



PRESS RELEASE

PR. No 373/2019

**REPUBLIC BANK GHANA LIMITED (RBGH)
UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL
STATEMENTS FOR THE THIRD QUARTER ENDING 30 SEPTEMBER 2019**

RBGH has released its unaudited Consolidated and Separate Financial Statements for the third quarter ending September 30, 2019 as per the attached.

Issued in Accra, this 24th
day of October, 2019

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att'd.

Distribution:

1. All LDMs
2. General Public
3. Company Secretary, RBGH
4. MBG Registrars, (Registrars for RBGH shares)
5. Securities and Exchange Commission
6. Custodians
7. Central Securities Depository
8. GSE Council Members
9. GSE Notice Board

For enquiries, contact:

Head Listing, GSE on 0302 669908, 669914, 669935

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UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2019

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER, 2019

In thousands of GHC

	2019		2018	
	Bank	Group	Bank	Group
Assets				
Cash and cash equivalents	597,028	597,028	636,083	637,928
Non-Pledged assets	875,950	875,950	450,558	450,558
Pledged assets	34,464	34,464	52,000	52,000
Investment securities	47,220	63,957	45,208	53,884
Loans and advances to customers	1,367,007	1,356,889	1,127,014	1,127,014
Current income tax assets	2,912	2,708	-	-
Deferred tax assets	11,568	11,499	16,742	16,653
Intangible assets	8,692	8,742	5,789	5,953
Other assets	34,426	43,233	53,996	70,460
Property, plant and equipment	63,806	66,461	62,901	66,140
Total assets	3,043,073	3,060,931	2,450,291	2,480,590
Liabilities and equity				
Deposits to banks	60,025	60,025	45,000	45,000
Deposits from customers	2,228,448	2,221,674	1,725,390	1,725,390
Borrowing	61,122	61,122	60,516	60,516
Current tax liabilities	-	-	4,936	5,267
Other liabilities	151,018	153,993	133,313	143,033
Total liabilities	2,500,613	2,496,814	1,969,155	1,979,206
Equity				
Stated capital	401,191	401,191	401,191	401,191
Income surplus	(52,196)	(35,349)	(21,889)	(5,708)
Revaluation reserve	24,852	24,852	24,853	24,853
Statutory reserve fund	94,385	94,385	75,665	75,665
Regulatory credit risk reserve	73,484	73,484	572	572
Housing development assistance reserve	744	744	744	744
Total equity attributable to equity holders of the Bank	542,460	559,307	481,136	497,317
Non-controlling interest	-	4,810	-	4,067
Total equity	542,460	564,117	481,136	501,384
Total liabilities and equity	3,043,073	3,060,931	2,450,291	2,480,590

CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 30 SEPTEMBER, 2019

In thousands of GHC

	2019		2018	
	Bank	Group	Bank	Group
Cash flows from Operating activities				
Cash generated from operations	90,846	91,398	(270,643)	(265,134)
Interest paid-long term bonds and borrowing	(11,583)	(11,583)	(5,504)	(5,504)
Corporate tax paid	(16,527)	(19,907)	(11,644)	(12,666)
National stabilization levy paid	(2,522)	(2,845)	(2,020)	(2,201)
Net cash generated from operating activities	60,214	57,063	(289,811)	(285,505)
Cash flows from investing activities				
Purchase of property, plant and equipment	(8,010)	(8,140)	(5,594)	(7,142)
Purchase of Intangible asset- software	(2,882)	(2,882)	(1,998)	(1,998)
Proceeds from sale of property, plant and equipment	283	412	284	285
Purchase of government securities	(417,689)	(417,689)	(301,102)	(301,102)
Sale of government securities	96,083	96,083	57,515	57,515
Redemption of other investment	586	(649)	3,000	7,332
Purchase of other investment	(4,300)	(4,300)	(1,000)	(1,000)
Purchase of investment securities	(1,948)	-	3,491	(2,936)
Net cash used in investing activities	(337,877)	(337,165)	(245,404)	(249,046)
Cash flows from financing activities				
Borrowings repaid	(55,230)	(55,230)	(2,939)	(2,939)
Proceeds from borrowing	-	-	46,947	46,947
Proceeds from Shares issued	-	-	255,000	255,000
Shares issuance cost	-	-	(4,552)	(4,552)
Proceeds from bonds issued	-	-	6,000	6,000
Net cash generated from financing activities	(55,230)	(55,230)	300,456	300,456
Increase in cash and cash equivalents	(332,893)	(335,332)	(234,759)	(234,095)
Net foreign exchange difference	26,708	26,708	27,919	27,919
At 1 January	903,213	905,652	842,923	844,104
Cash and cash equivalents as at 30th September	597,028	597,028	636,083	637,928

Notes to the consolidated and separate unaudited financial statements for the period ended 30 September, 2019

1. Significant accounting policies

The unaudited consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee ("IFRIC") as adopted by the Institute of Chartered Accountant Ghana (ICAG) and in a manner required by the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) and the Companies Act 2019, (Act 992).

Basis of preparation

The unaudited Consolidated and Separate Financial Statements have been extracted from the unaudited consolidated and separate financial statements of the Bank and Group in accordance with the International Financial Reporting Standards and in a manner required by the Companies Act 2019, Act (992) and the Banks and Specialised Deposit -Taking Institutions Act, 2016 (Act 930).

2. Quantitative Disclosures

	2019	2018
a. Capital Adequacy Ratio (%)	28.22	34.69
b. Non-Performing Loan (NPL) Ratio (%)	18.66	18.44
c. Liquid ratio (%)	180.97	168.41

3. Qualitative Disclosures

a. Dominant Risks

The Bank is exposed to the following risks:

- Credit Risk
- Operational Risk
- Liquidity Risk
- Market Risk

The Board of Directors established the Bank's Risk Management Frameworks and Assets and Liabilities Committee (ALCO) to be responsible for the monitoring of the Bank's risks.

The Bank has Risk Management and Compliance Department which is guided by the Anti Money Laundering Act 2008 (Act 749 as amended), Anti-Terrorism Act 2008 (Act 762), all Regulations under the enactments and policy and procedure manuals which have been instituted by the Board of Directors and Management. A comprehensive departmental manual has established a framework within which Management effectively manages and controls risks. The tasks involve in the risk management functions are to identify, define, measure, control, monitor and mitigate potential events that could impair the ability of the Group to generate stable and sustainable financial results from its operations.

b. Risk management, compliance frameworks and measurement

All risks are qualitatively and quantitatively evaluated on a recurring basis. Management understands the degree and nature of risk exposures on decisions regarding allocation of resources. Risk assessment is validated by the risk department which also tests the effectiveness of risk management activities and makes recommendations for remedial action. The Bank also identifies risk by evaluating the potential impact of internal and external factors, business transactions and positions. Once the risks are identified, various mitigating measures are put in place to regulate the degree of risks involved.

4. Defaults in statutory liquidity and accompanying sanctions

	2019	2018
Default in Statutory Liquidity (Times)	Nil	Nil
Default in Statutory Liquidity Sanctions (GHS'000)	Nil	Nil

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

Sgn
Charles William Zwennes
Chairman

Sgn
Farid Antar
Managing Director

CONSOLIDATED AND SEPARATE STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER, 2019

In thousands of GHC

	2019		2018	
	Bank	Group	Bank	Group
Interest income	293,100	302,298	217,489	225,921
Interest expense	(130,228)	(130,170)	(97,914)	(97,914)
Net interest income	162,872	172,128	119,575	128,007
Fee and commission income	30,566	45,572	30,904	48,411
Fee and commission expense	(932)	(932)	(723)	(723)
Net fee and commission income	29,634	44,640	30,181	47,688
Net trading income	17,120	17,120	25,177	25,177
Net income from investments at fair value thru. P&L	-	-	1,094	1,094
Other operating income	6,965	6,965	6,420	6,420
Other income	12,458	14,187	8,372	9,482
Operating income	229,049	255,040	190,819	217,868
Net impairment loss on financial asset	(20,901)	(8,427)	(28,552)	(28,552)
Net loss from investments at fair value thru. P&L	(3,894)	(3,894)	-	-
Personnel expenses	(81,600)	(94,501)	(70,481)	(82,293)
Operating lease expenses	(6,913)	(7,665)	(7,115)	(7,860)
Depreciation and amortization	(7,497)	(8,373)	(9,174)	(10,012)
Other expenses	(40,766)	(47,436)	(41,484)	(48,600)
Profit before income tax for the period	67,478	84,744	34,013	40,551
National Stabilization Levy	(3,245)	(4,119)	(1,661)	(2,069)
Tax expense	(19,482)	(20,717)	(11,485)	(13,370)
Profit for the period	44,751	59,908	20,867	25,112
Other comprehensive income, net of income tax	-	-	-	-
Total comprehensive income for the period	44,751	59,908	20,867	25,112
Profit / (loss) attributable to:				
Controlling Equity holders of the bank	44,751	59,138	20,867	24,609
Non-controlling interest	-	770	-	503
Profit for the period	44,751	59,908	20,867	25,112
Total comprehensive income attributable to:				
Controlling Equity holders of the bank	44,751	59,138	20,867	24,609
Non-controlling interest	-	770	-	503
	44,751	59,908	20,867	25,112