

All amounts are in thousands of Ghana Cedis

Audited Financial Statements for the Year ended 31st December, 2017

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER, 2017	AT 31ST DECEMBER 2017 GH¢	AT 31ST DECEMBER 2016 GH¢
Income		
Interest income	2,289	-
Interest expense	(87)	-
Net interest income	2,202	-
Fees and commission income	-	-
Fee and commission expense	-	-
Net fees and commission income	-	-
Net Trading Income	-	-
Net income from other financial instrument carried at fair value	-	-
Other operating income	-	-
Total other and trading income	-	-
Operating income	2202	-
Net impairment (Loss) on financial assets	(7)	-
Operating income net of impairment charges	2,195	-
Personnel expenses	(2,101)	-
Operating leases expenses	-	-
Depreciation and amortisation	-	-
Other expenses	(1,872)	-
Payment of stamp duty	(9,433)	-
Profit/loss for the period	(635)	-
	(11,846)	-
National Stabilization Levy	-	-
Income tax expense	650	-
Non controlling interest	-	-
Profit after tax and non controlling interest	(11,196)	-
Attributable to:		
Equity holders of the parent	(11,196)	-
Non controlling interest	-	-
Total comprehensive income for the period	(11,196)	-
Basic and Diluted Earnings per share (Ghana pesewas)	(0.0933)	-

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2017	AT 31ST DECEMBER 2017 GH¢	AT 31ST DECEMBER 2016 GH¢
Assets		
Cash & Cash equivalents	100,981	120,000
Loans and advances to customers	689	-
Investments	4,449	-
Other assets	3,396	-
Deferred Income tax	650	-
Intangible assets	2,949	-
Property and equipment	9,099	-
Total Assets	122,213	120,000
Equity and Liabilities		
Deposit from banks	5000	-
Deposits from customers	197	-
Other liabilities	4,732	-
Total liabilities	9,929	-
Equity		
Stated Capital	120,000	120,000
Retained earnings	(11,196)	-
Deposit for shares	3,480	-
Total equity	112,284	120,000
Total liabilities and equity	122,213	120,000

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST DECEMBER, 2017	GH¢	GH¢
Cash flows from Operating Activities		
Loss before tax	(11,846)	-
Add Depreciation and Amortization	1,871	-
Impairment loss on financial assets	7	-
Cash inflow before changes in working capital	(9,968)	-
Changes in gross loans and advances to customers	(696)	-
Change in investments	(4,449)	-
Change in other assets	(3,396)	-
Change in deposit from customers	197	-
Deposits from other banks	5,000	-
Change in other borrowings	4,732	-
Cash generated from/(used in) operations	1,388	-
Net Cash generated from operating activities	(8,580)	-
Cash flow from investing activities		
Purchase of property and equipment	(10,260)	-
Purchase of intangible assets	(3,660)	-
Net cash used in investing activities	(13,920)	-
Financing activities		
Proceeds from issue of shares	-	120,000
Deposit for shares	3,480	-
Net Cash flow from financing	3,480	120,000
(Decrease)/Increase in cash and cash equivalent	(19,019)	120,000
Cash and cash equivalent at the beginning of the year	120,000	-
Cash and cash equivalent at the end of the period	100,981	120,000

Notes to the financial statement for the year ended 31 December, 2017

Significant Accounting Policies

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Additional information required by the Companies Act 1963 (Act 179) and the Banks and Specialized deposit-taking institution Act, 2016 (Act 930) and the Bank of Ghana (BOG) Guide for Financial Publication for Banks & BOG Licensed Financial Institutions have been included, where appropriate. The financial statements have been prepared under the historical cost basis.

Quantitative Disclosures

	2017	2016
i. Capital adequacy ratio (%)	272%	-
ii. Non-Performing loan ratio (%)	0%	0%

Qualitative Disclosures

Risk Management

i. The Bank's activities expose it to the following types of risks; credit risk, market risks, liquidity risks, operational risks and compliance risks. The Bank's risk management policies are established to identify and analyze risks faced by the Bank, set appropriate risks limits, appetite and controls as well as monitor these risks and adherence to established policies. Risk Management policies and systems are reviewed regularly to reflect changes in market conditions that affect our operations and exposures.

Defaults in Statutory liquidity and accompanying sanctions

	2017	2016
I. Default in statutory liquidity	Nil	Nil
II. Sanctions	Nil	Nil

REPORT OF THE DIRECTORS

The directors submit their annual report together with the audited financial statements of The Construction Bank (Gh) Limited (the "Bank") for the year ended 31 December 2017.

Statement of directors' responsibilities

The directors are responsible for the preparation of financial statements that give a true and fair view of the state of affairs of the Bank at the end of the financial year and of the profit or loss and cash flows for that period. In preparing these financial statements, the directors have selected suitable accounting policies and then applied them consistently, made judgements and estimates that are reasonable and prudent and followed International Financial Reporting Standards (IFRS), and complied with the requirements of the Companies Act, 1963 (Act 179), the Banks and Specialised Deposit Taking Institution Act, 2016 (Act 930), and the Ghana Deposit Protection Act, 2016, Act 931.

The directors are responsible for ensuring that the Bank keeps proper accounting records that disclose with reasonable accuracy at any time the financial position of the Bank. The directors are also responsible for safeguarding the assets of the Bank and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Going concern

We have no plans or intentions, to dispose of the business or cease operations that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements. Based on our assessment, nothing has come to the attention of the directors that has indicated that the Bank will not remain a going concern for at least twelve months from the date of this statement.

Commencement of operations

The Bank was incorporated on the 11 th March 2015. However, due to necessary regulatory processes, it was not issued with a commencement certificate until 30 th March 2017. During the intervening period of 22 months there was little activity except incorporation expenses and other registration requirements. The Company was subsequently granted exemption to enable it prepare its first set of financial statements beyond the maximum eighteen (18) months. The banking licence was issued on the 17 th of May 2017, which mandated us to operate as universal bank. The Bank was officially launched to the public on the 31 st of May 2017. Therefore, the Bank has effectively been in operation for the past seven (7) months and the audited financial statements attached to this report should be read as such.

Nature of business

The Bank is licensed to carry out universal banking business in Ghana. Its principal activities comprise of construction finance, project finance, corporate banking, private banking, mortgage and retail banking. The activities carried out by the Bank during the year under review were within the limits permitted by its regulations.

Holding Company

The Bank is a subsidiary of Yaw Addo Development Company Limited, a registered Ghanaian property development company.

Signed

Stephen Kpordzih
Chief Exec Officer

Signed

Asare Akuffo
Chairman

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinions

We have audited the financial statements of THE CONSTRUCTION BANK (Gh) LIMITED, which comprise the statement of financial position at 31st December 2017, statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements give a true and fair view of the financial position of THE CONSTRUCTION BANK (Gh) LIMITED at 31st December 2017, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies Act, 1963 (Act 179) and the Banks and Specialized Deposit-Taking Institutions Act, 2016, (Act 930).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Bank in accordance with the International Ethics Standard board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The engagement partner on the audit resulting in this independent auditors report is Caradoc Mills Lamptey (IGAG/P/1066)

For and on behalf of:

J. Mills Lamptey & Co.: (ICAG/F/2018/137)
Chartered Accountants
P. O. Box 3287, Accra