

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

(All amounts in thousands of Ghana cedis)

	Sept. 2019	Sept. 2018
Interest income	267,665	201,131
Interest expense	(86,983)	(82,108)
Net interest income	180,682	119,023
Fee and commission income	58,601	47,286
Net trading income	57,485	36,220
Net income from other financial instruments carried at fair value	52,240	10,564
Other operating income	422	17,095
Operating income	349,430	230,188
Net impairment charge on financial assets	(9,145)	14,552
Personnel expenses	(40,540)	(32,171)
Amortisation of prepaid operating lease	(845)	(4,873)
Depreciation and amortisation	(12,442)	(5,933)
Other operating expenses	(44,846)	(52,960)
Profit before income tax	241,612	148,803
National fiscal stabilization levy	(10,354)	(7,440)
Income tax expense	(64,301)	(42,184)
Profit for the year after income tax and national fiscal stabilisation levy	166,957	99,179
Total comprehensive income for the period	166,957	99,179
Basic & Diluted EPS (Ghana cedi per share)	0.0118	0.0110

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2019

(All amounts in thousands of Ghana cedis)

	Sept. 2019	Dec. 2018
Assets		
Cash and cash equivalents	1,010,224	832,690
Non-pledged trading assets	447,670	32,170
Loans and advances to customers	477,633	424,714
Investment securities	1,385,749	875,345
Deferred tax assets	885	1,220
Intangible assets	3,628	1,981
Other assets	170,176	67,619
Property and equipment	52,752	48,023
Total Assets	3,548,717	2,283,762
Liabilities		
Deposits from banks	613,838	-
Deposits from customers	2,065,471	1,664,300
Borrowings	-	6,049
Current tax liabilities	10,477	1,953
Deferred tax liabilities	3,697	1,857
Guarantee Contract Liabilities	57	57
Other liabilities	111,323	29,075
Total liabilities	2,804,863	1,703,291
Equity		
Stated capital	404,896	404,896
Credit risk reserve	11,756	16,812
Statutory reserve	237,245	153,766
Retained Earnings	89,957	4,997
Total shareholders funds	743,854	580,471
Total Liabilities and Equity	3,548,717	2,283,762

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

(All amounts in thousands of Ghana cedis)

	Sept. 2019	Dec. 2018
Cash flows from Operating Activities		
Profit for the period	166,957	150,589
Adjustments for:		
Depreciation and amortization	12,442	8,283
Impairment on financial assets	9,145	(18,849)
Foreign exchange difference on borrowings	476	1,400
Profit on disposal of property and equipment	(324)	(459)
Change in loans and advances to customers	(62,064)	(16,597)
Change in trading and investment securities	(925,904)	46,288
Change in other assets	(106,786)	(26,436)
Change in deposits from banks	613,838	-
Change in deposits from customers	401,171	197,179
Change in other liabilities	78,682	(11,041)
Income tax expense	74,655	64,610
	262,288	394,967
Income tax paid	(53,602)	(52,658)
National fiscal stabilization Levy paid	(10,354)	(10,563)
Net cash generated from operating activities	198,332	331,746
Cash flows from investing activities		
Purchase of property and equipment	(13,359)	(27,927)
Purchase of intangible assets	(1,395)	(2,298)
Proceeds from sale of property and equipment	481	506
Net cash used in investing activities	(14,273)	(29,719)
Cash flows from financing activities		
Fresh capital inflow	-	120,238
Stamp duty paid	-	(1,612)
Dividend paid	-	-
Net repayment of borrowings	(6,525)	(23,035)
Withholding taxes paid on transfers from retained earnings	-	(17,565)
Net cash used in financing activities	(6,525)	78,026
Net increase/(decreased) in cash and cash equivalents	177,534	369,921
Cash and cash equivalents at 1 January 2019	832,690	452,637
Cash and cash equivalents at 30 September 2019	1,010,224	832,690

CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 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 the period	-	-	-	166,957	166,957
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive income for the period	-	-	-	166,957	166,957
Transfers					
Transfer from credit risk reserve	-	-	(5,056)	5,056	-
Transfer to statutory reserve	-	83,479	-	(83,479)	-
Total transfers	-	83,479	(5,056)	(78,423)	-
Total transactions with owners recognised directly in equity	-	83,749	(5,056)	88,534	166,957
Balance at 30 September 2019	404,896	237,245	11,756	89,957	743,854

CONDENSED AUDITED 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	335,376
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	82,655	111,103	56,710	228,942	479,410
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 September 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

	September 2019	December 2018
i. Capital Adequacy Ratio	51.94%	52.76%
ii. Common Equity Tier 1 (CET 1) to Risk-Weighted Assets	37.47%	48.87%
iii. Non-performing loan (NPL) to gross loan (BOG basis)	5.13%	4.12%
iv. Loan Loss Provision ratio	3.17%	1.64%
v. Liquid ratio	91.64%	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 September 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 September 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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