

GCB Bank Limited

Summary consolidated and separate financial statements for the period ended September 30, 2019 (unaudited)



All amounts are in thousands of Ghana cedis unless otherwise stated

Summary statement of comprehensive income for the period ended September 30, 2019

	2019		2018	
	Bank	Group	Bank	Group
Interest income	1,133,337	1,135,069	997,796	998,207
Interest expense	(291,762)	(291,762)	(326,584)	(326,584)
Net interest income	841,575	843,307	671,212	671,623
Fee and commission income	202,635	203,175	187,766	187,766
Fee and commission expense	(37,722)	(37,722)	(37,119)	(37,119)
Net fee and commission income	164,913	165,453	150,647	150,647
Net trading income	114,108	114,108	66,058	66,058
Other revenue	5,381	10,506	10,917	14,905
Revenue	1,125,977	1,133,374	898,834	903,233
Net impairment loss on financial assets	(84,207)	(84,207)	(71,329)	(71,329)
Personnel expenses	(399,138)	(399,572)	(345,093)	(345,129)
Depreciation and amortisation	(90,880)	(90,943)	(60,922)	(60,922)
Other expenses	(241,285)	(241,519)	(200,619)	(200,860)
Profit before income tax	310,467	317,133	220,871	224,993
Income tax expense	(88,329)	(89,078)	(67,442)	(67,795)
Profit for the period	222,138	228,055	153,429	157,198
Other Comprehensive Income:				
Items that may be reclassified to profit or loss				
FVTOCI financial assets - net changes in fair value	(1,678)	(1,709)	967	568
Related tax	419	427	(241)	(142)
Total items that may be reclassified to profit or loss	(1,259)	(1,282)	726	426
Total comprehensive income	220,879	226,773	154,155	157,624
Profit attributable to:				
Owners of the parent	222,138	228,055	153,429	157,198
Profit for the period	222,138	228,055	153,429	157,198
Total comprehensive income attributable to:				
Owners of the parent	220,879	226,773	154,155	157,624
Total comprehensive income for the period	220,879	226,773	154,155	157,624
Basic and diluted earnings per share (in GH¢)	1.12	1.15	0.77	0.79

Summary statement of cash flows for the period ended September 30, 2019

	2019		2018	
	Bank	Group	Bank	Group
Cash flows from operating activities				
Profit for the period	222,138	228,055	153,429	157,198
Adjustments for:				
Depreciation and amortisation	90,880	90,943	60,922	60,922
Net impairment loss on financial assets	84,207	84,207	71,329	71,329
Employee defined benefit expense	45,000	45,000	44,722	44,722
Net Interest income	(841,575)	(843,307)	(671,212)	(671,623)
Dividend income	(2,951)	(7,536)	(6,266)	(10,253)
(Profit)/loss on sale of property and equipment	(233)	(233)	(131)	(131)
Income tax expense	88,329	89,078	67,442	67,795
	(314,205)	(313,793)	(279,765)	(280,041)
Change in :				
Non-pledged trading assets	(64,137)	(64,137)	(76,284)	(76,284)
Advances to banks	(7,069)	(7,069)	(96,368)	(96,368)
Loans and advances to customers	(130,571)	(130,571)	(544,100)	(544,100)
Right of use asset	(2,676)	(2,676)	-	-
Other assets	60,309	59,483	291,172	288,055
Deposits from banks and other financial institutions	(21,861)	(21,861)	298,313	298,313
Deposits from customers	485,887	523,690	94,790	94,790
Borrowings	(51,848)	(51,848)	(113,103)	(113,103)
Other liabilities and provisions	(71,066)	(74,454)	23,858	64,637
Cash used in operations	(117,237)	(83,236)	(401,487)	(364,101)
Interest received	1,117,119	1,118,851	920,970	921,581
Dividend received	2,951	7,536	6,266	10,253
Interest paid	(350,238)	(350,238)	(200,277)	(200,277)
Income tax paid	(105,992)	(106,561)	(68,174)	(68,569)
Employee defined benefit paid	(12,750)	(12,750)	(12,317)	(12,317)
Net cash from operating activities	533,853	573,602	244,981	286,570
Cash flows from investing activities				
Purchase of property and equipment	(67,549)	(67,549)	(48,729)	(48,729)
Purchase of investment securities	(399,763)	(423,911)	315,962	311,729
Proceeds from sale of property and equipment	392	392	434	434
Purchase of intangible assets	(35,372)	(35,372)	(36,791)	(36,791)
Net cash used in investing activities	(502,292)	(526,440)	230,876	226,643
Cash flows from financing activities				
Dividend Paid	(79,500)	(79,500)	(26,500)	(26,500)
Net Cash from financing activities	(79,500)	(79,500)	(26,500)	(26,500)
Total cash movement for the period	(47,939)	(32,338)	449,357	486,713
Cash and cash equivalents at January 1	1,953,620	1,953,620	1,022,684	1,022,684
Cash and cash equivalents at September 30	1,905,681	1,921,282	1,472,041	1,509,397

Summary statement of financial position as at September 30, 2019

	2019		2018	
	Bank	Group	Bank	Group
Assets				
Cash and cash equivalents	1,905,681	1,921,282	1,472,041	1,509,397
Non-pledged trading assets	144,141	144,141	86,363	86,363
Advances to banks	210,562	210,562	321,318	321,318
Loans and advances to customers	2,857,146	2,857,146	2,692,455	2,692,455
Investment securities	5,074,885	5,103,811	4,639,020	4,642,949
Investment (other than securities)	2,550	41,664	4,750	8,115
Investment in subsidiaries	1,000	-	1,000	-
Investment in associates	28,274	81,482	28,274	88,460
Deferred tax asset	97,871	90,109	60,528	63,872
Right of use asset	6,255	6,255	-	-
Intangible assets	180,406	180,406	164,087	164,087
Other assets	369,087	370,081	562,758	562,758
Property and equipment	261,729	262,437	235,548	235,548
Total assets	11,139,587	11,269,376	10,268,142	10,375,322
Liabilities				
Deposits from banks and other financial institutions	250,908	250,908	380,119	380,119
Deposits from customers	8,534,868	8,534,868	6,969,175	6,969,175
Borrowings	247,807	247,807	846,002	846,002
Current tax liabilities	23,896	23,676	27,645	27,276
Employee defined benefit obligations	129,897	129,897	151,030	151,030
Other liabilities and provisions	485,825	485,634	669,592	672,895
Total liabilities	9,673,201	9,672,790	9,043,563	9,046,497
Equity				
Stated capital	500,000	500,000	500,000	500,000
Retained earnings	643,271	733,728	499,726	584,428
Fair value reserve	(1,053)	24,329	1,161	2,441
Statutory reserve	354,845	354,845	274,062	274,062
Regulatory credit risk reserve	-	-	-	-
Other reserves	(30,677)	(16,316)	(50,370)	(32,106)
Total equity	1,466,386	1,596,586	1,224,579	1,328,825
Total liabilities and equity	11,139,587	11,269,376	10,268,142	10,375,322

Summary statement of changes in equity

	Stated capital	Fair value reserve	Other Reserves	Statutory reserve	Regulatory credit risk reserve	Retained earnings	Total
The Bank							
Balance at 1 January 2019	500,000	625	(30,677)	354,845	-	500,624	1,325,417
Profit for the period	-	-	-	-	-	222,138	222,138
Other comprehensive income, net of tax							
FVTOCI financial assets - net changes in fair value	-	(1,678)	-	-	-	9	(1,669)
Dividend Paid	-	-	-	-	-	(79,500)	(79,500)
Balance at 30 September 2019	500,000	(1,053)	(30,677)	354,845	-	643,271	1,466,386
The Group							
Balance at 1 January 2019	500,000	26,048	(16,316)	354,845	-	585,167	1,449,744
Profit for the period	-	-	-	-	-	228,055	228,055
Other comprehensive income, net of tax							
FVTOCI financial assets - net changes in fair value	-	(1,719)	-	-	-	6	(1,713)
Dividend Paid	-	-	-	-	-	(79,500)	(79,500)
Balance at 30 September 2019	500,000	24,329	(16,316)	354,845	-	733,728	1,596,586

Disclosures

- GCB Bank limited is a limited liability company incorporated and domiciled in Ghana. The bank operates with a universal banking license. It is listed on the Ghana Stock Exchange.
- 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. IFRS 16 replaced IAS 17.

- Capital Adequacy Ratio (Basel II & III)
- Common Equity Tier 1 Ratio
- Leverage Ratio
- Non-performing loan ratio
- Liquid Ratio
- Statutory liquidity breach (times)
- Sanctions for statutory liquidity breach (GH¢'000)

	Sep. 2019	Sep. 2018
1.	18.3%	20.6%
2.	16.3%	18.6%
3.	9.2%	9.7%
4.	7.1%	4.6%
5.	99%	111%
6.	Nil	Nil
7.	Nil	Nil

- 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 Kofi Arthur
Board Chairman

Anselm Ransford Adzete Sowah
Managing Director