

CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2019

(All amounts in thousands of Ghana cedis)

| | June 2019 | June 2018 |
|---|-----------|-----------|
| Interest income | 165,025 | 133,183 |
| Interest expense | (51,545) | (56,984) |
| Net interest income | 113,480 | 76,199 |
| Fee and commission income | 35,624 | 27,945 |
| Net trading income | 44,184 | 19,026 |
| Net income from other financial instruments carried at fair value | 40,320 | 11,417 |
| Other operating income | 317 | 333 |
| Operating income | 233,925 | 134,920 |
| Net impairment reversal on financial assets | 2,886 | 8,975 |
| Personnel expenses | (26,385) | (18,645) |
| Amortisation of prepaid operating lease | (261) | (3,953) |
| Depreciation and amortisation | (5,318) | (3,669) |
| Other operating expenses | (31,206) | (22,708) |
| Profit before income tax | 173,668 | 94,920 |
| National fiscal stabilization levy | (8,834) | (4,746) |
| Income tax expense | (45,438) | (25,511) |
| Profit for the year after income tax and national fiscal stabilisation levy | 119,396 | 64,663 |
| Total comprehensive income for the period | 119,396 | 64,663 |
| Basic & Diluted EPS (Ghana cedi per share) | 0.0106 | 0.0035 |

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

(All amounts in thousands of Ghana cedis)

| | June 2019 | December 2018 |
|-------------------------------------|------------------|------------------|
| Assets | | |
| Cash and cash equivalents | 1,132,124 | 832,690 |
| Non-pledged trading assets | 263,407 | 32,170 |
| Loans and advances to customers | 428,916 | 424,714 |
| Investment securities | 1,411,388 | 875,345 |
| Deferred tax assets | 885 | 1,220 |
| Intangible assets | 2,861 | 1,981 |
| Other assets | 139,511 | 67,619 |
| Property and equipment | 53,564 | 48,023 |
| Total Assets | 3,432,656 | 2,283,762 |
| Liabilities | | |
| Deposits from banks | 670,088 | - |
| Deposits from customers | 1,965,586 | 1,664,300 |
| Borrowings | - | 6,049 |
| Current tax liabilities | 15,577 | 1,953 |
| Deferred tax liabilities | 3,697 | 1,857 |
| Guarantee Contract Liabilities | 57 | 57 |
| Other liabilities | 81,358 | 29,075 |
| Total liabilities | 2,736,363 | 1,703,291 |
| Equity | | |
| Stated capital | 404,896 | 404,896 |
| Credit risk reserve | 10,682 | 16,812 |
| Statutory reserve | 213,464 | 153,766 |
| Retained Earnings | 67,251 | 4,997 |
| Total shareholders funds | 696,293 | 580,471 |
| Total Liabilities and Equity | 3,432,656 | 2,283,762 |

CONDENSED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2019

(All amounts in thousands of Ghana cedis)

| | June 2019 | December 2018 |
|--|------------------|-----------------|
| Cash flows from Operating Activities | | |
| Profit for the period | 119,396 | 150,589 |
| Adjustments for: | | |
| Depreciation and amortization | 5,318 | 8,283 |
| Impairment on financial assets | (2,886) | (18,849) |
| Foreign exchange difference on borrowings | 476 | 1,400 |
| Profit on disposal of property and equipment | (245) | (459) |
| Change in loans and advances to customers | (1,316) | (16,597) |
| Change in trading and investment securities | (767,280) | 46,288 |
| Change in other assets | (71,892) | (26,436) |
| Change in deposits from banks | 670,088 | - |
| Change in deposits from customers | 301,286 | 197,179 |
| Change in other liabilities | 52,283 | (11,041) |
| Income tax expense | 54,272 | 64,610 |
| | 359,500 | 394,967 |
| Income tax paid | (29,639) | (52,658) |
| National fiscal stabilization Levy paid | (8,834) | (10,563) |
| Net cash generated from operating activities | 321,027 | 331,747 |
| Cash flows from investing activities | | |
| Purchase of property and equipment | (10,511) | (27,927) |
| Purchase of intangible assets | (1,378) | (2,298) |
| Proceeds from sale of property and equipment | 395 | 506 |
| Net cash used in investing activities | (11,494) | (29,719) |
| Cash flows from financing activities | | |
| Fresh capital inflow | - | 120,238 |
| Stamp duty paid | - | (1,612) |
| Dividend paid | - | - |
| Impact of IFRS 16 from prior year | (3,574) | - |
| Net repayment of borrowings | (6,525) | (23,035) |
| Withholding taxes paid on transfers from retained earnings | - | (17,565) |
| Net cash used in financing activities | (10,099) | 78,026 |
| Net increase/(decreased) in cash and cash equivalents | 299,434 | 380,053 |
| Cash and cash equivalents at 1 January 2019 | 832,690 | 452,637 |
| Cash and cash equivalents at 30 June 2019 | 1,132,124 | 832,690 |

CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2019

(All amounts in thousands of Ghana cedis)

| | Stated Capital | Statutory Reserve | Credit Risk Reserve | Retained Earnings | Total |
|---|----------------|-------------------|---------------------|-------------------|----------------|
| Balance at 1 January 2019 | 404,896 | 153,766 | 16,812 | 4,997 | 580,471 |
| Impact of IFRS 16 from prior year | - | - | - | (3,574) | (3,574) |
| Total | 404,896 | 153,766 | 16,812 | 1,423 | 576,897 |
| Profit for period | - | - | - | 119,396 | 119,396 |
| Other comprehensive income, net of tax | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | 119,396 | 119,396 |
| Transfers | | | | | |
| Transfer to credit risk reserve | - | - | (6,130) | 6,130 | - |
| Transfer to statutory reserve | - | 59,698 | - | (59,698) | - |
| Total transfers | - | 59,698 | (6,130) | (53,568) | - |
| Total transactions with owners recognised directly in equity | - | 59,698 | (6,130) | 65,828 | 119,396 |
| Balance at 30 June 2019 | 404,896 | 213,464 | 10,682 | 67,251 | 696,293 |

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

(All amounts in thousands of Ghana cedis)

| | Stated Statutory | Capital Reserve | Credit Risk Reserve | Retained Earnings | Total |
|---|------------------|-----------------|---------------------|-------------------|----------------|
| Balance at 1 January 2018 | 82,655 | 111,103 | 63,264 | 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 | - |
| 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 with owners recognized 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 |

Significant Accounting Policies

The Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by the Institute of Chartered Accountants, Ghana (ICAG) for the period ended 30 June 2019. All December 2018 figures are audited.

Impact of IFRS 16

The Bank opted for the catch-up approach, absorbing any impact of IFRS 16 of the comparative year against Retained Earnings.

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.

Quantitative Disclosures

| | June 2019 | December 2018 |
|--|-----------|---------------|
| i. Capital Adequacy Ratio | 58.83% | 52.76% |
| ii. Common Equity Tier 1 (CET 1) to Risk-Weighted Assets | 48.34% | 48.87% |
| iii. Non-performing loan (NPL) to gross loan (BOG basis) | 3.27% | 4.12% |
| iv. Loan Loss Provision ratio | 0.99% | 1.64% |
| v. Liquid Ratio | 83.89% | 82.46% |

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 period ended 30 June 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, 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 period ended 30 June 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 information or omit material facts to the best of our knowledge.

Signed: Thomas Attah John
Managing Director

Signed: Calleb Osei
Chief Finance Officer



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