



## UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018

### CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE, 2018

In thousands of GH¢

	2018		2017	
	Bank	Group	Bank	Group
<b>Assets</b>				
Cash and cash equivalents	492,666	494,060	654,283	655,410
Non-Pledged assets	369,658	369,658	104,340	104,340
Pledged assets	62,000	62,000	38,000	38,000
Other investments	41,553	43,883	43,652	29,716
Loans and advances to customers	990,739	990,739	862,396	862,014
Investment securities	5,303	14,393	8,708	25,565
Current income tax assets	1,415	1,584	25,983	26,227
Deferred tax assets	19,941	19,852	15,199	15,300
Intangible assets	5,789	5,953	3,931	3,931
Other assets	49,399	61,913	34,164	61,561
Property, plant and equipment	62,371	65,519	70,414	73,231
<b>Total assets</b>	<b>2,100,834</b>	<b>2,129,554</b>	<b>1,861,070</b>	<b>1,895,295</b>
<b>Liabilities and equity</b>				
Deposits from banks	94,276	94,276	25,000	25,000
Deposits from customers	1,650,497	1,650,497	1,554,016	1,554,016
Borrowing	12,061	12,061	17,452	17,452
Other liabilities	112,818	122,367	100,947	124,934
<b>Total liabilities</b>	<b>1,869,652</b>	<b>1,879,201</b>	<b>1,697,415</b>	<b>1,721,402</b>
<b>Equity</b>				
Stated capital	146,191	146,191	96,191	96,191
Income surplus	(36,255)	(20,990)	(24,934)	(17,703)
Revaluation reserve	32,018	32,018	32,051	32,067
Statutory reserve fund	75,665	75,665	57,203	57,203
Regulatory credit risk reserve	12,819	12,819	2,400	2,400
Housing development assistance reserve	744	744	744	744
<b>Total equity attributable to equity holders of the Bank</b>	<b>231,182</b>	<b>246,447</b>	<b>163,655</b>	<b>170,902</b>
Non-controlling interest	-	3,906	-	2,991
<b>Total equity</b>	<b>231,182</b>	<b>250,353</b>	<b>163,655</b>	<b>173,893</b>
<b>Total liabilities and equity</b>	<b>2,100,834</b>	<b>2,129,554</b>	<b>1,861,070</b>	<b>1,895,295</b>

### CONSOLIDATED AND SEPARATE STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE, 2018

In thousands of GH¢

	2018		2017	
	Bank	Group	Bank	Group
Interest income	138,847	144,477	153,628	158,927
Interest expense	(63,176)	(63,176)	(81,107)	(81,107)
<b>Net interest income</b>	<b>75,671</b>	<b>81,301</b>	<b>72,521</b>	<b>77,820</b>
Fee and commission income	19,523	30,588	13,262	22,733
Fee and commission expense	(482)	(482)	(689)	(689)
<b>Net fee and commission income</b>	<b>19,041</b>	<b>30,106</b>	<b>12,573</b>	<b>22,044</b>
Net trading income	10,963	10,963	5,765	5,765
Other operating income	4,568	4,568	2,351	2,351
Other income	2,699	3,318	3,058	17,264
<b>Operating income</b>	<b>112,942</b>	<b>130,256</b>	<b>96,268</b>	<b>125,244</b>
Net impairment loss on financial asset	(6,374)	(6,374)	(1,211)	(1,211)
Personnel expenses	(45,372)	(52,960)	(38,708)	(45,419)
Operating lease expenses	(4,265)	(5,016)	(3,645)	(3,945)
Depreciation and amortization	(6,169)	(6,697)	(6,435)	(6,975)
Other expenses	(24,717)	(28,837)	(22,956)	(39,529)
<b>Profit before income tax for the period</b>	<b>26,045</b>	<b>30,372</b>	<b>23,313</b>	<b>28,165</b>
National Stabilization Levy	(1,327)	(1,582)	(567)	(747)
Tax expense	(5,410)	(6,314)	-	(880)
<b>Profit for the period</b>	<b>19,308</b>	<b>22,476</b>	<b>22,746</b>	<b>26,538</b>
Other comprehensive income, net of income tax	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>19,308</b>	<b>22,476</b>	<b>22,746</b>	<b>26,538</b>
<b>Profit / (loss) attributable to:</b>				
Controlling Equity holders of the bank	19,309	22,134	22,749	26,191
Non-controlling interest	-	342	-	348
<b>Profit for the period</b>	<b>19,309</b>	<b>22,476</b>	<b>22,749</b>	<b>26,539</b>
<b>Total comprehensive income attributable to:</b>				
Controlling Equity holders of the bank	19,309	22,134	22,749	26,191
Non-controlling interest	-	342	-	348
	<b>19,309</b>	<b>22,476</b>	<b>22,749</b>	<b>26,539</b>

### CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 30 JUNE, 2018

In thousands of GH¢

	2018		2017	
	Bank	Group	Bank	Group
<b>Cash flows from Operating activities</b>				
Cash generated from operations	(199,353)	(191,950)	91,623	90,026
Interest paid-long term bonds and borrowing	(4,085)	(4,085)	(4,185)	(4,185)
Corporate tax paid	(8,427)	(9,449)	(838)	(1,788)
National stabilization levy paid	(1,981)	(2,162)	(601)	(633)
<b>Net cash generated from operating activities</b>	<b>(213,846)</b>	<b>(207,646)</b>	<b>85,999</b>	<b>83,420</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(1,942)	(3,090)	(11,585)	(12,297)
Purchase of Intangible asset- software	(1,998)	(1,998)	-	-
Proceeds from sale of property, plant and equipment	286	287	618	713
Purchase of government securities	(201,096)	(201,096)	(61,788)	(61,788)
Sale of government securities	47,509	47,509	26,055	26,055
Sale of other investment	-	-	(814)	(1,340)
Sale / (purchase) of other short-term investment	-	(4,840)	(96)	660
Sale of investment securities	3,000	3,000	-	-
<b>Net cash used in investing activities</b>	<b>(154,241)</b>	<b>(160,228)</b>	<b>(47,610)</b>	<b>(47,997)</b>
<b>Cash flows from financing activities</b>				
Redemption of bonds	-	-	(4,524)	(4,524)
Borrowings repaid	(2,939)	(2,939)	(25,554)	(25,554)
Bonds issued	6,000	6,000	-	-
<b>Net cash generated from financing activities</b>	<b>3,061</b>	<b>3,061</b>	<b>(30,078)</b>	<b>(30,078)</b>
(Decrease) / Increase in cash and cash equivalents	<b>(365,026)</b>	<b>(364,813)</b>	<b>8,311</b>	<b>5,345</b>
Net foreign exchange difference	14,769	14,769	7,121	7,121
At 1 January	842,923	844,104	638,851	642,944
<b>Cash and cash equivalents as at 30 June</b>	<b>492,666</b>	<b>494,060</b>	<b>654,283</b>	<b>655,410</b>

### Notes to the consolidated and separate unaudited financial statements for the period ended 30 JUNE 2018

#### 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 1963 (Act 179).

#### IFRS 9 transition note

The Bank adopted the IFRS 9 Financial Instruments which prescribes the rules for measuring impairment allowances for financial assets, the classification and measurement of financial assets, and hedge accounting on January 1, 2018.

The IFRS 9 transition provisions require retrospective application by recognising the IFRS 9 impact in the opening retained earnings of the current period. As permitted by IFRS 9, Republic Bank is not restating comparatives on initial application of IFRS 9 instead providing initial transitional disclosures. These disclosures compare the closing balance sheet at 31 December 2017 (under IAS 39) to the opening balance sheet at 1 January 2018 (under IFRS 9).

As a result of the treatment above, the key impacts arising from the implementation of IFRS 9 on 1 January 2018 were an increase in the total impairment allowance and provisions of GHS14.28 million and a reduction in the shareholders equity balance.

#### Basis of preparation

The published summary 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 Publication for Banks & Bank of Ghana (BOG) licensed financial institutions.

#### 2. Quantitative Disclosures

	2018	2017
a. Capital Adequacy Ratio (%)	18.74	14.77
b. Non-Performing Loan (NPL) Ratio (%)	20.71	21.84

#### 3. Qualitative Disclosures

##### a. Dominant Risks

The Bank is exposed to the following risks:

- Credit Risk
- Liquidity Risk
- Operational 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 also 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 made 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. Tasks involved 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

	2018	2017
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  
Anthony Jordan  
Managing Director

