

GCB Bank Limited

Consolidated financial statements for the period ended September 30, 2017 (Unaudited)



All amounts are in thousands of Ghana cedis unless otherwise stated

Statements of comprehensive income for the period ended September 30, 2017

	The Group		The Bank	
	Sep 2017	Sep 2016	Sep 2017	Sep 2016
Interest income	791,365	723,732	790,669	722,883
Interest expense	(166,847)	(74,028)	(166,847)	(74,028)
Net interest income	624,518	649,704	623,822	648,855
Fee and commission income	136,697	129,320	136,697	129,320
Fee and commission expense	(27,124)	(23,613)	(27,124)	(23,613)
Net fee and commission income	109,573	105,707	109,573	105,707
Net trading income	26,401	18,665	26,401	18,665
Other operating income	13,830	20,208	5,701	8,919
Other income	2,485	864	2,485	864
Operating income	776,807	795,148	767,982	783,010
Impairment loss on loans and advances	(34,391)	(103)	(34,391)	(103)
Personnel expenses	(269,233)	(206,651)	(269,233)	(206,651)
Depreciation and amortisation	(42,724)	(30,264)	(42,724)	(30,264)
Other expenses	(246,346)	(145,937)	(246,299)	(145,909)
Profit before income tax expense	184,113	412,193	175,335	400,083
Income tax expense	(50,463)	(123,210)	(49,650)	(122,102)
Profit for the period	133,650	288,983	125,685	277,981
Other Comprehensive Income (OCI)				
Items that may be reclassified to profit or loss				
Available-for-sale financial assets - net changes in fair value	1,379	(1,779)	1,715	(1,734)
Related tax	(345)	444	(429)	433
Other comprehensive income, net of tax	1,034	(1,335)	1,286	(1,301)
Total comprehensive income	134,684	287,648	126,971	276,680
Basic and diluted earnings per share (in GH¢)	0.67	1.45	0.63	1.40

Statements of financial position at September 30, 2017

	The Group		The Bank	
	Sep 2017	Sep 2016	Sep 2017	Sep 2016
Cash and cash equivalents	854,090	388,767	826,948	370,406
Trading assets	11,232	-	11,232	-
Investment securities	3,043,908	2,576,774	3,035,617	2,569,390
Loans and advances to banks	271,213	382,801	271,213	382,801
Loans and advances to customers	1,566,646	1,550,853	1,566,646	1,550,223
Investment in subsidiary	-	-	1,000	1,000
Investment in associates	47,616	49,468	28,274	30,126
National fiscal stabilisation levy asset	3,834	-	3,980	-
Deferred tax asset	45,923	27,901	45,862	27,937
Property and equipment	218,664	174,499	218,664	174,499
Intangible assets	33,539	13,309	33,539	13,309
Other assets	733,981	188,675	740,027	188,675
Total assets	6,830,646	5,353,047	6,783,002	5,308,366
Liabilities				
Deposits from customers	4,981,844	3,897,651	4,981,844	3,897,651
Other liabilities	409,161	286,406	413,783	289,970
Borrowings	226,016	14,359	226,016	14,359
Income tax liabilities	3,956	13,600	3,922	13,797
Employee benefit obligations	115,547	85,403	115,547	85,403
National fiscal stabilisation levy liability	-	2,765	-	2,620
Total liabilities	5,736,524	4,300,184	5,741,112	4,303,800
Equity				
Stated capital	100,000	100,000	100,000	100,000
Retained earnings	795,916	751,818	728,901	700,875
Fair value reserve	201	(3,185)	963	(539)
Statutory reserve	247,473	210,097	247,473	210,097
Credit risk reserve	-	19,314	-	19,314
Other reserves	(49,468)	(25,181)	(35,447)	(25,181)
Total equity	1,094,122	1,052,863	1,041,890	1,004,566
Total liabilities and equity	6,830,646	5,353,047	6,783,002	5,308,366

Statements of cash flows for the period ended September 30, 2017

	The Group		The Bank	
	Sep 2017	Sep 2016	Sep 2017	Sep 2016
Cash flows from operating activities				
Profit for the period	133,650	288,983	125,685	277,981
Adjustments for:				
Depreciation and amortisation	42,724	30,264	42,724	30,264
Impairment on loans and advances	34,391	103	34,391	103
Allowance for employee benefit obligations	31,000	18,000	31,000	18,000
Net Interest income	(624,518)	(649,704)	(623,822)	(648,855)
Dividend income	(13,820)	(18,383)	(5,691)	(7,094)
Profit on sale of property and equipment	(246)	-	(246)	-
Income tax expense	50,463	123,210	49,650	122,102
	(346,356)	(207,527)	(346,309)	(207,499)
Change in :				
Loans and advances to customers	(188,060)	(121,842)	(188,060)	(121,213)
Loans and advances to banks	162,940	(167,926)	162,940	(167,926)
Trading assets	(11,232)	-	(11,232)	-
Other assets	(597,545)	(90,411)	(603,591)	(90,901)
Deposits from customers	721,911	529,245	702,069	529,245
Other liabilities and provisions	(66,228)	213,284	(57,541)	191,098
Employee benefits paid	(10,686)	(8,454)	(10,686)	(8,454)
Investment securities	(370,832)	(511,208)	(372,907)	(489,023)
Borrowings	-	(182,631)	-	(182,631)
	(359,732)	(339,943)	(379,008)	(339,805)
Interest received	763,575	684,562	763,029	683,849
Dividend received	13,820	18,383	5,691	7,094
Interest paid	(153,834)	(81,495)	(153,834)	(81,495)
Tax paid	(76,682)	(88,490)	(75,920)	(87,205)
Net cash flow from operating activities	(159,209)	(14,510)	(186,351)	(25,061)
Cash flows from investing activities				
Purchase of property and equipment	(65,222)	(55,885)	(65,222)	(55,885)
Proceeds from sale of property and equipment	960	-	960	-
Purchase of intangible assets	(1,714)	(1,520)	(1,714)	(1,520)
	(65,976)	(57,405)	(65,976)	(57,405)
Net cash used in investing activities				
Cash flows from financing activities				
Dividends paid	(100,700)	(87,450)	(100,700)	(87,450)
Net cash from financing activities	(100,700)	(87,450)	(100,700)	(87,450)
Net decrease in cash and cash equivalents	(325,885)	(159,365)	(353,027)	(169,916)
Cash and cash equivalents at January 1	1,179,975	548,132	1,179,975	540,322
Cash and cash equivalents at September 30	854,090	388,767	826,948	370,406

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 (IASB) and adopted by the Institute of Chartered Accounts, Ghana (ICAG).

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

- Corporate Social Responsibility Spend (GH¢,000)
- Contingencies and Commitments (GH¢'000)
- Capital Adequacy Ratio
- Non-performing loan ratio
- Statutory liquidity breach (times)
- Sanctions for statutory liquidity breach (GH¢'000)

	Sep 2017	Sep 2016
3. Corporate Social Responsibility Spend (GH¢,000)	3,969	1,793
4. Contingencies and Commitments (GH¢'000)	202,722	511,261
5. Capital Adequacy Ratio	25%	27%
6. Non-performing loan ratio	13%	12%
7. Statutory liquidity breach (times)	Nil	Nil
8. Sanctions for statutory liquidity breach (GH¢'000)	Nil	Nil

9. 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

10. 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