



# Republic Bank (Ghana) Limited

## 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
<b>Assets</b>				
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
<b>Total assets</b>	<b>3,326,242</b>	<b>3,344,545</b>	<b>2,857,988</b>	<b>2,879,034</b>
<b>Liabilities and equity</b>				
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
<b>Total liabilities</b>	<b>2,769,632</b>	<b>2,764,868</b>	<b>2,360,279</b>	<b>2,374,560</b>
<b>Equity</b>				
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
<b>Total equity attributable to equity holders of the Bank</b>	<b>556,610</b>	<b>574,793</b>	<b>497,709</b>	<b>500,170</b>
Non-controlling interest	-	4,884	-	4,304
<b>Total equity</b>	<b>556,610</b>	<b>579,677</b>	<b>497,709</b>	<b>504,474</b>
<b>Total liabilities and equity</b>	<b>3,326,242</b>	<b>3,344,545</b>	<b>2,857,988</b>	<b>2,879,034</b>

### 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)
<b>Net interest income</b>	<b>220,472</b>	<b>232,948</b>	<b>176,687</b>	<b>188,221</b>
Fee and commission income	44,504	64,725	32,595	55,722
Fee and commission expense	(1,154)	(1,154)	(902)	(902)
<b>Net fee and commission income</b>	<b>43,350</b>	<b>63,571</b>	<b>31,693</b>	<b>54,820</b>
<b>Net trading income</b>	<b>22,338</b>	<b>22,338</b>	<b>31,743</b>	<b>31,743</b>
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
<b>Operating income</b>	<b>308,161</b>	<b>342,952</b>	<b>260,830</b>	<b>297,668</b>
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)
<b>Profit for the year</b>	<b>62,557</b>	<b>79,123</b>	<b>37,440</b>	<b>28,201</b>
<b>Other comprehensive income, net of income tax</b>				
Deferred tax on revaluation of land and building	-	-	(7,066)	(7,066)
<b>Total comprehensive income for the year</b>	<b>62,557</b>	<b>79,123</b>	<b>30,374</b>	<b>21,135</b>
<b>Profit attributable to:</b>				
Controlling Equity holders of the bank	62,557	78,279	37,440	27,461
Non-controlling interest	-	844	-	740
<b>Profit for the year</b>	<b>62,557</b>	<b>79,123</b>	<b>37,440</b>	<b>28,201</b>
<b>Total comprehensive income attributable to:</b>				
Controlling Equity holders of the bank	62,557	78,279	30,374	20,395
Non-controlling interest	-	844	-	740
<b>Total comprehensive income for the year</b>	<b>62,557</b>	<b>79,123</b>	<b>30,374</b>	<b>21,135</b>
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)
<b>Net cash generated from operating activities</b>	<b>211,343</b>	<b>207,201</b>	<b>16,301</b>	<b>33,048</b>
<b>Cash flows from investing activities</b>				
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)
<b>Net cash from / (used) in investing activities</b>	<b>27,054</b>	<b>28,765</b>	<b>(340,369)</b>	<b>(355,858)</b>
<b>Cash flows from financing activities</b>				
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)
<b>Net cash generated (used in) / from financing activities</b>	<b>(42,018)</b>	<b>(42,018)</b>	<b>347,900</b>	<b>347,900</b>
Increase in cash and cash equivalents	196,379	193,948	23,832	25,090
Effect of foreign exchange fluctuations on cash and cash equiv.	37,157	37,157	34,205	34,205
At 1 January	903,213	905,652	845,176	846,357
<b>Cash and cash equivalents as at 31 December</b>	<b>1,136,749</b>	<b>1,136,757</b>	<b>903,213</b>	<b>905,652</b>

### 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)	
<b>Restated balance at 1 January 2019</b>	<b>401,191</b>	<b>(68,748)</b>	<b>94,385</b>	<b>24,852</b>	<b>744</b>	<b>41,629</b>	<b>494,053</b>	
<b>Total comprehensive income</b>								
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)	-	
<b>Total comprehensive income and movements therein</b>	<b>-</b>	<b>31,297</b>	<b>31,279</b>	<b>-</b>	<b>-</b>	<b>(19)</b>	<b>62,557</b>	
<b>At 31 December 2019</b>	<b>401,191</b>	<b>(37,451)</b>	<b>125,664</b>	<b>24,852</b>	<b>744</b>	<b>41,610</b>	<b>556,610</b>	
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
In thousands of GH¢								
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)
<b>Restated balance at 1 January 2019</b>	<b>401,191</b>	<b>(66,287)</b>	<b>94,385</b>	<b>24,852</b>	<b>744</b>	<b>41,629</b>	<b>4,304</b>	<b>500,818</b>
<b>Total comprehensive income</b>								
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)	-	-
<b>Total comprehensive income and movements therein</b>	<b>-</b>	<b>47,019</b>	<b>31,279</b>	<b>-</b>	<b>-</b>	<b>(19)</b>	<b>844</b>	<b>79,123</b>
<b>Owners contributions and distributions</b>								
Dividend paid to NCI	-	-	-	-	-	-	(264)	(264)
<b>Total contributions and distributions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(264)</b>	<b>(264)</b>
<b>At 31 December 2019</b>	<b>401,191</b>	<b>(19,268)</b>	<b>125,664</b>	<b>24,852</b>	<b>744</b>	<b>41,610</b>	<b>4,884</b>	<b>579,677</b>

**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)	-
<b>Restated balance at 1 January 2018</b>	<b>146,191</b>	<b>(37,764)</b>	<b>75,665</b>	<b>32,051</b>	<b>744</b>	<b>-</b>	<b>216,887</b>
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	-
<b>Total comprehensive income and movements therein</b>	<b>-</b>	<b>(22,776)</b>	<b>18,720</b>	<b>(133)</b>	<b>-</b>	<b>41,629</b>	<b>37,440</b>
<b>Other Comprehensive income</b>							
Deferred taxation assets revalued	-	-	-	(7,066)	-	-	(7,066)
<b>Owners contributions and distributions</b>							
Issue of ordinary shares	255,000	-	-	-	-	-	255,000
Shares issuance cost	-	(4,552)	-	-	-	-	(4,552)
<b>Total contributions and distributions</b>	<b>255,000</b>	<b>(4,552)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>250,448</b>
<b>At 31 December 2018</b>	<b>401,191</b>	<b>(65,092)</b>	<b>94,385</b>	<b>24,852</b>	<b>744</b>	<b>41,629</b>	<b>497,709</b>

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)	-	-
<b>Restated balance at 1 January 2018</b>	<b>146,191</b>	<b>(25,324)</b>	<b>75,665</b>	<b>32,051</b>	<b>744</b>	<b>-</b>	<b>3,564</b>	<b>232,891</b>
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	-	-
<b>Total comprehensive income and movements therein</b>	<b>-</b>	<b>(32,755)</b>	<b>18,720</b>	<b>(133)</b>	<b>-</b>	<b>41,629</b>	<b>740</b>	<b>28,201</b>
<b>Other Comprehensive income</b>								
Deferred taxation assets revalued	-	-	-	(7,066)	-	-	-	(7,066)
<b>Owners contributions and distributions</b>								
Issue of ordinary shares	255,000	-	-	-	-	-	-	255,000
Shares issuance cost	-	(4,552)	-	-	-	-	-	(4,552)
<b>Total contributions and distributions</b>	<b>255,000</b>	<b>(4,552)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>250,448</b>
<b>At 31 December 2018</b>	<b>401,191</b>	<b>(62,631)</b>	<b>94,385</b>	<b>24,852</b>	<b>744</b>	<b>41,629</b>	<b>4,304</b>	<b>504,474</b>

**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  
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ACCRA

26 February, 2020

