



PRESS RELEASE

PR. No 290/2020

**REPUBLIC BANK GHANA LIMITED (RBGH)
UNAUDITED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDING 30TH JUNE 2020**

RBGH has released its unaudited Financial Statements for the half year ending June 30, 2020 as per the attached.

Issued in Accra, this 20th
day of July, 2020.

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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. GSE Securities Depository
6. Securities & Exchange Commission
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8. GSE Council Members
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Head of Listings, GSE on 0302 669908, 669914, 669935

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UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE, 2020

CONSOLIDATED AND SEPARATE STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE, 2020

In thousands of GHS

| | 2020 | | 2019 | |
|--|----------------|----------------|----------------|----------------|
| | Bank | Group | Bank | Group |
| Interest income | 215,430 | 222,479 | 197,833 | 203,877 |
| Interest expense | (97,305) | (97,305) | (84,252) | (84,252) |
| Net interest income | 118,125 | 125,174 | 113,581 | 119,625 |
| Fee and commission income | 22,601 | 32,672 | 18,063 | 28,005 |
| Fee and commission expense | (871) | (871) | (531) | (531) |
| Net fee and commission income | 21,730 | 31,801 | 17,532 | 27,474 |
| Net trading income | 10,818 | 10,818 | 11,725 | 11,725 |
| Net income / (loss) from investments at fair value thru. P&L | 712 | 834 | (3,894) | (3,894) |
| Other operating income | 1,301 | 1,301 | 4,943 | 4,943 |
| Other income | 5,296 | 6,407 | 1,058 | 2,485 |
| Operating income | 157,982 | 176,335 | 144,945 | 162,358 |
| Net impairment loss on financial asset | (17,835) | (17,835) | (8,007) | (1,590) |
| Personnel expenses | (63,686) | (73,025) | (53,290) | (61,963) |
| Operating lease expenses | (365) | (1,117) | (4,651) | (5,403) |
| Depreciation and amortization | (8,858) | (9,660) | (5,149) | (5,755) |
| Other expenses | (30,175) | (35,590) | (31,087) | (35,252) |
| Profit before income tax for the period | 37,063 | 39,108 | 42,761 | 52,395 |
| National Fiscal Stabilization Levy | (1,997) | (2,168) | (2,138) | (2,625) |
| Tax expense | (10,694) | (11,562) | (9,621) | (10,451) |
| Profit for the period | 24,372 | 25,378 | 31,002 | 39,319 |
| Other comprehensive income, net of income tax | - | - | - | - |
| Total comprehensive income for the period | 24,372 | 25,378 | 31,002 | 39,319 |
| Profit / (loss) attributable to: | | | | |
| Controlling Equity holders of the Bank | 24,372 | 25,420 | 31,002 | 38,828 |
| Non-controlling interest | - | (42) | - | 491 |
| Profit for the period | 24,372 | 25,378 | 31,002 | 39,319 |
| Total comprehensive income attributable to: | | | | |
| Controlling Equity holders of the bank | 24,372 | 25,420 | 31,002 | 38,828 |
| Non-controlling interest | - | (42) | - | 491 |
| Total comprehensive income for the period | 24,372 | 25,378 | 31,002 | 39,319 |

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

In thousands of GHS

| | 2020 | | 2019 | |
|--|------------------|------------------|------------------|------------------|
| | Bank | Group | Bank | Group |
| Assets | | | | |
| Cash and cash equivalents | 788,225 | 788,251 | 683,912 | 683,912 |
| Non-pledged trading assets | 38,679 | 38,679 | - | - |
| Pledged assets | 75,095 | 75,095 | 34,387 | 34,387 |
| Investment securities | 876,799 | 896,859 | 858,659 | 878,531 |
| Loans and advances to customers | 1,508,367 | 1,508,367 | 1,288,448 | 1,278,330 |
| Investment in subsidiaries | 12,042 | - | 12,383 | - |
| Current income tax assets | 6,871 | 6,901 | 5,475 | 5,359 |
| Deferred tax assets | 12,882 | 12,984 | 12,599 | 12,530 |
| Intangible assets | 6,928 | 6,988 | 8,692 | 8,742 |
| Other assets | 17,635 | 26,286 | 51,335 | 61,149 |
| Property, plant and equipment | 92,347 | 96,989 | 61,238 | 64,233 |
| Total assets | 3,435,870 | 3,457,399 | 3,017,128 | 3,027,173 |
| Liabilities and equity | | | | |
| Deposits from banks | - | - | 50,065 | 50,065 |
| Deposits from customers | 2,630,693 | 2,617,430 | 2,281,271 | 2,271,180 |
| Borrowing | 115,652 | 115,652 | 60,408 | 60,408 |
| Other liabilities | 108,543 | 119,262 | 112,789 | 117,842 |
| Total liabilities | 2,854,888 | 2,852,344 | 2,504,533 | 2,499,495 |
| Equity | | | | |
| Stated capital | 401,191 | 401,191 | 401,191 | 401,191 |
| Income surplus | (14,869) | 4,362 | (65,946) | (55,657) |
| 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 | 43,400 | 43,400 | 57,369 | 57,369 |
| Housing development assistance reserve | 744 | 744 | 744 | 744 |
| Total equity attributable to equity holders of the Bank | 580,982 | 600,213 | 512,595 | 522,884 |
| Non-controlling interest | - | 4,842 | - | 4,794 |
| Total equity | 580,982 | 605,055 | 512,595 | 527,678 |
| Total liabilities and equity | 3,435,870 | 3,457,399 | 3,017,128 | 3,027,173 |

CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE 2020

In thousands of GHS

| | 2020 | | 2019 | |
|--|------------------|------------------|------------------|------------------|
| | Bank | Group | Bank | Group |
| Profit before tax | 37,063 | 39,108 | 42,761 | 52,395 |
| Adjustments for: | | | | |
| Depreciation and amortization | 8,858 | 9,660 | 5,149 | 5,755 |
| Profit on disposal of property and equipment | - | - | (224) | (224) |
| Net impairment loss on loans and advances | 17,835 | 17,835 | 8,007 | 1,590 |
| Interest expense on long term bonds and borrowings | 14,695 | 14,695 | 16,283 | 16,283 |
| Inflation adjustment on long term bonds | - | - | 13 | 13 |
| Fair value change- investments securities FVTPL | (712) | (834) | 3,894 | 3,894 |
| Effect of foreign exchange fluctuations. | (33,892) | (33,892) | (17,269) | (17,269) |
| Increase in loans and advances to customers | (114,248) | (114,251) | (137,505) | (127,491) |
| (Increase) / decrease in interest receivable and other assets | (32,478) | (31,601) | 6,872 | 7,018 |
| Increase in deposits from customers | 60,139 | 55,749 | 169,916 | 159,825 |
| (Decrease) / Increase in interest payables and other liabilities | (28,937) | (35,005) | 19,225 | 9,997 |
| Cash generated from operations | (71,677) | (78,536) | 117,122 | 111,786 |
| Interest paid- long term bonds and borrowings | (5,703) | (5,703) | (9,451) | (9,451) |
| Corporate tax paid | (3,855) | (4,554) | (10,189) | (10,955) |
| National fiscal stabilization levy paid | (879) | (926) | (1,486) | (1,656) |
| Net cash generated from operating activities | (82,114) | (89,719) | 95,996 | 89,724 |
| Cash flows from investing activities | | | | |
| Purchase of property, plant and equipment | (10,055) | (10,879) | (4,445) | (4,516) |
| Purchase of intangible asset- software | - | - | (1,472) | (1,472) |
| Proceeds from sale of property, plant and equipment | - | - | 224 | 224 |
| Purchase of government securities | (547,561) | (548,895) | (361,498) | (361,498) |
| Sale of government securities | 212,122 | 224,022 | 92,072 | 92,072 |
| Sale of investment securities / int. received - FVTPL | 222 | 222 | 586 | 2,490 |
| Purchase of investment securities - FVTPL | - | (2,508) | (4,300) | (4,300) |
| Purchase of other short-term investment | - | - | (2,000) | - |
| Net cash used in investing activities | (345,272) | (338,038) | (280,833) | (277,000) |
| Cash flows from financing activities | | | | |
| Repayment of borrowings | (63,876) | (63,876) | (51,732) | (51,732) |
| Proceeds from borrowings | 108,846 | 108,846 | - | - |
| Net cash generated from financing activities | 44,970 | 44,970 | (51,732) | (51,732) |
| Increase in cash and cash equivalents | (382,416) | (382,787) | (236,569) | (239,009) |
| Effect of foreign exchange fluctuations. | 33,892 | 33,892 | 17,269 | 17,269 |
| At 1 January | 1,136,749 | 1,136,757 | 903,213 | 905,652 |
| Cash and cash equivalents as at 30 June | 788,225 | 787,862 | 683,912 | 683,912 |

CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

The Bank-2020

| | Stated Capital | Income surplus account | Statutory reserve fund | Revaluation reserve | Housing development assistance reserve | Regulatory credit risk reserve | Total Equity |
|---|----------------|------------------------|------------------------|---------------------|--|--------------------------------|----------------|
| In thousands of GHS | | | | | | | |
| Balance at 1 January 2020 | 401,191 | (37,451) | 125,664 | 24,852 | 744 | 41,610 | 556,610 |
| Profit for the year | - | 24,372 | - | - | - | - | 24,372 |
| Transfer to regulatory credit risk reserve | - | (1,790) | - | - | - | 1,790 | - |
| Total comprehensive income and movements therein | - | 22,582 | - | - | - | 1,790 | 24,372 |
| At 30 June 2020 | 401,191 | (14,869) | 125,664 | 24,852 | 744 | 43,400 | 580,982 |

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 GHS | | | | | | | |
| Balance at 1 January 2019 | 401,191 | (65,092) | 94,385 | 24,852 | 744 | 41,629 | 497,709 |
| Profit for the year | - | 31,002 | - | - | - | - | 31,002 |
| Charge to income surplus | - | (16,116) | - | - | - | - | (16,116) |
| Transfer from regulatory credit risk reserve | - | (15,740) | - | - | - | 15,740 | - |
| Total comprehensive income and movements therein | - | (854) | - | - | - | 15,740 | 14,886 |
| At 30 June 2019 | 401,191 | (65,946) | 94,385 | 24,852 | 744 | 57,369 | 512,595 |

UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE, 2020
CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020
The Group-2020

| In thousands of GHC | 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 1 January 2020 | 401,191 | (19,268) | 125,664 | 24,852 | 744 | 41,610.00 | 4,884 | 579,677 |
| Profit for the year | - | 25,420 | - | - | - | - | (42) | 25,378 |
| Transfer to regulatory credit risk reserve | - | (1,790) | - | - | - | 1,790 | - | - |
| Total comprehensive income and movements therein | - | 23,630 | - | - | - | 1,790 | (42) | 25,378 |
| At 30 June 2020 | 401,191 | 4,362 | 125,664 | 24,852 | 744 | 43,400 | 4,842 | 605,055 |

The Group-2019

| In thousands of GHC | 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 1 January 2019 | 401,191 | (62,629) | 94,385 | 24,852 | 744 | 41,629 | 4,303 | 504,475 |
| Profit for the year | - | 38,828 | - | - | - | - | 491 | 39,319 |
| Charge to income surplus | - | (16,116) | - | - | - | - | - | (16,116) |
| Transfer from regulatory credit risk reserve | - | (15,740) | - | - | - | 15,740 | - | - |
| Total comprehensive income and movements therein | - | 6,972 | - | - | - | 15,740 | 491 | 23,203 |
| At 30 June 2019 | 401,191 | (55,657) | 94,385 | 24,852 | 744 | 57,369 | 4,794 | 527,678 |

Notes to the consolidated and separate unaudited financial statements for the period ended 30 June 2020
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 summary of the Consolidated and Separate Financial Statements have been extracted from the unaudited consolidated and separate financial statements of the Bank and its subsidiaries in accordance with the Bank of Ghana Guide for Financial Publication for Banks & Bank of Ghana (BOG) Licensed Financial Institutions.

| 2. Quantitative Disclosures | 2020 | 2019 |
|--|--------|--------|
| a. Capital Adequacy Ratio (CRD) (%) | 25.71 | 23.39 |
| b. Non-Performing Loan (NPL) Ratio (%) | 17.49 | 17.11 |
| c. Liquidity ratio (%) | 121.02 | 123.27 |

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 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.

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 | 2020 | 2019 |
|---|------|------|
| 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."

Charles William Zwennes
Chairman

Farid Antar
Managing Director


Republic Bank
We're the One for you!


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