

# GUARANTY TRUST BANK (GHANA) LIMITED

## CONDENSED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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, 2021.

CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021	December 2021	December 2020		
	GH¢'000	GH¢'000		
Interest income calculated using the effective interest method	421,028	344,557	Income tax expense	161,796
Other interest income	60,548	22,528	Lease liability finance charges	4,178
Interest expense	(140,110)	(81,176)	Change in loans and advances to customers	(594,001)
<b>Net interest income</b>	<b>341,466</b>	<b>285,909</b>	Change in trading assets and investment securities	137,694
Fee and commission income	149,901	134,638	Change in other assets	(208,281)
Fee and commission expense	(32,836)	(22,787)	Change in deposit from banks	-
Net fee and commission income	117,065	111,851	Change in deposits from customers	730,033
Net loss on derivative instrument	-	(10,387)	Change in other liabilities	22,666
Net trading income	133,954	67,180	Interest received	481,576
Net income from other financial instruments carried at fair value	55,192	81,957	Interest paid	(140,110)
<b>Revenue</b>	<b>647,677</b>	<b>536,510</b>	Finance charges on lease liability paid	(2,573)
Other income	436	105	Income tax paid	(124,881)
Net impairment on financial instruments	(14,826)	(7,852)	Financial sector recovery levy paid	(25,040)
Personnel expenses	(63,297)	(56,280)	National fiscal stabilisation levy paid	(17,677)
Amortisation of prepaid leases	(1,924)	(1,631)	<b>Net cash generated from operating activities</b>	<b>432,182</b>
Depreciation and amortisation	(19,595)	(18,677)	<b>Cash flows from investing activities</b>	
Finance charge	(4,178)	(3,885)	Purchase of property and equipment	(37,408)
Other operating expenses	(67,051)	(63,303)	Purchase of intangible assets	(845)
<b>Profit before tax</b>	<b>477,242</b>	<b>384,987</b>	Proceeds from sale of property and equipment	885
National fiscal stabilisation levy	(23,862)	(19,249)	<b>Net cash used in investing activities</b>	<b>(37,368)</b>
Financial sector recovery levy	(17,897)	-	Cash flows from financing activities	
Income tax expense	(120,037)	(96,407)	Lease liability payments	(9,602)
<b>Profit for the year</b>	<b>315,446</b>	<b>269,331</b>	Dividends paid	(100,999)
Other comprehensive income	-	-	Net cash used in financing activities	(110,601)
Items that are or may be subsequently reclassified to profit or loss:			<b>Net increase in cash and cash equivalents</b>	<b>284,213</b>
Movement in fair value reserve of FVOCI debt instruments	(1,852)	-	Cash and cash equivalents at 1 January	612,255
Related tax	463	-	Effect of exchange rate fluctuations	(2,301)
<b>Total comprehensive income</b>	<b>314,057</b>	<b>269,331</b>	<b>Cash and cash equivalents at 31 December</b>	<b>894,167</b>

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021	December 2021	December 2020					
	GH¢'000	GH¢'000					
<b>Assets</b>			<b>CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021</b>				
Cash and cash equivalents	894,167	598,073	Balance at 1 January 2021	404,895	325,000	16,245	261,280
Non-pledged trading assets	764,426	439,593	Profit for the year	-	-	-	315,446
Pledged assets	160,121	-	Other comprehensive income	-	-	-	(1,389)
Loans and advances to customers	1,647,641	1,057,580	<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>315,446</b>
Investment securities	1,013,537	1,647,945	<b>Transfers</b>				
Property and equipment	117,208	104,652	Transfer from credit risk reserve	-	-	20,996	(20,996)
Intangible assets	9,249	3,603	Transfer to statutory reserve	-	78,861	-	(78,861)
Deferred tax assets	4,132	2,195	<b>Total transfers</b>	<b>-</b>	<b>78,861</b>	<b>20,996</b>	<b>(99,857)</b>
<b>Other assets</b>	<b>424,970</b>	<b>227,448</b>	Dividends paid	-	-	-	(100,999)
<b>Total assets</b>	<b>5,035,451</b>	<b>4,081,089</b>	<b>Total transactions recognized directly in equity</b>	<b>-</b>	<b>78,861</b>	<b>20,996</b>	<b>(200,856)</b>
<b>Liabilities</b>			<b>Balance at 31 December 2021</b>	<b>404,895</b>	<b>403,861</b>	<b>37,241</b>	<b>375,870</b>
Deposits from customers	3,725,427	2,995,393	<b>CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020</b>				
Current tax liabilities	2,740	6,507.00	Balance at 1 January 2020	404,895	257,667	13,520	112,190
Deferred tax liabilities	2,705	3,277	Profit for the year	-	-	-	269,331
Provision on off balance sheet items	1,396	460	<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>269,331</b>
Other liabilities	82,705	68,032	<b>Transfers</b>				
<b>Total liabilities</b>	<b>3,814,973</b>	<b>3,073,669</b>	Transfer from credit risk reserve	-	-	2,725	(2,725)
<b>Equity</b>			Transfer to statutory reserve	-	67,333	-	(67,333)
Stated capital	404,895	404,895	<b>Total transfers</b>	<b>-</b>	<b>67,333</b>	<b>2,725</b>	<b>(70,058)</b>
Credit risk reserve	37,241	16,245	Dividends paid	-	-	-	(50,183)
Statutory reserve	403,861	325,000	<b>Total transactions recognized directly in equity</b>	<b>-</b>	<b>67,333</b>	<b>2,725</b>	<b>(120,241)</b>
Other reserves	(1,389)	-	<b>Balance at 31 December 2020</b>	<b>404,895</b>	<b>325,000</b>	<b>16,245</b>	<b>261,280</b>
Income surplus	375,870	261,280					
<b>Total equity</b>	<b>1,220,478</b>	<b>1,007,420</b>					
<b>Total liabilities and equity</b>	<b>5,035,451</b>	<b>4,081,089</b>					

CONDENSED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021	December 2021	December 2020	
	GH¢'000	GH¢'000	
<b>Cash flows from Operating Activities</b>			<b>Directors' responsibility statement</b>
Profit for the year	315,446	269,331	The Directors are responsible for the preparation of financial statements for each financial year which gives a true and fair view of the state of affairs of the Bank and the profit or loss and cash flows for that year.
Adjustments for:			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) in the preparation of the Financial Statements for the year ended 31 December 2021.
Depreciation and amortization	19,595	18,677	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.
Impairment on financial instruments	15,635	8,037	<b>Going Concern</b>
Profit on disposal of property and equipment	(436)	(94)	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.
Loss on derivative assets	-	10,387	
Fair value gains on non-pledged trading assets	-	(37,033)	
Foreign exchange gains	(1,972)	(20,843)	
Net interest income	(341,466)	(285,909)	

**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 Board (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 2021	December 2020
i. Capital adequacy ratio (per CRD)	38.80%	43.85%
ii. Non-performing loan (NPL) to gross loan (BOG basis)	1.59%	9.98%
iii. Loan loss provision ratio	0.47%	0.40%
iv. Liquidity ratio	60.60%	64.20%
v. Tier 1 leverage ratio	21.79%	23.50%
vi. Contingents (GHS'000)	250,300	100,158

**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 year ended 31 December 2021 are consistent with those followed for the year ended 31 December 2020.

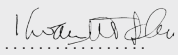
Defaults in statutory liquidity and accompanying sanctions	2021	2020
Default in statutory liquidity (No. of times)	1	nil
Sanctions for statutory liquidity default (GHS'000)	366	nil

Other Regulatory breaches	2021	2020
Number of breaches	nil	1
Total sanctions (GHS'000)	nil	26

**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 year ended 31 December 2021.

**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:   
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 statement of financial position at 31 December 2021 and the 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 2021. 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 Deposit-Taking 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 25 February 2022. 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 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)**.

For and on behalf of:  
KPMG  
KPMG: (ICAG/F/2020/038),  
CHARTERED ACCOUNTANTS  
13 YIYIWA DRIVE, ABELANKPE,  
P O BOX GP 242, ACCRA  
25 February 2022