

GUARANTY TRUST BANK (GHANA) LTD

Summary Financial Statements prepared from the Audited Financial Statements for the year ended 31 December 2022

The Board of Directors of Guaranty Trust Bank (Ghana) Ltd. is pleased to present the summary financial statements of the Bank's final audited financial statements for the year ended 31 December 2022

SUMMARY STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022	December 2022 GH¢'000	December 2021 GH¢'000
Interest income calculated using the effective interest method	649,145	443,715
Interest expense	(176,232)	(140,110)
Net interest income	472,913	303,605
Fee and commission income	244,472	136,726
Fee and commission expense	(57,464)	(32,837)
Net fee and commission income	187,008	103,889
Net trading income	304,813	189,146
Net income from other financial instruments carried at fair value	1,771	51,037
Revenue	966,506	647,677
Other income	269	436
Net impairment on financial instruments	(557,020)	(14,826)
Personnel expenses	(81,809)	(63,297)
Amortisation of prepaid leases	(1,676)	(1,924)
Depreciation and amortisation	(20,885)	(19,595)
Finance charge	(3,776)	(4,178)
Other operating expenses	(110,570)	(67,051)
Profit before tax	191,039	477,242
National fiscal stabilisation levy	(9,552)	(23,862)
Financial sector recovery levy	(9,552)	(17,897)
Income tax expense	(56,954)	(120,037)
Profit for the period	114,981	315,446
Other comprehensive income		
Items that are or may be subsequently reclassified to profit or loss:		
Movement in fair value of FVOCI debt instruments	(1,265)	(1,852)
Impairment loss/(reversal) on investment securities at FVOCI	1,484	-
Related tax	(55)	463
Total other comprehensive income	164	(1,389)
Total comprehensive income	115,145	314,057

SUMMARY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022	December 2022 GH¢'000	December 2021 GH¢'000
Assets		
Cash and cash equivalents	1,779,276	894,167
Non-pledged trading assets	142,756	727,389
Pledged assets	158,628	160,121
Loans and advances to customers	2,026,345	1,647,641
Investment securities	2,134,382	1,050,574
Property and equipment	138,662	117,208
Current tax assets	44,370	-
Intangible assets	4,981	9,249
Deferred tax assets	142,864	4,132
Other assets	560,523	424,970
Total assets	7,132,787	5,035,451
Liabilities		
Deposits from customers	5,629,807	3,725,427
Current tax liabilities	-	2,751
Deferred tax liabilities	5,442	2,705
Provision on off balance sheet items	521	1,396
Other liabilities	161,395	82,694
Total liabilities	5,797,165	3,814,973
Equity		
Stated capital	404,895	404,895
Credit risk reserve	26,233	37,241
Statutory reserve fund	432,606	403,861
Other reserves	(1,225)	(1,389)
Income surplus	473,113	375,870
Total equity	1,335,622	1,220,478
Total liabilities and equity	7,132,787	5,035,451

SUMMARY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022	December 2022 GH¢'000	December 2021 GH¢'000
Cash flows from Operating Activities		
Profit for the period	114,981	315,446
Adjustments for:		
Depreciation and amortization	20,885	19,595
Impairment on financial instruments	558,182	15,260
Profit on disposal of property and equipment	(269)	(436)
Write-off of item in capital work-in-progress	181	7
Net trading income	(304,813)	(189,146)
Net income from other financial instruments carried at fair value	(1,771)	(51,037)
Net interest income	(472,913)	(303,605)
Income tax expense	76,058	161,796
Lease liability finance charges	3,776	4,178
Change in loans and advances to customers	(288,698)	(554,615)
Change in trading assets and investment securities	(1,048,628)	279,896
Change in pledged assets	1,493	(160,121)
Change in other assets	(135,552)	(206,386)
Change in deposits from customers	1,902,878	729,967
Change in other liabilities	82,586	22,657

SUMMARY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022	December 2022 GH¢'000	December 2021 GH¢'000
Interest received	507,075	424,352
Interest paid	(174,731)	(140,043)
Income received from trading gains	253,610	184,873
Income received from other financial instruments carried at fair value	70,235	49,715
Finance charges on lease liability paid	(1,743)	(2,573)
Income tax paid	(188,702)	(124,881)
National fiscal stabilisation levy paid	(35,227)	(25,040)
Financial sector recovery levy paid	(35,300)	(17,677)
Net cash generated from operating activities	903,593	432,183
Cash flows from investing activities		
Purchase of property and equipment	(36,100)	(31,498)
Purchase of intangible assets	(2,202)	(6,755)
Proceeds from sale of property and equipment	320	885
Net cash used in investing activities	(37,983)	(37,368)
Cash flows from financing activities		
Lease liability payments	(5,919)	(9,602)
Dividends paid	-	(100,999)
Net cash used in financing activities	(5,919)	(110,601)
Net increase in cash and cash equivalents	859,692	284,214
Cash and cash equivalents at 1 January	894,167	612,255
Effect of exchange rate fluctuations	31,063	(2,301)
Cash and cash equivalents at 31 December 2022	1,784,922	894,167

CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2022	Stated Capital GH¢'000	Statutory Reserve Fund GH¢'000	Credit Risk Reserve GH¢'000	Income Surplus GH¢'000	Other Reserves GH¢'000	Total GH¢'000
Balance at 1 January 2022	404,895	403,861	37,241	375,870	(1,389)	1,220,478
Profit for the period	-	-	-	114,981	-	114,981
Other comprehensive income						
ECL on investments at FVOCI	-	-	-	-	1113	1113
Fair Value loss on financial assets at FVOCI	-	-	-	-	(949)	(949)
Total comprehensive income	-	-	-	114,981	164	115,145
Transfers						
Transfer from credit risk reserve	-	-	(11,008)	11,008	-	-
Transfer to statutory reserve fund	-	28,745	-	(28,745)	-	-
Total transfers	-	28,745	(11,008)	(17,737)	-	-
Dividends paid	-	-	-	-	-	-
Total transactions recognized directly in equity	-	28,745	(11,008)	(17,737)	-	-
Balance at 31 December 2022	404,895	432,606	26,233	473,113	(1,225)	1,335,622

CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021	Stated Capital GH¢'000	Statutory Reserve Fund GH¢'000	Credit Risk Reserve GH¢'000	Income Surplus GH¢'000	Other Reserves GH¢'000	Total 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 to 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

The summary financial statements presented in this publication are extracts from the audited financial statements for the year ended 31 December 2022, which are available for inspection at the Head Office of Guaranty Trust Bank (Ghana) Ltd. located at the 25A Castle Road, Ambassadorial Area, Ridge.

Directors' responsibility statement

The Directors are responsible for the preparation of the summary financial statements comprising the summary statements of financial position as at 31 December 2022 and the summary statements of comprehensive income, changes in equity and cash flows and related notes to the summary financial statements for each financial year which gives a true and fair view of the state of affairs of the Bank. The Directors have prepared these summary financial statements in accordance with the requirements of the Guide for Financial Publication for Banks and Bank of Ghana Licensed Financial Institutions. The Guide requires the summary financial statements to be prepared in accordance with the framework concepts issued by the International Accounting Standards Board (IASB) and adopted by the Institute of

Chartered Accountants, Ghana (ICAG).

The accounting policies applied in the preparation of the audited financial statements, from which the summary financial statements were derived, are in accordance with International Financial Reporting Standards (IFRSs) and are consistent with the accounting policies applied in the preparation of the previous annual audited financial statements.

The Directors are responsible for ensuring that the Bank keep 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

The Directors have made an assessment of the ability of the Bank to continue as a going concern having regard to the business impact of the Government of Ghana's Domestic Debt Exchange (DDE) programme and have no reason to believe that business will not be a going concern.

NOTES TO THE SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Basis of Preparation

The summary financial statements have been prepared in accordance with the requirements of the guide for Financial Publications for Banks and Bank of Ghana Licensed Financial Institutions. The Guide requires the summary financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and adopted by Institute of Chartered Accountants, Ghana (ICAG). The accounting policies applied in the preparation of the audited financial statements, from which the summary financial statements were derived, are in accordance with IFRSs and are consistent with the accounting policies applied in the preparation of the previous annual audited financial statements. The annual audited financial statements were authorised for issue on the 27 April 2023.

Quantitative Disclosures

	December 2022	December 2021
i. Capital adequacy ratio (per CRD)	33.42%	38.53%
ii. Non-performing loan (NPL) to gross loan (BOG basis)	2.42%	1.59%
iii. Loan loss provision ratio	0.86%	0.47%
iv. Liquidity ratio	57.51%	60.60%
v. Tier 1 leverage ratio	15.32%	21.83%
vi. Contingent liabilities (GHS'000)	179,099	250,300

Assumptions and estimation uncertainties that have the most significant risk of resulting in a material adjustment in the year ended 31 December 2022 relates to impairment of financial instruments. Impairment allowance for the current year was GHS557 million as compared to the prior year of GHS14 million. The significant movement is largely due to the DDE programme which affected investment securities.

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 2022 are consistent with those followed for the 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	366

Other Regulatory breaches

	2022	2021
Number of breaches	2	nil
Total sanctions (GHS'000)	198	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. The Bank's dominant risks include credit, market, liquidity and operational risks and have remained stable over the last 3 years and will continue to remain stable despite the impact of the DDE programme.

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 2022.

Holding Company

The Bank is a subsidiary of Guaranty Trust Bank Limited, Nigeria 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.

Joseph K. Amo-Awuah
Board Chairman

Thomas Attah John
Managing Director

For and on behalf of:

KPMG: (ICAG/F/2023/038),
CHARTERED ACCOUNTANTS

13 YIYIWA DRIVE, ABELANKPE,
P O BOX GP 242, ACCRA
27 April 2023

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL STATEMENTS To the Members of Guaranty Trust Bank (Ghana) Ltd.

Opinion

The summary financial statements, which comprise the summary statement of financial position as at 31 December 2022, and the summary 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) Ltd. for the year ended 31 December 2022.

In our opinion, the accompanying summary financial statements are a fair summary of the audited financial statements in accordance with the basis described in the notes.

Summary Financial Statements

The summary 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 audited financial statements of Guaranty Trust Bank (Ghana) Ltd. Reading the summary 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 27 April 2023. 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 year.

Directors' Responsibility for the Summary Financial Statements

The Directors are responsible for the preparation of the summary financial statements in accordance with the basis described in the notes.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are a fair summary of the audited financial statements based on our procedures, which were conducted in accordance with International Standards 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).