

CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

(All amounts in thousands of Ghana cedis)		
	2018	2017
Interest income	265,835	241,382
Interest expense	(104,925)	(97,088)
Net interest income	160,910	144,294
Fee and commission income	69,086	47,933
Net trading income	51,250	31,943
Net income from other financial instruments carried at fair value	20,617	5,614
Other operating income	12,045	327
Operating income	313,908	230,111
Net impairment reversal on financial assets	19,309	1,517
Personnel expenses	(45,495)	(34,515)
Amortisation of prepaid operating lease	(7,040)	(6,721)
Depreciation and amortisation	(8,283)	(6,909)
Other operating expenses	(57,200)	(55,972)
Profit before income tax	215,199	127,511
National fiscal stabilization levy	(10,760)	(6,376)
Income tax expense	(53,850)	(32,939)
Profit for the year after income tax and national fiscal stabilisation levy	150,589	88,196
Basic & Diluted EPS (Ghana cedi per share)	0.0106	0.0120

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

(All amounts in thousands of Ghana cedis)		
	2018	2017
Assets		
Cash and cash equivalents	832,690	452,637
Non-pledged trading assets	32,170	97,216
Loans and advances to customers	424,714	396,465
Investment securities	875,345	856,588
Property and equipment	48,023	25,974
Intangible assets	1,981	2,136
Deferred tax assets	1,220	1,679
Other assets	67,619	41,182
Total Assets	2,283,762	1,873,877
Liabilities		
Deposits from customers	1,664,300	1,467,121
Borrowings	6,049	27,683
Current tax liabilities	1,953	1,386
Deferred tax liabilities	1,857	1,764
Guarantee Contract Liabilities	57	57
Other liabilities	29,075	40,491
Total Liabilities	1,703,291	1,538,502
Equity		
Stated capital	404,896	82,655
Credit risk reserve	16,812	63,264
Statutory reserve	153,766	111,103
Retained Earnings	4,997	78,353
Total shareholders funds	580,471	335,375
Total Liabilities and Equity	2,283,762	1,873,877

CONDENSED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2018

(All amounts in thousands of Ghana cedis)		
	2018	2017
Cash flows from Operating Activities		
Profit for the period	150,589	88,196
Adjustments for:		
Depreciation and amortization	8,283	6,909
Impairment on financial assets	(18,849)	(6,462)
Foreign exchange difference on borrowings	1,400	2,560
Profit on disposal of property and equipment	(459)	(156)
Change in loans and advances to customers	(16,597)	236,560
Change in trading and investment securities	46,288	(468,829)
Change in other assets	(26,436)	(18,342)
Change in deposits from customers	197,179	298,518
Change in other liabilities	(11,041)	(3,843)
Income tax expense	64,610	39,315
Effect of exchange rate fluctuations on cash and cash equivalents	(10,132)	-
	384,835	174,426
Income tax paid	(52,658)	(31,041)
National fiscal stabilization Levy paid	(10,563)	(6,077)
Net cash generated from operating activities	321,614	137,308
Cash flows from investing activities		
Purchase of property and equipment	(27,927)	(7,654)
Purchase of intangible assets	(2,298)	(250)
Proceeds from sale of property and equipment	506	365
Net cash used in investing activities	(29,719)	(7,539)
Cash flows from financing activities		
Fresh capital inflow	120,238	-
Stamp duty paid	(1,612)	-
Dividend paid	-	(35,940)
Net repayment of borrowings	(23,035)	(22,346)
Withholding taxes paid on transfers from retained earnings	(17,565)	-
Net cash used in financing activities	78,026	(58,286)
Net increase in cash and cash equivalents	369,921	71,483
Cash and cash equivalents at 1 January, 2018	452,637	381,154
Effect of exchange rate fluctuations on cash and cash equivalents	10,132	-
Cash and cash equivalents at 31 December, 2018	832,690	452,637

CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

(All amounts in thousands of Ghana cedis)					
	Stated Capital	Statutory Reserve	Credit Risk Reserve	Retained Earnings	Total
Balance at 1 January 2018	82,655	111,103	63,264	78,353	335,375
Adjustment on initial application of IFRS 9	-	-	-	(6,554)	(6,554)
Excess in credit risk reserve per IFRS 9 computation transferred to retained earnings	-	-	(6,554)	6,554	-
Restated balance as at Jan. 1 2018	82,655	111,103	56,710	78,353	328,821
Profit for the year	-	-	-	150,589	150,589
Total comprehensive income	-	-	-	150,589	150,589
Transactions with owners of the company:					
Additional issued shares	120,238	-	-	-	120,238
Retained earnings capitalized	202,003	-	-	(202,003)	-
Stamp duty on issued shares	-	-	-	(1,612)	(1,612)
Withholding tax on transfer from retained earnings	-	-	-	(17,565)	(17,565)
Total transactions with equity holders	322,241	-	-	(221,180)	101,061
Transfers					
Transfer from credit risk reserve	-	-	(39,898)	39,898	-
Transfer to statutory reserve	-	42,663	-	(42,663)	-
Total transfers	-	42,663	(39,898)	(2,765)	-
Total transactions recognised directly in equity	322,241	42,663	(39,898)	(223,945)	101,061
Balance at 31 December 2018	404,896	153,766	16,812	4,997	580,471

CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

(All amounts in thousands of Ghana cedis)					
	Stated Capital	Statutory Reserve	Credit Risk Reserve	Retained Earnings	Total
Balance at 1 January 2017	82,655	100,078	62,211	38,175	283,119
Profit for the year	-	-	-	88,196	88,196
Total	82,655	100,078	62,211	126,371	371,315
Transactions with owners of the company:					
Dividend paid for 2016	-	-	-	(35,940)	(35,940)
Transfers					
Transfer from credit risk reserve	-	-	1,053	(1,053)	-
Transfer to statutory reserve	-	11,025	-	(11,025)	-
Total transfers	-	11,025	1,053	(12,078)	-
Total transactions recognised directly in equity	-	11,025	1,053	(48,018)	(35,940)
Balance at 31 December 2017	82,655	111,103	63,264	78,353	335,375

Directors' responsibility statement

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 judgments and estimates that are reasonable and prudent and followed International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by the Institute of Chartered Accountants, Ghana (ICAG) as well as complied with the requirement of the Companies Act 1963 (Act 179) and the Banks and Specialized Deposit-Taking Institutions Act, 2016 (Act 930) with special mention of the adoption of IFRS 9 in the preparation of the Financial Statements for the year ended 31 December 2018. The Bank has elected to use the retrospective approach with no restatement. With this method, the effect of IFRS 9 on 2017 amounts is adjusted for in the opening balance of equity on 1 January 2018.

The Directors are responsible for ensuring that the Bank keeps proper accounting records that disclose with reasonable accuracy at any time 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.

Adoption and Impact of IFRS 9 on the Financial Statements

IFRS 9, 'Financial instruments' published in July 2014, replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets. IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018. The net impact of IFRS 9 on equity as at 1 January 2018 was GHS 6.55 million and this has been treated in the Statement of Changes in Equity.

Quantitative Disclosures

	December 2018	December 2017
i. Capital Adequacy Ratio	52.76%	29.16%
ii. Non-performing loan (NPL) to gross loan (BOG basis)	4.12%	19.90%
iii. Loan Loss Provision ratio	1.64%	4.78%
iii. Liquid Ratio	82.46%	73.00%

Qualitative Disclosures

The Bank's dominant risks are: credit risk, liquidity risk, market risk and operational risk. The processes followed in risk measurement and their management for the year ended 31 December 2018 are consistent with those followed for the period ended 31 December 2017.

Defaults in statutory liquidity and accompanying sanctions

	2018	2017
Default in statutory Liquidity (No. of times)	nil	nil
Sanctions for statutory Liquidity default (GHS'000)	nil	nil

Risk Management Framework

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.

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 for the year ended 31 December 2018.

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.

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

Signed: Olusegun Agbaje
Ag. Board Chairman

Signed: Thomas Attah John
Managing Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GUARANTY TRUST BANK (GHANA) LIMITED

Report on the audit of the financial statements

Opinion

The condensed financial statements, which comprise the condensed statement of financial position as at 31 December 2018, and the condensed statements of comprehensive income, changes in equity and cash flows for the year ended and related notes, are derived from the audited financial statements of Guaranty Trust Bank (Ghana) Limited for the year ended 31 December 2018.

In our opinion, the accompanying condensed financial statements are consistent, in all material respects, with the audited financial statements, in accordance with the basis described in the notes.

Condensed Financial Statements

The condensed financial statements do not contain all the disclosures required by International Financial Reporting Standards and in the manner required by the Companies Act 1963, (Act 179) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) applied in the preparation of the audited financial statements of Guaranty Trust Bank (Ghana) Limited. Reading the condensed financial statements and our report thereon, therefore, is not a substitute for reading the audited financial statements and our report thereon.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 26 February 2019. That report also includes the communication of key audit matters. Key audit matters are those matters that in our professional judgment, were of most significance in our audit of the financial statements for the current period.

Directors' Responsibility for the Condensed Financial Statements

The directors are responsible for the preparation of the condensed 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 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 (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/2019/038)
CHARTERED ACCOUNTANTS
13 YIYIWA DRIVE, ABELENKPE
P O BOX GP 242
ACCRA
26 February 2019



Simple Banking for every Ghanaian
Just dial ***737#** to start *Try it today!*

... wouldn't you rather bank with us? www.gtbankghana.com