

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2018**

(All amounts are in thousands of Ghana cedis)

	2018	2017
Interest income	133,183	116,517
Interest expense	(56,984)	(45,914)
Net interest income	76,199	70,603
Fees and commissions income	27,945	23,835
Net trading income	19,026	17,032
Net income from other financial instruments carried at fair value	11,417	3,972
Other operating income	333	125
Operating income	134,920	115,567
Net impairment loss on financial assets	8,975	(564)
Personnel expenses	(18,645)	(16,032)
Amortisation of prepaid operating lease	(3,953)	(3,168)
Depreciation and amortisation	(3,669)	(3,343)
Other operating expenses	(22,708)	(27,326)
Profit before income tax	94,920	65,134
National fiscal stabilization levy	(4,746)	(3,257)
Income tax expense	(25,511)	(16,542)
Profit for the year after income tax and national fiscal stabilization levy	64,663	45,335
Basic & Diluted EPS (Ghana cedi per share)	0.0088	0.0061

**UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018**

(All amounts are in thousands of Ghana cedis)

	2018	2017
<b>Assets</b>		
Cash and cash equivalents	500,268	527,293
Non-pledged trading assets	153,432	64,823
Loans and advances to customers	374,232	599,481
Investment securities	1,116,190	554,200
Deferred income tax assets	-	2,114
Current income tax assets	-	-
Intangible assets	1,943	2,599
Other assets	37,945	30,582
Property and equipment	31,252	24,318
<b>Total Assets</b>	<b>2,215,262</b>	<b>1,805,410</b>
<b>Liabilities</b>		
Deposits from banks	100,000	20,000
Deposits from customers	1,655,527	1,412,986
Borrowings	17,019	38,276
Current income tax liabilities	1,258	16
Deferred income tax liabilities	1,542	1,690
Other liabilities	45,111	39,928
<b>Total Liabilities</b>	<b>1,820,457</b>	<b>1,512,896</b>
<b>Equity</b>		
Stated capital	162,328	82,655
Credit risk reserve	25,038	62,343
Statutory reserve	127,269	105,745
Income surplus	80,170	41,771
Total shareholders funds	394,805	292,514
Total Liabilities and Equity	2,215,262	1,805,410

**UNAUDITED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2018**

(All amounts are in thousands of Ghana cedis)

	2018	2017
<b>Cash flows from Operating Activities</b>		
Profit after tax for the period	64,663	45,335
Adjustments for:		
Depreciation and amortization	3,669	3,343
Impairment on financial assets	(1,630)	564
Foreign exchange difference on borrowings	789	1,988
Profit on disposal of property and equipment	(333)	(125)
Net Interest Income	(76,199)	(70,603)
Income tax expense	30,257	19,799
	21,216	301
Change in non- trading assets:		
Change in loans and advances to customers	22,233	27,081
Change in investment securities	(309,385)	(134,048)
Change in other assets	3,238	(6,945)
Change in deposits from bank	100,000	(37,492)
Change in deposits from customers	188,406	301,875
Change in other liabilities	4,564	(4,461)
Change in mandatory reserve deposits	(18,841)	(30,188)
	(9,785)	115,822
Interest Received	133,183	116,517
Interest Paid	(56,984)	(45,914)
Income tax paid	(20,158)	(13,427)
National fiscal stabilization Levy paid	(4,024)	(2,858)
<b>Net cash generated from operating activities</b>	<b>93,705</b>	<b>170,441</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(8,652)	(2,940)
Purchase of intangible assets	-	(251)
Proceeds from sale of property and equipment	339	271
Net cash used in investing activities	(8,313)	(2,920)
<b>Cash flows from financing activities</b>		
Draw down on borrowings	-	-
Net Repayment of borrowings	(11,473)	(11,087)
Dividend paid	-	(35,940)

Net cash used in financing activities	(11,473)	(47,027)
Net increase/(decreased) in cash and cash equivalents	73,919	120,494
Effect of exchange rate fluctuation	(789)	-
Cash and cash equivalents at 1 January, 2018	559,435	552,858
Cash and cash equivalents at 30 June, 2018	632,565	673,352

**STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 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	63,265	78,353	335,376
Profit for the year	-	-	-	64,663	64,663
Total Comprehensive income for the year	-	-	-	64,663	64,663
Impact of additional provision from IFRS 9 transition on 1st Jan., 2018	-	-	-	(6,554)	(6,554)
Utilization of additional provision from IFRS 9 ECL computation	-	-	(6,554)	6,554	-
Transactions with owners:					
Transaction with equity holders recorded directly in equity	7,588	-	-	-	7,588
2017 Retained Earnings Capitalized	72,085	-	-	(72,085)	-
Withholding Tax on 2017 retained earnings capitalized	-	-	-	(6,268)	(6,268)
Transfer to statutory reserve fund	-	16,166	-	(16,166)	-
Transfer from credit risk reserve	-	-	(31,673)	31,673	-
Total transactions with equity holders	79,673	16,166	(38,227)	(62,846)	(5,234)
<b>Balance at 30 June 2018</b>	<b>162,328</b>	<b>127,269</b>	<b>25,038</b>	<b>80,170</b>	<b>394,805</b>
Balance at 1 January 2017	82,655	100,078	62,211	2,235	247,179
Profit for the year	-	-	-	45,335	45,335
Total Comprehensive income for the year	-	-	-	45,335	45,335
Transactions with owners:					
Transaction with equity holders recorded directly in equity	-	-	-	-	-
Transfer to statutory reserve fund	-	5,667	-	(5,667)	-
Transfer to credit risk reserve	-	-	132	(132)	-
Total transactions with owners	-	5,667	132	(5,799)	-
Balance at 30 June 2017	82,655	105,745	62,343	41,771	292,514

**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) as well as the Banks and Specialized Deposit-Taking Institutions Act, 2016 (Act 930) with special mention of the adoption of IFRS 9 in the preparation of the Financial Statements for the six months ended 30 June 2018. The Bank has elected not to reinstate the 2017 figures but disclose the impact of IFRS 9 on Equity.

**Impact of IFRS 9 on the Comprehensive Figures**

The net impact of IFRS 9 on equity as at 1 January 2018 was GHS 6.55 million, which is treated in Retained Earnings and Credit Risk Reserve.

**Basis of preparation**

The published summary financial statements of the Bank are in accordance with the Bank of Ghana Guide for Publication for licensed financial institutions.

**Quantitative Disclosures**

	2018	2017
i. Capital Adequacy Ratio	40.47%	20.41%
ii. Non-performing loan (NPL) to gross loans (BOG basis)	10.63%	13.22%
iii.. Loan Loss Provision ratio	36.37%	22.39%
iii. Liquid Ratio	90.35%	77.76%

**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 six months ended 30 June 2018 are consistent with those followed for the period ended 31 December 2017.

**Defaults in statutory liquidity and accompanying sanctions**

	2018	2017
i. Default in statutory Liquidity (No. of times)	nil	nil
ii. 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 six months ended 30 June 2018.

**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 facts or omit material facts to the best of our knowledge.

Signed: **Thomas Attah John**  
Managing Director

Signed: **Michael Kwasi Kyenti**  
Chief Finance Officer