



## UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE, 2020

### CONSOLIDATED AND SEPARATE STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE, 2020

In thousands of GHS

	2020		2019	
	Bank	Group	Bank	Group
Interest income	215,430	222,479	197,833	203,877
Interest expense	(97,305)	(97,305)	(84,252)	(84,252)
<b>Net interest income</b>	<b>118,125</b>	<b>125,174</b>	<b>113,581</b>	<b>119,625</b>
Fee and commission income	22,601	32,672	18,063	28,005
Fee and commission expense	(871)	(871)	(531)	(531)
<b>Net fee and commission income</b>	<b>21,730</b>	<b>31,801</b>	<b>17,532</b>	<b>27,474</b>
Net trading income	10,818	10,818	11,725	11,725
Net income / (loss) from investments at fair value thru. P&L	712	834	(3,894)	(3,894)
Other operating income	1,301	1,301	4,943	4,943
Other income	5,296	6,407	1,058	2,485
<b>Operating income</b>	<b>157,982</b>	<b>176,335</b>	<b>144,945</b>	<b>162,358</b>
Net impairment loss on financial asset	(17,835)	(17,835)	(8,007)	(1,590)
Personnel expenses	(63,686)	(73,025)	(53,290)	(61,963)
Operating lease expenses	(365)	(1,117)	(4,651)	(5,403)
Depreciation and amortization	(8,858)	(9,660)	(5,149)	(5,755)
Other expenses	(30,175)	(35,590)	(31,087)	(35,252)
<b>Profit before income tax for the period</b>	<b>37,063</b>	<b>39,108</b>	<b>42,761</b>	<b>52,395</b>
National Fiscal Stabilization Levy	(1,997)	(2,168)	(2,138)	(2,625)
Tax expense	(10,694)	(11,562)	(9,621)	(10,451)
<b>Profit for the period</b>	<b>24,372</b>	<b>25,378</b>	<b>31,002</b>	<b>39,319</b>
Other comprehensive income, net of income tax	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>24,372</b>	<b>25,378</b>	<b>31,002</b>	<b>39,319</b>
<b>Profit / (loss) attributable to:</b>				
Controlling Equity holders of the Bank	24,372	25,420	31,002	38,828
Non-controlling interest	-	(42)	-	491
<b>Profit for the period</b>	<b>24,372</b>	<b>25,378</b>	<b>31,002</b>	<b>39,319</b>
<b>Total comprehensive income attributable to:</b>				
Controlling Equity holders of the bank	24,372	25,420	31,002	38,828
Non-controlling interest	-	(42)	-	491
<b>Total comprehensive income for the period</b>	<b>24,372</b>	<b>25,378</b>	<b>31,002</b>	<b>39,319</b>

### CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

In thousands of GHS

	2020		2019	
	Bank	Group	Bank	Group
<b>Assets</b>				
Cash and cash equivalents	788,225	788,251	683,912	683,912
Non-pledged trading assets	38,679	38,679	-	-
Pledged assets	75,095	75,095	34,387	34,387
Investment securities	876,799	896,859	858,659	878,531
Loans and advances to customers	1,508,367	1,508,367	1,288,448	1,278,330
Investment in subsidiaries	12,042	-	12,383	-
Current income tax assets	6,871	6,901	5,475	5,359
Deferred tax assets	12,882	12,984	12,599	12,530
Intangible assets	6,928	6,988	8,692	8,742
Other assets	17,635	26,286	51,335	61,149
Property, plant and equipment	92,347	96,989	61,238	64,233
<b>Total assets</b>	<b>3,435,870</b>	<b>3,457,399</b>	<b>3,017,128</b>	<b>3,027,173</b>
<b>Liabilities and equity</b>				
Deposits from banks	-	-	50,065	50,065
Deposits from customers	2,630,693	2,617,430	2,281,271	2,271,180
Borrowing	115,652	115,652	60,408	60,408
Other liabilities	108,543	119,262	112,789	117,842
<b>Total liabilities</b>	<b>2,854,888</b>	<b>2,852,344</b>	<b>2,504,533</b>	<b>2,499,495</b>
<b>Equity</b>				
Stated capital	401,191	401,191	401,191	401,191
Income surplus	(14,869)	4,362	(65,946)	(55,657)
Revaluation reserve	24,852	24,852	24,852	24,852
Statutory reserve fund	125,664	125,664	94,385	94,385
Regulatory credit risk reserve	43,400	43,400	57,369	57,369
Housing development assistance reserve	744	744	744	744
<b>Total equity attributable to equity holders of the Bank</b>	<b>580,982</b>	<b>600,213</b>	<b>512,595</b>	<b>522,884</b>
Non-controlling interest	-	4,842	-	4,794
<b>Total equity</b>	<b>580,982</b>	<b>605,055</b>	<b>512,595</b>	<b>527,678</b>
<b>Total liabilities and equity</b>	<b>3,435,870</b>	<b>3,457,399</b>	<b>3,017,128</b>	<b>3,027,173</b>

### CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE 2020

In thousands of GHS

	2020		2019	
	Bank	Group	Bank	Group
Profit before tax	37,063	39,108	42,761	52,395
Adjustments for:				
Depreciation and amortization	8,858	9,660	5,149	5,755
Profit on disposal of property and equipment	-	-	(224)	(224)
Net impairment loss on loans and advances	17,835	17,835	8,007	1,590
Interest expense on long term bonds and borrowings	14,695	14,695	16,283	16,283
Inflation adjustment on long term bonds	-	-	13	13
Fair value change- investments securities FVTPL	(712)	(834)	3,894	3,894
Effect of foreign exchange fluctuations.	(33,892)	(33,892)	(17,269)	(17,269)
Increase in loans and advances to customers	(114,248)	(114,251)	(137,505)	(127,491)
(Increase) / decrease in interest receivable and other assets	(32,478)	(31,601)	6,872	7,018
Increase in deposits from customers	60,139	55,749	169,916	159,825
(Decrease) / Increase in interest payables and other liabilities	(28,937)	(35,005)	19,225	9,997
<b>Cash generated from operations</b>	<b>(71,677)</b>	<b>(78,536)</b>	<b>117,122</b>	<b>111,786</b>
Interest paid- long term bonds and borrowings	(5,703)	(5,703)	(9,451)	(9,451)
Corporate tax paid	(3,855)	(4,554)	(10,189)	(10,955)
National fiscal stabilization levy paid	(879)	(926)	(1,486)	(1,656)
<b>Net cash generated from operating activities</b>	<b>(82,114)</b>	<b>(89,719)</b>	<b>95,996</b>	<b>89,724</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(10,055)	(10,879)	(4,445)	(4,516)
Purchase of intangible asset- software	-	-	(1,472)	(1,472)
Proceeds from sale of property, plant and equipment	-	-	224	224
Purchase of government securities	(547,561)	(548,895)	(361,498)	(361,498)
Sale of government securities	212,122	224,022	92,072	92,072
Sale of investment securities / int. received - FVTPL	222	222	586	2,490
Purchase of investment securities - FVTPL	-	(2,508)	(4,300)	(4,300)
Purchase of other short-term investment	-	-	(2,000)	-
<b>Net cash used in investing activities</b>	<b>(345,272)</b>	<b>(338,038)</b>	<b>(280,833)</b>	<b>(277,000)</b>
<b>Cash flows from financing activities</b>				
Repayment of borrowings	(63,876)	(63,876)	(51,732)	(51,732)
Proceeds from borrowings	108,846	108,846	-	-
<b>Net cash generated from financing activities</b>	<b>44,970</b>	<b>44,970</b>	<b>(51,732)</b>	<b>(51,732)</b>
Increase in cash and cash equivalents	(382,416)	(382,787)	(236,569)	(239,009)
Effect of foreign exchange fluctuations.	33,892	33,892	17,269	17,269
At 1 January	1,136,749	1,136,757	903,213	905,652
<b>Cash and cash equivalents as at 30 June</b>	<b>788,225</b>	<b>787,862</b>	<b>683,912</b>	<b>683,912</b>

### CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

The Bank-2020

	Stated Capital	Income surplus account	Statutory reserve fund	Revaluation reserve	Housing development assistance reserve	Regulatory credit risk reserve	Total Equity
In thousands of GHS							
<b>Balance at 1 January 2020</b>	<b>401,191</b>	<b>(37,451)</b>	<b>125,664</b>	<b>24,852</b>	<b>744</b>	<b>41,610</b>	<b>556,610</b>
Profit for the year	-	24,372	-	-	-	-	24,372
Transfer to regulatory credit risk reserve	-	(1,790)	-	-	-	1,790	-
<b>Total comprehensive income and movements therein</b>	<b>-</b>	<b>22,582</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,790</b>	<b>24,372</b>
<b>At 30 June 2020</b>	<b>401,191</b>	<b>(14,869)</b>	<b>125,664</b>	<b>24,852</b>	<b>744</b>	<b>43,400</b>	<b>580,982</b>

The Bank-2019

	Stated Capital	Income surplus account	Statutory reserve fund	Revaluation reserve	Housing development assistance reserve	Regulatory credit risk reserve	Total Equity
In thousands of GHS							
<b>Balance at 1 January 2019</b>	<b>401,191</b>	<b>(65,092)</b>	<b>94,385</b>	<b>24,852</b>	<b>744</b>	<b>41,629</b>	<b>497,709</b>
Profit for the year	-	31,002	-	-	-	-	31,002
Charge to income surplus	-	(16,116)	-	-	-	-	(16,116)
Transfer from regulatory credit risk reserve	-	(15,740)	-	-	-	15,740	-
<b>Total comprehensive income and movements therein</b>	<b>-</b>	<b>(854)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,740</b>	<b>14,886</b>
<b>At 30 June 2019</b>	<b>401,191</b>	<b>(65,946)</b>	<b>94,385</b>	<b>24,852</b>	<b>744</b>	<b>57,369</b>	<b>512,595</b>

**UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE, 2020**
**CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020**
**The Group-2020**

In thousands of GHC	Stated Capital	Income surplus account	Statutory reserve fund	Revaluation reserve	Housing development assistance reserve	Regulatory credit risk reserve	Non-controlling interest	Total Equity
Balance at 1 January 2020	401,191	(19,268)	125,664	24,852	744	41,610.00	4,884	579,677
Profit for the year	-	25,420	-	-	-	-	(42)	25,378
Transfer to regulatory credit risk reserve	-	(1,790)	-	-	-	1,790	-	-
Total comprehensive income and movements therein	-	23,630	-	-	-	1,790	(42)	25,378
At 30 June 2020	401,191	4,362	125,664	24,852	744	43,400	4,842	605,055

**The Group-2019**

In thousands of GHC	Stated Capital	Income surplus account	Statutory reserve fund	Revaluation reserve	Housing development assistance reserve	Regulatory credit risk reserve	Non-controlling interest	Total Equity
Balance at 1 January 2019	401,191	(62,629)	94,385	24,852	744	41,629	4,303	504,475
Profit for the year	-	38,828	-	-	-	-	491	39,319
Charge to income surplus	-	(16,116)	-	-	-	-	-	(16,116)
Transfer from regulatory credit risk reserve	-	(15,740)	-	-	-	15,740	-	-
Total comprehensive income and movements therein	-	6,972	-	-	-	15,740	491	23,203
At 30 June 2019	401,191	(55,657)	94,385	24,852	744	57,369	4,794	527,678

**Notes to the consolidated and separate unaudited financial statements for the period ended 30 June 2020**
**1. Significant accounting policies**

The unaudited consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee ("IFRIC") as adopted by the Institute of Chartered Accountant Ghana (ICAG) and in a manner required by the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) and the Companies Act, 2019, (Act 992).

**Basis of preparation**

The summary of the Consolidated and Separate Financial Statements have been extracted from the unaudited consolidated and separate financial statements of the Bank and its subsidiaries in accordance with the Bank of Ghana Guide for Financial Publication for Banks & Bank of Ghana (BOG) Licensed Financial Institutions.

2. Quantitative Disclosures	2020	2019
a. Capital Adequacy Ratio (CRD) (%)	25.71	23.39
b. Non-Performing Loan (NPL) Ratio (%)	17.49	17.11
c. Liquidity ratio (%)	121.02	123.27

**3. Qualitative Disclosures**
**a. Dominant Risks**

The Bank is exposed to the following risks:

- Credit Risk
- Operational Risk
- Liquidity Risk
- Market Risk

The Board of Directors established the Bank's Risk Management Frameworks and Assets and Liabilities Committee (ALCO) to be responsible for the monitoring of the Bank's risks.

The Bank has Risk Management and Compliance Department which is guided by the Anti Money Laundering Act 2008 (Act 749 as amended), Anti-Terrorism Act 2008 (Act 762), all Regulations under the enactments and of policy and procedure manuals which have been instituted by the Board of Directors and Management. A comprehensive departmental manual has established a framework within which Management effectively manages and controls risks. The tasks involve in the risk management functions are to identify, define, measure, control, monitor and mitigate potential events that could impair the ability of the Group to generate stable and sustainable financial results from its operations.

**b. Risk management, compliance frameworks and measurement**

All risks are qualitatively and quantitatively evaluated on a recurring basis. Management understands the degree and nature of risk exposures on decisions regarding allocation of resources. Risk assessment is validated by the risk department which also tests the effectiveness of risk management activities and makes recommendations for remedial action. The Bank also identifies risk by evaluating the potential impact of internal and external factors, business transactions and positions.

Once the risks are identified, various mitigating measures are put in place to regulate the degree of risks involved.

4. Defaults in statutory liquidity and accompanying sanctions	2020	2019
Default in Statutory Liquidity (Times)	Nil	Nil
Default in Statutory Liquidity Sanctions (GHS'000)	Nil	Nil

"The financial statements do not contain untrue statements, misleading facts, or omit material facts, to the best of our knowledge."

Charles William Zwennes  
Chairman

Farid Antar  
Managing Director


**Republic Bank**  
We're the One for you!


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