

CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2018

(All amounts in thousands of Ghana cedis)	Audited Sept. 2018	Unaudited Sept. 2017
Interest income	201,131	180,290
Interest expense	(82,108)	(71,985)
Net interest income	119,023	108,305
Fee and commission income	47,286	35,356
Net trading income	36,220	23,064
Net income from other financial instruments carried at fair value	10,564	4,679
Other operating income	17,095	301
Operating income	230,188	171,705
Net impairment reversal on financial assets	14,552	750
Personnel expenses	(32,171)	(25,028)
Amortisation of prepaid operating lease	(4,873)	(4,386)
Depreciation and amortisation	(5,933)	(5,058)
Other operating expenses*	(52,960)	(40,523)
Profit before income tax	148,803	97,460
National fiscal stabilization levy	(7,440)	(4,873)
Income tax expense	(42,184)	(24,624)
Profit for the year after income tax and national fiscal stabilisation levy	99,179	67,963
Basic & Diluted EPS (Ghana cedi per share)	0.0110	0.0120

*Other Operating Expenses: There is a one-off charge of GHS 19 million relating to loans write-off.

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2018

(All amounts in thousands of Ghana cedis)	Audited Sept. 2018	Audited Dec. 2017
Assets		
Cash and cash equivalents	503,997	452,637
Non-pledged trading assets	123,404	97,216
Loans and advances to customers	345,276	396,465
Investment securities	1,080,667	856,588
Deferred income tax assets	-	1,679
Intangible assets	2,036	2,136
Other assets	86,083	41,182
Property and equipment	33,684	25,974
Total Assets	2,175,147	1,873,877
Liabilities		
Deposits from customers	1,697,619	1,467,121
Borrowings	11,987	27,683
Current income tax liabilities	5,432	1,386
Deferred income tax liabilities	2,009	1,764
Guarantee Contract Liabilities	57	57
Other liabilities	36,310	40,490
	1,753,414	1,583,501
Equity		
Stated capital	154,740	82,655
Credit risk reserve	12,125	63,265
Statutory reserve	135,898	111,103
Income surplus	118,970	78,353
Total shareholders funds	421,733	335,376
Total Liabilities and Equity	2,175,147	1,873,877

CONDENSED STATEMENT OF CASH FLOWS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2018

(All amounts in thousands of Ghana cedis)	Audited Sept. 2018	Unaudited Sept. 2017
Cash flows from Operating Activities		
Profit before tax for the period	148,803	97,630
Adjustments for:		
Depreciation and amortisation	5,933	5,058
Impairment on financial assets	(14,552)	(750)
Foreign exchange difference on borrowings	1,376	(2,202)
Profit on disposal of property and equipment	(445)	(131)
	141,115	99,605
Change in non-trading assets:		
Change in loans and advances to customers	65,740	79,688
Change in investment securities	(247,822)	(257,058)
Change in other assets	(44,900)	(494)
Change in deposits from banks	-	(42,492)
Change in deposits from customers	230,498	282,911
Change in other liabilities	(4,180)	(3,025)
Change in mandatory reserve deposits	(23,049)	(28,292)
	117,402	130,843
Income tax paid	(33,192)	(23,013)
National fiscal stabilisation Levy paid	(6,833)	(4,667)
Net cash generated from operating activities	77,377	103,163
Cash flows from investing activities		
Purchase of property and equipment	(13,041)	(3,995)
Purchase of intangible assets	(503)	(251)
Proceeds from sale of property and equipment	445	339
Net cash used in investing activities	(13,099)	(3,907)
Cash flows from financing activities		
Net Repayment of borrowings	(17,073)	(18,201)
Withholding Taxes Paid	(6,268)	(35,940)
Net cash used in financing activities	(23,341)	(54,141)
Net increase/(decreased) in cash and cash equivalents	40,937	45,115

Cash and cash equivalents at 1 January, 2018	559,435	552,858
Cash and cash equivalents at 30 September, 2018	600,372	597,973

CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 30 SEPTEMBER 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
Utilization of additional provision from IFRS 9 ECL computation	-	-	-	(6,554)	(6,554)
Excess in Credit Risk Reserve per IFRS 9 computation transferred to retained earnings	-	-	(6,554)	6,554	-
Total Comprehensive income					
Profit for the period	-	-	-	99,179	99,179
Transactions with owners of the company					
Additional issued shares	72,085	-	-	(72,085)	-
Transfer from credit risk reserve	-	-	(44,586)	44,586	-
Transfer to Statutory Reserve	-	24,795	-	(24,795)	-
Withholding Tax on transfer from retained earnings	-	-	-	(6,268)	(6,268)
Total transactions with equity holders	72,085	24,795	(44,586)	(58,562)	(6,268)
Balance at 30 September 2018	154,740	135,898	12,125	118,170	421,733

CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2017 (UNAUDITED)

	Stated Capital	Statutory Reserve	Credit Risk Reserve	Retained Earnings	Total
Balance at 1 January 2017	82,655	100,078	62,211	38,175	283,119
Total Comprehensive income					
Profit for the period	-	-	-	67,963	67,963
Transactions with owners:					
Transfers to Statutory Reserves	-	8,496	-	(8,496)	-
Transfer to Credit Risk Reserve	-	-	7,512	(7,512)	-
Dividend paid for 2016	-	-	-	(35,939)	(35,939)
Total transactions with owners	-	8,496	7,512	(51,947)	(35,939)
Balance at 30 September 2017	82,655	108,574	69,723	54,191	315,143

Report Of The Directors

The Directors present their report together with the audited financial statements for the nine months period ended 30 September 2018 in accordance with the Companies Act 1963 (Act 179) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) discloses the state of affairs of the bank.

Directors' Responsibility Statement

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 period. 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 requirement of the Companies Act 1963 (Act 179) and 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 nine months period ended 30 September 2018. The Bank has elected to use the retrospective approach with no restatement. With this method, the effect of IFRS 9 on 2017 amounts is adjusted for in the opening balance of equity on 1 January 2018.

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.

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 nine months ended 30 September 2018. The Bank has elected not to restate the 2017 figures but disclose the impact of IFRS 9 on Equity.

Impact of IFRS 9 on Comprehensive Income

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 condensed 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	44.21%	23.35%
ii. Non-performing loan (NPL) to gross loss (BOG basis)	4.78%	15.33%
iii. Loan Loss Provision ratio	3.01%	4.48%
iii. Liquid Ratio	81.34%	74.32%

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 nine months ended 30 September 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 nine months ended 30 September 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.

J. K. Agbaje

Olusegun Agbaje
Ag. Chairman

Attah John

Attah John
Managing Director

26 November 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GUARANTY TRUST BANK (GHANA) LIMITED

Report on the audit of the financial statements

Opinion

The condensed financial statements, which comprise the statement of financial position as at 30 September 2018, and the statements of comprehensive income, changes in equity and cash flows for the nine-month period then ended and related notes, are derived from the audited financial statements of Guaranty Trust Bank (Ghana) Limited for the nine months periods ended 30 September 2018.

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 1963, (Act 179) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) applied in the preparation of the 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 26 November 2018. 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 period

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 **Frederick Nyan Dennis (ICAG/P/1426)**.

KPMG

For and on behalf of:

KPMG: (ICAG/F/2018/038)
CHARTERED ACCOUNTANTS
13 YIYIWA DRIVE, ABELENKPE
P O BOX GP 242
ACCRA

26 November 2018

Guaranty Trust Bank (Ghana) Capital Build-Up Plan

Further to the audited nine months Financial Statements for the period ending September 30, 2018, the Bank has received additional capital inflow from its parent bank, Guaranty Trust Bank Plc to meet the minimum capital requirement.

Subject to receipt of regulatory approval, the income surplus and the aforementioned inflow will be converted to equity.