

# GCB Bank Limited



Consolidated financial statements for the period ended June 30, 2017 (un-audited)

All amounts are in thousands of Ghana cedis unless otherwise stated

## Statements of comprehensive income

For the period ended June 30, 2017

	June 2017		June 2016	
	The Bank	The Group	The Bank	The Group
Interest income	538,416	538,892	473,015	473,446
Interest expense	(112,993)	(112,993)	(49,557)	(49,557)
<b>Net interest income</b>	<b>425,423</b>	<b>425,899</b>	<b>423,458</b>	<b>423,889</b>
Fee and commission income	89,487	89,487	83,212	83,212
Fee and commission expense	(16,659)	(16,659)	(13,503)	(13,503)
<b>Net fee and commission income</b>	<b>72,828</b>	<b>72,828</b>	<b>69,709</b>	<b>69,709</b>
Net trading income	18,085	18,085	15,176	15,176
Other operating income	5,698	9,948	6,894	6,932
Other income	2,067	2,067	493	493
<b>Operating income</b>	<b>524,101</b>	<b>528,827</b>	<b>515,730</b>	<b>516,199</b>
Impairment loss on loans and advances	(22,391)	(22,391)	4,826	4,826
Personnel expenses	(174,775)	(175,558)	(139,280)	(139,280)
Depreciation and amortisation	(28,130)	(28,130)	(20,243)	(20,243)
Other expenses	(158,728)	(157,973)	(92,155)	(92,174)
<b>Profit before income tax</b>	<b>140,077</b>	<b>144,775</b>	<b>268,878</b>	<b>269,328</b>
Income tax expense	(38,568)	(39,020)	(81,662)	(81,768)
<b>Profit for the period</b>	<b>101,509</b>	<b>105,755</b>	<b>187,216</b>	<b>187,560</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	414	198	(1,735)	(1,755)
Related tax	(104)	(50)	434	439
<b>Other comprehensive income, net of tax</b>	<b>310</b>	<b>148</b>	<b>(1,301)</b>	<b>(1,316)</b>
<b>Total comprehensive income</b>	<b>101,819</b>	<b>105,903</b>	<b>185,915</b>	<b>186,244</b>
Basic and diluted earnings per share (in GHC)	0.77	0.80	1.41	1.42

## Statements of financial position

at June 30, 2017

	2017		2016	
	The Bank	The Group	The Bank	The Group
<b>Assets</b>				
Cash and cash equivalents	1,027,191	1,050,446	689,310	696,774
Investment securities	3,029,548	3,035,664	2,225,052	2,230,987
Advances to banks	312,900	312,900	150,369	150,369
Loans and advances to customers	1,369,127	1,369,127	1,480,132	1,480,761
Investments (other than securities)	2,935	5,417	4,810	6,421
Investment in subsidiary	1,000	-	1,000	-
Investment in associates	28,274	47,616	30,126	49,468
Deferred tax asset	34,698	34,806	42,583	42,538
Property and equipment	203,172	203,172	155,184	155,184
Intangible assets	36,052	36,052	15,139	15,139
Other assets	227,705	221,659	183,947	183,946
National fiscal stabilisation levy asset	4,299	4,299	-	-
<b>Total assets</b>	<b>6,276,901</b>	<b>6,321,158</b>	<b>4,977,652</b>	<b>5,011,587</b>
<b>Liabilities</b>				
Deposits from customers	4,605,699	4,605,699	3,550,362	3,550,362
Other liabilities	295,319	291,078	405,590	401,238
Borrowings	249,271	249,271	4,350	4,350
Income tax liabilities	2,968	2,793	18,852	19,322
Employee benefit obligations	107,231	107,231	82,992	82,992
National fiscal stabilisation levy liability	-	-	838	983
<b>Total liabilities</b>	<b>5,260,488</b>	<b>5,256,072</b>	<b>4,062,984</b>	<b>4,059,247</b>
<b>Equity</b>				
Stated capital	100,000	100,000	100,000	100,000
Retained earnings	704,724	768,021	611,765	652,051
Fair value reserve	(338)	(940)	328	(2,286)
Statutory reserve	247,473	247,473	210,097	210,097
Credit risk reserve	-	-	17,659	17,659
Other reserves	(35,446)	(49,468)	(25,181)	(25,181)
<b>Total equity</b>	<b>1,016,413</b>	<b>1,065,086</b>	<b>914,668</b>	<b>952,340</b>
<b>Total liabilities and equity</b>	<b>6,276,901</b>	<b>6,321,158</b>	<b>4,977,652</b>	<b>5,011,587</b>

## Statements of cash flows

for the period ended June 30, 2017

	June 2017		June 2016	
	The Bank	The Group	The Bank	The Group
<b>Cash flows from operating activities</b>				
Profit for the period	140,077	144,775	268,878	269,328
<b>Adjustments for:</b>				
Depreciation and amortization	28,130	28,130	20,243	20,243
Impairment on loans and advances	22,392	22,392	(4,826)	(4,826)
Allowance for employee benefit obligations	19,000	19,000	12,000	12,000
Net Interest income	(425,423)	(425,899)	(423,458)	(423,889)
Dividend income	(5,691)	(9,941)	(6,891)	(6,929)
Profit on sale of property and equipment	(270)	(270)	-	-
	<b>(221,785)</b>	<b>(221,813)</b>	<b>(134,054)</b>	<b>(134,073)</b>
<b>Change in:</b>				
Change in loans and advances to customers	21,459	21,459	(46,193)	(46,822)
Change in loans and advances to banks	121,252	121,252	(142,387)	(142,387)
Change in other assets	(91,268)	(85,222)	(86,173)	(85,682)
Change in deposits from customers	325,923	345,765	181,956	181,956
Change in other liabilities and provisions	(153,458)	(161,910)	98,773	128,236
Employee benefits paid	(7,001)	(7,001)	(4,864)	(4,864)
	<b>216,907</b>	<b>234,343</b>	<b>1,112</b>	<b>30,437</b>
Interest received	500,670	500,793	468,768	468,825
Dividend received	5,691	9,941	6,891	6,929
Interest paid	(100,944)	(100,944)	(56,793)	(56,793)
Tax paid	(54,947)	(55,361)	(58,137)	(57,752)
<b>Net cash flow from operating activities</b>	<b>345,592</b>	<b>366,959</b>	<b>227,787</b>	<b>257,573</b>
<b>Cash flows from investing activities</b>				
Purchase of property and equipment	(35,702)	(35,702)	(28,596)	(28,596)
Proceeds from sale of property and equipment	709	709	-	-
Purchase of investment securities	(361,428)	(367,544)	(183,262)	(210,258)
Purchase of intangible assets	(1,714)	(1,714)	(1,303)	(1,303)
Investments (other than securities)	459	8,463	(1,020)	3,654
<b>Net cash used in investing activities</b>	<b>(397,676)</b>	<b>(395,788)</b>	<b>(214,181)</b>	<b>(236,503)</b>
<b>Cash flows from financing activities</b>				
Dividends paid	(100,700)	(100,700)	(87,450)	(87,450)
<b>Net cash from financing activities</b>	<b>(100,700)</b>	<b>(100,700)</b>	<b>(87,450)</b>	<b>(87,450)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(152,784)</b>	<b>(129,529)</b>	<b>(73,844)</b>	<b>(66,380)</b>
Cash and cash equivalents at January 1	1,179,975	1,179,975	763,154	763,154
<b>Cash and cash equivalents at June 30</b>	<b>1,027,191</b>	<b>1,050,446</b>	<b>689,310</b>	<b>696,774</b>

## Disclosures

1. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board

2. 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, 2016

	June 2017	June 2016
3. Corporate Social Responsibility Spend (GHC'000)	2,588	785
4. Contingencies and Commitments (GHC'000)	398,038	553,880
5. Capital Adequacy Ratio	26%	25%
6. Non-performing loan ratio	14%	13%
7. Statutory liquidity breach (times)	Nil	Nil
8. Sanctions for statutory liquidity breach (GHC'000)	Nil	Nil

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.

Signed:  
Jude Arthur  
Board Chairman

Signed:  
Anselm Ray Sowah  
Managing Director