



PRESS RELEASE

PR. No 075/2020

REPUBLIC BANK GHANA LIMITED (RBGH)
AUDITED CONDENSED CONSOLIDATED AND SEPARATE FINANCIAL
STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

RBGH has released its Audited Condensed Consolidated and Separate Financial Statements for the year ended December 31, 2019 as per the attached.

Issued in Accra, this 26th
day of February, 2020

- E N D -

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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AUDITED CONDENSED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2019

CONDENSED CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER, 2019

| In thousands of GH¢ | 2019 | | 2018 | |
|----------------------------------------------------------------|------------------|------------------|------------------|------------------|
| | Bank | Group | Bank | Group |
| Assets | | | | |
| Cash and cash equivalents | 1,136,749 | 1,136,757 | 903,213 | 905,652 |
| Non-pledged trading assets | 13,591 | 13,591 | - | - |
| Pledged assets | 72,019 | 72,019 | 65,856 | 65,856 |
| Investments securities | 540,870 | 568,866 | 589,413 | 604,772 |
| Loans and advances to customers | 1,411,342 | 1,401,224 | 1,175,066 | 1,175,066 |
| Investment in subsidiaries | 12,332 | - | 10,383 | - |
| Current income tax | 14,828 | 15,059 | 5,559 | 5,772 |
| Deferred tax assets | 12,881 | 12,892 | 12,599 | 12,478 |
| Intangible assets | 8,236 | 8,242 | 7,819 | 7,833 |
| Other assets | 13,321 | 22,849 | 26,737 | 36,697 |
| Property, plant and equipment | 90,073 | 93,046 | 61,343 | 64,908 |
| Total assets | 3,326,242 | 3,344,545 | 2,857,988 | 2,879,034 |
| Liabilities and equity | | | | |
| Deposits from banks | 45,551 | 45,551 | - | - |
| Deposits from customers | 2,525,003 | 2,516,130 | 2,161,420 | 2,161,420 |
| Borrowings | 64,715 | 64,715 | 108,285 | 108,285 |
| Other liabilities | 134,363 | 138,472 | 90,574 | 104,855 |
| Total liabilities | 2,769,632 | 2,764,868 | 2,360,279 | 2,374,560 |
| Equity | | | | |
| Stated capital | 401,191 | 401,191 | 401,191 | 401,191 |
| Income surplus account | (37,451) | (19,268) | (65,092) | (62,631) |
| Revaluation reserve | 24,852 | 24,852 | 24,852 | 24,852 |
| Statutory reserve fund | 125,664 | 125,664 | 94,385 | 94,385 |
| Regulatory credit risk reserve | 41,610 | 41,610 | 41,629 | 41,629 |
| Housing development assistance reserve | 744 | 744 | 744 | 744 |
| Total equity attributable to equity holders of the Bank | 556,610 | 574,793 | 497,709 | 500,170 |
| Non-controlling interest | - | 4,884 | - | 4,304 |
| Total equity | 556,610 | 579,677 | 497,709 | 504,474 |
| Total liabilities and equity | 3,326,242 | 3,344,545 | 2,857,988 | 2,879,034 |

CONDENSED CONSOLIDATED AND SEPARATE STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER, 2019

| In thousands of GH¢ | 2019 | | 2018 | |
|------------------------------------------------------------------------|---------------|---------------|---------------|---------------|
| | Bank | Group | Bank | Group |
| Interest income | 401,504 | 413,885 | 314,802 | 326,336 |
| Interest expense | (181,032) | (180,937) | (138,115) | (138,115) |
| Net interest income | 220,472 | 232,948 | 176,687 | 188,221 |
| Fee and commission income | 44,504 | 64,725 | 32,595 | 55,722 |
| Fee and commission expense | (1,154) | (1,154) | (902) | (902) |
| Net fee and commission income | 43,350 | 63,571 | 31,693 | 54,820 |
| Net trading income | 22,338 | 22,338 | 31,743 | 31,743 |
| Net (loss) / income from investments at fair value thru. profit & loss | (2,205) | (2,205) | 3,103 | 3,103 |
| Other operating income | 10,505 | 10,505 | 8,229 | 8,229 |
| Other income | 13,701 | 15,795 | 9,375 | 11,552 |
| Operating income | 308,161 | 342,952 | 260,830 | 297,668 |
| Net impairment loss on financial asset | (32,000) | (19,112) | (42,680) | (57,755) |
| Personnel expenses | (111,422) | (129,454) | (93,026) | (109,761) |
| Operating lease expenses | - | - | (9,739) | (10,490) |
| Depreciation and amortization | (18,205) | (19,476) | (11,895) | (13,026) |
| Other expenses | (54,417) | (63,616) | (58,225) | (67,986) |
| Profit before income tax for the year | 92,117 | 111,294 | 45,265 | 38,650 |
| National Stabilization Levy | (4,606) | (5,582) | (2,263) | (2,438) |
| Tax expense | (24,954) | (26,589) | (5,562) | (8,011) |
| Profit for the year | 62,557 | 79,123 | 37,440 | 28,201 |
| Other comprehensive income, net of income tax | | | | |
| Deferred tax on revaluation of land and building | - | - | (7,066) | (7,066) |
| Total comprehensive income for the year | 62,557 | 79,123 | 30,374 | 21,135 |
| Profit attributable to: | | | | |
| Controlling Equity holders of the bank | 62,557 | 78,279 | 37,440 | 27,461 |
| Non-controlling interest | - | 844 | - | 740 |
| Profit for the year | 62,557 | 79,123 | 37,440 | 28,201 |
| Total comprehensive income attributable to: | | | | |
| Controlling Equity holders of the bank | 62,557 | 78,279 | 30,374 | 20,395 |
| Non-controlling interest | - | 844 | - | 740 |
| Total comprehensive income for the year | 62,557 | 79,123 | 30,374 | 21,135 |
| Basic earnings per share (Ghana pesewas) | 7.34 | 9.19 | 6.88 | 5.04 |
| Diluted earnings per share (Ghana pesewas) | 7.34 | 9.19 | 4.47 | 3.28 |

CONDENSED CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER, 2019

| In thousands of GH¢ | 2019 | | 2018 | |
|------------------------------------------------------------------------------|------------------|------------------|------------------|------------------|
| | Bank | Group | Bank | Group |
| Profit before tax | 92,117 | 111,294 | 45,265 | 38,650 |
| Adjustments for: | | | | |
| Depreciation and amortization | 18,205 | 19,476 | 11,895 | 13,026 |
| Profit on disposal of property and equipment | (608) | (608) | (178) | (178) |
| Net impairment loss on loans and advances | 32,000 | 32,000 | 39,658 | 39,658 |
| Net impairment loss on investment securities | - | (12,888) | 3,022 | 18,097 |
| Interest expense on long term bonds and borrowings | 16,461 | 16,461 | 13,860 | 13,860 |
| Inflation adjustment on long term bonds | 122 | 122 | 394 | 394 |
| Fair value appreciation – investments securities FVTPL | 2,205 | 2,205 | (3,103) | (3,103) |
| Effect of foreign exchange fluctuations on cash and cash equiv. | (37,157) | (37,157) | (34,205) | (34,205) |
| Increase in loans and advances to customers | (268,276) | (258,158) | (414,106) | (414,296) |
| Increase in interest receivable and other assets | (23,220) | (23,234) | (28,765) | (27,914) |
| Increase in deposits from customers | 409,134 | 400,261 | 423,225 | 423,225 |
| Increase / (decrease) in interest payables and other liabilities | 21,765 | 11,593 | (16,850) | (7,771) |
| Cash generated from operations | 262,748 | 261,367 | 40,112 | 59,443 |
| Interest paid-long term bonds and borrowings | (12,294) | (12,294) | (8,447) | (8,447) |
| Corporate tax paid | (33,641) | (35,426) | (12,914) | (15,467) |
| National stabilization levy paid | (5,470) | (6,446) | (2,450) | (2,481) |
| Net cash generated from operating activities | 211,343 | 207,201 | 16,301 | 33,048 |
| Cash flows from investing activities | | | | |
| Purchase of property, plant and equipment | (15,138) | (15,915) | (6,792) | (8,810) |
| Purchase of Intangible asset | (2,813) | (2,813) | (3,995) | (3,995) |
| Proceeds from sale of property, plant and equipment | 667 | 904 | 417 | 418 |
| Purchase of government securities | (449,303) | (449,303) | (371,686) | (371,686) |
| Sale of government securities | 499,108 | 499,108 | 39,088 | 39,088 |
| Purchase of investment securities- FVTPL | (4,300) | (4,300) | (1,000) | (1,000) |
| Sale of investment securities – FVTPL | 833 | 833 | 599 | 599 |
| Purchase of other investments | (2,000) | - | - | - |
| Sale of investment securities at amortised cost | - | 251 | 3,000 | (10,472) |
| Net cash from / (used) in investing activities | 27,054 | 28,765 | (340,369) | (355,858) |
| Cash flows from financing activities | | | | |
| Redemption of bonds | (5,033) | (5,033) | (2,354) | (2,354) |
| Proceeds from bonds issued | 5,454 | 5,454 | 8,858 | 8,858 |
| Repayment of borrowings | (103,309) | (103,309) | (6,132) | (6,132) |
| Proceeds from borrowings | 60,870 | 60,870 | 97,080 | 97,080 |
| Proceeds from ordinary shares issued | - | - | 255,000 | 255,000 |
| Ordinary shares issuance cost | - | - | (4,552) | (4,552) |
| Net cash generated (used in) / from financing activities | (42,018) | (42,018) | 347,900 | 347,900 |
| Increase in cash and cash equivalents | 196,379 | 193,948 | 23,832 | 25,090 |
| Effect of foreign exchange fluctuations on cash and cash equiv. At 1 January | 903,213 | 905,652 | 845,176 | 846,357 |
| Cash and cash equivalents as at 31 December | 1,136,749 | 1,136,757 | 903,213 | 905,652 |

CONDENSED CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER, 2019

| The Bank-2019 | | Stated Capital | Income surplus account | Statutory reserve fund | Revaluation reserve | Housing development assistance reserve | Regulatory credit risk reserve | Total Equity | |
|----------------|---------------------------------------------------------|----------------|------------------------|------------------------|---------------------|----------------------------------------|--------------------------------|--------------------------|---------------------|
| | | | | | | | | | In thousands of GH¢ |
| | Balance at 31 December 2018 | 401,191 | (65,092) | 94,385 | 24,852 | 744 | 41,629 | 497,709 | |
| | Net Impact of adopting IFRS 16 | - | (3,656) | - | - | - | - | (3,656) | |
| | Restated balance at 1 January 2019 | 401,191 | (68,748) | 94,385 | 24,852 | 744 | 41,629 | 494,053 | |
| | Total comprehensive income | | | | | | | | |
| | Profit for the year | - | 62,557 | - | - | - | - | 62,557 | |
| | Transfer from comprehensive income to statutory reserve | - | (31,279) | 31,279 | - | - | - | - | |
| | Transfer from revaluation surplus | - | - | - | - | - | - | - | |
| | Movement from regulatory credit risk reserve | - | 19 | - | - | - | (19) | - | |
| | Total comprehensive income and movements therein | - | 31,297 | 31,279 | - | - | (19) | 62,557 | |
| | At 31 December 2019 | 401,191 | (37,451) | 125,664 | 24,852 | 744 | 41,610 | 556,610 | |
| The Group-2019 | | Stated Capital | Income surplus account | Statutory reserve fund | Revaluation reserve | Housing development assistance reserve | Regulatory credit risk reserve | Non-controlling interest | Total Equity |
| | Balance at 31 December 2018 | 401,191 | (62,631) | 94,385 | 24,852 | 744 | 41,629 | 4,304 | 504,474 |
| | Net Impact of adopting IFRS 16 | - | (3,656) | - | - | - | - | - | (3,656) |
| | Restated balance at 1 January 2019 | 401,191 | (66,287) | 94,385 | 24,852 | 744 | 41,629 | 4,304 | 500,818 |
| | Total comprehensive income | | | | | | | | |
| | Profit for the year | - | 78,279 | - | - | - | - | 844 | 79,123 |
| | Transfer from comprehensive income to statutory reserve | - | (31,279) | 31,279 | - | - | - | - | - |
| | Movement from regulatory credit risk reserve | - | 19 | - | - | - | (19) | - | - |
| | Total comprehensive income and movements therein | - | 47,019 | 31,279 | - | - | (19) | 844 | 79,123 |
| | Owners contributions and distributions | | | | | | | | |
| | Dividend paid to NCI | - | - | - | - | - | - | (264) | (264) |
| | Total contributions and distributions | - | - | - | - | - | - | (264) | (264) |
| | At 31 December 2019 | 401,191 | (19,268) | 125,664 | 24,852 | 744 | 41,610 | 4,884 | 579,677 |

CONDENSED CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER, 2019

| The Bank-2018 | Stated Capital | Income surplus account | Statutory reserve fund | Revaluation reserve | Housing development assistance reserve | Regulatory credit risk reserve | Total Equity |
|---------------------------------------------------------|----------------|------------------------|------------------------|---------------------|----------------------------------------|--------------------------------|----------------|
| In thousands of GHC | | | | | | | |
| Balance at 31 December 2017 | 146,191 | (32,493) | 75,665 | 32,051 | 744 | 4,037 | 226,195 |
| Net Impact of adopting IFRS 9 | - | (9,308) | - | - | - | - | (9,308) |
| Transfer from regulatory credit risk reserve | - | 4,037 | - | - | - | (4,037) | - |
| Restated balance at 1 January 2018 | 146,191 | (37,764) | 75,665 | 32,051 | 744 | - | 216,887 |
| Profit for the year | - | 37,440 | - | - | - | - | 37,440 |
| Transfer from comprehensive income to statutory reserve | - | (18,720) | 18,720 | - | - | - | - |
| Transfer from revaluation surplus | - | 133 | - | (133) | - | - | - |
| Movement from regulatory credit risk reserve | - | (41,629) | - | - | - | 41,629 | - |
| Total comprehensive income and movements therein | - | (22,776) | 18,720 | (133) | - | 41,629 | 37,440 |
| Other Comprehensive income | | | | | | | |
| Deferred taxation assets revalued | - | - | - | (7,066) | - | - | (7,066) |
| Owners contributions and distributions | | | | | | | |
| Issue of ordinary shares | 255,000 | - | - | - | - | - | 255,000 |
| Shares issuance cost | - | (4,552) | - | - | - | - | (4,552) |
| Total contributions and distributions | 255,000 | (4,552) | - | - | - | - | 250,448 |
| At 31 December 2018 | 401,191 | (65,092) | 94,385 | 24,852 | 744 | 41,629 | 497,709 |

| The Group-2018 | Stated Capital | Income surplus account | Statutory reserve fund | Revaluation reserve | Housing development assistance reserve | Regulatory credit risk reserve | Non-controlling interest | Total Equity |
|---------------------------------------------------------|----------------|------------------------|------------------------|---------------------|----------------------------------------|--------------------------------|--------------------------|----------------|
| In thousands of GHC | | | | | | | | |
| Balance at 31 December 2017 | 146,191 | (20,053) | 75,665 | 32,051 | 744 | 4,037 | 3,564 | 242,199 |
| Net Impact of adopting IFRS 9 | - | (9,308) | - | - | - | - | - | (9,308) |
| Transfer from regulatory credit risk reserve | - | 4,037 | - | - | - | (4,037) | - | - |
| Restated balance at 1 January 2018 | 146,191 | (25,324) | 75,665 | 32,051 | 744 | - | 3,564 | 232,891 |
| Profit for the year | - | 27,461 | - | - | - | - | 740 | 28,201 |
| Transfer from comprehensive income to statutory reserve | - | (18,720) | 18,720 | - | - | - | - | - |
| Transfer from revaluation surplus | - | 133 | - | (133) | - | - | - | - |
| Movement from regulatory credit risk reserve | - | (41,629) | - | - | - | 41,629 | - | - |
| Total comprehensive income and movements therein | - | (32,755) | 18,720 | (133) | - | 41,629 | 740 | 28,201 |
| Other Comprehensive income | | | | | | | | |
| Deferred taxation assets revalued | - | - | - | (7,066) | - | - | - | (7,066) |
| Owners contributions and distributions | | | | | | | | |
| Issue of ordinary shares | 255,000 | - | - | - | - | - | - | 255,000 |
| Shares issuance cost | - | (4,552) | - | - | - | - | - | (4,552) |
| Total contributions and distributions | 255,000 | (4,552) | - | - | - | - | - | 250,448 |
| At 31 December 2018 | 401,191 | (62,631) | 94,385 | 24,852 | 744 | 41,629 | 4,304 | 504,474 |

Notes to the consolidated and separate audited financial statements for the year ended 31 December 2019

1. Significant accounting policies

The audited 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) 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).

IFRS 16 transition note

The Group applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at January 1, 2019. Accordingly, the comparative information presented in 2018 is not restated, that is, it is presented, as previously reported under IAS 17 and related interpretations. Additionally, the disclosure requirements in IFRS 16 have not generally been applied to comparative information.

On transition to IFRS 16, the Group recognised additional right-of-use assets and additional lease liabilities, recognising the difference in retained earnings. The impact on transition has been summarised below:

| Account | Amount GH\$'000 | Impact |
|---------------------------------------------------------------|-----------------|----------------------|
| Right-of-use assets presented in property plant and equipment | 12,529 | Increase in balance |
| Lease liability | 16,185 | Increase in balance |
| Retained earnings | (3,656) | Reduction in balance |

Basis of preparation

The condensed consolidated and Separate Financial Statements have been extracted from the audited consolidated and separate financial statements of the Bank and its subsidiaries in accordance with the Bank of Ghana Guide for Publication for Banks & Bank of Ghana (BOG) licensed financial institutions.

| 2. Quantitative Disclosures | 2019 | 2018 |
|----------------------------------------|--------|--------|
| a. Capital Adequacy Ratio (%) | 30.60 | 34.44 |
| b. Capital Adequacy Ratio (CRD) (%) | 27.41 | 27.77 |
| c. Non-Performing Loan (NPL) Ratio (%) | 18.16 | 20.79 |
| d. Liquidity ratio (%) | 130.69 | 122.69 |

3. Qualitative Disclosures

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 a 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 of 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.

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 (GH\$'000) | Nil | Nil |

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

Charles William Zwennes
Chairman

Farid Antar
Managing Director

**INDEPENDENT AUDITOR'S REPORT
To the Members of REPUBLIC BANK (GHANA) LIMITED**

Opinion

The condensed consolidated and separate financial statements, which comprise the statements of financial position at 31 December 2019, and the statements of comprehensive income, changes in equity and cash flows for the year then ended and related notes, are derived from the audited consolidated and separate financial statements of Republic Bank (Ghana) Limited for the year ended 31 December 2019.

In our opinion, the accompanying condensed consolidated and separate financial statements are consistent, in all material respects, with the audited consolidated and separate financial statements, in accordance with the basis described in the notes.

Condensed Consolidated and Separate Financial Statements

The condensed consolidated and separate financial statements do not contain all the disclosures required by International Financial Reporting Standards and in the manner required by the Companies Act 2019, (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) applied in the preparation of the audited consolidated and separate financial statements of Republic Bank (Ghana) Limited. Reading the condensed consolidated and separate financial statements and our report thereon, therefore, is not a substitute for reading the audited consolidated and separate financial statements and our report thereon.

The Audited Consolidated and Separate Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated and separate financial statements in our report dated 26 February, 2020. That report also includes the communication of key audit matters. Key audit matters are those matters that in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements for the current period.

Directors' Responsibility for the Condensed Consolidated and Separate Financial Statements

The directors are responsible for the preparation of the condensed consolidated and separate financial statements in accordance with the basis described in the notes.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the condensed consolidated and separate financial statements are consistent, in all material respects, with the audited consolidated and separate financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.

The engagement partner on the audit resulting in this independent auditor's report is Frederick Nyan Dennis (ICAG/P/1426)

KPMG

For and on behalf of:
KPMG: (ICAG/F/2020/038)
CHARTERED ACCOUNTANTS
13 YIYIWA DRIVE, ABELANKPE
P O BOX GP 242
ACCRA

26 February, 2020

