

SUMMARY CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2023

SUMMARY CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(All amounts are in thousands of Ghana Cedis)

	2023		2022	
	BANK	GROUP	BANK	GROUP
Interest income	674,646	673,994	750,349	749,063
Interest expense	(380,186)	(380,182)	(363,822)	(363,822)
Net interest income	294,460	293,812	386,527	385,241
Fee and commission income	113,419	113,419	97,096	97,096
Fee and commission expense	(22,802)	(22,802)	(14,671)	(14,671)
Net fee and commission income	90,617	90,617	82,425	82,425
Net trading income	44,051	44,102	64,076	64,059
Other operating income	6,992	10,066	16,159	19,028
	51,043	54,168	80,235	83,087
Operating income	436,120	438,597	549,187	550,753
Net Impairment on Financial Assets	(660,311)	(660,311)	(699,645)	(699,645)
Personnel expenses	(215,999)	(216,829)	(158,992)	(159,688)
Depreciation and Amortisation	(28,521)	(28,600)	(25,085)	(25,134)
Finance cost on lease	(273)	(273)	(179)	(179)
Other expenses	(135,647)	(136,378)	(103,346)	(103,741)
	(1,040,751)	(1,042,391)	(987,247)	(988,387)
(Loss)/Profit before income tax	(604,631)	(603,794)	(438,060)	(437,634)
Income tax credit/(expense)	194,989	194,809	81,004	80,776
(Loss)/Profit for the year	(409,642)	(408,985)	(357,056)	(356,858)
Other comprehensive income				
Revaluation on Property plant and equipment	187,979	187,979	-	-
Deferred tax on revaluation	(46,995)	(46,995)	-	-
Other comprehensive income	140,984	140,984	-	-
Total (loss)/income for the year	(268,658)	(268,001)	(357,056)	(356,858)
Basic and diluted (loss)/earnings per share	-0.4638	-0.4631	-0.4043	-0.404

SUMMARY CONSOLIDATED STATEMENTS OF CASH FLOWS

(All amounts are in thousands of Ghana Cedis)

	2023		2022	
	BANK	GROUP	BANK	GROUP
Cash generated from operating activities	952,989	952,261	486,735	483,870
Income tax paid	(27,297)	(27,483)	(74,615)	(74,803)
Net Cash flow generated from operating activities	925,692	924,778	412,120	409,067
Cash flows from investing activities				
Purchase of investment securities	(198,673)	(197,701)	(310,638)	(307,575)
Purchase of property & equipment	(9,571)	(9,629)	(24,381)	(24,381)
Proceeds from the sale of property and equipment	1,453	1,453	9,143	9,143
Purchase of intangible assets	-	-	(4,010)	(4,020)
Net cash used in investing activities	(206,791)	(205,877)	(329,886)	(326,833)
Cash flows from financing activities				
Dividend Paid	-	-	(15,000)	(15,000)
Change in Borrowings	(923,939)	(923,939)	641,584	641,584
Payment of lease liabilities	(2,123)	(2,123)	(2,133)	(2,133)
Net cash from/(used) in financing activities	(926,062)	(926,062)	624,451	624,451
Net increase in cash and cash equivalents	(207,161)	(207,161)	706,685	706,685
Cash and cash equivalents at 1 January	1,365,428	1,365,428	658,743	658,743
Cash and cash equivalents at 31st December	1,158,267	1,158,267	1,365,428	1,365,428

SUMMARY 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
GROUP 2023						
Balance at 1 January, 2023	402,431	(461,487)	115,447	120,914	194,422	371,727
Total Comprehensive Income						
Loss for the year	-	(408,985)	-	-	-	(408,985)
Other Comprehensive income net of tax	-	-	-	140,984	-	140,984
	402,431	(870,472)	115,447	261,898	194,422	103,726
Transactions with Owners, recorded directly in equity						
Transfer to Credit Risk Reserve	-	194,422	-	-	(194,422)	-
Transfer to Statutory Reserve	-	-	-	-	-	-
Total transfers and transactions with owners	-	194,422	-	-	(194,422)	-
Balance at 31 December 2023	402,431	(676,050)	115,447	261,898	194,422	103,726

SUMMARY CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31ST DECEMBER 2023

(All amounts are in thousands of Ghana Cedis)

	2023		2022	
	BANK	GROUP	BANK	GROUP
Assets				
Cash and cash equivalents	1,158,267	1,158,267	1,365,428	1,365,428
Investment Securities	1,901,551	1,909,304	1,613,177	1,621,902
Loans and advances to customers	1,010,841	1,007,612	1,701,349	1,697,819
Investment (Other than Securities)	766	323	766	259
Deferred tax asset	313,983	313,983	157,000	156,987
Current tax asset	22,697	23,015	4,389	4,651
Intangible assets	5,749	5,769	10,398	10,425
Right-of-use assets	13,074	13,074	11,942	11,942
Other assets	446,831	446,846	115,230	115,098
Property and equipment	405,908	406,145	226,667	226,918
Total Assets	5,279,667	5,284,338	5,206,346	5,211,429
Liabilities				
Deposits from Other Financial Institutions	9,204	9,204	6,225	6,225
Deposits from customers	4,597,926	4,593,820	3,375,048	3,372,059
Borrowings	385,810	385,810	1,309,749	1,309,749
Other Liabilities	148,367	153,736	143,843	149,164
Employee Benefit Liabilities	34,985	34,985	-	-
Lease liabilities	3,057	3,057	2,505	2,505
Total liabilities	5,179,349	5,180,612	4,837,370	4,839,702
Equity				
Stated capital	402,431	402,431	402,431	402,431
Retained Earnings	(679,458)	(676,050)	(464,238)	(461,487)
Statutory reserve	115,447	115,447	115,447	115,447
Revaluation reserve	261,898	261,898	120,914	120,914
Credit risk reserve	-	-	194,422	194,422
Total Equity	100,318	103,726	368,976	371,727
Total liabilities and equity	5,279,667	5,284,338	5,206,346	5,211,429

SUMMARY 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
BANK 2023						
Balance at 1 January, 2023	402,431	(464,238)	115,447	120,914	194,422	368,976
Total Comprehensive Income						
Loss for the year	-	(409,642)	-	-	-	(409,642)
Other Comprehensive income net of tax	-	-	-	140,984	-	140,984
	402,431	(873,880)	115,447	261,898	194,422	100,318
Transactions with Owners, recorded directly in equity						
Transfer to Credit Risk Reserve	-	194,422	-	-	(194,422)	-
Transfer to Statutory Reserve	-	-	-	-	-	-
Total transfers and transactions with owners	-	194,422	-	-	(194,422)	-
Balance at 31 December 2023	402,431	(679,458)	115,447	261,898	194,422	100,318

SUMMARY 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
BANK 2022						
Balance at 1 January, 2022	402,431	49,799	115,447	120,914	52,441	741,032
Total Comprehensive Income						
Loss for the year	-	(357,056)	-	-	-	(357,056)
	402,431	(307,257)	115,447	120,914	52,441	383,976
Transactions with Owners, recorded directly in equity						
Dividend paid	-	(15,000)	-	-	-	(15,000)
Transfer to Credit Risk Reserve	-	(141,981)	-	-	141,981	-
Transfer to Statutory Reserve	-	-	-	-	-	-
Total transfers and transactions with owners	-	(156,981)	-	-	141,981	(15,000)
Balance at 31 December 2022	402,431	(464,238)	115,447	120,914	194,422	368,976

SUMMARY 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
GROUP 2022						
Balance at 1 January, 2022	402,431	52,352	115,447	120,914	52,441	743,585
Total Comprehensive Income						
Loss for the year	-	(356,858)	-	-	-	(356,858)
	402,431	(304,506)	115,447	120,914	52,441	386,727
Transactions with Owners, recorded directly in equity						
Dividend paid	-	(15,000)	-	-	-	(15,000)
Transfer to Credit Risk Reserve	-	(141,981)	-	-	141,981	-
Transfer to Statutory Reserve	-	-	-	-	-	-
Total transfers and transactions with owners	-	(156,981)	-	-	141,981	(15,000)
Balance at 31 December 2022	402,431	(461,487)	115,447	120,914	194,422	371,727

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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 2023 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.

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 2023 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 2023.

D. The Summary 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.

Directors' Assessment of the State of the Group's Affairs

The Directors consider the Group's state of affairs to be satisfactory. They have a reasonable expectation that the Bank and the Group will continue in operational existence for the foreseeable future and have therefore used the going concern basis in preparing these financial statements.



Muriel Susan Edusel (Mrs.)
Chairperson



Bernard Gyebi
Managing 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 subsidiaries (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 2023, 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 2023 comprise:

- The summary separate and consolidated statements of financial position as at 31 December 2023;
- 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

27th February, 2024



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 2023 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 summary 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 27th February, 2024.

2.2 Basis of Measurement

The summary 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 (GHC), which is the Group's functional currency.

3.0 QUANTITATIVE DISCLOSURES

	Bank 2023	Group 2023	Bank 2022	Group 2022
Capital Adequacy Ratio%	-7.03	-6.84	14.23	14.30
Common Equity Tier 1 Ratio (%)	-10.03	-9.84	11.60	11.63
Liquid Ratio (%)	125	126	166	167
Leverage Ratio (%)	-6.10	-5.99	6.25	6.31
Statutory Liquidity Breaches	Nil	Nil	Nil	Nil
Non-Compliance with Other Prudential Requirements (GHC'000)	-	-	282	282
Gross Non-Performing Loans (%)	64.44	64.44	28.78	28.78
Amount spent in fulfilling Social Responsibility Obligations (GHC'000)	1,067	1,067	1,338	1,338

4.0 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.

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.


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