

# GUARANTY TRUST BANK (GHANA) LIMITED

## SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017



SUMMARY INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017		
(All amounts are in thousands of Ghana cedis)		
	2017	2016
Interest income	241,382	213,096
Interest expense	(97,088)	(78,122)
Net interest income	144,294	134,974
Fee and commission income	47,933	44,920
Net trading income	31,943	23,019
Net income from other financial instruments carried at fair value	5,614	3,382
Other operating income	327	634
Operating income	230,111	206,929
Net impairment loss on financial assets	1,517	(9,416)
Personnel expenses	(34,515)	(30,128)
Amortisation of prepaid operating lease	(6,721)	(5,967)
Depreciation and amortisation	(6,909)	(6,482)
Other operating expenses	(55,972)	(48,402)
Profit before income tax	127,511	106,535
National fiscal stabilisation levy	(6,376)	(5,323)
Income tax expense	(32,939)	(27,472)
Profit for the year after income tax and national fiscal stabilisation levy	88,196	73,740
Basic & Diluted (Ghana cedi per share)	0.0120	0.0100

SUMMARY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017		
(All amounts are in thousands of Ghana cedis)		
	2017	2016
Cash and cash equivalents	452,637	381,154
Non-pledged trading assets	97,216	77,074
Loans and advances to customers	396,465	626,562
Investment securities	856,588	407,901
Deferred income tax assets	1,679	2,183
Intangible assets	2,136	2,857
Other assets	41,182	23,356
Property and equipment	25,974	24,251
<b>Total Assets</b>	<b>1,873,877</b>	<b>1,545,338</b>
<b>Liabilities</b>		
Deposits from banks	-	57,492
Deposits from customers	1,467,121	1,111,111
Borrowings	27,683	47,469
Current income tax liabilities	1,386	542
Deferred income tax liabilities	1,764	1,213
Other liabilities	40,547	44,391
	1,538,501	1,262,218
<b>Equity</b>		
Stated capital	82,655	82,655
Credit risk reserve	63,265	62,211
Statutory reserve	111,103	100,078
Income surplus	78,353	38,176
<b>Total shareholders funds</b>	<b>335,376</b>	<b>283,120</b>
<b>Total Liabilities and Equity</b>	<b>1,873,877</b>	<b>1,545,338</b>

SUMMARY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2017		
(All amounts are in thousands of Ghana cedis)		
	2017	2016
Cash flows from operating activities		
Profit before tax	127,511	106,535
Adjustments for:		
Depreciation and amortisation	6,909	6,482
Impairment on financial assets	(1,517)	9,416
Exchange difference on borrowing	2,560	5,114
Profit on disposal of property and equipment	(157)	(72)
Change in loans and advances	230,098	11,317
Change in trading assets and investment securities	(554,624)	(42,381)
Change in other assets	(17,827)	2,645
Change in deposits from customers	356,010	157,293
Change in other liabilities	(3,843)	19,265
Change in mandatory reserve deposits	(35,601)	(15,729)
Income tax paid	(31,041)	(25,747)
National fiscal stabilisation levy paid	(6,077)	(5,185)
<b>Net cash generated from operating activities</b>	<b>72,401</b>	<b>228,953</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(7,654)	(3,287)
Purchase of intangible assets	(250)	(1,694)
Proceeds from sale of property and equipment	365	105
<b>Net cash used in investing activities</b>	<b>(7,539)</b>	<b>(4,876)</b>
<b>Cash flows from financing activities</b>		
Repayment of borrowings	(22,346)	(19,993)
Dividend paid	(35,940)	(27,120)
Net cash used in financing activities	(58,286)	(47,113)
Net increase/(decreased) in cash and cash equivalents	6,576	176,964
Cash and cash equivalents at 1 January	552,858	375,894
Cash and cash equivalents at 31 December	559,435	552,858

SUMMARY NOTES TO THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017		
<b>Significant Accounting Policies</b>		
The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The detailed accounting policies which formed part of the annual report and have been consistently applied can be found in the annual financial statements which are available for inspection at the Bank's Head Office at 25A Castle Road, Ambassadorial Area, Ridge.		
<b>Risk Management Framework</b>		
As a Bank, risk is at the core of our operations. To manage it, we have designed a Risk Management Framework covering the strategic framework, organizational structure, risk appetite, operational framework and risk monitoring and reporting.		
<b>Quantitative Disclosures</b>		
	2017	2016
i. Capital Adequacy Ratio	29.16%	22.06%
ii. Non-performing loan (NPL) to gross loss (BoG basis)	19.90%	12.69%
iii. Loan loss provision	4.78%	4.04%
iv. Ratio of fifty (50) largest exposure (gross funded and non-funded) to total exposure	96.80%	96.29%
v. Liquid ratio	73.00%	64.78%
<b>Defaults in Statutory Liquidity and accompanying sanctions</b>		
	2017	2016
i. Default in statutory liquidity	Nil	Nil
ii. Sanctions	Nil	Nil

SUMMARY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017					
(All amounts are in thousands of Ghana cedis)					
	Stated Capital	Statutory Reserve	Credit Risk Reserve	Income Surplus	Total
Balance at 1 January 2017	82,655	100,078	62,211	38,176	283,120
Profit for the year	-	-	-	88,196	88,196
<b>Total Comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>88,196</b>	<b>88,196</b>
Transactions with owners:					
Dividend paid for 2016	-	-	-	(35,940)	(35,940)
Transfer to statutory reserve	-	11,025	-	(11,025)	-
Transfer to credit risk reserve	-	-	1,054	(1,054)	-
Total transactions with owners	-	11,025	1,054	(48,018)	(35,940)
<b>Balance at 31 December 2017</b>	<b>82,655</b>	<b>111,103</b>	<b>63,265</b>	<b>78,353</b>	<b>335,376</b>
Balance at 1 January 2016	82,655	90,861	35,864	27,120	236,500
Profit for the year	-	-	-	73,740	73,740
<b>Total Comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>73,740</b>	<b>73,740</b>
Transactions with owners:					
Dividend paid for 2015	-	-	-	(27,120)	(27,120)
Transfer to statutory reserve	-	9,217	-	(9,217)	-
Transfer to credit risk reserve	-	-	26,347	(26,347)	-
Total transactions with owners	-	9,217	26,347	(62,684)	(27,120)
<b>Balance at 31 December 2016</b>	<b>82,655</b>	<b>100,078</b>	<b>62,211</b>	<b>38,176</b>	<b>283,120</b>

**SUMMARY REPORT OF THE DIRECTORS**

The directors present their report together with the audited financial statements for the year ended 31 December 2017 in accordance with the Companies Act 1963 (Act 179) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) which discloses the state of affairs of the Bank.

**Directors' Responsibility for the Financial Statements**

The directors are responsible for the preparation of financial statements for each financial year, which gives a true and fair view of the state of affairs of the Bank and the profit or loss and cash flows for that period. In preparing these financial statements, the directors have selected suitable accounting policies and applied them consistently, made judgements and estimates that are reasonable and prudent and followed International Financial Reporting Standards and complied with the requirements of the Companies Act 1963 (Act 179) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

The directors are responsible for ensuring that the Bank keeps proper accounting records that disclose with reasonable accuracy at anytime the financial position of the Bank. The directors are also responsible for safeguarding the assets of the Bank and taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Going concern**

We have no plans or intentions, for example to dispose of the business or cease operations that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.

**Nature of Business**

The Bank is licensed to carry out Universal Banking business in Ghana. There was no change in the nature of the Bank's business during the year.

**Holding company**

The Bank is a subsidiary of Guaranty Trust Bank Plc, a company incorporated in the Federal Republic of Nigeria and licensed to carry out universal banking business.

**Approval of the Financial Statements**

The financial statements of the Bank were approved by the Board of Directors on 07 February 2018 and were signed on their behalf by:

Signed: Alhaji Yusif Ibrahim  
Chairman

Signed: Olalekan Sanusi  
Managing Director

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GUARANTY TRUST BANK (GHANA) LIMITED**  
**REPORT ON THE AUDIT OF THE SUMMARY FINANCIAL STATEMENTS**

**Our opinion**

In our opinion, the accompanying summary financial statements of Guaranty Trust Bank (Ghana) Limited (the "Bank"), are consistent, in all material respects, with the audited financial statements of the Bank for the year ended 31 December 2017, on the basis described in the notes.

**The summary financial statements**

The Bank's summary financial statements derived from the audited financial statements for the year ended 31 December 2017 comprise:

- the summary statement of financial position as at 31 December 2017;
- the summary statement of comprehensive income for the year then ended;
- the summary statement of changes in equity for the year then ended;
- the summary statement of cash flows for the year then ended; and
- the related notes to the summary financial statements.

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards and the Companies Act, 1963 (Act 179) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon. The audited financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

*The audited financial statements and our report thereon*

We expressed an unmodified audit opinion on the audited financial statements in our report dated 16 March 2018. 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 audited financial statements of the current period.

**Directors' responsibility for the summary financial statements**

The directors are responsible for the preparation of the summary financial statements on the basis described in the notes.

**Auditor's responsibility**

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing 810 (Revised), 'Engagements to Report on Summary Financial Statements'.

The engagement partner on the audit resulting in this independent auditor's report is Oseini Amui (ICAG/P/1139).

*PricewaterhouseCoopers*

PricewaterhouseCoopers (ICAG/F/2018/028)  
Chartered Accountants  
Accra, Ghana  
16 March 2018

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