

# GCB Bank Limited

Consolidated Financial Statements for the period ended March 31, 2016 (unaudited)



All amounts are in thousands of Ghana cedis unless otherwise stated.

## Statements of comprehensive income for the period ended March 31, 2016

	The Group		The Bank	
	Mar 2016	Mar 2015	Mar 2016	Mar 2015
Interest income	225,258	195,650	224,938	195,361
Interest expense	(27,781)	(23,634)	(27,781)	(23,634)
<b>Net interest income</b>	<b>197,477</b>	<b>172,016</b>	<b>197,157</b>	<b>171,727</b>
Fee and commission income	39,447	28,254	39,447	28,254
Fee and commission expense	(5,840)	(5,344)	(5,840)	(5,344)
<b>Net fee and commission income</b>	<b>33,607</b>	<b>22,910</b>	<b>33,607</b>	<b>22,910</b>
Net trading income	9,681	5,324	9,681	5,324
Other income	6,973	9,597	6,973	9,597
<b>Revenue</b>	<b>247,738</b>	<b>209,847</b>	<b>247,418</b>	<b>209,558</b>
Impairment charge on loans and advances	(418)	(3,923)	(418)	(3,923)
Operating expenses	(120,148)	(91,685)	(120,138)	(91,676)
<b>Profit before tax</b>	<b>127,172</b>	<b>114,239</b>	<b>126,862</b>	<b>113,959</b>
Taxation	(22,756)	(27,713)	(22,679)	(27,643)
National fiscal stabilization levy	(6,343)	(5,698)	(6,343)	(5,698)
<b>Profit for the period</b>	<b>98,073</b>	<b>80,828</b>	<b>97,840</b>	<b>80,618</b>
<b>Other Comprehensive Income (OCI)</b>				
<b>Items that may be reclassified to profit or loss</b>				
Available-for-sale financial assets - net changes in fair value	(1,915)	(776)	(1,891)	(734)
Related tax	478	194	472	194
<b>Other comprehensive income, net of tax</b>	<b>(1,437)</b>	<b>(582)</b>	<b>(1,419)</b>	<b>(540)</b>
<b>Total comprehensive income</b>	<b>96,636</b>	<b>80,246</b>	<b>96,421</b>	<b>80,078</b>
Basic and diluted earnings per share (in GH¢)	1.48	1.22	1.48	1.22

## Statements of financial position at March 31, 2016

	The Group		The Bank	
	Mar 2016	Mar 2015	Mar 2016	Mar 2015
<b>Assets</b>				
Cash and cash equivalents	424,317	621,561	416,714	618,696
Government securities	2,141,687	2,042,871	2,135,759	2,037,633
Advances to banks	572,605	91,503	572,605	91,503
Loans and advances to customers	1,480,579	1,331,280	1,479,949	1,330,761
Investment securities: available-for-sale	5,715	7,834	4,243	6,038
Investment in subsidiary*	-	-	1,000	-
Investment in associates	49,468	49,468	30,126	30,126
Investment in other equity securities	524	524	390	390
Deferred tax asset	49,596	28,754	49,639	28,805
National fiscal stabilisation levy asset	1,340	-	1,485	-
Property and equipment	150,307	122,765	150,307	122,765
Intangible assets	15,965	10,679	15,965	10,679
Other assets	192,151	199,343	192,151	199,343
Income tax asset	-	1,603	-	1,809
<b>Total assets</b>	<b>5,084,254</b>	<b>4,508,185</b>	<b>5,050,333</b>	<b>4,478,548</b>
<b>Liabilities</b>				
Deposits from customers	3,498,725	3,085,124	3,498,725	3,085,124
Other liabilities	345,929	391,571	349,722	391,617
<b>Borrowings</b>	<b>204,712</b>	<b>191,350</b>	<b>204,712</b>	<b>191,350</b>
Income tax liabilities	4,817	-	4,660	-
Employee benefit obligations	79,949	70,716	79,949	70,716
<b>Total liabilities</b>	<b>4,134,132</b>	<b>3,738,761</b>	<b>4,137,768</b>	<b>3,738,807</b>
<b>Equity</b>				
Stated capital	100,000	100,000	100,000	100,000
Retained earnings	636,025	482,278	595,850	452,033
Fair value reserve	(2,467)	1,214	151	1,776
Statutory reserve	210,097	179,505	210,097	179,505
Credit risk reserve	31,648	28,900	31,648	28,900
Other reserves	(25,181)	(22,473)	(25,181)	(22,473)
<b>Total equity</b>	<b>950,122</b>	<b>769,424</b>	<b>912,565</b>	<b>739,741</b>
<b>Total liabilities and equity</b>	<b>5,084,254</b>	<b>4,508,185</b>	<b>5,050,333</b>	<b>4,478,548</b>

\*The balance for the prior period was GH¢20 which resulted in a nil balance when rounded to the nearest thousand.

## Statements of cash flows for the period ended March 31, 2016

	The Group		The Bank	
	Mar 2016	Mar 2015	Mar 2016	Mar 2015
<b>Cash flows from operating activities</b>				
Profit for the period	127,172	114,239	126,862	113,959
<b>Adjustments for:</b>				
Depreciation and amortization	10,100	9,196	10,100	9,196
Impairment charge on loans and advances	418	3,923	418	3,923
Allowances for employee benefit	6,000	4,500	6,000	4,500
Net interest income	(197,477)	(172,016)	(197,157)	(171,727)
Dividend income	(6,745)	(8,527)	(6,745)	(8,527)
Profit on sale of property and equipment	-	(18)	-	(18)
	<b>(60,532)</b>	<b>(48,703)</b>	<b>(60,522)</b>	<b>(48,694)</b>
<b>Change in :</b>				
Loans and advances to customers	14,590	(68,487)	15,220	(67,969)
Advances to banks	(357,730)	15,904	(357,730)	15,904
Other assets	(93,887)	(135,741)	(94,377)	(135,741)
Deposits from customers	130,319	7,054	130,319	7,054
Borrowings	7,722	28,142	7,722	28,142
Other liabilities	198,934	39,974	197,895	31,813
Employee benefits paid	(1,908)	(1,116)	(1,908)	(1,116)
Government securities	(94,240)	(177,854)	(88,311)	(172,855)
	<b>(196,200)</b>	<b>(292,124)</b>	<b>(191,170)</b>	<b>(294,768)</b>
Interest received	194,030	258,320	193,973	258,091
Dividend received	6,745	8,527	6,745	8,527
Interest paid	(26,846)	(24,452)	(26,846)	(24,452)
Income tax paid	(28,967)	(31,288)	(29,068)	(31,288)
<b>Net cash flow from operating activities</b>	<b>(111,770)</b>	<b>(129,720)</b>	<b>(106,888)</b>	<b>(132,584)</b>
<b>Cash flows from investing activities</b>				
Acquisition of property and equipment	(15,720)	(6,427)	(15,720)	(6,427)
Proceeds from sale of property and equipment	-	18	-	18
Investment in equity securities	3,675	(276)	(1,000)	(277)
Acquisition of intangible assets	-	(115)	-	(115)
<b>Net cash used in investing activities</b>	<b>(12,045)</b>	<b>(6,800)</b>	<b>(16,720)</b>	<b>(6,801)</b>
Change in cash and cash equivalents	(123,815)	(136,520)	(123,608)	(139,385)
Cash and cash equivalents at January 1	548,132	758,081	540,322	758,081
<b>Cash and cash equivalents at March 31</b>	<b>424,317</b>	<b>621,561</b>	<b>416,714</b>	<b>618,696</b>

## Disclosures

- The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.
- 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, 2015.
- For the period under review the Bank did not record any statutory breaches and therefore did not incur regulatory sanctions.

### 4. Social Responsibility

Amount spent on corporate social responsibility

	Mar 2016	Mar 2015
Amount spent on corporate social responsibility	415	156
<b>5. Contingent Liabilities</b>		
Letters of Credit	218,415	76,679
Guarantees and Indemnities	145,281	397,381
	<b>363,696</b>	<b>474,060</b>
<b>6. Capital Adequacy Ratio</b>	<b>25%</b>	<b>24%</b>
<b>7. Non-performing loan ratio</b>	<b>14%</b>	<b>12%</b>

### 8. 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

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

Daniel Owiredu  
Board Chairman

Samuel Sarpong  
Acting Managing Director