



Building resilience

**Working together with the
right team, culture and focus**

2022 Annual Report

Forward Together



VISION

Our Vision

To be the preferred bank for customer experience and innovation.

Our Mission

An innovative and customer focused bank, providing bespoke financial services and value to our stakeholders.

The CalBank Brand, with its tagline Forward Together, demonstrates the Bank's progressive and dynamic intentions, whilst at the same time taking both its staff and customers with them –

'we are together as one, for the future benefit of all'.

Forward - represents both the future direction of the business and the progressive manner in which it will deliver its offering and proposition.

Together - represents the whole and covers the customers, investors and staff, including the wider community to which the bank is responsible.

- **Values** – Responsible, Effective, Decisive (RED)
- **Personality** – Smart, Friendly, Trusted

MISSION

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FIVE-YEAR CONSOLIDATED FINANCIAL SUMMARY

<i>in thousands of Ghana Cedis</i>	2022	2021	2020	2019	2018
Interest income using the effective interest method	1,282,278	980,671	927,350	912,409	773,270
Interest expense	(689,183)	(511,124)	(404,479)	(394,303)	(351,641)
Net interest income	593,095	469,547	522,871	518,106	421,629
Net fees and commission income	82,908	51,852	31,505	46,597	69,543
Net trading and other operating income	115,661	224,324	134,229	31,689	28,085
Operating income	791,664	745,723	688,605	596,392	519,257
Operating expenses	(412,596)	(325,831)	(317,134)	(267,386)	(229,616)
Net impairment loss on financial instruments	(1,451,244)	(82,375)	(86,843)	(86,066)	(66,735)
(Loss)/Profit before tax	(1,072,176)	337,517	284,628	242,940	222,906
Income tax	262,366	(114,665)	(70,825)	(69,527)	(69,690)
(Loss)/Profit after tax	(809,810)	222,852	213,803	173,413	153,216
Total assets	9,250,554	10,039,979	7,924,586	7,048,498	5,419,299
Total deposits	6,734,696	6,308,385	4,425,958	3,858,984	3,150,053
Loans and advances	3,190,359	2,239,520	2,400,950	2,920,026	2,422,952
Total shareholders' equity	531,225	1,286,682	1,132,772	974,787	779,445
Earnings per share (Ghana Cedis per share)	(1.2946)	0.3564	0.3419	0.2772	0.2449
Dividends per share (Ghana Cedis per share)	-	0.1100	0.0890	0.0480	-
Number of shares ('000)	627,539	626,585	626,585	626,585	626,585
Return on assets	(8.8)%	2.2%	2.7%	2.5%	2.8%
Return on equity	(152.4)%	17.3%	18.9%	17.8%	22.8%
Capital adequacy ratio	12.5%	25.1%	22.3%	22.7%	16.7%
Cost-to-income ratio	52.1%	43.7%	46.1%	44.8%	44.2%

CORPORATE INFORMATION

BOARD OF DIRECTORS:

Joe Rexford Mensah (Chairman)
Philip Owiredu (Managing Director)
Carl Selasi Asem (appointed 1 Sept. 2022)
Helen Nankani
Nana Otoo Acheampong
Rosalind Nana Emela Kainyah
Kofi Osafo-Maafo
Kweku Baa Korsah
Ben Gustave Barth
Solomon Asamoah
Richard Arkutu
Dr. Cynthia Ayodele Forson

COMPANY SECRETARY:

Veritas Advisors Limited
Acquah Place
68 Mahogany Crescent
Akufo-Addo Residential Area
P.O. Box CT 9376, Cantonments.
Accra
Ghana

SOLICITOR:

Reindorf Chambers
61 Jones Nelson Road
Adabraka
P. O. Box 821
Accra
Ghana

AUDITOR:

KPMG
Marlin House
13 Yiyiwa Drive, Abelenkpe
P O Box GP 242
Accra
Ghana

REGISTRAR:

Central Securities Depository (GH) Limited
4th Floor Cedi House
Liberia Road
PMB CT 465, Cantonments
Accra
Ghana

REGISTERED OFFICE:

23 Independence Avenue
P. O. Box 14596
Accra
Ghana



CalBank Mortgage



Buying a home is a major decision for anyone. It is one of the largest investments most of us are likely to make in our lives. To help you, we offer various home loans that enable you buy or build the property of your dreams.

BOARD OF DIRECTORS' PROFILE



Mr. Joe Rexford Mensah
(Chairman/Independent
Non-Executive Director)

Mr. Joe Rexford Mensah, age 68, is a corporate banker with extensive banking experience spanning over 35 years in Europe and in Ghana. He was the Chief Executive Officer of Ghana International Bank (GHI) PLC, UK for 14 years where he was responsible for providing leadership and strategic direction and driving a performance-based culture. Under his leadership, GHI was set on a growth trajectory to become a leading Sub-Saharan Bank in the City of London. Prior to being appointed CEO, he was the General Manager at GHI for over 4 years. Mr. Mensah worked as Head of International Banking at the then Trust Bank Ghana and at the Agricultural Development Bank where he introduced the Western Union Service to Ghana for the first time. As Chairman, Mr. Mensah brings to the CalBank board his in-depth knowledge of the Ghanaian economy, the Ghanaian banking sector and private and public sector institutions. He holds a Master's degree in Banking and Finance and a Bachelor's degree in Business Administration. He is a Fellow of the Institute of Directors (UK).



Mr. Philip Owiredu
(Managing Director)

Mr. Philip Owiredu, age 56, joined CalBank in 2004 and rose to assume the position of Managing Director in January 2021. He has overall responsibility for prosecuting the bank's strategic goals and objectives. Over the years at CalBank, he has held various senior roles including Chief Financial Officer/Executive Director. As Executive Director, Philip had oversight responsibility for many of the key functions of the Bank, including business strategy, financial and management accounting and compliance with legal and regulatory requirements. Prior to this, he served as General Manager and also as Financial Controller of CalBank. Philip joined the Bank in 2004 from KPMG where he was responsible for managing various audit assignments. He left KPMG as a Senior Manager after 8 years. As CEO of CalBank, he brings his wealth of valuable experience and expertise in driving forward the Bank's strategy. He is a fellow of the Association of Chartered Certified Accountants (UK).



Mr. Carl Selasi Asem
(Deputy Managing Director)

Mr. Carl Selasi Asem, age 50, joined CalBank in 2022 as the Deputy Managing Director of the Bank. Prior to joining the Bank, Carl worked with the Ecobank Group as the Managing Director of Ecobank Gambia. Carl brings to this position over eighteen (18) years of proven expertise in marketing, sales, relationship management, customer service, and business development. He was instrumental in leading, driving strategies, initiatives for growth, planning and the development of sustainable and continued improvement programmes in the Anglophone West Africa (AWA) region for Ecobank. Carl started his career with Ghana Textile Printing Company as an Assistant Manager in 1998 before joining Ecobank Ghana as a Senior Relationship Manager in 2003. He subsequently worked in various high-profile roles such as Head Public Sector - Domestic Bank, Ag. Group Head- Public Sector, Regional Business Manager - AWA Region. As the Deputy Managing Director, Carl is responsible for leading and driving the Bank's corporate business with a view to growing profitability through superior product and relationship management.

Board of Directors' Profile (Continued)



Mrs. Helen Nankani

(Independent Non-Executive Director)

Mrs. Helen Nankani, age 76, is a Senior Economist who retired from the World Bank after 22 years. She was one of the pioneers of the World Bank's work on Privatization of Public Enterprises, and Private Sector Development. At the World Bank, she managed projects aimed at determining the economic and financial feasibility of private participation in the water sector in South Asia, the Caribbean and Brazil, where she lived for 4 years. Prior to joining the World Bank, she was a consultant at Arthur D. Little Inc., Cambridge, Massachusetts, USA and she also served at The United Nations, New York, USA. Helen was a partner at Financial Development Services, a consulting firm in Arlington, Virginia, USA. She holds a Bachelor's degree from the University of Ghana, Legon and a Postgraduate degree from Harvard University, Cambridge, Massachusetts, USA.



Nana Otuo Acheampong

(Independent Non-Executive Director)

Nana Otuo Acheampong, age 73, is currently a Banking Consultant and a former Executive Head of the Osei Tutu II Centre for Executive Education & Research in Ghana. He was a Senior Lecturer in Finance at the University of Portsmouth in the UK for over a decade and half before returning to Ghana in 2004. He headed the Faculty of Financial Reporting & Investment Banking at the National Banking College. He led the First Module of the Bank of Ghana's Corporate Governance Certification programme for the Boards of Directors for Banks, Savings and Loans Companies, Finance Houses and Financial Holding Companies under the auspices of the National Banking College. He has extensive theoretical and practical knowledge and experience in banking, finance and management. He has led the facilitation of numerous practical training and capacity building programmes for Banks and Deposit Taking Institutions in Ghana. He holds an MSc in Accounting & Management Science from the University of Southampton & a postgraduate diploma in Management as well as an Accounting degree from University of Northumbria at Newcastle.



Ms. Rosalind Kainyah MBE

(Non-Executive Director)

Ms. Rosalind Kainyah MBE, age 65, is the Founder and Managing Director of Kina Advisory Limited, UK. She is a trusted advisor to global companies on responsible business investment and partnerships in Africa, with decades of experience in corporate and environmental law, government relations, political risk management and sustainability. Rosalind was a corporate lawyer at the international law firm, Linklaters and went on to hold executive positions at De Beers and Tullow Oil plc. Rosalind holds a BA from the University of Ghana and an LLM from University College, University of London, UK. She was called to the Bar of England and Wales (Gray's Inn) in 1988 and is a member of the Chartered Institute of Arbitrators. In 2014, Rosalind was awarded an MBE for services to CSR for the benefit of youth in Africa.

Board of Directors' Profile (Continued)



Mr. Kweku Baa Korsah
(Independent Non-Executive Director)

Mr. Kweku Baa Korsah, age 62 is a strategy and technology consultant with rich experience in the payment systems industry across East and West Africa. He is the Managing Director of BC Payments Ltd, a Fintech in the payments industry. Prior to this, he has held a variety of leading roles in the payments and fintech space in Ghana. Notably, Mr. Korsah was the Chief Operating Officer at the Ghana Interbank Payment & Settlement Systems (GhiPSS), a wholly owned subsidiary of the Central Bank of Ghana with a mandate to implement interoperable payment system infrastructures for banks in Ghana. He has served as Chief Executive Officer of JMR Infotech Ghana. Mr. Korsah was also Managing Director for Bluechain Africa Ltd, developers of payment technology being rolled out by BC Payments Ltd in Ghana. He also worked as an Internet Marketing Consultant with WSI-Applied Technology. Prior to this, Kweku was a Partner with KPMG Ghana. He is a fellow of the Chartered Institute of Management Accountants, (FCMA), and is a Chartered Global Management Accountant (CGMA). He holds an MSc. in Business Systems Analysis and Design from City University, London, UK.



Mr. Richard Arkutu
(Independent Non-Executive Director)

Mr. Richard Arkutu, age 50, is the co-founder and Managing Director of Sahel Health Ghana Limited, a provider of hemodialysis treatment for end-stage kidney disease and other kidney care services. Mr. Arkutu is a finance professional by background and worked with the International Finance Corporation (IFC), a member of the World Bank Group for 14 years in Infrastructure and Natural Resources Development. Prior to this, Mr. Arkutu was the Vice President of Citibank, Sub-Saharan Africa Corporate Finance and Investment Banking Department, based in Nairobi, South Africa and Lagos over a 4-year period. Mr. Arkutu worked as a Senior Financial Analyst for Ashanti Goldfields Company Limited in their Corporate Finance Department for two and a half years focused on project financing of new mines. He has a Master's in Business Administration Degree from McGill University, Montreal, Quebec, Canada as well as a first degree in Business Economics from Vesalius College, Vrije Universiteit, Brussels, Belgium.



Dr. Cynthia Ayodele Forson
(Independent Non-Executive Director)

Dr. Cynthia Ayodele Forson, age 61, is currently an Associate Professor in Human Resource Management (HRM) and Organizational Behavior and Deputy Provost at the Lancaster University, Ghana. Prior to this, she was the Head of Department, Management Leadership and Organization at Hertfordshire Business School. Cynthia's interests focus on the leadership and careers of women in organisations and is particularly interested in the experiences of African women on the continent and in the diaspora. She is lead organiser of the Women Innovator's Network for Africa (WINA), a network of women from six African countries that encourages university industry collaboration, under Lancaster University's RECIRCULATE project. She has a Bachelor of Laws from the University of Ghana and a Master of Law (LLM) from the University of Pennsylvania, Philadelphia, USA. Dr. Forson has an LLM from University of Pennsylvania, an MBA from the University of Hertfordshire, UK as well as a Doctor of Philosophy (PhD) from Queen Mary University of London, UK.

Board of Directors' Profile (Continued)



Mr. Ben Gustave Barth
(Independent Non-Executive Director)

Mr. Ben Gustave Barth, age 49, is a seasoned, multidisciplinary finance and consulting executive with a proven track record in strategy, risk management and in structuring transactions over the last 20 years. He is currently the Managing Director for Axcero Advisors, a corporate advisory firm, which he founded. Prior to this, he was a Senior Partner (West Africa) with The Highland Group. He also previously served as the COO and VP Finance with Chester Engineers Africa Inc. Mr. Barth was the Director of Business Development at Jonah Capital Limited. He has worked in senior executive roles with the following institutions: Stanbic Bank Ghana Limited as the Regional Operations Head, Ecobank Ghana and Citibank N.A, New York, USA. He has a wealth of corporate governance experience, including NSIA Insurance, where he is the Chairman of the Board and Trust Logistics Limited where he chairs the Board Finance Committee. He has also previously served on the Board of First Atlantic Bank Limited where he chaired the Audit Committee and the Loans and Investment Committees. Mr. Barth has an MBA from the Harvard Business School, USA and a Bachelor of Science in Business Administration from the University of Ghana, Legon.



Mr. Kofi Osafo-Maafo
(Non-Executive Director)

Mr. Kofi Osafo-Maafo, age 53, is the Deputy Director General, Investments & Development at the Social Security & National Insurance Trust (SSNIT), Ghana's national pension fund. Kofi is a seasoned senior investment professional with over 22 years' experience in the UK investment management and investment banking Industry. He has held senior positions at Pictet Asset Management, UniCredit Bank and HSBC Global Asset Management in the UK. He brings to the CalBank board over two decades of investment banking experience across a wide range of sectors including Oil & Gas, Mining, Building & Construction and Agriculture and Chemicals, covering transactions across Europe, North America, and Global Emerging Markets including Africa. He holds an MA (International Business & Finance) from University of Reading, UK and a BSc (Economics) from Queen Mary's College, University of London, UK.



Mr. Solomon Asamoah
(Independent Non-Executive Director)

Mr. Solomon Asamoah, age 59, has over 25 years of experience in financial transactions and has led over US\$4 billion in transactions across the African continent. In his current role as Chief Executive Officer of the Ghana Infrastructure Investment Fund, he oversees origination, structuring and investment into infrastructure-related projects across Ghana. Prior to this, he has held leadership positions at a number of international financial institutions including Vice President for Infrastructure, Private Sector and Regional Integration at the African Development Bank; Deputy Chief Executive and Chief Investment Officer of the Africa Finance Corporation ; Vice President for Private Sector and International Investments at the Development Bank of Southern Africa , and Special Assistant to the CEO of the International Finance Corporation and Managing Director of the World Bank. Mr. Asamoah started his career as an investment banker in the City of London with HSBC Markets. He has a Master's degree in Chemical Engineering from Imperial College in London.

PROFILE OF EXECUTIVE MANAGEMENT



Mr. Philip Owiredu
(Managing Director)

Mr. Philip Owiredu is the Managing Director of CalBank, a Chartered Certified Accountant with varied experience in banking, auditing, accounting, and consultancy and has been in general management working in the banking sector for 19 years. Prior to being the MD of CalBank, Philip rose through the ranks from Financial Controller upon joining the Bank in December 2004 from KPMG to Executive Director.

Prior to joining CalBank, Philip's employment record dates back to 1993 at TOYJOT Incorporated (UK) where he worked for two years after which he returned to Ghana and joined KPMG, International Firm of Chartered Accountants in 1996 as an Audit Senior. He resigned in 2004 after ascending to the position of Senior Manager and Joined CAL Bank as Director of Finance.

He is a Fellow Member of the Association of Chartered Certified Accountants (ACCA-UK).



Mr. Carl Selasi Asem
(Deputy Managing Director)

Mr. Carl Selasi Asem is the Deputy Managing Director of CalBank PLC with core responsibility over growing and sustaining the corporate portfolio of the Bank. He has over 17 years proven expertise operating in key marketing, sales, relationship management, customer service, banking, and business development roles in the banking sector.

Prior to joining the Bank in September 2022, he worked in various business development and management positions in Ecobank, Ghana and then subsequently as Managing Director for Ecobank, Gambia. He also worked in other managerial positions in organisations such as Domestic Bank, Engen Ghana Ltd, Premium African Textiles as well as the Ghana Textile Printing Company.

He holds an Executive M.B.A (Finance Option) from the University of Ghana as well as two Executive Education merits from Columbia Business School and Harvard Kennedy School respectively. He also holds an ACCA Postgraduate Diploma in Financial Management.



Thomas Boansi Sarpong
(Executive Head,
Finance & Operations)

Mr. Thomas Boansi-Sarpong is a Finance and Accounting professional with over twenty (20) years of practical experience as a Chartered Accountant in various reputable organizations.

He is currently Executive Head, Finance & Operations of the Bank primarily responsible for driving the Bank's financial and operational performance to deliver an enhanced customer experience and financial returns to shareholders. He also previously served in the capacities as Chief Finance Officer and Financial Controller of the Bank. Thomas has been with the bank since 2006.

Prior to joining the Bank, he also worked in various accounting and consultancy capacities with organisations such BCM International, Kappa Consulting Limited.

Thomas Boansi-Sarpong is a Fellow of the Association of Chartered Certified Accountants and member of the Institute of Chartered Accountants Ghana (ICAG). He also holds a Master of Business Administration in Finance from the University of Ghana Business School.

Profile of Executive Management (Continued)



Barbara Benson
(Chief Risk Officer)

Mrs Barbara Benson is a Chartered Accountant with over 20 years of professional exposure and practical experience. She is currently the Chief Risk Officer of the Bank as well as a member of the Executive. She is primarily responsible for overseeing and ensuring the Governance, Risk, Compliance and Control frameworks of the Bank are operating effectively, maintained, and updated as approved by regulations and best practice. Prior to this, she was the Chief Internal Auditor from 2005 when she joined the Bank through to 2018.

Mrs. Benson previously worked with KPMG, Ghana as a Chartered Accountant, Management and Tax consultant and a Deputy Manager before joining CalBank in 2005.

She holds an International Executive Master of Business Administration in Banking & Finance from the Paris Graduate School of Management and is also a member of the Intitute of Chartered Accountants, Ghana (ICAG). She is a Certified Anti-Money Laundering Specialist and an Associate Business Continuity Professional.



Samuel Richard Tamakloe
(Chief Technology Officer)

Mr Samuel Tamakloe is an IT specialist and strategist with over 25 years experience in the Tech space. He is currently the Chief Technology Officer primarily responsible for the full implementation and realisation of the Bank's digital agenda. He also served in the capacity of Head, Management Information Systems from 2013 when he joined the Bank through to 2020.

Prior to joining CalBank, he worked in various IT related and managerial portfolios with organisations such as Starlife Assurance Company Limited, Vanguard Assurance Company Limited, UniBank Ghana Limited, First Atlantic Ghana Limited, Online Computer Software and John Bitar Group of Companies.

He holds a Master of Science in Technology Management/Digital Technologies and another in Data Communications from Columbia University, NY City and Kingston University, United Kingdom respectively. He is also a member of the Institute of Electrical and Electronic Engineers (IEEE), USA and the Institute of Electrical Engineers (IEE), UK.



Joejo Wodow-Hammond
(Group Head, Operations)

Mr Joejo Wodow-Hammond is currently Group Head, Operations, and primarily has oversight responsibility for the effective and efficient running of the day-to-day operational activities across the Bank's branches. He has over 23 years practical experience in banking, credit, and risk management.

He first joined the Bank from Agricultural Development Bank (ADB) in May, 2008 as Head, Credit Risk Management. While at ADB, he worked as a Credit Analyst and subsequently as a Credit/ Relationship Manager between 1999 through to 2008.

He holds an MSc in Economics (Finance and Credit Option) from Donetsk State University, Ukraine. He is also a member of the Global Association of Risk Professionals (GARP).

Profile of Executive Management (Continued)



Philip Duodu Fynn
(Group Head, Treasury)

Mr Philip Duodu Fynn is a Chartered Certified Accountant and Investment Banker with over 15 years practical experience. He is currently the Group Head, Treasury with general responsibility over management of the Bank's assets and liabilities.

Prior to joining CalBank, he worked in various accounting capacities with organisations such as Mon-Tran Limited, Japan Motors Trading Company Limited as well as United Bank of Africa (UBA).

He holds an Executive Master's in Business Administration (EMBA) Finance Option from the University of Ghana Business School. He is also a Member of the Institute of Chartered Accountants (Ghana) and a Fellow Member of the Association of Chartered Certified Accountants (ACCA-UK).



Peter Kojo Fordjor
(Group Head, Consumer & Retail Banking)

Mr. Peter Kojo Fordjor is the Group Head, Consumer & Retail Banking generally responsible for the day to day running of the Bank's consumer, retail, and digital banking business. Peter joined CalBank in March, 2021 from Fidelity Bank Ghana Limited. Peter has over 16 years combined experience in various Business and Digital Banking portfolios in the banking industry.

Prior to joining the Bank, he worked in various retail and business development capacities in organisations such as Barclays Bank Ghana (now ABSA), First Africa Financial Institution, Ghana and Designtech Legacy Consortium, Ghana.

He holds a Bachelor of Arts degree in Economics and Geography from KNUST as well as a Professional Management Development (PMD) certificate from the Gordon Institute of Business Science (GIBS).



Dzifa Amegashie
(Head, Investor Relations)

Mrs. Dzifa Amegashie is the Head, Corporate and Investor Relations & Partnerships at CalBank PLC with responsibility for communicating the Bank's financial performance to the investor community.

She joined the Bank in 2007. Prior to this role, she was a Manager at the Bank's Corporate Finance Department, working on structure finance transactions and advisory services. Dzifa has worked at Ernst & Young (Ghana) in advisory services and before that, as an Investment Officer at the International Finance Corporation (IFC).

She holds an MBA from Imperial College, University of London and a Bachelor of Science in Economic from the London School of Economics (LSE), UK.

Profile of Executive Management (Continued)



Samuel Kwame Boafo
(Head, People & Culture)

Mr Samuel Kwame Boafo is the Head of the People and Culture responsible for the overall managing of the human resources function in line with the business strategy as well as positioning the Bank as an employer of choice. He has over 21 years experience in human resource management in the financial services industry.

Prior to joining the Bank in September, 2005, he worked with the Human Resource Department of SG-SSB Limited, now Société Générale.

He is a certified Senior Professional in Human Resources (SPHRi) from Human resources Certification Institute (US) and holds a Bachelor of Arts (Psychology) from the University of Ghana and an MA (Human Resources Management from the University of Cape Coast and a certificate in International Human Resources Management from Galilee International management Institute, Israel.

He is a member of the Society for Human Resource Management (SHRM), USA and the Chartered Institute of Human Resource Management, Ghana (CIHRMP).



Eugene Gilbert Amponsah
(Head, Legal)

Mr. Eugene Gilbert Amponsah is currently the Head of Legal Department with a core responsibility of managing the Legal function of the Bank. He has over 10 years post-call experience in Litigation, Corporate Law and business of banking in Ghana.

Prior to joining the bank in February, 2015, he worked with AB & David, a private legal firm as a Junior Counsel.

He holds a Bachelor of Law degree from the Kwame Nkrumah University of Science & Technology (KNUST) Law School, Kumasi, and Post Qualifying Certificate in Law from the Ghana School of Law. He also holds a Master of Science degree (MSc) in Development Finance from the University of Ghana Business School.



Brigid Ofosuhene
(Head, Strategy & Performance)

Mrs. Brigid Ofosuhene is the Head of the Strategy and Performance Department with a core responsibility of leading the formulation and execution of the bank's strategic plan. She has over 15 years experience working in the financial services industry with both private and public sector organizations in Ghana and internationally.

Prior to joining CalBank in September, 2020, Brigid worked with PricewaterhouseCoopers (Ghana) Limited as a Business Strategy Consultant, advising governments and private sector clients on strategy formulation and performance improvement.

She holds a Master of Business Administration degree from the University of Aberdeen, UK, and a BA, Economics degree from the Kwame Nkrumah University of Science and Technology. Brigid is a certified Project Management Professional (PMP).



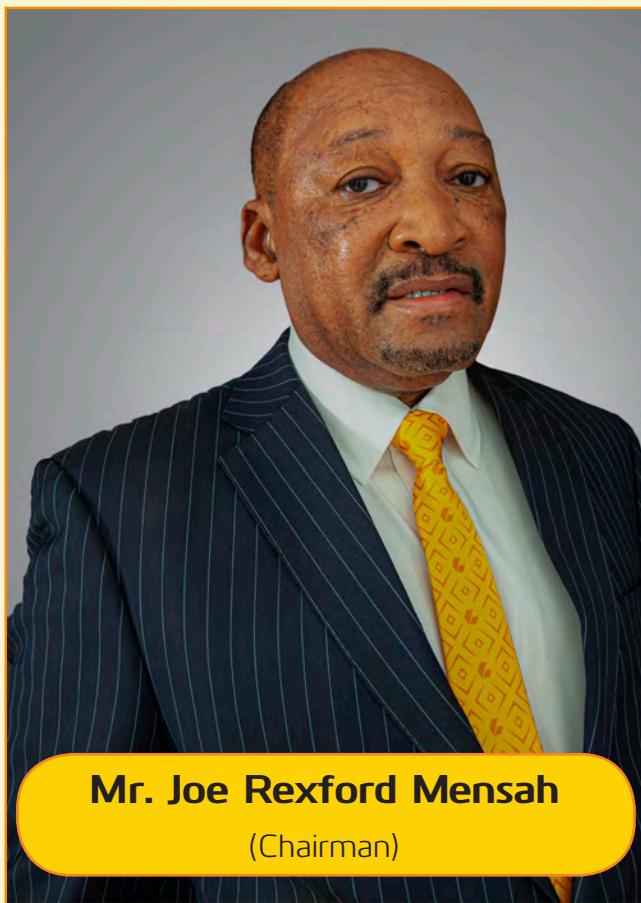
Mr. Jojo Acquah
Company Secretary
Veritas Advisors Limited

VERITAS ADVISORS LTD is a professional services firm registered in Ghana, which provides tailored company secretarial and advisory services to a select group of local and multinational corporate clients.

The firm's client portfolio, which includes privately-owned businesses and public companies listed on the Ghana Stock Exchange, has cut across the spectrum of industry, including agri-business, banking, construction, education, energy, financial services and insurance, manufacturing and manufacturers' representatives, marketing, power generation, project management, security solutions and specialist medical services.

VERITAS ADVISORS is led by Jojo Acquah, Esq., a senior legal practitioner and Notary Public with over two decades of extensive, hands-on experience in the area of corporate legal advisory work and company secretarial practice.

CHAIRMAN'S REPORT



Mr. Joe Rexford Mensah

(Chairman)

Introduction

Dear Distinguished Shareholders,

It is once again my privilege to present to you, on behalf of your Board of Directors, the Annual Report of the bank for the financial year ended December 31, 2022. The bank continued the execution of its three-year strategy and made significant strides in the areas of top line revenue growth and business expansion. However, extraordinary events in the external operating environments muted the assets and profitability outturn for the year.

After careful revision and extensive engagement with the Government of Ghana and all relevant stakeholders, we took a careful note of the DDEP and the ominous impact it had on our trading activities, overall revenue and our profitability and the Board gave management the approval to accept Government's Domestic Debt Exchange Programme (DDEP) which was announced on 5 December 2022. This decision ensured that with the support of the forbearance provided by the Bank of Ghana, your bank remained a viable going concern.

The afore mentioned notwithstanding, I am happy to report that through the Board's leadership, committed and

dedicated management and staff and the resilience of our strategy, we were able to navigate the uncharted waters to minimize the adverse impact of the challenges we faced. We recognize the pivotal role 2023 plays in the three-year strategic plan and will not relent in 2023. Your Board in conjunction with management and staff are poised to work harder to ensure the achievement of our strategic targets. Our shareholding also consists of two significant institutional investors, Social Security and National Insurance Trust (SSNIT) and Arise BV, who have supported us in the past and will continue to do so in our growth trajectory.

Economic Review

Ghana's economic growth was curtailed in the wake of high inflation, Cedi depreciation, geopolitical tensions, and the tail effects of the Covid-19 pandemic. Overall, GDP growth for 2022 declined to 3.7% compared to 2021 growth of 5.4%. The agriculture sector recorded the highest growth of 4.6%, followed by the services sector with a growth of 3.9% and the industry sector with a 0.9% growth rate.

The country's inflation was record high from 12.6% at the beginning of 2022 to 54.1% at year end. The Monetary Policy Committee (MPC) of the Bank of Ghana began the year with a policy rate of 14.5% and held series of reviews throughout the year ending the year at 27.0% as part of measures to stem rising inflation.

Global financial conditions tightened notably in the year under review, leading to capital outflows from many emerging markets with weak macroeconomic fundamentals. In Ghana, increasing cost of business, resulting from the economic challenges had a toll on the business climate.

Throughout 2022, Ghana's economy was downgraded by global rating agencies Fitch and Standard and Poor's which essentially locked the country out of the external financial market. This resulted in the government borrowing significantly from the local market thereby leading to stark increases in interest rates on the primary and secondary markets. The 91 day Treasury bill saw an upward trend to end the year at 35.4% from 12.5% in 2021.

Owing to Ghana's ballooning fiscal deficit, declining gross international reserves and capital flight from loss of investor confidence, the Ghana Cedi lost 30.0% of its value against the United States Dollar, 21.2% against the British Pound, and 25.3% against the Euro.

Domestic Debt Exchange Programme

On 5 December 2022, the government of Ghana announced the Domestic Debt Exchange Programme (DDEP). Under the programme, domestic bondholders

Chairman's Report (Continued)

were invited to voluntarily exchange approximately GHS137 billion of the domestic notes and bonds of the Republic, including E.S.L.A. and Daakye bonds, for a package of new bonds to be issued by the Republic. The Debt Sustainability Analysis (DSA) demonstrated that our public debt is highly unsustainable, with Government's debt servicing absorbing significant portion of total revenue. To protect the solvency of the financial institutions, the Bank of Ghana announced forbearance measures including the establishment of the Financial Stability Fund (FSF) to ensure that banks will be capable of continuing in operations and meeting their obligations to clients.

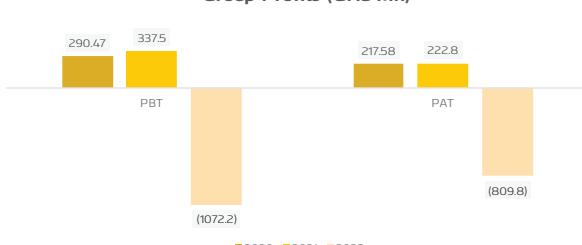
On 14 February 2023, the government announced the result of a successful Debt Exchange Programme with approximately 85% participation rate with settlement date of 21 February 2023.

Ghana requested financial assistance from the IMF which reached a staff level agreement in December 2022. A board level agreement is expected by the end of quarter two of 2023. The IMF bailout is aimed at restoring macroeconomic stability and confidence in the Ghanaian economy, to help accelerate the rebound of the economy, revamping of business, and trade activities to propel economic growth.

Financial Review

During the year 2022, our primary focus was on growing our balance sheet in key economic sectors, diversifying revenue streams, and expanding our products and client base in addition to enhancing delivery channels. We successfully grew our topline revenue and asset base but due to the DDEP, we had to take significant impairments which resulted in an overall loss position and a decline in assets on a year-on-year basis.

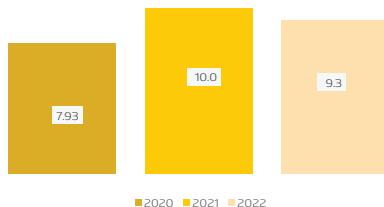
Group Profits (GHS'Mn)



The Group's profit before tax declined by 417% from GHS338 million in 2021 to a loss of GHS1,072 million in 2022. Similarly, we experienced a 463% decrease in profit after tax to a loss of GHS809.8 million compared with profit of GHS222.8 million in 2021. The Group's total assets declined by 7.0% from GHS10 billion in the year

2021 to GHS9.3 billion at the end of the year 2022, arising out of the write down of our investments in the various Government instruments impacted by the DDEP and increased impairment on other financial assets.

Total Asset (GHS'Bn)



Share Price Performance

On the back of a challenging macroeconomic environment, the Ghana Stock Exchange experienced a decline in the market trend to return a negative growth of 11.7% in its GSE Composite Index. The Financial Stocks Index returned a negative growth of 3.5% with majority of banking stocks showing a decline in share prices. Consequently, the bank's share price experienced a lot of volatility during the year. From a price of GHS0.87 per share at the beginning of the year, it decreased to GHS0.80 per share at the end of 2022.

We are optimistic that as we continue to create value for the bank, shareholders will be rewarded with significant positive movements in the value of the share price in the years ahead.



Capitalisation

In spite of the negative impact of the year's loss on the Group's capital, the Group's capital adequacy ratio was 12.5% at the end of 2022, higher than the revised statutory limit of 10%.

In order to retain confidence and resilience in your bank, the directors are proposing to raise capital to enable the bank to restore the necessary capital required to operate optimally prior to signing up to the DDEP. The necessary resolutions will be laid before you at the annual general meeting for your consideration and approval.

Chairman's Report (Continued)

Dividend

Considering the impact of the domestic debt exchange programme on the bank's profitability and the directive from the Bank of Ghana as part of reliefs to banks to address the impact of participating in the government's domestic debt exchange program, the Board do not recommend the declaration and payment of dividends and other distributions to shareholders.

Corporate Governance

The key to driving a prudent management system to deliver the long-term success of the company is to have robust governance structures in place across the bank and all the subsidiaries. The CalBank Board Charter establishes the framework through which our responsibilities are executed and serves as the basis for evaluating our performance.

In the year 2022, training, development and knowledge refreshment programmes were provided for directors of the bank to ensure the proper performance of their duties. The subsidiaries also operate under corporate governance structures, which allows their Boards to have complete oversight of their strategic functions in ensuring compliance with the necessary regulatory requirements that apply in their areas of operations. In this regard, the subsidiaries are aligned with the corporate governance framework of the bank.

The Board shall always ensure the Group is compliant with any corporate governance directives issued by our regulators and shall be guided by these in the attainment of the Group's corporate strategy.

We keep strengthening our corporate governance framework and will further improve its soundness and effectiveness in the coming years. This is key to addressing the many challenges we are faced with in today's challenging operating environment.

Changes in the Board of Directors

Effective 1st September 2022, Mr. Carl Selasi Asem assumed the position of Deputy Managing Director and joined the Board as an Executive Director of the bank. His appointment was duly approved by the Bank of Ghana as required by regulation. Carl brings to the bank years of experience in banking and is responsible for leading and driving the bank's corporate business and complimenting the management team in its trajectory of profitability and growth.

Outlook

The headwinds experienced in the second half of 2022 still continue to persist in the first half of 2023 with high inflation and elevated interest rates, although these seem to have plateaued. However, we expect that as the Government of Ghana receives Board approval on the US\$3 billion IMF support, the country will rebound, leading to some improvement in the operating environment. The fiscal policies presented in the 2023 budget statement seek to restore macroeconomic stability and boost investor confidence by increasing the domestic revenue base and reviewing the tax laws to block leakages of tax revenue.

I am therefore cautiously optimistic about 2023. We will focus on demonstrating a strong and resilient business model in the execution of our medium-term strategy aiming to deliver a solid financial performance across our businesses through a customer-centric approach, a culture of service excellence and efficiency, diligent risk management and harnessing the skill sets of our highly talented management and staff.

The encouraging outturn of our first quarter 2023 performance provides us with the confidence that we will realize an improvement in our financial performance this year.

Conclusion

I greatly appreciate the management team and all other staff members of the bank for showing great commitment in the midst of significant uncertainties in the 2022 financial year. I also thank my colleague Board of Directors for their ongoing engagement, counsel, and support over the past year, through the wealth of knowledge and experience that they bring to the bank. I would like to express our sincere gratitude to all our regulators and clientele for their support of our business. Finally, I want to thank all shareholders and other stakeholders for the confidence reposed in us throughout the years.

I thank you all and wish you well in 2023 and the years ahead.

Joe Mensah

Chairman

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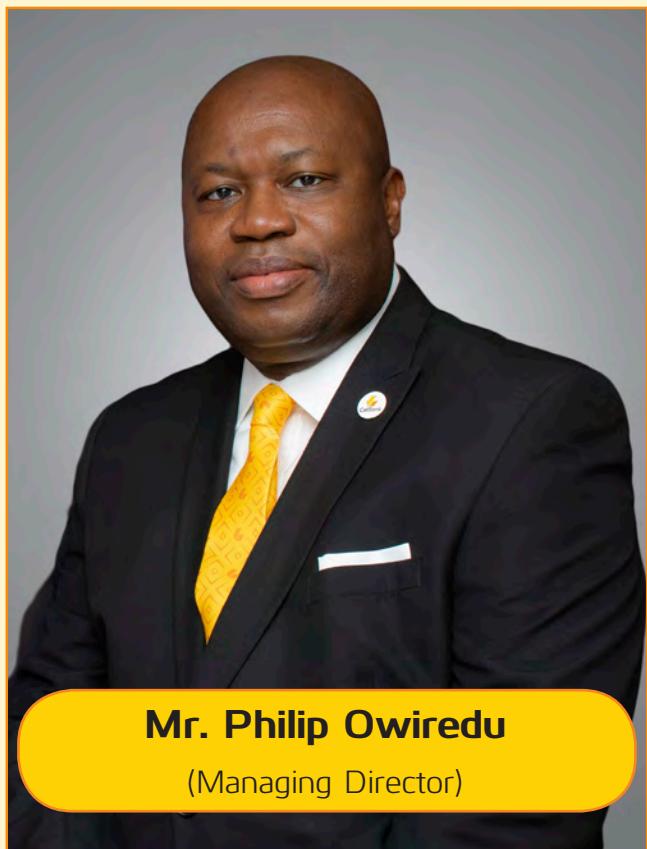
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MANAGING DIRECTOR'S REPORT



Mr. Philip Owiredu

(Managing Director)

Dear Shareholder,

I am pleased to share with you the progress and achievements made during 2022 and to share with you a review of our operations and the performance of your company for the year 2022.

Introduction

In 2022, we focused on delivering our EXCITeD23 strategy which is hinged on customer centricity and innovation aimed at fostering growth, profitability, productivity, and effective risk management. While delivering on our promise to our stakeholders, our team members displayed exemplary commitment through a rather challenging year to deliver essential services as bankers to the economy at large. I take pride in the way the CalBank family adapted to the new normal, raised the bar on innovation and remained a steadfast beacon in a volatile environment towards our goals. We delivered on our key strategic goals through our relentless execution, backed by a positive culture change and delivery on our ambitious transformation projects, across businesses and functions. However, we faced unique external headwinds which derailed the achievement of our 2022 financial targets.

Our Operating Environment

Global economic activity is experiencing a broad-based and sharper-than-expected slowdown, with inflation higher than seen in several decades. The cost-of-living crisis, tightening financial conditions, geo-political tensions, and the lingering effects of the COVID-19 pandemic all weighed heavily on the outlook of most economies.

Persistent sovereign debt vulnerabilities, global banking sector crisis, high commodity prices, and climate and environmental concerns remain the main threats to medium and long-term growth trajectories.

Ghana's economy was challenged in the wake of the global financial and economic crisis. During the year under review, the economy in its first quarter performed fairly well with overall GDP growth of 3.3% compared to 3.1% over same period in 2021. However, in the course of the year, growth outlook was affected by ongoing global macro-economic challenges which brought about a setback to Ghana's promising medium-term growth outlook, causing the country to reach an estimated GDP growth rate of 3.1% by the end of the year compared to 5.4% at the end of 2021. The Monetary Policy Committee (MPC) of the central bank maintained its policy rate at 14.5% in January 2022. However, in the course of the year, there were series of upward revisions aimed at curtailing soaring inflation. This brought the cumulative increase to 1,250 basis points in 2022 from 14.5% in January to 27% in November 2022.

Interest rates witnessed major increases across the maturity spectrum mostly on the back of negative investor sentiments about global economic outlook and the impact on the Ghanaian economy. During the year under review, the Cedi consistently lost value against major foreign currencies, losing 30.0% against the United States Dollar, 21.2% against the British Pound, and 25.3% against the Euro by the end of the year.

On 5th December 2022, the Government of Ghana launched Ghana's Domestic Debt Exchange Programme (DDEP), an invitation for the voluntary exchange of approximately GHS137 billion of the domestic notes and bonds of the Republic, including E.S.L.A. and Daakye bonds, for a package of new bonds to be issued by the Republic. Government encouraged all stakeholders to participate in the DDEP, an essential step towards meeting our debt sustainability targets and restoring macroeconomic stability and economic growth. Following the engagements between the Ghana Association of Banks, Government of Ghana, and all regulators to ensure that areas of concern are addressed and considering the forbearances provided by the Bank of Ghana only to institutions that sign up to the

program, the Board approved for the bank to participate in the DDEP.

After series of extensions of the exchange deadline, the programme closed on 10th February 2022 with more than 85% participation of eligible bonds.

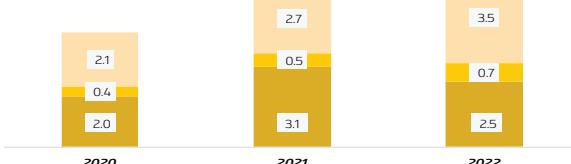
Despite the challenges, we were able to respond positively through the strength and creativity of our staff, the robustness of our corporate governance framework, along with our decision to prioritize product innovation, service delivery and promote digital channel utilization.

Financial Performance

The CalBank group continues to be a strong financial services company aimed at increasing shareholder value. The underwhelming performance of the Group was largely on the account of the adverse impact of the domestic debt exchange programme which led to an 7% decline in the Group's balance sheet from GHS10 billion in 2021 to GHS9.3 billion in 2022.

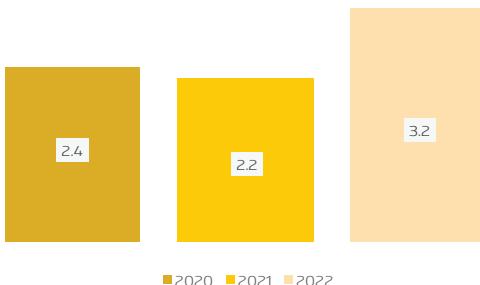
Despite this challenge, the bank took advantage of opportunities presented in the market leading to a 6.8% increase in deposits from GHS6.3 billion in 2021 to GHS6.7 billion at the end of 2022. Our digitalisation agenda around payment platforms resulted in a 20% growth in our low cost of funding including current and savings accounts deposits, this will be a foundation on which we will grow our deposits in the medium term.

Deposits (GHS'Bn)



As a bank, we are committed to supporting government's economic growth agenda as well as facilitating broad based growth of our clients hence our resolve to extend credit facilities to businesses and individuals within key strategic sectors of Ghana's economy. We therefore increased our net loans and advances by 42.4% to GHS3.2 billion from the 2021 value of GHS2.2 billion.

Net Advances (GHS'Bn)

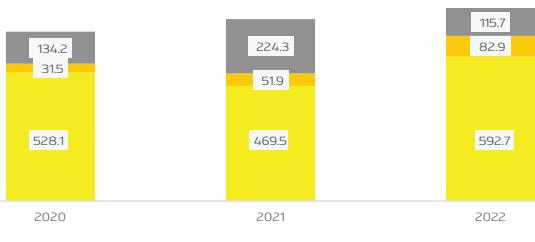


Inspite of a challenging macro-economic backdrop, the bank remained agile and resilient, leveraging superior customer experience, product, and channel innovation to grow our revenue lines. Fees and commission income realized an impressive growth of 71.1% with net interest income realizing a growth of 26.0% year-on-year. Income arising out of our treasury business was muted especially during the second half of the year due to Ghana's macro-economic headwinds, volatility in exchange rates and the virtual collapse of the secondary trading market, resulting in an overall 6.1% growth in total operating income between 2021 and 2022.

However, signing on to the domestic debt exchange programme implied that the bank had to take significant impairments on our Government of Ghana domestic bond and other bond holdings. Considering the uncertainty in the macro-economic outlook and its likely impact on business, we had to take a prudent measure in reviewing the credit health of our loan facilities, including direct exposures to Government and in accordance with the dictates of IFRS9 expected credit loss provisions, make additional credit impairments.

This caused the Group to record a loss before tax of GHS1 billion as compared to a profit before tax of GHS337.5 million the previous year. Similarly, the Group incurred a loss after tax of GHS809.8 million compared to a profit after tax of GHS222.8 million for the financial year 2021.

Operating Income (GHS'Mn)



Managing Director's Report (Continued)

Your bank is committed to maintaining a strong capital base to protect our shareholder interest, enhance our capacity to serve our customers, foster investor confidence and position us to be able to absorb any risks in the conduct of our banking business. The sovereign headwinds mentioned above have however impacted negatively on our capital, resulting in a reduction in shareholders' funds from GHS1.29 billion the previous year to GHS531.2 million at the end of 2022. Our capital however remained above the regulatory limit of GHS400 million, with a capital adequacy ratio of 11.9% above the minimum requirement of 10% based on the regulatory forbearance by the Bank of Ghana.

The Bank of Ghana as part of its forbearance measures has provided a three-year timeframe for banks to restore their capital. However, your board deem it imperative that capital restoration is achieved as soon as possible.

A capital plan has therefore been put in place including a capital raise to restore the bank's capital level to be able to sustain and improve on its operational capacity prior to the DDEP.



Operational Performance

At CalBank, we believe that a strong performance-based culture is fundamental to the bank's growth trajectory. As a result, we continued our culture refresh programme as we ramped up bank-wide sensitization sessions on the new culture change behaviours.

We are keen on developing our staff and equipping them with the right tools and skills to win in the competitive banking sector. To that end, we rolled out several leadership trainings across the entire cadre of the bank from middle to senior management and executives as well. We also delivered specialized trainings to functional groups within the bank ensuring that each staff achieved the requisite training for the execution of their jobs.

During the year we continued with our branch expansion program in accordance with our ongoing strategy to improve upon our reach to better serve our customers.

Accordingly, three new branches in Ho, Kasoa, and Bolgatanga have been opened, bringing our total branch network to 36 branches located in 9 out of 16 regions in Ghana. Continued innovation and digitalization of our customer experience remains a key strategic direction. We understand the growing depth and increased reliance on digital banking services, therefore we continued to enhance the user experience and security features on all our digital banking platforms including but not limited to the internet banking platform, point of sale terminals, and the award winning CalBank app. We also enhanced the user experience on our mobile service *771# as we continued to support Ghana's financial inclusion agenda.

The surge in digital services comes with it an influx of cyber security risks, as such, maintaining a robust security infrastructure to protect the bank and its customers from any potential threats is our topmost priority. In line with this, we continue to affirm our Payment Card Industry Data Security Standard (PCI DSS) and ISO 27001 certifications. We run a 24-hour security operations centre (SOC) in compliance with Bank of Ghana's cyber and information security directive that detects and addresses potential threats in real time, thereby assuring the security of our customer related transactions, our systems and operations.

To enhance our risk management architecture and deepen risk culture amongst our staff, we embarked on a transformational enterprise risk management project which saw marked improvement in the bank's risk maturity. We continue to review, update and simulate our business continuity plan in the context of any potential disruptions to our business. We brought to completion the enhancement of our disaster recovery site project providing us the assurance that in the unfortunate event of any disruptions, the bank's systems and data are protected and will continue to operate with minimal interruptions in pursuit of the objective of providing excellent customer experience.

CalBank is passionate about the growth of our clients' businesses and believes in building stronger businesses together with our clients. In that regard, we embarked on SME business clinics across the country to groom and support small and medium scale businesses in their quest to run sustainable operations. To further support our clients in building sustainable businesses, we partnered with several institutions to hold thought leadership programmes on topical issues throughout the year. Some of these include partnership with the UK Ghana Chamber of Commerce (UKGCC) and other captains of industry on good corporate governance practices as well as with SUNREF and IFC on supporting businesses pursuing Green Financing options. We are pleased to inform our stakeholders that

Managing Director's Report (Continued)

the CalBank Plc head office building was selected by the International Finance Corporation (IFC) to be showcased at the 2022 COP 27 in Egypt for being Excellence in Design for Greater Efficiencies (EDGE) certified, a testament to our zeal to be green and support green businesses.

Our bank was recognised for its enhanced approach to service delivery, innovation and staff development through reputable awards, including:

- The Most Admired Indigenous bank in Ghana by Brand Africa
- Ranking 4th place in the Top 10 Customer Experience Leaders in Ghana's retail banking industry survey conducted by KPMG Ghana.
- Most Responsive bank by the National Banking College.

These awards attest to the positive outcome of the efforts and investment being made to enhance our brand equity.

Corporate Social Investment

CalBank continues to be a socially responsible bank with a special focus on supporting health and education in our communities. The Sustainable Development Goals (SDG) 5, 7 and 9 are the focus areas of the bank, as such we strive to achieve gender equality and empowerment for women and girls through our corporate social initiatives.

In broadening our community investment activities and in partnership with Tech Aide, the bank constructed a highly modern computer laboratory for the Asokore SDA Basic School in Koforidua aimed at improving the education, particularly Science, Technology, Engineering, and Mathematics (STEM) and social welfare of the people in Koforidua.

We also embarked on several other socially responsible projects donating to Ghana Blinds Union, Tamale Teaching Hospital among others.

Subsidiaries

Despite the volatility and uncertainty in the operating environment, CalAsset Management Limited contributed an amount of GHS5.4 million to the Group's profit after tax. Funds under management by the Group increased by 32.8% to GHS2.7 billion from GHS2.0 million in 2021.

CalNominees Limited which manages the bank's custody offering also increased its assets under custody by 26.7% to GHS4.2 billion from GHS3.3 billion at the end of 2021. This is attributable to increased volumes of business from existing and new clients.

Future prospects

While rising inflation, tightening financing conditions and geo-political developments pose a near term risk to economic growth, the opportunities in financial services sector are immense. The medium-term growth drivers for the Ghanaian economy remain firmly in place on the back of several initiatives taken by the government to boost key economic sectors. Also, we expect Ghana to reach an IMF deal by the end of the second quarter in 2023 which will ensure the much-needed stability in the economy as investor sentiments pick up.

The significant investments which we have made in our transformation journey and frontloading technology spends towards strengthening our core, and growing our retail franchise have ensured that we are well positioned to grow and leverage the opportunities as they open up.

Further, the steps we have taken in pushing our customer centric and innovation agenda as well as instilling a performance-based culture in the bank, will steer us in the right direction as we seek new avenues to grow the bank per our EXCITeD23 strategy.

The bank's first quarter 2023 performance, which depicts an improvement compared to the prior year 2022 first quarter, having taken cognizance of reduced return of the Government bonds, attest to the strong fundamentals of the bank and we are confident 2023 will turn out much better.

Your bank has weathered many storms over the last 30 years and has always emerged stronger. I am confident that with the commitment, dedication and zeal of management and staff, we will be able to make 2023 a successful year and play a much bigger role in the businesses and lives of our clients.

On behalf of Management, I would like to thank the Board, management and staff, customers, shareholders and all other stakeholders for their unwavering support.

May God bless us all.

Philip Owiredu

Managing Director



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DIRECTORS REPORT

Report of the Directors to the Members of CalBank PLC

The Board of Directors has the pleasure to submit this report of the Bank and Group for the year ended 31 December 2022.

Statement of Directors' Responsibilities

The directors are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view of CalBank PLC, comprising the statements of financial position as at 31 December 2022, the statements of comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, in accordance with 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). In addition, the directors are responsible for the preparation of the report of the directors.

The directors are also responsible 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, and for maintaining adequate accounting records and an effective system of risk management.

The auditor is responsible for reporting on whether the consolidated and separate financial statements give a true and fair view in accordance with the applicable financial reporting framework.

Statement of affairs of the Bank and Group

in thousands of Ghana Cedis	2022		2021	
	Bank	Group	Bank	Group
Total operating income	768,104	791,664	729,600	745,723
(Loss)/Profit before income tax	(1,080,337)	(1,072,176)	325,674	337,517
(Loss)/Profit after income tax	(815,200)	(809,810)	215,239	222,852
Shareholders' funds	496,505	531,225	1,257,490	1,286,570
Total liabilities	8,722,745	8,719,329	8,754,888	8,753,409
Total assets	9,219,254	9,250,554	10,012,378	10,039,979
Basic earnings per share (Ghana pesewas per share)	(1.3032)	(1.2946)	0.3441	0.3564
Diluted earnings per share (Ghana pesewas per share)	(1.3032)	(1.2946)	0.3441	0.3564
Net assets per share (GHS)	0.79	0.85	2.01	2.05

Financial report

The financial results of the Bank and Group for the years ended 31 December are set out in the financial statements, highlights of which are as follows:

Report of the Directors (Continued)

in thousands of Ghana Cedis	2022		2021	
	Bank	Group	Bank	Group
Financial Results				
(Loss)/Profit for the year ended 31 December	(1,080,337)	(1,072,176)	325,674	337,517
From which is added(deducted) taxation of	277,579	262,366	(110,435)	(114,665)
giving a (loss) profit for the year after taxation of	(802,758)	(809,810)	215,239	222,852
to which is added balance on retained earnings brought forward (excluding amounts transferred to Regulatory Reserves) of	361,554	390,697	227,273	248,695
leaving a balance of	(453,646)	(419,113)	442,512	471,547
Revaluation gain on disposed PPE	-	-	1,710	1,710
Transfer from/(to) credit risk reserve	-	-	40,066	40,066
Net Changes in CalBank Shares held by Subsidiaries	-	24	-	-
Transfer to regulatory statutory reserve	-	-	(53,810)	(53,810)
giving a cumulative amount available for distribution of	(453,646)	(419,089)	430,478	459,513
less dividend	(69,031)	(68,956)	(68,924)	(68,816)
leaving a balance on retained earnings carried forward of	(522,677)	(488,045)	361,554	390,697

The Government of Ghana in December 2022 announced the Domestic Debt Exchange Programme (DDEP) as part of measures to a path of debt sustainability, the programme covered Government's domestic bonds, ESLA and Daakye Bonds issued by the Government. Subsequently the Government on 19th December, 2022 announced the suspension of its payment obligations on the Eurobonds, these developments have resulted in these instruments being considered credit-impaired and downgraded, resulting in the Bank recording losses for the 2022 financial year end. The Bank of Ghana, in recognition of the impact of the DDEP put in place some forbearance measures to mitigate the adverse impact on Banks and provide adequate time for Banks to reposition their balance sheet.

Despite these developments and taking into consideration the Bank of Ghana forbearance, the continuing improved operational performance of the Bank, the Directors consider the state of affairs of both the Group and the Bank to be satisfactory.

Nature of Business

The nature of business of the Group is as follows:

- To carry on the business of banking.
- To carry on the business of underwriters of securities, finance house and issuing house.
- To undertake corporate finance operations, loan syndications and securities portfolio management.
- To engage in counseling and negotiation in acquisitions and mergers of companies and undertakings.
- To engage in the business of acceptance of bills of exchange, dealing in bullion, export trade development and financing.
- To carry on the business of hire-purchase financing and the business of financing the operations of leasing companies; and
- To engage in the counseling and financing of industrial, agricultural, mining, service, and commercial ventures, subject to the relevant rules and regulations for the time being in force on that behalf.

Substantial Shareholders

Details of the Bank's twenty largest shareholders are disclosed in note 41 to the consolidated and separate financial statements.

Retirement and Re-Election of Directors

The following directors of the company, Joseph Rexford Mensah, Solomon Asamoah and Rosalind Nana Emela Kainyah will retire in accordance with section 325(a) of the Companies Act, 2019 (Act 992) and Regulation 78(b) of the Regulations of the Bank. Joseph Rexford Mensah, Solomon Asamoah and Rosalind Nana Emela Kainyah, who are eligible for re-election, have offered themselves to be re-elected as directors of the Bank. The Board will recommend that they be so re-elected.

Report of the Directors (Continued)

Subsidiaries

- CalAsset Management Company Limited (CAMCOL), a company incorporated in Ghana and licensed to manage assets by the Securities and Exchange Commission.
- CalBank Nominees Limited (CBNL), incorporated in Ghana to hold and administer securities and other assets as a custodian (registered owner) on behalf of beneficial owners.
- CalTrustee Company Limited (CTCL) incorporated in Ghana to manage pension funds on behalf of beneficial owners as per guidelines set out by National Pension Regulatory Authority (NPRA).
- CalBrokers Limited (CBL), a company incorporated in Ghana as a securities broker and a licensed dealing member of the Ghana Stock Exchange. CalBrokers Limited resigned from the Ghana Stock Exchange on 13 December 2019 and is currently undergoing voluntary liquidation.

Associates

Ghana Leasing Company Limited (a non-banking financial institution) and Transaction Management Services Limited (in liquidation) both incorporated in Ghana are associated undertakings of the Group. These investments have been fully impaired from the Group's book.

Particulars of entries in the Interests Register during the financial year

No Director had any interest in contracts and proposed contracts with the Bank during the year under review, hence there were no entries recorded in the Interests Register as required by Sections 194(6), 195(1)(a) and 196 of the Companies Act, 2019 (Act 992).

Corporate social responsibility and code of ethics

A total of GHS1.3 million (2021: GHS1.05 million) was spent under the Bank and Group's social responsibility programme with key focus on education, health, financial inclusion, and others.

Capacity building of directors to discharge their duties

On appointment to the Board, Directors are provided with full, formal, and tailored programmes of induction, to enable them gain indepth knowledge about the Bank's business, the risks and challenges faced, the economic knowledge and the legal and regulatory environment in which the Bank operates. Programmes of strategic and other reviews, together with the other training programmes, ensure that Directors continually update their skills, knowledge, and familiarity with the Bank's businesses. This further provides insights about the industry and other developments to enable them effectively fulfil their role on the Board and committees of the Board. During the year, the Directors engaged in programmes covering, Corporate Governance in Perspective, Regulatory Response to Corporate Governance Challenges in Banks and Financial Institutions and the Balance Sheet Framework for Board of Directors.

Auditor and audit fees

In accordance with Section 139 (5) of the Companies Act, 2019 (Act 992), Deloitte and Touch will be appointed as the new auditors for the Bank and Group, subject to the approval of shareholders and Bank of Ghana. The audit fee for the year 2022 is GHS1,193,000.

Going concern

The Board of Directors have assessed the Bank and Group's ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future except for CalBrokers that resigned from the Ghana Stock Exchange on 13 December 2019, the necessary regulatory approvals in order to wind up CalBrokers Limited. The Board of Directors has taken into account the Bank of Ghana's forbearance measures aimed at reducing the adverse effects on capital resulting from the DDEP, and believes that these measures will provide sufficient buffer for the Bank to continue to operate as a going concern, detail of these are outlined in note 43. This is re-enforced by the 2023 first quarter performance which outturn depicts an improvement compared to the first quarter of 2022 despite the DDEP haven taken effect. Our liquidity position at the end of March 2023 remains very strong with the Bank continuing to be a net lender on the Interbank market. The above depicts the resilience of the underlying operations of the Bank providing the Directors the assurance that the outlook for the Bank remains very positive and can operate and meet its on-going obligations.

The Directors are not aware of any material uncertainties that may cast significant doubt upon the Bank and Group's ability to continue as a going concern, therefore, the financial statements continue to be prepared on a going concern basis.

Report of the Directors (Continued)

Dividend

The Directors do not recommend the payment of dividend.

Acknowledgement

The Board of Directors hereby expresses its sincere appreciation for the support, loyalty and dedicated service of the staff, management, and all stakeholders of the Bank and Group over the past year.

Approval of the report of the directors

The report of the directors of CalBank PLC, was approved by the board of directors on 28 April 2023 and signed on their behalf by:

Signed

Philip Owiredu
Director
28 April 2023

Signed

Joe Rexford Mensah
Director
28 April 2023



CAL Advantage Unit Trust

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CORPORATE GOVERNANCE REPORT FOR 2022

Introduction

The CalBank Group is committed to fulfilling its corporate governance obligations and responsibilities in the best interests of all stakeholders by ensuring that its policies and practices reflect high standards of corporate governance practices based on fairness, transparency and accountability. We remain committed to the continual strengthening of governance within the Group, reflecting our efforts toward building a sustainable business in accordance with our long term strategic objectives.

The Group has CalBank Plc (the "Bank"), as the parent company, with CalAsset Management Limited, CalBank Nominee Limited, CalTrustee Company Limited, and CalBrokers Limited, which is currently undergoing voluntary liquidation, as wholly owned subsidiaries, with each subsidiary having its own independent Board of Directors.

Compliance and Regulations

The Group's compliance with applicable legislation, regulations, standards, and codes remains a very core element of its governance culture which is regularly monitored by the Board of Directors of the Bank and the various subsidiaries through reviews of management reports. Information on the outcomes of any significant interaction with key stakeholders, such as the Bank's regulators and any other regulatory authority, are also provided to the various Boards as part of their monitoring process.

The Group complies with all applicable legislation, regulations, standards and codes in Ghana. In compliance, the Board of Directors ensures that key regulatory disclosures such as capital adequacy, non performing loan and liquidity ratios are duly disclosed in the year end final statements of the Group.

Statement of Compliance

We hereby confirm that the Bank has complied with the following Directives, Codes of Corporate Governance and Listing Standards:

- BOG Corporate Governance Directive 2018
- BOG Corporate Governance Disclosure Directive 2022
- BOG Fit and Proper Persons Directive 2019
- SEC Corporate Governance Code for Listed Companies 2020
- The Listing Rules of the Ghana Stock Exchange

The Bank was in breach of Section 72 (d) of Bank of Ghana's Corporate Governance Directive, 2018 (CGD, 2018) provides that a Committee of independent directors shall determine the remuneration of executive directors.

The Board reviewed its committee membership in January 2023 to ensure compliance with the directive.

Annual Certification

- The Board has independently assessed and documented the corporate governance processes of CalBank PLC as effective and is satisfied that the Bank has successfully achieved its corporate governance objectives.
- Directors are aware of their responsibilities to the Bank as persons charged with governance.

All directors of the Bank completed their regulatory Corporate Governance Director Certification Programmes for 2022 which was facilitated by Ghana Banking College.

The certification programme covered the following topics;

- Risk Governance & Implications of the Bank of Ghana Risk Management Directive
- Ethical Leadership & Conduct Challenges in the Boardroom
- Internal Board Effectiveness Evaluation: Action Before, During and After

The Board

The Board of Directors of the Bank (the "Board") is the ultimate decision making body for the Group. It has overall responsibility for the management of the business and affairs of the Group, the establishment of Group strategy, the allocation and raising of resources, and is accountable to shareholders for financial and operational performance.

Corporate Governance Report (Continued)

The Board provides effective leadership, considers strategic issues, ensures the Group manages risk effectively through approving and monitoring the Group's risk appetite, and exercises judgement in guiding management to achieve growth and deliver long term, sustainable shareholder value.

The roles of the Board Chairman and Managing Director are distinct and separate, with a clear division of responsibilities. The Chairman leads the Board and ensures the effective engagement and contribution of all executive and non executive directors. The Managing Director has responsibility for all Group businesses and acts in accordance with the authority delegated by the Board. Responsibility for the development of policy and strategy and operational management is delegated to the Managing Director.

All directors participate in discussing strategy, performance, financial and risk management issues of the Group, and meetings of the Board are structured to allow sufficient time for the consideration of all agenda items through constructive deliberations.

In addition to its statutory responsibilities, as enshrined under the Companies Act, 2019 (Act 992), the Banks and Specialised Deposit Taking Institutions Act, 2016 (Act 930) and the Constitution of the Bank, the Board is also guided by a Board Charter adopted by the Bank, which sets out in further detail the individual duties and responsibilities of the Chairman and members of the Board, the Company Secretary, and the Board as a whole.

The Board holds scheduled meetings in closed sessions and employees are invited, as required, to make presentations to the Board on material issues under consideration. Directors are also provided with access to management and company information, as well as the resources required to carry out their responsibilities.

Meetings of the Board are held quarterly, with an additional meeting to consider Group strategy, and additional meetings are convened if necessary. All directors are provided with comprehensive Board meeting documentation

Board Members	Board Sitting	Audit Comm	Risk Comm	IT Governance, Cyber & Information Security Comm	Credit Comm	Governance & Compensation Comm	Others
Joseph Mensah	4/4	N/A	N/A	N/A	N/A	4/4	9/9
Philip Owiredu	4/4	N/A	5/5	4/4	N/A	4/4	9/9
Carl Selasi Asem	1/4	N/A	1/5	1/4	1/6	2/4	2/9
Rosalind Nana Emela Kainyah	4/4	N/A	5/5	N/A	N/A	4/4	9/9
Nana Otuo Acheampong	4/4	5/5	N/A	N/A	6/6	4/4	9/9
Helen Nankani	4/4	5/5	5/5	N/A	N/A	N/A	9/9
Richard Arkutu	4/4	N/A	5/5	4/4	6/6	N/A	9/9
Kofi Osafo Maafo	4/4	4/5	5/5	N/A	5/6	N/A	9/9
Kweku Baa Korsah	4/4	5/5	N/A	4/4	N/A	N/A	9/9
Ben Gustave Barth	4/4	N/A	5/5	N/A	6/6	4/4	9/9
Solomon Asamoah	4/4	3/5	N/A	3/4	5/6	N/A	9/9
Cynthia Ayodele Forson	4/4	N/A	N/A	4/4	N/A	3/4	9/9

* with adequate notice prior to each scheduled meeting.

Mr. Carl Selasi Asem joined the board in the last quarter of 2022

Other meetings comprise of Strategy, Budget meetings and Board trainings.

Board effectiveness review

The Board conducts a periodic self evaluation to assess itself against its objectives. The aim of the evaluation is to assist the Board in improving its effectiveness. The evaluation process affords individual Board members the opportunity to evaluate the Board as a whole, as well as their own performance, and to make recommendations for areas of improvement.

Corporate Governance Report (Continued)

As outlined in the Board Charter and in accordance with the Corporate Governance – Directive (2018) and other regulatory directives, the Board has constituted committees in the areas of Audit, Risk Management, Credit, IT Governance, Cyber and Information Security, and Governance and Compensation, to assist with the execution of the various responsibilities of the Board.

Internal control systems

The Board of Directors have ultimate responsibility for the management of the Group's internal control systems and annually reviews their effectiveness, including a review of financial, operational, compliance and risk management controls. The implementation and maintenance of the risk management and internal control systems are the responsibility of the executive directors and other senior management.

The Board exercises oversight management through its Audit and Risk Committees. The Board reviews and approves the Group's Internal Control policy framework which stipulates the internal control functions in conformity with regulatory directives and standard guiding principles.

The Group's Internal Control policy provides a system of periodic inspection and review of controls in all business areas across the Bank to ensure the presence of relevant controls to ensure strict compliance. Control deficiencies, when established are remedied and reports are sent to the Board. Follow-ups are done to ensure remediated actions are working as expected.

The systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and to provide reasonable, but not absolute, assurance against material misstatement or loss. The directors have reviewed the effectiveness of the internal control systems, including controls related to financial, operational, and reputational risks identified by the Group as at the reporting date and no significant failings or weaknesses were identified during this review.

The Board of Directors have overall responsibility for establishment and oversight of the Fraud Policy. The Bank has no appetite for fraud perpetrated by its employees, shareholders, directors, customers, consultants, vendors, contractors and/or any other parties with a business relationship. The Bank is committed to preventing, detecting, reporting fraud and cooperating with other organizations to reduce opportunities for fraud.

Fraud risk is assessed regularly as part of the business's risk management process and at the design stage of new systems and processes. Cost-effective preventive and detective controls are introduced where appropriate to mitigate the risk of fraud in business processes and activities.

Changes in the Constitution of the Board

Mr. Carl Selasi Asem was appointed as the Deputy Managing Director and an executive director of the Bank on August 3 2022, which was duly approved by the Bank of Ghana.

In accordance with the requirements of the Companies Act, 2019 (Act 992) and the Constitution of the Bank, one-third of the directors are required to retire at each Annual General Meeting (AGM) and may offer themselves for re election. The following non-executive directors; Rosalind Nana Emela Kainyah, Joseph Rexford Mensah, and Solomon Asamoah retired by rotation during the review period and were re-elected by shareholders at the 2022 AGM, having consented to being re-elected. The term of non executive directors is governed by the Bank of Ghana directive on corporate governance, which limits the maximum tenure for each non executive director to nine years.

Board Evaluation

In accordance with the requirements of the Corporate Governance Directive (2018), the Board during the year went through internal governance evaluations, as well as half yearly Anti-Money Laundering/ Combating Financing of Terrorism and the Proliferation of Weapons of Mass Destruction (AML/CFT & P) evaluations.

Performance Criteria for Assessing the Effectiveness of the Board

The Bank uses the following performance criteria to assess the effectiveness of the Board:

- Board processes

Corporate Governance Report (Continued)

- Board effectiveness
- Board structure
- Evaluation of Chairman
- Evaluation of Managing Director
- Self-evaluation

Report on Board Evaluation

The Board conducts a periodic self evaluation to assess itself against its objectives, the aim of the evaluation is to assist the Board in improving its effectiveness. The evaluation process affords individual Board members the opportunity to evaluate the Board as a whole, as well as their own performance, and to make recommendations for areas of improvement.

The last external board evaluation was conducted in October 2020 and reported to the Bank of Ghana on March 2021. Deloitte & Touche have been engaged and has commenced the external evaluation of the Board for the year ended 31st December 2022 to be submitted to the Bank of Ghana as required by the Corporate Governance Directive. Pillars for the 2022 Board evaluation include; Board Structure, Board role in governance, dynamics and role of the Board, financial reporting process, internal controls, and risk management

Board Committees

To bolster its corporate governance, the Board has in place the following committees: Audit, Risk Management, IT Governance Cyber & Information Security, Credit, Governance & Compensation. There were no cases of conflict of interest within the committees.

Audit Committee

The Audit Committee is made up of five non executive directors with experiences in banking, investment, technology, economics, and finance.

The Audit Committee is chaired by Mr. Kweku Baa Korsah, members include Mrs. Helen Nankani, Mr. Kofi Osafo-Maafo, Nana Otuo Acheampong and Mr. Solomon Asamoah.

The Audit Committee provides reasonable assurance that the Bank is compliant with relevant laws and regulations, is conducting its affairs ethically and is maintaining effective control over employee conflicts of interest and fraud. The Committee is also responsible for providing assurance that financial disclosures made by management reasonably reflect the Bank's financial position, operating results, plans and long term commitments. The Committee meets quarterly and provides a formal report to the Board at each quarterly meeting of the Board.

The Audit committee receives the following reports for its consideration;

- Internal Audit Report
- Fraud Report
- Financial Report
- Approved and Disbursed Facilities
- Pending Legal Cases involving the Bank

The Audit committee within the period considered and recommended to the Board, the Audit Committee Charter, Internal Audit Charter and the Finance Policy which was duly approved.

External Auditor

The Audit Committee exercised oversight responsibility over the work undertaken by the external auditor, KPMG. During the year, the Committee met with the external audit team, including the lead audit partner, to enable Committee members gain greater insight into the challenges faced in the Group's markets from an external audit perspective. The Committee discussed with KPMG the business and financial risks and sought assurances that these risks had been properly addressed in the audit strategy and plan that had been reviewed by the Committee.

Corporate Governance Report (Continued)

The Committee also scrutinized the audit process, the quality and experience of the audit partner, and the audit plan which provided details of the number of years KPMG partners and senior team members have been involved in similar audits. KPMG's lead audit partner for CalBank has experience in auditing banks and understands the markets in which the Group operates.

During the review period, KPMG continued with its engagement in assisting the Bank to undertake an Enterprise Risk Management assessment as part of the process to enhance the Bank's existing risk culture. As part of the assignment, KPMG assisted with revising the Bank's Risk Appetite Framework which is designed to set the Bank's risk profile and forms part of implementing the Bank's strategy in relation to the Bank's risk capacity. The engagement is continuing to ensure the Bank attains the requisite maturity level as per acceptable industry standards. Total fees paid to KPMG for non-audit services in 2022 amounted to GHS 874,300.

Internal Auditor

The Internal Auditor of the Bank reports directly to the Audit Committee and sits in all meetings of the Committee. During the review period, the Audit Committee considered and discussed reports on control environment weaknesses, their root causes, management responses and remediation actions.

Roles and responsibilities

The Internal Audit Department has responsibility for bringing a systematic, disciplined approach to evaluate and report on the effectiveness of governance processes, risk management and internal controls. The Internal Audit Department evaluates whether management has an effective process in place at all levels to identify, manage and control risks.

Management has the responsibility for internal control and risk management activities of the Bank.

The scope of Internal Audit encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the organization's governance, risk management, and internal controls and has unrestricted access to all activities undertaken in the Bank.

Risk Management Committee

The Risk Management Committee is made up of five non-executive members and two ex-officio members with legal, finance, economics, banking and investment expertise.

The Committee is chaired by Ben Gustave Barth with the following as members: Mr. Kofi Osafo Maafo, Ms. Rosalind Kainyah, Mr. Richard Arkutu and Mrs. Helen Nankani with Messrs. Philip Owiredu and Carl Asem as ex officio members.

The Committee, which meets and reports to the Board quarterly, has oversight responsibility for various risks associated with the business of the Bank including credit, market, operational, Compliance and AML/CFT&P risks.

The Committee's core functions are:

- monitor the execution of the Board's risk strategy for different business and geographic markets of operation,
- monitor the effectiveness of the risk management organisational structure,
- advise management on the adoption and implementation of an appropriate risk management policy,
- keep under review the status and application of risk management responsibilities and accountabilities and,
- review and monitor any requirement for reporting on risk management to the Board.

Details of the risk management framework is presented in note 7 of this annual report.

The Risk committee receives the following reports for its consideration:

- Largest Exposures
- Risk Appetite Dashboard
- Credit, Market and Operational Risk
- Regulatory Capital

Corporate Governance Report (Continued)

- Environmental and Social Risk
- Compliance and AML/CFT

The Risk committee within the period considered and recommended for approval by the Board the Enterprise Risk Management Framework and Policy, Operational Risk Management Framework and Policy, Credit Policy Manual, Credit ESM Policy, Anti-Bribery & Corruption Policy, Data Protection Policy and Framework, Treasury Policy, Shared Services Policy, Compliance and AML/CFT Training Programme which was duly approved. The Committee also discussed the impact of the Russia–Ukraine war on the bank, significant exposures, liquidity, Impact of Government of Ghana Debt Restructuring and the Environmental and Social Risk Assessment.

The Committee, as part of the governance structure, has delegated the day to day risk management function of the Bank to the Assets and Liability Management Committee (ALMC).

The ALMC is chaired by the Managing Director with Group Heads and some Heads of Departments as members. Its purpose is to recommend policies and guidelines to the Board including management of balance sheet growth; deposits, advances, and investments; foreign exchange activities and positions; and risks associated with exchange rates and liquidity.

IT Governance, Cyber and Information Security Committee

The IT Governance, Cyber and Information Security Committee has six members and an ex-officio member who are well resourced in the areas of technology, banking, legal, human resource management and finance.

The Committee is chaired by Nana Otuo Acheampong and has Mr. Solomon Asamoah, Mr. Richard Arkutu, Dr. Cynthia Forson, Mr. Kweku Baa Korsah, Mr. Philip Owiredu and Mr. Carl Asem, as an ex-officio member.

The primary objective of the IT Governance, Cyber and Information Security Committee is to act on behalf of the Board in fulfilling the Board's oversight responsibility with respect to the Bank's cyber and information security risks and programmes.

The Committee's core functions are:

- Approve the annual and other work plans for Cyber and Information Security, and Information Technology (IT) strategy,
- Annually review, IT governance strategies to align with the corporate strategy of the Bank,
- Oversee and advise the Board on the current cyber risk exposure and future risk strategy,
- Hold an annual discussion about the adequacy of the IT Governance, Cyber and Information Security policies,
- Review and discuss the Bank's IT business continuity and disaster recovery capabilities and contingency plans and,
- Review and discuss (i) technologies, policies, processes and practices for managing and mitigating cybersecurity risks and (ii) the Bank's cyber attack incident response and recovery plan.

The IT Governance, Cyber and Information Security committee receives the following reports for its consideration:

- Information Security
- Technology
- Audit reports on information security and technology

The IT Governance, Cyber and Information Security committee within the period considered and recommended for approval by the Board twenty information security and technology policies in line with ISO 27001 and other regulatory requirements which was duly approved. The Committee also discussed and approved the information security strategies to enhance the security posture of the Bank and considered the various emerging cyber security threats that could impact the Bank's information assets.

Credit Committee

The Credit Committee is a five-member committee and an ex-officio member with extensive knowledge in banking and finance.

Corporate Governance Report (Continued)

The overall authority for approving credit facilities rests with the Board. The Board has delegated the credit review function, above the threshold delegated to the management credit committee, to the Board Credit Committee due to their proven knowledge and experience in credit risk management. The Committee then recommends such credits to the Board for approval.

The Committee is chaired by Mr. Richard Arkutu and has Nana Otuo Acheampong, Mr. Ben Barth, Mr. Solomon Asamoah and Mr. Kofi Osafo-Maafo as members with Mr. Philip Owiredu as ex-officio member.

The objective of the Board Credit Committee is to provide an independent credit risk management review including but not limited to:

- Review credit proposals requiring the Board of Directors' approval and ratifications,
- Ensure that the Bank grants loans and provide other credit products for legitimate and constructive purposes consistent with the best interests of the Bank, its customers, its shareholders, and the community within which it operates,
- Perform any other assignments relating to the management of credit risk in the Bank as may be delegated by the Board.

The Credit committee receives credit requests above the management credit committee limit. The committee within the period had five (5) meetings and considered Thirteen (13) credit requests. The credits considered were in the following industries: Electricity, Gas & Water, Construction, Services, Commerce & Finance, and Telecommunications.

Governance and Compensation Committee

The Governance and Compensation Committee is composed of four members and two ex-officio members with banking, finance, legal, human resource and organisational behaviour management competencies.

The Committee is chaired by Dr. Cynthia Forson and has Mr. Ben Barth, Ms. Rosalind Kainyah, Mr. Joe Mensah as members with Messrs. Philip Owiredu and Carl Asem as ex officio members.

The objectives of the Governance and Compensation Committee include reviewing the appointments and compensation of the executive and senior management and making recommendations to the Board for their consideration and approval.

The Governance and Compensation committee receives all reports related to compensations and other employee related issues.

The Governance and Compensation committee within the period discussed various matters including the recommendation of appointments of key management personnel, review of the Bank's job evaluation and culture change programme, review of the performance of executive directors, other strategic matters relating to the human capital of the Bank and made recommendations for the Board's approval.

During the year under review, two key management personnel were appointed into Head Legal and Deputy Managing Director roles. The Head of Internal Control retired during the year and the Group Head Corporate banking also resigned to pursue other interest.

The charter of the Governance and Compensation Committee vests the committee with the following responsibility in the appointment and reappointment of directors:

- Coordinating the process of identifying individuals qualified to become Board members and recommending such individuals to the Board for nomination for election to the Board,
- Determine criteria, objectives and procedures for selecting Board members, including factors such as independence, diversity, age, future succession planning, integrity, skills, expertise, breadth of experience, knowledge about the Company's business and industry, and willingness to devote adequate time and effort to Board responsibilities in the context of the existing composition and needs of the Board and its committees and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment.

Corporate Governance Report (Continued)

- Shall ensure that on appointment to the Board non executive directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside board meetings.
- At the annual general meeting (AGM) of the bank each year, one third (or the number nearest one third) of the directors (excluding the Managing Director) shall retire from the Board and shall be eligible for re election by the shareholders if they have not exhausted their tenure under the Corporate Governance Directive (2018) and have not been disqualified from holding the office of director for any other reason. The directors eligible to retire at each AGM shall be the directors who have served longest in office since their appointment or last election.
- Formal motions for the reappointment of eligible directors shall be individually tabled at the annual general meeting and voted on by the shareholders. A motion for the re election of a retiring director shall be passed by an ordinary resolution of the shareholders.

Remuneration philosophy

The Group's remuneration philosophy aligns with its core values, including growing our people and delivering value to our shareholders. The philosophy continues to emphasise the fundamental value of our people and their role in ensuring sustainable growth. This approach is crucial in an environment where skills remain scarce.

The Board of Directors sets the remuneration philosophy in line with approved business strategy and objectives. The philosophy aims to maintain an appropriate balance between employee and shareholder interests. A key success factor for the Bank is its ability to attract, retain and motivate the talent it requires to achieve its strategic and operational objectives.

The following key factors have informed the implementation of reward policies and procedures that support the achievement of business goals:

- the provision of rewards that enable the attraction, retention and motivation of employees and the development of a high performance culture,
- maintaining competitive remuneration in line with our markets, trends and required statutory obligations,
- moving to a cost to company remuneration structure,
- rewarding people according to their performance; and
- educating employees on the full employee value proposition.

Remuneration structure

Non executive directors

Non executive directors receive fixed fees for service on the Board and committees. This includes a retainer that has been determined in line with market practices. There are no contractual arrangements for compensation for loss of office. Non executive directors do not receive short term incentives, nor do they participate in any long term incentive schemes.

Board members' remuneration is periodically reviewed by the Governance and Compensation Committee and recommended by the Board for shareholders' consideration and approval at the annual general meeting of the Bank.

Executive directors

The executive directors receive a remuneration package and qualify for long term incentives on the same basis as other employees of the Bank. The components of their package are as follows:

- guaranteed remuneration based on their market value and the role they play,
- annual performance based bonus used to incentivise the achievement of Group objectives; and
- a pension, which provides a competitive post retirement benefit in accordance with group policy applicable to all employees.

The remuneration of executive management is reviewed by the Governance and Compensation Committee and approved by the Board and shareholders.

Corporate Governance Report (Continued)

Management

The terms and conditions of employment of managers are guided by the labour laws in Ghana and are aligned to best practice. Managerial remuneration is based on a total cost to company structure comprising of a fixed cash portion, compulsory benefits including medical aid and long-service awards and optional benefits. Market data is used to benchmark salary levels and benefits, which are reviewed annually. The Governance and Compensations committee approves the compensation of key management personnel.

For all employees, performance related payments have formed a significant proportion of total remuneration. All employees (executives, managers, and general staff) are individually rated on the basis of performance and potential and this is used to influence actual performance related remuneration. The remuneration policy aligns with the long-term sustainability of the Group by providing a mix of short term and long-term remuneration to incentivise sustainable long-term performance.

Long term incentives

It is essential for the Group to retain key skills over the longer term which is done particularly through employee long service awards. The purpose of this is to align the interests of the Bank and its subsidiaries to that of the employees, as well as to attract and retain skilled, competent people.

Appointment, induction of new Directors and ongoing development

All non executive directors are provided with a letter of appointment setting out the terms of their engagement. A third of the directors are required to retire at each Annual General Meeting and may offer themselves for re election in accordance with the Companies Act 2019 (Act 992). If recommended by the directors, the Board then proposes their re election to shareholders. The term of non executive directors is governed by the Bank of Ghana directive on corporate governance, which limit the maximum period for non executive director to nine years.

The Group policy on the appointment and re-election of eligible directors remains in strict adherence to the Bank of Ghana's Fit and Proper Person directives and, under sections 72(1) and 88(1) of the Company's Constitution.

On its part, the Board is authorised under the Companies Act, 2019 (Act 992) to either:

- a) Appoint a recommended director to fill a casual vacancy on the Board (where such a vacancy exists); or
- b) Submit a recommended candidate for appointment by an ordinary resolution of the shareholders at either the annual general meeting (or other general meeting of the shareholders convened for that purpose).

Following the appointment, a comprehensive induction programme covering the Group's financial, strategic, operational and risk management overviews is carried out. Appointees are provided with an information pack including governance policies and business information, and presentations are made on the Group's business functions and activities by key members of the executive and senior management teams.

During the year under review, training sessions were organised for the directors to build their capacity on the following:

- Anti-Money Laundering/Combating the Financing of Terrorism and Proliferation (AML/CFT&P)
- Compliance Sanctions
- Ghana Data Protection laws

Additional trainings were organised using KnowBe4 (a globally recognised computer-based integrated platform made up of tailored learning modules for security awareness training combined with simulated phishing). Topics on the platform included the

- Business Email Compromise: Not Just for Execs and Finance Anymore
- Phishing Attacks on Companies
- Executive Series: Remote and Travel WiFi Dangers
- Security Moments: Social Engineering 101
- Executive Series: Mobile Device Security
- 2022 Your Role: Internet Security and You
- Executive Series: Social Media Precautions for Executives
- C-Level Phishing

Corporate Governance Report (Continued)

More broadly, the directors are supported by management and have access to independent professional advice at the Group's expense where they judge it necessary to discharge their responsibilities as directors. Processes are also in place to ensure the timely provision of information to directors.

Related Parties Transactions

The Group has in place policies and procedures to ensure that all related party transactions are carried out at arm's length and in accordance with the Banks and Specialised Deposit Taking Institutions Act, 2016 (Act 930) and other applicable regulations. This is intended to ensure that there is no favourable treatment given to a related party.

Therefore, in any connected transactions or continuing connected transactions in the ordinary and usual course of business, and on normal commercial terms with a related party or its associate, the Group ensures all the necessary approvals are obtained prior to the execution of the transaction.

The Group policy prevents Board members and key management staff from engaging in the trading of the bank's shares unless its annual and quarterly result are published.

Plan for succession

The Group has developed a board approved succession plan, which has been duly submitted to the Bank of Ghana. The succession plan focuses on developing and retaining the best qualified and competitive personnel ready to take up key positions in the Bank when they become vacant to ensure effective continuity of the Bank.

Conflict of Interest

In line with Paragraph 59 of the Corporate Governance Directive, 2018 and sections 192 and 194 of the Companies Act, 2019 (Act 992), the Bank has a Conflict-of-Interest Policy in place to guide directors against placing themselves in either real or perceived conflict of interest positions or in situations in which their individual conduct may adversely affect their judgment in the discharge of their responsibilities to the Bank.

In line with the policy, the Board reviews actual or potential conflicts of interest annually to ensure that it is fully compliant with provisions of Paragraph 59 and 60 of the Directive.

Each director is required to fully disclose to the Board annually and at each board meeting, any interest, which he/she may directly or indirectly hold or be related to, and which becomes the subject of Board action and shall refrain from voting on any matter relating thereto.

Directors have a duty not to place themselves in a position which gives rise to a real or substantial possibility of conflict of interest or duty in relation to any matter which is or is likely to be brought before the Board. The Bank receives from each of the independent non executive directors an annual confirmation of independence pursuant to the Board's Code of Ethics and still considers majority of the non executive directors to be independent. The Bank has granted indemnities to all its directors on terms consistent with the applicable statutory provisions.

At no time during the year did any director hold a material interest in any contract of significance with the Bank or any of its subsidiary undertakings. The Group is not party to any significant agreements that would automatically take effect, alter, or terminate following a change of control of the Bank. The Bank has established a robust process requiring directors to disclose proposed outside business interests before they are entered. This enables prior assessment of any conflict or potential conflict of interest and any impact on time commitment. The Board reviews actual or potential conflicts of interest annually.

Authorisations are reviewed annually by the Board to consider if they continue to be appropriate, and to revisit the terms upon which they were provided. The Board is satisfied that our processes continue to operate effectively.

Subject to the Companies Act, 2019 (Act 992), the Constitutions of the Group and the authority granted to directors in general meetings, the directors may exercise all the powers of the Group and may delegate authority to Committees. The Company's Constitution contains provisions relating to the appointment and removal of directors which is also in accordance with the Companies Act, 2019 (Act 992) and best practice.

Subject to the provisions of the Corporate Governance Directive (2018), the Group does not place a limitation on the number of Board positions any director can hold. However, any position taken up by a director is required to be disclosed to the Board to ensure there are no conflict-of-interest issues. Executive directors are required to inform the Board of any intention to take up any directorship role and to obtain the Board's consent prior to taking up the formal appointment.

Ethics and Professionalism

The Group's board approved code of ethics is designed to empower employees and enable faster decision-making at all levels of our business according to defined ethical principles. It also aims to ensure that, as a significant organisation in the financial services industry, we adhere to the highest standards of responsible business practice. The code interprets and defines CalBank's values in greater detail and provides values based decision making principles to guide our conduct. It is aligned with other policies and procedures and supports the relevant industry regulations and laws of Ghana.

The code of ethics is made available to all directors and staff annually and is also published on the Group intranet.

In line with the provisions of the Code of Conduct of the Bank, all directors and employees have signed a declaration indicating that they have read and understood the provisions of the code of conduct on professional ethics, business conduct and sustainable business practices. They also pledge their observance of the Code of Conduct once every year.

To ensure members of the board and key management personnel conduct themselves in a manner that maintains confidence in the integrity of the bank, there is a whistleblowing policy and mechanism in place for reporting of unethical conduct and breaches of policy to the bank's whistleblowing firm.

Material Governance issues facing the Bank

The Bank conducts assessments on its key material issues and applies the necessary governance and budgetary provisions to address them.

On an ongoing basis, the Board periodically reviews the strategy and governing policies of the bank and makes recommendations for enhancements and corrective measures to address any shortcomings or gaps identified.

The non-executive directors of the bank also meet bi-annually to review the Board's performance and related matters with a view to enhancing its performance.

There were no material governance deficiencies recorded within the year under review.

Signed

Philip Owiredu
Director
28 April 2023

Signed

Joe Rexford Mensah
Director
28 April 2023

RISK MANAGEMENT DECLARATION

Report submitted to Bank of Ghana on 31st March , 2023

The Board of Directors of CalBank PLC ("the Bank") provides oversight over enterprise risk and is ultimately responsible for the implementation of the enterprise risk management framework. The Board superintends Senior Management, provides a reasonable assurance and declares that:

- The Board and Management of the Bank are aware of their responsibilities and that adequate action plans to address identified deficiencies in internal controls are documented and implemented.
- The Bank has systems to ensure compliance with all prudential requirements, including the requirements of the BOG risk management directive.
- The risk management framework is appropriate; the Bank has systems and resources to identify, measure, evaluate, control, mitigate and report material risks commensurate with our size, business mix and complexity.
- Risk management and internal control systems are adequate, operating effectively and are reviewed on a regular basis.
- There is a duly segregated system of internal control, processes and management information systems in place which are implemented effectively and monitored by appropriately trained personnel
- We ensure our business practices are conducted in a manner that is above reproach and employees are required to maintain high ethical standards

The Bank on 10th February 2023, participated in the Government of Ghana's Domestic Debt Exchange Programme (DDEP), which resulted in the exchange of eligible bonds in the Bank's book for new bonds amounting to GHS 3,169,899,070 with revised coupons and tenors. This resulted in the recognition of significant impairment of our investment book for the financial year ended 31 December 2022 in line with IFRS 9.

The Bank of Ghana (BOG) has provided forbearance in respect of the impact of this activity on our capital. However, our participation in the DDEP has heightened liquidity and solvency risks in the coming years, which could adversely impact our expected returns. To mitigate the increased risk, the bank has put in place several strategies expected to minimize the impact of the DDEP on the Bank.

The Directors are fully committed to maintaining a robust risk management framework and appropriately developing strategies, policies, procedures, and controls to operate as a viable going concern.

Yours faithfully,

Signed

**JOE REXFORD MENSAH
BOARD CHAIRMAN**

Signed

**BEN GUSTAVE BARTH
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SUSTAINABILITY REPORT

Overview

At CalBank PLC, our business viewpoint is based on our conviction that acting responsibly toward our stakeholders is foundational to operating a productive, profitable, sustainable business, and that value creation and sustainable development are complementary goals. This view has been underpinned by embedding Environmental, Social and Governance factors in our operations over the past 10 years thereby creating sustainable value for the Bank and its stakeholders.

Our employees, shareholders, clients, regulators, and investors expect us to ensure that our business activities are environmentally sound, economically viable and socially acceptable. We acknowledge that corporate governance creates transparent rules and controls, provides guidance to leadership, and aligns the interests of shareholders, directors, management, and employees. It helps build trust with investors, the community and the public. We support responsible investment through assessing and managing our environmental, social and governance (ESG) risks and opportunities. This helps to ensure that our investors gain comfort from implementation of our ESG policies, processes, and performance to inform our decision-making.

Our sustainability report broadly presents governance, environmental, and social activities undertaken in 2022 as follow:

Governance	Environment	Social
<ul style="list-style-type: none">• Sustainability Management• Approved policies• Professional ethics	<ul style="list-style-type: none">• Managing Environmental and Social Risk for internal operations• Managing Environmental and Social Risks in Lending• Environmental and Social Risk Assessment• Green Projects	<ul style="list-style-type: none">• Labour and working conditions• Career development and training• Gender and diversity• Health and safety• Financial inclusion• Women banking• Customer-centricity• Community engagement and social investment

Governance

The CalBank Board Charter establishes the framework through which the Bank's responsibilities are executed and serves as the basis for evaluating performance. The Board continues to put in place structures, policies and programs to guide the implementation of Sustainable Banking. The following among others are key policies and strategic documents in place to guide ESG implementation:

- Sustainable Banking Policy;
- Sustainable Banking Strategy;
- Credit Environmental and Social Management Policy;
- Human Resources Manual;
- Code of Conduct and Professional Ethics;
- Anti-Bribery and Corruption Policy
- Data Protection Policy;
- Tax Policy;
- Corporate Social Investment Policy; and
- Consumer Recourse Policy.

We are ensuring that all activities undertaken by the Bank are consistent with applicable national regulations, the Sustainable Banking Principles of Bank of Ghana, applicable international standards such as the World Bank Environmental and Social Framework and the International Finance Corporation (IFC) Performance Standards on Environmental and Social Sustainability. We also subscribe to the requirements of our partner Development Finance Institutions, as well as our own internal policies.

Sustainability Report (Continued)

Sustainability Management

We understand that structures are critical for the overall guidance, direction, oversight and administration in the effective implementation of sustainable banking. We have thus established the Management Sustainable Banking Committee to review all sustainability related activities at the Bank. The committee has appointed key staff to serve as Green Champions to assist with ESG related issues at branch and departmental levels. Other governance structures are also in place to integrate all sustainability related activities and develop group-wide policies, processes and controls.

Approved Policies

The Bank developed and approved its Anti-bribery and Corruption (ABC), Data Protection and Finance Policies in the reporting year to demonstrate its commitment to ethical behaviour, transparency about its tax strategy and dealings among its staff and stakeholders. The ABC Policy also guides employees and stakeholders to comply with relevant bribery and corruption laws and applicable guidance in relation to combating bribery and corruption. The policy reduces the risk of incurring criminal liability or reputational damage as a result of an associated party failing to comply with relevant bribery and corruption laws.

To complement the above efforts, the Board and staff took the mandatory annual Anti-Money Laundering and Combating the Financing of Terrorism and Proliferation of Weapons of Mass Destruction (AML/CFT) test to assess their understanding of the policy and ABC related laws and regulations applicable to the Banking sector.

Professional Ethics

The Bank has a Code of Conduct and Professional Ethics which is predicated on business standards, personal conduct of honesty, integrity, respect and confidentiality. CalBank has adopted this Conduct to ensure that all employees and Board members adhere to the highest professional ethics in our day-to-day operations. The Bank demands the highest standards of conduct from its employees in the observance of national laws, regulations and policies including the Bank's policies. All employees and members of the Board sign a declaration of their observance of the code of conduct every year.

Managing Environmental and Social Impact of Internal Operations

Climate Risk Assessment

CalBank acknowledges the likelihood of future climate hazards and their potential impact on cities and communities. This is fundamental for informing the prioritization of climate action and investment in climate change mitigation and adaptation. As a result, in 2022, the Bank with its partner Proparco who provided technical assistance, conducted a study to assess CalBank's readiness to mainstream climate risks management into our strategies and operations. At the core of the approach is the development of a climate action plan to guide the Bank's progress in its climate change mitigation and adaptation efforts.

Resource Efficiency

We understand that humanity's economic activities depend on the global ecosystem, in particular the earth's capacity to provide resources and to absorb pollution and waste. Crucially, the earth is a closed material system and that shapes the possibilities for economic growth. With this foundation, the Bank piloted waste segregation at source within its Head Office building in November 2021. The implementation continued in 2022 with follow-up discussions which has led to improvement actions.

The Bank has adopted the use of digital platforms and channels for its processes which is expected to reduce paper consumption in the ensuing years. The installation of Solar Photo Voltaic systems for our branches, adoption of energy efficient lighting systems and awareness creation on resource efficiency are measures the Bank has in place to reduce energy use.

Sustainability Report (Continued)

Digitalization, Credit Automation and Systems Optimization

In line with our continuous commitment to adopt best international practice and optimize the use of resources, CalBank continues to focus on transforming its management operating system across the business with sustainability considerations. We have continued with our digitization project aimed at digitalizing and automating our processes and operations by removing and/or reducing paperwork as well as readjusting processes and procedures in an efficient manner.

Some key initiatives currently being pursued for digitalization and reduced paper use are as follows:

- Use of tablets in banking halls for deposit and withdrawal processing;
- Use of tablets by Direct Sales Officers for account opening;
- Upscaling the use of electronic devices and soft documents for meetings;
- Digitization of the storage of all security documents;
- Consolidating the deployment of internet banking and mobile banking platforms;
- Centralized printing and photocopy services;
- Vehicle requisition automation; and
- Human resource management process automation.



Managing Environmental and Social Risks in Lending

E&S Screening and Risk Assessment

Since 2009, we have been working with our clients to identify, evaluate, mitigate, manage and monitor environmental and social risks in their project activities which the Bank has funded. ESG risk management in lending is guided by the Credit Environmental and Social Risk Management Policy. We have a dedicated Environmental and Social Management Officer who is supported by the Sustainability Manager for coordinating the management of environmental, social and governance risks in our lending operations.

In 2022, 94.13% in value of loans disbursed were screened using our environmental and social risk assessment tools. Out of all ESG-screened transactions, 68.82%, comprising high and moderate risk facilities were subjected to enhanced environmental and social due diligence.

Sustainability Report (Continued)



Site Visit as part of Environmental and Social Due Diligence

E&S monitoring

E&S risks management includes monitoring of relevant transactions to ensure E&S commitments are met. Frequency and type of monitoring is determined according to the type of transaction being financed and the level of E&S risks and impacts associated with clients' operations. High-risk transactions, categorised as Category A and moderate risk transactions categorised as Category B, are monitored on an ongoing basis in line with the Bank's Credit Environmental and Social Management Policy.



Monitoring visit to ensure adequacy of implementation of ESG management measures

Site visits were conducted to ensure that E&S performance is managed appropriately. In cases where clients were not compliant with E&S requirements, the Bank works with the client to achieve the necessary standards.

Green Initiatives

CalBank continues to show keen interest in contributing to climate change mitigation and adaptation. The Bank in alignment with the Sustainable Development Goals 7 ("Ensure access to affordable, reliable, sustainable and modern energy for all") and 13 ("Take urgent action to combat climate change and its impacts"), has made considerable progress in its Green Finance products initiatives by actively providing affordable financing options for Renewable Energy and Energy Efficiency projects. The Bank financed Solar PV system with 0.274MW installed capacity and provided investment support in Renewable energy and energy efficiency worth €3.764 million in the reporting year. The Bank through these projects financed, contributed to saving 7.219GWh of energy and reduction of 950.77t CO₂ equivalent per annum (Technical evaluation report of green finance projects, 2022). Key programmes under the green initiatives are below.

Green Energy Trade Talks

CalBank, in partnership with SUNREF (Sustainable Use of Natural Resources and Energy Finance) organised a series of programmes to create awareness on renewable energy (RE), energy efficiency (EE) and environmental protection financing. Under the SUNREF Ghana programme, Agence Francaise de Developpement (AFD) and the European Union

Sustainability Report (Continued)

(EU), through the EU–Africa Infrastructure Trust Fund (EU-AITF), provide credit lines, technical assistance, and grants to local partner banks, who then channel the funds towards private sector renewable energy and energy efficiency investments. Key among the programmes are:

- Road show in collaboration with the Association of Ghana Industries (AGI), in Accra, Tema, Kumasi, Bono Ahafo, Takoradi and Tamale. The Programme sought to provide technical assistance and green credit facilities. Over seventy (70) Small and Medium scale businesses participated in the programme.
- Media blitz at Tema with key media networks participating in the programme.
- Business Clinics in Accra, Tema, Kumasi, Takoradi and Tamale with approximately three hundred and sixty Corporate and SME clients participating in the programme.

TEcofridges Go and Solar PV System Financing

The Bank continues to finance the purchase of energy-saving air conditioner units and refrigerators under the ECOFRIDGES Go-project. CalBank facilitated the purchase and installation of rooftop Solar Photo Voltaic systems for water production and a hostel facility in Tema and Accra respectively. These projects contribute to climate change mitigation and adaptation under the Bank's green finance product.



Installation of 150KW Solar PV System for Satchet Water Production

Electric Vehicle Financing

Electrification is now widely considered as one of the highest impact strategies for reducing oil dependency and its environmental impacts on road transportation. In pursuit of this strategy, a great deal of attention has been paid to electric cars. According to the United Nations (UN), shifting to 90% of battery-powered electric motorcycles by 2030 will dramatically reduce carbon emissions by 11 billion tons from now to 2050 (UNEP, 2018).

Considering the above, CalBank, with support from our partners; the EU, French Government, AFD and Energy Commission through the SUNREF programme, approved the purchase and assembling of one thousand two hundred (1,200) electric bikes for services delivery, ensuring cleaner means of transportation. The Bank and its partners launched the e-mobility initiative upon receipt of the first consignment of three hundred (300) e-bikes. The project is expected to reduce greenhouse gas (GHG) emissions by 257 t CO₂ equivalent per annum.



SOCIAL FACTORS

Labour and Working Conditions

The International Labour Organisation's convention on conditions of labour emphasizes the critical importance of establishing humane working conditions for sustainable and peaceful societies. We at CalBank understand that sustained long-term economic growth comes from increases in worker productivity, which essentially means how well we do things. Our approach to work aligns with the Sustainable Development Goal 8, which aims to promote inclusive and sustainable economic growth, full and productive employment and decent work for all.

Core elements of our employment relationship and workers' protection, underpinned by our Employee Handbook, include provision for fair wages, working time, work organization, conditions of work, arrangements for better work-life balance, non-discrimination, protection from harassment and violence at work.

Career Development and Training

CalBank is committed to the training and development of our employees. Training and development is a continuous formal process of improving individual performance and competency. Unique training programmes conducted in the reporting year included:

- Management Development Programmes for fifty-five management staff including executives, senior management, and middle management.
- CalBank Academy for Retail Banking, Corporate Banking, and Banking Operations, involving over three hundred staff; and
- Executive Coaching for five executive management staff.

Sustainability Report (Continued)

Training conducted across the Bank in ESG included:

- Board training in ESG
- Introduction to the Sustainable Banking Principles;
- Sustainable Banking Policy and Strategy;
- Environmental and Social Management System;
- Conducting effective Environmental and Social Due Diligence; and
- E&S legal requirements.

Gender and Diversity

CalBank has undertaken several important formal and informal initiatives in gender mainstreaming. In the reporting year, we conducted a gender participatory audit and gender assessment surveys (with Agence Française de Développement) to identify mechanisms, practices, and attitudes that positively or negatively contribute to gender equality in the Bank, assess developments in achieving gender equality, create a baseline for gender equality in the Bank to support the ongoing process of enhancing gender equality, identify gaps and main challenges, and provide recommendations for improvement.

The Bank implements the equal pay equal work policy, harassment policy, maternity leave and health insurance for staff and their dependents as part of efforts to advance gender equality. By the end of 2022, the Bank had achieved 42% of female representation bank wide and 27% female representation on the Board.

Level	Percentage Female Representation (%)
Executive Management	25.00
Senior Management	33.33
Middle Management	41.53
General Employees	42.84
Total	42.28

Health and Safety

We are committed to providing a healthy and safe working environment for our employees, contractors, customers and visitors on CalBank premises and in all areas impacted by our operations. We aim to comply with all applicable health and safety legal requirements including the requirements of the Factories, Offices and Shops, 1970 (Act 328), and best practice health and safety management standards.

Everyone at CalBank has a responsibility for helping to create a healthy and safe working environment in line with our Occupational Health and Safety Policy. Employees are expected to take ownership of their safety, are encouraged and are empowered to report any concerns. Management has the overall responsibility for ensuring that the correct policies, procedures and safeguards are put into practice. This includes making sure that everyone in CalBank has access to appropriate information, instruction, training and supervision.

As part of sustainability measures, CalBank conducts fire safety awareness and drills annually across all the Bank's branches. Simulations are also conducted in selected branches in accordance with local and international regulations while seeking to ensure that in the event of a fire emergency, every employee/customer within the premises is safe in as far as is reasonably practicable.

In 2022, we conducted fire drills in the Head Office and at all 35 branches. We also had fire simulations in three of our branches in compliance with our Business Continuity Plan to test the readiness of these branches for any fire emergency.



Fire Drill at the Head Office

The simulation exercises sensitized staff and stakeholders on measures in place in the event of a fire emergency and procedures to ensure there are minimum to no casualties. Furthermore, the simulations tested the efficiency of our fire installation systems.

Financial Inclusion

The World Bank indicates that financial inclusion is a "key enabler to reducing poverty and boosting prosperity", which has also been identified as an enabler for seven of the seventeen Sustainable Development Goals.



Activities undertaken in 2022 to drive financial inclusion included:

- Market activation;
- Mobile banking subscription exercises;
- Ghana Quick Response (GHQR) drive;
- Cashless goods market; and
- Awareness promotion and use of the GhanaPay solution

We held aggressive market activation campaigns to drive inclusion in the Greater Accra, Ashanti, Western, Northern, Eastern, Central and Bono East Regions, to grow our market share, create awareness and utilization of convenient and accessible basic banking services at our agent outlets and on electronic channels (CalBank App, *771#, CalNet, CalPay). We used the market activation to also conduct financial literacy programme for customers and the public. During the engagement, we educated market women on the need to have a bank account and develop a savings culture.

Mobile Banking subscription (USSD) exercises and GHQR were key tools deployed to drive inclusion. Traders from the Okaishie-Makola-UTC market areas participated in a mobile banking subscription exercise to gain knowledge of the ease of transferring money from a telco wallet to a bank account and vice versa to facilitate payments. At the forum held for market women in our branches located in Derby Avenue, Market Circle and Kejetia, we stressed the need for traders to accept digital payments over cash.

Sustainability Report (Continued)



The Bank also participated in Nationwide GHQR activations led by the Ghana Interbank Payment and Settlement Systems (GHIPSS) to sign up businesses and individual customers and enable customer-to-merchant electronic payments.

The Bank in partnership with Accra Goods Market brought together merchants to showcase their goods and services in a cashless market and to also promote user experiences of the Bank's numerous electronic payment solutions in a manner that would promote Digital/Financial Inclusion. Participants enjoyed the ease and convenience of receiving/making electronic payments for goods and services via POS, CalPay, QR, Mobile money, and Debit/Prepaid Card Payments.

On every last Wednesday of the month, the Bank, holds customer subscription activities at each of its branches nationwide to promote awareness and use of the GhanaPay solution. GhanaPay is one of the avenues being used to drive financial inclusion by educating and encouraging customers to subscribe to the service and save their cash on their wallet for the purpose of savings or purchases.

Women Banking

CalBank offers tailored financial products, Obaapa Product, to women-owned and women-managed companies. Our Obaapa product has a clear impact on women's financial independency, thereby opening doors for more women entrepreneurs. The product also takes into account women's needs, recognizing that women are often excluded from accessing financial products. We seek to facilitate women's access to banking services through the design of special banking products and by reaching out to women in unserved rural areas in Ghana with different digital tools.

Customer-centricity

Customer-centricity is the bedrock on which we operate, and this is expressed in our vision "to be the preferred bank for customer experience and innovation". CalBank operates with the key responsibility and objective of ensuring the delivery of seamless and convenient banking experience to our stakeholders, across all touchpoints.

This is achieved through many activities and initiatives, including providing customers with 24/7 support service and multiple avenues to engage the Bank including a Toll-Free line, emails, live chat, social media, digital channels, etc. Service reviews are

Sustainability Report (Continued)

also conducted periodically at the various branches and across all the Bank's touchpoints to ensure excellent service delivery is upheld.

Through these and many other strategic initiatives, including enhanced collaboration with stakeholders, CalBank has earned recognition by the market, including being ranked 4th in the Top 10 list of Customer Experience Leaders, according to KPMG's Ghana Banking Industry Customer Experience (BICX) Survey conducted between May and August 2022. We were also celebrated as the most admired indigenous bank and the 8th most admired Ghanaian brand by Brand Africa 100, at the 16th Advertisers Association of Ghana (AAG) Gong Gong Awards.

Our mission remains to be an "innovative and customer-focused bank, providing bespoke financial services and value to our stakeholders".

Community Engagement and Social Investment

At CalBank, we recognise that stakeholder engagement helps build involvement and a sense of continuation to a new future. We engage with our employees, shareholders, investors and communities. Through our comprehensive communications programme, our stakeholders receive regular updates on our performance and progress toward our goals. This includes meetings, webcasts, annual filings, press releases and published reports such as our annual report and quarterly interim reports. We strive for full transparency and management communicates with our shareholders, investment analysts, financial advisors, rating agencies and the media. Channels of communication with stakeholders include:

Employees	Shareholders	Investors	Regulators	Community
Surveys	Letters to shareholders	Reports	Reports	Community engagement
Engagement groups	Annual and quarterly reports	Investor meetings	Notifications and updates	Social investment
Durbars	Press releases	Conferences		
Internal communications / intranet	Notifications and updates	Notifications and updates		

Financial Literacy for Parents and Younger Learners

As part of CalBank's continued Corporate Social Initiative to improve basic education in deprived communities, we embarked on mentorship and financial literacy programme in partnership with United Way Ghana. The event hosted about eight hundred pupils at the Holy Family Catholic School in Techiman and the Pedu A&B Basic Schools in Pedu, Cape Coast. In attendance were some key community leaders, parents, representatives from United Way Ghana, staff, and pupils of the schools. CalBank donated bookshelves, plastic chairs and tables and books to equip the school's library.





Volunteers from CalBank had the opportunity to interact with pupils in classes ranging from fourth grade to Junior High School (JHS) on a variety of subjects, including personal hygiene, sex education, time management, goal-setting, and financial literacy. The JHS 3 pupils participated in a special session to give them knowledge on how to better manage their life after JHS 3.

For the teachers, parents, community leaders, and other dignitaries present, there were lessons on financial literacy. The Bank through the volunteer staff members, will continue with further engagements and follow-ups on how the young learners are applying the knowledge gained. We will also organize visits to the schools periodically to develop coaching relationships and mentor students.

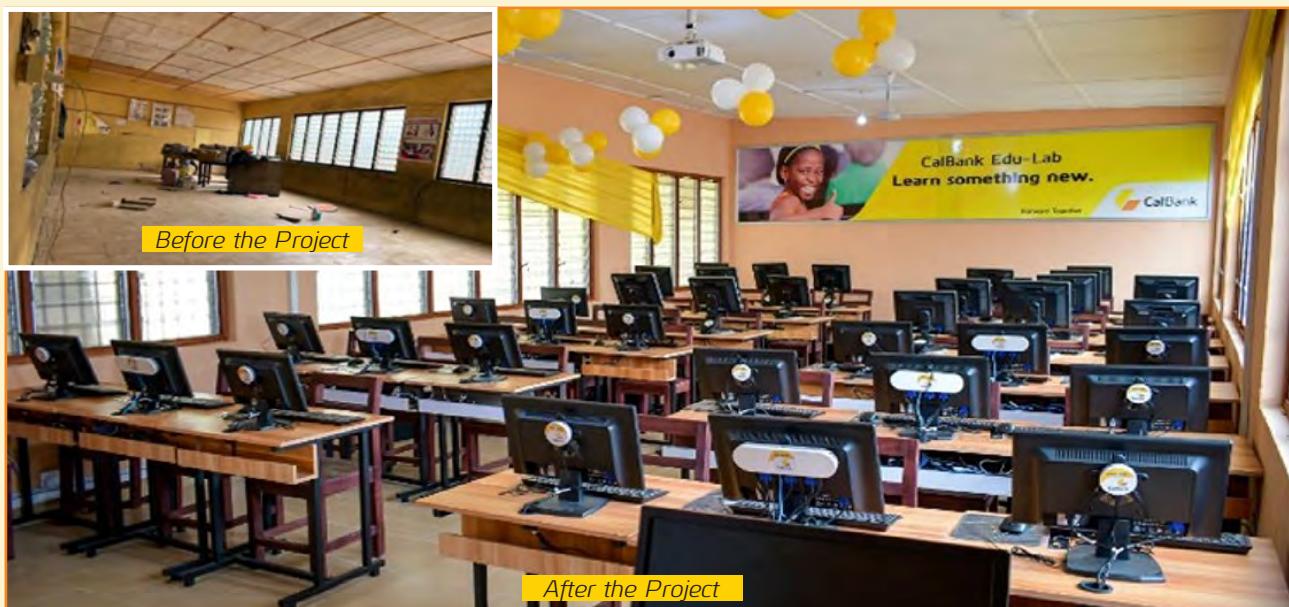
Social Investment

Socially responsible investing has become a cultural phenomenon. At CalBank, we endeavor to align our investment strategies with our social values. One of the reasons we invest is to help organizations and communities grow and become more resilient, thereby building a stronger social sector and helping them positively impact people's lives.

In the reporting year, CalBank spent GHS 1.3 million on direct social investment activities in the areas of education, entrepreneurship, health, environment, poverty relief, and the promotion and development of lesser-known sports.

Commissioning of a Forty-Seater ICT Educational Lab

We are a socially responsible bank with a special focus on supporting health and education in our communities. Thus, we strive and work to achieve quality education in the communities where we work. On September 29, 2022, the Bank commissioned an ultramodern computer laboratory at the Asokore SDA College Demonstration Basic School in the Eastern Region in line with the Bank's strategy to expand its CSI footprint while promoting Science Technology, Engineering and Mathematics (STEM) education in deprived communities.



Sustainability Report (Continued)

The project was undertaken by the Bank together with TECHAiDE, a technology social enterprise, which uses ICT to improve education and support youth development by providing appropriate technologies and developing human capacity that unleashes the potential of individuals, communities, and institutions.

The facility, which cost Three Hundred and Eighteen Thousand, Six Hundred and Twenty-five Cedis, Twenty-four Pesewas is equipped with forty computers, a projector and Edulab Premium, an educational resource designed to improve teaching, learning and testing for exams. Over one thousand and five hundred students from the host school and neighbouring schools will benefit from the use of the facility. Eight teachers were also trained in ICT, Mathematics and Science to man the facility.

Donation of Computers to Pedu A&B Basic School

CalBank on October 31, 2022 donated twenty computers to the Pedu A & B Basic School in the Central Region to improve ICT training in deprived communities. The gesture was in response to a pledge made to support the school with computers during a community engagement session which promoted financial literacy for six hundred young learners and parents at the Pedu A&B Basic School.



Conclusion

CalBank assess our performance at many levels of the organization, from our internal operational footprint to those of our borrowing clients to support continual improvement. We commit to continuously measure the performance of the environmental, social and governance aspects of our business in accordance with both legal requirements and international best practices and principles. We will progressively advance and improve in our reporting standards in a manner consistent with the requirements of the Bank of Ghana, development finance institutions, and other key stakeholders to whom the Bank has sustainability reporting obligations. We will continue to disclose our sustainable banking practices and Environmental, Social and Governance performance on an annual basis to the public.



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INDEPENDENT AUDITOR'S REPORT

To the Members of CalBank PLC

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the financial statements of CalBank PLC ("the Group and Bank"), which comprises the consolidated and separate statements of financial position at 31 December 2022, and the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, as set out on pages 59 to 164.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Group and Bank at 31 December 2022 and of its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and Bank in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of consolidated and separate financial statements in Ghana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<i>Impairment of loans and advances to customers GHS 548m</i> Refer to Note 24c to the financial statements	
<i>The key audit matter</i>	<i>How the matter was addressed in our audit</i>
Loans and advances to customers amounted to GHS 3,190 million at 31 December 2022 (GHS 2,239 million at 31 December 2021), and the total impairment allowance on loans and advances account for the Bank amounted to GHS 548 million at 31 December 2022 (GHS 213 million at 31 December 2021).	Based on our risk assessment and industry knowledge, we have examined the impairment allowances for loans and advances to customers and evaluated the methodology applied as well as the assumptions made according to the description of the key audit matter. Our procedures included the following: <ul style="list-style-type: none">• Assessing and testing the design, implementation and operating effectiveness of key controls over the capture, monitoring and reporting of loans and advances to customers.• Assessing and testing the design and operating effectiveness of controls over the Bank's loan impairment process regarding management's review process over impairment calculations.• Assessing the completeness and accuracy of key data inputs used in the ECL calculation through testing a sample of relevant data fields and their aggregate.
The Bank is required to recognize expected credit losses (ECL) on financial instruments which involves significant judgement and estimates to be made by the Bank.	
The carrying value of financial instruments within the scope of IFRS 9 ECL may be materially misstated if judgements or estimates made by the Bank are inappropriate.	
The effect of these matters is that, as part of our risk assessment, we determined that the value of ECL has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole.	

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INDEPENDENT AUDITOR'S REPORT (CONT'D)

<p>Measurement of impairment under IFRS 9 is deemed a key audit matter because impairment is based on an expected credit loss model, which the Bank estimates on both an individual and a collective basis. This calculation entails a considerable level of judgement as this is a significant and complex estimate.</p> <p>The Bank's ECL model includes certain judgements and assumptions such as</p> <ul style="list-style-type: none"> • the credit grades allocated to the counterparties, the probability of a loan becoming past due and subsequently defaulting (probability of default 'PD') • the determination of the Bank's definition of default • the magnitude of the likely loss if there is default (loss given default 'LGD') • the expected exposure in the event of a default (exposure at default 'EAD') • the criteria for assessing significant increase in credit risk (SICR) • the rate of recovery on the loans that are past due and in default • the identification of impaired assets and the estimation of impairment, including the estimation of future cash flows, market values and estimated time and cost to sell collateral and • the incorporation of forward-looking information related to the expected outlook on the country's inflation rates, central bank interest rates, exchange rates and the gross domestic product used in determining the expected credit losses in the loans and advances portfolios. <p>Disclosure quality - the disclosures regarding the Bank's credit risks are key to understanding the key judgements and material inputs to the IFRS 9 ECL results.</p>	<ul style="list-style-type: none"> • Assessing and testing the effectiveness of the SICR thresholds employed by the Bank across material retail and corporate portfolios. • Assessing the appropriateness of the Bank's methodology for determining the base case economic scenario for material macroeconomic variables to determine whether these have sufficiently considered the impact of recent macroeconomic difficulties, and to challenge the base case forecast against market information. • Assessing individual exposures: We selected a sample (based on quantitative thresholds) of larger clients where impairment indicators had been identified by the Bank focusing on industries which were severely affected by recent macro-economic difficulties. We obtained the Bank's assessment of the recoverability of these exposures and challenged whether individual impairment allowance, or lack of, were appropriate. • Using a KPMG specialist to independently assess and substantively validate the impairment models by re-performing calculations for certain aspects of material models. • Assessing the appropriateness of overlays (qualitative adjustments) to model-driven ECL by taking into account the judgements and estimates the Bank has made through the ECL calculation process (including macroeconomic forecasts). • Assessing the adequacy of the Bank's disclosures in relation to impairment about changes in estimates occurring during the period and its sensitivity to key assumptions. In addition, we assessed whether the disclosure of the key judgements and assumptions made were appropriate.
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Valuation of Investment Securities and Trading Assets GHS47m Refer to Note 23 to the financial statements

The key audit matter	How the matter was addressed in our audit
Key Audit Matter – valuation of government securities. <p>Investments in government securities measured at fair value (government bonds and bills) amounted to GHS 47 million at 31 December 2022, which represent 0.5% of the total amount of the Bank's total assets.</p>	<p>Based on our risk assessment, we have examined the valuation of government bills and bonds based on the description of the key audit matter.</p> <p>Our procedures included:</p> <ul style="list-style-type: none"> • Obtaining an understanding and testing the design, implementation, and operating effectiveness of key controls over the valuation of government securities.



INDEPENDENT AUDITOR'S REPORT (CONT'D)

<p>The valuation of these government securities is considered to be a key audit matter due to the estimation required for determining the fair value of these instruments which is based on internally developed methodologies and not solely on quoted prices on the bond markets. The market prices no longer reflected the fair value of the securities following the announcement of the GDDEP given that trading is currently done at significant discounts and in very low volumes. This is further compounded by market participants view of the uncertain economic and market conditions arising from high inflation, exchange rate volatilities and increasing debt stock amongst other unfavourable economic trends.</p> <p>The disclosures required by IFRS 13 <i>Fair Value Measurements</i> are complex and need to provide insights to the key judgments and material inputs into the determination of fair values.</p>	<ul style="list-style-type: none"> • Testing the IT general controls and application controls relating to IT systems that support valuation of investment securities. • Using our valuation specialists to perform an independent assessment of the fair value of the government securities measured at fair value through the construction of yield curves, indicative broker codes and evaluated prices. • Assessing whether the disclosure of the key judgements and assumptions made including GDDEP related disclosures were reasonable.
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Impairment of Investment Securities GHS 1.14b Refer to Note 21 to the financial statements

<i>The key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>Investments in government securities (government bonds and bills) amounted to GHS 2,675 million at 31 December 2022, which represent 29% of the total amount of the Bank's total assets. The Bank recognised an impairment loss of GHS 1,140 million on these balances as of 31 December 2022.</p> <p>The government securities have become credit-impaired due to adverse macroeconomic conditions and unsustainable debt levels of the country. These conditions prompted the rollout of the Ghana Domestic Debt Exchange Programme (GDDEP) by the government of Ghana to achieve debt sustainability.</p> <p>The impairment testing of government securities is considered to be a key audit matter due the complexities involved in determining the estimated future cashflows arising from these instruments.</p> <ul style="list-style-type: none"> • The future cashflows of the eligible bonds to be issued under the GDDEP is based on the estimated fair value of the new bonds issued on 21 February 2023. The fair value is based on the cashflows as outlined in the exchange memorandum discounted using an estimated yield to maturity at 21 February 2023. • The future cashflows of government securities not included in the GDDEP is based on the assumption of estimated cash short falls to be experienced. <p>The quality of disclosures required by IFRS 9 are complex and need to provide insights to the key judgments and material inputs to the IFRS 9 ECL results.</p>	<p>Based on our risk assessment, we have examined the impairment of government securities based on the description of the key audit matter.</p> <p>Our procedures included:</p> <ul style="list-style-type: none"> • Obtaining an understanding and testing the design, implementation, and operating effectiveness of key controls over the impairment of government securities. • Assessing the appropriateness of staging for eligible investments to be exchanged under the GDDEP (qualifying investments) and other sovereign-related exposures. • Involving our valuation specialist in assessing the appropriateness of the yield-to-maturities applied in determining the fair value of the new bonds under the GDDEP. • Using Financial Risk Management team to evaluate the appropriateness of the cashflows of government securities not included in the GDDEP. • Assessing the completeness and accuracy of the data used in the models through testing a sample of relevant data fields and their aggregate amounts against data in the systems. • Assessing whether the disclosure of the key judgements and assumptions made including GDDEP related disclosures were reasonable.



INDEPENDENT AUDITOR'S REPORT (CONT'D)

Due to the significance of the investment in government securities to the financial position of the Bank and significant measurement uncertainty involved in the impairment of qualifying investments, this was considered a key audit matter in our audit.

Other Information

The Directors are responsible for the other information. The other information comprises the Report of the Director's as required by the Companies Act, 2019 (Act 992), the Five-year Consolidated Financial Summary, the Corporate Information, the Board of Directors Profile, the Profile of executive management, the Sustainability Report, the Chairman's Report, the Managing Director's Report and the Corporate Governance Report and Risk Management Declaration but does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The Directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with 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), 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.

In preparing the consolidated and separate financial statements, the Directors are responsible for assessing the Group and Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group and/or Bank or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Group and Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group and Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Directors.

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INDEPENDENT AUDITOR'S REPORT (CONT'D)

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and/or Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Section 137 of the Companies Act, 2019 (Act 992)

- 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, so far as appears from our examination of those books.
- The consolidated and separate statements of financial position and profit or loss and other comprehensive income are in agreement with the accounting records and returns.
- We are independent of the Bank under audit pursuant to Section 143 of the Companies Act, 2019 (Act 992).

Compliance with the requirements of Section 85 of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930)

- 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.
- The Group and Bank's transactions were within its powers and the Bank generally complied with the relevant provisions of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).
- The Group and Bank have generally complied with the provisions of the Anti-Money Laundering Act, 2020 (Act 1044) Anti-Terrorism Act, 2008 (Act 762) and all relevant Amendments and Regulations governing the Acts.

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/2023/038)
CHARTERED ACCOUNTANTS
13 YIYIWA DRIVE, ABELENKPE
P O BOX GP 242
ACCRA

 28 April, 2023

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A.O. Akote
F. Dennis
L. Amidu

N.D. Hartley
N.A. Ayivor
J. Coleman
K.S. Barnieh

D.S. Adotey
K. Frempong-Kore
E. Addico
J.E. Annobil

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER

in thousands of Ghana Cedis		2022		2021	
	Note	Bank	Group	Bank	Group
Interest income calculated using the effective interest method	11	1,275,872	1,282,278	976,587	980,671
Interest expense	11	(689,730)	(689,183)	(511,254)	(511,124)
Net interest income		586,142	593,095	465,333	469,547
Fees and commission income	12	84,554	101,202	62,483	75,597
Fees and commission expense	12	(18,288)	(18,294)	(23,745)	(23,745)
Net fees and commission income		66,266	82,908	38,738	51,852
Net trading income	13	114,773	114,773	192,634	192,634
Net gains on derivative assets	22	-	-	26,466	26,466
Revenue		767,181	790,776	723,171	740,499
Other income	14	923	888	6,429	5,224
Operating income		768,104	791,664	729,600	745,723
Net impairment loss on financial instruments	24(c)	(1,442,221)	(1,451,244)	(82,375)	(82,375)
Personnel expenses	15	(155,567)	(159,165)	(151,110)	(153,917)
Depreciation and amortisation	28(b)	(47,112)	(47,277)	(37,721)	(37,883)
Finance cost on lease liabilities	34(b)	(4,085)	(4,085)	(4,026)	(4,026)
Other expenses	16	(199,456)	(202,069)	(128,694)	(130,005)
Total operating expenses		(1,848,441)	(1,863,840)	(403,926)	(408,206)
(Loss)/Profit before tax		(1,080,337)	(1,072,176)	325,674	337,517
Income tax	17(a)	265,137	262,366	(110,435)	(114,665)
(Loss)/Profit for the year		(815,200)	(809,810)	215,239	222,852
Other Comprehensive Income					
Items that will not be reclassified to profit or loss:					
Revaluation of property and equipment, net of tax	36(c)	124,159	124,159	-	-
Remeasurement of employee benefit	36(e)	(909)	(901)	(188)	(112)
Other comprehensive income, net of tax		123,250	123,258	(188)	(112)
Total comprehensive income		(691,950)	(686,552)	215,051	222,740
Earnings per share (Ghana cedis per share)	18	(1.3032)	(1.2946)	0.3441	0.3564
Basic (loss)/earnings per share		(1.3032)	(1.2946)	0.3441	0.3564
Diluted (loss)/earnings per share					

The notes on pages 64 – 164 are an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER

in thousands of Ghana Cedis		2022		2021	
	Note	Bank	Group	Bank	Group
Assets					
Cash and cash equivalents	20	2,008,870	2,008,870	1,307,694	1,307,701
Non-pledged trading assets	23	47,001	47,001	672,509	672,509
Derivative assets held for risk management	22	-	-	26,466	26,466
Investment Securities	21	2,675,533	2,699,301	4,946,980	4,974,002
Loans and advances to customers	24	3,190,359	3,190,359	2,239,520	2,239,520
Investment in Subdiaries	25	3,540	-	3,538	-
Current tax assets	17(c)	21,906	21,281	-	-
Assets held for sale	30	-	-	121,085	121,085
Property and equipment	28	622,319	622,408	412,938	413,030
Intangible assets	29	81,731	82,640	74,062	75,076
Right-of-use assets	34	85,047	85,047	89,070	89,070
Deferred tax assets	27	359,680	361,927	28,277	28,265
Other assets	26	123,268	131,720	90,239	93,255
Total assets		9,219,254	9,250,554	10,012,378	10,039,979
Liabilities					
Deposit from banks and other financial institutions	31	622,594	618,522	1,150,134	1,146,452
Deposits from customers	32	6,116,174	6,116,174	5,161,933	5,161,933
Borrowings	33	1,610,950	1,610,950	2,214,267	2,214,267
Current tax liabilities	17(c)	-	-	2,182	2,162
Lease liabilities	34	66,288	66,288	86,128	86,128
Other liabilities	35	306,739	307,395	140,244	142,467
Total liabilities		8,722,745	8,719,329	8,754,888	8,753,409
Shareholders' equity					
Stated capital	36(a)	400,000	400,000	400,000	400,000
Retained earnings	36(f)	(522,677)	(488,045)	361,554	390,697
Revaluation reserve	36(c)	227,085	227,085	102,926	102,926
Statutory reserve	36(b)	393,905	393,905	393,905	393,905
Other reserves	36(e)	(1,804)	(1,720)	(895)	(958)
Total shareholders' equity		496,509	531,225	1,257,490	1,286,570
Total shareholders' equity and liabilities		9,219,254	9,250,554	10,012,378	10,039,979

The financial statements were approved by the Board of Directors on 28 April 2023 and signed on their behalf by:

Signed

Philip Owiredu
Director
28 April 2023

Signed

Joe Rexford Mensah
Director
28 April 2023

The notes on pages 64 – 164 are an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER

2022	Note	Stated Capital	Retained Earnings	Revaluation Reserve	Statutory Reserve	Credit Risk Reserve	Other Reserves	Total
Bank								
Balance as at 1 January	36	400,000	361,554	102,926	393,905	-	(895)	1,257,490
Total comprehensive income								
Loss for the year	36	-	(815,200)	-	-	-	-	(815,200)
Other comprehensive income, net of tax								
Revaluation surplus on property and equipment	36	-	-	124,159	-	-	-	124,159
Remeasurement of other long term employee benefit	36	-	-	-	-	-	(909)	(909)
Transactions with equity holders of the Bank								
Dividends paid to equity holders	36	-	(69,031)	-	-	-	-	(69,031)
Balance at 31 December		400,000	(522,677)	227,085	393,905	-	(1,804)	496,509
2022	Note	Stated Capital	Retained Earnings	Revaluation Reserve	Statutory Reserve	Credit Risk Reserve	Other Reserves	Total
<i>in thousands of Ghana Cedis</i>								
Bank								
Balance at 1 January	36	400,000	390,697	102,926	393,905	-	(958)	1,286,570
Total comprehensive income								
Loss for the year	36	-	(809,810)	-	-	-	-	(809,810)
Other comprehensive income, net of tax								
Revaluation surplus on property and equipment	36	-	-	124,159	-	-	-	124,159
Remeasurement of other long term employee benefit	36	-	-	-	-	-	(901)	(901)
Transactions with equity holders of the Bank								
Dividends paid to equity holders	36	-	(68,956)	-	-	-	-	(68,956)
Net changes in Bank's shares held by subsidiaries	36	-	24	-	-	-	-	139
Balance at 31 December		400,000	(488,045)	227,085	393,905	-	(1,720)	531,225

The notes on pages 64 - 164 are an integral part of these financial statements.

Statements of Changes in Equity (Continued)

2021 Bank	<i>in thousands of Ghana Cedis</i>	Stated Capital	Retained Earnings	Revaluation Reserve	Statutory Reserve	Credit Risk Reserve	Other Reserves	Total
Balance as at 1 January	4,000,000	227,273	104,636	340,095	40,066	(136)		1,111,934
Total comprehensive income								
(Loss)/Profit for the year	-	215,239	-	-	-	-		215,239
Remeasurement of employee benefit	-	-	-	-	-	(188)		(188)
Transactions with equity holders of the Bank								
Shares repurchased	-	-	-	-	-	-	(571)	(571)
Dividends paid to equity holders	-	(68,924)	-	-	-	-	-	(68,924)
Other transfers								
Transfer to statutory reserve	-	(53,810)	-	53,810	-	-	-	-
Revaluation gain on disposal of PPE	-	1,710	(1,710)	-	-	-	-	-
Transfer from credit risk reserve	-	40,066	-	-	(40,066)	-	-	-
Balance at 31 December	4,000,000	361,554	102,926	393,905	-	(895)	1,257,490	

2021 Group	<i>in thousands of Ghana Cedis</i>	Stated Capital	Retained Earnings	Revaluation Reserve	Statutory Reserve	Credit Risk Reserve	Other Reserves	Total
Balance at 1 January	4,000,000	248,695	104,636	340,095	40,066	(720)		1,132,772
Total comprehensive income								
(Loss)/Profit for the year	-	222,852	-	-	-	-		222,852
Remeasurement of employee benefit	-	-	-	-	-	-	(112)	(112)
Transactions with equity holders of the Bank								
Shares repurchased	-	-	-	-	-	-	(571)	(571)
Dividends paid to equity holders	-	(68,816)	-	-	-	-	-	(68,816)
Net changes in Bank's shares held by subsidiaries	-	-	-	-	-	-	445	445
Other transfers								
Transfer to statutory reserve	-	(53,810)	-	53,810	-	-	-	-
Revaluation gain on disposal of PPE	-	1,710	(1,710)	-	-	-	-	-
Transfer from credit risk reserve	-	40,066	-	-	(40,066)	-	-	-
Balance at 31 December	4,000,000	390,697	102,926	393,905	-	(958)	1,286,570	

The notes on pages 64 - 164 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER

in thousands of Ghana Cedis		2022		2021	
	Note	Bank	Group	Bank	Group
Cash from operating activities					
(Loss)/profit for the year		(815,200)	(809,810)	215,239	222,852
Adjustments for:					
Depreciation and amortisation	28(b)	47,112	47,277	37,721	37,883
Net impairment loss on financial instruments	24(c)	1,442,221	1,451,244	82,375	82,375
Net interest income	11	(586,142)	(593,095)	(465,333)	(469,547)
Net gains on derivative assets	22	-	-	(26,466)	(26,466)
Income tax	17(c)	(265,137)	(262,366)	110,435	114,665
Unrealised exchange loss		-	-	79,122	79,122
Profit from disposal of property and equipment	28(c)	-	-	(1,552)	(1,552)
Finance cost on lease liabilities	34(b)	4,085	4,085	4,026	4,026
Cash (used in)/generated from operations before changes in operating assets and liabilities		(173,061)	(162,665)	35,567	43,358
Changes in:					
Loans and advances to customers		(1,267,413)	(1,267,413)	116,463	116,463
Other assets		(33,029)	(38,465)	(11,752)	(12,692)
Derivative assets		26,466	26,466	(25,735)	(25,735)
Deposit from banks and other financial institutions		(555,079)	(555,469)	886,568	885,032
Deposits from customers		949,426	949,426	970,480	970,480
Other liabilities		165,586	164,027	(39,818)	(39,998)
Asset held for sale		121,085	121,085	(16,592)	(16,592)
Cash (used in)/generated from operating activities		(592,958)	(600,343)	1,915,181	1,920,316
Interest received		1,292,833	1,298,328	943,382	946,526
Interest paid		(653,204)	(652,656)	(489,116)	(488,986)
Finance charges on lease liability paid	34(d)	(4,085)	(4,085)	(4,298)	(4,298)
Income taxes paid	17(c)	(131,740)	(136,125)	(68,908)	(72,513)
Net cash flows (used in)/from operating activities		(262,215)	(257,546)	2,296,241	2,301,045
Cash flows from investing activities					
Proceeds from disposal of trading assets		1,445,948	1,445,948	1,913,498	1,913,498
Acquisition trading assets		(820,440)	(820,440)	(1,751,876)	(1,751,876)
Proceeds from disposal of investment securities		4,445,948	4,446,071	3,829,519	3,829,519
Acquisition investment securities		(3,317,089)	(3,317,089)	(6,317,089)	(6,323,897)
Acquisition of property and equipment	28(a)	(71,348)	(71,371)	(34,364)	(34,405)
Proceeds from disposal of property and equipment	28(c)	-	-	16,491	16,491
Acquisition of intangible assets	29	(14,427)	(14,461)	(34,170)	(34,176)
Increase in equity share of subsidiary		(20)	-	(1,500)	-
Net cash flows from (used in)/ investing activities		1,668,572	1,663,658	(2,379,491)	(2,384,846)
Cash flows from financing activities					
Dividends paid	36(g)	(69,031)	(68,956)	(68,924)	(68,816)
Proceeds from borrowings	33	2,211,560	2,211,560	7,451,365	7,451,365
Repayment of borrowings	33	(2,814,877)	(2,814,877)	(7,411,921)	(7,411,921)
Payment of lease liabilities	34(d)	(36,488)	(36,488)	(15,132)	(15,132)
Repurchase of issued shares	36(e)	-	-	(571)	(126)
Net cash flows used in financing activities		(708,836)	(708,761)	(45,183)	(44,630)
Net increase/(decrease) in cash and cash equivalents		697,521	697,351	(128,433)	(128,431)
Cash and cash equivalents at 1 January		1,307,694	1,307,701	1,430,243	1,430,248
Effect of exchange rate fluctuations on cash and cash equivalents held		3,655	3,818	5,884	5,884
Cash and cash equivalents at 31 December	20	2,008,870	2,008,870	1,307,694	1,307,701

The notes on pages 64 - 164 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

(All currency amounts in the notes are in thousands of Ghana Cedis unless otherwise stated)

1. REPORTING ENTITY

CalBank PLC, (the "Bank") is a Bank incorporated in Ghana. The address and registered office of the Bank can be found on page 6 of the annual report. The Bank operates with a Universal Banking license that allows it to undertake Banking and related activities. The Group is also involved in the provision of asset management services. These consolidated financial statements as at and for the year ended 31 December 2022 comprise the Bank and its subsidiaries, (together referred to as the 'Group'). The separate financial statements as at and for the year ended 31 December 2022 comprise the financial statements of the Bank.

The Bank is listed on the Ghana Stock Exchange (GSE).

2. BASIS OF PREPARATION

2.1. Statement of compliance

The consolidated and separate financial statements (financial statements) have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations issued by the International Accounting Standards Board (IASB) and in the manner required by the Companies Act, 2019 (Act 992), and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

2.2. BASIS OF MEASUREMENT

The financial statements have been prepared on a historical cost basis, except for the following items, which are measured on the following alternative basis on each reporting date

- Financial instruments at fair value
- Leasehold land and buildings carried at their revalued amounts
- Derivative assets held for risk management measured at fair value
- Defined benefit obligations and other long term benefits are measured at the present value of the future benefit to employees

2.3. FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in Ghana Cedis, which is the currency of the primary economic environment in which the Bank operates (functional currency). All amounts have been rounded to the nearest thousand, unless otherwise indicated.

2.4. USE OF ESTIMATES AND JUDGEMENT

The preparation of financial statements in conformity with IFRS requires management to make judgment, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgement about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

2.5. INFORMATION ABOUT SIGNIFICANT ESTIMATION, UNCERTAINTY AND CRITICAL JUDGEMENTS

Accounting policies, estimates and judgements that have the most significant effect on the amounts recognised in the financial statement are described in note 8.

2.6. PRESENTATION OF FINANCIAL STATEMENTS

The Group and Bank presents its statement of financial position in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented.

Notes To The Financial Statements (Continued)

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liability simultaneously. Income and expenses are not offset in profit or loss unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Group and Bank.

3. CHANGES IN ACCOUNTING POLICIES

There were amendments to IFRSs and a new IFRSs which became effective from 1 January 2022 but do not have a material effect on the Group's financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities except if mentioned otherwise.

4.1. BASIS OF CONSOLIDATION

4.1.1. BUSINESS COMBINATIONS

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group.

In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs. The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

4.1.2. SUBSIDIARIES

'Subsidiaries' are entities controlled by the Group. The Group 'controls' an entity if it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group reassesses whether it has control if there are changes to one or more of the elements of control. This includes circumstances in which protective rights held (e.g. those resulting from a lending relationship) become substantive and lead to the Group having power over an investee. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

4.1.3 LOSS OF CONTROLS

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

4.1.4 TRANSACTIONS ELIMINATED ON CONSOLIDATION

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

4.1.5 FUNDS MANAGEMENT

The Group manages and administers assets held in unit trust or other investment vehicles on behalf of investors. The financial statements of these entities are not included in these consolidated and separate financial statements. Information about the group's fund management activities are set out in note 37(d).

4.2 FOREIGN CURRENCY

Foreign currency transactions and end of day balances are translated into the functional currency using the published average interbank exchange rates by the Bank of Ghana prevailing at the dates of the respective transactions. Group entities foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in profit or loss. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the spot exchange rate at the date on which the fair value is determined. Non-monetary items that are measured based on historical cost in foreign currency are translated using spot rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the spot rate of exchange at the reporting date.

4.3 RECOGNITION OF INTEREST INCOME

4.3.1 EFFECTIVE INTEREST RATE

Interest income and expense are recognised in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired assets, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not ECL. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including ECL.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

4.3.2 AMORTISED COST AND GROSS CARRYING AMOUNT

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance. The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

4.3.3 INTEREST AND SIMILAR INCOME

The Group calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Bank calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Bank reverts to calculating interest income on a gross basis.

For purchased or originated credit-impaired (POCI) financial assets the Bank calculates interest income by calculating the credit adjusted EIR and applying that rate to the amortised cost of the asset. The credit-adjusted EIR is the interest rate that, at original recognition, discounts the estimated future cash flows (including credit losses) to the amortised cost of the POCI assets.

Interest income on all trading assets and financial assets mandatorily required to be measured at FVPL is recognised using the contractual interest rate in net trading income.

4.4 FEES AND COMMISSIONS

Fees and commission income and expenses that are an integral part of the effective interest rate on financial instruments are included in the measurement of the effective interest rate.

Other fees and commission income, including account servicing fees, investment management fees, sales commission, placement and arrangement fees and syndication fees are recognised as the related services are performed.

Other fees and commission expense relates mainly to transaction and service fees, which are expensed as the services are received.

4.5 NET TRADING INCOME

Income arises from the margins which are achieved through market-making and customer business and from changes in market value caused by movements in interest and exchange rates, equity prices and other market variables. Trading positions are held at fair value and the resulting gains and losses are included in profit or loss, together with interest and dividends arising from long and short positions and funding costs relating to trading activities.

4.6 DIVIDENDS

Dividend income is recognised when the right to receive income is established. Dividends are reflected as a component of other operating income. Dividend payable is recognised as a liability in the period in which they are declared.

4.7 OTHER OPERATING INCOME

Other operating income comprises other income including dividends, profit on disposal of property and equipment, and other sundry income.

4.8 INCOME TAX EXPENSE

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in other comprehensive income (OCI) or equity, in which case it is recognised in OCI or equity.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore has accounted for them under IAS 37 Provisions, Contingent Liabilities and Contingent Assets, and has recognised the related expenses in 'other expenses'.

4.8.1 CURRENT TAX

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty to income taxes, if any. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

4.8.2 DEFERRED TAX

Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

Deferred tax is measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or the tax assets and liabilities will be realised simultaneously.

4.8.3 LEVIES AND SIMILAR CHARGES

The Group recognises the liability arising from levies and similar charges when it becomes legally enforceable

4.9 FINANCIAL ASSETS AND LIABILITIES

4.9.1 DATE OF RECOGNITION

Financial assets and liabilities, with the exception of loans and advances to customers and deposit from customers, banks and other financial institutions are initially recognised on the trade date, i.e., the date that the Bank becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Loans and advances to customers are recognised when funds are transferred to the customers' accounts. The Bank recognises deposit from customers, banks and other financial institutions when funds are transferred to the Group.

4.9.2 INITIAL MEASUREMENT OF FINANCIAL INSTRUMENTS

Financial asset or liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. When the fair value of financial instruments at initial recognition differs from the transaction price, the Group accounts for the Day 1 gain or loss, as described below.

4.9.3 DAY 1 GAIN OR LOSS

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Bank recognises the difference between the transaction price and fair value in net trading income. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

4.9.4 CLASSIFICATION AND MEASUREMENT CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

The Group classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised cost.
- Fair Value through Profit or Loss (FVTPL).

The Group may designate financial instruments at FVTPL, if so doing eliminates or significantly reduces measurement or recognition inconsistencies, as explained in note 4.9.9.

Financial liabilities, other than loan commitments and financial guarantees, are measured at amortised cost or at FVTPL when they are held for trading and derivative instruments or the fair value designation is applied, as explained in note 4.9.9.

4.9.5 LOANS AND ADVANCES TO CUSTOMERS, FINANCIAL INVESTMENTS AT AMORTISED COST

The Group only measures due from banks, loans and advances to customers and other financial investments at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. The details of these conditions are outlined below:

(a) Business model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and; in particular, the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Group's assessment

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Bank's original expectations, the Bank does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

(b) The SPPI test

As a second step of its classification process the Group assesses the contractual terms of financial instrument to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Bank applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than the minimum exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVPL.

4.9.6 FINANCIAL ASSETS OR FINANCIAL LIABILITIES HELD FOR TRADING

The Group classifies financial assets or financial liabilities as held for trading when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking. Held-for-trading assets and liabilities are recorded and measured in the statement of financial position at fair value. Changes in fair value are recognised in net trading income. Interest and dividend income or expense is recorded in net trading income according to the terms of the contract, or when the right to payment has been established.

Included in this classification are debt securities, equities, short positions that have been acquired principally for the purpose of selling or repurchasing in the near term.

4.9.7 FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets and financial liabilities in this category are those that are held for trading and are mandatorily required to be measured at fair value under IFRS 9.

Financial assets and financial liabilities at FVTPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit or loss.

4.9.8 FINANCIAL GUARANTEES, LETTERS OF CREDIT AND UNDRAWN LOAN COMMITMENTS

Financial guarantees are contracts that require the Group to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument.

Loan commitments are firm commitments to provide credit under pre-specified terms and conditions.

Financial guarantees issued or commitments to provide a loan at a below-market interest rate are initially measured at fair value. Subsequently, they are measured at the higher of the loss allowance determined in accordance with IFRS 9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15. Other loan commitments issued are measured at the sum of (i) the loss allowance determined in accordance with IFRS 9 and (ii) the amount of any fees received, less, if the commitment is unlikely to result in a specific lending arrangement, the cumulative amount of income recognised. Derecognition policies in note 4.11 are applied to loan commitments issued and held.

The Group has issued no loan commitments that are measured at FVTPL.

Liabilities arising from financial guarantees and loan commitments are included within other liabilities.

4.10 RECLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

The Group may reclassify its financial assets subsequent to their initial recognition subject to a business model assessment. Financial liabilities are never reclassified by the Group.

4.11 DERECOGNITION OF FINANCIAL ASSETS AND LIABILITIES

4.11.1 DERECOGNITION DUE TO SUBSTANTIAL MODIFICATION OF TERMS AND CONDITIONS

When assessing whether or not to derecognise a financial asset amongst others, the Group considers the following factors:

- Change in currency of the financial asset
- Introduction of an equity feature
- Change in counterparty
- If the modification is such that the instrument would no longer meet the SPPI criterion
- Modification of contractual terms

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Group records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

4.11.2 DERECOGNITION OTHER THAN FOR SUBSTANTIAL MODIFICATION

(a) Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Group also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

Notes To The Financial Statements (Continued)

The Group has transferred the financial asset if, and only if, either:

- The Group has transferred its contractual rights to receive cash flows from the financial asset or;
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement

Pass-through arrangements are transactions whereby the Group retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- The Group has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates
- The Group cannot sell or pledge the original asset other than as security to the eventual recipients
- The Group has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Group is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

When the Group has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Group's continuing involvement, in which case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Group could be required to pay.

If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the continuing involvement is measured at the value the Group would be required to pay upon repurchase.

(b) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

(c) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS Standards, or for gains and losses arising from a group of similar transactions such as in the Group's trading activity.

4.11.3 MODIFICATIONS OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(a) Financial assets

If the terms of a financial asset are modified, then the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised (see note 4.11) and a new financial asset is recognised at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows: fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset; and other fees are included in profit or loss as part of the gain or loss on derecognition.

Notes To The Financial Statements (Continued)

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the Group plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place (see write-off policy – note 7.2.14). This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

If the modification of a financial asset measured at amortised cost or FVOCI does not result in derecognition of the financial asset, then the Group first recalculates the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognises the resulting adjustment as a modification gain or loss in profit or loss. For floating-rate financial assets, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs or fees incurred and modification fees received adjust the gross carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income calculated using the effective interest rate method.

The Group derecognises a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new financial asset, with the difference recognised as a derecognition gain or loss, to the extent that an impairment/modification loss has not already been recorded.

(b) Financial liabilities

The Group derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss. Consideration paid includes non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in profit or loss. For floating-rate financial liabilities, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs and fees incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument.

4.12 IMPAIRMENT OF FINANCIAL ASSETS

4.12.1 OVERVIEW OF THE ECL PRINCIPLES

The Group records the allowance for expected credit losses for all loans and other debt financial assets not held at FVPL, together with loan commitments and financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under IFRS 9.

The ECL allowance is based on the credit losses expected to arise over the life of the asset, the lifetime expected credit loss (LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12m ECL) as outlined in note 4.12.2. The Group's policies for determining if there has been a significant increase in credit risk are set out in note 7.

The 12m ECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

Notes To The Financial Statements (Continued)

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Group groups its financial assets into Stage 1, Stage 2, Stage 3 and POCI, as described below:

- Stage 1: When financial assets are first recognised, the Group recognises an allowance based on 12m ECLs. Financial assets that have not undergone a significant increase in credit risk since initial recognition and are not credit-impaired are also included in stage 1. Stage 1 financial assets also include facilities where the credit risk has improved and the financial assets has been reclassified from Stage 2.
- Stage 2: When a financial asset has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. Stage 2 financial assets also include facilities, where the credit risk has improved and the financial asset has been reclassified from Stage 3 after a curing period of 6 months.
- Stage 3: Financial assets considered credit-impaired. The Group records an allowance for the LTECLs.
- POCI: Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognised based on a credit adjusted EIR. ECLs are only recognised or released to the extent that there is a subsequent change in the expected credit losses.

For financial assets for which the Group has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset or the irrecoverable portion is written off.

Credit impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired (referred to as 'Stage 3 financial assets'). A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to deterioration in the borrower's condition is usually considered to be credit impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, loans that are overdue for 90 days or more is considered credit impaired subject to other qualitative considerations. In making an assessment of whether an investment in sovereign debt is credit impaired, the Bank considers the following factors.

- The market's assessment of creditworthiness as reflected in bond yields.
- The rating agencies' assessments of creditworthiness.
- The country's ability to access the capital markets for new debt issuance.
- The probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness.
- The international support mechanisms in place to provide the necessary support as 'lender of last resort' to the country, as well as the intention, reflected in public statements, of governments and agencies to use those mechanisms. This includes an assessment of the depth of those mechanisms and, irrespective of the political intent, whether there is the capacity to fulfil the required criteria.

4.12.2 THE CALCULATION OF ECLS

The Group calculates ECLs based on a three probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows

- **PD** The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.
- **EAD** The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.
- **LGD** The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

When estimating the ECLs, the Group considers three scenarios, a base case (central), optimistic case (upside) and a pessimistic case (downside). Each of these is associated with different PDs, EADs and LGDs. When relevant, the assessment of multiple scenarios also incorporate how defaulted loans are expected to be recovered, including the probability that the loans will cure and the value of collateral or the amount that might be received for selling the asset.

With the exception of other revolving facilities, the maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Group has the legal right to call it earlier. Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Group's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Group's internal credit grading model, which assigns PDs to the individual grades
- The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis. The segments are based on business and products.
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

The mechanics of the ECL method are summarised below:

- **Stage 1:** The 12M ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the financial statement 12 months after the reporting date. The Group calculates the 12M ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12- month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR. This calculation is made for each of the three scenarios, as explained above.

- **Stage 2:** When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR
- **Stage 3:** For loans considered credit-impaired the Group recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.
- **Loan commitments and letters of credit:** When estimating LTECLs for undrawn loan commitments, the Group estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down, based on a probability weighting of the three scenarios. The expected cash shortfalls are discounted at the effective interest rate or an approximation, thereof, that will be applied to the financial asset resulting from the loan commitment. ECLs are calculated and presented together with the loan. For loan commitments and letters of credit, the ECL is recognised within provisions presented in other liabilities.
- **Financial guarantee contracts:** The Group's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the profit or loss, and the ECL provision. For this purpose, the Group estimates ECLs based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs. The shortfalls are discounted by the risk-adjusted interest rate relevant to the exposure. The calculation is made using a probability weighting of the three scenarios. The ECLs related to financial guarantee contracts are recognised within other liabilities.

4.12.3 FORWARD LOOKING INFORMATION

In the Group's ECL models, the Group relies on a broad range of forward looking information as economic inputs, such as:

- GDP growth
- Unemployment rates
- Exchange rates
- Central Bank policy rates
- Consumer price indices

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

4.12.4 RESTRUCTURED FINANCIAL ASSETS

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised and ECL are measured as follows.

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

4.13 COLLATERAL VALUATION

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. Collateral, unless reposessed, is not recorded on the Group's statement of financial position. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a quarterly basis. However, some collateral, for example, cash or securities relating to margining requirements, is valued daily. Collateral valuations are performed at inception of the credit facility and

Notes To The Financial Statements (Continued)

revaluation of the collateral is performed every three years.

To the extent possible, the Group uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as real estate, is valued by licensed professional property valuers.

4.14 COLLATERAL REPOSSESSED

The Group's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at their fair value. Assets for which selling is determined to be a better option are transferred to assets held for sale at their fair value (if financial assets) and fair value less cost to sell for non-financial assets at the repossession date in, line with the Group's policy.

In its normal course of business, the Group does not physically repossess properties or other assets in its retail portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the residential properties under legal repossession processes are not recorded on the statement of financial position.

4.15 WRITE-OFF POLICY

Loans and debt securities are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are recognised when cash is received and are included in 'net impairment loss on financial assets' in profit or loss.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

All credit facility write-offs shall require endorsement by the Board of Directors and the Bank of Ghana.

4.16 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand, cash and balances with the Central Bank of Ghana, bank balance held with other banks adjusted for reconciling items (if any) and highly liquid financial assets with original maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Bank in the management of its short term commitments.

Cash and cash equivalents are carried at amortised cost in the statement of financial position.

4.17 TRADING ASSETS AND LIABILITIES

'Trading assets and liabilities' are those assets and liabilities that the Group acquires or incurs principally for the purpose of selling or repurchasing in the near term, or holds as part of a portfolio that is managed together for short-term profit or position taking.

Trading assets and liabilities are initially recognised and subsequently measured at fair value in the statement of financial position, with transaction costs recognised in profit or loss. All changes in fair value are recognised as part of net trading income in profit or loss.

4.18 INVESTMENT SECURITIES

This comprises investments in short-term, medium term, and long term investments in Government and other securities such as open market operations (OMO) instruments, treasury bills and bonds. Investments in securities are categorised as FVTPL or Amortised cost.

Debt investment securities measured at amortised cost

These are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method. Assets that are held for collection of contractual cash flows where those cash flows represents solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method. The amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

Debt and/or equity investment securities mandatorily measured at FVTPL

These are at fair value with changes recognised immediately in profit or loss.

4.19 PROPERTY AND EQUIPMENT

4.19.1 RECOGNITION AND MEASUREMENT

Land and building are measured at revalued amounts less accumulated depreciation and any impairment losses. Other items of property and equipments are carried cost less accumulated depreciation and impairment losses

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour and any other costs directly attributable to bringing the asset to a working condition for intended use. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of Property and Equipment.

The Group owns landed properties that are revalued every three years. Increases in the carrying amount arising on revaluation are credited to revaluation reserves. Decreases that offset previous increases of the same asset are charged against the revaluation reserves.

Increases in the carrying amount arising on revaluation of buildings are credited to other comprehensive income and shown as revaluation reserve in the equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against revaluation reserve directly in equity; all other decreases are charged to the profit or loss.

The revaluation surplus included in equity in respect of an item of property and equipment is transferred directly to retained earnings when the asset is derecognised. This may involve transferring the whole of the surplus when the asset is retired or disposed of.

4.19.2 SUBSEQUENT COSTS

The cost of replacing part of an item of property or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of Property and Equipment are recognised in profit or loss as incurred.

4.19.3 DEPRECIATION

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment.

The estimated useful lives for the current and comparative periods are as follows:

Notes To The Financial Statements (Continued)

Leasehold Buildings	-	20 to 50 years
Motor Vehicles	-	5 to 7 years
Equipment	-	5 to 10 years
Furniture and fittings	-	5 to 7 years

Depreciation methods, useful lives and residual values are reassessed at the reporting date and adjusted if appropriate.

4.19.4 DERECOGNITION

Property and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in 'Other operating income' in profit or loss in the year the asset is derecognised.

4.20 INTANGIBLE ASSETS

4.20.1 COMPUTER SOFTWARE

Software acquired by the Group is measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The estimated useful life of software is ten years. Intangible assets not yet available for use are not amortised. They are tested for impairment annually irrespective of whether there is an indication of impairment.

4.21 ASSETS HELD FOR SALE

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to, financial assets, deferred tax assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property and equipment are no longer amortised or depreciated, and any equity accounted investee is no longer equity accounted.

4.22 DEPOSITS, DEBT SECURITIES IN ISSUES AND BORROWINGS

Deposits, debt securities in issues and borrowings are the Group's source of debt funding. This is mainly made up of customer deposit accounts, overnight placements by banks and other financial institutions and medium term borrowings. They are categorised as other financial liabilities measured in the statement of financial position at amortised cost.

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR. A compound financial instrument which contains both a liability and an equity component is separated at the issue date.

4.23 PROVISIONS/CONTINGENT LIABILITIES

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is uncertain or cannot be reliably measured. Contingent liabilities are not recognised but are disclosed unless they are remote.

4.24 EMPLOYEE BENEFITS

4.24.1 DEFINED CONTRIBUTION PLANS

Obligations for contributions to defined contribution pension plans are recognised as an expense in profit or loss as the related service is provided.

Social Security and National Insurance Trust

Under the national pension scheme, the Bank contributes 13% of employees' basic salary to the Social Security and National Insurance Trust (SSNIT) for employee pensions. The Bank's obligation is limited to the relevant contributions, which have been recognised in the financial statements. The pension liabilities and obligations, however, rest with SSNIT.

For defined contribution schemes, the Group recognises contributions due in respect of the accounting period in profit or loss. Any contributions unpaid at the reporting date are included as a liability.

Savings Scheme

The Group also contributes 12.5% of the basic salary of employees to a savings scheme. The Group's obligation is limited to the contributions made to the savings scheme.

4.24.2 TERMINATION BENEFITS

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognised if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

4.24.3 SHORT-TERM BENEFITS

Short-term employee benefits, such as salaries, paid absences, and other benefits, are accounted for on an accruals basis over the period which employees have provided services in the year.

All expenses related to employee benefits are recognised in profit or loss as part of personnel expenses.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

4.24.4 OTHER LONG-TERM EMPLOYEE BENEFITS

The Group's net obligation in respect of other long-term employee benefits is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and any unrecognised past service costs. The discount rate is the yield at the reporting date on a long-dated instrument on the Ghana market. The calculation is performed using the projected unit credit method. Changes in the fair value of the plan liabilities are recognised in profit or loss.

4.24.5 DEFINED BENEFIT PLAN

The Group's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in personnel expenses in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement is due.

4.25 IMPAIRMENT ON NON-FINANCIAL ASSETS

The carrying amount of the Group's non-financial assets other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. Impairment losses are recognised in profit or loss. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4.26 SHARE CAPITAL

4.26.1 SHARE ISSUE COSTS

Proceeds from issue of equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options or the acquisition of a business are shown in equity as a deduction, net of tax, from the proceeds.

4.26.2 DIVIDENDS ON EQUITY SHARES

Dividends on equity shares are recognised in equity in the period in which they are approved by the shareholders.

4.26.3 TREASURY SHARES

Where the Company or any member of the Group purchases the Company's shares, the consideration paid is deducted from shareholders' equity as treasury shares. Where such shares are subsequently sold or reissued, any consideration received is credited to shareholders equity. No gains or losses are recognised in profit or loss on any purchase, sale, issue or cancellation of own equity instruments, or in respect of any changes in the value of treasury share.

4.27 SEGMENT REPORTING

Segment results that are reported to the Group's CEO include items that are directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Bank's headquarters), head office expenses and tax assets and liabilities.

An operating segment is a component of an entity:

- that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity)
- whose operating results are reviewed regularly by the entity's senior management to make decisions about resources to be allocated to the segment and assess its performance and
- for which discrete financial information is available

4.28 EARNINGS PER SHARE

The Group presents basic and diluted earnings per share (EPS) data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the weighted average number of equity shares outstanding during the period. The Bank has no convertible notes and share options, which could potentially dilute its EPS and therefore the Group's Basic and diluted EPS are essentially the same.

4.29 LEASES

4.29.1 THE GROUP AS A LESSEE

The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

4.29.2 INITIAL RECOGNITION AND MEASUREMENT

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The right-of-use asset is initially measured at cost, comprising the initial amount of lease liability adjusted for any lease payment made at or prior to commencement date, plus any initial direct cost plus estimate of the cost to dismantle and remove any improvement made to branches or office premise less any lease incentives received. However, the lease liability is measured as the present value of outstanding lease payments (both fixed and variable payments), residual value guarantees, exercise price of purchase options and termination benefits if any. The discount rate used is the interest rate implicit in the lease. Where this cannot be readily determined the Group's incremental borrowing rate is used. The Group determines its incremental borrowing rate by analysing its borrowing from various external sources and makes certain adjustments to reflect the nature of the lease and type of asset leased.

4.29.3 SUBSEQUENT MEASUREMENT

The right of use asset is subsequently depreciated on a straight line basis from the commencement date to the end of the lease term unless the initial recognition considers the exercise of a purchase option or the lease transfers the ownership of the underlying to the group by the end of the lease term. In which case, the right of use asset is amortized over the useful life of the underlying asset. Additionally, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

Lease liability is subsequently measured at amortized cost using the effective interest method. It is re-measured when there is a change in the original assessment of the lease term, a change in the estimate of residual guarantee or a change in index or rate affecting payments or a change in the fixed lease payment. When the lease liability is re-measured in this way the carrying amount of the right of use asset is adjusted by the same amount or is recorded in profit or loss if the carrying amount of the right of use asset has been reduced to zero.

Both ROU Assets and lease liabilities are presented separately on the face of statement of financial position.

4.29.4 SHORT TERM LEASES AND LOW VALUE LEASES

The group has elected not to recognize right-of-use asset and lease liability for leases of low value assets and short term leases. Lease payments in respective of these lease are recognized as expenses in the profit or loss.

4.30 DERIVATIVES HELD FOR RISK MANAGEMENT PURPOSES

Derivatives held for risk management purposes include all derivative assets and liabilities that are not classified as trading assets or liabilities. Derivatives held for risk management purposes are measured at fair value in the statement of financial position.

4.30.1 OTHER NON-TRADING DERIVATIVES

If a derivative is not held for trading, and is not designated in a qualifying hedge relationship, then all changes in its fair value

Notes To The Financial Statements (Continued)

are recognized immediately in profit or loss as a component of net income from other financial instruments at fair value through profit or loss.

5. NEW STANDARDS EFFECTIVE FROM 1 JANUARY 2022

The following standards which became effective from 1 January 2022 do not have a material effect on the Group's financial statements.

5.1.1 COVID-19-RELATED RENT CONCESSIONS BEYOND 30 JUNE 2021 (AMENDMENT TO IFRS 16)

In May 2020, the Board issued COVID-19-Related Rent Concessions (the 2020 amendments), which amended IFRS 16 Leases. The 2020 amendments introduced an optional practical expedient that simplifies how a lessee accounts for rent concessions that are a direct consequence of COVID-19. Under that practical expedient, a lessee is not required to assess whether eligible rent concessions are lease modifications, instead accounting for them in accordance with other applicable guidance.

The practical expedient introduced in the 2020 amendments only applies to rent concessions for which any reduction in lease payments affects solely payments originally due on or before 30 June 2021. The economic challenges presented by the COVID-19 pandemic have persisted longer than anticipated. As a result, lessors and lessees are negotiating rent concessions that extend beyond 30 June 2021. The Board has therefore extended the practical expedient by 12 months – i.e. permitting lessees to apply it to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022.

5.1.2 ANNUAL IMPROVEMENTS TO IFRS STANDARDS 2018–2020

IFRS 1 First-time Adoption of International Financial Reporting Standards	The amendment permits a subsidiary (as a first-time adopter of IFRS that applies IFRS later than its parent) that applies IFRS 1.D16(a) to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.
IFRS 9 Financial Instruments	The amendment clarifies that for the purpose of performing the "10 per cent test" for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.
IFRS 16 Leases	The amendment removes the illustration of payments from the lessor relating to leasehold improvements. As currently drafted, this example is not clear as to why such payments are not a lease incentive.
IAS 41 Agriculture	The amendment removes the requirement to exclude cash flows for taxation when measuring fair value, thereby aligning the fair value measurement requirements in IAS 41 with those in IFRS 13 Fair Value Measurement.

5.1.3 REFERENCE TO THE CONCEPTUAL FRAMEWORK (AMENDMENTS TO IFRS 3)

The amendment has:

- updated IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework;
- added to IFRS 3 a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination and
- added to IFRS 3 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The amendment is effective for annual periods beginning on or after 1 January 2022. Early application is permitted if an

Notes To The Financial Statements (Continued)

entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

5.1.4 ONEROUS CONTRACTS—COST OF FULFILLING A CONTRACT (AMENDMENTS TO IAS 37, PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS)

The amendments clarify that when assessing if a contract is onerous, the cost of fulfilling it includes all costs related directly to the contract. Such costs include both:

- the incremental costs of the contract (i.e., costs a company would avoid if it did not have the contract, like direct labor and materials); and
- an allocation of other costs that relate directly to fulfilling the contract (e.g., contract management and supervision, or depreciation of equipment used in fulfilling it).

5.1.5 PROCEEDS BEFORE INTENDED USE (AMENDMENTS TO IAS 16, PROPERTY, PLANT AND EQUIPMENT (PPE),

The amendments introduce new guidance. Proceeds from selling items (e.g., samples) before the related PPE is available for its intended use can no longer be deducted from the cost of PPE. Instead, such proceeds are recognized in profit or loss, together with the cost of producing those items (to which IAS 2 applies). Therefore, a company will need to distinguish between:

- costs of producing and selling items before the PPE is available for its intended use; and
- costs of making the PPE available for its intended use.

Determining how to characterize such costs may require significant estimation and judgment. Companies in the extractive industry in particular may need to monitor costs at a more granular level.

The amendments apply retrospectively but only for new PPE that reaches its intended use on or after the beginning of the earliest period presented in the financial statements in which the company first applies the amendments. They can be early adopted.

5.2 NEW AND AMENDED STANDARDS ISSUED NOT YET ADOPTED BY THE GROUP

Several new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2022 and have not been applied in preparing these financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to early adopt these Standards. The Group is yet to assess the impact of the standards on the financial statements.

5.2a CLASSIFICATION OF LIABILITIES AS CURRENT OR NON-CURRENT AND NON-CURRENT LIABILITIES WITH COVENANTS (AMENDMENTS TO IAS 1)

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the Board has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period.

This right may be subject to a company complying with conditions (covenants) specified in a loan arrangement. After reconsidering certain aspects of the 2020 amendments, the IASB reconfirmed that only covenant with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Additional disclosure is also required for non-current liabilities subject to future covenants. The amendments also clarify how an entity classifies a liability that can be settled in its own shares.

It is not expected that this will impact the Group significantly.

The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024, with early application permitted

5.2b DEFINITION OF ACCOUNTING ESTIMATES (AMENDMENTS TO IAS 8)

Notes To The Financial Statements (Continued)

Distinguishing between accounting policies and accounting estimates is important because changes in accounting policies are generally applied retrospectively, while changes in accounting estimates are applied prospectively.

The changes to IAS 8 focus entirely on accounting estimates and clarify the following:

- The definition of a change in accounting estimates is replaced with a definition of accounting estimates.
- Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”.
- Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.
- The Board clarified that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.
- A change in an accounting estimate may affect only the current period’s profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognised as income or expense in the current period. The effect, if any, on future periods is recognised as income or expense in those future periods.

The effects of changes in inputs and/or measurement techniques are changes in accounting estimates. The definition of accounting policies remains unchanged.

The amendments are effective for periods beginning on or after 1 January 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.

It is not expected that this will impact the Group significantly.

5.2c DISCLOSURE INITIATIVE: ACCOUNTING POLICIES (AMENDMENTS TO IAS 1 AND IFRS PRACTICE STATEMENT 2)

Making information in financial statements more relevant and less cluttered has been one of the key focus areas for the International Accounting Standards Board (the Board).

The Board has issued amendments to IAS 1 Presentation of Financial Statements and an update to IFRS Practice Statement 2 Making Materiality Judgements to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:

- requiring companies to disclose their material accounting policies rather than their significant accounting policies.
- several paragraphs are added to explain how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material.
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed.
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company’s financial statements.
- accounting policy information may be material because of its nature, even if the related amounts are immaterial.
- accounting policy information is material if users of an entity’s financial statements would need it to understand other material information in the financial statements; and
- the amendments clarify that if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.

The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are consistent with the refined definition of material.

It is not expected that this will impact the Group significantly.

5.2d LEASE LIABILITY IN A SALE AND LEASEBACK (AMENDMENTS TO IFRS 16)

The amendments confirm the following.

- On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction.
- After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognises no gain or loss relating to the right of use it retains.
- A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement.

The amendments are effective from 1 January 2024 but may be applied earlier.

5.2e DEFERRED TAX RELATED TO ASSETS AND LIABILITIES ARISING FROM A SINGLE TRANSACTION (AMENDMENT TO IAS 12)

The amendment clarifies that the initial recognition exemption does not apply to transactions that give rise to equal and offsetting temporary differences such as leases and decommissioning obligations. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

It is not expected that this will impact the Group significantly.

The amendments are effective from 1 January 2023 but may be applied earlier.

6. EVENTS AFTER THE REPORTING DATE

Events subsequent to the statement of financial position date are reflected in the financial statements only to the extent that they relate to the year under consideration and the effect is material.

7. FINANCIAL RISK MANAGEMENT

7.1 INTRODUCTION AND OVERVIEW

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk
- operational risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

7.1.1 RISK MANAGEMENT FRAMEWORK

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Risk Management Committee of the Board assists the Board in carrying out this responsibility. To enable it achieve its purpose, the Committee:

- Reviews and monitors aggregate risk levels in the business and the quality of risk mitigation and controls for all areas of risk to the business
- Makes recommendations to management on areas of improvement
- Informs the Board of progress in implementing improvements.

The Board has also established the Asset and Liability Management Committee (ALCO) and Risk Management Department which are responsible for developing and monitoring risk management policies in their specified areas.

The risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The Audit Committee of the Board is responsible for monitoring compliance with the risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in these functions by Internal Audit and Internal Control Departments. Internal Audit and Internal Control undertake both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

All Board committees are made up of non-executive members, with executives in attendance. The committees report regularly to the Board of Directors on their activities.

7.2 CREDIT RISK

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's loans and advances to customers and other banks and investment securities. For risk management reporting purposes, the Group considers and consolidates all elements of credit risk exposure (such as individual obligor default risk and sector risk).

7.2.1 MANAGEMENT OF CREDIT RISK

The Board of Directors has delegated responsibility for the day-to-day management of credit risk to the risk management Department. The departments report to the Board on a quarterly basis.

These departments' responsibilities includes:

- Formulating credit policies in consultation with business units, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements.
- Establishing the authorisation structure for the approval and renewal of credit facilities. Authorisation limits are allocated to approving authorities of the group. Larger facilities require approval by the Credit Committee or the Board of Directors as appropriate.
- Reviewing and assessing all credit exposures prior to facilities being committed to customers by the business unit concerned. Renewals and reviews of facilities are subject to the same review process.
- Limiting concentrations of exposure to counterparties and industries (for loans and advances), and by issuer, credit rating band and market liquidity.
- Developing and maintaining risk grading in order to categorise exposures according to the degree of risk of financial loss faced and to focus management on the attendant risks. The risk grading system is used in determining where impairment provisions may be required against specific credit exposures. The current risk grading framework reflects the varying degrees of risk of default and the availability of collateral or other credit risk mitigation. The responsibility for setting risk grades lies with the final approving authority. Risk grades are subject to regular reviews by the Credit department.
- Reviewing compliance of business units with agreed exposure limits, including those for selected industries and product types. Regular reports are provided to loan review committee on the credit quality of loan portfolio and appropriate corrective action is taken.
- Providing advice, guidance and specialist skills to business units to promote best practice throughout in the management of credit risk.
- The Risk Management Department monitors and manages the Group's global credit risk within the risk appetite approved by the Board and sets limits and controls within the Bank's Risk Management Policy statement. It also promotes and supports the development of good credit risk management practices.

Each business unit is required to implement Group credit policies and procedures, as well as reports on all credit related matters to management. Each business unit are responsible for the quality and performance of its credit portfolio and for monitoring and controlling all credit risks in its portfolios.

Regular audits of business units and credit processes are undertaken by Internal Audit.

7.2.2 IMPAIRED LOANS AND SECURITIES

Impaired loans and securities are loans and securities for which it has been determined that it is probable that it will be unable to collect all principal and interest due according to the contractual terms of the loan/securities agreement(s).

7.2.3 PAST DUE BUT NOT IMPAIRED

Loans and securities where contractual interest or principal payments are past due but it is believed that impairment is not appropriate on the basis of the level of security / collateral available and / or the stage of collection of amounts owed.

7.2.4 SIGNIFICANT INCREASE IN CREDIT RISK

The Group monitors all financial assets that are subject to impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Bank will measure the loss allowance based on lifetime rather than 12 months ECL.

Significant increase in credit risk is assessed by comparing the risk of default of an exposure at the reporting date to the risk of default at origination (after taking into account the passage of time). Significant does not mean statistically significant nor is it assessed in the context of changes in expected credit loss. Whether a change in the risk of default is significant or not is assessed using a number of quantitative and qualitative factors, the weight of which depends on the type of product and counterparty. Financial assets that are 30 or more days past due and not credit-impaired will be considered to have experienced a significant increase in credit risk.

The following qualitative factors are considered as indicators that signify a substantial increase in credit risk. Firstly, placing the loan under watch list status is an important factor to consider. Additionally, the classification of the exposure by a licensed private credit bureau or the credit risk management system is also a significant indicator.

Notes To The Financial Statements (Continued)

Other factors such as the decline in relevant credit risk drivers for an individual obligor or pool of obligors, the expectation of forbearance or restructuring due to financial difficulties, and the likelihood of full repayment of principal or interest without collateral.

Quantitative factors include an assessment of whether there has been significant increase in the forward-looking probability of default (PD) since origination. A forward-looking PD is one that is adjusted for future economic conditions to the extent these are correlated to changes in credit risk.

7.2.5 DEFINITION OF DEFAULT

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held);
- the borrower is more than 90 days past due on any material credit obligation to the Group. Overdrafts are considered as being past due once the customer has breached an advised limit or been advised of a limit smaller than the current amount outstanding; or
- it is becoming probable that the borrower will restructure the asset as a result of bankruptcy due to the borrower's inability to pay its credit obligations.

In assessing whether a borrower is in default, the Group considers indicators that are:

- qualitative: e.g. breaches of covenant;
- quantitative: e.g. overdue status and non-payment on another obligation of the same issuer to the Group; and based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

7.2.6 INTERNAL CREDIT RISK RATING

In order to minimise credit risk, the Group has tasked its credit department to develop and maintain the Group's credit risk grading to categorise exposures according to their degree of risk of default. The Group's credit risk grading framework comprises eight categories. The credit rating information is based on a range of data that is determined to be predictive of the risk of default and applying experienced credit judgement.

The nature of the exposure and type of borrower are taken into account in the analysis. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default.

The credit risk grades are designed and calibrated to reflect the risk of default as credit risk deteriorates. As the credit risk increases the difference in risk of default between grades changes. Each exposure is allocated to a credit risk grade at initial recognition, based on the available information about the counterparty.

All exposures are monitored and the credit risk grade is updated to reflect current information. The monitoring procedures followed are both general and tailored to the type of exposure.

The following data are typically used to monitor the Bank's exposures:

- Payment record, including payment ratios and ageing analysis;
- Extent of utilisation of granted limit;
- Forbearances (both requested and granted);
- Changes in business, financial and economic conditions;
- Credit rating information supplied by external rating agencies;
- For retail exposures: internally generated data of customer behaviour, affordability metrics etc.; and
- For corporate exposures: information obtained by periodic review of customer files including audited financial statements review, market data such as prices of credit default swaps (CDS) or quoted bonds where available, changes in the financial sector the customer operates etc.

Notes To The Financial Statements (Continued)

The Group uses credit risk grades as a primary input into the determination of the term structure of the Probability of Default (PD) for exposures. The Bank collects performance and default information about its credit risk exposures analysed by jurisdiction or region and by type of product and borrower as well as by credit risk grading. The information used is both internal and external depending on the portfolio assessed.

The Group analyses all data collected using statistical models and estimates the remaining lifetime PD of exposures and how these are expected to change over time. The factors taken into account in this process include macro-economic data such as GDP growth, unemployment, benchmark interest rates and house prices.

The Group generates a 'base case' scenario of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. The Bank then uses these forecasts, which are probability-weighted, to adjust its estimates of PDs.

The Group uses different criteria to determine whether credit risk has increased significantly per portfolio of assets. The criteria used are both quantitative changes in PDs as well as changes in qualitative factors.

The internal risk grading scale is as follows:

Group's rating	Description of the grade	Average number of days outstanding
Grade A	Current	less than 30 days
Grade B	Other Loans Especially Mentioned (OLEM)	30 to but less than 90 days
Grade C	Sub-standard	90 days less than 180 days
Grade D	Doubtful 180 days less than	360 days
Grade E	Loss	360 days and above

Loan commitments are assessed along with the category of loan the Bank is committed to provide, i.e. commitments to provide mortgages are assessed using similar criteria to mortgage loans, while commitments to provide a corporate loan are assessed using similar criteria to corporate loans.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due unless the Bank has reasonable and supportable information that demonstrates otherwise.

The Group has monitoring procedures in place to make sure that the criteria used to identify significant increases in credit are effective, meaning that significant increase in credit risk is identified before the exposure is defaulted or when the asset becomes 90 days past due.

The Group performs periodic back-testing of its ratings to consider whether the drivers of credit risk that led to default were accurately reflected in the rating in a timely manner.

7.2.7 INCORPORATION OF FORWARD-LOOKING INFORMATION

The Group uses forward-looking information that is available without undue cost or effort in its assessment of significant increase of credit risk as well as in its measurement of ECL.

The Group formulates three economic scenarios: a base case, which is the central scenario, developed internally based on consensus forecasts, and two less likely scenarios, one upside and one downside scenario. The central scenario is aligned with information used by the Group for other purposes such as strategic planning and budgeting. External information considered includes economic data and forecasts published by governmental bodies, the central bank and selected private-sector and academic forecasts. These forecasts span a period of one year. Specific factors considered in projection are rates, exchange rates and inflation.

The scenario probability weightings applied in measuring ECL are as follows.

Notes To The Financial Statements (Continued)

At 31 December	2022			2021		
	Upside	Central	Downside	Upside	Central	Downside
Scenario probability weighting	20%	50%	30%	20%	50%	30%

The table below lists the macroeconomic assumptions used in the base, upside and downside scenarios. The assumptions represent the year-on-year percentage change for average inflation, average USD rate and central bank policy rate.

At 31 December 2022	Average inflation	Average USD rate	Short-term interest rate
Downside economic assumptions	Up to 25%	Up to 20%	Up to 20%
Central economic assumptions	26% - 50%	11% - 25%	21% to 50%
Upside economic assumptions	Over 50%	Over 25%	Over 50%

At 31 December 2021	Average inflation	Average USD rate	Short-term interest rate
Downside economic assumptions	Up to 25%	Up to 20%	Up to 20%
Central economic assumptions	26% - 50%	11% - 25%	21% to 50%
Upside economic assumptions	Over 50%	Over 25%	Over 50%

7.2.8 Sensitivity of ECL to future economic conditions

The ECL are sensitive to judgements and assumptions made regarding formulation of forward-looking scenarios and how such scenarios are incorporated into the calculations. Management performs a sensitivity analysis on the ECL recognised on material classes of its assets.

The table below shows the loss allowance on loans and advances assuming each forward-looking scenario (central, upside and downside) were weighted 100% instead of applying scenario probability weights across the three scenarios.

<i>in thousands of cedis</i>	2022					2021				
	Upside	Central	Downside	Probability weighted		Upside	Central	Downside	Probability weighted	
As at 31 December										
Gross loans	3,738,077	3,738,077	3,738,077	3,738,077		2,452,921	2,452,921	2,452,921	2,452,921	
Loss allowance	549,823	543,621	541,824	547,718		211,020	208,764	206,620	213,401	

The table below shows the loss allowance on investment securities assuming each forward-looking scenario (central, upside and downside) were weighted 100% instead of applying scenario probability weights across the three scenarios.

<i>in thousands of cedis</i>	2022					2021				
	Upside	Central	Downside	Probability weighted		Upside	Central	Downside	Probability weighted	
As at 31 December										
Gross Investment	3,719,932	3,719,932	3,719,932	3,719,932		5,044,124	5,044,124	5,044,124	5,044,124	
Loss Allowance	1,132,915	1,130,025	1,127,030	1,139,550		5,137	5,117	5,091	5,156	

Notes To The Financial Statements (Continued)

7.2.9 MEASUREMENT OF ECL

The key inputs used for measuring ECL are:

- probability of default (PD);
- loss given default (LGD); and
- exposure at default (EAD).

As explained above these figures are generally derived from internally developed statistical models and other historical data and they are adjusted to reflect probability-weighted forward-looking information. PD is an estimate of the likelihood of default over a given time horizon. It is estimated as at a point in time.

The calculation is based on statistical rating models, and assessed using rating tools tailored to the various categories of counterparties and exposures. These statistical models are based on market data (where available), as well as internal data comprising both quantitative and qualitative factors. PDs are estimated considering the contractual maturities of exposures and estimated prepayment rates.

The estimation is based on current conditions, adjusted to take into account estimates of future conditions that will impact PD. LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from any collateral.

The LGD models for secured assets consider forecasts of future collateral valuation taking into account sale discounts, time to realisation of collateral, cross-collateralisation and seniority of claim, cost of realisation of collateral and cure rates (i.e. exit from nonperforming status). LGD models for unsecured assets consider time of recovery, recovery rates and seniority of claims.

The calculation is on a discounted cash flow basis, where the cash flows are discounted by the original EIR of the loan. EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, and expected drawdowns on committed facilities.

The Group's modelling approach for EAD reflects expected changes in the balance outstanding over the lifetime of the loan exposure that are permitted by the current contractual terms, such as amortisation profiles, early repayment or overpayment, changes in utilisation of undrawn commitments and credit mitigation actions taken before default.

The Group uses EAD models that reflect the characteristics of the portfolios. The Group measures ECL considering the risk of default over the maximum contractual period (including extension options) over which the entity is exposed to credit risk and not a longer period, even if contact extension or renewal is common business practice. However, for financial instruments such as, revolving credit facilities and overdraft facilities that include both a loan and an undrawn commitment component, the Bank's contractual ability to demand repayment and cancel the undrawn commitment does not limit the Bank's exposure to credit losses to the contractual notice period.

For such financial instruments the Group measures ECL over the period that it is exposed to credit risk and ECL would not be mitigated by credit risk management actions, even if that period extends beyond the maximum contractual period. These financial instruments do not have a fixed term or repayment structure and have a short contractual cancellation period.

However, the Group does not enforce in the normal day-to-day management the contractual right to cancel these financial instruments. This is because these financial instruments are managed on a collective basis and are cancelled only when the Group becomes aware of an increase in credit risk at the facility level. This longer period is estimated taking into account the credit risk management actions that the Group expects to take to mitigate ECL, e.g. reduction in limits or cancellation of the loan commitment.

7.2.10 CREDIT QUALITY ANALYSIS

The Group monitors credit risk per class of financial instrument. The following table sets out information about the credit quality of financial assets measured at amortised cost. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts. For loan commitments and financial guarantee contracts, the amounts in the table represent the amounts committed or guaranteed, respectively. Explanation of the term Stage 1, Stage 2, and Stage 3 is included in Note 4.12.2.

Notes To The Financial Statements (Continued)

Group and Bank 2022	Stage 1	Stage 2	Stage 3	Total
Loans and advances to customers				
Grade A	2,606,724	533,487	-	3,140,211
Grade B	-	17,342	141,394	158,736
Grade C	-	-	79,989	79,989
Grade D	-	-	23,067	23,067
Grade E	-	-	336,074	336,074
	2,606,724	550,829	580,524	3,738,077
Loss allowance	(19,759)	(19,402)	(508,557)	(547,718)
Carrying amount	2,586,965	531,427	71,967	3,190,359
Loan Commitments				
Grade A	225,455	-	-	225,455
Loss allowance	(562)	-	-	(562)
Guarantees & Indemnities				
Grade A	338,607	-	-	338,607
Loss allowance	(146)	-	-	(146)
Letters of credit				
Grade A	308,345	-	-	308,345
Loss allowance	(532)	-	-	(532)

Bank 2022	Stage 1	Stage 2	Stage 3	Total
Investment securities at amortised cost				
Grade B	-	-	3,815,083	3,815,083
Loss allowance	-	-	(1,139,550)	(1,139,550)
Carrying amount	-	-	2,675,533	2,675,533
Cash and cash equivalent				
Grade A	200,8870	-	-	200,8870
Loss allowance	-	-	-	-
Carrying amount	200,8870	-	200,8870	

Group 2022	Stage 1	Stage 2	Stage 3	Total
Investment securities at amortised cost				
Grade B	-	-	3,847,874	3,847,874
Loss allowance	-	-	(1,148,573)	(1,148,573)
Carrying amount	-	-	2,699,301	2,699,301
Cash and cash equivalent				
Grade A	200,8870	-	-	200,8870
Loss allowance	-	-	-	-
Carrying amount	200,8870	-	200,8870	

Notes To The Financial Statements (Continued)

Group and Bank 2021	STAGE 1	STAGE 2	STAGE 3	TOTAL
LOANS AND ADVANCES TO CUSTOMERS				
GRADE A	1,909,365	187,254	-	2,096,619
GRADE B	-	5,661	75,545	81,206
GRADE C	-	10,768	77,557	88,325
GRADE D	-	6,530	83,745	90,275
GRADE E	-	-	96,496	96,496
	1,909,365	210,213	333,343	2,452,921
LOSS ALLOWANCE	(14,853)	(10,741)	(187,807)	(213,401)
CARRYING AMOUNT	1,894,512	199,472	145,536	2,239,520
LOAN COMMITMENTS				
GRADE A 1	27,747	-	-	127,747
LOSS ALLOWANCE	(465)	-	-	(465)
GUARANTEES & INDEMNITIES				
GRADE A	338,669	-	-	338,669
LOSS ALLOWANCE	(146)	-	-	(146)
LETTERS OF CREDIT				
GRADE A	226,767	-	-	226,767
LOSS ALLOWANCE	(392)	-	-	(392)
INVESTMENT SECURITIES AT AMORTISED COST				
GRADE A	5,044,124	-	-	5,044,124
LOSS ALLOWANCE	(5,156)	-	-	(5,156)
CARRYING AMOUNT	5,038,968	-	-	5,038,968
Cash and cash equivalent				
GRADE A	1,307,701	-	-	1,307,701
LOSS ALLOWANCE	-	-	-	-
CARRYING AMOUNT	1,307,701	-	-	1,307,701

7.2.11 AMOUNTS ARISING FROM EXPECTED CREDIT LOSSES (ECL)

The following tables show reconciliations from the opening to the closing balance of the loss allowance for loans and advances. The basis for determining transfers due to changes in credit risk is set out in our accounting policy;

Group and Bank	2022			
Loans and advances to customers at amortised cost	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January	14,852	10,741	187,807	213,400
Transfer to Stage 2	(1,373)	1,373	-	-
Transfer to Stage 3	(806)	(2,945)	3,751	-
Net remeasurement of loss allowance	1,361	9,411	317,033	327,805
New financial assets originated or purchased	10,207	2,121	-	12,328
Loans that have been derecognised	(4,482)	(1,299)	(34)	(5,815)
Balance at 31 December	19,759	19,402	508,557	547,718

Loan and advances increased in 2022 with a corresponding increase in credit risk of some high value facilities which resulted in increased ECL.

Notes To The Financial Statements (Continued)

Bank

2022

Investment Securities at amortised cost	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January	5,156	-	-	5,156
Transfer to Stage 3	(5,156)	-	5,156	-
Net remeasurement of loss allowance	-	-	1,139,550	1,139,550
Balance at 31 December	-	-	1,144,706	1,144,706

Group

2022

Investment Securities at amortised cost	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January	5,156	-	-	5,156
Transfer to Stage 3	(5,156)	-	5,156	-
Net remeasurement of loss allowance	-	-	1,143,417	1,143,417
Balance at 31 December	-	-	1,148,573	1,148,573

Group and Bank

2022

Letters of credit, loan commitments and financial guarantees	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January	1,003	-	-	1,003
Net remeasurement of loss allowance	237	-	-	237
Balance at 31 December	1,240	-	-	1,240

Group and Bank

2021

Letters of credit, loan commitments and financial guarantees	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January	395	-	-	395
Net remeasurement of loss allowance	608	-	-	608
Balance at 31 December	1,003	-	-	1,003

Group and Bank

2021

Loans and advances to customers at amortised cost	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January	14,131	13,985	211,546	239,662
Transfer to Stage 2	(352)	352	-	-
Transfer to Stage 3	(51,493)	(3,543)	55,036	-
Net remeasurement of loss allowance	48,466	(2,519)	53,647	99,594
New financial assets originated or purchased	7,211	2,467	5	9,683
Loans that have been derecognised	(3,111)	-	-	(3,111)
Write-offs	-	-	(132,427)	(132,427)
Balance at 31 December	14,852	10,742	187,807	213,401

Loan and advances decreased in 2021, however, the increase in total ECL resulted from the deterioration of credit impaired loans during the year.

Notes To The Financial Statements (Continued)

Group and Bank	2021		
Investment Securities at amortised cost	Stage 1	Stage 2	Stage 3
Balance at 1 January	1,561	-	-
Net remeasurement of loss allowance	3,595	-	-
Balance at 31 December	5,156	-	-

7.2.12 LOANS WITH RENEGLOTIATED TERMS

Loans with renegotiated terms are loans that have been restructured due to deterioration in the borrower's financial position and where the Group has made concessions that it would not otherwise consider. Once the loan is restructured it remains in this category independent of satisfactory performance after restructuring.

Loans and advances renegotiated

Loans with renegotiated terms are loans that have been restructured due to deterioration in the borrower's financial position and where the Group has made concessions that it would not otherwise consider. Once the loan is restructured it remains in this category independent of satisfactory performance after restructuring.

These policies are kept under continuous review. Restructuring is most applied to term loans.

Loans and advances to customers

	2022	2021
	GHS'000	GHS'000
Carrying amount of financial assets that continue to be impaired after restructuring (included in non-performing loans)	Nil	1,025

The following table provides information on financial assets that were modified while they had a loss allowance measured at an amount equal to lifetime ECL.

	2022	2021
	GHS'000	GHS'000
Financial assets modified during the period		
Amortised costs before modification	120,433	2,194
Net modification Gain	6,141	274

Notes To The Financial Statements (Continued)

7.2.13 WRITE-OFFS

The Group writes off a loan / security balance (and any related allowances for impairment losses) when loan review committee determines that the loans / securities are uncollectible. This determination is reached after the loan or security has been classified as "loss" for two consecutive years or to the extent a loan or security is considered irrecoverable and it is decided that there is no realistic probability of recovery. All write-offs must be approved by the Board of Directors and Bank of Ghana.

Set out below is an analysis of the gross amounts of loans written-off.

in thousands of Ghana Cedis	2022		2021	
	Bank	Group	Bank	Group
Balance at the beginning	488,473	488,473	384,040	384,040
Write-offs during the year	-	-	132,427	132,427
Recovery during the year	(26,729)	(26,729)	(27,994)	(27,994)
Balance at the end	461,744	461,744	488,473	488,473

The contractual amount outstanding on financial assets that were written off during the year ended 31 December 2022 and that are still subject to enforcement activity is GHS Nil (2021: GHS132.42 million).

7.2.14 MAXIMUM CREDIT EXPOSURE

At the financial position date, the maximum credit risk exposure of the Bank in the event of other parties failing to perform their obligations is detailed below. No account has been taken of any collateral held and the maximum exposure to loss is considered to be the instruments' financial position carrying amount, or for non-derivative off financial position transactions their contractual nominal amounts.

Credit risk exposures of financial assets on the statement of financial position are as follows:

in thousands of Ghana Cedis	2022		2021	
	Bank	Group	Bank	Group
Cash and cash equivalents	1,847,501	1,686,132	1,174,439	1,174,440
Investment Securities	2,675,533	2,699,301	4,946,980	4,974,002
Loans and advances to customers	3,190,359	3,190,359	2,239,520	2,239,520
Other assets	123,268	131,720	90,239	93,255
	7,836,661	7,707,512	8,451,178	8,481,217
Loan commitments and financial guarantees	872,407	872,407	693,183	693,183

7.2.15 CREDIT COLLATERAL

The Group holds collateral against loans and advances to customers in the form of mortgage interests over property, cash, other registered securities over assets, and guarantees. Estimates of fair value are based on the value of collateral assessed at the time of borrowing, and generally are updated every three years. Collateral generally is not held over loans and advances to banks, except where the counterparty bank assigns securities in the form of treasury bills or government bonds. Collateral usually is not held against investment securities, and no such collateral was held at 31 December 2022.

The main types of collateral obtained includes mortgages over commercial and residential properties, inventory, trade receivables, and cash collateral.

Management monitors the market values of collaterals and will request additional collaterals in accordance with the underlying agreement where necessary.

An estimate of the fair value of collateral and other security enhancements held against financial assets is shown below:

in thousands of Ghana Cedis	2022		2021	
	Bank	Group	Bank	Group
Against impaired assets	239,505	239,505	336,926	336,926
Carrying amounts of the impaired assets	71,967	71,967	145,536	145,536

An amount of GHS18.93 million (2021:Nil) relates to impaired assets with corresponding collaterals of fair value GHS31.94 (GHS Nil). No impairment losses have been recognised in respect of these assets due to the sufficient collateral.

7.2.16 COLLATERAL REPOSSESSED

During the year no collateral was repossessed by the Bank (2021: Nil)

7.2.17 CREDIT RISK CONCENTRATION

The Group monitors concentrations of credit risk by business industry and by type of customer. An analysis of concentrations of credit risk by business industry at the reporting date is shown below:

in thousands of Ghana Cedis	2022		2021	
	Bank	Group	Bank	Group
Carrying amount of loans and advances	3,190,359	3,190,359	2,239,520	2,239,520
Concentration by sector				
Agriculture, forestry & fishing	24,848	24,848	3,585	3,585
Mining and quarrying	89,044	89,044	38,116	38,116
Manufacturing	324,496	324,496	231,078	231,078
Construction	817,339	817,339	516,972	516,972
Electricity, gas and water	106,057	106,057	129,276	129,276
Commerce and finance	335,007	335,007	312,620	312,620
Transport, storage and communications	697,678	697,678	498,302	498,302
Services	1,075,922	1,075,922	527,396	527,396
Miscellaneous	267,686	267,686	195,576	195,576
	3,738,077	3,738,077	2,452,921	2,452,921
Allowance for Impairment	(547,718)	(547,718)	(213,401)	(213,401)
Carrying amount	3,190,359	3,190,359	2,239,520	2,239,520
Concentration by type of customer				
Private enterprises	3,200,691	3,200,691	1,965,260	1,965,260
Joint private & state enterprises	296,126	296,126	342,918	342,918
Individuals	241,260	241,260	144,743	144,743
	3,738,077	3,738,077	2,452,921	2,452,921
Allowance for Impairment	(547,718)	(547,718)	(213,401)	(213,401)
Carrying amount	3,190,359	3,190,359	2,239,520	2,239,520

Notes To The Financial Statements (Continued)

Investments securities

Investment securities amounting to GHS2.67 billion (2021: GHS4.95 billion) and GHS2.69 billion (2021: GHS4.97 billion) for the Bank and Group respectively are held in Government of Ghana Treasury Bills, Bonds and Corporate Bonds.

in thousands of Ghana Cedis	2022		2021	
	Bank	Group	Bank	Group
Government Bonds and Notes	1,714,537	1,737,963	4,490,281	4,516,853
Treasury Bills	29,676	29,676	14,554	14,554
Eurobonds	382,576	382,576	98,017	98,017
Money Market Placement	280,956	280,956	-	-
Corporate Bonds	267,569	343,963	343,963	
Equity Investment	219	561	165	615
	2,675,533	2,699,301	4,946,980	4,974,002

in thousands of Ghana Cedis	2022		2021	
	Bank	Group	Bank	Group
Government Bonds and Notes	9,421	9,421	443,363	443,363
Treasury Bills	29,205	29,205	115,404	115,404
Eurobonds	8,375	8,375	1,674	1,674
Corporate Bonds	-	-	112,068	112,068
	47,001	47,001	672,509	672,509

Non-pledged trading securities

	2022		2021	
	Bank	Group	Bank	Group
Government Bonds & Notes	9,421	9,421	443,363	443,363
Treasury Bills	29,224		115,404	
Eurobonds	8,375		1,674	
Corporate Bonds	-		112,068	
	47,020		672,509	

Trading securities amounting to GHS47.00 million (2021: GHS672.51 million) are held in Government of Ghana Treasury Bills and bonds.

Due from banks and other financial institutions

Included in cash and cash equivalent is an amount due from local banks of GHS544 million (2021: GHS130 million) and foreign banks of GHS434 million (2021: GH107 million) are held with correspondent banks and financial institutions and therefore impairments on these are not considered significant. These amounts are with regulated reputable institutions. The balances with banks set out in Note 20 represent the maximum credit risk exposure of the Group by holding these placements.

7.2.18 SETTLEMENT RISK

The Group's activities may give rise to risk at the time of settlement of transactions and trades. Settlement risk is the risk of loss due to the failure of a company to honour its obligations to deliver cash, securities or other assets as contractually agreed.

For certain types of transactions the Group mitigates this risk by conducting settlements through a settlement/clearing agent to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations. Settlement limits form part of the credit approval / limit monitoring process described earlier.

7.3 LIQUIDITY RISK

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations from its financial liabilities.

7.3.1 MANAGEMENT OF LIQUIDITY RISK

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group maintains information regarding the liquidity profile of its financial assets and liabilities and details of other projected cash flows arising from projected future business. The Treasury department then maintains a portfolio of short term liquid assets, largely made up of short-term liquid investment securities, loans and advances to banks and other inter-bank facilities, to ensure that sufficient liquidity is maintained within the Group as a whole. The liquidity requirements of the businesses are met through various deposit mobilisation strategies, short-term loans from the inter-bank market to cover any short-term fluctuations and longer term funding to address any structural liquidity requirements.

7.3.2 EXPOSURE TO LIQUIDITY RISK

The matching and control of the maturities and interest rates of assets and liabilities is fundamental to the management of the bank and the group. It is unusual for banks to be completely matched since business transacted is often of uncertain term and of different types. An unmatched position may potentially enhance profitability, but may also increase the risk of losses.

The key measure used by the Group for managing liquidity risk is the ratio of net liquid assets to deposits from customers and short-term funding. For this purpose, 'net liquid assets' includes cash and cash equivalents and investment-grade debt securities for which there is an active and liquid market. 'Deposits from customers and short-term funding' includes deposits from banks, customers, debt securities issued, other borrowings and commitments maturing within the next month. Details of the reported Group ratio of net liquid assets to deposits from customers at the reporting date and during the reporting period were as follows.

	2022	2021
At 31 December	65.1%	81.6%
Average for the period	72.8%	78.7%
Maximum for the period	79.2%	81.6%
Minimum for the period	65.1%	75.4%

The Group's financial liabilities are valued on the basis of their earliest possible contractual maturity. The Group's expected cash flows on these instruments vary significantly from this analysis. For example, demand deposits from customers are expected to maintain a stable or increasing balance.

The table below analyses assets and liabilities of the group into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The matching and control of the maturities and interest rates of assets and liabilities is fundamental to the management of the Groups liquidity.

On 19 December 2022, the Government suspended debt service on external debt, including the Group entities' holdings in Eurobonds, which are reported under "Non-pledged trading assets" in the table shown on the next page. As of the date of authorisation of these financial statements, negotiations between the Government and stakeholders are ongoing to restructure the terms of the Eurobonds. The finalisation of these negotiations will have an impact on the maturities of the cash flows of these bonds as well as the Group and Bank's liquidity gap position.

Included in the repricing profiles of investment securities in the table shown on the next page are investment securities that were exchanged by the bank on 21 February 2023 as per note 21. The GDDEP resulted in the Group entities exchanging its eligible bonds for a set of new bonds with a significantly different cash flow pattern. If the contractual cash flows of the new bonds had been considered in determining the contractual maturities of the eligible bonds reported under "Investment securities" in the table above, the liquidity gap positions would have been as follows:

		Bank								
		Carrying Amount	Gross Nominal Amount	Less Than 1 month	1 - 3 months	3 - 6 months	6 months to 1 year	1 to 3 years	3 - 5 years	More than 5 years
Assets										
Non-Derivative Assets										
Cash and Cash Equivalents	2,182,366	2,019,496	162,870	—	—	—	—	—	—	—
Non-Pledged Trading Assets	47,001	47,001	6,402	20,760	19,839	—	—	—	—	—
Derivative Assets Held for Risk Management	—	—	—	—	—	—	—	—	—	—
Investment Securities	2,675,533	6,271,288	7,806	4,546	152,081	145,665	573,241	1,619,367	3,768,582	—
Loans and Advances to Customers	3,190,359	4,435,298	928,495	260,996	313,693	430,235	943,085	838,737	720,058	—
Other Assets	59,158	59,158	—	11,832	17,747	29,579	—	—	—	—
Total Assets	8,154,417	12,995,111	2,962,200	461,003	503,360	605,479	1,516,326	2,458,104	4,488,640	—
Liabilities										
Non-Derivative Liabilities										
Deposits From Banks and Other Financial Institutions	622,594	788,345	360,083	413,662	11,979	2,510	110	—	—	—
Deposits From Customers	6,116,174	6,320,960	4,364,969	951,108	688,909	287,684	28,291	—	—	—
Borrowings	1,610,950	1,907,557	261,081	109,033	261,256	117,532	380,383	325,511	452,760	—
Lease Liabilities	66,288	71,288	—	—	1,325	6,937	19,458	43,568	—	—
Other Liabilities	305,642	486,297	102,929	307,530	75,838	—	—	—	—	—
Total Liabilities	8,721,648	9,574,447	5,089,062	1,781,333	1,039,307	414,663	428,242	369,079	452,760	—
Period liquidity gap	—	—	(2,126,863)	(1,320,330)	(535,947)	190,815	1,088,084	2,089,025	4,035,879	—
Cumulative liquidity gap	—	—	(2,126,863)	(3,447,193)	(3,983,139)	(3,792,324)	(2,704,240)	(615,215	3,420,664	—
Contingent Liabilities	—	646,961	65,461	146,074	245,268	105,873	67,843	16,442	—	—

Notes To The Financial Statements (Continued)

	2022	Carrying Amount	Gross Nominal Amount	Group					More than 5 years
				Less Than 1 month	1 - 3 months	3 - 6 months	6 months to 1 year	1 to 3 years	
Assets									
Non-Derivative Assets									
Cash and Cash Equivalents	2,182,366	2,182,366	2,019,496	162,870	–	–	–	–	–
Non-Pledged Trading Assets	47,001	47,001	6,402	20,760	19,839	–	–	–	–
Derivative Assets Held for Risk Management	–	–	–	–	–	–	–	–	–
Investment Securities	2,418,345	6,305,192	8,191	5,659	152,456	154,542	587,964	1,626,597	3,769,783
Loans and Advances to Customers	3,190,359	4,435,298	928,495	260,996	313,693	430,235	943,085	838,737	720,058
Other Assets	64,753	64,753	–	17,427	17,747	29,579	–	–	–
Total Assets	7,902,824	13,034,610	2,962,585	467,711	503,735	614,356	1,531,049	2,465,334	4,489,841
Liabilities									
Non-Derivative Liabilities									
Deposits From Banks and Other Financial Institutions	618,522	784,273	360,083	4,09,590	11,979	2,510	110	–	–
Deposits From Customers	6,116,174	6,320,960	4,364,969	951,108	688,909	287,684	28,291	–	–
Borrowings	1,610,950	1,907,557	261,081	109,033	261,256	117,532	380,383	325,511	452,760
Lease Liabilities	66,288	71,288	–	–	1,325	6,937	19,458	43,568	–
Other Liabilities	206,636	487,075	102,929	307,530	76,616	–	–	–	–
Total Liabilities	8,618,570	9,571,153	5,089,062	1,777,261	1,040,085	414,663	428,242	369,079	452,760
Period liquidity gap	–	–	(2,126,478	(1,309,550	(536,350	199,692	1,102,807	2,096,255	4,037,080
Cumulative liquidity gap	–	–	(2,126,478	(3,436,028	(3,972,377	(3,772,685	(2,669,878	(573,623	3,463,457
Contingent Liabilities	–	646,961	65,461	146,074	245,268	105,873	67,843	16,442	–

On 19 December 2022, the Government suspended debt service on external debt, including the Group entities' holdings in Eurobonds, which are reported under "Non-pledged trading assets and investment securities" in the table above. As of the date of authorization of these financial statements, negotiations between the Government and stakeholders are ongoing to restructure the terms of the Eurobonds. The finalization of these negotiations will have an impact on the maturities of the cash flows of these bonds as well as the Group and Banks liquidity gap position.

Included in the repricing profiles of investment securities in the table above are investment securities that were exchanged by the bank on 21 February 2023 as per note 21. The GDDEP resulted in the Group entities exchanging its eligible bonds for a set of new bonds with a significantly different cash flow pattern. If the contractual cash flows of the new bonds had been considered in determining the contractual maturities of the eligible bonds reported under "Investment securities" in the table above, the liquidity gap positions would have been as follows:

Assets	Carrying Amount	Gross Nominal Amount	Bank						More than 5 years
			Less Than 1 month	1 - 3 months	3 - 6 months	6 months to 1 year	1 to 3 years	3 - 5 years	
2022									
Non-Derivative Assets									
Cash and Cash Equivalents	2,182,366	2,182,366	2,019,496	162,870	—	—	—	—	—
Non-Pledged Trading Assets	47,001	47,001	6,402	20,760	19,839	—	—	—	—
Derivative Assets Held for Risk Management	—	—	—	—	—	—	—	—	—
Investment Securities	2,675,533	5,561,856	8,585	40,935	331,553	699,566	1,204,564	2,011,738	1,264,914
Loans and Advances to Customers	3,190,359	4,435,298	928,495	260,996	313,693	430,235	943,085	838,737	720,058
Other Assets	59,158	59,158	—	11,832	17,747	29,579	—	—	—
Total Assets	8,154,417	12,285,679	2,962,978	497,392	682,832	1,159,380	2,147,649	2,850,474	1,984,972
Liabilities									
Non-Derivative Liabilities									
Deposits From Banks and Other Financial Institutions	622,594	788,345	360,083	413,662	11,979	2,510	110	—	—
Deposits From Customers	6,116,174	6,320,960	4,364,969	951,108	688,909	287,684	28,291	—	—
Borrowings	1,610,950	1,907,557	261,081	109,033	261,256	117,532	380,383	325,511	452,760
Lease Liabilities	66,288	71,288	—	—	1,325	6,937	19,458	43,568	—
Other Liabilities	305,642	486,297	102,929	307,530	75,838	—	—	—	—
Total Liabilities	8,721,648	9,574,447	5,089,062	1,781,333	1,039,307	414,663	428,242	369,079	452,760
Period liquidity gap	—	—	(2,126,084	(1,283,941	(356,474	744,717	1,719,407	2,481,395	1,532,212
Cumulative liquidity gap	—	—	(2,126,084	(3,410,025	(3,766,499	(3,021,782	(1,302,375	1,179,020	2,711,232
Contingent Liabilities	—	646,961	65,461	146,074	245,268	105,873	67,843	16,442	—

Notes To The Financial Statements (Continued)

	2022	Assets	Carrying Amount	Group							
				Gross Nominal Amount	Less Than 1 month	1 - 3 months	3 - 6 months	6 months to 1 year	1 to 3 years	3 - 5 years	More than 5 years
Non-Derivative Assets											
Cash and Cash Equivalents	2,182,366	2,182,366	2,019,496	162,870	-	-	-	-	-	-	-
Non-Pledged Trading Assets	47,001	47,001	6,402	20,760	19,839	-	-	-	-	-	-
Derivative Assets Held for Risk Management	-	-	-	-	-	-	-	-	-	-	-
Investment Securities	2,418,345	5,594,647	8,585	40,935	332,313	708,443	1,219,287	2,018,968	1,266,115	-	-
Loans and Advances to Customers	3,190,359	4,435,298	928,495	260,996	313,693	430,235	943,085	838,737	720,058	-	-
Other Assets	64,753	64,753	-	17,427	17,747	29,579	-	-	-	-	-
Total Assets	7,902,824	12,324,065	2,962,978	502,987	683,592	1,168,257	2,162,372	2,857,704	1,986,173	-	-
Liabilities											
Non-Derivative Liabilities											
Deposits From Banks and Other Financial Institutions	618,522	784,273	360,083	409,590	11,979	2,510	110	-	-	-	-
Deposits From Customers	6,116,174	6,320,960	4,364,969	951,018	688,909	287,684	28,291	-	-	-	-
Borrowings	1,610,950	1,907,557	261,081	109,033	261,256	117,532	380,383	325,511	452,760	-	-
Lease Liabilities	66,288	71,288	-	-	1,325	6,937	19,458	43,568	-	-	-
Other Liabilities	206,636	487,075	102,929	307,530	76,616	-	-	-	-	-	-
Total Liabilities	8,618,570	9,571,153	5,089,062	1,777,261	1,040,085	414,663	428,242	369,079	452,760	-	-
Period liquidity gap	-	-	(2,126,084	(1,274,274	(356,492	753,594	1,734,130	2,488,625	1,533,413	-	-
Cumulative liquidity gap	-	-	(2,126,084	(3,400,358	(3,756,850	(3,003,256	(1,269,126	1,219,499	2,752,912	-	-
Contingent Liabilities	-	646,961	65,461	146,074	245,268	105,873	67,843	16,442	-	-	-

	Assets	Carrying Amount	Gross Nominal Amount	Bank						
				Less Than 1 month	1 - 3 months	3 - 6 months	6 months to 1 year	1 to 3 years	3 - 5 years	More than 5 years
Non-Derivative assets										
Cash and Cash Equivalents	1,307,694	1,364,913	1,299,282	65,631	—	—	—	—	—	—
Non-Pledged Trading Assets	672,509	679,704	76,724	46,764	556,216	—	—	—	—	—
Investment Securities	4,946,980	7,003,250	329,264	121,508	1,909,173	695,502	1,097,525	1,156,158	1,694,120	
Loans and Advances to Customers	2,239,520	3,116,790	761,743	192,300	225,127	195,037	714,506	457,671	570,406	
Other Assets	14,135	—	—	2,827	4,241	7,067	—	—	—	—
Derivative Assets										
Derivative Assets Held for Risk Management	26,466	—	26,466	—	—	—	—	—	—	—
Total Assets	9,207,304	12,205,258	2,467,013	455,496	2,694,757	897,606	1,812,031	1,613,829	2,264,526	
Liabilities										
Non-Derivative Liabilities										
Deposits From Banks and Other Financial Institutions	1,150,134	1,207,338	279,675	875,039	36,524	15,826	274	—	—	—
Deposits From Customers	5,161,933	5,271,171	3,563,706	926,363	525,497	246,662	8,943	—	—	—
Borrowings	2,214,267	2,345,708	24,453	43,280	1,293,667	307,548	207,588	144,768	324,404	
Lease Liabilities	86,128	98,662	4,821	—	214	3,590	16,560	18,805	54,672	
Other Liabilities	140,056	140,056	70,028	42,017	28,011	—	—	—	—	—
Total Liabilities	8,752,518	9,062,935	3,942,683	1,886,699	1,883,913	573,626	233,365	163,573	379,076	
Period liquidity gap	—	—	—	—	—	—	—	—	—	—
Cumulative liquidity gap	—	—	—	—	—	—	—	—	—	—
Contingent Liabilities	—	565,437	39,258	232,022	23,099	160,793	110,265	—	—	—

	2021	Carrying Amount	Group						More than 5 years
			Gross Nominal Amount	Less Than 1 month	1 - 3 months	3 - 6 months	6 months to 1 year	1 to 3 years	
Assets									
Non-Derivative assets									
Cash and Cash Equivalents	11,307,701	1,364,918	1,299,287	65,631	-	-	-	-	-
Non-Pledged Trading Assets	672,509	679,704	76,724	46,764	556,216	-	-	-	-
Investment Securities	4,974,002	7,029,821	329,649	122,621	1,909,548	697,046	1,112,248	1,163,388	1,695,321
Loans and Advances to Customers	2,239,520	3,116,790	761,743	192,300	225,127	195,037	714,506	457,671	570,406
Other Assets	17,102	18,501	-	2,827	4,241	11,433	-	-	-
Derivative Assets									
Derivative Assets Held for Risk Management	26,466	26,466	-	26,466	-	-	-	-	-
Total Assets	9,237,300	12,236,200	2,467,403	456,609	2,695,132	903,516	1,826,754	1,621,059	2,265,727
Liabilities									
Non-Derivative Liabilities									
Deposits From Banks and Other Financial Institutions	1,146,452	1,203,655	275,992	875,039	36,524	15,826	274	-	-
Deposits From Customers	5,161,933	5,271,171	3,563,706	926,363	525,497	246,662	8,943	-	-
Borrowings	2,214,267	2,345,708	24,453	43,280	1,293,667	307,548	207,588	144,768	324,404
Lease Liabilities	86,128	98,662	4,821	-	214	3,590	16,560	18,805	54,672
Other Liabilities	142,355	142,373	70,028	42,017	28,011	2,317	-	-	-
Total Liabilities	8,751,135	9,061,569	3,939,000	1,886,699	1,883,913	575,943	233,365	163,573	379,076
Period liquidity gap	-	3,174,677	(1,471,597	(1,430,090	811,218	327,621	1,593,389	1,457,485	1,886,651
Cumulative liquidity gap	-	3,174,677	(1,471,597	(2,901,688	(2,090,470	(1,762,848	(169,460	1,288,025	3,174,677
Contingent Liabilities	565,437	565,437	39,258	232,022	23,099	160,793	110,265	-	-

7.3.3 AVAILABLE COUNTERPARTY LIQUIDITY

The Group has available lines of credit from its counterparties to finance its business. The table below summarizes the Group's available lines of credit at year-end and the amounts stated in the table are the cedi equivalent of the foreign currencies.

Description	in thousands of Ghana Cedis		2022		2021	
	Bank	Group	Bank	Group	Bank	Group
Lines for letters of credit establishment	1,216,077	1,216,077	1,614,920	1,614,920		
Lines for letters of credit refinancing/ payment	343,040	343,040	1,351,373	1,351,373		

7.4 MARKET RISKS

Market risk is the risk that changes in market prices, such as interest rate, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's / issuer's credit standing) will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

7.4.1 MANAGEMENT OF MARKET RISKS

The Group separates its exposure to market risk between trading and non-trading portfolios. Trading portfolios mainly are held by the brokerage subsidiary, and include positions arising from market making and proprietary position taking, together with financial assets and liabilities that are managed on a fair value basis.

Overall authority for market risk is vested in ALCO. The Risk Management Department is responsible for the development of detailed risk management policies (subject to review and approval by the Board) and for the day-to-day review of their implementation.

7.4.2 EXPOSURE TO INTEREST RATE RISK – NON-TRADING PORTFOLIOS

The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instrument because of a change in market interest rates. Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for re-pricing bands. The ALCO is the monitoring body for compliance with these limits and is assisted by Risk Management department in its day-to-day monitoring activities.

The management of interest rate risk against interest rate gap limits is supplemented by monitoring the sensitivity of the Group's financial assets and liabilities to various standard and non-standard interest rate scenarios. Standard scenarios that are considered on a monthly basis include a 300 basis point (bp) parallel fall or rise in all yield curves and a 200 bp parallel fall or rise in all yield curves. An analysis of the Group and company's sensitivity to an increase or decrease in market interest rates (assuming no asymmetrical movement in yield curves and a constant balance sheet position) is as follows:

Sensitivity of projected net interest income and equity	300 bp parallel increase	300 bp parallel decrease	200 bp parallel increase	200 bp parallel decrease
At 31 December 2022	(75,197)	75,197	(50,131)	50,131
At 31 December 2021	(110,125)	110,125	(73,416)	73,416

The tables on pages 100 and 101 also set out the allocation of assets and liabilities subject to interest rate risk between trading and non trading portfolio.

The table below summarises the repricing profiles of the Bank and Group's financial instruments and other assets and liabilities as at 31 December 2022 and at 31 December 2021. Items are allocated to time periods by reference to the earlier of the next contractual interest rate repricing date and the maturity date.

	2022	Bank						Total	
		Less Than 1 month	1 - 3 months	3 - 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Non-Interest Bearing	
Assets									
Cash and Cash Equivalents	807,798	162,870	19,839	—	—	—	—	1,211,697	2,182,366
Non-Pledged Trading Assets	6,402	20,760	152,081	145,665	573,241	1,619,367	3,768,582	—	47,001
Investment Securities	7,806	4,546	260,996	313,693	430,235	943,085	838,737	720,058	6,271,288
Loans and Advances to Customers	928,495	—	—	—	—	—	—	59,158	4,435,298
Other Assets	—	—	—	—	—	—	—	—	—
Total Assets	1,750,502	449,172	485,613	575,900	1,516,326	2,458,104	4,488,640	1,270,855	12,995,111
Liabilities									
Deposits From Banks and Other Financial Institutions	360,083	413,662	11,979	2,510	110	—	—	—	788,345
Deposits From Customers	4,364,969	951,108	688,909	287,684	28,291	—	—	—	6,320,960
Borrowings	261,081	109,033	261,256	117,532	380,383	325,511	452,760	—	1,907,557
Other Liabilities	—	—	—	—	—	—	—	—	557,585
Total Liabilities	4,986,133	1,473,803	962,144	407,726	408,784	325,511	452,760	557,585	9,574,447
Total Interest re-pricing gap	(3,235,631)	(1,024,631)	(476,531)	168,173	1,107,542	2,132,593	4,035,879	713,270	3,420,664

Notes To The Financial Statements (Continued)

		Group						Total
		Less Than 1 month	1 - 3 months	3 - 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	
Assets								
Cash and Cash Equivalents	807,798	162,870	19,839	-	-	-	-	2,182,366
Non-Pledged Trading Assets	6,402	20,760	5,659	152,456	154,542	587,964	1,626,597	47,001
Investment Securities	8,191							6,305,192
Loans and Advances to Customers	928,495	260,996	313,693	430,235	943,085	838,737	720,058	4,435,298
Other Assets	-							59,158
Total Assets	1,750,887	450,285	485,988	584,777	1,531,049	2,465,334	4,489,841	1270,855
Liabilities								
Deposits From Banks and Other								
Financial Institutions	360,083	4,09,590	11,979	2,510	110	-	-	784,273
Deposits From Customers	4,364,969	951,108	688,909	287,684	28,291	-	-	6,320,960
Borrowings	261,081	109,033	261,256	117,532	380,383	325,511	452,760	-
Other Liabilities	-	-	-	-	-	-	-	1,907,557
Total Liabilities	4,986,133	1,469,731	962,144	407,726	408,784	325,511	452,760	557,585
Total Interest re-pricing gap	(3,235,246)	(1,019,446)	(476,156)	177,050	1,122,265	2,139,823	4,037,080	713,270
								3,458,640

On 21 February 2023, the Bank participated in the GDDEP. The GDDEP resulted in the Bank exchanging its eligible bonds for a set of new bonds with a significantly different cash flow pattern. If the maturity profiles of the new bonds had been considered in determining the interest rate repricing dates reported under "Investment securities" in the table above, the total interest rate gap position of the Bank at 31 December 2022 will be as follows:

	2022	Bank						Total	
		Less Than 1 month	1 - 3 months	3 - 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	More than 5 years	Non-Interest Bearing
Assets									
Cash and Cash Equivalents	807,798	162,870	—	—	—	—	—	—	1,211,697
Non-Pledged Trading Assets	6,402	20,760	19,839	—	—	—	—	—	47,001
Investment Securities	8,585	40,935	331,553	699,566	1,204,564	2,011,738	1,264,914	—	5,561,856
Loans and Advances to Customers	928,495	260,996	313,693	430,235	943,085	838,737	720,058	—	4,435,298
Other Assets	—	—	—	—	—	—	—	59,158	59,158
Total Assets	1,751,281	485,561	665,085	1,129,801	2,147,649	2,850,474	1,984,972	1,270,855	12,285,679
Liabilities									
Deposits From Banks and Other Financial Institutions	360,083	413,662	11,979	2,510	110	—	—	—	788,345
Deposits From Customers	4,364,969	951,108	688,909	287,684	28,291	—	—	—	6,320,960
Borrowings	261,081	109,033	261,256	117,532	380,383	325,511	452,760	—	1,907,557
Other Liabilities	—	—	—	—	—	—	—	—	557,585
Total Liabilities	4,986,133	1,473,803	962,144	407,726	408,784	325,511	452,760	557,585	9,574,447
Total Interest re-pricing gap	(3,234,853)	(988,242)	(297,059)	722,075	1,738,865	2,524,963	1,532,212	713,270	2,711,232

Notes To The Financial Statements (Continued)

	2022	Group						Total		
		Less Than 1 month	1 - 3 months	3 - 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	More than 5 years	Non-Interest Bearing	
Assets										
Cash and Cash Equivalents	807,798	162,870	19,839	—	—	—	—	—	1,211,697	2,182,366
Non-Pledged Trading Assets	6,402	20,760	332,313	708,443	1,219,287	2,018,968	1,266,115	—	—	47,001
Investment Securities	8,585	40,935	313,693	430,235	943,085	838,737	720,058	—	—	5,594,647
Loans and Advances to Customers	928,495	260,996	—	—	—	—	—	—	—	4,435,298
Other Assets	—	—	—	—	—	—	—	—	—	59,158
Total Assets	1,751,281	485,561	665,845	1,138,678	2,162,372	2,857,704	1,986,173	1,270,855	12,318,470	
Liabilities										
Deposits From Banks and Other Financial Institutions	360,083	409,590	11,979	2,510	110	—	—	—	—	784,273
Deposits From Customers	4,364,969	951,108	688,909	287,684	28,291	—	—	—	—	6,320,960
Borrowings	261,081	109,033	261,256	117,532	380,383	325,511	452,760	—	—	1,907,557
Other Liabilities	—	—	—	—	—	—	—	—	—	557,585
Total Liabilities	4,986,133	1,469,731	962,144	407,726	408,784	325,511	452,760	557,585	557,585	
Total Interest re-pricing gap	(3,234,853)	(984,170)	(296,299)	730,952	1,753,588	2,532,193	1,533,413	713,270	2,748,095	

Notes To The Financial Statements (Continued)

		Bank								
		Less Than 1 month	1 - 3 months	3 - 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	More than 5 years	Non-Interest Bearing	Total
Assets										
Cash and Cash Equivalents	958,053	65,631	—	—	—	—	—	—	341,228	1,364,912
Non-Pledged Trading Assets	76,724	46,764	556,216	—	—	—	—	—	—	679,704
Investment Securities	329,264	121,508	190,173	695,502	1,097,525	1,156,158	1,694,120	—	—	7,003,249
Loans and Advances to Customers	761,743	192,300	225,127	195,037	714,506	457,671	570,406	59,158	3,116,790	59,158
Total Assets	2,125,784	426,202	2,690,515	890,539	1,812,031	1,613,828	2,264,526	400,386	12,223,812	
Liabilities										
Deposits From Banks and Other Financial Institutions	279,675	875,039	36,524	15,826	274	—	—	—	—	1,207,339
Deposits From Customers	3,563,706	926,363	525,497	246,662	8,943	—	—	—	—	5,271,172
Borrowings	24,453	43,280	1,293,667	307,548	207,588	144,768	324,404	—	—	2,345,707
Other Liabilities	—	—	—	—	—	—	—	—	—	—
Total Liabilities	3,867,834	1,844,682	1,855,688	570,036	216,805	144,768	324,404	140,056	140,056	8,964,273
Total Interest re-pricing gap	(1,742,050)	(1,418,479)	834,827	320,503	1,595,226	1,469,060	1,940,122	260,330	3,259,539	—

Notes To The Financial Statements (Continued)

		Group						Total
		Less Than 1 month	1 - 3 months	3 - 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	
Assets								
Cash and Cash Equivalents	958,053	65,631	—	—	—	—	—	341,228
Non-Pledged Trading Assets	76,724	46,764	556,216	—	—	—	—	679,704
Investment Securities	329,649	122,621	1,909,548	697,046	1,112,248	1,163,388	1,695,321	7,029,820
Loans and Advances to Customers	761,743	192,300	225,127	195,037	714,506	457,671	570,406	3,116,790
Other Assets						59,158	59,158	
Total Assets	2,126,169	427,315	2,690,890	892,083	1,826,754	1,621,058	2,265,727	400,386
Liabilities								
Deposits From Banks and Other Financial Institutions	279,675	875,039	36,524	15,826	274	—	—	—
1,207,339								
Deposits From Customers	3,563,706	926,363	525,497	246,662	8,943	—	—	5,271,172
Borrowings	24,453	43,280	1,293,667	307,548	207,588	144,768	324,404	2,345,707
Other Liabilities								
Total Liabilities	3,867,834	1,844,682	1,855,688	570,036	216,805	144,768	324,404	140,056
Total Interest re-pricing gap	(1,741,665)	(1,417,366)	835,202	322,047	1,609,949	1,476,290	1,941,323	260,330
								3,286,110

Notes To The Financial Statements (Continued)

7.4.3 CONCENTRATION OF ASSETS, LIABILITIES AND OFF BALANCE SHEET ITEMS

Banks take on foreign currency exchange rate exposure on their financial position and cash flows.

The table below summarises the Group and Bank's exposure to foreign currency exchange rate risks at year-end.

The amounts stated in the table are the Ghana Cedi equivalent of the foreign currencies.

Group and Bank		2022			
		US Dollars	British Pounds	Euro	Others
Assets					
Cash and Cash Equivalents		402,842	37,609	81,931	2,010
Loans and Advances to Customers		1,702,424	1,605	44	-
Investment Securities		4,040,875	-	-	-
Other Assets		346,243	-	213	-
Total Assets		6,492,386	39,215	82,188	2,010
Liabilities					
Deposits From Customers		1,227,706	35,830	78,507	-
Borrowings		1,244,480	8,940	-	-
Other Liabilities		104,843	308	8,123	-
Total Liabilities		2,577,029	45,078	86,630	-
Net On-Balance Sheet Position		(125,520)	(5,864)	(4,442)	2,010
Off-Balance Sheet Credit Commitments		443,770	-	20,898	-
Total Exposure		318,250	(5,864)	16,456	2,010

Group and Bank		2021			
		US Dollars	British Pounds	Euro	Others
Assets					
Cash and Cash Equivalents		200,386	22,520	66,180	1,991
Loans and Advances to Customers		1,264,631	1,250	32	-
Investment Securities		4,040,875	-	-	-
Other Assets		700	-	-	-
Total Assets		5,435,778	23,615	28,376	2,381
Liabilities					
Deposits From Customers		842,274	47,327	49,906	-
Borrowings		2,185,494	6,841	-	-
Other Liabilities		38,441	352	125	-
Total Liabilities		3,066,209	54,520	50,031	-
Net On-Balance Sheet Position		(1,600,492)	(30,750)	16,181	1,991
Off-Balance Sheet Credit Commitments		318,797	1,688	96,425	-
Total Exposure		(1,281,695)	(29,062)	112,606	1,991

7.4.4 CURRENCY RISK

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Board has set limits on positions by currency. In accordance with the Bank's policy, positions are monitored on a daily basis.

The table below indicates the currencies to which the Group had significant exposure at 31 December 2022 and 2021 on its monetary assets and liabilities and its forecast cash flows. The analysis calculates the effect of a reasonably possible movement of the currency rate against the cedis (all other variables being held constant) on profit or loss and equity (due to the fair value of currency sensitive non-trading monetary assets and liabilities).

Negative amount in the table reflects a potential net reduction in profit or loss or equity, while a positive amount reflects a net potential increase. An equivalent decrease in each of the currencies below against the cedis would have resulted in an equivalent but opposite impact.

	2022				2021			
	Exchange Rate at 31 Dec	Change in currency rate	Effect on profit before tax	Impact on equity	Exchange Rate at 31 Dec	Change in currency rate	Effect on profit before tax	Impact on equity
US Dollars	85.760	43%	(53,974)	(40,481)	6.0061	4%	(64,020)	(48,015)
British Pounds	10.3118	27%	(1,583)	(1,187)	8.1272	3%	(922)	(692)
Euro	9.1457	34%	(1,510)	(1,133)	6.8281	(3)%	485	364

7.5 OPERATIONAL RISKS

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Group's operations and are faced by all business entities.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall Group standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorisation of transactions
- requirements for the reconciliation and monitoring of transactions
- compliance with regulatory and other legal requirements
- documentation of controls and procedures
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- requirements for the reporting of operational losses and proposed remedial action
- development of contingency plans
- training and professional development
- ethical and business standards
- risk mitigation, including insurance where this is effective.

Compliance with Group standards is supported by a programme of periodic reviews undertaken by Internal Audit, Internal Control, Risk and Compliance Departments. The results of these reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the Executive Committee Committee, Audit Committee, Risk Management Committee and the Board.

7.6 CAPITAL MANAGEMENT – REGULATORY CAPITAL

The Group's lead regulator, the Bank of Ghana, monitors capital requirements for the Group. In implementing current capital requirements the Bank of Ghana requires the Group to maintain a minimum prescribed ratio of total capital to total risk-weighted assets of 10% (2021: 13%). The Bank of Ghana also requires banks to hold a minimum regulatory capital of GHS400 million.

The Group's regulatory capital is analysed into two tiers:

Tier 1 capital, which includes ordinary share capital, retained earnings and minority interests after deductions for goodwill and intangible assets, and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes.

Tier 2 capital, which includes qualifying subordinated liabilities and the element of the fair value reserve relating to unrealised gains on equity instruments classified as available-for-sale.

The carrying amounts of investments in subsidiaries that are not included in the regulatory consolidation and investments in the capital of banks and certain other regulatory items are deducted from capital.

The Group's operations are categorised as either trading book or banking book, and risk-weighted assets are determined according to specified requirements that seek to reflect the varying levels of risk attached to assets and off-balance sheet exposures.

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognised and the Group recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

The Group and its individually regulated operations have complied with all externally imposed capital requirements throughout the period.

There has been material changes in the Group's management of capital during the period as a result of regulatory forbearances from the Bank of Ghana on the impact of the Domestic Debt Exchange Programme undertaken by the Government of Ghana. Notably among the changes is the adjustment to the Tier 1 Capital – the derecognition losses emanating from the Debt Exchange shall be spread equally over a period of four (4) years including 2022 financial year.

Among the key changes are;

- Reduction in the Capital Conservation buffer from 3% to Zero, effectively reducing the minimum Capital Adequacy Ratio (CAR) from 13% to 10%.
- Increase in Tier II component of regulatory capital from 2% to 3% of Total Risk Weighted Assets (RWA).
- The derecognition of losses emanating from the Debt Exchange to be spread equally over a period of four (4) years, effective 2022 for the purposes of CAR computation.
- Increase in allowable portion of property revaluation gains for Tier II capital computation, from 50% to 60%.
- Risk-weights attached to the New Bonds to be set to 0% for CAR computation and 100% for old bonds.

The above reliefs have been considered in the computation of the regulatory capital for 2022 as shown below.

Notes To The Financial Statements (Continued)

The regulatory capital position at 31 December was as follows:

in thousands of Ghana Cedis	2022		2021	
	Bank	Group	Bank	Group
Paid up capital	400,000	400,000	400,000	400,000
Retained earnings	224,842	259,474	361,554	390,697
Statutory reserves	393,905	393,905	393,905	393,905
Tier 1 capital before deductions	1,018,747	1,053,379	1,155,459	1,184,602
Software	81,731	82,640	74,062	75,076
Deferred tax	359,680	361,927	28,277	28,265
Others	67,436	66,556	76,104	76,153
Total regulatory adjustments	508,847	511,123	178,443	179,494
Total tier 1 capital	509,900	542,256	977,016	1,005,108
Subordinated term debt	91,619	91,619	95,211	95,211
Property revaluation reserve (@60%)	136,251	136,251	51,463	51,463
Tier 2 capital of risk weighted assets)	171,188	172,074	86,792	87,200
Total Regulatory Capital	681,088	714,330	1,063,808	1,092,308
Risk-weighted assets				
Credit risk	4,269,726	4,275,823	3,086,619	3,085,943
Operational risk	1,261,549	1,284,981	1,074,551	1,085,264
Market risk	174,999	174,993	178,426	188,787
Total risk weighted assets	5,706,274	5,735,797	4,339,596	4,359,994
Capital adequacy ratio	11.9%	12.5%	24.5%	25.1%
Summary of key ratios				
Tier 1 capital ratio	8.9%	9.5%	22.5%	23.1%
Tier 2 capital ratio	3.0%	3.0%	2.0%	2.0%
Capital adequacy ratio	11.9%	12.5%	24.5%	25.1%
Leverage ratio*	5.3%	5.6%	9.3%	9.5%
*In computing leverage ratio, total assets (off and on-balance sheet) amounted to	9,582,814	9,611,838	10,527,118	10,553,668

7.7 CAPITAL ALLOCATION

The allocation of capital between specific operations and activities is, to a large extent, driven by optimisation of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based primarily upon the regulatory capital, but in some cases the regulatory requirements do not reflect fully the varying degree of risk associated with different activities. In such cases the capital requirements may be flexed to reflect differing risk profiles, subject to the overall level of capital to support a particular operation or activity not falling below the minimum required for regulatory purposes. Although maximisation of the return on risk adjusted capital is the principal basis used in determining how capital is allocated within the Group to particular operations or activities, it is not the sole basis used for decision making. Account is also taken of synergies with other operations and activities, the availability of management and other resources, and the fit of the activity with the Group's longer term strategic objectives. The Group's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors.

	2022		2021	
	Bank	Group	Bank	Group
Regulatory Quantitative Disclosures				
Capital Adequacy Ratio	11.9%	12.5%	24.5%	25.1%
Non-Performing Loans Ratio	11.7%	11.7%	11.2%	11.2%
Liquid Ratio	168.5%	169.2%	233.3%	234.6%
Compliance with statutory liquidity requirement				
(i) Default in Statutory Liquidity	Nil	Nil	Nil	Nil
(ii) Default in Statutory Liquidity Sanction (GHS'000)	Nil	Nil	Nil	Nil
(iii) Other Regulatory Penalties (GHS'000)	36	36	548	548

8. USE OF ESTIMATES AND JUDGEMENTS

Management discussed with the Audit Committee the development, selection and disclosure of the Group's critical accounting policies and estimates, and the application of these policies and estimates.

These disclosures supplement the commentary on financial risk management (see note 7).

8.1 KEY SOURCES OF ESTIMATION UNCERTAINTY

8.1.1 ALLOWANCES FOR CREDIT LOSSES

Assets accounted for at amortised cost are evaluated for impairment on a basis described in accounting policy note 4.

The specific counter party component of the total allowances for impairment applies to claims evaluated individually for impairment and is based upon management's best estimate of the present value of the cash flows that are expected to be received. In estimating these cash flows, management makes judgements about a counter party's financial situation and the net realisable value of any underlying collateral. Each impaired asset is assessed on its merits, and the workout strategy and estimate of cash flows considered recoverable are independently approved by the Credit Risk function.

Collectively assessed impairment allowances cover credit losses inherent in portfolios of claims with similar economic characteristics when there is objective evidence to suggest that they contain impaired claims, but the individual impaired items can not yet be identified. In assessing the need for collective loan loss allowances, management considers factors such as credit quality, portfolio size, concentrations, and economic factors. In order to estimate the required allowance, assumptions are made to define the way inherent losses are modelled and to determine the required input parameters, based on historical experience and current economic conditions.

8.1.2 DETERMINING FAIR VALUES

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described in note 10. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

8.1.3 RECOGNITION OF DEFERRED TAX ASSET

The determination of deferred tax asset requires management judgement about probable course for the bank to make future taxable profit against which deductible temporary differences can be utilised.

8.2 JUDGEMENTS

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements. Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised is documented at note 27.

8.2.1 SIGNIFICANT INCREASE IN CREDIT RISK

Establishing the criteria for determining whether credit risk on a financial asset has increased significantly since initial recognition, determining the methodology for incorporating forward-looking information into the measurement of ECL and selection and approval of models used to measure ECL.

9. OPERATING SEGMENTS

The group has five reportable segments. Information regarding each reportable segment is presented below. For management purposes the group is organised into five reportable segments based on products and services as follows;

- **Corporate Banking:** is responsible for providing loans and other credit facilities, as well as deposits and other transactions and balances to corporate clients, institutional clients and public sector entities. It also provides corporate finance services, mergers and acquisitions advice, specialised financial advice and custody services.
- **Retail & Business Banking:** provide loans and overdrafts as well as handles the deposits and other transactions of small and medium enterprises (SMES), individuals customers such as funds transfer, standing orders and ATM's Card services.
- **Treasury:** undertakes the Bank's funding and centralised risk management activities through borrowings, and investing in liquid assets such as short-term placements and government debt securities. It also trade in foreign currencies.
- **Brokerage:** subscribe for, underwrite, buy, hold, manage, and sell securities either on or off a stock exchange either as principals or agents. It also provides issuing house underwriting services and sponsorship to corporate clients.
- **Asset Management:** provide asset management, investment portfolio management, cash management, money management and other investment advisory services to institutional investors, businesses and high net worth individuals and manage mutual funds.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects is measured differently from operating profit or loss in the financial statements.

Transactions between operating segments are on an arm's length basis in a manner similar to transactions with third parties. Interest income is reported net, as management primarily relies on net interest revenue as a performance measure, not the gross income and expense.

For the purpose of segmental reporting, surplus funds or deficit per business unit is either sold to or purchased from the Bank pool based on a pool rate determined by Treasury using the Bank's cost of funds plus a margin for both local and foreign currencies.

The assets that are not allocated to any reportable segment are made up of other assets, current tax assets, deferred tax assets, property and equipment, intangible assets and cash balances held at head office. The liabilities are also made up of current tax liabilities, deferred tax liabilities, accruals and other liabilities that are not allocated to any business.

No single customer revenue is 10% or more of the total external revenue

The tables below shows an analysis of the performance of the business units of the Group

The Group has five reportable segments. Information regarding each reportable segment is presented on the next page.

Notes To The Financial Statements (Continued)

	31 December 2022	Corporate Banking & Project Finance	Consumer & Retail Business Banking	Treasury	CalBrokers Limited*	CalAsset Management	Unallocated	Consolidated
External revenues								
Net interest income	205,507	(81,680)	462,316	-	6,952	-	-	593,095
Net fees and commissions	27,981	44,321	(6,036)	-	16,642	-	-	82,908
Net trading income	38,325	18,078	58,370	-	-	-	-	114,773
Other operating income	244	264	322	-	58	-	-	888
Intersegment revenue	(3,999)	319,592	(315,593)	-	-	-	-	-
Total segment revenues	268,058	300,575	199,379	-	23,652	-	-	791,664
Operating costs	(300,860)	(148,547)	(114,7,674)	-	(15,415)	(251,344)	(1,863,840)	
Loss before tax	(32,802)	152,028	(948,295)	-	8,237	(251,344)	(1,072,176)	
Income tax expense	-	-	-	-	(2,757)	265,123	262,366	
Loss for the period	(32,802)	152,028	(948,295)	-	5,480	13,779	(809,810)	
Segment assets	3,331,046	1,213,117	3,979,148	-	36,848	690,395	9,250,554	
Total assets	3,331,046	1,213,117	3,979,148	-	36,848	690,395	9,250,554	
Segment liabilities	3,454,850	3,079,039	1,610,950	-	741	573,749	8,719,329	
Total liabilities	3,454,850	3,079,039	1,610,950	-	741	573,749	8,719,329	
Impairment loss on financial instruments	(244,049)	(34,755)	(1,134,394)	-	(9,023)	-	(1,422,221)	
Depreciation and amortisation	(527)	(21,489)	(371)	-	(166)	(25,716)	(48,269)	
Expenditure on non-current assets	-	-	-	-	23	71,348	71,371	

*CalBrokers is being liquidated and therefore no segment information is presented.

Notes To The Financial Statements (Continued)

	31 December 2021	Corporate Banking & Project Finance	Consumer & Retail Business Banking	Treasury	CalBrokers Limited	CalAsset Management	Unallocated	Consolidated
External revenues								
Net interest income	165,160	(91,142)	391,315	5	4,208	—	—	469,546
Net fees and commissions	20,965	32,086	(14,313)	—	13,114	—	—	51,852
Net trading income	8,984	5,632	178,018	—	—	—	—	192,634
Other operating income	7,687	169	23,512	217	106	—	—	31,691
Intersegment revenue	10,350	245,840	(256,190)	—	(1,528)	1,528	—	—
Total segment revenues	213,146	192,585	322,342	222	15,900	1,528	745,723	
Operating costs	(91,568)	(72,044)	(15,885)	(128)	(4,152)	(224,429)	(408,206)	
Loss before tax	121,578	120,541	306,457	94	11,748	(222,901)	337,517	
Income tax expense	—	—	—	(20)	(4,210)	(110,435)	(114,665)	
Loss for the period	121,578	120,541	306,457	74	7,538	(333,336)	222,852	
Segment assets								
Total assets	1,927,466	312,054	6,905,781	3,439	31,743	859,496	10,039,979	
Segment liabilities								
Total liabilities	2,193,498	2,354,150	3,862,932	1,475	1,023	340,219	8,753,297	
Impairment loss on financial instruments	(79,032)	2,646	(5,958)	—	—	(31)	(82,375)	
Depreciation and amortisation	(554)	(6,648)	(435)	(3)	(159)	(30,084)	(37,883)	
Expenditure on non-current assets	—	—	—	—	30	39,009	39,039	

Notes To The Financial Statements (Continued)

The Group operated in four geographical markets in Ghana. The following tables show the distribution of operating profit and assets allocated based on the location of the customers and assets respectively for the years ended 2022 and 2021.

2022	Northern	Ashanti	Western	Greater Accra	Consolidated
Interest Income	3,716	19,205	16,287	1,243,070	1,282,278
Interest Expense	(1,576)	(11,704)	(5,520)	(670,383)	(689,183)
Net interest income	2,140	7,501	10,767	572,687	593,095
Net Fees and Commissions	1,560	2,425	5,878	73,045	82,908
Net Trading Income	427	13,343	14,719	86,284	114,773
Recognised gains on derivative assets	-	-	-	-	-
Other Operating Income	1	2	3	882	888
Operating income	4,128	23,271	31,367	732,898	791,664
Net Impairment Loss on Financial Instruments	(38)	(37,739)	(3,985)	(1,409,482)	(1,451,244)
Personnel Expenses	(1,748)	(6,551)	(5,188)	(146,909)	(160,396)
Depreciation and Amortisation	(1,030)	(3,379)	(2,713)	(41,147)	(48,269)
Finance cost on lease liabilities	(126)	(1,164)	(414)	(2,367)	(4,071)
Other Expenses	(1,157)	(3,963)	(2,964)	(191,776)	(199,860)
Total Operating Expenses	(4,099)	(52,796)	(15,264)	(1,791,681)	(1,863,840)
Loss before tax	29	(29,525)	16,103	(1,058,783)	(1,072,176)
Income tax expense	-	-	-	-	262,366
Loss for the period	29	(29,525)	16,103	(1,058,783)	(809,810)
Segment assets	22,097	108,580	102,519	9,017,358	9,250,554
Total assets	22,097	108,580	102,519	9,017,358	9,250,554
Segment liabilities	105,368	570,539	390,601	7,652,821	8,719,329
Total liabilities	105,368	570,539	390,601	7,652,821	8,719,329

Notes To The Financial Statements (Continued)

2021	Northern	Ashanti	Western	Greater Accra	Consolidated
Interest income	4,349	42,818	32,621	794,238	874,026
Interest expense	(2,066)	(14,724)	(12,859)	(374,830)	(404,479)
Net interest income	2,283	28,094	19,762	419,408	469,547
Net fees and commissions	734	5,990	3,819	41,309	51,852
Net trading income	103	1,141	771	190,619	192,634
Recognised gains on derivative assets	-	-	-	26,466	26,466
Other operating income	1	4	12	5,207	5,224
Operating income	3,121	35,229	24,364	683,009	745,723
Net impairment loss on financial instruments	32	(2,439)	2,641	(82,609)	(82,375)
Personnel expenses	(1,214)	(7,743)	(5,057)	(139,903)	(153,917)
Depreciation and amortisation	(372)	(921)	(1,033)	(35,556)	(37,882)
Finance cost on lease liabilities	(450)	(1,876)	(1,566)	(135)	(4,027)
Other expenses	(680)	(3,170)	(2,220)	(123,935)	(130,005)
Total operating expenses	(2,684)	(16,149)	(7,235)	(382,138)	(408,206)
Loss before tax	437	19,080	17,129	300,871	337,517
Income tax expense	-	-	-	-	(114,665)
Loss for the period	437	19,080	17,129	300,871	222,852
Segment assets	14,666	70,785	54,468	9,900,060	10,039,979
Total assets	14,666	70,785	54,468	9,900,060	10,039,979
Segment liabilities	28,263	422,444	243,158	8,059,432	8,753,297
Total liabilities	28,263	422,444	243,158	8,059,432	8,753,297

10. FINANCIAL ASSETS AND LIABILITIES

10.1 ACCOUNTING CLASSIFICATIONS AND FAIR VALUES

The table below sets out the Group's classification of each class of financial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date.

2022 Bank	Fair Value Through Profit or Loss	Amortised cost	Total carrying amount	Fair Value Level 2	Fair Value Level 3
Cash and cash equivalents		2,008,870	2,008,870	2,008,870	-
Non-pledged trading assets	47,001	-	47,001	47,001	-
Investment Securities	219	2,675,314	2,675,533	29,676	2,356,544
Loans and advances to customers		3,190,359	3,190,359	2,340,722	-
Other assets		59,585	59,585	59,585	-
	47,220	7,934,128	7,981,348	4,485,854	2,356,544
Deposit from banks and other financial institution	-	622,594	622,594	618,620	-
Deposits from customers	-	6,116,174	6,116,174	6,077,137	-
Borrowings	-	1,610,950	1,610,950	1,610,950	-
Lease liabilities	-	66,288	66,288	66,288	-
Other liabilities	-	306,739	306,739	306,739	-
	-	8,722,745	8,722,745	8,679,734	-

Notes To The Financial Statements (Continued)

2022 Group	Fair Value Through Profit or Loss	Amortised cost	Total carrying amount	Fair Value Level 2	Fair Value Level 3
Cash and cash equivalents	-	2,008,870	2,008,870	2,008,870	-
Non-pledged trading assets	47,001	-	47,001	47,001	-
Investment Securities	561	2,698,740	2,699,301	32,373	2,377,273
Loans and advances to customers	-	3,190,359	3,190,359	2,340,722	-
Other assets	-	65,164	65,164	65,164	-
	47,562	7,963,133	8,010,695	4,494,130	2,377,273

Deposit from banks and other financial institution	-	618,522	618,522	614,548	-
Deposits from customers	-	6,116,174	6,116,174	6,077,137	-
Borrowings	-	1,610,950	1,610,950	1,610,950	-
Lease liabilities	-	66,288	66,288	66,288	-
Other liabilities	-	307,395	307,395	307,395	-
	-	8,719,329	8,719,329	8,676,318	-

2021 Bank	Fair Value Through Profit or Loss	Amortised cost	Total carrying amount	Fair Value Level 2
Cash and cash equivalents	-	1,307,694	1,307,694	1,364,914
Non-pledged trading assets	672,509	-	672,509	672,509
Derivative assets held for risk management	26,466	-	26,466	26,466
Investment Securities	165	4,946,815	4,946,980	4,412,048
Loans and advances to customers	-	2,239,520	2,239,520	3,116,790
Other assets	-	14,135	14,135	14,135
	699,140	8,508,164	9,207,304	9,606,862
Deposit from banks and other financial institution	-	1,150,134	1,150,134	1,207,338
Deposits from customers	-	5,161,933	5,161,933	5,271,171
Borrowings	-	2,214,267	2,214,267	2,345,707
Lease liabilities	-	86,128	86,128	86,128
Other liabilities	-	140,056	140,056	140,056
	-	8,752,518	8,752,518	9,050,400

2021 Group	Fair Value Through Profit or Loss	Amortised cost	Total carrying amount	Fair Value Level 2
Cash and cash equivalents	-	1,307,701	1,307,701	1,364,918
Non-pledged trading assets	672,509	-	672,509	672,509
Derivative assets held for risk management	26,466	-	26,466	26,466
Investment Securities	615	4,973,387	4,974,002	4,438,619
Loans and advances to customers	-	2,239,520	2,239,520	3,116,790
Other assets	-	17,102	17,102	13,854
	699,590	8,537,710	9,237,300	9,633,156
Deposit from banks and other financial institution	-	1,146,452	1,146,452	1,203,655
Deposits from customers	-	5,161,933	5,161,933	5,271,171
Borrowings	-	2,214,267	2,214,267	2,345,707
Lease liabilities	-	86,128	86,128	86,128
Other liabilities	-	142,355	142,355	142,355
	-	8,751,135	8,751,135	9,049,016

10.2 FAIR VALUE TECHNIQUES

Fair value approximates carrying value due to the minimal credit losses and short-term nature of the financial assets and liabilities.

Financial instruments at fair value are either priced with reference to a quoted market price for that instrument or by using a valuation model. Where the fair value is calculated using a valuation model, the methodology is to calculate the expected cash flows under the terms of each specific contract and then discount these values back to a present value. The expected cash flows for each contract are determined either directly by reference to actual cash flows implicit in observable market prices or through modelling cash flows using appropriate financial-markets pricing models. Wherever possible these models use as their basis observable market prices and rates including, for example, interest rate yield curves, equities and commodities prices, option volatilities and currency rates.

The fair value for loans and advances, and other lending is estimated using discounted cash flows, applying either market rates where practicable or, where the counterparty is a bank, rates currently offered by other financial institutions for placings with similar characteristics. In certain cases the fair value approximates carrying value because the instruments are short term in nature or reprice frequently.

Fair values of deposit liabilities payable on demand (interest free, interest bearing and savings deposits) approximate to their carrying value. The fair value of all other deposits and other borrowings (including repurchase agreements and cash collateral on securities lent) is estimated using discounted cash flows, applying either market rates, where practicable, or rates currently offered by the Group for deposits of similar remaining maturities.

Fair values of short-term debt securities in issue are approximately equal to their carrying amount. Fair values of other debt securities in issue are based on quoted prices where available, or where these are unavailable, are estimated using other valuation techniques.

Fair value of derivative assets are approximately equal to the amount of the mark to market adjustment at the reporting date of forward exchange contracts.

10.3 FAIR VALUE HIERARCHY

The Bank measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The determination of fair values of quoted financial assets and financial liabilities in active markets are based on quoted market prices or dealer price quotations. If the market for a financial asset or financial liability is not actively traded, the Bank establishes fair value by using valuation techniques. These techniques include the use of arms' length transactions, discounted cash flow analysis, and valuation models and techniques commonly used by market participants.

The table below analyses financial instruments measured at fair value at the end of the reporting period by the level in fair value hierarchy, into which the fair value measurement is categorised.

The Level 1 was valued using the Bank of Ghana quoted bid prices, and quoted prices on the Ghana stock exchange.

Notes To The Financial Statements (Continued)

The Level 2 was valued using Government of Ghana quoted market prices for similar instruments, and quoted prices on the Ghana stock exchange.

Level 3 valuation techniques are based on significant observable inputs.

The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position. The fair values include any deferred differences between the transaction price and the fair value on initial recognition when the fair value is based on a valuation technique that uses unobservable inputs.

Bank	2022				2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Non-pledged trading assets	- 47,001	-	47,001	47,001	672,509	-	-	672,509
Derivative assets held for risk management	-	-	-	-	-	26,466	-	26,466
Investment securities	- 219	-	219	219	165	-	-	165
	- 47,220	-	47,220	47,220	672,674	26,466	-	699,140

Group	2022				2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Non-pledged trading assets	- 47,001	-	47,001	47,001	672,509	-	-	672,509
Derivative assets held for risk management	-	-	-	-	-	26,466	-	26,466
Investment securities	- 561	-	561	561	615	-	-	615
	- 47,562	-	47,562	47,562	673,124	26,466	-	699,590

The table below sets out information about the valuation techniques applied at the end of the reporting period in measuring assets and liabilities whose fair value is categorised as Level 2 in the fair value hierarchy. A description of the nature of the techniques used to calculate valuations based on observable inputs and valuations is set out in the table below:

Category	Valuation technique applied	Assumptions used
Derivatives	Derivative products valued using a valuation technique with market observable inputs are mainly currency swaps and forward foreign exchange contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations.	The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves.
Fair value through profit or loss (Non derivative)	Assets consist mainly of trading bills and bonds and are valued using a valuation technique which consists of certain debt securities issued by the Government of Ghana. The Bank values the securities using discounted cash flow valuation models which incorporate observable and unobservable data.	Observable inputs include assumptions regarding current rates of interest and yield curves.

Notes To The Financial Statements (Continued)

11. NET INTEREST INCOME

See accounting policy in Note: 4.3.

in thousands of Ghana Cedis	2022		2021	
	Bank	Group	Bank	Group
Interest Income				
Cash and cash equivalents	11,454	11,454	15,837	15,837
Loans and advances to customers	473,474	473,474	343,819	343,819
Investment securities at amortised cost	790,944	797,350	616,931	621,015
Total interest income calculated using the effective interest method	1,275,872	1,282,278	976,587	980,671
Interest Expense				
Deposit from banks and other financial institutions	1,020	473	1,266	1,136
Deposit from customers	538,021	538,021	433,934	433,934
Debt securities issued	150,689	150,689	76,054	76,054
Total interest expense	689,730	689,183	511,254	511,124
Net Interest Income	586,142	593,095	465,333	469,547

There were no interest income on loans and advances to customers (2021: nil) in respect of impaired financial assets.

The net interest reported include interest income and expense, calculated using the effective interest method, that relate to the following financial assets and financial liabilities.

in thousands of Ghana Cedis	2022		2021	
	Bank	Group	Bank	Group
Financial assets measured at amortised cost	1,275,872	1,282,278	976,587	980,671
Total	1,275,872	1,282,278	976,587	980,671

in thousands of Ghana Cedis	2022		2021	
	Bank	Group	Bank	Group
Financial liabilities measured at amortised cost	689,730	689,183	511,254	511,124
Total	689,730	689,183	511,254	511,124

Notes To The Financial Statements (Continued)

12. NET FEES AND COMMISSION INCOME

See accounting policy in Note: 4.4

in thousands of Ghana Cedis	2022		2021	
	Bank	Group	Bank	Group
Fees and commission income				
Customer fees	17,909	17,909	11,788	11,784
Credit related fees	23,447	23,447	21,205	21,205
Corporate financing and advisory fees	437	17,085	6,404	19,522
Others*	42,761	42,761	23,086	23,086
Total fee and commission income	84,554	101,202	62,483	75,597
Fees and commission expense				
Interbank transaction fees	15,474	15,474	21,253	21,253
* Other fees and commission expense	2,814	2,820	2,492	2,492
Total fee and commission expense	18,288	18,294	23,745	23,745
 Net fees and commission income	 66,266	 82,908	 38,738	 51,852

* The 'Other fees and commission income' comprise largely of remittance fees, swift fees and foreign transfer fees among others

13. NET TRADING INCOME

See accounting policy in Note: 4.5.

in thousands of Ghana Cedis	2022		2021	
	Bank	Group	Bank	Group
Fixed income	76,378	76,378	249,101	249,101
Foreign exchange gain/(loss)	38,395	38,395	(56,467)	(56,467)
Net trading income	114,773	114,773	192,634	192,634

Notes To The Financial Statements (Continued)

14. OTHER INCOME

See accounting policy in Note 4.7.

in thousands of Ghana Cedis	2022		2021	
	Bank	Group	Bank	Group
Profit from disposal of property and equipment	-	-	1,552	1,552
Sundry income	903	896	3,377	3,659
Dividend income	20	(8)	1,500	13
Other operating income	923	888	6,429	5,224

15. PERSONNEL EXPENSES

See accounting policy in Note: 4.24.

in thousands of Ghana Cedis	2022		2021	
	Bank	Group	Bank	Group
Salaries and allowances	63,696	65,442	79,588	81,200
Social security costs	5,575	5,703	4,642	4,732
Expenses related to post-employment defined benefit plans (note 35)	4,501	4,509	1,767	1,843
Expenses related to long-service award scheme (note 35)	782	817	1,048	1,048
Other personnel expenses	81,013	82,694	64,065	65,094
Average number of employees at 31 December	155,567	159,165	151,110	153,917
	899	916	861	874

Other personnel expenses includes payments for employee medical costs, temporary staff costs and other staff related costs.

Included within personal expenses for the year is a total of GHS11.1 million (2021: GHS5.3 million) relating to executive directors.

16. OTHER EXPENSES

in thousands of Ghana Cedis	2022		2021	
	Bank	Group	Bank	Group
Software licensing and other IT cost	45,094	45,721	28,333	28,649
Auditors remuneration	1,133	1,193	600	670
Directors fees and allowances	7,229	7,638	3,724	3,969
Other expenses	146,000	147,517	96,037	96,717
Total	199,456	202,069	128,694	130,005

Significant amounts included in other expenses includes communications, general and deposit insurance, computer cost, printing & stationery, fuel & lubricants, and outsource costs.

Notes To The Financial Statements (Continued)

17. INCOME TAXES

See accounting policy in 4.8

(a) Amounts recognised in profit or loss

in thousands of Ghana Cedis	2022		2021	
	Bank	Group	Bank	Group
Current tax expense				
Current year income tax	107,652	112,682	102,335	106,526
Deferred tax - See Note: 27	(372,789)	(375,048)	8,100	8,139
Total income tax	(265,137)	(262,366)	110,435	114,665

(b) Reconciliation of effective tax rate

in thousands of Ghana Cedis	2022		2021	
	Bank	Group	Bank	Group
(Loss)/Profit before tax				
(1,080,337)	(1,072,176)	325,674	337,517	
Corporate income tax at applicable tax rate of 25%	(270,084)	(268,044)	81,419	84,379
Non-deductible expenses	82,134	84,572	48,665	48,898
Tax exempt income	(77,157)	(79,302)	(48,091)	(48,090)
Tax incentive	(30)	(30)	(55)	(55)
Financial Sector Recovery Levy @ 5%	-	438	12,213	12,657
National fiscal and stabilisation levy at 5%	-	-	16,284	16,876
Current year income tax	(265,137)	(262,366)	110,435	114,665
Effective tax rate	24.5%	24.5%	33.9%	34.0%

(c) Current tax assets/liabilities

2022 Bank	Balance at 1 Jan	Charge for the year	Payments during the year	Balance at 31 Dec
Corporate income tax				
2019	(2,771)	3,695	(924)	-
2020	(2,505)	2,539	(34)	-
2021	5,687	3,190	(8,877)	-
2022	-	97,710	(92,730)	4,980
	411	107,134	(102,565)	4,980
National fiscal stabilisation levy				
2020	(507)	507	-	-
2021	1,302	6	(1,308)	-
2022	-	-	(13,443)	(13,443)
	795	513	(14,751)	(13,443)
Financial sector recovery levy				
2021	976	5	(981)	-
2022	-	-	(13,443)	(13,443)
	976	5	(14,424)	(13,443)
Total	2,182	107,652	(131,740)	(21,906)

Notes To The Financial Statements (Continued)

2021 Bank	Balance at 1 Jan	Charge for the year	Payments during the year	Balance at 31 Dec
Corporate income tax				
2019	(2,771)	-	-	(2,771)
2021	(2,505)	-	-	(2,505)
2022	(21,896)	73,849	(46,266)	5,687
	(27,172)	73,849	(46,266)	411
National fiscal stabilisation levy				
2021	(507)	-	-	(507)
2022	(3,566)	16,278	(11,410)	1,302
	(4,073)	16,278	(11,410)	795
Financial sector recovery levy				
2022	-	12,208	(11,232)	976
	-	12,208	(11,232)	976
Total	(31,245)	102,335	(68,908)	2,182

2022 Group	Balance at 1 Jan	Charge for the year	Payments during the year	Balance at 31 Dec
Corporate income tax				
2009 – 2019	(2,960)	3,695	(924)	(189)
2020	(2,505)	2,539	(34)	-
2021	5,829	3,382	(9,037)	174
2022	-	102,139	(96,098)	6,041
	364	111,755	(106,093)	6,026
National fiscal stabilisation levy				
2009 – 2019	-	-	-	-
2020	(507)	507	-	-
2021	1,329	6	(1,335)	-
2022	-	409	(14,273)	(13,864)
	822	922	(15,608)	(13,864)
Financial sector recovery levy				
2021	976	5	(981)	-
2022	-	-	(13,443)	(13,443)
	976	5	(14,424)	(13,443)
Total	2,162	112,682	(136,125)	(21,281)

Notes To The Financial Statements (Continued)

2021 Group	Balance at 1 Jan	Charge for the year	Payments during the year	Balance at 31 Dec
Corporate income tax				
2009 - 2019	(3,373)	41	372	(2,960)
2021	(2,386)	(4)	(115)	(2,505)
2022	(21,896)	77,324	(49,599)	5,829
	(27,655)	77,361	(49,342)	364
National fiscal stabilisation levy				
2009 - 2019	(149)	-	149	-
2021	(481)	(1)	(25)	(507)
2022	(3,566)	16,958	(12,063)	1,329
	(4,196)	16,957	(11,939)	822
Financial sector recovery levy				
2022	-	12,208	(11,232)	976
	-	12,208	(11,232)	976
Total	(31,851)	106,526	(72,513)	2,162

Liabilities up to and including 2021 for the Bank have been agreed with the tax authorities, liabilities up to and including 2021 for the subsidiaries have also been agreed. All liabilities are subject to agreement with the Ghana Revenue Authority.

18. EARNINGS PER SHARE

See accounting policy in Note: 4.28.

(a) Basic earnings per share

The calculation of basic EPS has been based on the following profit attributable to equity shareholders and weighted average number of equity shares outstanding.

in thousands of Ghana Cedis	2022		2021	
	Bank	Group	Bank	Group
(Loss)/Profit for the year attributable to equity holders of the Bank	(815,200)	(809,810)	215,239	222,852
Weighted average number of equity shares				
Issued equity shares at 1 January	626,585	626,585	626,585	626,585
Effect of treasury shares held by subsidiaries	-	-	-	(187)
Bank's own shares held in treasury	(1,039)	(1,039)	(1,039)	(1,039)
Weighted average number of equity shares	625,546	625,546	625,546	625,359
Basic (loss)/earnings per share (GHS)	(1.3032)	(1.2946)	0.3441	0.3564

The bank did not issue additional shares during the year.

(b) Diluted earnings per share

The calculation of diluted EPS has been based on the following profit attributable to equity shareholders and weighted average number of ordinary shares outstanding.

Notes To The Financial Statements (Continued)

in thousands of Ghana Cedis	2022		2021	
	Bank	Group	Bank	Group
(Loss)/Profit for the year attributable to equity holders of the Bank	(815,200)	(809,810)	215,239	222,852
Weighted average number of equity shares				
Issued equity shares at 1 January	626,585	626,585	626,585	626,585
Effect of treasury shares held by subsidiaries	-	-	-	(187)
Bank's own shares purchased during the year	(1,039)	(1,039)	(1,039)	(1,039)
Weighted average number of equity shares (diluted)	625,546	625,546	625,546	625,359
Diluted (loss)/earnings per share (GHS)	(1.3032)	(1.2946)	0.3441	0.3564

19. DIVIDEND PER SHARE

See accounting policy in Note: 4.26.2.

The directors do not recommend the payment of a dividend for the financial year 2022 (2021: GHS0.14 per share).

20. CASH AND CASH EQUIVALENTS

See accounting policy in Note: 4.16.

in thousands of Ghana Cedis	2022		2021	
	Bank	Group	Bank	Group
Cash and Balances with Banks	392,389	392,389	240,187	240,194
Unrestricted Balances with Bank of Ghana	474,299	474,299	210,088	210,088
Mandatory reserve deposit with Bank of Ghana	942,857	942,857	631,207	631,207
Items in course of collection	25,561	25,561	23,251	23,251
Money market placement	-	-	130,824	130,824
Treasury bills with contractual maturities of 90 days and less	173,764	173,764	72,137	72,137
Cash and cash equivalent per statement of cash flows	2,008,870	2,008,870	1,307,694	1,307,701

At the reporting date, the Bank recorded a bank ledger balance of GHS1,541 million (2021: GHS948 million) in its statement of financial position as compared to the bank statement balance of GHS1,659 million (2021: GHS953 million). The transactions making up the difference between the bank ledger balance and the bank statement balance totalling GHS118 million (2021: GHS4.9 million) were reflected as reconciling items in the bank reconciliation statements.

21. INVESTMENT SECURITIES

See accounting policy in Note 4.18.

in thousands of Ghana Cedis	2022		2021	
	Bank	Group	Bank	Group
Securities at amortised cost	2,675,314	2,698,740	4,946,815	4,973,387
Securities at FVTPL	219	561	165	615
Total	2,675,533	2,699,301	4,946,980	4,974,002
a) Securities at amortised cost				
Money Market Placements	280,956	280,956	-	-
Treasury Bills	29,676	29,676	14,554	14,554
Government Notes	412,757	412,757	2,349,153	2,375,725
Government Bonds	1,684,356	1,707,782	2,239,145	2,239,145
Corporate Bonds	267,569	267,569	343,963	343,963
	2,675,314	2,698,740	4,946,815	4,973,387
b) Securities at FVTPL				
Equities	219	561	165	615
	219	561	165	615
Current	810,824	810,824	2,101,923	2,101,923
Non-current	1,864,709	1,888,477	2,845,057	2,872,079

A total of GHS412.47 million (2021: GHS256.5 million) of Investment Securities have been used as security for interbank and short term borrowing. In the event that, the Bank fails to make good the payment as and when it falls due, the collateral will not be released back to the Bank. The pledged assets cannot be used for any other trading purpose until the payment is done and the pledged assets are released by Central Securities Depository.

21.1.1 GHANA DOMESTIC DEBT EXCHANGE PROGRAMME

Subsequent to the balance sheet date, the Government of Ghana restructured all Domestic Bonds held by institutional and non-institutional investors. The restructuring resulted in changes to the terms and conditions of the bonds, which constituted a modification of the financial assets held by the Group. The Group has derecognised the existing bonds assets and recognized new financial assets in the statement of financial position, whereas the implicit modification losses are duly reflected in the income statement in accordance with IFRS 9 as at the reporting date 31 December 2022.

Ghana is facing a very challenging economic situation amid an increasingly difficult global economic environment. These adverse developments have exposed Ghana to a surge in inflation, a significant exchange rate depreciation and increased stress on the financing of the government's budget. The latest debt sustainability analysis demonstrated that Ghana is faced with a significant financing gap over the coming years and that the country's public debt is unsustainable. The country was downgraded by ratings agencies several times in 2022. During the last quarter of 2022, negotiations took place between the government of Ghana and the International Monetary Fund (IMF) to establish a support programme. According to the IMF's press release No. 22/427, a staff level agreement was reached in mid-December of 2022. However, the execution of this support programme is contingent on the implementation of a debt restructuring plan, which is intended to restore Ghana's macroeconomic stability. In response, the Government of Ghana on 5 December 2022 launched the Ghana Domestic Debt Exchange Programme (GDDEP).

The GDDEP is an arrangement through which registered bondholders in Ghana exchanged their eligible domestic bonds (all locally issued bonds and notes of the Government and E.S.L.A. Plc and Daakye Trust Plc bonds excluding Treasury bills (T-bills) for new benchmark bonds with the same aggregate principal amount (plus applicable capitalized accrued and unpaid interest).

Notes To The Financial Statements (Continued)

The terms of the exchange are set out in the GDDEP memorandum issued on 5 December 2023 which was updated several times with changes to the number of bonds, maturity, and coupon rates of the new "replacement" bonds. The final exchange memorandum was issued on 3 February 2023 with final offer expiration date set to 10 February 2023 and the Settlement to 21 February 2023.

Only Eligible Bonds listed under "Eligible Bonds" in the Exchange Memorandum were eligible for exchange for New Bonds in the Invitation to Exchange. This includes bonds issued by the Republic of Ghana and bonds issued by E.S.L.A. Plc ('ESLA') and Daakye Trust Plc ('Daakye'), which are both special purpose entities set up by the government of Ghana.

Eligible Holders were split into three different categories depending on whether they are Collective Investment Schemes (CIS) Holders or Individual Holders below the age of 59 years eligible as of 31st January 2023 (Category A), Individual Holders aged 59 years or older as of 31st January 2023 (Category B) or other Eligible Holders (General Category). The Bank falls within the General Category.

In exchange for Eligible bonds maturing in 2023, General Category Holders received seven (7) New General Bonds, maturing one per year consecutively from and including 2027 through to and including 2033. Similarly, in exchange for Eligible bonds maturing after 2023, General Category Holders received twelve (12) New General Bonds, maturing one per year consecutively from and including 2027 through to and including 2038.

The amount eligible for the exchange was the principal amount of the eligible bonds outstanding after 31 January 2023 and accrued interest up to the Settlement Date which was due for payment after 31 January 2023.

Interest on the New Bonds will be paid in cash ("Cash Interest"), except for interest accrued from the settlement date to 21 February 2025. During this period, a specified portion of the interest will be settled in cash and the remainder capitalised by adding the amount to the principal amount (the "PIK Interest") and settled on the maturity of the New General bond. The coupon rates on the twelve New General Bonds range from 8.35% to 10%.

Coupon rates for all eligible bonds were substantially changed, and the maturity of the new bonds (replacing the respective old bonds) were significantly extended compared to the old bonds.

21.1.2 BONDS ELIGIBLE FOR EXCHANGE

Group and Bank

The Group participated in the exchange programme on 7 Feb 2023 and received the new bonds on 21 February 2023. The Group tendered an offer for exchange for GHS3.20 billion worth of eligible bonds and received the equivalent amount of twelve new bonds on the settlement date.

The table below details the bonds held by the Bank which were eligible for the exchange programme. This table does not include details on bonds which matured in January 2023 amounting to GHS15.58 million in face value with a carrying amount of GHS16.86 million as at 31 December 2022. These bonds were settled by the Government of Ghana at their maturity dates.

Bond Type	Value of Bonds Exchange at 21 Feb 2023		Gross Carrying Amount at 31 Dec 2022	
	Bank	Group	Bank	Group
GoG Bonds	1,555,036	1,582,547	1,516,570	1,544,720
ESLA Bonds	1,361,566	1,361,780	1,355,805	1,356,023
Daakye Bonds	253,298	253,298	251,241	251,241
	3,169,899	3,197,625	3,123,616	3,151,984

The table below details the bonds held by the Bank which were eligible for the exchange programme based on the classification at which they are held in these financial statements. This table includes the carrying amounts held as at 31 December 2022, the impairment losses arising from the exchange programme (refer to Note 10.2) and fair value changes (refer to Note 10.2) recognised for the year ended 31 December 2022.

Notes To The Financial Statements (Continued)

Bank					
Bond	Value of Bonds Exchanged at 21 Feb 2023	Gross Carrying Amount at 31 Dec 2022	Impairment Allowance at 31 Dec 2022	Carrying Amount at 31 Dec 2022	Impairment Charge for the year 2022
Amortised Cost	3,169,899	3,123,616	(1,023,483)	2,100,133	1,023,483
Bond	Value of Bonds Exchanged at 21 Feb 2023	Gross Carrying Amount at 31 Dec 2022	Carrying Amount at 31 Dec 2022	Fair Value Changes at 31 Dec 2022	
FVTPL	9,514	9,421	6,740	(2,681)	

Group					
Bond	Value of Bonds Exchanged at 21 Feb 2023	Gross Carrying Amount at 31 Dec 2022	Impairment Allowance at 31 Dec 2022	Carrying Amount at 31 Dec 2022	Impairment Charge for the year 2022
Amortised Cost	3,197,625	3,151,984	(1,032,506)	2,119,478	1,032,506
Bond	Value of Bonds Exchanged at 21 Feb 2023	Gross Carrying Amount at 31 Dec 2022	Carrying Amount at 31 Dec 2022	Fair Value Changes at 31 Dec 2022	
FVTPL	9,514	9,421	6,740	(2,681)	

Impairment of eligible bonds measured at amortised cost

As at 31 December 2022, it is evident that Ghana is facing financial difficulties, with its sovereign debt trading at significant discounts. The announcement of the GDDEP and the downgrade of the country's rating to 'selective default' (Standard & Poors) by the rating agencies in 2022 further evidences the country's financial challenges.

For bonds eligible for exchange and measured at amortised cost, impairment is assessed based on the fair value of the new bonds issued under the debt exchange programme at the settlement date discounted to the reporting date using the effective interest rate of the eligible bonds (see accounting policy Note 4.9.4. The fair value of the new bonds is estimated using discounted cash flow techniques, applying rates from the yield curve that was constructed from market information and data available at the date of measurement to discount the expected cash flows from the new bonds as outlined in the exchange memorandum.

The data considered in the construction of the yield curve includes traded prices, indicative broker quotes and evaluated prices from pricing services over the period from 30 December 2022 to 31 March 2023. The weighted-average yield-to-maturity applied in discounting the cashflows of the new bonds to be issued under the exchange programme on 21 February 2023 is 15.99% resulting in a fair value impairment of GHS997.88 million for bonds held at amortised cost. The average original effective interest rate of the eligible bonds used to discount the fair value at 31 December 2022 was within a range of 15.00% - 19.75% as provided for in the guidance issue by the Institute of Chartered Accountants, Ghana.

Sensitivity of ECL on Eligible Bonds to Yield-to-Maturity Rates

The ECL on the eligible bonds are sensitive to judgements and assumptions made regarding the choice of yield-to-maturity rate applied in discounting the cashflows of the new bonds to be issued under the exchange programme. Management performs a sensitivity analysis on the ECL recognised on these assets. A 100bp parallel rise in the yield curve at the measurement date, holding other assumptions constant, would have increased the loss allowance on the eligible bonds by GHS108.92 million. A 100bp fall in the yield curve would have an effect of GHS116.89 million in the opposite direction.

Notes To The Financial Statements (Continued)

Fair values of eligible bonds measured at FVTPL

The fair value of eligible bonds measured at FVTPL is based on observable market data as at 31 December 2022. Further details on the fair value measurement of these assets is presented in Note 4.9.4.

Subsequent events

The exchange will be considered a substantial modification of the eligible bonds requiring derecognition at the settlement date of these assets for the following reasons:

- Each individual bond eligible and participating in the exchange programme will be replaced by a uniform series of identical new bonds with the same relative proportion in terms of maturities and in sum the same aggregate amount of the respective old bond.
- Coupon rates for all eligible bonds will be substantially changed; and
- The maturity of the new bonds was significantly extended compared to the old bonds

Subsequent to the year end but before the financial statements were authorised for issue, the Bank derecognised the existing bonds eligible for exchange and recognised the new bonds at fair value in its 2023 financial period. The Bank did not record any additional impairment losses on bonds at amortised cost at the date of derecognition. Similarly the Bank did not recognise any fair value losses/gains for bonds classified as FVTPL.

21.1.3 OTHER GOVERNMENT EXPOSURES

The Group also held other government exposures such as treasury bills, USD denominated local notes, cocoa bills and Eurobonds. The Group is also indirectly exposed to the Government through loans and other credit exposures enterprises conducting business activities which significantly depend on income sources from the Government. The Government in a public statement (through an FAQ related to the GDDEP) intends to exchange domestic non-marketable debt and Cocoa bills, under comparable terms at a later stage. The Government also intends to exchange USD denominated local notes at a later stage. External debt restructuring parameters will be renegotiated in due course.

On 19 December 2022, the Ministry of Finance suspended debt service on external debt until renegotiations take place. External debts include Euro Bonds and other external foreign currency denominated debts. On 23 January 2023, the Bank of Ghana unilaterally rolled over cocoa bills that were due to mature. These events, in addition to the announcement of the GDDEP and the downgrade of the country, provide evidence that other government exposures are credit-impaired.

Other direct government exposures held at amortised cost

Bank				
Instrument Type	Gross Carrying Amount at 31 Dec 2022	Impairment Allowance at 31 Dec 2022	Carrying Amount at 31 Dec 2022	Impairment Charge for the year 2022
Eurobonds	382,576	(107,601)	274,975	(107,601)
Treasury Bills and Cocoa Bills	205,367	(629)	204,728	(629)
Totals	587,943	(108,230)	479,713	(108,230)

Group				
Instrument Type	Gross Carrying Amount at 31 Dec 2022	Impairment Allowance at 31 Dec 2022	Carrying Amount at 31 Dec 2022	Impairment Charge for the year 2022
Eurobonds	382,576	(107,601)	274,975	(107,601)
Treasury Bills and Cocoa Bills	210,140	(629)	209,511	(629)
Totals	592,716	(108,230)	484,486	(108,230)

Notes To The Financial Statements (Continued)

Other direct government exposures held at FVTPL

Bank			
Instrument Type	Gross Carrying Amount at 31 Dec 2022	Carrying Amount (Fair Value) at 31 Dec 2022	Fair Value Changes for the year 2022
Eurobonds	8,375	4,748	(3,627)
Treasury Bills and Cocoa Bills	29,224	29,137	(87)
Totals	37,599	33,885	(3,714)

Group			
Instrument Type	Gross Carrying Amount at 31 Dec 2022	Carrying Amount (Fair Value) at 31 Dec 2022	Fair Value Changes for the year 2022
Eurobonds	8,375	4,748	(3,627)
Treasury Bills and Cocoa Bills	29,224	29,137	(87)
Totals	37,599	33,885	(3,714)

Impairment of other government exposures measured at amortised cost

Other direct government exposures are assessed to be credit-impaired and thus assigned a PD of 100%. The determination of the LGD is based on an empirical analysis of recovery rates observed at the African level on the sovereign debt of countries that have defaulted. This analysis was based on the report produced by Moody's Investors Service, Sovereign default and recovery rates, 1981- 2021. We have considered default events over the last 10 years (2021 – 2011). Beyond this period, we consider that recovery rates would not be indicative of current recovery potential because the economic context is very different.

For treasury bills issued in local currency that have reached maturity at the date of authorisation of these financial statements and have been settled by the Government of Ghana, having observed a 100% recovery rate was assigned an LGD of 0%. For exposures that are outstanding at the date of authorisation these financial statements and the Government has not defaulted on, we formulated two scenarios: a scenario where a loss occurs and a scenario where no loss occurs. The probability weightings applied to these scenarios are as follows;

Instruments	Scenario where a loss occurs (%)	Scenario where no loss occurs (%)
Treasury Bills	12.35	87.65
Cocoa Bills	12.35	87.65

Indirect government exposures

The Group had indirect exposure to the Government of Ghana through loans and other credit exposures to enterprises conducting business activities which significantly depend on income sources from the Government. Loans and advances amounting to GHS255 million was considered to have a significant increase in credit risk and was credit-impaired. The Group recognised impairment charges totalling GHS5.96 million on these exposures.

Notes To The Financial Statements (Continued)

22. NET GAINS ON DERIVATIVE ASSETS

See accounting policy in Note 4.30

The Bank did not hold derivative financial instruments for risk management and trading purposes as at the reporting period (2021: GHS26.47 million).

in thousands of Ghana Cedis	2022		2021	
	Bank	Group	Bank	Group
Instrument Type:				
Foreign Exchange forward and spot contracts	-	-	26,466	26,466
	-	-	26,466	26,466
Recognised gains on derivative assets	-	-	26,466	26,466
	-	-	26,466	26,466

23. Non-pledged trading assets

in thousands of Ghana Cedis	2022		2021	
	Bank	Group	Bank	Group
Fixed income trading portfolio	47,001	47,001	672,509	672,509
	47,001	47,001	672,509	672,509

Notes To The Financial Statements (Continued)

24. LOANS AND ADVANCES TO CUSTOMERS

See accounting policy in Note: 4.9.

in thousands of Ghana Cedis	2022		2021	
	Bank	Group	Bank	Group
(a) Analysis by portfolio				
Retail:				
Mortgage	51,164	51,164	39,993	39,993
Personal	93,856	93,856	96,267	96,267
SME	286,424	286,424	192,654	192,654
Retail Gross Loans and Advances	431,444	431,444	328,914	328,914
Corporate:				
Financial Institutions	143,881	143,881	104,001	104,001
Other secured	3,162,752	3,162,752	2,020,006	2,020,006
Corporate Gross Loans and Advances	3,306,633	3,306,633	2,124,007	2,124,007
Gross Loans and Advances	3,738,077	3,738,077	2,452,921	2,452,921
Less:				
Stage 1 and 2 Impairment – Retail	(12,319)	(12,319)	(10,409)	(10,409)
Stage 3 Impairment – Retail	(14,622)	(14,622)	(6,451)	(6,451)
Stage 1 and 2 Impairment – Corporate	(26,840)	(26,840)	(15,183)	(15,183)
Stage 3 Impairment – Corporate	(493,937)	(493,937)	(181,358)	(181,358)
Total accumulated impairment	(547,718)	(547,718)	(213,401)	(213,401)
Carrying Amount	3,190,359	3,190,359	2,239,520	2,239,520
(b) Analysis by type				
Overdrafts	797,377	797,377	596,010	596,010
Term Loans	2,940,700	2,940,700	1,856,910	1,856,910
Gross Loans and Advances	3,738,077	3,738,077	2,452,920	2,452,920
Less:				
Stage 1 and 2 Impairment	(39,159)	(39,159)	(25,592)	(25,592)
Stage 3 Impairment	(508,559)	(508,559)	(187,809)	(187,809)
Carrying Amount	3,190,359	3,190,359	2,239,520	2,239,520
Current	1,432,739	1,432,739	1,060,115	1,060,115
Non-current	1,757,620	1,757,620	1,179,405	1,179,405

Notes To The Financial Statements (Continued)

in thousands of Ghana Cedis	2022		2021	
	Bank	Group	Bank	Group
(c) Allowances for impairment				
Movement in impairment loss allowance on loans and advances				
Balance at 1 January	213,401	213,401	239,662	239,662
Impairment losses recognised on loans and advances	334,317	334,317	106,166	106,166
Amounts written off during the year	-	-	(132,427)	(132,427)
Balance at 31 December	547,718	547,718	213,401	213,401
Credit Loss Expense				
Impairment losses recognised on loans and advances	334,319	334,319	106,166	106,166
Impairment charge on off-balance sheet exposures	237	237	608	608
Impairment charge on corporate bonds and government securities	1,143,394	1,143,417	3,595	3,595
Amounts recovered previously written off	(26,729)	(26,729)	(27,994)	(27,994)
Net charge to the income statement	1,442,221	1,451,244	82,375	82,375
Loan ratios				
Impairment charge to gross loans	8.9%	8.9%	3.4%	3.4%
Impairment charge to gross investment	30.5 %	30.7 %	0.1 %	0.1 %
Loan loss provision ratio	14.7%	14.7%	8.7%	8.7%
Gross non-performing loan ratio	11.7%	11.7%	11.2%	11.2%
50 largest exposures to total exposure	93.4%	93.4%	81.3%	81.3%

Total non-performing loans amounted to GHS439.1 million (2021: GHS275.1 million)

25. INVESTMENTS IN SUBSIDIARIES

(a) The Principal Subsidiaries are:

2022	Nature of business	Country of incorporation	Amounts Invested	Percentage interest
CalBrokers Limited (CBL)	Security Brokerage	Ghana	1,500	100
CalAsset Management Company Limited (CAMCOL)	Fund Management	Ghana	2,020	100
CalTrustee Company Limited (CTCL)	Trustee	Ghana	10	100
CalBank Nominees Limited (CBNL)	Custodial Service	Ghana	10	100
			3,540	

2021	Nature of business	Country of incorporation	Amounts Invested	Percentage interest
CalBrokers Limited (CBL)	Security Brokerage	Ghana	1,500	100
CalAsset Management Company Limited (CAMCOL)	Fund Management	Ghana	2,018	100
CalTrustee Company Limited (CTCL)	Trustee	Ghana	10	100
CalBank Nominees Limited (CBNL)	Custodial Service	Ghana	10	100
			3,538	

in thousands of Ghana Cedis	2022		2021	
	Bank	Group	Bank	Group
Investments in subsidiaries are measured at cost and comprise:				
Investments in Subsidiaries	3,540	-	3,538	-

Notes To The Financial Statements (Continued)

(b) Summary of Subsidiary Financial Statements

2022	CBL	CAML	CBNL	CTCL
Operating income	-	23,597	-	-
Operating expenses	-	(15,415)	-	-
Income Tax and National Fiscal Stabilization Levy	-	(2,773)	-	-
Profit / (Loss) for the year	-	5,409	-	-
Total Assets	1,500	36,823	10	10
Total Liabilities	-	693	-	-
Total Shareholder's Equity	1,500	36,130	10	10
Total Cash Inflows	-	1,157,280	-	-
Total Cash Outflows	-	(1,146,611)	-	-
Net Cash Inflow	-	10,669	-	-

2021	CBL	CAML	CBNL	CTCL
Operating income	222	17,428	-	-
Operating expenses	(128)	(4,150)	-	-
Income Tax and National Fiscal Stabilization Levy	(20)	(4,211)	-	-
Profit / (Loss) for the year	74	9,067	-	-
Total Assets	3,439	31,743	10	10
Total Liabilities	1,475	1,023	-	-
Total Shareholder's Equity	1,964	30,720	10	10
Total Cash Inflows	1,370	510,509	-	-
Total Cash Outflows	(427)	(502,588)	-	-
Net Cash Inflow	943	7,921	-	-

26. OTHER ASSETS

in thousands of Ghana Cedis	2022		2021	
	Bank	Group	Bank	Group
Prepayments	63,683	66,556	76,104	76,153
Sundry Debtors	59,585	65,164	14,135	17,102
	123,268	131,720	90,239	93,255
Current	123,268	131,720	90,239	93,255
Non-current	-	-	-	-

27. DEFERRED TAX ASSETS/LIABILITIES

Movements in deferred income tax during the year is as follows:

Bank 2022	Balance at 1 January	Recognised in profit or loss	Recognised in OCI	Balance at 31 December	Deferred tax assets	Deferred tax liabilities
Property and equipment	11,155	(4,934)	–	6,221	–	6,221
Other employee benefit liabilities	(4,380)	(1,157)	–	(5,537)	(5,537)	–
Impairment allowance	(54,893)	(367,234)	–	(422,127)	(422,127)	–
Leases	(6,135)	(3,045)	–	(9,180)	(9,180)	–
Revaluation reserve on property and equipment	29,557	–	41,388	70,945	–	70,945
Provision for claims and litigation	(3,581)	3,581	–	–	–	–
	(28,277)	(372,789)	41,388	(359,680)	(436,844)	77,164

Group 2022	Balance at 1 January	Recognised in profit or loss	Recognised in OCI	Balance at 31 December	Deferred tax assets	Deferred tax liabilities
Property and equipment	11,167	(4,928)	–	6,239	–	6,239
Other employee benefit liabilities	(4,380)	(1,166)	–	(5,546)	(5,546)	–
Impairment allowance	(54,893)	(369,490)	–	(424,383)	(424,383)	–
Leases	(6,135)	(3,045)	–	(9,180)	(9,180)	–
Revaluation reserve on property and equipment	29,557	–	41,388	70,945	–	70,945
Provision for claims and litigation	(3,581)	3,581	–	–	–	–
	(28,265)	(375,048)	41,388	(361,927)	(439,109)	77,182

The Group recognised deferred tax assets of GHS361.92 million (2021: GHS 28.27 million) and the Bank recognised deferred tax assets of GHS 372.12 million (2021: GHS 28.27 million) based on management's profit forecasts (which are based on the available evidence, including historical levels of profitability), which indicates that it is probable that the Group and Bank will have future taxable profits against which these assets can be utilised.

	Bank 2021	Balance at 1 January	Recognised in profit or loss	Recognised in OCI	Balance at 31 December	Deferred tax assets	Deferred tax liabilities
Property and equipment		6,196	4,959		11,155		11,155
Other employee benefit liabilities	(3,834)	(546)		(4,380)	(4,380)		
Impairment allowance	(59,916)	5,023		(54,893)	(54,893)		
Leases	(4,799)	(1,336)		(6,135)	(6,135)		
Revaluation reserve on property and equipment	29,557			29,557			29,557
Provision for claims and litigation	(3,581)			(3,581)	(3,581)		
	(36,377)	8,100		(28,277)	(68,989)		40,712
	Group 2021	Balance at 1 January	Recognised in profit or loss	Recognised in OCI	Balance at 31 December	Deferred tax assets	Deferred tax liabilities
Property and equipment		6,169	4,998		11,167		11,167
Other employee benefit liabilities	(3,834)	(546)		(4,380)	(4,380)		
Impairment allowance	(59,916)	5,023		(54,893)	(54,893)		
Leases	(4,799)	(1,336)		(6,135)	(6,135)		
Fair value gain/loss on other employee							
Revaluation reserve on property and equipment	29,557			29,557			29,557
Provision for claims and litigation	(3,581)			(3,581)	(3,581)		
	(36,404)	8,139		(28,265)	(68,989)		40,724

Notes To The Financial Statements (Continued)

28. PROPERTY AND EQUIPMENT

See accounting policy in Note: 4.19

(a) Reconciliation of carrying amount

Bank 2022	Bank Premises	Furniture, Fixtures & Equipment	Motor Vehicles	Work in Progress	Total
Cost/valuation					
Balance at 1 January	297,923	150,219	11,075	54,531	513,748
Additions	1,097	6,279	747	63,225	71,348
Surplus on revaluation	165,547	–	–	–	165,547
Revaluation adjustment	(15,631)	–	–	–	(15,631)
Transfers	7,957	16,021	4,217	(28,217)	(22)
Balance at 31 December	456,893	172,519	16,039	89,539	734,990
Accumulated depreciation					
Balance at 1 January	17,998	75,878	6,934	–	100,810
Depreciation for the year	5,380	20,507	1,605	–	27,492
Revaluation adjustment	(15,631)	–	–	–	(15,631)
Balance at 31 December	7,747	96,385	8,539	–	112,671
Carrying amounts					
Balance at 31 December	449,146	76,134	7,500	89,539	622,319

Group 2022	Bank Premises	Furniture, Fixtures & Equipment	Motor Vehicles	Work in Progress	Total
Cost/valuation					
Balance at 1 January	297,923	151,201	11,075	54,531	514,730
Additions	1,097	6,302	747	63,225	71,371
Surplus on revaluation	165,547	–	–	–	165,547
Transfers	7,957	16,021	4,217	(28,217)	(22)
Revaluation adjustment	(15,631)	–	–	–	(15,631)
Balance at 31 December	456,893	173,524	16,039	89,539	735,995
Accumulated depreciation					
Balance at 1 January	17,998	76,767	6,935	–	101,700
Depreciation for the year	5,380	20,533	1,605	–	27,518
Revaluation adjustment	(15,631)	–	–	–	(15,631)
Balance at 31 December	7,747	97,300	8,540	–	113,587
Carrying amounts					
Balance at 31 December	449,146	76,224	7,499	89,539	622,408

Notes To The Financial Statements (Continued)

Bank 2021	Bank Premises	Furniture, Fixtures & Equipment	Motor Vehicles	Work in Progress	Total
Cost/Valuation					
Balance at 1 January	307,338	127,143	10,348	49,862	494,691
Additions	862	7,348	1,095	29,703	39,008
Disposals	(14,939)	-	(368)	-	(15,307)
Transfers	4,662	15,728	-	(25,034)	(4,644)
Balance at 31 December	297,923	150,219	11,075	54,531	513,748
Accumulated depreciation					
Balance at 1 January 1	1,949	58,284	6,007	-	76,240
Depreciation for the year	6,049	17,594	1,295	-	24,938
Disposals	-	-	(368)	-	(368)
Balance at 31 December	17,998	75,878	6,934	-	100,810
Carrying amounts					
Balance at 31 December	279,925	74,341	4,141	54,531	412,938

Group 2021	Bank Premises	Furniture, Fixtures & Equipment	Motor Vehicles	Work in Progress	Total
Cost/Valuation					
Balance at 1 January	307,338	128,084	10,348	49,862	495,632
Additions	862	7,389	1,095	29,703	39,049
Disposals	(14,939)	-	(368)	-	(15,307)
Transfers	4,662	15,728	-	(25,034)	(4,644)
Balance at 31 December	297,923	151,201	11,075	54,531	514,730
Accumulated depreciation					
Balance at 1 January	11,949	59,150	6,008	-	77,107
Depreciation for the year	6,049	17,617	1,295	-	24,961
Disposals	-	-	(368)	-	(368)
Balance at 31 December	17,998	76,767	6,935	-	101,700
Carrying amounts					
Balance at 31 December	279,925	74,434	4,140	54,531	413,030

There was no indication of impairment of property and equipment held by the Bank at 31 December 2022 (2021: Nil). None of the property, plant and equipment of the Bank had been pledged as security for liabilities and there were no restrictions on the title of any of the Bank's property and equipment at the reporting date and at the end of the previous year. There were no capitalised borrowing costs related to the acquisition of property and equipment during the year (2021: Nil).

Fair value hierarchy

The Group's leasehold Land and Buildings are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value measurements of the Group's leasehold land and buildings as at 31 December 2022 was performed by Apex Property Surveying Consult Limited who are external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The independent valuers provide the fair values of the Group's leasehold land and buildings every three years.

Notes To The Financial Statements (Continued)

The fair value measurements for all of the leasehold land and buildings have been categorised as Level 2 fair value measurements.

Valuation techniques

The fair value of the leasehold land and buildings was determined using the depreciated replacement cost method which determines the construction cost of the building on the basis that the subject property is a unique building and therefore does not have similar properties in the area for comparison. The comparative method was also used to gather information on the prevailing land values in the area and making room for adjustments, taking into consideration the subject properties and their access to road network and amenities such as electricity and water.

Bank	2022				2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Bank Premises	-	449,146	-	449,146	-	279,925	-	279,925
	-	449,146	-	449,146	-	279,925	-	279,925
Group	2022				2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Bank Premises	-	449,146	-	449,146	-	279,925	-	279,925
	-	449,146	-	449,146	-	279,925	-	279,925

There was no transfer between different levels of hierarchy during the year.

The carrying amount under the cost model of the leasehold land and buildings amounts to GHS222.1 million (2021 GHS177.0 million)

(b) Depreciation and amortisation

<i>in thousands of Ghana Cedis</i>	2022		2021	
	Bank	Group	Bank	Group
Property and equipment See Note: 28(a)	27,492	27,518	24,938	24,961
Depreciation on right-of-use assets See Note: 34(a)	12,862	12,862	7,862	7,862
Intangible assets (Note 29)	6,758	6,897	4,921	5,060
	47,112	47,277	37,721	37,883

(c) Profit on disposal of property and equipment

<i>in thousands of Ghana Cedis</i>	2022		2021	
	Bank	Group	Bank	Group
Cost	-	-	15,307	15,307
Accumulated depreciation	-	-	(368)	(368)
Carrying amount	-	-	14,939	14,939
Proceeds from disposal	-	-	16,491	16,491
Profit on disposal	-	-	1,552	1,552

Notes To The Financial Statements (Continued)

29. INTANGIBLE ASSETS

See accounting policy in Note: 4.20.

2022	Software	Work in Progress	Bank Total	Software	Work in Progress	Group Total
Cost						
Balance at 1 January	57,163	35,746	92,909	58,554	35,746	94,300
Additions	1,347	13,080	14,427	1,381	13,080	14,461
Transfers	25,621	(25,621)	-	25,621	(25,621)	-
Balance at 31 December	84,131	23,205	107,336	85,556	23,205	108,761
Accumulated amortisation						
Balance at 1 January	18,847	-	18,847	19,224	-	19,224
Amortisation for the year	6,758	-	6,758	6,897	-	6,897
Balance at 31 December	25,605	-	25,605	26,121	-	26,121
Carrying amount						
Balance at 31 December	58,526	23,205	81,731	59,435	23,205	82,640

2021	Software	Work in Progress	Bank Total	Software	Work in Progress	Group Total
Cost						
Balance at 1 January	47,335	11,404	58,739	48,720	11,404	60,124
Additions	4,819	29,351	34,170	4,825	29,351	34,176
Transfers	5,009	(5,009)	-	5,009	(5,009)	-
Balance at 31 December	57,163	35,746	92,909	58,554	35,746	94,300
Accumulated amortisation						
Balance at 1 January	13,926	-	13,926	14,164	-	14,164
Amortisation for the year	4,921	-	4,921	5,060	-	5,060
Balance at 31 December	18,847	-	18,847	19,224	-	19,224
Carrying amount						
Balance at 31 December	38,316	35,746	74,062	39,330	35,746	75,076

Intangible assets represent licenses for computer software. There was no indication of impairment of intangible assets held by the Bank at reporting date and at the end of the previous year. There were no capitalised borrowing costs related to the acquisition of intangible assets during the year (2021: Nil).

Notes To The Financial Statements (Continued)

30 ASSETS HELD FOR SALE

See accounting policy in Note 4.21.

These assets held for sale are presented at their fair value less cost to sell. During the year 2022, all assets held for sale were successfully disposed off.

<i>in thousands of Ghana Cedis</i>	2022		2021	
	Bank	Group	Bank	Group
Assets held for sale	-	-	121,085	121,085
	-	-	121,085	121,085

Fair value hierarchy and valuation techniques

Assets held for sale are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated impairment losses. The process used to determine the fair value hierarchy and valuation techniques used to determine the fair value of assets held for sale are the same as those used for the Group's leasehold land and buildings stated in note 28.

Bank	2022				2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets held for sale	-	-	-	-	-	121,085	-	121,085
	-	-	-	-	-	121,085	-	121,085

Group	2022				2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets held for sale	-	-	-	-	-	121,085	-	121,085
	-	-	-	-	-	121,085	-	121,085

31. DEPOSIT FROM BANKS AND OTHER FINANCIAL INSTITUTION

See accounting policy in Note: 4.22.

<i>in thousands of Ghana Cedis</i>	2022		2021	
	Bank	Group	Bank	Group
Time deposit	524,330	520,994	1,063,725	1,063,261
Current account	98,264	97,528	86,409	83,191
	622,594	618,522	1,150,134	1,146,452
Current	622,594	618,522	1,063,359	1,063,359
Non-current	-	-	86,775	83,093

Notes To The Financial Statements (Continued)

32. DEPOSITS FROM CUSTOMERS

See accounting policy in Note: 4.22.

in thousands of Ghana Cedis	2022		2021	
	Bank	Group	Bank	Group
Analysis by product				
Current account	3,388,924	3,388,924	2,683,153	2,683,153
Time deposit	2,004,194	2,004,194	1,965,809	1,965,809
Savings deposit	723,056	723,056	512,971	512,971
	6,116,174	6,116,174	5,161,933	5,161,933
Analysis by portfolio				
Retail				
Current account	1,432,280	1,432,280	881,756	881,756
Time deposit	965,723	965,723	960,360	960,360
Savings deposit	721,156	721,156	512,034	512,034
	3,119,159	3,119,159	2,354,150	2,354,150
Corporate				
Current account	1,956,644	1,956,644	1,801,397	1,801,397
Time deposit	1,038,471	1,038,471	1,005,449	1,005,449
Savings deposit	1,900	1,900	937	937
	2,997,015	2,997,015	2,807,783	2,807,783
Total deposits	6,116,174	6,116,174	5,161,933	5,161,933
Analysis by type				
Individuals and other private enterprises	5,986,330	5,986,330	4,973,286	4,973,286
Public enterprises	129,844	129,844	188,647	188,647
	6,116,174	6,116,174	5,161,933	5,161,933
Current	4,326,712	4,326,712	2,718,730	2,718,730
Non-current	1,789,462	1,789,462	2,443,203	2,443,203

Twenty largest depositors to total deposit ratio is 38% (2021: 46%).

Notes To The Financial Statements (Continued)

33. BORROWINGS

See accounting policy in Note: 4.22.

in thousands of Ghana Cedis	2022		2021	
	Bank	Group	Bank	Group
Long-term borrowings				
Agence Francaise De Development	140,148	140,148	-	-
Development Bank Ghana	100,161	100,161	-	-
Ghana Export - Import Bank	16,514	16,514	21,932	21,932
Overseas Private Investment Company (OPIC)	638,214	638,214	502,837	502,837
Total	895,037	895,037	524,769	524,769
Short-term borrowing				
Africa Trade Finance	214,400	214,400	772,200	772,200
Agence Francaise De Development	23,358	23,358	42,496	42,496
CitiBank New York	-	-	19,991	19,991
GIB London	-	-	150,264	150,264
International Finance Corporation	-	-	75,219	75,219
London Forfaiting Company	-	-	120,695	120,695
PROPACO	20,058	20,058	45,232	45,232
SSNIT	13,822	13,822	10,350	10,350
Development Bank Ghana	-	-	301,262	301,262
U.S. International Development Finance Corporation (DFC)	79,776	79,776	56,578	56,578
Interbank Borrowings	272,880	272,880	-	-
Total	624,294	624,294	1,594,287	1,594,287
Subordinated term borrowings				
PROPACO	91,619	91,619	95,211	95,211
Total	91,619	91,619	95,211	95,21
Carrying amount				
	1,610,950	1,610,950	2,214,267	2,214,267
Current	623,774	623,774	1,632,578	1,632,578
Non-current	987,176	987,176	581,689	581,689
Reconciliation of borrowing per statement of cash flows				
At 1 January	2,214,267	2,214,267	2,098,225	2,098,225
Proceeds from borrowings	2,211,560	2,211,560	7,451,365	7,451,365
Interest expense	150,689	150,689	76,054	76,054
Principal repayment	(2,814,877)	(2,814,877)	(7,411,921)	(7,411,921)
Interest payment	(144,651)	(144,651)	(80,831)	(80,831)
Foreign exchange loss	(6,038)	(6,038)	81,375	81,375
At 31 December	1,610,950	1,610,950	2,214,267	2,214,267

Government of Ghana securities valued at GHS259.69 million was provided as collateral for the short-term borrowings from the inter-bank market.

Notes To The Financial Statements (Continued)

33 Borrowings (Continued)

Africa Trade Finance – This is a facility granted by Africa Trade Finance for trade finance activities. Interest is at a rate of 6 months Libor plus 2.9% margin per annum and matures in 2023

Agence Francaise De Development – This is a facility granted by Agence Francaise De Development to support the Sustainable Use of Natural Resources and Energy Financing (SUNREF) project. Interest is at a rate of 6 months Libor plus 2.05% per annum and matures in 2029.

Ghana Export – Import Bank – These are various facilities granted by the Ghana Export and Import Bank to be extended to customers in the export sector. Interest is at a rate of 2.5% per annum maturing in 2025.

U.S. International Development Finance Corporation (DFC) – This is a facility granted by OPIC for on-lending to SME's. Interest is at weekly US treasury bill rate plus 5.8% per annum and matures in 2031.

PROPACO (Subordinated Term Loan) – This is a Tier 2 facility granted by Proparco. Interest is at a rate of 6 months Libor plus 5.8% per annum maturing in 2024.

SSNIT – These are several short-term facilities with maturity periods of up to one year. The weighted average interest rate on these facilities is 3.0% per annum.

Development Bank Ghana – This facility is granted by Development Bank Ghana for on-lending to the private sector development in the country trade financing activities. interest rate on these facilities is 10.0% per annum maturing in 2032.

InterBank Borrowings – These are overnight borrowings for the purposes of liquidity management. The Interest rate of these facilities are usually set at policy rate minus 2.0% – 2.5%.

Breach of loan covenant

As at the end of year 2022, covenants with some of the borrowing counterparties were breached. The breaches emanated broadly from the adverse impact of the Domestic Debt Exchange Programme (DDEP) in Ghana.

The facilities from Overseas Private Investment Company (OPIC), contained in a covenant stating that the amount of gross non-performing loans must be no more than ten per cent (10%) of total customer loans and advances.

However, the group exceeded its non-performing loan ratio as of 31 December 2022 as it recorded a ratio of eleven-point two percent (11.2%).

Also, the group exceeded the covenant relating to Single Group Exposure Ratio and Financial Expenses Coverage Ratio. The covenant states that, "Single Group Exposure Ratio" shall not exceed 25% and "Financial Expenses Coverage Ratio" shall not fall below 125%.

However, the group reported 43.88% on Single Group Exposure Ratio and -902.91% on Financial Expenses Coverage Ratio. The Group is going through the process to seek a waiver for the breaches while the necessary steps to cure the breaches are also ongoing concurrently.

The Group is in the process of seeking waivers for the breaches while taking necessary steps to rectify them in the future.

34. LEASE LIABILITIES

See accounting policy in Note: 4.29.

Leases as lessee

The Bank leases a number of branch and office premises. These leases typically run for a period of five (5) years, usually with an option to renew the lease after that date. Payments are renegotiated as and when to reflect market rentals. The Bank has elected not to recognise right-of-use assets and lease liabilities for short-term and/or leases of low-value items. Previously, these leases were classified as operating leases under IAS 17.

Extension options

Some leases of office premises contain extension options exercisable by the Group up to one year before the end of the noncancelable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control. The Group exercised all extension option available in arriving at its lease liabilities.

Information about leases for which the Group is a lessee is presented below:

in thousands of Ghana Cedis	2022		2021	
	Bank	Group	Bank	Group
(a) Right-of-use assets				
Balance at 1 January	89,070	89,070	84,917	84,917
Additional right-of-use asset recognised in current year	16,271	16,271	12,752	12,752
Derecognition	(1,092)	(1,092)	-	-
Remeasurement of right-of-use assets	(6,340)	(6,340)	(737)	(737)
Depreciation on right-of-use assets	(12,862)	(12,862)	(7,862)	(7,862)
Balance at 31 December	85,047	85,047	89,070	89,070
(b) Lease liabilities				
Balance at 1 January	86,128	86,128	85,886	85,886
Additional lease liability recognised in current year	16,271	16,271	12,752	12,752
Derecognition	(1,508)	(1,508)	-	-
Remeasurement of lease liability	(6,340)	(6,340)	(737)	(737)
Finance cost on lease liability	4,085	4,085	4,026	4,026
Losses from currency translation	4,140	4,140	3,631	3,631
Total lease payments	(36,488)	(36,488)	(19,430)	(19,430)
Balance at 31 December	66,288	66,288	86,128	86,128
(c) Low value assets and short term leases				
Expenses relating to low-value assets charged to profit or loss as part of other expenses	2,140	2,140	1,905	1,905
(d) Amounts recognised in statement of cash flows				
Lease liability finance charges paid	4,085	4,085	4,298	4,298
lease liability principal repayments	32,403	32,403	15,132	15,132
Total cash outflow for leases	36,488	36,488	19,430	19,430

35. OTHER LIABILITIES

in thousands of Ghana Cedis	2022		2021	
	Bank	Group	Bank	Group
Creditors	217,191	217,813	61,647	62,720
Accruals	1,466	1,538	30,876	30,861
Recognised liability for employee benefits (note 33a)	23,246	23,208	17,521	17,560
Cash margin	63,074	63,074	28,875	28,875
Other liabilities	522	522	134	1,336
Impairment of balance sheet items	1,240	1,240	1,003	1,003
	306,739	307,395	140,056	142,355
(a) Movement in the liability for employee benefits				
Liability for employee benefit at 1 January	17,709	17,672	15,337	15,376
Benefits paid	(782)	(817)	(819)	(819)
Expense charged to profit or loss (note 35b)	5,410	5,452	3,003	3,003
Expense charged to OCI (note 35c)	909	901	188	112
Liability for employee benefit at 31 December	23,246	23,208	17,709	17,672
(b) Expenses recognised in profit or loss				
Current service costs	4,894	4,928	2,565	2,656
Interest on obligation	516	524	438	447
	5,410	5,452	3,003	3,103
(c) Expense charged to OCI (note 35c)				
Remeasurement of employee benefit	909	901	188	112
Amounts related to executive directors included in expenses recognised in profit or loss	4,911	4,911	1,955	1,955
Actuarial assumptions				
Assumptions at the reporting date (expressed in weighted averages)				
Discount rate at 31 December	27.0%	27.0%	20.8%	20.8%
Future salary increases	10.0%	10.0%	13.0%	13.0%
Mortality loading	10.0%	10.0%	10.0%	10.0%
Inflation rate	10.0%	10.0%	11.0%	11.0%

Assumptions regarding future mortality based on published statistics and mortality tables 1983 Unisex Group Annuity mortality

Notes To The Financial Statements (Continued)

The sensitivity analysis as at the year end for the Bank and Group is as follows:

2022	Main Basis	Discount rate (-2%)	Discount rate (+2%)	Salary scale (-2%)	Salary scale (+2%)	Mortality (10%)
Actuarial Liability	23,426	17,828	17,309	17,122	17,878	17,559
Percentage Change	-	2%	(1)%	(2)%	2%	-
2021	Main Basis	Discount rate (-2%)	Discount rate (+2%)	Salary scale (-2%)	Salary scale (+2%)	Mortality (10%)
Actuarial Liability	17,560	17,828	17,309	17,122	17,878	17,559
Percentage Change	-	2%	(1)%	(2)%	2%	-

The Groups long term employee benefit is valued every year. The valuation of the Group's long term employee benefit as at the year end 2022 was performed by Messrs Stallion Consultants Limited and signed by its Executive Chairman Mr. Charles Osei-Akoto, (ASA, MAAA). Stallion Consultants Limited has the appropriate qualification and experience in the fair value measurement of defined benefit.

36. CAPITAL AND RESERVES

See accounting policy in Note: 4.26.

a. Stated Capital

	2022		2021	
	Number ('000)	Value	Number ('000)	Value
Authorised:				
Equity shares of no par value	2,000,000	-	2,000,000	-
Issued:				
For cash	414,871	93,305	414,871	93,305
Transfer from Retained Earnings	-	306,695	-	306,695
Bonus issue	212,668	-	211,714	-
	627,539	400,000	626,585	400,000

There is no call or instalment unpaid on any share.

At 31 December 2022, the authorised share capital comprised 2 billion equity shares (2021: 2 billion) of no par value. All issued shares are fully paid for.

The holders of equity shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Bank. All shares rank equally with regard to the Bank's residual assets.

Notes To The Financial Statements (Continued)

(b) Statutory reserve

in thousands of Ghana Cedis	2022		2021	
	Bank	Group	Bank	Group
Balance at 1 January	393,905	393,905	340,095	340,095
Transfer from Retained Earnings	-	-	53,810	53,810
Balance at 31 December	393,905	393,905	393,905	393,905

Statutory reserve represents the cumulative amounts set aside from annual net profit after tax as required by Section 34 of the Banks and Specialised Deposit Taking Institution Act 2016 (Act 930). The proportion of net profits transferred to this reserve ranges from 12.5% to 50% of net profit after tax depending on the ratio of existing statutory reserve fund to paid-up capital. However, due to the loss recorded for the year 2022, no transfer has been effected.

(c) Revaluation reserve

in thousands of Ghana Cedis	2022		2021	
	Bank	Group	Bank	Group
Balance at 1 January	102,926	102,926	104,636	104,636
Revaluation Gain	165,547	165,547	-	-
Deferred Tax on Revaluation	(41,388)	(41,388)	-	-
Release on sale of PPE	-	-	(1,710)	(1,710)
Balance at 31 December	227,085	227,085	102,926	102,926

This refers to the effects from the fair value measurement after deduction of deferred taxes on unrealised surplus/gains on Property, Plant and Equipment. These unrealised gains or losses are not recognised in profit or loss until the asset has been sold/matured or impaired. Deferred tax on revaluation of the Bank's leasehold land and buildings is recognised directly in Other Comprehensive Income (OCI). The revaluation reserve is not a distributable reserve.

(d) Credit risk reserve

in thousands of Ghana Cedis	2022		2021	
	Bank	Group	Bank	Group
Specific Provision on Loans and Advances	284,142	284,142	153,081	153,081
General Provision on Loans and Advances	31,036	31,036	28,171	28,171
Provision required by Bank of Ghana	315,178	315,178	181,252	181,252
Amount provided per IFRS (note 24)	(547,718)	(547,718)	(213,401)	(213,401)
Credit Risk Reserve	-	-	-	-

The regulatory credit risk reserve is a non-distributable reserve prescribed by Bank of Ghana to account for differences between impairment loss on financial assets per IFRS and the specific and general impairment loss on loans and advances and contingent liabilities per the Central Bank's prudential guidelines.

Notes To The Financial Statements (Continued)

(e) Other reserves

in thousands of Ghana Cedis	2022		2021	
	Bank	Group	Bank	Group
1. Fair value reserve – defined benefit				
Balance 1 January	(188)	(112)	–	–
Experience gains/losses on defined benefit	(909)	(901)	(188)	(112)
Balance at 31 December	(1,097)	(1,013)	(188)	(112)
Share deals account				
Balance 1 January	(707)	(707)	(136)	(136)
Shares repurchased	–	–	(571)	(571)
Balance at 31 December	(707)	(707)	(707)	(707)

Share deals account is made up of a total of 1,038,729 shares purchased from shareholders.

in thousands of Ghana Cedis	2022		2021	
	Bank	Group	Bank	Group
2. Treasury Shares				
Balance 1 January	–	(139)	–	(584)
Net Changes in Bank's shares held by subsidiary	–	139	–	445
Balance at 31 December	–	–	–	(139)

Treasury shares are shares held by the subsidiaries of the Bank as part of their trading portfolio. The subsidiaries at the end of the period held as part of their trading stock was nil (2021: 187,105) CalBank Plc shares.

in thousands of Ghana Cedis	2022		2021	
	Bank	Group	Bank	Group
Total Other Reserves	(1,804)	(1,720)	(895)	(958)

(f) Retained earnings

This represents the residual of cumulative annual profits that are available for distribution to shareholders.

(g) Dividends

The amount below was recognised as distribution to equity holders of the Bank during the year ended 31 December.

in thousands of Ghana Cedis	2022		2021	
	Bank	Group	Bank	Group
Dividend declared	69,031	68,956	68,924	68,816
Dividend paid	(69,031)	(68,956)	(68,924)	(68,816)
Balance at 31 December	–	–	–	–

At the reporting date, the Directors do not recommend the payment of a dividend (2021: GHS0.14 per share).

Net assets per share is based on 626,585,000 (2021: 626,585,000) equity shares at the statement of financial position date.

37. CONTINGENCIES AND COMMITMENTS

See accounting policy in Note: 4.9.10.

(a) Letters of credit, guarantees and indemnities

In common with banks, the Group conducts business involving acceptances, guarantees, performance bonds and indemnities. The majority of these facilities are offset by corresponding obligations of third parties. The Group also holds certain securities in its own name on behalf of customers. The values of these securities are not recognised in the consolidated balance sheet.

Letters of credit commit the Group to make payments to third parties, on production of documents, which are subsequently reimbursed by customers.

Guarantees are generally written by a bank to support performance by a customer to third parties. The Group will only be required to meet these obligations in the event of customer's default.

Contingencies and commitments not provided for in the financial statements as at 31 December 2022 in respect of the above amounted to GHS872.4 million (2021: GHS693.2 million), as detailed below:

<i>in thousands of Ghana Cedis</i>	2022		2021	
	Bank	Group	Bank	Group
Undrawn loans and overdrafts	225,455	225,455	127,747	127,747
Letters of credit	308,345	308,345	226,767	226,767
Guarantees and indemnities	338,607	338,607	338,669	338,669
	872,407	872,407	693,183	693,183

The amount of unsecured contingencies and commitments in respect of these at 31 December 2022 was nil (2021: nil).

(b) Commitments for capital expenditure

As at 31 December, 2022 a total of GHS7.28 million has been committed to capital expenditure in relation to property and equipment for branch projects. (2021: nil).

(c) Claims and litigation

At the year end, there were some legal cases pending against the Group and the Bank. Should judgment go in favour of the plaintiffs, likely claims against the Group and the Bank have been estimated at GHS60.8 million (2021: GHS59.9 million). No provisions have been made in the financial statements in respect of these amounts.

(d) Assets under management and custody

The Group provides custody, trustee, investment management and advisory services to third parties, which involves the Group making allocation and purchase and sale decisions in relation to a wide range of financial instruments. Those assets that are held in a fiduciary capacity are not included in these financial statements.

Assets managed by the Group on behalf of clients amounted to GHS2.67 billion (2021: GHS2.01 billion). Correspondent fee income amounted to GHS5.59 million (2021: GHS4.27 million)

Assets under custody amounted to GHS4.23 billion (2021: GHS3.34 billion). Correspondent fee income amounted to GHS16.64 million (2021: GHS13.11 million)

38. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial and operational decisions, or one other party controls both. The definition includes members of the Board, key management personnel and the close members of their family.

(a) Transactions with directors and key management personnel

Key Management Personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of CalBank PLC (directly or indirectly) and comprise the Directors and Officers of CalBank PLC.

In the ordinary course of business, the Group makes loans to companies where a Director or other member of Key Management Personnel (or any connected person) is also a Director or other member Key Management Personnel (or any connected person) of CalBank PLC. These loans are made on substantially the same criteria and terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons and did not involve more than the normal risk of collectibility or present other unfavourable features.

Details of transactions between directors and other key management personnel (and their connected persons) and the Bank are as follows:

	2022	2021
Loans and advances to directors and their associates		
Balance at 1 January	477	673
Loans advanced during the year	13,640	–
Loan repayments during the year	(240)	(196)
Loans outstanding at 31 December	13,877	477
Loans and advances to employees		
Balance at 1 January	36,003	32,821
Loans advanced during the year	20,282	12,440
Loan repayments during the year	(11,760)	(9,258)
Loans outstanding at 31 December	44,525	36,003

Included in loans and advances to employees is a total amount of GHS5.5 million (2021: GHS4.6 million) of loans relating to key management personnel.

A total of GHS12.66 million loans and advances was granted to companies in which Directors has an interest at the end of the year. (2021: nil)

A total provision of GHS0.61 million (2021: GHS0.86 million) was made in respect of loans and advances to directors and key management personnel based on IFRS 9.

Interest rates charged on loans to staff are at rates below that would be charged in an arm's length transaction. The loans are secured with the assets financed.

(b) Subsidiaries

Details of principal subsidiaries are shown in Note 25.

Included in deposits is GHS3.3 million (2021: GHS3.7 million) due to our subsidiary companies. Interest paid on deposits from subsidiaries during the year amounted to GHS0.55 million (2021: GHS0.13 million).

Dividend of GHS0.09 million (2021: GHS0.11 million) was paid to subsidiaries of the Bank during the year.

Notes To The Financial Statements (Continued)

(c) Remuneration of Directors and other Key Management Personnel

The following information is presented in accordance with IAS 24 'Related Party Disclosure', which requires disclosure of the employee benefits of directors and other key management personnel. In line with section 132 of the Companies Act, 2019 (Act 992), the following are the individual and aggregate amounts of the directors' emoluments:

in thousands of Ghana Cedis	2022		2021	
	Bank	Group	Bank	Group
Non-executive directors				
Annual fees	1,656	1,843	962	1,071
Sitting allowances	5,573	5,795	2,762	2,898
	7,229	7,638	3,724	3,969
Executive directors				
Basic salaries	4,321	4,523	2,120	2,321
Social security contributions	562	588	276	302
Defined benefit obligation	4,911	4,911	1,955	1,955
Others allowances	761	1,061	401	702
	10,555	11,083	4,752	5,280
Other key management personnel				
Basic salaries	4,191	4,191	3,896	3,896
Social security contributions	545	545	506	506
Others allowances	2,727	2,727	2,252	2,252
	7,463	7,463	6,654	6,654

(d) Employee termination benefits

The Bank has contract with key employees that entitles them to terminal benefits of three months salary for every year served.

39. DIRECTORS' SHAREHOLDINGS

The Directors named below held the following number of shares in the company at the year end.

	2022		2021	
	No. of Shares	Percentage shareholding	No. of Shares	Percentage shareholding
Philip Owiredu	1,429,246	0.23	1,429,246	0.23
Nana Otuo Acheampong	114	-	114	-
Joseph Rexford Mensah	22,955	-	-	-
Total	1,452,315	0.23	1,429,360	0.23

Notes To The Financial Statements (Continued)

40. KEY MANAGEMENT PERSONNEL SHAREHOLDING

Name	Position	Number of Shares 2022	Number of Shares 2021
Philip Owiredu	Managing Director	1,429,246	1,429,246
Thomas Boansi-Sarpong	Exec Head, Finance & Operations	235,840	235,840
Philip Duodu Fynn	Group Head, Treasury	156,995	156,995
Samuel Kwame Boafo	Head people and Culture	32,642	32,642
Barbara Banson	Chief Risk Officer	11,428	11,428
Joejo Wodow-Hammond	Group Head, Operations	2,286	2,286

41. ANALYSIS OF SHAREHOLDING AS AT THE YEAR END 2022

	No. of Shareholders	Holders %	No. of Shares	% of Holding
1 - 1,000	16,405	71.54	8,489,044	1.35
1001 - 5,000	5,120	22.33	9,224,351	.47
5001 - 10,000	553	2.41	3,676,870	0.59
10,001 - 20,000	337	1.47	4,584,882	0.73
20,001 - 30,000	141	0.61	3,414,565	0.54
30,001 - 40,000	63	0.27	2,202,839	0.35
40,001 - 50,000	32	0.14	1,436,260	0.23
Over 50,001	279	1.22	594,509,453	94.74
	22,930	100.00	627,538,264	100.00

ANALYSIS OF SHAREHOLDING AS AT THE YEAR END 2021

	No. of Shareholders	Holders %	No. of Shares	% of Holding
1 - 1,000	16,394	71.27	8,515,993	1.36
1001 - 5,000	5,183	22.53	9,324,086	1.49
5001 - 10,000	565	2.46	3,749,524	0.60
10,001 - 20,000	344	1.50	4,677,784	0.75
20,001 - 30,000	143	0.62	3,468,351	0.55
30,001 - 40,000	57	0.25	2,015,667	0.32
40,001 - 50,000	34	0.15	1,543,396	0.25
Over 50,001	282	1.23	593,289,826	94.69
	23,002	100.00	626,584,627	100.00

Notes To The Financial Statements (Continued)

42. TWENTY LARGEST SHAREHOLDERS

Shareholder	No. of Shares	% Holding
Social Security and National Insurance Trust	207,929,351	33.13
Arise B. V.	173,520,791	27.65
SCGN/Citibank Kuwait Inv Authority	20,358,592	3.24
SCGN/Citibank New York Re Allan Gray Africa, Ex - Sa Equity Fund Limited	19,220,126	3.06
Adu Jnr, Frank Brako	16,928,544	2.70
Mr Daniel Ofori	15,377,194	2.45
Ofori, Daniel	9,135,449	1.46
SCGN / Enterprise Life Ass. Co. Policy Holders	8,023,807	1.28
GES Occ Pension – Databank Financial Services	7,111,111	1.13
Krohne Fund	6,680,846	1.06
SCGN/Jpmorgan Bk Lux Sa Re Robeco Afrika Fonds N.V, 056898600288	6,218,358	0.99
Gentrust Sankofa Master Trust Scheme	4,085,714	0.65
Ansah, Benjamin Fosu	4,038,915	0.64
Enterprise Tier 2 Occupational Pension Scheme	4,019,326	0.64
SCGN/SCB DIFC A/C Financial Brokerage Group A/C		
African Lions Fund Ltd 133849700039	3,934,600	0.63
ZBGC/Cedar Pension Scheme-ICAM	3,597,464	0.57
ZBGC/Cedar Provident Fund-ICAM	3,367,864	0.54
Hosi, Senyo Kwasi	3,195,714	0.51
HFCN/ SSNIT Staff 2nd Tier Occupational Pension Scheme	3,074,759	0.49
HFCN/ EDC Ghana Balanced Fund Limited	2,999,971	0.48
Top 20 shareholders	522,818,496	83.30
Others	104,719,768	16.70
Grand Total	627,538,264	100.00

43. GOING CONCERN AND SUBSEQUENT EVENTS

The Bank and the Group incurred net losses for the year ended 31 December 2022 of GHS803 million and GHS810 million (2021: profits of GHS215 million and GHS223 million) respectively. As of that date, the Bank and Group recorded negative operating cashflows of GHS593 million and GHS600 million (2021: positive cashflow positions of GHS1.9 billion and GHS1.9 billion) respectively as a result of the write-down of investment securities.

The Bank's Capital Adequacy Ratio (CAR) at the reporting date was 11.9% having taken advantage of regulatory forbearance allowing banks to spread the losses resulting from the Government of Ghana Domestic Debt Exchange Programme (GDDEP). The CAR at the reporting date was above the revised minimum regulatory limit of 10%.

The Government of Ghana implemented its Domestic Debt Exchange Programme (GDDEP) announced in December 2022 to ensure that the Debt Sustainability Analysis (DSA) demonstrated that the public debt, which is highly unsustainable, with Government's debt servicing absorbing significant portion of total revenue is brought under control. The Bank subscribed to the programme and the impact has adversely reduced the Bank's equity from GHS1.26 billion in 2021 to GHS496 million at the end of December 2022. The equity position is currently above the regulatory capital GHS400 million.

Subsequent to the reporting date, the Bank and Group have both reverted to a profitable position and are expected to remain profitable for the foreseeable future. Our projections indicate that the continuous execution of the Bank's strategic agenda and enhancement in operational efficiency will lead to continuous growth in profit. The bank's first quarter 2023 financial performance demonstrates a turnaround from the year end position. Additionally, the board and management are ensuring improvement in all revenue and cost elements of our operations to enhance profitability.

Other measures to improve profitability include:

- Defer uncommitted projects;
- Intensify loan recovery efforts;
- Reduce exposure in low appetite sectors triggered by stress;
- Raise additional capital; and
- Aggressively drive non funded revenue initiatives;

The board of directors having considered the implications of the bank's reduced capital on continuing operations and sustainability of the bank has put in place measures to address the issues to bring the bank back to operational normalcy within the shortest possible time and focus on the core strategic direction and growth of the bank. In furtherance of this objective, the board has put in place a capital plan for the period 2023 to 2025 which prescribes clear options to address our capital needs and ensure adherence to regulations.

The capital plan lays out clear action points that will have to be implemented to address the capital requirements of the bank and these include:

1. Raising additional capital to improve on the core capital of the bank. To this end the following actions are planned:
 - a resolution will be tabled before shareholders at the upcoming annual general meeting to approve the capital raise,
 - a transaction advisor has been appointed by the board to assist in this process,
 - an ad hoc committee of the board has been set up to oversee this process to ensure an expeditious process in a timeous manner.
2. Improvement in operational and financial performance.

The board and management are committed to restoring the capital of the bank to ensure all regulatory requirements are adhered to and to reinforce the resilience of the bank in an expeditious manner to provide the needed value to all stakeholders, especially our valued shareholders.

The financial statements are prepared based on accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities will occur in the ordinary course of business.

44. VALUE ADDED STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

in thousands of Ghana Cedis	2022		2021	
	Bank	Group	Bank	Group
Interest earned and other operating income	1,476,122	1,499,141	1,264,599	1,280,592
Direct cost of services	(904,330)	(905,993)	(663,995)	(664,931)
Value added by banking services	571,792	593,148	600,604	615,661
Impairments	(1,442,221)	(1,451,244)	(82,375)	(82,375)
Value (loss)/added	(870,429)	(858,096)	518,229	533,286
Distributed as follows:				
To Employees				
Non Executive Directors	(7,229)	(7,638)	(3,724)	(3,969)
Executive directors	(10,555)	(11,083)	(4,752)	(5,280)
Other employees	(145,012)	(148,082)	(146,358)	(148,637)
To Government				
Income tax	265,137	262,366	(110,435)	(114,665)
To providers of capital				
Dividends to shareholders	(69,031)	(68,956)	(68,924)	(68,816)
To expansion and growth				
Depreciation	(27,492)	(27,518)	(24,938)	(24,961)
Amortisation	(19,620)	(19,759)	(12,783)	(12,922)
Retained (loss)/earnings	(884,231)	(878,766)	146,315	154,036

45. SOCIAL RESPONSIBILITY

Amounts spent on fulfilling social responsibility obligations amounted to GHS1.3 million :(2021: GHS1.05 million).

Our Branches

▪ **Ashanti Region**

Adum Branch
Asafo Branch
Kejetia Branch
KNUST Branch
Nhyiaeso Branch
Suame Branch

Lagon Branch
Madina
Osu Branch
Ring Road Central Branch
Spintex Road Branch
Tema Community Branch
Tema Community 25 Branch
Tema Main Branch
Weija Branch

▪ **Bono East Region**

Techiman Branch

▪ **Northern Region**

Tamale Branch

▪ **Central Region**

Cape Coast Branch
Kasoa Branch

▪ **Upper East Region**

Bolgatanga Branch

▪ **Eastern Region**

Koforidua Branch

▪ **Western Region**

Ainyinase Agency
Esiama Branch
Sekondi Branch
Takoradi Harbour Branch
Takoradi Market Circle Branch
Tarkwa Branch

▪ **Greater Accra Region**

Achimota Branch
Airport City Branch
Dansoman Branch
Derby Avenue Branch
East Legon Branch
Graphic Road Branch
Independence Avenue Branch
Kwame Nkrumah Avenue. Branch
Labone Branch

▪ **Volta Region**

Ho Branch

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