

# GUARANTY TRUST BANK (GHANA) LIMITED AUDITED CONDENSED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

GTBank

## CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

(All amounts in thousands of Ghana cedis)

	December 2019	December 2018
Interest income calculated using the effective interest method	359,218	265,835
Interest expense	(91,008)	(104,925)
Net interest income	268,210	160,910
Fee and commission income	81,403	69,086
Net gain on derivative instrument	10,387	-
Net trading income	59,766	51,250
Net income from other financial instruments carried at fair value	68,940	20,617
Operating income	488,706	301,863
Other operating income	546	12,045
Net impairment reversal on financial assets	(8,666)	19,309
Personnel expenses	(55,952)	(45,495)
Amortisation of prepaid operating lease	(2,822)	(7,040)
Depreciation and amortisation	(16,628)	(8,283)
Other operating expenses	(105,040)	(57,200)
Profit before income tax	300,144	215,199
National fiscal stabilisation levy	(15,007)	(10,760)
Income tax expense	(77,336)	(53,850)
Profit for the year and total comprehensive income	207,801	150,589

## CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

(All amounts in thousands of Ghana cedis)

	December 2019	December 2018
<b>Assets</b>		
Cash and cash equivalents	423,746	832,690
Non-pledged trading assets	436,739	32,170
Derivative assets under swap	10,387	-
Loans and advances to customers	569,536	424,714
Investment securities	1,591,460	875,345
Current tax assets	5,911	-
Property and equipment	116,183	48,023
Intangible assets	3,861	1,981
Deferred tax assets	1,404	1,220
Other assets	93,955	67,619
<b>Total assets</b>	<b>3,253,181</b>	<b>2,283,762</b>
<b>Liabilities</b>		
Deposits from customers	2,149,049	1,664,300
Deposits from banks	241,346	-
Borrowings	-	6,049
Current tax liabilities	-	1,953
Deferred tax liabilities	3,696	1,857
Guarantee contract liabilities	-	57
Provision on off balance sheet items	138	314
Other liabilities	70,680	28,761
<b>Total liabilities</b>	<b>2,464,909</b>	<b>1,703,291</b>
<b>Equity</b>		
Stated capital	404,895	404,895
Credit risk reserve	13,520	16,812
Statutory reserve	257,667	153,766
Income surplus	112,190	4,997
<b>Total shareholders funds</b>	<b>788,272</b>	<b>580,471</b>
<b>Total liabilities and equity</b>	<b>3,253,181</b>	<b>2,283,762</b>

## CONDENSED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019

(All amounts in thousands of Ghana cedis)

	December 2019	December 2018
Cash flows from operating activities		
Profit for the period	207,801	150,589
Adjustments for:		
Depreciation and amortization	16,628	8,283
Impairment on financial assets	8,666	(18,849)
Foreign exchange difference on borrowings	476	1,401
Profit on disposal of property and equipment	(402)	(459)
Gain on derivative assets	(10,387)	-
Fair value gains on mark to market	(15,725)	(2,792)
Foreign exchange gains or loss	(33,700)	(10,906)
Net interest income	(268,210)	(160,910)
Income tax expense	92,343	64,610
Lease liability finance charges	3,087	-
Change in loans and advances to customers	(153,664)	(16,597)
Change in investment securities	(1,110,464)	49,855
Change in other assets	(33,606)	(26,436)
Change in deposit from banks	241,346	-
Change in deposits from customers	484,750	197,179
Change in other liabilities	(1,872)	(11,043)
Interest income received	359,218	265,835
Interest expense paid	(91,008)	(104,925)
Finance charges on lease liability paid	(3,087)	-
Cash (used in) / generated from operations	(307,810)	384,835
Income tax paid	(82,518)	(52,658)
National fiscal stabilisation levy paid	(16,035)	(10,563)
<b>Net cash (used in) / from operating activities</b>	<b>(406,363)</b>	<b>321,614</b>
Cash flows from investing activities		
Purchase of property and equipment	(29,409)	(27,927)
Purchase of intangible assets	(1,522)	(2,298)
Proceeds from sale of property and equipment	566	506
<b>Net cash used in investing activities</b>	<b>(30,365)</b>	<b>(29,719)</b>
Cash flows from financing activities		
Repayment of borrowings	(6,525)	(23,035)
Lease liability payments	(9,864)	-
Fresh capital inflow	-	120,238
Stamp duty paid	-	(1,612)
Dividend paid	-	-
Withholding taxes paid on transfers from retained earnings	-	(17,565)
<b>Net cash (used in) / from financing activities</b>	<b>(16,389)</b>	<b>78,026</b>
<b>Net increase/(decreased) in cash and cash equivalents</b>	<b>(453,117)</b>	<b>369,921</b>
Cash and cash equivalents at 1 January	832,690	452,637
Effect of exchange rate fluctuations	44,173	10,132
Cash and cash equivalents at 31 December	423,746	832,690

## CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

(All amounts in thousands of Ghana cedis)

	Stated Capital	Statutory Reserve Fund	Credit Risk Reserve	Income Surplus	Total
Balance at 1 January 2019	404,895	153,766	16,812	4,997	580,471
Profit for the year	-	-	-	207,801	207,801
<b>Total comprehensive income</b>	-	-	-	207,801	207,801
<b>Transfers</b>					
Transfer from credit risk reserve	-	-	(3,292)	3,292	-
Transfer to statutory reserve fund	-	103,900	-	(103,900)	-
<b>Total transfers</b>	-	103,900	(3,292)	(100,609)	-
<b>Total transactions recognized directly in equity</b>	-	103,900	(3,292)	(100,609)	-
<b>Balance at 31 December 2019</b>	<b>404,895</b>	<b>257,667</b>	<b>13,520</b>	<b>112,190</b>	<b>788,272</b>

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

	Stated Capital	Statutory Reserve Fund	Credit Risk Reserve	Income Surplus	Total
Balance at 1 January 2018	82,655	111,103	63,265	78,353	335,376
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)	-
<b>Restated balance at 1 January 2018</b>	<b>82,655</b>	<b>111,103</b>	<b>56,711</b>	<b>78,353</b>	<b>328,822</b>
Profit for the year	-	-	-	150,589	150,589
<b>Total comprehensive income</b>	-	-	-	150,589	150,589
<b>Transactions with owners of the company:</b>					
Additional issued shares	120,238	-	-	-	120,238
Retained earnings capitalized	202,003	-	-	(202,003)	-
Stamp Duty Paid	-	-	-	(1,611)	(1,611)
Withholding tax on transfer from retained earnings	-	-	-	(17,565)	(17,565)
<b>Total transactions with equity holders</b>	<b>322,240</b>	-	-	<b>(221,179)</b>	<b>101,061</b>
<b>Transfers</b>					
Transfer from credit risk reserve	-	-	(39,898)	39,898	-
Transfer to statutory reserve fund	-	42,663	-	(42,663)	-
<b>Total transfers</b>	-	42,663	(39,898)	(2,765)	-
<b>Total transaction recognized directly in equity</b>	<b>322,240</b>	<b>42,663</b>	<b>(39,898)</b>	<b>(223,945)</b>	<b>101,061</b>
<b>Balance at 31 December 2018</b>	<b>404,895</b>	<b>153,766</b>	<b>16,812</b>	<b>4,997</b>	<b>580,471</b>

### 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 requirements of the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) with special mention of the adoption of IFRS 16 in the preparation of the Financial Statements for the year ended 31 December 2019.

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.

### Basis of preparation

The condensed financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Boards (IASB) and adopted by the Institute of Chartered Accountants Ghana (ICAG) and are consistent with those applied in the preparation of the annual audited financial statements.

The condensed financial statements have been extracted from the audited financial statements of the Bank with the Bank of Ghana Guide for Publication for Banks & BoG licensed financial institutions.

### Quantitative disclosures

	December 2019	December 2018
i. Capital adequacy ratio	62.84%	52.76%
ii. Common equity tier 1 ratio (%)	47.71%	48.87%
iii. Non-performing loan (NPL) to gross loan (BOG basis)	2.66%	4.12%
iv. Loan loss provision ratio	0.71%	1.70%
v. Liquid ratio	89.80%	82.46%
vi. Tier 1 leverage ratio	23.82%	24.68%
vii. Contingents (GHS'000)	158,814	125,420

### Qualitative disclosures

The Bank's dominant risks are: credit risk, liquidity risk, market risk, operational risk and foreign exchange risk. The processes followed in risk measurement and their management for the year ended 31 December 2019 are consistent with those followed for the period ended 31 December 2018.

### Defaults in statutory liquidity and accompanying sanctions

	2019	2018
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, organisational structure, risk appetite, operational framework and risk monitoring and reporting.

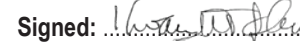
### Nature of business

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 2019.

### 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:   
Kwasi M. Tagbor  
Board Chairman

Signed:   
Thomas Attah John  
Managing Director

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

### Opinion

The condensed financial statements, which comprise the statement of financial position as 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 financial statements of Guaranty Trust Bank (Ghana) Limited for the year ended 31 December 2019. 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, 2019 (Act 992) 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 25 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 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 **Labaran Amidu (ICAG/P/1472)**.

### For and on behalf of:

KPMG  
KPMG: (ICAG/F/2020/038)  
CHARTERED ACCOUNTANTS  
13 YIYIWA DRIVE, ABELENKPE  
P O BOX GP 242  
ACCRA

25 February 2020



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