

# GCB Bank Limited

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



All amounts are in thousands of Ghana cedis unless otherwise stated

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

	2020		2019	
	Bank	Group	Bank	Group
Interest income	1,370,907	1,376,084	1,133,337	1,135,069
Interest expense	(319,942)	(319,942)	(291,762)	(291,762)
<b>Net interest income</b>	<b>1,050,965</b>	<b>1,056,142</b>	<b>841,575</b>	<b>843,307</b>
Fee and commission income	225,103	225,103	202,635	203,175
Fee and commission expense	(44,364)	(44,364)	(37,722)	(37,722)
<b>Net fee and commission income</b>	<b>180,739</b>	<b>180,739</b>	<b>164,913</b>	<b>165,453</b>
Net trading income	137,343	137,343	114,108	114,108
Other revenue	7,049	14,228	5,381	10,506
<b>Revenue</b>	<b>1,376,096</b>	<b>1,388,452</b>	<b>1,125,977</b>	<b>1,133,374</b>
Net impairment loss on financial assets	(102,795)	(102,795)	(84,207)	(84,207)
Personnel expenses	(466,604)	(467,764)	(399,138)	(399,572)
Depreciation and amortisation	(105,735)	(105,877)	(90,880)	(90,943)
Other expenses	(309,436)	(310,112)	(241,285)	(241,519)
<b>Profit before income tax</b>	<b>391,526</b>	<b>401,904</b>	<b>310,467</b>	<b>317,133</b>
Income tax expense	(112,599)	(114,454)	(88,329)	(89,078)
<b>Profit for the period</b>	<b>278,927</b>	<b>287,450</b>	<b>222,138</b>	<b>228,055</b>
<b>Other Comprehensive Income:</b>				
<b>Items that may not be reclassified to profit or loss</b>				
FVTOCI financial assets - net changes in fair value	(394)	(480)	(1,678)	(1,709)
Related tax	98	120	419	427
<b>Total items that may not be reclassified to profit or loss</b>	<b>(296)</b>	<b>(360)</b>	<b>(1,259)</b>	<b>(1,282)</b>
<b>Total comprehensive income</b>	<b>278,631</b>	<b>287,090</b>	<b>220,879</b>	<b>226,773</b>
<b>Profit attributable to:</b>				
<b>Owners of the parent</b>	<b>278,927</b>	<b>287,450</b>	<b>222,138</b>	<b>228,055</b>
<b>Profit for the period</b>	<b>278,927</b>	<b>287,450</b>	<b>222,138</b>	<b>228,055</b>
<b>Total comprehensive income attributable to:</b>				
<b>Owners of the parent</b>	<b>278,631</b>	<b>287,090</b>	<b>220,879</b>	<b>226,773</b>
<b>Total comprehensive income for the period</b>	<b>278,631</b>	<b>287,090</b>	<b>220,879</b>	<b>226,773</b>
<b>Basic and diluted earnings per share (in GH¢)</b>	<b>1.40</b>	<b>1.45</b>	<b>1.12</b>	<b>1.15</b>

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

	2020		2019	
	Bank	Group	Bank	Group
<b>Cash flows from operating activities</b>				
Profit for the period	278,927	287,450	222,138	228,055
<b>Adjustments for:</b>				
Depreciation and amortisation	105,735	105,877	90,880	90,943
Net impairment loss on financial assets	102,795	102,795	84,207	84,207
Employee defined benefit expense	53,000	53,000	45,000	45,000
Net Interest income	(1,050,965)	(1,056,142)	(841,575)	(843,307)
Dividend income	(702)	(7,881)	(2,951)	(7,536)
Profit on sale of property and equipment	187	187	(233)	(233)
Income tax expense	112,599	114,454	88,329	89,078
	<b>(398,424)</b>	<b>(400,260)</b>	<b>(314,205)</b>	<b>(313,793)</b>
<b>Change in :</b>				
Loans and advances to customers	(4,449)	(4,449)	(130,571)	(130,571)
Advances to banks	12,335	12,335	(7,069)	(7,069)
Other assets	(229,116)	(229,127)	60,309	59,483
Deposits from banks and other financial institutions	59,568	59,568	(21,861)	(21,861)
Deposits from customers	2,097,699	2,097,699	485,887	523,690
Borrowings	(142,917)	(142,917)	(51,848)	(51,848)
Other liabilities and provisions	205,732	219,946	(71,066)	(74,454)
Non-pledged trading assets	(73,673)	(73,673)	(64,137)	(64,137)
<b>Cash used in operations</b>	<b>1,526,755</b>	<b>1,539,122</b>	<b>(114,561)</b>	<b>(80,560)</b>
Interest received	1,345,679	1,350,857	1,117,119	1,118,851
Dividend received	702	7,881	2,951	7,536
Interest paid	(315,600)	(315,600)	(350,238)	(350,238)
Income tax paid	(144,751)	(145,979)	(105,992)	(106,561)
Employee defined benefit paid	(11,001)	(11,001)	(12,750)	(12,750)
<b>Net cash from operating activities</b>	<b>2,401,784</b>	<b>2,425,280</b>	<b>536,529</b>	<b>576,278</b>
<b>Cash flows from investing activities</b>				
Purchase of investment securities	(1,625,045)	(1,642,274)	(399,763)	(423,911)
Purchase of property, equipment and right-of-use-asset	(64,368)	(64,443)	(70,225)	(70,225)
Proceeds from sale of property and equipment	187	187	392	392
Purchase of intangible assets	(39,941)	(40,060)	(35,372)	(35,372)
<b>Net cash used in investing activities</b>	<b>(1,729,167)</b>	<b>(1,746,590)</b>	<b>(504,968)</b>	<b>(529,116)</b>
<b>Cash flows from financing activities</b>				
Dividend Paid	(53,000)	(53,000)	(79,500)	(79,500)
<b>Net Cash used in financing activities</b>	<b>(53,000)</b>	<b>(53,000)</b>	<b>(79,500)</b>	<b>(79,500)</b>
Total cash movement for the period	<b>619,617</b>	<b>625,690</b>	<b>(47,939)</b>	<b>(32,338)</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 September 30</b>	<b>2,192,155</b>	<b>2,198,228</b>	<b>1,905,681</b>	<b>1,921,282</b>

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

	2020		2019	
	Bank	Group	Bank	Group
<b>Assets</b>				
Cash and cash equivalents	2,192,155	2,198,228	1,905,681	1,921,282
Non-pledged trading assets	216,463	216,463	144,141	144,141
Investment (other than securities)	21,833	42,168	2,550	41,664
Loans and advances to customers	3,448,073	3,448,073	2,857,146	2,857,146
Advances to banks	197,766	197,766	210,562	210,562
Investment securities	7,654,246	7,697,866	5,074,885	5,103,811
Investment in associates	28,274	100,392	28,274	81,482
Investment in subsidiaries	1,000	-	1,000	-
Deferred tax asset	142,388	148,895	97,871	90,109
Intangible assets	189,703	189,920	180,406	180,406
Other assets	509,657	510,272	369,087	370,081
Property, equipment and right-of-use-asset	275,899	276,530	267,984	268,692
<b>Total assets</b>	<b>14,877,457</b>	<b>15,026,573</b>	<b>11,139,587</b>	<b>11,269,376</b>
<b>Liabilities</b>				
Deposits from banks and other financial institutions	561,479	561,479	250,908	250,908
Deposits from customers	11,439,345	11,439,345	8,534,868	8,534,868
Borrowings	317,965	317,965	247,807	247,807
Current tax liabilities	29,136	29,086	23,896	23,676
Employee defined benefit obligations	160,662	160,662	129,897	129,897
Other liabilities and provisions	490,873	490,302	485,825	485,634
<b>Total liabilities</b>	<b>12,999,460</b>	<b>12,998,839</b>	<b>9,673,201</b>	<b>9,672,790</b>
<b>Equity</b>				
Stated capital	500,000	500,000	500,000	500,000
Retained earnings	962,805	1,063,323	643,271	733,728
Statutory reserve	460,096	460,096	354,845	354,845
Regulatory credit risk reserve	-	-	-	-
Fair value reserve	(2,173)	14,161	(1,053)	24,329
Other reserves	(42,731)	(9,846)	(30,677)	(16,316)
<b>Total equity</b>	<b>1,877,997</b>	<b>2,027,734</b>	<b>1,466,386</b>	<b>1,596,586</b>
<b>Total liabilities and equity</b>	<b>14,877,457</b>	<b>15,026,573</b>	<b>11,139,587</b>	<b>11,269,376</b>

## Summary statement of changes in equity for the period ended September 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	-	-	-	-	-	278,927	278,927
<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	-	-	-	-	-	(53,000)	(53,000)
<b>Balance at September 30, 2020</b>	<b>500,000</b>	<b>(2,173)</b>	<b>(42,731)</b>	<b>460,096</b>	<b>-</b>	<b>962,805</b>	<b>1,877,997</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	-	-	-	-	-	287,450	287,450
<b>Other comprehensive income, net of tax</b>							
FVTOCI financial assets - net changes in fair value	-	(480)	-	-	-	-	(480)
Deferred tax	-	13,059	342	-	-	-	13,401
Dividend Paid	-	-	-	-	-	(53,000)	(53,000)
<b>Balance at September 30, 2020</b>	<b>500,000</b>	<b>14,161</b>	<b>(9,846)</b>	<b>460,096</b>	<b>-</b>	<b>1,063,323</b>	<b>2,027,734</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

	Sept. 2020	Sept. 2019
Capital adequacy ratio (capital requirements directive)	18.3%	18.3%
Common equity tier 1 ratio	16.3%	16.3%
Leverage ratio	8.1%	9.2%
Non-performing loan ratio	9.3%	7.1%
Liquid ratio	69%	60%
Statutory liquidity breach (times)	1	Nil
Sanctions for statutory liquidity breach (GH¢'000')	183	Nil

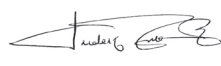
### 4. Qualitative Disclosures

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

  
Socrates Afram  
Ag. Managing Director