bank, while the Risk Management Department assists Management in formulating overall policies and strategies for risk management and control.

The Risk Management Department coordinates risk management throughout the Bank and is responsible for ensuring that the Bank's risk profile aligns with its financial resources and the risk appetite established by the Board.

Overall, the Bank's risk management framework and governance system are robust and comprehensive, providing assurance to stakeholders that risks are managed effectively and in line with the Bank's strategic objectives.

### GOT QUESTIONS, COMPLAINTS OR ENQUIRIES?

Contact our Customer Experience Centre on 030 275 0420 / 0551 85 85 85 or toll-free on 0800 000 772.



Tel: 0302 750 420 | Toll-free: 0800 000 772  
WhatsApp: 020 233 0261  
www.prudentialbank.com.gh |  
customer@prudentialbank.com.gh

