

GCB Bank Limited

Summary consolidated and separate financial statements
for the period ended June 30, 2019 (unaudited)



All amounts are in thousands of Ghana cedis unless otherwise stated

Summary statement of comprehensive income for the period ended June 30, 2019

	2019		2018	
	Bank	Group	Bank	Group
Interest income	739,861	740,129	653,422	653,707
Interest expense	(195,535)	(195,535)	(233,047)	(233,047)
Net interest income	544,326	544,594	420,375	420,660
Fee and commission income	130,132	130,132	123,655	123,655
Fee and commission expense	(27,198)	(27,198)	(22,349)	(22,349)
Net fee and commission income	102,934	102,934	101,306	101,306
Net trading income	72,701	72,701	35,686	35,686
Other revenue	4,423	4,454	7,904	9,904
Revenue	724,384	724,683	565,271	567,556
Net impairment loss on financial assets	(67,892)	(67,892)	(58,206)	(58,206)
Personnel expenses	(262,626)	(262,830)	(228,395)	(228,437)
Depreciation and amortisation	(59,382)	(59,403)	(32,906)	(32,906)
Other expenses	(149,220)	(149,324)	(122,825)	(122,957)
Profit before income tax	185,264	185,234	122,939	125,050
Income tax expense	(53,528)	(53,528)	(36,887)	(37,075)
Profit for the period	131,736	131,706	86,052	87,975
Other Comprehensive Income:				
Items that may be reclassified to profit or loss				
FVTOCI financial assets - net changes in fair value	(1,244)	(1,256)	1,447	1,245
Related tax	311	314	(361)	(311)
Total items that may be reclassified to profit or loss	(933)	(942)	1,086	934
Total comprehensive income	130,803	130,764	87,138	88,909
Profit attributable to:				
Owners of the parent	131,736	131,706	86,052	87,975
Profit for the period	131,736	131,706	86,052	87,975
Total comprehensive income attributable to:				
Owners of the parent	130,803	130,764	87,138	88,909
Total comprehensive income for the period	130,803	130,764	87,138	88,909
Basic and diluted EPS - annualised (in GH¢)	0.99	0.99	0.65	0.66

Summary statement of cash flows for the period ended June 30, 2019

	2019		2018	
	Bank	Group	Bank	Group
Cash flows from operating activities				
Profit for the period	131,736	131,706	86,052	87,975
Adjustments for:				
Depreciation and amortisation	59,382	59,403	32,906	32,906
Net impairment loss on financial assets	67,892	67,892	58,206	58,206
Employee defined benefit expense	30,000	30,000	29,722	29,722
Net Interest income	(544,326)	(544,594)	(420,375)	(420,660)
Dividend income	(2,951)	(2,981)	(6,266)	(8,266)
(Profit)/loss on sale of property and equipment	39	39	71	71
Income tax expense	53,528	53,528	36,887	37,075
	(204,700)	(205,007)	(182,797)	(182,971)
Change in:				
Non-pledged trading assets	(50,865)	(50,865)	(70,389)	(70,389)
Advances to banks	(466)	(466)	(77,597)	(77,597)
Loans and advances to customers	(376,390)	(376,390)	(344,580)	(344,580)
Other assets	(107,476)	(107,500)	377,282	374,233
Deposits from banks and other financial institutions	(32,877)	(32,877)	279,587	279,587
Deposits from customers	353,934	391,738	(247,577)	(247,577)
Borrowings	6,351	6,351	(25,766)	(25,766)
Other liabilities and provisions	(87,419)	(87,898)	(30,212)	11,301
Employee defined benefit obligation	(8,651)	(8,651)	(8,535)	(8,535)
Cash used in operations	(508,559)	(471,565)	(330,584)	(292,294)
Interest received	623,462	623,730	508,756	509,178
Dividend received	2,951	2,981	6,266	8,266
Interest paid	(249,263)	(249,263)	(117,086)	(117,086)
Income tax paid	(67,317)	(67,319)	(40,199)	(40,435)
Net cash from operating activities	(198,726)	(161,436)	27,153	67,629
Cash flows from investing activities				
Purchase of property and equipment	(66,512)	(66,512)	(20,685)	(20,685)
Purchase of investment securities	(172,207)	(172,190)	342,634	338,341
Proceeds from sale of property and equipment	120	120	2	2
Purchase of intangible assets	(31,749)	(31,749)	(32,300)	(32,300)
Net cash used in investing activities	(270,348)	(270,331)	289,651	285,358
Cash flows from financing activities				
Dividend Paid	(79,500)	(79,500)	-	-
Net Cash from financing activities	(79,500)	(79,500)	-	-
Total cash movement for the period	(548,574)	(511,267)	316,804	352,987
Cash and cash equivalents at January 1	1,953,620	1,953,620	1,022,684	1,022,684
Cash and cash equivalents at June 30	1,405,046	1,442,353	1,339,488	1,375,671

Summary statement of financial position as at June 30, 2019

	2019		2018	
	Bank	Group	Bank	Group
Assets				
Cash and cash equivalents	1,405,046	1,442,353	1,339,488	1,375,671
Non-pledged trading assets	130,869	130,869	80,468	80,468
Advances to banks	233,631	233,631	302,547	302,547
Loans and advances to customers	3,134,467	3,134,467	2,454,655	2,454,655
Investment securities	4,917,839	4,921,826	4,680,189	4,684,177
Investment (other equity securities)	2,984	40,016	5,230	8,106
Investment in subsidiaries	1,000	-	1,000	-
Investment in associates	28,274	81,482	28,274	88,460
Deferred tax asset	85,318	77,549	53,347	56,626
Right of use asset	5,344	5,344	-	-
Intangible assets	192,109	192,109	175,754	175,754
Other assets	536,872	537,065	483,827	483,828
Property and equipment	263,484	263,960	219,459	219,459
Total assets	10,937,237	11,060,671	9,824,238	9,929,751
Liabilities				
Deposits from banks and other financial institutions	239,892	239,892	361,392	361,392
Deposits from customers	8,407,664	8,407,664	6,626,809	6,626,809
Borrowings	306,006	306,006	933,339	933,339
Current tax liabilities	5,951	5,549	17,882	17,513
Employee defined benefit obligations	118,995	118,995	139,812	139,812
Other liabilities and provisions	482,312	481,869	544,355	547,575
Total liabilities	9,560,820	9,559,975	8,623,589	8,626,440
Equity				
Stated capital	500,000	500,000	100,000	100,000
Retained earnings	552,868	637,379	875,316	958,173
Fair value reserve	(619)	24,788	1,641	3,182
Statutory reserve	354,845	354,845	274,062	274,062
Regulatory credit risk reserve	-	-	-	-
Other reserves	(30,677)	(16,316)	(50,370)	(32,106)
Total equity	1,376,417	1,500,696	1,200,649	1,303,311
Total liabilities and equity	10,937,237	11,060,671	9,824,238	9,929,751

Summary statement of changes in equity

	Stated capital	Fair value reserve	Other Reserves	Statutory reserve	Regulatory credit risk reserve	Retained earnings	Total
The Bank							
Balance at 1 January 2019	500,000	625	(30,677)	354,845	-	500,624	1,325,417
Profit for the period	-	-	-	-	-	131,736	131,736
Other comprehensive income, net of tax	-	-	-	-	-	-	-
FVTOCI financial assets - net changes in fair value	-	(1,244)	-	-	-	8	(1,236)
Dividend Paid	-	-	-	-	-	(79,500)	(79,500)
Balance at 30 June 2019	500,000	(619)	(30,677)	354,845	-	552,868	1,376,417
The Group							
Balance at 1 January 2019	500,000	26,048	(16,316)	354,845	-	585,167	1,449,744
Profit for the period	-	-	-	-	-	131,706	131,706
Other comprehensive income, net of tax	-	-	-	-	-	-	-
FVTOCI financial assets - net changes in fair value	-	(1,260)	-	-	-	6	(1,254)
Dividend Paid	-	-	-	-	-	(79,500)	(79,500)
Balance at 30 June 2019	500,000	24,788	(16,316)	354,845	-	637,379	1,500,696

Disclosures

- GCB Bank limited is a limited liability company incorporated and domiciled in Ghana. The bank operates with a universal banking license. It is listed on the Ghana Stock Exchange.
- The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by the Institute of Chartered Accountants, Ghana (ICAG).
- The accounting policies applied in the preparation of these financial statements were consistent with those applied in the preparation of the annual consolidated statements of December 31, 2018 except for IFRS 16 which was adopted effective January 1, 2019. IFRS 16 replaced IAS 17.

- Capital Adequacy Ratio
- Common Equity Tier 1 Ratio
- Leverage Ratio
- Non-performing loan ratio
- Liquid Ratio
- Statutory liquidity breach (times)
- Sanctions for statutory liquidity breach (GH¢'000)

	June 2019	June 2018
1. Capital Adequacy Ratio	18.1%	16.8%
2. Common Equity Tier 1 Ratio	16.6%	-
3. Leverage Ratio	9.7%	-
4. Non-performing loan ratio	8%	7%
5. Liquid Ratio	92%	119%
6. Statutory liquidity breach (times)	Nil	Nil
7. Sanctions for statutory liquidity breach (GH¢'000)	Nil	Nil

- The Bank has exposure to the following risks from its use of financial instruments and from operations:
 - Credit risk
 - Market risk
 - Liquidity risk
 - Operational risk
- The financial statements do not contain any untrue statements, misleading facts or omit material facts to the best of our knowledge.

Jude Arthur
Board Chairman

Anselm Ransford Adzete Sowah
Managing Director