

AUDITED CONDENSED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

CONDENSED CONSOLIDATED AND SEPARATE STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER, 2020

In thousands of GHC	2020		2019	
	Bank	Group	Bank	Group
Interest income using effective interest method	454,958	468,229	401,504	413,885
Interest expense	(197,929)	(196,999)	(181,032)	(180,937)
Net interest income	257,029	271,230	220,472	232,948
Fee and commission income	46,452	68,568	44,504	64,725
Fee and commission expense	(1,944)	(1,944)	(1,154)	(1,154)
Net fee and commission income	44,508	66,624	43,350	63,571
Net trading income	20,295	20,295	22,338	22,338
Net income / (loss) from investments at fair value thru. profit & loss	5,101	5,342	(2,205)	(2,205)
Other operating income	5,465	5,465	10,505	10,505
Other income	6,264	9,152	13,701	15,795
Operating income	338,662	378,108	308,161	342,952
Net impairment loss on financial asset	(48,849)	(48,160)	(32,000)	(19,112)
Personnel expenses	(126,042)	(144,980)	(111,422)	(129,454)
Lease expenses	(2,182)	(2,182)	(1,211)	(1,211)
Depreciation and amortization	(19,426)	(21,456)	(18,205)	(19,476)
Other expenses	(62,304)	(73,893)	(53,206)	(62,405)
Profit before income tax for the period	79,859	87,437	92,117	111,294
National Fiscal Stabilization Levy	(4,157)	(4,559)	(4,606)	(5,582)
Tax expense	(24,078)	(26,343)	(24,954)	(26,589)
Profit for the year	51,624	56,535	62,557	79,123
Other comprehensive income	-	-	-	-
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the period	51,624	56,535	62,557	79,123
Profit attributable to:				
Controlling Equity holders of the bank	51,624	56,413	62,557	78,279
Non-controlling interest	-	122	-	844
Profit for the year	51,624	56,535	62,557	79,123
Total comprehensive income attributable to:				
Controlling Equity holders of the bank	51,624	56,413	62,557	78,279
Non-controlling interest	-	122	-	844
Total comprehensive income for the period	51,624	56,535	62,557	79,123
Basic earnings per share (Ghana pesewas)	6.06	6.62	7.34	9.19
Diluted earnings per share (Ghana pesewas)	6.06	6.62	7.34	9.19

CONDENSED CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER, 2020

In thousands of GHC	2020		2019	
	The Bank	The Group	The Bank	The Group
Assets				
Cash and cash equivalents	906,641	906,651	1,136,749	1,136,757
Non-pledged trading assets	3,180	3,180	13,591	13,591
Pledged assets	42,234	42,234	72,019	72,019
Investments securities	994,002	1,015,597	540,870	568,866
Loans and advances to customers	1,525,099	1,525,099	1,411,342	1,401,224
Investments in subsidiaries	12,043	-	12,332	-
Current tax	4,749	4,324	14,828	15,059
Deferred tax assets	16,624	16,640	12,881	12,892
Intangible asset and Goodwill	6,952	6,955	8,236	8,242
Other assets	18,010	26,732	13,321	22,849
Property and equipment	118,251	122,190	90,073	93,046
Total assets	3,647,785	3,669,602	3,326,242	3,344,545
Liabilities and equity				
Deposits from banks	-	-	45,551	45,551
Deposits from customers	2,769,403	2,755,324	2,525,003	2,516,130
Borrowing	117,633	117,633	64,715	64,715
Other liabilities	152,515	160,433	134,363	138,472
Total liabilities	3,039,551	3,033,390	2,769,632	2,764,868
Equity				
Stated capital	401,191	401,191	401,191	401,191
Income surplus	(14,477)	8,495	(37,451)	(19,268)
Statutory reserve fund	151,476	151,476	125,664	125,664
Revaluation reserve	24,852	24,852	24,852	24,852
Regulatory credit risk reserve	44,448	44,448	41,610	41,610
Housing development assistance reserve	744	744	744	744
Total equity attributable to equity holders of the Bank	608,234	631,206	556,610	574,793
Non-controlling interest	-	5,006	-	4,884
Total equity	608,234	636,212	556,610	579,677
Total liabilities and equity	3,647,785	3,669,602	3,326,242	3,344,545

CONDENSED CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER, 2020

In thousands of GHC	2020		2019	
	Bank	Group	Bank	Group
Profit before tax	79,859	87,437	92,117	111,294
Adjustments for:				
Depreciation and amortization	19,426	21,456	18,205	19,476
Loss / (profit) on disposal of property, plant and equipment	5	5	(608)	(608)
Net impairment loss on loans and advances	48,849	48,849	32,000	32,000
Reversal of impairment on investment securities	-	(689)	-	(12,888)
Net interest income	(257,029)	(271,230)	(220,472)	(232,948)
Inflation adjustment on long term bonds	-	-	122	122
Fair value change- investments securities FVTPL	(5,101)	(5,342)	2,205	2,205
Effect of foreign exchange fluctuations.	(53,872)	(53,872)	(37,157)	(37,157)
Decrease / (increase) in trading assets	10,411	10,411	(13,591)	(13,591)
Decrease / (increase) in pledged assets	29,785	29,785	(9,163)	(9,163)
Increase in loans and advances to customers	(161,368)	(171,486)	(240,333)	(230,215)
(Increase) / decrease in account receivable and other assets	(4,400)	(3,883)	(466)	(480)
Increase in deposits from customers	207,914	203,637	409,134	400,261
Increase in account payables and other liabilities	7,883	11,693	16,332	11,593
Cash generated from operations	(77,638)	(93,229)	48,325	39,901
Interest paid	(194,593)	(194,593)	(171,856)	(171,856)
Interest received	452,932	467,318	373,985	381,028
Corporate tax paid	(18,877)	(20,039)	(33,641)	(35,426)
National fiscal stabilization levy paid	(3,022)	(3,876)	(5,470)	(6,446)
Net cash generated from operating activities	158,802	155,581	211,343	207,201
Cash flows from investing activities				
Purchase of property, plant and equipment	(44,963)	(47,956)	(15,138)	(15,915)
Purchase of Intangible asset- software	(1,362)	(1,362)	(2,813)	(2,813)
Proceeds from sale of property, plant and equipment	-	-	667	904
Purchase of investment securities at amortised cost	(710,165)	(711,318)	(449,303)	(449,303)
Proceeds from sale of investment securities at amortised cost	262,366	271,337	499,108	503,647
Proceeds from sale of investment securities / interest received - FVTPL	556	1,789	833	833
Purchase of investment securities - FVTPL	-	(2,835)	(4,300)	(8,588)
Purchases - investment in subsidiary	-	-	(2,000)	-
Net cash (used in) / generated from investing activities	(493,568)	(490,345)	27,054	28,765
Cash flows from financing activities				
Redemption of bonds	(26,795)	(26,795)	(5,033)	(5,033)
Proceeds from bonds issued	30,112	30,112	5,454	5,454
Repayment of borrowings	(64,599)	(64,599)	(103,309)	(103,309)
Proceeds from borrowings	108,846	108,846	60,870	60,870
Net cash generated from / (used in) financing activities	47,564	47,564	(42,018)	(42,018)
Increase in cash and cash equivalents	(287,202)	(287,200)	196,379	193,948
Effect of foreign exch. fluctuations on cash & cash equiv.	57,094	57,094	37,157	37,157
At 1 January	1,136,749	1,136,757	903,213	905,652
Cash and cash equivalents as at 31 December	906,641	906,651	1,136,749	1,136,757

CONDENSED CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER, 2020

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 GHC							
Balance at 1 January 2020	401,191	(37,451)	125,664	24,852	744	41,610	556,610
Profit for the year	-	51,624	-	-	-	-	51,624
Transfer from income surplus to reserves							
Transfer to statutory reserve fund	-	(25,812)	25,812	-	-	-	-
Transfer to regulatory credit risk reserve	-	(2,838)	-	-	-	2,838	-
Total transfers	-	(28,650)	25,812	-	-	2,838	-
At 31 December 2020	401,191	(14,477)	151,476	24,852	744	44,448	608,234

AUDITED CONDENSED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

CONDENSED CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER, 2020 (CONT'D)

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 GHC							
Balance at 31 December 2018	401,191	(65,092)	94,385	24,852	744	41,629	497,709
Net Impact of adopting IFRS 16 (Note 15b)	-	(3,656)	-	-	-	-	(3,656)
Restated balance at 1 January 2019	401,191	(68,748)	94,385	24,852	744	41,629	494,053
Profit for the year	-	62,557	-	-	-	-	62,557
Transfers from income surplus to reserves							
Transfer to statutory reserve fund	-	(31,279)	31,279	-	-	-	-
Transfer from regulatory credit risk reserve	-	19	-	-	-	(19)	-
Total transfers	-	(31,260)	31,279	-	-	(19)	-
At 31 December 2019	401,191	(37,451)	125,664	24,852	744	41,610	556,610

Group-2020

	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 1 January 2020	401,191	(19,268)	125,664	24,852	744	41,610.00	4,884	579,677
Profit for the year	-	56,413	-	-	-	-	122	56,535
Transfers from income surplus to reserves								
Transfer to statutory reserve fund	-	(25,812)	25,812	-	-	-	-	-
Transfer to regulatory credit risk reserve	-	(2,838)	-	-	-	2,838	-	-
Total transfers	-	(28,650)	25,812	-	-	2,838	-	-
At 31 December 2020	401,191	8,495	151,476	24,852	744	44,448	5,006	636,212

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 GHC								
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 (Note 15b)	-	(3,656)	-	-	-	-	-	(3,656)
Restated balance at 1 January 2019	401,191	(66,287)	94,385	24,852	744	41,629.00	4,304	500,818
Profit for the year	-	78,279	-	-	-	-	844	79,123
Transfers from income surplus to reserves and transactions with owners, recorded directly in equity								
Transfer to statutory reserve fund	-	(31,279)	31,279	-	-	-	-	-
Transfer from regulatory credit risk reserve	-	19	-	-	-	(19)	-	-
Dividend paid to NCI	-	-	-	-	-	-	(264)	(264)
Total transfers and transactions with owners	-	(31,260)	31,279	-	-	(19)	(264)	(264)
At 31 December 2019	401,191	(19,268)	125,664	24,852	744	41,610	4,884	579,677

NOTES TO THE AUDITED CONDENSED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. Basis of preparation

The condensed financial statements have been extracted from the audited financial statements which are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Boards (IASB) and adopted by the Institute of Chartered Accountants Ghana (ICAG) and in a manner required by the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) and are consistent with those applied in the preparation of the annual audited financial statements.

The condensed financial statements have also been prepared in line with the Bank of Ghana Guide for Publication for Banks & BoG licensed financial institutions.

The annual audited financial statements are available for inspection at the Head Office of Republic Bank (Ghana) PLC

2. Quantitative Disclosures

	2020	2019
a. Capital Adequacy Ratio (CRD) (%)	26.66	27.41
b. Non-Performing Loan (NPL) Ratio (%)	19.03	18.16
c. Liquidity ratio (%)	166.36	130.69

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 has Risk Management and Compliance Departments which have 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 condensed 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

REPORT OF THE DIRECTORS' TO THE MEMBERS OF REPUBLIC BANK (GHANA) PLC

The directors submit their report together with the audited condensed consolidated and separate financial statements for the year ended 31 December 2020, which shows the state of affairs of the Bank and the Group.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for the preparation of condensed consolidated and separate financial statements that give a true and fair view of Republic Bank (Ghana) PLC, comprising the statements of financial position at 31 December 2020, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, in accordance with 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). In addition, the directors are responsible for the preparation of the report of directors.

The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

AUDITED CONDENSED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

The directors have made an assessment of the ability of the Bank and its subsidiaries ("the Group") to continue as going concerns and have no reason to believe that the businesses will not be going concerns in the year ahead.

The auditor is responsible for reporting on whether the condensed consolidated and separate financial statements give a true and fair view in accordance with the applicable financial reporting framework.

PRINCIPAL ACTIVITIES

The principal activities of the Group are:

- to carry on the business of universal banking;
- to provide residential and commercial mortgages;
- to provide brokerage services;
- to provide fund and asset management services;

There was no change in the nature of business of the Bank and its subsidiaries during the year.

HOLDING COMPANY

The company is sixty-six point five four percentage (66.54%) owned by Republic Financial Holdings Limited (RFHL), a company incorporated in Trinidad and Tobago.

SUBSIDIARIES OF THE COMPANY

The Bank directly or indirectly owns the following subsidiaries as at December 31, 2020

Company name	Country of incorporation	Nature of business
Republic Investment Services Limited	Ghana	Fund and asset management services
Republic Securities Limited	Ghana	Brokerage services
Republic Bofo Limited	Ghana	Other services
HFC Reality Limited	Ghana	Residential and commercial mortgages
HFC Venture Capital	Ghana	Venture capital financial services

CORPORATE SOCIAL RESPONSIBILITY AND CODE OF ETHICS

As a corporate entity, the Bank interacts with and impacts its community in many ways. The Bank therefore ensures that as it works to deliver sustainable growth and Shareholder value, it contributes to the wider stakeholder community by being a responsible corporate citizen, an employer of choice and a banker of choice. To this end, the Bank is committed to promoting and engaging in projects that benefit and enhance the socio-economic development of the Community and the Country as a whole.

The Bank's main contributions in these areas have been in sponsorship of education and youth development, health and the support of the underprivileged in society.

A total of GH¢1,254,500 (2019: GH¢564,000) was spent under the Bank's social responsibility programme with key focus on education, financial inclusion and others.

BOARD OF DIRECTORS

Dividends

In accordance with Section 72 of the Companies Act, 2019, (Act 992) no dividend has been recommended by the Directors for approval by the Shareholders because of the negative Income Surplus balance (2019: Nil).

AUDITOR

The Audit Committee has responsibility delegated from the board of directors for making recommendations on the appointment, reappointment, removal and remuneration of the external auditor. KPMG has been the auditor of Republic Bank (Ghana) PLC for three years. During the year, the consulting services arm of KPMG was used to hire Company Secretary for the Bank.

CERTIFICATION OF COMPLIANCE WITH BANK OF GHANA CORPORATE GOVERNANCE DIRECTIVE 2018

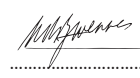
In compliance with paragraph 12 of the Bank of Ghana Corporate Governance Directive 2018 the Board of Directors of Republic Bank (Ghana) PLC hereby certifies that it has complied with the provisions of the Directive.

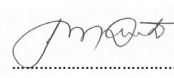
The Board further certifies that: -

- It has independently assessed and documents that the corporate governance process of the Bank is effective and has successfully achieved its objectives.
- Directors are aware of their responsibilities to the Bank as persons charged with governance.

APPROVAL OF THE REPORT OF THE DIRECTORS

The report of the directors of Republic Bank (Ghana) PLC, were approved by the board of directors on February 24th, 2021 and signed on their behalf by:


.....
Charles William Zwennes


.....
Farid Antar

INDEPENDENT AUDITOR'S REPORT

To the Members of REPUBLIC BANK (GHANA) PLC

Opinion

The condensed consolidated and separate financial statements, which comprise the statements of financial position at 31 December 2020, and the statements of comprehensive income, cash flows and changes in equity for the year then ended and related notes, are derived from the audited consolidated and separate financial statements of Republic Bank (Ghana) PLC for the year ended 31 December 2020.

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 25 March 2021. 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.

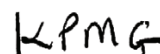
Directors' Responsibility for the Condensed Consolidated and Separate Financial Statements

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)



For and on behalf of:

KPMG: (ICAG/F/2021/038)

CHARTERED ACCOUNTANTS

13 YIYIWA DRIVE, ABELNKPE

P O BOX GP 242

ACCRA

...25 MARCH...2021