

GCB Bank Limited

Summary consolidated and separate financial statements for the period ended March 31, 2020 (unaudited)



All amounts are in thousands of Ghana cedis unless otherwise stated

Summary statement of comprehensive income for the period ended March 31, 2020

	2020		2019	
	Bank	Group	Bank	Group
Interest income	429,749	431,451	359,938	360,071
Interest expense	(97,209)	(97,209)	(99,108)	(99,108)
Net interest income	332,540	334,242	260,830	260,963
Fee and commission income	77,942	77,941	63,621	63,621
Fee and commission expense	(13,743)	(13,742)	(13,265)	(13,265)
Net fee and commission income	64,199	64,199	50,356	50,356
Net trading income	27,109	27,109	38,839	38,839
Other revenue	3,159	3,159	3,657	3,657
Revenue	427,007	428,709	353,682	353,815
Net impairment loss on financial assets	(15,248)	(15,248)	(24,601)	(24,601)
Personnel expenses	(151,899)	(152,223)	(136,519)	(136,591)
Depreciation and amortisation	(34,930)	(34,976)	(29,571)	(29,571)
Other expenses	(102,437)	(102,719)	(71,433)	(71,480)
Profit before income tax	122,493	123,543	91,558	91,572
Income tax expense	(30,083)	(30,406)	(25,602)	(25,606)
Profit for the period	92,410	93,137	65,956	65,966
Other Comprehensive Income:				
Items that may be reclassified to profit or loss				
FVTOCI financial assets - net changes in fair value	40	39	(297)	(292)
Related tax	(10)	(10)	74	73
Total items that may be reclassified to profit or loss	30	29	(223)	(219)
Total comprehensive income	92,440	93,166	65,733	65,747
Profit attributable to:				
Owners of the parent	92,410	93,137	65,956	65,966
Profit for the period	92,410	93,137	65,956	65,966
Total comprehensive income attributable to:				
Owners of the parent	92,440	93,166	65,733	65,747
Total comprehensive income for the period	92,440	93,166	65,733	65,747
Basic and diluted earnings per share (in GHC)	1.39	1.41	1.00	1.00

Summary statement of cash flows for the period ended March 31, 2020

	2020		2019	
	Bank	Group	Bank	Group
Cash flows from operating activities				
Profit for the period	92,410	93,137	65,956	65,966
Adjustments for:				
Depreciation and amortisation	34,930	34,976	29,571	29,571
Net impairment loss on financial assets	15,248	15,248	24,601	24,601
Employee defined benefit expense	15,000	15,000	15,000	15,000
Net Interest income	(332,540)	(334,242)	(260,830)	(260,963)
Dividend income	(406)	(406)	(2,951)	(2,951)
Profit on sale of property and equipment	-	-	(63)	(63)
Income tax expense	30,083	30,406	25,602	25,606
	(145,275)	(145,881)	(103,114)	(103,233)
Change in :				
Loans and advances to customers	136,812	136,812	(312,518)	(312,518)
Advances to banks	519	518	(162)	(162)
Other assets	(205,744)	(208,204)	(14,362)	(14,308)
Deposits from banks and other financial institutions	(182,221)	(182,221)	46,460	46,460
Deposits from customers	226,018	226,018	35,939	73,743
Borrowings	(14,985)	(14,984)	8,697	8,697
Other liabilities and provisions	104,212	118,129	36,607	36,622
Non-pledged trading assets	(16,048)	(16,048)	(43,125)	(43,125)
Right of use asset	(8,139)	(8,139)	-	-
Cash used in operations	(104,851)	(94,000)	(345,578)	(307,824)
Cash flows from investing activities				
Purchase of investment securities	13,300	8,850	(190,903)	(190,887)
Purchase of property and equipment	-	-	(34,631)	(34,631)
Proceeds from sale of property and equipment	(16,513)	(16,512)	63	63
Purchase of intangible assets	(4,162)	(4,162)	(21,459)	(21,459)
Net cash used in investing activities	(7,375)	(11,824)	(246,930)	(246,914)
Cash flows from financing activities				
Dividend Paid	-	-	-	-
Net cash used in financing activities				
Total cash movement for the period	216,390	224,166	(471,043)	(433,140)
Cash and cash equivalents at January 1	1,572,538	1,572,538	1,953,620	1,953,620
Cash and cash equivalents at March 31	1,788,928	1,796,704	1,482,577	1,520,480

Summary statement of financial position as at March 31, 2020

	2020		2019	
	Bank	Group	Bank	Group
Assets				
Cash and cash equivalents	1,788,928	1,796,704	1,482,577	1,520,480
Non-pledged trading assets	158,837	158,837	123,129	123,129
Investment (other than securities)	22,267	41,468	3,931	40,983
Loans and advances to customers	3,440,836	3,440,836	3,099,136	3,099,136
Advances to banks	209,922	209,922	227,146	227,146
Investment securities	5,951,551	5,987,258	4,888,521	4,892,443
Investment in associates	28,274	100,392	28,274	81,482
Investment in subsidiaries	1,000	-	1,000	-
Deferred tax asset	119,813	126,298	69,500	61,726
Income tax asset	1,301	738	-	-
Intangible assets	188,539	188,539	197,110	197,110
Other assets	486,285	486,291	443,758	443,758
Property, equipment and right-of-use-asset	273,813	274,470	263,569	263,569
Total assets	12,671,366	12,811,753	10,827,651	10,950,962
Liabilities				
Deposits from banks and other financial institutions	319,689	319,689	319,230	319,230
Deposits from customers	9,564,490	9,564,490	8,100,896	8,100,896
Borrowings	445,829	445,829	308,445	308,445
Current tax liabilities	17,804	17,804	5,130	4,735
Employee defined benefit obligations	130,376	130,376	108,601	108,601
Other liabilities and provisions	448,320	446,703	594,273	593,637
Total liabilities	10,926,508	10,924,891	9,436,575	9,435,544
Equity				
Stated capital	500,000	500,000	500,000	500,000
Retained earnings	829,288	922,010	566,580	651,133
Statutory reserve	460,096	460,096	354,845	354,845
Regulatory credit risk reserve	-	-	-	-
Fair value reserve	(1,795)	14,602	328	25,756
Other reserves	(42,731)	(9,846)	(30,677)	(16,316)
Total equity	1,744,858	1,886,862	1,391,076	1,515,418
Total liabilities and equity	12,671,366	12,811,753	10,827,651	10,950,962

Summary statement of changes in equity for the period ended March 31, 2020

	Stated capital	Fair value reserve	Other Reserves	Statutory reserve	Regulatory credit risk reserve	Retained earnings	Total
The Bank							
Balance at January 1, 2020	500,000	(1,845)	(43,073)	460,096	-	736,878	1,652,056
Profit for the period	-	-	-	-	-	92,410	92,410
Other comprehensive income, net of tax							
FVTOCI financial assets - net changes in fair value	-	40	-	-	-	-	40
Deferred tax	-	10	342	-	-	-	352
Dividend Paid	-	-	-	-	-	-	-
Balance at March 31, 2020	500,000	1,795	(42,731)	460,096	-	829,288	1,744,858
The Group							
Balance at January 1, 2020	500,000	1,582	(10,188)	460,096	-	828,873	1,780,363
Profit for the period	-	-	-	-	-	93,137	93,137
Other comprehensive income, net of tax							
FVTOCI financial assets - net changes in fair value	-	39	-	-	-	-	39
Deferred tax	-	12,981	342	-	-	-	13,323
Dividend Paid	-	-	-	-	-	-	-
Balance at March 31, 2020	500,000	14,602	(9,846)	460,096	-	922,010	1,886,862

Disclosures

1. Reporting Entity - 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.

2. Significant Accounting Policies - 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 and separate financial statements at December 31, 2019.

3. Quantitative Disclosures

	Mar. 2020	Mar. 2019
Capital Adequacy Ratio (Capital Requirements Directive)	18.3%	17.3%
Common Equity Tier 1 Ratio	17.7%	16.7%
Leverage Ratio	9.9%	9.9%
Non-performing loan ratio	6.5%	8%
Liquid Ratio	65%	57%
Statutory liquidity breach (times)	1	Nil
Sanctions for statutory liquidity breach (GHC'ooo)	183	Nil

4. Qualitative Disclosures

4.1 The Bank has exposure to the following risks from its use of financial instruments and from operations:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

4.2 Comments on the Covid-19 Impact - On 12th March, 2020, Ghana confirmed and announced its first case of Covid-19. In response, the Bank activated its Business Continuity Plan. The financial impact of the disease was negligible at the reporting date. However, it is a key risk which could impact the Bank's business significantly. Management continues to monitor this fluid situation and will take proactive measures to ensure the sustainability of the business.

5. Sworn Statement

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