

GUARANTY TRUST BANK (GHANA) LIMITED

AUDITED CONDENSED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

The Board of Directors of Guaranty Trust Bank (Ghana) Limited is pleased to present the summary financial information of the Bank's final audited results for the year ended 31 December, 2020.

CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	December 2020	December 2019
	GH¢'000	GH¢'000
Interest income calculated using the effective interest method	344,557	334,971
Other interest income	22,528	24,247
Interest expense	(81,176)	(91,008)
Net interest income	285,909	268,210
Fee and commission income	134,638	81,403
Net gain on derivative instrument	(10,387)	10,387
Net trading income	67,180	59,766
Net income from other financial instruments carried at fair value through profit or loss	81,957	68,940
Revenue	559,297	488,706
Other income	105	401
Net impairment on financial assets	(7,852)	(8,521)
Personnel expenses	(56,280)	(55,952)
Amortisation of prepaid leases	(1,631)	(2,822)
Depreciation and amortisation	(18,677)	(16,628)
Finance charge	(3,885)	(3,087)
Other operating expenses	(86,090)	(101,953)
Profit before income tax expense and national fiscal stabilisation levy	384,987	300,144
National fiscal stabilisation levy	(19,249)	(15,007)
Income tax expense	(96,407)	(77,336)
Profit for the year and total comprehensive income	269,331	207,801

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	December 2020	December 2019
	GH¢'000	GH¢'000
Assets		
Cash and cash equivalents	598,073	423,746
Non-pledged trading assets	439,593	436,739
Derivative assets	-	10,387
Loans and advances to customers	1,057,580	569,536
Investment securities	1,647,945	1,591,460
Current tax assets	-	5,911
Property and equipment	104,652	116,182
Intangible assets	3,603	3,861
Deferred tax assets	2,195	1,404
Other assets	227,448	93,955
Total Assets	4,081,089	3,253,181
Liabilities		
Deposits from customers	2,995,393	2,149,049
Deposits from banks	-	241,346
Current tax liabilities	6,507	-
Deferred tax liabilities	3,277	3,696
Provision on off balance sheet items	460	138
Other liabilities	68,032	70,680
Total liabilities	3,073,669	2,464,909
Equity		
Stated capital	404,895	404,895
Credit risk reserve	16,245	13,520
Statutory reserve	325,000	257,667
Income surplus	261,280	112,190
Total shareholders' funds	1,007,420	788,272
Total Liabilities and Equity	4,081,089	3,253,181

CONDENSED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

	December 2020	December 2019
	GH¢'000	GH¢'000
Cash flows from Operating Activities		
Profit for the year	269,331	207,801
Adjustments for:		
Depreciation and amortization	18,677	16,628
Impairment on financial assets	8,037	8,666
Foreign exchange difference on borrowings	-	476
Profit on disposal of property and equipment	(94)	(402)
Loss/ (gain) on derivative assets	10,387	(10,387)
Fair value gains on non-pledged trading assets	(37,033)	(15,725)
Foreign exchange gains	(20,843)	(33,700)
Net interest income	(285,909)	(268,210)
Income tax expense	115,656	92,343
Lease liability finance charges	3,885	3,087
Change in loans and advances to customers	(495,758)	(153,664)

CONDENSED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020 - Continued

	December 2020	December 2019
	GH¢'000	GH¢'000
Change in trading assets and investment securities	(10,239)	(1,104,585)
Change in other assets	(133,493)	(33,606)
Change in deposit from banks	(241,346)	241,346
Change in deposits from customers	846,344	484,750
Change in other liabilities	(2,417)	(1,872)
Interest income received	367,085	359,218
Interest expense paid	(81,176)	(91,008)
Interest paid on lease liability	(3,098)	(3,087)
Income tax paid	(87,201)	(82,518)
National fiscal stabilisation levy paid	(17,246)	(16,035)
Net cash generated from operating activities	223,549	(400,484)
Cash flows from investing activities		
Purchase of property and equipment	(4,792)	(29,409)
Purchase of intangible assets	(538)	(1,522)
Proceeds from sale of property and equipment	98	566
Net cash used in investing activities	(5,232)	(30,365)
Cash flows from financing activities		
Repayment of borrowings	-	(6,525)
Lease liability payments	(2,582)	(9,864)
Dividend paid	(50,183)	-
Net cash used in financing activities	(52,765)	(16,389)
Net (decrease)/increase in cash and cash equivalents	165,552	(447,238)
Cash and cash equivalents at 1 January	429,625	832,690
Effect of exchange rate fluctuations	17,078	44,173
Cash and cash equivalents at 31 December	612,255	429,625

CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Stated Capital	Statutory Reserve Fund	Credit Risk Reserve	Income Surplus	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Balance at 1 January 2020	404,895	257,667	13,520	112,190	788,272
Profit for the year	-	-	-	269,331	269,331
Total comprehensive income	-	-	-	269,331	269,331
Transfers					
Transfer from credit risk reserve	-	-	2,725	(2,725)	-
Transfer to statutory reserve	-	67,333	-	(67,333)	-
Total transfers	-	67,333	2,725	(70,058)	-
Transaction with shareholders					
Dividend	-	-	-	(50,183)	(50,183)
Balance at 31 December 2020	404,895	325,000	16,245	261,280	1,007,420
Balance at 1 January 2019	404,895	153,767	16,812	4,997	580,471
Profit for the year	-	-	-	207,801	207,801
Total comprehensive income	-	-	-	207,801	207,801
Transfers					
Transfer from credit risk reserve	-	-	(3,292)	3,292	-
Transfer to statutory reserve	-	103,900	-	(103,900)	-
Total transfers	-	103,900	(3,292)	(100,608)	-
Balance at 31 December 2019	404,895	257,667	13,520	112,190	788,272

Directors' Responsibility Statement

The Directors are responsible for the preparation of condensed financial statements comprising the condensed statement of financial position as at 31 December 2020 and the condensed statements of comprehensive income, changes in equity and cash flows and related notes to the condensed financial statements for each financial year which gives a true and fair view of the state of affairs of the Bank. 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 Specialized Deposit-Taking Institutions Act, 2016 (Act 930) for the year ended 31 December 2020.

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

The condensed financial statements have been prepared on a going concern basis. 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.

Basis of Preparation

The condensed financial statements have been extracted from the full financial statements (which is available on the Bank's website) which are 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 also been prepared in line with the Bank of Ghana Guide for Publication for Banks & BoG licensed financial institutions.

Quantitative Disclosures

	December 2020	December 2019
i. Capital adequacy ratio (per CRD)*	43.85%	47.71%
ii. Non-performing loan (NPL) to gross loan (BOG basis)	0.98%	2.66%
iii. Loan loss provision ratio	0.40%	0.71%
iv. Liquidity ratio	64.20%	89.80%
v. Contingents (GHS'000)	100,158	158,814
vi. Leverage ratio	23.50%	23.82%

*The 2019 Capital adequacy ratio has been represented in line with Capital Requirement Directive for comparative purpose.

Qualitative Disclosures

The Bank's dominant risks are: credit risk, liquidity risk, market risk, operational risk and foreign exchange risk. The Board has overall responsibility in managing the identified risks through laid down policies and procedures. The processes followed in risk measurement and their management for the year ended 31 December 2020 are consistent with those followed for the year ended 31 December 2019.

Defaults in Statutory Liquidity and Accompanying Sanctions

	2020	2019
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, appetite,

operational framework and risk monitoring and reporting. Our risk profile has remained stable over the year under consideration.

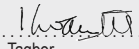
Nature of Business

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 2020.

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 condensed 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 condensed statement of financial position at 31 December 2020 and the condensed 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 2020.

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 Depos Institutions Act,

2016 (Act 930) applied in the preparation of 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 09 March 2021. 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 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 (ICAG/F/2021/038),
CHARTERED ACCOUNTANTS
13 YIYIWA DRIVE, ABELANKPE,
P O BOX GP 242, ACCRA
09 March 2021