

FINANCIAL STATEMENTS 2014 FOR THE YEAR ENDED 31 DECEMBER 2014

Guaranty Trust Bank (Ghana) Limited



INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 GHS'000	2013 GHS'000
Interest Income	130,554	99,547
Interest Expense	(38,743)	(30,089)
Net Interest Income	91,811	69,458
Fees and Commission	38,826	35,654
Trading Income	32,831	18,526
Other Operating Income	1,248	5,478
Operating Income	164,716	129,116
Loan Impairment	(4,899)	(1,338)
Personnel Expenses	(25,570)	(22,847)
Operating Lease Expense	(3,065)	(1,896)
Depreciation and Amortisation	(4,651)	(4,175)
Other Operating Expenses	(35,313)	(24,023)
Profit before Taxation	91,218	74,837
National Fiscal Stabilization Levy	(4,655)	(1,871)
Income Tax Expense	(23,382)	(20,293)
Profit for the Year	63,181	52,673
Basic & Diluted (Ghana Cedi Per Share)	0.0086	0.0072

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

	2014 GHS'000	2013 GHS'000
Assets		
Cash and Bank Balances	123,117	78,510
Due from Banks and Financial Institutions	312,697	193,154
Investment Securities	202,888	325,864
Loans and Advances to Customers	475,164	296,848
Property and Equipment	25,756	21,724
Intangible Assets	1,820	1,608
Deferred Tax Assets	108	-
Other Assets	19,534	20,102
Total Assets	1,161,084	937,810
Liabilities		
Deposits from Customers	788,579	661,125
Due to Banks	51,631	50,019
Guarantee Contract Liabilities	484	1,008
Current Income Tax Liabilities	-	1,994
Deferred Income Tax Liabilities	1,185	1,071
Other Liabilities	24,711	11,111
Borrowings	90,026	25,201
	956,616	751,529
Equity		
Stated capital	82,655	82,655
Credit risk reserve	8,817	11,754
Statutory reserve	83,123	66,510
Income surplus	29,873	25,362
Total Shareholders Fund	204,468	186,281
Total Liabilities and Equity	1,161,084	937,810

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2013

	2014 GHS'000	2013 GHS'000
Cash flows from Operating Activities		
Profit before tax	91,218	74,837
Adjustments for:		
Depreciation and amortisation	4,650	4,175
Impairment on loans and advances	4,899	1,338
Exchange difference on borrowing	-	907
Profit on disposal of property and equipment	(135)	(187)
Change in loans and advances	(178,316)	(53,639)
Change in investment securities	28,797	(6,532)

Change in other assets	568	(8,037)
Change in deposits from customers	127,454	185,003
Change in other liabilities	13,600	1,161
Change in guarantee contract liabilities	524	(82)
Change in mandatory reserve deposits	(27,242)	(16,650)
Income tax paid	(25,369)	(17,161)
National Fiscal Stabilization Levy	(4,702)	(1,722)
Net cash generated from operating activities	35,946	163,411
Cash flows from investing activities		
Purchase of property and equipment	(8,486)	(6,162)
Purchase of intangible assets	(732)	(548)
Proceeds from sale of property and equipment	271	253
Net cash used in Investing activities	(8,947)	(6,457)
Cash flows from financing activities		
Proceeds from rights issue	-	963
Draw down on borrowings	114,031	22,398
Principal payment of borrowings	(49,207)	(9,746)
Dividend paid	(44,994)	(10,936)
Net cash used in financing activities	19,830	2,679
Net increase in cash and cash equivalents	46,829	159,633
Cash and cash equivalents at 1 January	401,702	242,069
Cash and cash equivalents at 31 December	448,531	401,702

The financial statement presented in this publication is an extract from the annual financial statement for the year ended 31 December 2014. This information has been extracted directly from the annual financial statements which are available for inspection at the Bank's Head Office at 25A Castle Road, Ambassadorial Area, Ridge.

NOTES TO THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

Significant Accounting Policies

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The detailed accounting policies which formed part of the annual report and have been consistently applied can be found in the annual financial statements which are available for inspection at the Bank's Head Office at 25A Castle Road, Ambassadorial Area, Ridge.

Quantitative Disclosures

	2014	2013
i. Capital Adequacy Ratio	21.04%	27.40%
ii. Non - Performing Loan (NPL) Ratio	13.27%	17.57%

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 period ended 31 December 2014 are consistent with those followed for the period ended 31 December 2013.

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.

The financial statements were approved by the Board of Directors on 09 February 2015 and signed on its behalf by:

Signed
Alhaji Yusif Ibrahim
Chairman

Signed
Olalekan Sanusi
Managing Director

REPORT OF THE DIRECTORS TO THE MEMBERS OF GUARANTY TRUST BANK (GHANA) LIMITED

The directors in submitting to the shareholders the financial statements of the Bank for the year ended 31 December 2014 report as follows:

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and with the requirements of the Companies Act, 1963 (Act 179), and the Banking Act, 2004 (Act 673), as amended by the Banking (Amendment) Act, 2007 (Act 738); and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The directors have made an assessment of the Bank's ability to continue as a going concern and have no reason to believe the business will not be a going concern.

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 during the year.

Parent Company

The Bank is a subsidiary of Guaranty Trust Bank PLC in the Federal Republic of Nigeria.

Approval of the Financial Statements

The financial statements of the Bank, as stated, were approved by the Board of Directors on 09 February, 2015 and were signed on their behalf by:

Signed
Alhaji Yusif Ibrahim
Chairman

Signed
Olalekan Sanusi
Managing Director

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

Report on the Financial Statements

We have audited the accompanying financial statements of Guaranty Trust Bank (Ghana) Limited (the Bank). These financial statements comprise the statement of financial position as at 31 December 2014, statement of comprehensive income, statement of changes in equity and statement of cash flow for the year then ended and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and with the requirements of the Companies Act, 1963 (Act 179), and the Banking Act, 2004 (Act 673), as amended by the Banking (Amendment) Act, 2007 (Act 738); and for such internal control, as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Bank as at 31 December 2014 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 1963 (Act 179) and the Banking Act, 2004 (Act 673) as amended by the Banking (Amendment) Act, 2007 (Act 738).

REPORT ON OTHER LEGAL REQUIREMENTS

Compliance with the requirements of Section 133 of the Companies Act, 1963 (Act 179), and section 78(2) of the Banking Act, 2004 (Act 673), as amended by the Banking (Amendment) Act, 2007 (Act 738):

- we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- in our opinion, proper books of account have been kept, and statements of financial position and comprehensive income are in agreement with the books of account.
- the Bank's transactions were within its powers; and
- the Bank in all material respects complied with the requirements of the Banking Act, 2004 (Act 673) as amended by the Banking (Amendment) Act, 2007 (Act 738).

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants
Oseini Amui (ICAG/P/1139)
21 March 2015



... wouldn't you rather bank with us?
www.gtghana.com