GHANA
STOCK
EXCHANGE

**PRESS RELEASE**

**PR. No 256/2017**

**GCB BANK LIMITED (GCB)**
**UN-AUDITED FINANCIAL STATEMENTS**
**FOR THE HALF YEAR ENDING JUNE 2017**

GCB has released its unaudited Financial Statements for the half year ending June 30, 2017 as per the attached.

Issued in Accra, this 28th
day of July, 2017.

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att'd.

Distribution:
1. All LDMs
2. General Public
3. Company Secretary, GCB
4. GCB Registrars, (Registrars for GCB shares)
5. SEC
6. Central Securities Depository
7. GSE Council Members
8. GSE Notice Board

**For enquiries, contact:**
**Head of Listings, GSE on 0302 669908, 669914, 669935**
**JEB*

# GCB Bank Limited

Consolidated financial statements for the period ended June 30, 2017 (un-audited)

All amounts are in thousands of Ghana cedis unless otherwise stated

## Statements of comprehensive income

For the period ended June 30, 2017

| | June 2017 | | June 2016 | |
|---|---|---|---|---|
| | The Bank | The Group | The Bank | The Group |
| Interest income | 538,416 | 538,892 | 473,015 | 473,446 |
| Interest expense | (112,993) | (112,993) | (49,557) | (49,557) |
| **Net interest income** | **425,423** | **425,899** | **423,458** | **423,889** |
| Fee and commission income | 89,487 | 89,487 | 83,212 | 83,212 |
| Fee and commission expense | (16,659) | (16,659) | (13,503) | (13,503) |
| **Net fee and commission income** | **72,828** | **72,828** | **69,709** | **69,709** |
| Net trading income | 18,085 | 18,085 | 15,176 | 15,176 |
| Other operating income | 5,698 | 9,948 | 6,894 | 6,932 |
| Other income | 2,067 | 2,067 | 493 | 493 |
| **Operating income** | **524,101** | **528,827** | **515,730** | **516,199** |
| Impairment loss on loans and advances | (22,391) | (22,391) | 4,826 | 4,826 |
| Personnel expenses | (174,775) | (175,558) | (139,280) | (139,280) |
| Depreciation and amortisation | (28,130) | (28,130) | (20,243) | (20,243) |
| Other expenses | (158,728) | (157,973) | (92,155) | (92,174) |
| **Profit before income tax** | **140,077** | **144,775** | **268,878** | **269,328** |
| Income tax expense | (38,568) | (39,020) | (81,662) | (81,768) |
| **Profit for the period** | **101,509** | **105,755** | **187,216** | **187,560** |
| **Other Comprehensive Income (OCI)** | | | | |
| **Items that may be reclassified to profit or loss** | | | | |
| Available-for-sale financial assets - net changes in fair value | 414 | 198 | (1,735) | (1,755) |
| Related tax | (104) | (50) | 434 | 439 |
| **Other comprehensive income, net of tax** | **310** | **148** | **(1,301)** | **(1,316)** |
| **Total comprehensive income** | **101,819** | **105,903** | **185,915** | **186,244** |
| Basic and diluted earnings per share (in GH¢) | 0.77 | 0.80 | 1.41 | 1.42 |

## Statements of financial position

at June 30, 2017

| | 2017 | | 2016 | |
|---|---|---|---|---|
| | The Bank | The Group | The Bank | The Group |
| **Assets** | | | | |
| Cash and cash equivalents | 1,027,191 | 1,050,446 | 689,310 | 696,774 |
| Investment securities | 3,029,548 | 3,035,664 | 2,225,052 | 2,230,987 |
| Advances to banks | 312,900 | 312,900 | 150,369 | 150,369 |
| Loans and advances to customers | 1,369,127 | 1,369,127 | 1,480,132 | 1,480,761 |
| Investments (other than securities) | 2,935 | 5,417 | 4,810 | 6,421 |
| Investment in subsidiary | 1,000 | - | 1,000 | - |
| Investment in associates | 28,274 | 47,616 | 30,126 | 49,468 |
| Deferred tax asset | 34,698 | 34,806 | 42,583 | 42,538 |
| Property and equipment | 203,172 | 203,172 | 155,184 | 155,184 |
| Intangible assets | 36,052 | 36,052 | 15,139 | 15,139 |
| Other assets | 227,705 | 221,659 | 183,947 | 183,946 |
| National fiscal stabilisation levy asset | 4,299 | 4,299 | - | - |
| **Total assets** | **6,276,901** | **6,321,158** | **4,977,652** | **5,011,587** |
| **Liabilities** | | | | |
| Deposits from customers | 4,605,699 | 4,605,699 | 3,550,362 | 3,550,362 |
| Other liabilities | 295,319 | 291,078 | 405,590 | 401,238 |
| Borrowings | 249,271 | 249,271 | 4,350 | 4,350 |
| Income tax liabilities | 2,968 | 2,793 | 18,852 | 19,322 |
| Employee benefit obligations | 107,231 | 107,231 | 82,992 | 82,992 |
| National fiscal stabilisation levy liability | - | - | 838 | 983 |
| **Total liabilities** | **5,260,488** | **5,256,072** | **4,062,984** | **4,059,247** |
| **Equity** | | | | |
| Stated capital | 100,000 | 100,000 | 100,000 | 100,000 |
| Retained earnings | 704,724 | 768,021 | 611,765 | 652,051 |
| Fair value reserve | (338) | (940) | 328 | (2,286) |
| Statutory reserve | 247,473 | 247,473 | 210,097 | 210,097 |
| Credit risk reserve | - | - | 17,659 | 17,659 |
| Other reserves | (35,446) | (49,468) | (25,181) | (25,181) |
| **Total equity** | **1,016,413** | **1,065,086** | **914,668** | **952,340** |
| **Total liabilities and equity** | **6,276,901** | **6,321,158** | **4,977,652** | **5,011,587** |

## Statements of cash flows

for the period ended June 30, 2017

| | June 2017 | | June 2016 | |
|---|---|---|---|---|
| | The Bank | The Group | The Bank | The Group |
| **Cash flows from operating activities** | | | | |
| Profit for the period | 140,077 | 144,775 | 268,878 | 269,328 |
| **Adjustments for:** | | | | |
| Depreciation and amortization | 28,130 | 28,130 | 20,243 | 20,243 |
| Impairment on loans and advances | 22,392 | 22,392 | (4,826) | (4,826) |
| Allowance for employee benefit obligations | 19,000 | 19,000 | 12,000 | 12,000 |
| Net Interest income | (425,423) | (425,899) | (423,458) | (423,889) |
| Dividend income | (5,691) | (9,941) | (6,891) | (6,929) |
| Profit on sale of property and equipment | (270) | (270) | - | - |
| | **(221,785)** | **(221,813)** | **(134,054)** | **(134,073)** |
| **Change in :** | | | | |
| Change in loans and advances to customers | 21,459 | 21,459 | (46,193) | (46,822) |
| Change in loans and advances to banks | 121,252 | 121,252 | (142,387) | (142,387) |
| Change in other assets | (91,268) | (85,222) | (86,173) | (85,682) |
| Change in deposits from customers | 325,923 | 345,765 | 181,956 | 181,956 |
| Change in other liabilities and provisions | (153,458) | (161,910) | 98,773 | 128,236 |
| Employee benefits paid | (7,001) | (7,001) | (4,864) | (4,864) |
| | **216,907** | **234,343** | **1,112** | **30,437** |
| Interest received | 500,670 | 500,793 | 468,768 | 468,825 |
| Dividend received | 5,691 | 9,941 | 6,891 | 6,929 |
| Interest paid | (100,944) | (100,944) | (56,793) | (56,793) |
| Tax paid | (54,947) | (55,361) | (58,137) | (57,752) |
| **Net cash flow from operating activities** | **345,592** | **366,959** | **227,787** | **257,573** |
| **Cash flows from investing activities** | | | | |
| Purchase of property and equipment | (35,702) | (35,702) | (28,596) | (28,596) |
| Proceeds from sale of property and equipment | 709 | 709 | - | - |
| Purchase of investment securities | (361,428) | (367,544) | (183,262) | (210,258) |
| Purchase of intangible assets | (1,714) | (1,714) | (1,303) | (1,303) |
| Investments (other than securities) | 459 | 8,463 | (1,020) | 3,654 |
| **Net cash used in investing activities** | **(397,676)** | **(395,788)** | **(214,181)** | **(236,503)** |
| **Cash flows from fianacing activities** | | | | |
| Dividends paid | (100,700) | (100,700) | (87,450) | (87,450) |
| **Net cash from financing activities** | **(100,700)** | **(100,700)** | **(87,450)** | **(87,450)** |
| **Net (decrease)/increase in cash and cash equivalents** | (152,784) | (129,529) | (73,844) | (66,380) |
| Cash and cash equivalents at January 1 | 1,179,975 | 1,179,975 | 763,154 | 763,154 |
| **Cash and cash equivalents at June 30** | 1,027,191 | 1,050,446 | 689,310 | 696,774 |

## Disclosures

1. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board

2. 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, 2016

| | June 2017 | June 2016 |
|---|---|---|
| 3. Corporate Social Responsibility Spend (GH¢,000) | 2,588 | 785 |
| 4. Contingencies and Commitments (GH¢'000) | 398,038 | 553,880 |
| 5. Capital Adequacy Ratio | 26% | 25% |
| 6. Non-performing loan ratio | 14% | 13% |
| 7. Statutory liquidity breach (times) | Nil | Nil |
| 8. Sanctions for statutory liquidity breach (GH¢'000) | Nil | Nil |

The Bank has exposure to the following risks from its use of financial instruments and from operations:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

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

Signed:
**Jude Arthur**
Board Chairman

Signed:
**Anselm Ray Sowah**
Managing Director