PRUDENTIAL BANK

(UNAUDITED) CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2023

STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31ST MARCH 2023

	2023		2022	
	BANK GH¢'000	GROUP GH¢'000	BANK GH¢'000	GROUP GH¢'000
Interest Income	182,545	182,371	154,326	154,157
Interest Expense	(111,837)	(111,837)	(59,344)	(59,336)
Net Interest Income	70,708	70,534	94,982	94,821
Fee and Commission Income	27,589	27,589	21,356	21,356
Fee and Commission Expense	(6,354)	(6,354)	(2,933)	(2,933)
Net Fee and Commission Income	21,235	21,235	18,423	18,423
Net Trading Income	12,704	12,704	12,142	12,142
Other income	1,725	2,413	752	1,992
	14,429	15,117	12,894	14,134
Operating Income	106,372	106,886	126,299	127,378
Net Impairment on Financial Assets	(18,272)	(18,272)	(8,012)	(8,012)
Personnel Expenses	(45,730)	(45,937)	(38,888)	(39,040)
Depreciation and Amortisation	(6,916)	(6,936)	(6,329)	(6,344)
Other Expenses	(29,357)	(29,524)	(22,632)	(22,797)
	(100,275)	(100,669)	(75,861)	(76,193)
Profit Before Income Tax	6,097	6,217	50,438	51,185
Income Tax Expense	(2,134)	(2,148)	(20,493)	(20,683)
Profit for the Period	3,963	4,069	29,945	30,502
Other comprehensive income for the period (net of income tax)	-	-	-	-
Total comprehensive income for the period	3,963	4,069	29,945	30,502

STATEMENTS OF FINANCIAL POSITION AS AT 31ST MARCH, 2023

	2023		2022	
	BANK GH¢'000	GROUP GH¢'000	BANK GH¢'000	GROUP GH¢'000
Assets				
Cash and Cash Equivalents	882,782	882,782	880,982	880,982
Investment securities	1,698,778	1,707,713	1,983,387	1,993,519
Loans and Advances to Customers	1,800,530	1,797,001	1,519,753	1,515,724
Property, Equipment & Right-of-Use Assets	238,171	238,405	237,143	237,277
Intangible Assets	9,160	9,186	10,437	10,444
Investment in Subsidiaries	766	284	1,766	275
Current Tax Asset	5,894	6,142	-	-
Deferred Tax Assets	157,000	156,986	8,639	8,626
Other Assets	235,971	236,117	72,057	71,261
Total Assets	5,029,052	5,034,616	4,714,164	4,718,108
Liabilities				
Deposits from Banks	5,846	5,846	5,529	5,529
Deposits from Customers	3,788,855	3,787,164	3,079,367	3,075,842
Current Tax Liabilities	-	-	7,479	7,285
Other Liabilities	164,882	169,280	112,572	117,125
Borrowings	696,530	696,530	738,240	738,240
Total Liabilities	4,656,113	4,658,820	3,943,187	3,944,021
Equity				
Stated Capital	402,431	402,431	402,431	402,431
Income Surplus	(472,038)	(469,181)	71,263	74,373
Statutory Reserve	115,447	115,447	115,447	115,447
Revaluation Reserve	120,914	120,914	120,914	120,914
Credit Risk Reserve	206,185	206,185	60,922	60,922
Total Equity	372,939	375,796	770,977	774,087
Total Liabilities and Equity	5,029,052	5,034,616	4,714,164	4,718,108

STATEMENT OF CASHFLOW FOR THE PERIOD ENDED 31ST MARCH 2023

	2023		2022	
	BANK GH¢'000	GROUP GH¢'000	BANK GH¢'000	GROUP GH¢'000
Cash Flows from Operating Activities				
Profit before tax	6,097	6,217	50,438	51,185
Adjustments for:				
Net Interest Income	(70,708)	(70,535)	(94,982)	(94,821)
Depreciation and Amortisation	6,916	6,936	6,329	6,344
Profit on Sale of Fixed Assets	(235)	(235)	(247)	(247)
Impairment on Financial Assets	18,272	18,272	8,012	8,012
	(39,658)	(39,345)	(30,450)	(29,527)
Change in Loans and Advances to Customers	(117,560)	(117,560)	(18,196)	(18,696)
Change in Other Assets	(126,634)	(126,919)	(25,115)	(27,741)
Change in Deposits from Banks and Customers	413,428	414,726	220,828	221,217
Change in Other Liabilities	14,784	13,901	1,524	1,926
	184,018	184,148	179,041	176,706
Interest received	120,456	122,457	154,326	154,157
Interest paid	(78,112)	(77,512)	(59,344)	(59,336)
Income Tax paid	(3,638)	(3,638)	(15,882)	(15,965)
	38,706	41,307	79,100	78,856
Net cash used in operating activities	183,066	186,110	227,691	226,035
Cash flows from investing activities				
Change in Investments	(49,700)	(49,909)	(70,338)	(68,682)
Purchase of property, plant and equipment	(3,050)	(5,885)	(5,445)	(5,445)
Proceeds from the sale of property, plant and equipment	256	256	256	256
Purchase of intangible assets	-	-	-	-
Net cash used in investing activities	(52,494)	(55,538)	(75,527)	(73,871)
Cash flows from financing activities				
Change in Borrowings	(613,218)	(613,218)	70,074	70,074
	(613,218)	(613,218)	70,074	70,074
Net (decrease)/increase in cash and cash equivalents	(482,646)	(482,646)	222,238	222,238
Cash and cash equivalents at 1 January	1,365,428	1,365,428	658,744	658,744
Cash and cash equivalents at 31st March	882,782	882,782	880,982	880,982

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MARCH 2023 - BANK

	Stated Capital GH¢'000	Income Surplus GH¢'000	Statutory Reserve GH¢'000	Revaluation Reserve GH¢'000	Credit Risk Reserve GH¢'000	Total Equity GH¢'000
Balance 1st January, 2023	402,431	(464,238)	115,447	120,914	194,422	368,976
Profit for the period	-	3,963	-	-	-	3,963
Other comprehensive income net of tax	-	-	-	-	-	-
	402,431	(460,275)	115,447	120,914	194,422	372,939
Transaction with Owners recorded directly in equity						
Transfer to Credit Risk Reserve	-	(11,763)	-	-	11,763	-
Balance at 31st March, 2023	402,431	(472,038)	115,447	120,914	206,185	372,939
2022						
Balance 1st January, 2022	402,431	49,799	115,447	120,914	52,441	741,032
Profit for the period	-	29,945	-	-	-	29,945
Other comprehensive income net of tax	-	-	-	-	-	-
	402,431	79,744	115,447	120,914	52,441	770,977
Transaction with Owners recorded directly in equity						
Transfer to Credit Risk Reserve	-	(8,481)	-	-	8,481	-
Balance at 31st March, 2022	402,431	71,263	115,447	120,914	60,922	770,977

STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MARCH 2023 - GROUP

	Stated Capital GH¢'000	Income Surplus GH¢'000	Statutory Reserve GH¢'000	Revaluation Reserve GH¢'000	Credit Risk Reserve GH¢'000	Total Equity GH¢'000
Balance 1st January, 2023	402,431	(461,487)	115,447	120,914	194,422	371,727
Profit for the period	-	4,069	-	-	-	4,069
Other comprehensive income net of tax	-	-	-	-	-	-
	402,431	(457,418)	115,447	120,914	194,422	375,796
Transaction with Owners recorded directly in equity						
Transfer to Credit Risk Reserve	-	(11,763)	-	-	11,763	-
Balance at 31st March, 2023	402,431	(469,181)	115,447	120,914	206,185	375,796
2022						
Balance 1st January, 2022	402,431	52,352	115,447	120,914	52,441	743,585
Profit for the period	-	30,502	-	-	-	30,502
Other comprehensive income net of tax	-	-	-	-	-	-
	402,431	82,854	115,447	120,914	52,441	774,087
Transaction with Owners recorded directly in equity						
Transfer to Credit Risk Reserve	-	(8,481)	-	-	8,481	-
Balance at 31st March, 2022	402,431	74,373	115,447	120,914	60,922	774,087

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2023

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 - 2023		Mar - 2022	
		BANK	GROUP	BANK	GROUP
(a)	Capital Adequacy Ratio (CRD) %	11.07	11.20	21.11	21.31
(b)	Common Equity Tier 1	8.52	8.64	19.11	19.31
(c)	Non-Performing Loan (NPL) Ratio %	29.07	29.07	23.56	23.56
(d)	Liquid Ratio	135.74	136.33	180.43	181.44

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-2023		March-2022	
	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

Bernard Appiah Gyebi
Managing Director