

GUARANTY TRUST BANK (GHANA) LTD.

UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

The Board of Directors of Guaranty Trust Bank (Ghana) Ltd. is pleased to present the condensed financial information of the Bank's interim unaudited results for the period ended 30 June, 2022.

CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2022

| | June 2022 | June 2021 |
|---|----------------|----------------|
| | GH¢'000 | GH¢'000 |
| Interest income calculated using the effective interest method | 243,836 | 214,239 |
| Other interest income | 51,687 | 19,016 |
| Interest expense | (76,715) | (65,337) |
| Net interest income | 218,808 | 167,918 |
| Fee and commission income | 119,241 | 75,411 |
| Fee and commission expense | (23,417) | (14,192) |
| Net fee and commission income | 95,824 | 61,219 |
| Net trading income | 88,153 | 61,710 |
| Net income from other financial instruments carried at fair value | 24,964 | 24,514 |
| Revenue | 427,749 | 315,361 |
| Other income | 426 | 570 |
| Net impairment on financial instruments | (4,400) | (1,402) |
| Personnel expenses | (37,891) | (29,656) |
| Amortisation of prepaid leases | (595) | (1,129) |
| Depreciation and amortisation | (10,203) | (9,529) |
| Finance charge | (2,117) | (2,111) |
| Other operating expenses | (52,357) | (35,701) |
| Profit before tax | 320,612 | 236,403 |
| National fiscal stabilisation levy | (16,031) | (11,820) |
| Financial sector recovery levy | (16,031) | (5,966) |
| Income tax expense | (80,153) | (64,955) |
| Profit for the period | 208,397 | 153,662 |
| Other comprehensive income | | |
| Items that are or may be subsequently reclassified to profit or loss: | | |
| Movement in fair value of FVOCI debt instruments | - | 473 |
| Related tax | - | - |
| Total comprehensive income | 208,397 | 154,135 |

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

| | June 2022 | December 2021 |
|--------------------------------------|------------------|------------------|
| | GH¢'000 | GH¢'000 |
| Assets | | |
| Cash and cash equivalents | 1,804,010 | 894,167 |
| Non-pledged trading assets | 431,012 | 764,426 |
| Pledged assets | 234,418 | 160,121 |
| Loans and advances to customers | 1,774,059 | 1,647,641 |
| Investment securities | 1,466,506 | 1,013,537 |
| Property and equipment | 129,383 | 117,208 |
| Intangible assets | 8,640 | 9,249 |
| Deferred tax assets | 4,132 | 4,132 |
| Other assets | 324,370 | 424,970 |
| Total assets | 6,176,530 | 5,035,451 |
| Liabilities | | |
| Deposits from customers | 4,637,271 | 3,725,427 |
| Current tax liabilities | 13,988 | 2,751 |
| Deferred tax liabilities | 2,705 | 2,705 |
| Provision on off balance sheet items | 1,396 | 1,396 |
| Other liabilities | 92,296 | 82,694 |
| Total liabilities | 4,747,656 | 3,814,973 |
| Equity | | |
| Stated capital | 404,895 | 404,895 |
| Credit risk reserve | 37,241 | 37,241 |
| Statutory reserve fund | 455,960 | 403,861 |
| Other reserves | (1,389) | (1,389) |
| Income surplus | 532,167 | 375,870 |
| Total equity | 1,428,874 | 1,220,478 |
| Total liabilities and equity | 6,176,530 | 5,035,451 |

CONDENSED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2022

| | June 2022 | June 2021 |
|---|-----------|-----------|
| | GH¢'000 | GH¢'000 |
| Cash flows from Operating Activities | | |
| Profit for the period | 208,397 | 153,662 |
| Adjustments for: | | |
| Depreciation and amortization | 10,203 | 9,529 |
| Impairment on financial instruments | 4,400 | 1,401 |
| Profit on disposal of property and equipment | (42) | (274) |
| Fair value loss on non-pledged trading assets | 26,000 | - |
| Foreign exchange loss/ (gains) | (26,045) | 1,666 |

CONDENSED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2022 - Continued

| | June 2022 | June 2021 |
|---|------------------|------------------|
| | GH¢'000 | GH¢'000 |
| Net interest income | (218,808) | (167,918) |
| Income tax expense | 112,214 | 82,741 |
| Lease liability finance charges | 2,117 | 2,111 |
| Change in loans and advances to customers | (130,818) | (306,625) |
| Change in trading assets and investment securities | (219,852) | (198,060) |
| Change in other assets | 100,602 | (7,420) |
| Change in deposit from banks | - | 240,083 |
| Change in deposits from customers | 824,327 | 484,046 |
| Change in other liabilities | 15,780 | 18,059 |
| Interest received | 295,523 | 233,255 |
| Interest paid | (76,715) | (65,337) |
| Finance charges on lease liability paid | (1,496) | (2,111) |
| Income tax paid | (72,952) | (57,422) |
| National fiscal stabilisation levy paid | (13,977) | (11,975) |
| Financial sector recovery levy paid | (14,050) | (5,252) |
| Net cash generated from operating activities | 824,807 | 352,106 |
| Cash flows from investing activities | | |
| Purchase of property and equipment | (21,898) | (7,965) |
| Purchase of intangible assets | - | (161) |
| Proceeds from sale of property and equipment | 171 | 666 |
| Net cash used in investing activities | (21,727) | (7,460) |
| Cash flows from financing activities | | |
| Lease liability payments | (6,799) | (5,974) |
| Dividends paid | - | (100,999) |
| Net cash used in financing activities | (6,799) | (106,973) |
| Net increase in cash and cash equivalents | 796,281 | 237,674 |
| Cash and cash equivalents at 1 January | 894,167 | 612,255 |
| Effect of exchange rate fluctuations | 113,562 | (1,102) |
| Cash and cash equivalents at 30 June 2022 | 1,804,010 | 848,827 |

CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2022

| | Stated Capital | Statutory Reserve Fund | Credit Risk Reserve | Income Surplus | Other Reserves | Total |
|---|----------------|------------------------|---------------------|-----------------|----------------|------------------|
| | GH¢'000 | GH¢'000 | GH¢'000 | GH¢'000 | GH¢'000 | GH¢'000 |
| Balance at 1 January 2022 | 404,895 | 403,861 | 37,241 | 375,870 | (1,389) | 1,220,478 |
| Profit for the period | - | - | - | 208,397 | - | 208,397 |
| Other comprehensive income | - | - | - | - | - | - |
| Total comprehensive income | - | - | - | 208,397 | - | 208,397 |
| Transfers | | | | | | |
| Transfer to credit risk reserve | - | 52,099 | - | (52,099) | - | - |
| Transfer to statutory reserve fund | - | 52,099 | - | (52,099) | - | - |
| Total transfers | - | 52,099 | - | (52,099) | - | - |
| Dividends paid | - | - | - | - | - | - |
| Total transactions recognized directly in equity | - | 52,099 | - | (52,099) | - | - |
| Balance at 30 June 2022 | 404,895 | 455,960 | 37,241 | 532,167 | (1,389) | 1,428,874 |

CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

| | Stated Capital | Statutory Reserve Fund | Credit Risk Reserve | Income Surplus | Other Reserves | Total |
|---|----------------|------------------------|---------------------|------------------|----------------|------------------|
| | GH¢'000 | GH¢'000 | GH¢'000 | GH¢'000 | GH¢'000 | GH¢'000 |
| Balance at 1 January 2021 | 404,895 | 325,000 | 16,245 | 261,280 | - | 1,007,420 |
| Profit for the year | - | - | - | 315,446 | - | 315,446 |
| Other comprehensive income | - | - | - | - | (1,389) | (1,389) |
| Total comprehensive income | - | - | - | 315,446 | (1,389) | 314,057 |
| Transfers | | | | | | |
| Transfer from credit risk reserve | - | - | 20,996 | (20,996) | - | - |
| Transfer to statutory reserve fund | - | 78,861 | - | (78,861) | - | - |
| Total transfers | - | 78,861 | 20,996 | (99,857) | - | - |
| Dividends paid | - | - | - | (100,999) | - | (100,999) |
| Total transactions recognized directly in equity | - | 78,861 | 20,996 | (200,856) | - | (100,999) |
| Balance at 31 December 2021 | 404,895 | 403,861 | 37,241 | 375,870 | (1,389) | 1,220,478 |

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 2022. All December 2021 figures are audited.

Going Concern

We have no plans or intentions, for example to dispose off 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 2022 | June 2021 |
|---|-----------|-----------|
| i. Capital adequacy ratio (per CRD) | 44.49% | 33.31% |
| ii. Non-performing loan (NPL) to gross loan (BOG basis) | 2.58% | 0.96% |
| iii. Loan loss provision ratio | 0.60% | 0.40% |
| iv. Liquidity ratio | 55.84% | 67.42% |
| v. Leverage ratio | 17.20% | 16.74% |
| vi. Contingents (GHS'000) | 439,922 | 306,625 |

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 2022 are consistent with those followed for year ended 31 December 2021.

Defaults in statutory liquidity and accompanying sanctions

| | 2022 | 2021 |
|---|------|------|
| Default in statutory liquidity (No. of times) | nil | nil |
| Sanctions for statutory liquidity default (GHS'000) | nil | nil |

Other Regulatory breaches

| | 2022 | 2021 |
|---------------------------|------|------|
| Number of breaches | 1 | nil |
| Total sanctions (GHS'000) | 54 | 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 period ended 30 June 2022.

Holding Company

The Bank is a subsidiary of Guaranty Trust Bank (Nigeria) Limited, 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:

Joseph K. Amoa-Awuah
Board Chairman

Signed:

Thomas Attah John
Managing Director

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