

# GCB Bank Limited

Summary consolidated and separate financial statements for the period ended June 30, 2020 (unaudited)



All amounts are in thousands of Ghana cedis unless otherwise stated

## Summary statement of comprehensive income for the period ended June 30, 2020

	2020		2019	
	Bank	Group	Bank	Group
Interest income	876,058	879,450	739,861	740,129
Interest expense	(205,523)	(205,523)	(195,535)	(195,535)
<b>Net interest income</b>	<b>670,535</b>	<b>673,927</b>	<b>544,326</b>	<b>544,594</b>
Fee and commission income	150,108	150,108	130,132	130,132
Fee and commission expense	(30,528)	(30,528)	(27,198)	(27,198)
<b>Net fee and commission income</b>	<b>119,580</b>	<b>119,580</b>	<b>102,934</b>	<b>102,934</b>
Net trading income	110,794	110,794	72,701	72,701
Other revenue	5,552	9,090	4,423	4,454
<b>Revenue</b>	<b>906,461</b>	<b>913,391</b>	<b>724,384</b>	<b>724,683</b>
Net impairment loss on financial assets	(69,099)	(69,099)	(67,892)	(67,892)
Personnel expenses	(316,274)	(317,093)	(262,626)	(262,830)
Depreciation and amortisation	(70,308)	(70,400)	(59,382)	(59,403)
Other expenses	(199,355)	(199,893)	(149,220)	(149,324)
<b>Profit before income tax</b>	<b>251,425</b>	<b>256,906</b>	<b>185,264</b>	<b>185,234</b>
Income tax expense	(68,886)	(70,049)	(53,528)	(53,528)
<b>Profit for the period</b>	<b>182,539</b>	<b>186,857</b>	<b>131,736</b>	<b>131,706</b>
<b>Other Comprehensive Income:</b>				
<b>Items that may be reclassified to profit or loss</b>				
FVTOCI financial assets - net changes in fair value	(394)	(474)	(1,244)	(1,256)
Related tax	98	118	311	314
<b>Total items that may be reclassified to profit or loss</b>	<b>(296)</b>	<b>(356)</b>	<b>(933)</b>	<b>(942)</b>
<b>Total comprehensive income</b>	<b>182,243</b>	<b>186,501</b>	<b>130,803</b>	<b>130,764</b>
<b>Profit attributable to:</b>				
<b>Owners of the parent</b>	<b>182,539</b>	<b>186,857</b>	<b>131,736</b>	<b>131,706</b>
<b>Profit for the period</b>	<b>182,539</b>	<b>186,857</b>	<b>131,736</b>	<b>131,706</b>
<b>Total comprehensive income attributable to:</b>				
<b>Owners of the parent</b>	<b>182,243</b>	<b>186,501</b>	<b>130,803</b>	<b>130,764</b>
<b>Total comprehensive income for the period</b>	<b>182,243</b>	<b>186,501</b>	<b>130,803</b>	<b>130,764</b>
<b>Basic and diluted earnings per share (in GH¢)</b>	<b>1.38</b>	<b>1.41</b>	<b>0.99</b>	<b>0.99</b>

## Summary statement of cash flows for the period ended June 30, 2020

	2020		2019	
	Bank	Group	Bank	Group
<b>Cash flows from operating activities</b>				
Profit for the period	182,539	186,857	131,736	131,706
<b>Adjustments for:</b>				
Depreciation and amortisation	70,308	70,400	59,382	59,403
Net impairment loss on financial assets	69,099	69,099	67,892	67,892
Employee defined benefit expense	38,000	38,000	30,000	30,000
Net Interest income	(670,535)	(673,927)	(544,326)	(544,594)
Dividend income	(406)	(3,943)	(2,951)	(2,981)
Profit on sale of property and equipment	198	198	39	39
Income tax expense	68,886	70,049	53,528	53,528
	<b>(241,911)</b>	<b>(243,267)</b>	<b>(204,700)</b>	<b>(205,007)</b>
<b>Change in :</b>				
Loans and advances to customers	(21,137)	(21,137)	(376,390)	(376,390)
Advances to banks	(17,879)	(17,879)	(466)	(466)
Other assets	(179,423)	(179,442)	(107,476)	(107,500)
Deposits from banks and other financial institutions	(194,787)	(194,787)	(32,877)	(32,877)
Deposits from customers	1,462,970	1,462,970	353,934	391,738
Borrowings	98,367	98,367	6,351	6,351
Other liabilities and provisions	136,976	151,249	(87,419)	(87,898)
Non-pledged trading assets	(121,251)	(121,251)	(50,865)	(50,865)
<b>Cash used in operations</b>	<b>921,925</b>	<b>934,823</b>	<b>(499,908)</b>	<b>(462,914)</b>
Interest received	936,793	940,185	623,462	623,730
Dividend received	406	3,943	2,951	2,981
Interest paid	(199,726)	(199,726)	(249,263)	(249,263)
Income tax paid	(87,453)	(88,389)	(67,317)	(67,319)
Employee defined benefit paid	(6,844)	(6,844)	(8,651)	(8,651)
<b>Net cash from operating activities</b>	<b>1,565,101</b>	<b>1,583,992</b>	<b>(198,726)</b>	<b>(161,436)</b>
<b>Cash flows from investing activities</b>				
Purchase of investment securities	(890,920)	(898,057)	(172,207)	(172,190)
Purchase of property, equipment and right-of-use-asset	(38,564)	(38,570)	(66,512)	(66,512)
Proceeds from sale of property and equipment	177	177	120	120
Purchase of intangible assets	(13,654)	(13,677)	(31,749)	(31,749)
<b>Net cash used in investing activities</b>	<b>(942,961)</b>	<b>(950,127)</b>	<b>(270,348)</b>	<b>(270,331)</b>
<b>Cash flows from financing activities</b>				
Dividend Paid	-	-	(79,500)	(79,500)
<b>Net cash used in financing activities</b>	<b>-</b>	<b>-</b>	<b>(79,500)</b>	<b>(79,500)</b>
Total cash movement for the period	<b>622,140</b>	<b>633,865</b>	<b>(548,574)</b>	<b>(511,267)</b>
Cash and cash equivalents at January 1	<b>1,572,538</b>	<b>1,572,538</b>	<b>1,953,620</b>	<b>1,953,620</b>
<b>Cash and cash equivalents at June 30</b>	<b>2,194,678</b>	<b>2,206,403</b>	<b>1,405,046</b>	<b>1,442,353</b>

## Summary statement of financial position as at June 30, 2020

	2020		2019	
	Bank	Group	Bank	Group
<b>Assets</b>				
Cash and cash equivalents	2,194,678	2,206,403	1,405,046	1,442,353
Non-pledged trading assets	264,040	264,040	130,869	130,869
Investment (other than securities)	21,833	41,820	2,984	40,016
Loans and advances to customers	3,536,863	3,536,863	3,134,467	3,134,467
Advances to banks	235,465	235,465	233,631	233,631
Investment securities	6,826,673	6,860,284	4,917,839	4,921,826
Investment in associates	28,274	100,392	28,274	81,482
Investment in subsidiaries	1,000	-	1,000	-
Deferred tax asset	138,351	144,862	85,318	77,549
Intangible assets	180,711	180,734	192,109	192,109
Other assets	459,965	459,998	536,872	537,065
Property, equipment and right-of-use-asset	269,293	269,905	268,828	269,304
<b>Total assets</b>	<b>14,157,146</b>	<b>14,300,766</b>	<b>10,937,237</b>	<b>11,060,671</b>
<b>Liabilities</b>				
Deposits from banks and other financial institutions	307,124	307,124	239,892	239,892
Deposits from customers	10,800,014	10,800,014	8,407,664	8,407,664
Borrowings	565,307	565,307	306,006	306,006
Current tax liabilities	16,675	17,468	5,951	5,549
Employee defined benefit obligations	149,819	149,819	118,995	118,995
Other liabilities and provisions	483,598	480,909	482,312	481,869
<b>Total liabilities</b>	<b>12,322,537</b>	<b>12,320,641</b>	<b>9,560,820</b>	<b>9,559,975</b>
<b>Equity</b>				
Stated capital	500,000	500,000	500,000	500,000
Retained earnings	919,417	1,015,730	552,868	637,379
Statutory reserve	460,096	460,096	354,845	354,845
Regulatory credit risk reserve	-	-	-	-
Fair value reserve	(2,173)	14,145	(619)	24,788
Other reserves	(42,731)	(9,846)	(30,677)	(16,316)
<b>Total equity</b>	<b>1,834,609</b>	<b>1,980,125</b>	<b>1,376,417</b>	<b>1,500,696</b>
<b>Total liabilities and equity</b>	<b>14,157,146</b>	<b>14,300,766</b>	<b>10,937,237</b>	<b>11,060,671</b>

## Summary statement of changes in equity for the period ended June 30, 2020

	Stated capital	Fair value reserve	Other Reserves	Statutory reserve	Regulatory credit risk reserve	Retained earnings	Total
<b>The Bank</b>							
<b>Balance at January 1, 2020</b>	500,000	(1,845)	(43,073)	460,096	-	736,878	1,652,056
Profit for the period	-	-	-	-	-	182,539	182,539
<b>Other comprehensive income, net of tax</b>							
FVTOCI financial assets - net changes in fair value	-	(394)	-	-	-	-	(394)
Deferred tax	-	66	342	-	-	-	408
Dividend Paid	-	-	-	-	-	-	-
<b>Balance at June 30, 2020</b>	<b>500,000</b>	<b>(2,173)</b>	<b>(42,731)</b>	<b>460,096</b>	<b>-</b>	<b>919,417</b>	<b>1,834,609</b>
<b>The Group</b>							
<b>Balance at January 1, 2020</b>	500,000	1,582	(10,188)	460,096	-	828,873	1,780,363
Profit for the period	-	-	-	-	-	186,857	186,857
<b>Other comprehensive income, net of tax</b>							
FVTOCI financial assets - net changes in fair value	-	(500)	-	-	-	-	(500)
Deferred tax	-	13,063	342	-	-	-	13,405
Dividend Paid	-	-	-	-	-	-	-
<b>Balance at June 30, 2020</b>	<b>500,000</b>	<b>14,145</b>	<b>(9,846)</b>	<b>460,096</b>	<b>-</b>	<b>1,015,730</b>	<b>1,980,125</b>

## 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

	June 2020	June 2019
Capital Adequacy Ratio (Capital Requirements Directive)	19.1%	18.1%
Common Equity Tier 1 Ratio	17.3%	16.6%
Leverage Ratio	9.0%	9.5%
Non-performing loan ratio	7.8%	7.7%
Liquid Ratio	69%	53%
Statutory liquidity breach (times)	1	Nil
Sanctions for statutory liquidity breach (GH¢'000)	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

### 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