

# GCB Bank Limited

Summary consolidated and separate financial statements  
for the period ended March 31, 2019 (unaudited)



All amounts are in thousands of Ghana cedis unless otherwise stated

## Summary statement of comprehensive income for the period ended March 31, 2019

	2019		2018	
	Bank	Group	Bank	Group
Interest income	359,938	360,071	375,037	375,197
Interest expense	(99,108)	(99,108)	(116,105)	(116,105)
<b>Net interest income</b>	<b>260,830</b>	<b>260,963</b>	<b>198,932</b>	<b>199,092</b>
Fee and commission income	63,621	63,621	57,927	57,927
Fee and commission expense	(13,265)	(13,265)	(11,954)	(11,954)
<b>Net fee and commission income</b>	<b>50,356</b>	<b>50,356</b>	<b>45,973</b>	<b>45,973</b>
Net trading income	38,339	38,339	13,879	13,879
Other revenue	1,957	2,657	656	2,656
<b>REVENUE</b>	<b>353,082</b>	<b>353,815</b>	<b>259,540</b>	<b>261,700</b>
Net impairment loss on financial assets	(21,607)	(21,607)	(25,979)	(25,979)
Personnel expenses	(110,519)	(110,519)	(108,493)	(107,668)
Depreciation and amortisation	(29,571)	(29,571)	(15,833)	(15,833)
Other expenses	(11,433)	(11,433)	(31,194)	(30,933)
<b>Profit before income tax</b>	<b>91,358</b>	<b>91,372</b>	<b>91,041</b>	<b>93,107</b>
Income tax expense	(25,602)	(25,606)	(14,396)	(14,373)
<b>Profit for the period</b>	<b>65,756</b>	<b>65,766</b>	<b>76,645</b>	<b>78,734</b>
<b>Other Comprehensive Income:</b>				
Items that may be reclassified to profit or loss				
FVTPL financial assets - net changes in fair value	(707)	(707)	1,231	1,183
Related tax	74	73	(293)	(293)
<b>Total items that may be reclassified to profit or loss</b>	<b>(223)</b>	<b>(219)</b>	<b>938</b>	<b>890</b>
<b>Total comprehensive income</b>	<b>65,733</b>	<b>65,747</b>	<b>77,583</b>	<b>79,428</b>
<b>Profit attributable to:</b>				
Owners of the parent	65,756	65,766	76,645	78,734
<b>Profit for the period</b>	<b>65,756</b>	<b>65,766</b>	<b>76,645</b>	<b>78,734</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	65,733	65,747	77,583	79,428
<b>Total comprehensive income for the period</b>	<b>65,733</b>	<b>65,747</b>	<b>77,583</b>	<b>79,428</b>
<b>Basic and diluted EPS - annualised (in GH¢)</b>	<b>1.00</b>	<b>1.00</b>	<b>0.55</b>	<b>0.58</b>

## Summary statement of cash flows for the period ended March 31, 2019

	2019		2018	
	Bank	Group	Bank	Group
<b>Cash flows from operating activities</b>				
Profit for the period	65,756	65,766	76,645	78,734
<b>Adjustments for:</b>				
Depreciation and amortisation	29,571	29,571	15,833	15,833
Net impairment loss on financial assets	21,607	21,607	25,979	25,979
Employee defined benefit expense	15,000	15,000	14,722	14,722
Net interest income	(260,830)	(260,963)	(198,932)	(199,092)
Dividend income	(2,951)	(2,951)	-	(2,000)
(Profit)/loss on sale of property and equipment	(53)	(53)	73	73
Income tax expense	25,602	25,606	14,396	14,373
<b>Change in:</b>				
Loans and advances to customers	(312,518)	(312,518)	(21,508)	(21,508)
Advances to banks	(192)	(192)	(43,860)	(43,860)
OTHER ASSETS	(14,392)	(14,392)	284,137	324,585
Deposits from banks and other financial institutions	40,400	40,400	-	-
Deposits from customers	15,939	73,743	(49,415)	(49,415)
Borrowings	8,697	8,697	99,491	99,491
Other liabilities and provisions	36,607	36,607	(111,799)	(113,364)
Employee defined benefit paid	(4,045)	(4,045)	(4,063)	(4,063)
Non-pledged trading assets	(43,113)	(43,113)	(64,948)	(64,948)
<b>Cash generated from (used in) operations</b>	<b>(345,643)</b>	<b>(311,669)</b>	<b>1,876</b>	<b>40,170</b>
Interest received	297,733	297,866	257,638	257,688
Dividend received	2,951	2,951	-	2,000
Interest paid	(141,516)	(141,516)	(130,800)	(130,185)
Income tax paid	(31,548)	(31,548)	(20,300)	(20,297)
<b>Net cash from operating activities</b>	<b>(224,713)</b>	<b>(186,226)</b>	<b>299,219</b>	<b>249,676</b>
<b>Cash flows from investing activities</b>				
Purchase of property and equipment	(34,631)	(34,631)	(9,706)	(9,706)
Purchase of investment securities	(190,992)	(190,987)	(135,708)	(139,939)
Proceeds from sale of property and equipment	63	63	-	-
Purchase of intangible assets	(21,459)	(21,459)	-	-
<b>Net cash used in investing activities</b>	<b>(246,919)</b>	<b>(246,914)</b>	<b>(145,414)</b>	<b>(149,645)</b>
Total cash movement for the period	(471,043)	(433,140)	61,805	100,031
Cash and cash equivalents at January 1	1,953,620	1,653,620	1,022,684	1,022,684
<b>Cash and cash equivalents at March 31</b>	<b>1,482,577</b>	<b>1,520,480</b>	<b>1,084,489</b>	<b>1,122,715</b>

## Summary statement of financial position as at March 31, 2019

	2019		2018	
	Bank	Group	Bank	Group
<b>Assets</b>				
Cash and cash equivalents	1,482,577	1,520,480	1,084,489	1,122,715
Non-pledged trading assets	223,123	123,129	79,597	79,597
Advances to banks	227,146	227,146	268,610	268,610
Loans and advances to customers	3,099,126	3,099,136	2,192,272	2,191,272
Investment securities	4,888,521	4,892,443	5,977,373	5,075,200
Investment (other equity securities)	3,931	40,983	4,993	8,115
Investment in subsidiaries	1,000	-	1,000	-
Investment in associates	28,474	28,474	29,474	28,450
Deferred tax asset	59,590	61,726	49,908	49,978
Right of use asset	4,890	4,890	-	-
Intangible assets	197,110	197,110	59,998	59,998
Other assets	443,758	443,758	494,759	489,843
Property and equipment	268,679	268,679	320,426	320,486
<b>Total assets</b>	<b>10,827,651</b>	<b>10,950,962</b>	<b>9,548,055</b>	<b>9,646,254</b>
<b>Liabilities</b>				
Deposits from banks and other financial institutions	319,230	319,230	431,570	431,570
Deposits from customers	8,100,896	8,100,896	6,475,205	6,475,205
Borrowings	308,445	308,445	1,058,597	1,058,597
Current tax liabilities	5,340	4,735	4,448	4,433
Employee defined benefit obligations	108,601	108,601	129,284	129,284
Other liabilities and provisions	596,273	593,037	299,148	293,483
<b>Total liabilities</b>	<b>9,436,375</b>	<b>9,435,544</b>	<b>8,397,930</b>	<b>8,392,372</b>
<b>Equity</b>				
Stated capital	500,000	500,000	100,000	100,000
Retained earnings	566,980	651,133	825,998	908,733
Fair value reserve	328	25,756	1,405	1,193
Statutory reserve	354,845	354,845	274,063	274,062
Regulatory credit risk reserve	-	-	-	-
Other reserves	(30,677)	(16,216)	(50,270)	(32,166)
<b>Total equity</b>	<b>1,391,076</b>	<b>1,515,418</b>	<b>1,151,005</b>	<b>1,253,882</b>
<b>Total liabilities and equity</b>	<b>10,827,651</b>	<b>10,950,962</b>	<b>9,548,055</b>	<b>9,646,254</b>

## Summary statement of changes in equity

	Stated capital	Fair value reserve	Other Reserves	Statutory reserve	Regulatory credit risk reserve	Retained earnings	Total
<b>The Bank</b>							
Balance at January 1, 2019	500,000	625	(30,877)	354,845	-	500,524	1,325,017
Profit for the period	-	-	-	-	-	65,956	65,956
<b>Other comprehensive income, net of tax</b>							
FVTPL financial assets - net changes in fair value	-	(297)	-	-	-	-	(297)
<b>Balance at March 31, 2019</b>	<b>500,000</b>	<b>328</b>	<b>(30,677)</b>	<b>354,845</b>	<b>-</b>	<b>566,580</b>	<b>1,391,076</b>
<b>The Group</b>							
Balance at January 1, 2019	500,000	26,048	(16,316)	354,845	-	585,197	1,445,744
Profit for the period	-	-	-	-	-	65,966	65,966
<b>Other comprehensive income, net of tax</b>							
FVTPL financial assets - net changes in fair value	-	(292)	-	-	-	-	(292)
<b>Balance at March 31, 2019</b>	<b>500,000</b>	<b>25,756</b>	<b>(16,316)</b>	<b>354,845</b>	<b>-</b>	<b>651,133</b>	<b>1,515,418</b>

## Disclosure

- 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 statements of December 31, 2018 except for IFRS 16 which was adopted effective January 1, 2019.
- Corporate Social Responsibility Spend (GH¢,000)
- Contingencies and Commitments (GH¢,000)
- Capital Adequacy Ratio
- Non-performing loan ratio
- Liquid Ratio
- Statutory liquidity breach (times)
- Sanctions for statutory liquidity breach (GH¢,000)
- 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
- 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

Anslem Ranford Adzete Sowah  
Managing Director