2023 Annual Report

Service underpinned by technology

Forward Together

CalBank

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

CONTENTS

FIVE-YEAR CONSOLIDATED FINANCIAL SUMMARY

in thousands of Ghana Cedis	2023	2022	2021	2020	2019
Interest income using the effective interest method	1,098,912	1,282,278	980,671	927,350	912,409
Interest expense	(557,577)	(689,183)	(511,124)	(404,479)	(394,303)
Net interest income	**541,335**	**593,095**	**469,547**	**522,871**	**518,106**
Net fees and commission income	115,279	82,908	51,852	31,505	46,597
Net trading and other operating income	176,100	115,661	224,324	134,229	31,689
Operating income	**832,714**	**791,664**	**745,723**	**688,605**	**596,392**
Operating expenses	(550,011)	(412,596)	(325,831)	(317,134)	(267,386)
Net impairment loss on financial instruments	(1,228,901)	(1,451,244)	(82,375)	(86,843)	(86,066)
(Loss)/profit before tax	**(946,198)**	**(1,072,176)**	**337,517**	**284,628**	**242,940**
Income tax	275,130	262,366	(114,665)	(70,825)	(69,527)
(Loss)/profit after tax	**(671,068)**	**(809,810)**	**222,852**	**213,803**	**173,413**
Total assets	9,899,846	9,250,554	10,039,979	7,924,586	7,048,498
Total deposits	7,485,374	6,734,696	6,308,385	4,425,958	3,858,984
Loans and advances	2,754,779	3,190,359	2,239,520	2,400,950	2,920,026
Total shareholders' equity	(141,002)	531,225	1,286,682	1,132,772	974,787
Earnings per share (Ghana Cedis per share)	(1.0711)	(1.2926)	0.3564	0.3419	0.2772
Dividends per share (Ghana Cedis per share)	-	-	0.1100	0.0890	0.0480
Number of shares ('000)	627,539	627,539	626,585	626,585	626,585
Return on assets	(6.8)%	(8.8)%	2.2%	2.7%	2.5%
Return on equity	(475.6)%	(152.4)%	17.3%	18.9%	17.8%
Capital adequacy ratio	(9.1)%	12.5%	25.1%	22.3%	22.7%
Cost-to-income ratio	66.1%	52.1%	43.7%	46.1%	44.8%

CORPORATE INFORMATION

BOARD OF DIRECTORS:	Joe Rexford Mensah (Chairman) Philip Owiredu (Managing Director, resigned February 2024) Carl Selasi Asem (Ag. Managing Director, appointed February 2024) Helen Nankani Nana Otuo Acheampong Rosalind Nana Emela Kainyah (retired June 2023) 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:	Deloitte & Touche Chartered Accountants The Deloitte Place Plot No. 71 Off George Walker Bush Highway North Dzorwulu P.O.Box GP 453 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

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

Mr. Joe Rexford Mensah, age 69, 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 (GHIB) PLC, UK for 14 years where he was responsible for providing leadership and strategic direction and driving a performance-based culture. Under his leadership, GHIB 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 GHIB 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, Retired)

Mr. Philip Owiredu, age 57, joined CalBank in 2004 and rose to assume the position of Managing Director in January 2022. 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). After serving the bank for over 19 years, Philip retired from the board as Managing Director effective February 2024.

Mr. Carl Selasi Asem
(Deputy Managing Director)

Mr. Carl Selasi Asem, age 51, joined CalBank in 2023 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.

Mrs. Helen Nankani
(Independent Non-Executive Director)

Mrs. Helen Nankani, age 77, 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 74, 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.

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

Mr. Kweku Baa Korsah, age 63 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 51, 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-yearperiod. 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 62, 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.

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

Mr. Ben Gustave Barth, age 50, 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 54, 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 60, 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, Retired)

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 2023, 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.

Barbara Banson
(Chief Risk Officer)

Mrs. Barbara Banson 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. Banson 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).

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 in 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, 2022 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)

Eugene Gilbert Amponsah
(Head, Legal)

Mr. Eugene Gilbert Amponsah is the Head of Legal with a core responsibility of managing the Legal function of the Bank and its related companies. He has over 11 years post-call experience in corporate and civil litigation, Corporate Law, transaction structuring and banking in Ghana. Prior to joining the bank in February, 2015, he worked with AB & David Africa, a private legal firm as an associate.

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

He also holds a Verified Certificate in contract law, International Law and Legal Studies from the Harvard Law School's HarvardX programme, a course certification in the Sustainable Development Goals and the Law from the University of Cambridge's Centre for Environment, Energy and Natural Resource Governance and an Executive Leadership certificate from the Gordon Institute of Business Science (GIBS), University of Pretoria, Johannesburg, South Africa.

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

On behalf of the Board of Directors, I am pleased to present to you, the Annual Report and Financial Statements of the bank for the financial year ended December 31, 2023. Over the past 12 months, we have confronted the interlocking challenges facing our world. It has been a year of economic uncertainty, with the banking sector facing arguably the biggest macroeconomic challenges of the modern era. Despite these external obstacles, the progress we have made at CalBank, as detailed in this report, is more impressive, albeit fraught with a significant downgrade in our credit portfolio, mainly from one single large exposure.

In 2023, we run the final lap of our medium term ExCITeD 23 strategy which was rolled out in 2021. This strategy, focused on leveraging the value, capabilities and resources that exist within the bank, and amounted to a comprehensive organisational transformation through 2021-2023. Specifically, in 2023, we took steps to strengthen our governance model, put in place structures to support performance management and reduced the complexity of our organisational structure to drive the business efficiently and effectively.

Economic Review

On 17 May 2023, the government of Ghana secured an IMF Executive Board approval for a US$ 3billion 3 years' Extended Credit Facility (ECF) arrangement to support Ghana's post-COVID economic recovery programme. As an open economy, Ghana is largely dependent on the export of primary goods such as cocoa, gold and oil, making the country vulnerable to price fluctuations of these internationally traded commodities. This resulted in sustained high inflation throughout the first seven months of 2023. This in turn led to high interest rates as the Central Bank continued its monetary tightening stance to curtail rising inflation. The country saw inflation easing in the last quarter of 2023, declining from 53.6% in January to 23.2% by December. The observed decline in inflation was broad-based, with a stronger easing of food price pressures and the sustained easing of non-food price pressures, a trend we expect will be continue throughout 2024.

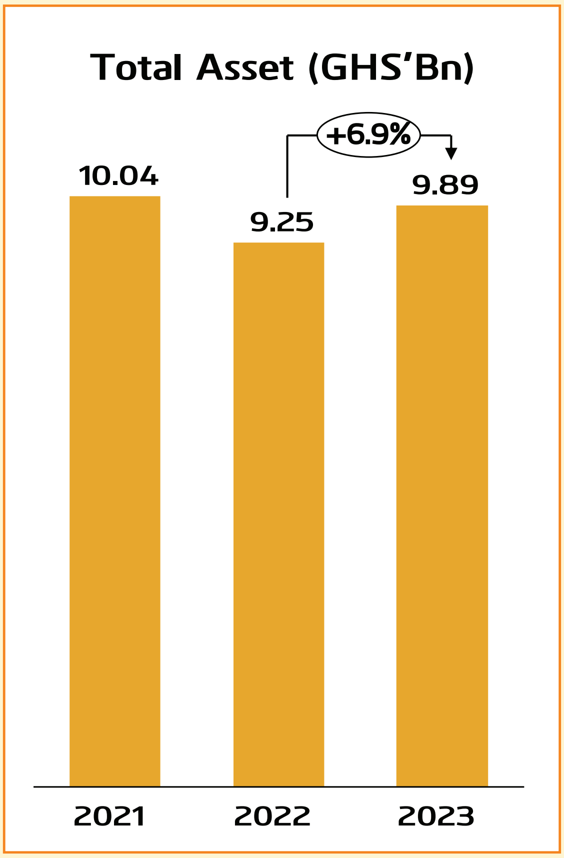
Real GDP growth came in at 2% in the third quarter of 2023, spurred by the services and agriculture sectors. The observed growth outturn was largely driven by the ongoing frontloaded fiscal consolidation measures and tighter monetary policy to correct fiscal imbalance and rein in inflation. Throughout 2023, fixed investment was a drag on economic growth due to weaker access to credit, subdued foreign direct investment inflows and public capital expenditure cuts as the government pursued fiscal consolidation under Ghana's new IMF programme.

The Ghana cedi depreciated by 20% in January 2023 and has remained generally stable since then, with a cumulative depreciation of 2.5% between February and September 2023. This was on the back of improved foreign exchange supply, including IMF flows, which increased reserve buffers, weak market demand owing to lower import bills and purchases of repatriated export proceeds from mining companies and oil and gas producers.

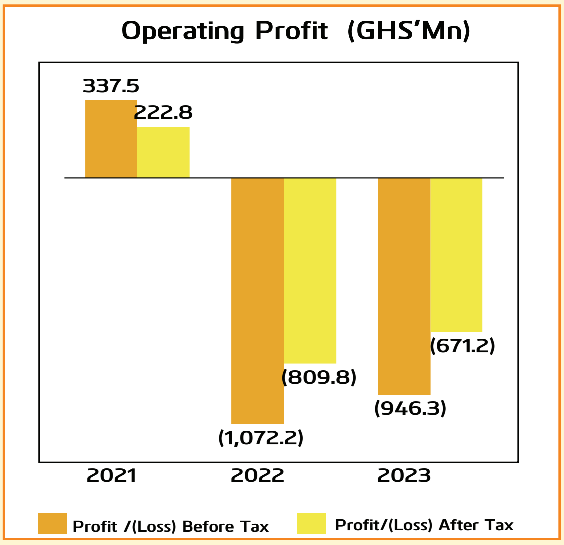
On the fiscal front, thanks to the Domestic Debt Exchange Programme, Ghana's debt service reduced by GHS52 billion in 2023 (6% of estimated 2023 GDP or 39% of estimated 2023 revenue and grants). Fiscal policies remained consistent with the IMF-supported programme as the government made efforts to safeguard the revenue-led fiscal adjustment programme.

Financial Review

During the year under review, our primary objectives were to dilute our deposit profile with cheaper sources of deposits, deepen our footprint across the country and grow our balance sheet by converting opportunities in prioritised economic sectors. We successfully increased our topline revenue by 5.2% year-on-year and we grew our asset base by 7.0% year-on-year. The Board made a collective decision as a Board to painstakingly clean up our asset portfolio which led to some significant impairments in our credit portfolio resulting in an overall loss position of GHS671.2 million.



The Group's total assets increased by 6.9% from GHS9.25 billion in the year 2022 to GHS9.89 billion at the end of 2023.

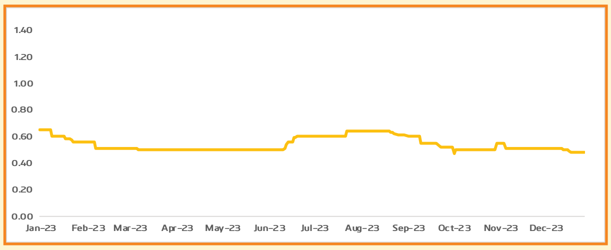


CalBank Share price performance.
In 2023, the Ghana Stock Exchange market recorded a mixed performance, with the GSE Composite Index ending the year with a gain of 28.1%. However, the Financial Stock Index ended the year with a year-on-year loss of (7.4%), with most listed banks witnessing a decline in share prices, reflecting the persisting difficulties in the economic landscape.

CalBank's share price exhibited volatility throughout the year. Starting at GHS0.60 per share in January 2023, our share price dropped to GHS0.48 per share by the end of 2023.

Despite the challenging circumstances, we are optimistic that the bank's new strategic initiatives will translate into superior performance and will contribute to improved shareholder value in the coming year.

.



Capitalisation Overview
The DDEP has necessitated that CalBank improves upon its regulatory capital position to continue the effective execution of its growth strategy. On 8th June 2023, the Bank secured shareholders' approval to raise GHS 600 million in new capital to restore our capital to enable us continue to deliver long-term value to its shareholders.

Our major shareholders have been fully supportive of the capital raise exercise and the Board is poised to restore the Bank's capital by the end of 2024 following due regulatory process.

Dividend
Considering 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 and the significant impairment posted in 2023, the Board does not recommend the declaration and payment of dividends and other distributions to shareholders.

Corporate Governance

Establishing and maintaining a prudent management system that ensures the long-term success of CalBank involves the implementation of robust governance structures across the entire organization, including its subsidiaries. The CalBank Board Charter serves as the foundational document outlining the framework for the execution of responsibilities and serves as a benchmark for assessing performance.

In 2023, CalBank prioritized the enhancement of director capabilities through comprehensive training, personal development, and knowledge refresher programmes. These initiatives were designed to equip Directors with the necessary skills in corporate governance, cyber risk management, ESG reporting, strategy, and other insights to effectively fulfil their duties.

CalBank's subsidiaries also operate within well-defined corporate governance structures, providing their respective Boards with complete oversight of strategic functions. This approach ensures compliance with regulatory requirements specific to their areas of operation, aligning the subsidiaries with the broader corporate governance framework of the Bank.

Changes in the Board of Directors

Effective 17th February 2024, Mr. Philip Owiredu retired from his position as Managing Director and Board Member after 19 years of service to the Bank. Mrs. Helen Nankani will be retiring from the Board in 2024 and will not be seeking for re-election as her tenure of office ends in July 2024.

Outlook

CalBank remains committed to setting the pace in financial technology. As such, we have made significant investments in technology and digital channels in line with creating value for our esteemed customers through innovative products and solutions that cater to their diverse needs. In 2024 and beyond, our strategy is to rapidly expand into new growth areas and efficiently utilise our technological and digital assets to constantly improve the customer experience and return superior shareholder value.

As outlined in the 2024 Budget Statement, Government's ambitious post-COVID-19 Programme for Economic Growth, supported by the IMF, will restore macroeconomic stability and debt sustainability. The programme includes wide-ranging reforms to build resilience and lays the foundation for stronger and more inclusive economic growth. On the back of this, I am optimistic about the prospects of the Bank.

Finally, Board is committed to completing the capital raise process to return the bank to its strong growth trajectory in 2024.

Appreciation

Thank you for your unwavering support throughout this challenging year. Our resilience in these times would not have been possible without the collective efforts of all our stakeholders. I am grateful to our customers for their steadfast loyalty. To the exceptional staff and management who work tirelessly day-in and day-out, I say thank you. Furthermore, I extend our sincere appreciation to our shareholders for your continued belief in our vision. Your investment in the Bank is not just financial; it is a testament to your confidence in our ability to deliver our strategic results. We take this trust seriously and remain committed to maximizing shareholder value.

I welcome you to the 2024 financial year with the firm assurance of excellent performance by our Bank.

Joe Mensah
Chairman


Getting reward points when you transact with the CalBank App
That's Whatz App
+42
AIRTIME & DATA PURCHASE
+85
My Loyalty Wallet
GHS 200.00
180.00 Points.
Account: LMS17935
Airtime & Data Purchase | Bill Payment | Instant Bank Transfer
Scan to Pay | CardlessWithdrawals
GET IT ON Google Play
Available on the App Store
Download on AppGallery
www.calbank.net
Toll free on 0800 500 500
*Terms and Conditions Apply
CalBank

Mr. Carl Selasi Asem
(Acting Managing Director)

Introduction

We thank the Lord for seeing us through the year, 2023. Undoubtedly, this past year was a difficult one for the banking industry as we faced both internal and external challenges. Although we were plagued by macro-economic challenges and significant impairments which affected our profit base, we finished the year 2023 with good business momentum, remaining strong on our total assets, operating revenue, and loans and advances. This performance gives us confidence that we are on track to achieving our audacious strategic and financial objectives in the medium term.

I present to you our performance for the 2023 financial year, which marked the final lap for our three-year strategy, ExCITeD 23. In this strategy, it was imperative for us to invest in robust technology to enhance value to customers and clients in priority sectors. We focused on strategies that aligned with our set imperatives such as diversifying our business models to generate new sources of income, deepening our retail franchise, pursuing synergies through partnerships, enforcing risk management, improving performance management and customer centricity, while maintaining a disciplined approach to our expansion drive.

In response to evolving customer needs and changing banking dynamics, we have completely digitised our banking halls and the majority of our internal processes, and introduced a full bouquet of digital channels ensuring our customers enjoy the full benefits and power of improved digital banking. Our innovation drive was acknowledged at the maiden Bank of Ghana eCedi Hackathon, where the bank emerged winner among 88 contestants from various countries and continents. This victory not only underscores our operational nimbleness, but also reflects our commitment to innovation and customer-centricity.

Beyond digital innovation, our investments in service delivery paid off as the bank was adjudged first in customer experience for SME banking and fourth for Retail Banking in the KPMG 2023 Customer Experience Leaders (Ghana).

Operating environment

In 2023, Ghana's economic performance was nuanced, navigating global challenges while undergoing internal restructuring. The country's GDP saw a moderate rebound, averaging 4.0% for the year, with the Services sector being the primary growth driver, expanding by 6.3% due to robust domestic consumption. Agriculture also made a significant contribution to GDP, growing by 6.2%. However, the industrial sector contracted by 2.2%, reflecting ongoing challenges in various sub-sectors, with the exception for mining and quarrying sector which grew.

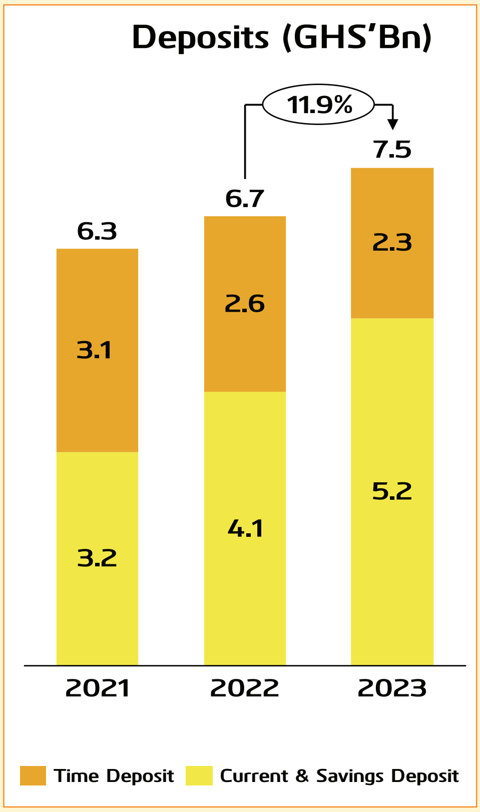
On monetary policy, the Bank of Ghana maintained its hawkish stance to monetary policy tightening, increasing the policy rate from 27% in January 2023 to 30% by December 2023 to curtail high levels of inflation. This led to disinflation trends throughout the year, with inflation dropping from a high of 53.6% year-on-year in January to 23.2% year-on-year by the end of December 2023. The high policy rate fed into increases in interest rates, impacting credit access and hindering capital investments in the economy.

While economic recovery appears imminent, significant risks still remain, including ongoing fiscal consolidation, elevated interest rates, the government's ability to close negotiations with commercial creditors in a timely manner to unlock future IMF disbursements, and global uncertainties constraining private sector activity.

Financial Performance

The CalBank Group is steadfast in its commitment to delivering value to its shareholders and all stakeholders. The Group's performance, though less than satisfactory, can primarily be attributed to the lingering impact of the 2022/23 domestic debt exchange program. The challenging operating environment further exacerbated the situation, leading to a substantial credit impairment provision of GHS 1.3 billion during the 2023 financial period. Despite these challenges, the Group remains resilient and dedicated to overcoming hurdles for the benefit of its stakeholders.

In spite of the unsettling economic landscape, we remained steadfast in supporting the national recovery effort across both private and public sectors, leading the agenda for prosperous growth. In the face of these economic challenges, the Bank adeptly took advantage of market opportunities, resulting in a steady 11.9% increase in deposits—from GHS6.7 billion in 2022 to GHS7.5 billion by the close of 2023. This strong deposit growth can be attributed to our commitment to optimizing our digital channels, effectively reducing our cost of funding, and enhancing our non-funded income streams.

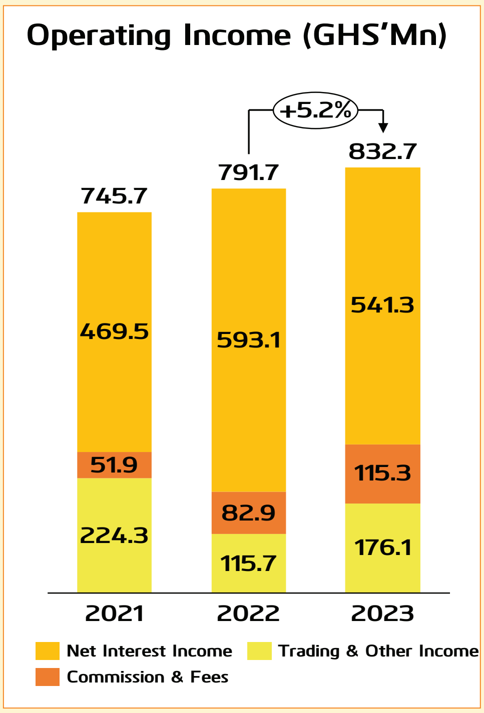


As a bank, we serve as a financial partner to our clients. While our primary goal is to establish strong and enduring client relationships built on trust, we don't necessarily require every transaction to be economically justified. Prioritizing our clients means consistently delivering the products and services they require, supported by a dedicated team working diligently on their behalf, while concurrently driving revenue growth through our electronic platforms.

In 2023, our fees and commission income experienced a notable increase of 39.0%, while net interest income saw a 9% year-on-year decrease. We achieved a significant 52.2% growth in trading income, attributed to the recovery of the secondary fixed income trading market despite the volatility in the forex trading market. This resulted in a 5.2% growth in total operating income between 2022 and 2023.

The far-reaching consequences of our involvement in the domestic debt exchange program in 2022 cannot be overstated. Our top-line revenue stream was significantly impacted. Amidst a challenging macroeconomic environment and the potential adverse effects on borrowers, we diligently examined the credit portfolio in accordance with IFRS 9. Consequently, we made significant additional provisions for credit impairments on our top 50 credit exposures, adopting a prudent approach to safeguard against potential risks.

This led to the Group reporting a loss before tax of GHS946.3 million in 2023, compared to a loss before tax of GHS1.1 billion in the previous year. Similarly, the Group recorded a loss after tax of GHS671.2 million in 2023, as compared to a loss after tax of GHS809.8 million for the financial year 2022.



In December 2023, as part of their annual Asset Quality Review (AQR), the Board of Directors conducted a comprehensive review of the Bank's loan and advances portfolio. This review led to significant additional impairment provisions resulting in a loss for the 2023 financial year. This loss translated into negative shareholders' funds and, in turn, a negative Capital Adequacy Ratio (CAR) at the end of 2023.

Going forward, the bank will implement rigorous risk management practices, pursue a capital restoration strategy, and diversify its portfolio to stabilize the financial position while ensuring regulatory compliance. We will continuously monitor our performance metrics and adhere to regulatory guidelines to regain investor confidence and sustain long-term growth.

OPERATIONAL PERFORMANCE

Strategic partnerships

In 2023, we pursued strategic partnerships which contributed to our success. As an indigenous bank, we are proud to continuously support our nation's biggest GDP contributor, which is SMEs. We partnered the Development Bank of Ghana to empower over 1,000 SMEs in Ghana through quarterly SME clinics where we offered training, extension of facilities and platforms for networking and market opportunities. We also partnered with a travel agency and the Turkish Chamber of Commerce in Ghana to provide opportunities for over 100 SMEs to travel to Turkey to participate in a business fair, where they networked and forged strategic partnerships to boost their businesses.

Dominating in retail banking

A major strategic imperative for the bank in our ExCITeD23 strategy was establishing our dominance in the retail banking space. To excel at that, we needed to take banking to the doorstep of our customers both physically and digitally and provide bespoke banking solutions to meet customers' needs. Consequently, we successfully inaugurated four (4) new branches in Ashaley Botwe (Greater Accra Region), Ashaiman (Greater Accra Region), Bolgatanga (Upper East Region) and Kasoa (Central Region) bringing our total branches to 38 as at December 2023. Similarly, we expanded our agent network beyond 800 agents, bringing our presence to 13 out of 16 regions in Ghana. By so doing, we stayed true to our tagline of Forward Together, as we improved the livelihoods of SMEs who were recruited as your bank's agents. The ongoing focus on innovation and digitalization remains a pivotal aspect of our strategic direction.

Recognizing the escalating reliance on digital banking services by our retail customers, we dedicated efforts to enhance user experience and security features across all our digital platforms, including internet banking, point-of- sale terminals, and the acclaimed CalBank App. Transaction values on our award-winning banking app (CalBank App) has exceeded GHS 2 billion.

In acknowledgment of our commitment to excellence in retail and business banking, we were honoured at the prestigious CIMG Awards at the 34th Annual National Marketing Performance Awards as follows:

- 5 Stars in Service Quality in Consumer Banking
- 5 Stars in Customer Satisfaction in Consumer Banking
- Overall Best Bank in Service Quality in Business Banking
- Overall Best Bank in Customer Satisfaction in Business Banking
- 5 Stars in Service Quality in Business Banking
- 5 Stars in Customer Satisfaction in Business Banking

The proliferation of digital services brings with it a heightened exposure to cybersecurity risks. Consequently, safeguarding the bank and its customers from potential threats remains our utmost priority. In keeping with this commitment, we consistently reaffirm our adherence to the Payment Card Industry Data Security Standard (PCI DSS) and ISO 27001 certifications.

Operating within the framework of the Bank of Ghana's cyber and information security directive, we maintain a 24-hour Security Operations Centre (SOC). This SOC is dedicated to the real-time detection and mitigation of potential cyber threats, ensuring top-grade security in all our customer transactions, systems and overall operations.

Corporate Social Investment

Your Bank is subscribed to the Sustainable Development Goals (SDGs) 3, 5 and 7 and we live our tenets as a financially sustainable institution. Over the years, CalBank has actively engaged in diverse social investment initiatives, spanning education, healthcare, training, women empowerment, youth and sports, infrastructure development and information awareness. Notable projects in 2023 include cash donations to the Village of Hope, the Street Academy of Ghana, and the refurbishment of a classroom block at Bogyawe-Ankaasi Junior High School. Additionally, our Women's Banking Unit, in collaboration with New Crystal Hospital, organised a free breast cancer screening for traders in

Takoradi, reaching over 350 women. These initiatives reflect our ongoing commitment to fostering economic and social development in communities.

Changes in Management

During the year, Philip Owiredu retired as Managing Director after dedicating 19 years to CalBank. We are grateful to him for his dedication to the growth of the bank and wish him the very best in the journey ahead.

Outlook

We have developed a new five-year strategy and our objective to rank amongst the top tier banks in Ghana remains unchanged. Over the next five years, we will deepen the gains and successes we have chalked in prior years. Considering the significant investments we have made into our digital transformation drive, our strategic imperative is to become the leading bank for digital payments and innovation in the country.

Exceeding customers' expectations will continue to drive every strategic initiative we execute. We are committed to sustainable growth, so we are deepening our retail franchise and pursuing opportunities within key economic sectors.

Recognizing the pivotal role of digitalization, we are prioritizing the swift expansion of our digital footprint, ensuring the provision of seamless and secure payment channels. At the core of our strategy is the establishment of resilience through robust risk management and proactive contingency plans. We will optimise operational efficiency by streamlining processes and leveraging advanced technologies to enhance our agility.

Lastly, we recognize our people as the bedrock of success, investing in their skills and dedication. These interlinked pillars compose a dynamic roadmap propelling us to boost payment adoption and optimize channel utilization, ultimately achieving sustained growth and excellence in 2024 and beyond.

On behalf of my Management team, I would like to thank all our stakeholders – especially our shareholders for the capital they have entrusted to us and their unwavering support of the bank throughout the years. To our customers, I express my heartfelt gratitude to you for trusting the brand and remaining loyal. You inspire us daily to push our boundaries to provide comprehensive financial solutions to help us grow together. Our Board of Directors has been remarkable, and I wish to express our appreciation for their continuous guidance and leadership through the many challenges we faced in 2023. I would like to equally thank my colleagues for remaining steadfast and resolute through turbulent times and giving of their best to sustain the bank. To all our partners and other stakeholders, I say a very big thank you for your unwavering support.

With heartfelt thanks and optimism,

Carl Selasi Asem
Acting Managing Director


Snap into action!
Boost your savings with CalBank Snap Save.
8:51
3G 97
*771*1#
Add Number
Simply dial *771*1# on any network and start earning interest.
CalBank
Forward Together

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 2023.

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 consolidated statement of financial position as at 31 December 2023, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and the notes to the financial statements which include a summary of material 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	2023		2022	
	Bank	**Group**	**Bank**	**Group**
Total operating income	810,842	832,714	768,104	791,664
Loss before income tax	(959,843)	(946,198)	(1,080,337)	(1,072,176)
Loss after income tax	(680,278)	(671,068)	(815,200)	(809,810)
Shareholders' funds	(184,903)	(141,002)	496,509	531,225
Total liabilities	10,054,336	10,040,848	8,722,745	8,719,329
Total assets	9,869,433	9,899,846	9,219,254	9,250,554
Basic earnings per share (Ghana pesewas per share)	(1.0858)	(1.0711)	(1.3012)	(1.2926)
Diluted earnings per share (Ghana pesewas per share)	(1.0858)	(1.0711)	(1.3012)	(1.2926)
Net assets per share (GH¢)	(0.29)	(0.22)	0.79	0.85

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:

in thousands of Ghana Cedis	2023		2022	
Financial Results	**Bank**	**Group**	**Bank**	**Group**
Loss for the year ended 31 December	(959,843)	(946,198)	(1,080,337)	(1,072,176)
From which is added taxation of	279,565	275,130	265,137	262,366
giving a loss for the year after taxation of	**(680,278)**	**(671,068)**	**(815,200)**	**(809,810)**
to which is added balance on retained earnings brought forward (excluding amounts transferred to Regulatory Reserves) of	(522,677)	(488,045)	361,554	390,697
leaving a balance of	**(1,202,955)**	**(1,159,113)**	**(453,646)**	**(419,113)**
Net Changes in CalBank Shares held by Subsidiaries	-	-	-	24
giving a cumulative amount available for distribution of	(1,202,955)	(1,159,113)	(453,646)	(419,089)
less dividend	-	-	(69,031)	(68,956)
leaving a balance on retained earnings carried forward of	**(1,202,955)**	**(1,159,113)**	**(522,677)**	**(488,045)**

The Directors consider the state of the Group and Bank's affairs to be satisfactory.

In December 2023, as part of their annual Asset Quality Review (AQR), the Board of Directors conducted a comprehensive review of the Bank's loan and advances portfolio. This review was prompted by the challenging macroeconomic conditions in Ghana over the past few years, characterized by high inflation and elevated interest rates. Many of our customers have encountered difficulties in servicing their debts in accordance with the agreed terms. Consequently, significant additional provisions have been made on the top 50 loans to accurately reflect the current economic situation, resulting in the Bank recording losses for the 2023 financial year-end.

Additionally, the impact of the Domestic Debt Exchange Programme (DDEP) remained significant on the Bank's top-line throughout the year 2023, despite the existing forbearance from the Bank of Ghana. Despite these challenges, the Bank is on track to raise an additional capital of GHS600 million and seek shareholders' approval to add an additional GHS700 million. This move aims to improve the Bank's capital levels and ensure enhanced operational performance. Therefore, 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, Ben Barth, Richard Arkutu, Cynthia Forson, and Helen Nankani 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. Ben Barth, Richard Arkutu, Cynthia Forson 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.

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.

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 GHS1.0 million (2022: GHS1.3 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 in-depth 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, Cyber Risk Governance and Management for Directors, Fraud Risk Governance & Prevention for Directors, Driving ESG Practices: Board's Role from ESG Strategy to Reporting, IT Governance among others.

Auditor and audit fees

In accordance with Section 139 (5) of the Companies Act, 2019 (Act 992), Deloitte and Touche will continue in office as auditors for the Bank and Group. The audit fee for the year 2023 is GHS806,000. (2022: GHS1,193,000)

Going concern

The total liabilities of the Bank and Group exceeded its total assets by GHS184.90 million (2022: GHS496.51 million, total assets exceeded total liabilities) and GHS141.0 million (2022: GHS531.23 million, total assets exceeded total liabilities) respectively.

The decline in the net worth position was specifically due to the following:

- significant additional provisions made on the loan portfolio to accurately reflect the current economic situation which resulted in the Bank recording losses for the 2023 financial year-end.
- the adverse impact of the Domestic Debt Exchange Programme (DDEP) on the Bank's interest income throughout the year 2023.

Consequently, capital adequacy ratio recorded for the Bank and Group was (9.9%) (2022: 11.9% - positive) and (9.1%) (2022: 12.5% - positive) respectively.

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, for which the necessary regulatory approvals have been received and are now in the final phase of the liquidation process. The Board of Directors has taken into account the Bank of Ghana's existing forbearance measures aimed at reducing the adverse effects on capital resulting from the DDEP and believes that these measures will continue to provide sufficient buffer for the Bank to continue to operate as a going concern, despite the challenging operating environment which significantly impacted the Bank's credit portfolio during the review period. To re-enforce our commitment, specific actions taken to recover and build-back a positive equity to result in a capital adequacy ratio above the regulatory limit includes:

- raising of the approved additional capital of GHS600 million which we remain on track and seek shareholders' approval to add an additional GHS700 million during the upcoming Annual General Meeting. This move aims to improve the Bank's capital levels and ensure enhanced operational performance.
- retention of profits to help rebuild capital until equity firmly returns to positive.
- executing our new strategy which aims at diversifying revenues, enhance operational efficiency and improve the health of our balance sheet.

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.

Dividend
The Directors do not recommend the payment of dividend. (2022 Nil).

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 and the financial statements
The report of the directors and the financial statements of CalBank PLC were approved by the board of directors and signed on behalf of the board by two directors as follows:

Signed	Signed
Carl Selasi Asem	**Joe Rexford Mensah**
Director	Director
18 April 2024	18 April 2024

CORPORATE GOVERNANCE REPORT FOR 2023

Introduction

The CalBank Group is dedicated to upholding its corporate governance obligations and responsibilities in the best interests of The CalBank Group is dedicated to upholding its corporate governance obligations and responsibilities in the best interests of all stakeholders. We ensure that our policies and practices adhere to high standards of corporate governance, emphasizing fairness, transparency, and accountability. Our commitment extends to continually strengthening governance within the Group, aligning with our efforts to establish a sustainable business in line with our long-term strategic objectives.

Within the Group, CalBank Plc (the "Bank") serves as the parent company, overseeing wholly owned subsidiaries such as CalAsset Management Limited, CalBank Nominee Limited, CalTrustee Company Limited, and CalBrokers Limited (currently undergoing voluntary liquidation). Each subsidiary operates with its independent Board of Directors.

Compliance and Regulations

The Group places a strong emphasis on adhering to relevant legislation, regulations, standards, and codes, constituting a fundamental aspect of its governance culture. This commitment undergoes regular scrutiny by the Board of Directors of the Bank and its various subsidiaries through thorough reviews of management reports. The outcomes of significant interactions with key stakeholders, including the Bank's regulators and other regulatory authorities, are also communicated to the diverse Boards as part of their ongoing monitoring process.

The Group diligently complies with all applicable legislation, regulations, standards, and codes in Ghana. The Board of Directors ensures that Key regulatory disclosures, such as capital adequacy, non-performing loans, and liquidity ratios, are appropriately disclosed in the year-end financial statements of the Group, aligning with compliance requirements.

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 paragraph 72 (d) of Bank of Ghana's Corporate Governance Directive, 2018 (CGD, 2018) which provides that a Committee of independent directors shall determine the remuneration of executive directors. The period of noncompliance spanned from 2020 to 2023.

The Board reviewed its committee membership in January 2023 to ensure compliance. Furthermore, Rosalind Nana Emela Kainyah, a non-independent director of the Governance and Compensation Committee, resigned as a director of the bank in the second quarter of 2023. The Committee is currently composed entirely of independent directors.

The Committee's mandate covered a broad scope of governance and human resources matters; hence it included a non-independent director with specific expertise in the areas of governance and human resources.

In 2023, it was brought to the Board's attention that a review of executive compensation by the Committee, conducted during a period when non-independent director was a member breached the directive. Accordingly, the Board took immediate steps to reconstitute the Committee with only independent directors to ensure compliance for the purpose of future reviews of executive compensation.

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 2023 which was facilitated by Ghana Banking College.
- The certification programme covered the following topics;

    - Cyber Risk Governance & Management for Directors
    - Fraud Risk Governance & Prevention for Directors
    - Driving ESG Practices: Board's Role from ESG Strategy to Reporting

The Board of Directors of the Bank, referred to as the "Board," serves as the paramount decision-making authority for the Group. It holds comprehensive responsibility for managing the business and affairs of the Group, formulating the overall Group strategy, and overseeing the allocation and procurement of resources. The Board is accountable to shareholders for both the financial and operational performance of the Group.

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.

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	Capital Raise sub-comm	Others
Joseph Mensah	4/4	N/A	N/A	N/A	N/A	6/6	N/A	10/11
Philip Owiredu	4/4	N/A	5/5	5/5	N/A	6/6	N/A	N/A
Carl Selasi Asem	4/4	N/A	5/5	5/5	4/4	6/6	N/A	N/A
Rosalind *Nana Emela Kainyah	2/4	N/A	2/5	N/A	N/A	2/4	N/A	1/11
Nana Otuo Acheampong	4/4	4/4	N/A	5/5	4/4	N/A	N/A	11/11
Helen Nankani	4/4	4/4	5/5	N/A	N/A	6/6	N/A	10/11
Richard Arkutu	4/4	N/A	4/5	5/5	4/4	N/A	9/9	9/11
Kofi Osafo Maafo	4/4	4/4	3/5	N/A	4/4	N/A	7/9	10/11
Kweku Baa Korsah	4/4	4/4	N/A	5/5	N/A	N/A	9/9	11/11
Ben Gustave Barth	4/4	N/A	5/5	N/A	4/4	6/6	9/9	10/11
Solomon Asamoah	4/4	1/4	N/A	3/5	3/4	N/A	N/A	8/11
Cynthia Ayodele Forson	4/4	N/A	N/A	4/5	N/A	6/6	N/A	10/11

* Rosalind Nana Emela Kainyah exited the board in the second quarter of 2023. 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.

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 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 Internal Control policy of the Group establishes a framework for conducting regular inspections and reviews of controls within all business areas throughout the Bank. The objective is to verify the existence of pertinent controls and guarantee strict compliance. In instances where control deficiencies are identified, corrective measures are implemented, and comprehensive reports are submitted to the Board. Subsequent follow-ups are conducted to confirm that the remedial actions are functioning as anticipated.

The systems are structured to handle the risk of falling short in achieving business objectives and to offer reasonable assurance against significant misstatement or loss. The directors have examined the effectiveness of the internal control systems, encompassing controls associated with financial, operational, and reputational risks identified by the Group as of the reporting date. No notable failings or weaknesses were identified during this assessment.

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 Acting Managing Director and an executive director of the Bank, following the retirement of the Managing Director, Mr. Philip Owiredu on 13 February 2024, which has been duly approved by the Bank of Ghana.

Rosalind Nana Emela Kainyah resigned as a director of the bank in the second quarter of 2023. There were no new directors appointed.

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: Ben Gustave Barth, Richard Arkutu, and Cynthia Forson retired by rotation during the review period and would be re-elected by shareholders at the 2023 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
- 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.

Deloitte & Touche was engaged to conduct the external evaluation of the Board for the year ended 31st December 2022 which was submitted to the Bank of Ghana in November 2023 as required by the Corporate Governance Directive. Pillars for the 2022 Board evaluation included; Board Structure, Board role in governance, dynamics and role of the Board, financial reporting process, internal controls, and risk management.

The report showed that the bank was generally compliant with the applicable regulation, directive, practice, policies and procedures.

- Key findings:The Board exercises overall responsibility for sound business practice of the Bank.
- There is disclosure of interest amongst Directors and Key Management Personnel of the Bank which is consistent with regulatory requirements.
- The Board provides certification in the annual report as to the compliance of the bank with BoG requirements.
- The Board is involved in the development, approval and monitoring of the overall business strategy of the bank.
- The Board ensures that transactions with related parties are reviewed to assess risk and are subject to appropriate declarations and restrictions.
- The bank has a succession plan for key management personnel. However, one is yet to be developed for the Board and disclosed in the annual report as required by BoG Corporate Governance Disclosure Directive, 2022.
- There is a clear division of responsibilities and accountability at the top hierarchy of CalBank.
- The Bank has 8 independent directors out of its 12 directors. The directors demonstrate independence in their conducts and decision making.
- Board members are well experienced with diverse professional qualifications and clearly understand their roles and can exercise sound and objective judgement.
- The procedure for appointment of directors to the Board is formal. However, there is a need for more transparency in the appointment of the Board Chair in the future.
- Appropriate processes are undertaken in appointment of Key Management Personnel of the Bank which also includes regulatory approvals.
- Board meetings are held at least four (4) times each financial year and all board members attended all the meetings for the period under review.
- Evaluation of the board is carried out in line with regulatory requirements.
- The Bank has established specialized Board subcommittees in line with BoG requirements. Members generally possess the right qualifications for the committees they belong to.

- The Bank has a formal written conflict of interest policy in place which ensures that actual or potential conflict of interest is reviewed regularly. Board members disclose conflict of interest at the beginning of all board meetings and further recuse themselves if necessary.
- The Board ensures that there are effective internal control systems and a well organised risk management practice/function in place with regular risk updates reported to the board.
- The Board ensures there is appropriate disclosure and transparency with its relevant stakeholders. Other directorships were not disclosed in annual accounts.
- The Bank has established adequate code of conduct which guides their operations. This code applies to staff and Board of Directors.

Three (3) weakness were identified and have been addressed. These were:

- Board succession plan (item 6 above): the Board has developed and approved a Board Succession Policy and Plan.
- Transparency in the appointment of Board Chair (item 10 above): the process for appointing Board Chair was already stated in the Board Charter.
- Disclosure, Transparency and Other Engagements (item 17): other directorships of the directors have been disclosed in the annual report.

The previous Board evaluation conducted in 2020 noted that the Covid-19 pandemic had not impacted the performance of the Board. The Board was compliant with regulation and legislation regarding board composition and this was the major driver behind the changes made to the board. The results from the evaluation process had indicated that board performance, governance and compliance were in good health, with no major areas of concern emerging as problem areas through the evaluation.

The three areas that had emerged most strongly as needing more focused attention were:

- Strategy and Direction
- Organisational Culture
- Effective leadership

These areas had been evaluated by the Board and addressed. This is reflected in the 2022 Board evaluation mentioned above.

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

External Auditor

The Audit Committee exercised oversight responsibility over the work undertaken by the external auditor, Deloitte. 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 Deloitte 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.

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 Deloitte partners and senior team members have been involved in similar audits. Deloitte's lead audit partner for CalBank has experience in auditing banks and understands the markets in which the Group operates.

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.

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 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.
- Oversee the Bank's adherence to laws and regulations, ensuring compliance with AML standards.
- Evaluate and ensure the effectiveness of the Bank's AML program, including customer due diligence and transaction monitoring.
- To oversee the implementation and management of Environmental, Sustainability and Governance (ESG).

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
- Environmental and Social Risk
- Compliance and AML/CFT

During the specified period, the Risk Committee gave approval to some policies and frameworks, encompassing the Risk During the specified period, the Risk Committee gave approval to some policies and frameworks, encompassing the Risk Appetite Framework, Credit Policy, and AML/CFT & P Policy. The committee also delved into discussions on diverse risk aspects, including substantial exposures, capital adequacy, and the results of environmental and social risk assessments.

As part of the governance structure, the Committee 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.

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 five (5) 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, Mr. Joe Mensah and Mrs. Helen Nankani 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, the Head of Internal Control was appointed and inducted into the role and the Head of People and Culture resigned

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.
- 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.

Other engagements of directors

The Board are aware that to enable greater commitment to Board matters, no director holds more than five (5) directorship positions at a time in both financial and nonfinancial companies (including offshore engagements) subject to the restriction against concurrent directorships in banks under section 58(1)(e) of Act 930. Directors' other engagements are disclosed on next page:

The Directors whose board duties exceed the requisite number have been advised to reqularise same.

NAME	DATE APPOINTED	POSITION	OTHER DIRECTORSHIP HELD
Mr. Joseph Rexford	5th December 2019	Non-Executive Director- Chairman	1. CBam Services 2. E3 systems Inc 3. Kofi Tawiah Foundation
Richard Arkutu	5th December 2019	Non-Executive Director	1. Sahel Health Ghana Limited 2. SOS Hermann Gmeiner International College
Ben Gustave Barth	5th December 2019	Non - Executive Director	1. NSIA Insurance Limited 2. Axcero Limited
Solomon Asamoah	5th December 2019	Non -Executive Director	1. Ghana SkyTrain LTD 2. Hucknall LTD 3. Power GIIF LTD 4. Health GIIF LTD 5. MJM Management Consultancies LTD
Mrs. Helen Nankani	30th July 2015	Non- Executive Director	NIL
Mr. Kofi Osafo-Maafo	2nd November, 2017	Non-Executive Director	1. Deputy Director General: Social Security and National Insurance Trust (SSNIT). 2. Fortem Advisors LTD
Mr. Nana Otuo Acheampong	2nd November, 2017	Non-Executive Director	NIL
Mr. Kweku Baa Korsah,	8th May 2019	Non- Executive Director	1. Assure Advisors LTD 2. BC Payments LTD 3. IHR Limited Company 4. Petra Trust
Dr. Cynthia Forson.	9th September 2020	Non-Executive Director	1. Alfapetro Ghana LTD 2. All Star Insurance Brokers LTD 3. Addison Bosman Limited 4. Africa Partners Medical Ghana Limited
Mr. Carl Selasi Asem	3rd August 2022	Executive Director	1. Petrogulf LTD

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 postretirement 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.

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 based on 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:

- Credit Risk Management and Portfolio
- Tax Management
- OECD Guidelines
- Assessing Financial Health
- Agribusiness Finance
- Additional trainings were organised by the Securities and Exchange Commission on:
- Agribusiness Finance
- Anti-Money Laundering/ Combating Financing of Terrorism and the Proliferation of Weapons of Mass Destruction (AML/CFT & P) requirements for directors and principal officers of capital market operators
- Guidelines for Fund Managers, Unit Trusts and Mutual Funds
- Directors participated in a webinar on IT Governance organised by Arise B.V. Directors also attended the cyber security training organised by the Cyber Security Authority.

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
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, 2022 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 Section 5(2d) 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.

As per the Bank's Code of Conduct, all directors and employees have signed a declaration confirming their understanding of the provisions related to professional ethics, business conduct, and sustainable business practices. Additionally, they commit to adhering to the Code of Conduct on an annual basis. This emphasizes the importance of ethical behaviour and compliance with the established standards within the organization.

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

Carl Selasi Asem
Director
18 April 2024

Signed

Joe Rexford Mensah
Director
18 April 2024

RISK MANAGEMENT DECLARATION

Report submitted to Bank of Ghana on 22 April 2024

The Board of Directors of CalBank PLC ("the Bank") oversees enterprise risk and is ultimately responsible for implementing the Enterprise Risk Management Framework. The Board superintends Senior Management, provides reasonable assurance, and declares that;

1. Awareness and Action Plans: The Board and Management of the Bank are cognizant of their responsibilities, and robust action plans have been documented and implemented to address identified deficiencies in internal controls.

2. Prudential Compliance: The Bank has established systems to ensure strict compliance with all prudential requirements, including those stipulated by the Bank of Ghana's risk management directive.

3. Appropriateness of Risk Management Framework: The risk management framework is deemed appropriate, with the Bank possessing the necessary systems and resources to identify, measure, evaluate, control, mitigate, and report material risks commensurate with our size, business mix, and complexity.

4. Adequacy and Effectiveness of Internal Controls: Risk management and internal control systems are deemed adequate, operating effectively, and subject to regular review. Furthermore, a duly segregated system of internal control, processes, and management information systems exists, implemented effectively and monitored by appropriately trained personnel.

5. Commitment to Ethical Standards: CalBank ensures its business practices are conducted with the utmost integrity, and employees are mandated to uphold high ethical standards at all times.

Loan Portfolio Review and Impairment Recognition:
In December 2023, CalBank undertook a comprehensive review of its loan portfolio in response to the prevailing macroeconomic challenges, which resulted in adverse movements and increased credit risks. This rigorous assessment revealed vulnerabilities within the loan book, with certain significant loans facing heightened scrutiny and challenges.

As a result of the loan review process, the Bank recognised significant impairments by International Financial Reporting Standard 9 (IFRS 9) for the financial year ending 31st December 2023. These impairments reflect our commitment to transparent and prudent risk management practices, aligning with global accounting standards and regulatory requirements.

The impairment recognition exercise had notable implications for our regulatory compliance, as evidenced by the following breaches as of 31st December 2023:

Description	Regulatory Limit	Actual 31 December 2023
Capital Adequacy Ratio	Minimum 10%	(9.9%)
Leverage Ratio	Minimum 6%	(7.6%)

Additionally, recognising impairments resulted in negative net own funds, which led to a breach of the single obligor limit (SOL) threshold. These breaches underscore the severity of the Bank's challenges and highlight the importance of proactive risk management measures in response the adverse developments in the operating environment.

In addition to the commitments above, the Board wishes to highlight significant interventions and strategies undertaken to address recent challenges, particularly the negative capital adequacy ratio:

1. **Loan Portfolio Review:** In December 2023, the Bank thoroughly reviewed its loan portfolio in response to adverse macroeconomic conditions, resulting in the recognition of significant impairments by IFRS 9. This proactive measure demonstrates our commitment to transparency and prudential risk management.

2. **Capital Raising Initiative:** Recognizing the impact of credit impairments on our capital adequacy ratio, CalBank's shareholders have approved raising additional capital. The ongoing capital-raising exercise is progressing steadily and is expected to be concluded before regulatory deadlines. This initiative underscores our commitment to maintaining adequate capital levels.

3. **Stress Testing and Scenario Planning:** The Bank has implemented several strategies to maintain capital levels in various stress scenarios, demonstrating our proactive approach to risk management. We aim to anticipate and mitigate potential risks to our capital position through rigorous stress testing and scenario planning, aligning with our capital raise efforts.

4. **Continued Commitment to Risk Management:** Despite recent challenges, the Directors remain fully committed to maintaining a robust risk management framework. We will continue to develop and implement strategies, policies, procedures, and controls to ensure the Bank operates as a viable going concern.

5. **Indeed, here are some details on interventions and enhancements made to address the challenges, specifically focusing on changes in the credit policy manual, improvements in credit risk governance, and enhancements in credit administration:**

6. **Changes in Credit Policy Manual:**

    1. Revised Credit Risk Assessment Criteria: The Bank has updated its credit policy manual to incorporate revised credit risk assessment criteria. This includes enhancements to credit scoring models, risk rating methodologies, and stress testing frameworks to ensure more accurate and forward-looking risk assessments.

    2. Tightened Underwriting Standards: In response to the identified deficiencies in the loan portfolio, the Bank has implemented stricter underwriting standards outlined in the revised credit policy manual. This includes more stringent criteria for loan origination, including borrower creditworthiness, collateral valuation, loan-to-value ratios, and debt service coverage ratios, to mitigate credit risk exposure.

7. **Improvements in Credit Risk Governance:**

    1. Strengthened Oversight and Accountability: The Bank has enhanced its credit risk governance framework to strengthen oversight and accountability at both the Board and management levels. This includes clarifying roles and responsibilities, establishing clear escalation procedures for credit risk issues, and enhancing reporting mechanisms to facilitate more informed decision-making.

    2. Enhanced Credit Risk Committee Structures: The Bank has restructured its credit risk committees to improve effectiveness and efficiency in risk management oversight. This includes establishing dedicated committees responsible for credit risk assessment, approval, and monitoring, with representation from relevant business units and risk management functions.

    3. Enhanced Portfolio Monitoring Tools: The Bank invests in advanced portfolio monitoring tools and credit risk analytics to improve visibility and transparency into credit exposures. This includes implementing credit risk dashboards, scenario analysis tools, and early warning systems to facilitate proactive portfolio management and risk mitigation strategies.

    4. Investment in Staff Training and Development: The Bank has prioritised training and development initiatives to enhance credit administration capabilities and ensure compliance with revised policies and procedures. This includes providing comprehensive training programs on credit risk management, regulatory compliance, and industry best practices to equip staff with the necessary skills and knowledge to execute their roles effectively.

Yours faithfully,

Signed

Joe Rexford Mensah
Board Chairman

Signed

Ben Gustave Barth
Risk Committee Chair

INTRODUCING CalBank

Our Company and Business

We are a financial services provider, listed on the Ghana Stock Exchange (GSE) and have been operating in Ghana since 1990. Our core mission is to be an innovative and customer focused bank, providing bespoke financial services and value to our stakeholders. From our origins as an indigenous local bank with few branches, we now have a network of 34 full banking branches and 893 agent bankers in 13 regions across Ghana. Our business is banking. Our services are segmented into four main categories namely corporate banking, business banking, personal banking and asset management.

CATEGORY	DESCRIPTION
Corporate Banking	This includes all transactions and banking services to large corporate organizations including commercial and corporate banking, project and structured finance, It also includes corporate advisory services, mergers and acquisitions, equity/debt capital markets, balance sheet restructuring, cash management services business finance, trade finance, corporate and project finance, financial advisory, project finance, loan syndications (debt/equity) green finance and bonds.
Business Banking	This category of banking is targeted at small and medium enterprises (SMEs) and specialised groups. Services include women banking, payment solutions, cash management, cash collection, business finance and green finance
Personal Banking	This is basically retail banking where we provide private and commercial banking services to individuals. It includes savings, access to credit, investments, insurance, mortgage loans, and green finance services and agent banking.
Asset Management	In this category we manage pools of capital on behalf of third parties. This capital is invested in a wide range of asset classes, including equities, bonds, cash, property, alternative assets (e.g. private equity, venture capital, hedge funds). It also includes elements of investment banking including trading in shares and share derivatives, as well as fixed income – trading bonds, debt instruments, trading loans and loan portfolios and credit derivatives.

Subsidiaries Under CalBank

The Bank has three main subsidiaries as named in the immediate Table below.

CalAsset Management Company Limited	CalBank Nomines Limited	CalTrustee Company Limited
Incorporated in Ghana and licensed to manage assets by the Securities and Exchange Commission.	Incorporated in Ghana to hold and administer securities and other assets as a custodian (registered owner) on behalf of beneficial owners.	Incorporated in Ghana to manage pension funds on behalf of beneficial owners per National Pensions Regulatory Authority guidelines.

Sustainability Governance

CalBank has a corporate governance system as a means of incorporating the principles of accountability, transparency, and ethical behaviour into decision making and implementation processes. Our corporate governance framework enables us to take responsibility of our impacts, decisions and activities and to integrate sustainability principles and practice throughout our banking operations and relationships. Through good governance practices and leadership, we are able to motivate our employees to integrate environmental and social responsibility into our organizational culture.

Sustainability governance is led at the level of the Board of Directors through the Risk Management Committee, and is implemented at the executive and management levels, using dedicated policies, strategic plans and operational procedures. There are many laws, legislations and regulations that relate to the protection of the environment, people, and society in Ghana. Compliance with applicable legislation, regulations, standards, and codes remains an essential feature of the Group's culture. The Board of Directors of the Group monitors compliance with these by means of management reports. Information on the outcomes of any significant interaction with our key stakeholders such as regulators is also provided to the Board.

After 15 years of sustainability framework implementation, we have generated records that help us to review our performance and challenge us to improve continually. The Board is directly involved in the review of both output and process performance of our ESG Policy Framework. The Board approves all ESG policies and budgets, and periodically reviews critical risks, events and sustainability performance data. Our annual sustainability report to stakeholders is also approved by the Board before publication.

This Report

The 2023 sustainability report is CalBank's 4th successive report, published annually to publicly report on its economic, environmental, and social impacts, and hence its contributions – positive or negative – towards the goal of sustainable development (SDGs). Since our first report in 2019 we have been consistently disclosing our risks opportunities and impacts of our business on the environment, economy and society as we continue to identify additional processes and resources to mitigate negative impacts and optimise opportunities for sustainable development. We are systematically aligning our disclosure to national compliance requirements as well as globally-accepted standards

Material Aspects

We have identified aspects of our business activities and their impacts on the economy, people and the environment. We define impacts as the positive or negative effect of our bank on the economy, the environment, and society. In 2021, we determined our material aspects and prioritised them according to the significance and the influence the impacts have on our stakeholders' decisions and assessments of our brand and company. Since then our sustainability reports have been guided by topics we consider to be material and which merit potential inclusion in our reports. They are the topics that we consider reasonably important for reflecting the bank's economic, environmental, and social impacts, or influencing the decisions of stakeholders. In this context. Our assessment was conducted with our internal stakeholders. We however considered our external stakeholder expectations in our assessments. The national laws and regulations of Ghana as well as international and local partner requirements and expectations were equally factored into the materiality assessment. Our material topics and related informed the development of the CalBank Sustainability Strategy that defines our strategic sustainability objectives and targets, and leads the implementation of our sustainability action plan.

Sustainability Strategy

Our strategy for sustainability is tied to and integrated with our overarching business growth strategy. At the highest level of management and governance of the company we recognise that the projects we finance could adversely impact the environment, society and the economy. Fortunately, we have learnt to know that we can apply our business to mitigate potential environmental and social impacts, and also harness opportunities, to positively transform the lives of people and contribute to the economy.

As a lead to these commitments, in 2021 we developed and documented our sustainability strategy to guide our operations for sustainable development. Our strategy for sustainability is defined by four imperatives namely:
1) climate risk governance, 2) innovative products, 3) cleaner operations, and 4) risk management.

For each sustainability imperative, we have identified significant ESG aspects, strategic ESG objectives, targets and performance indicators. From our significant aspects and stakeholder profiles we continually determine and review our material topics for public sustainability reporting to stakeholders on an annual basis. The sustainability strategy is subject to review every five years or when there is a significant change in business strategy or vision.

Policy Commitments

As a leading financial institution in Ghana, CalBank has stayed committed to the high objectives of good corporate governance, social responsibility, environmental stewardship, and sustainable economic growth in various aspects of our business and stakeholder interactions. We remain resolute in our vision to be the preferred bank for customer experience and innovation. Our Sustainable Banking Policy is the foundation of our Sustainable Banking Framework. It is an expression of our commitment to sustainability as a way of doing business. It is also an expression of the commitment of the Senior Management and the Board of Directors to support the implementation of the E&S management system.

The Calbank Sustainable Banking Policy covers all business activities and internal operations of CalBank and its subsidiaries in all geographical areas. We recognize the impacts of Climate Change on the Earth, and the consequent risks it poses to life, ecosystems, economies, businesses and individuals. We also recognize that our long-term success as a business depends on the long-term prosperity of the society we serve.

We are committed to using our products, services and activities to help accelerate the transformations necessary to achieve the Sustainable Development Goals (SDGs). We will continue to apply these principles to our internal operations and external portfolios through the implementation of a documented Sustainable Banking Framework.

In 2023 our Gender Policy was approved by the Board of Directors in August. During the same month our Credit Policy was revised and also approved by the Board.

Risk Management in Lending

Our credit portfolio presents the highest risk to us from an environment social and economic perspective. It is also the business line that presents the greatest opportunity to address some of the most challenging sustainable development challenges facing society today. Since 2007 we have been implementing a full environmental and social management system. Our ESMS has gone through various reviews by our Board oof Directors often based on audits and review comments from international development finance institutions and assurance agencies. The associated continual improvements led to a major review of the policy in 2021, when we reviewed our then existing ESMS Policy, and developed a dedicated Credit ESMS and a bank-wide Sustainable Banking Framework. The major 2021 review was prompted by the need to align the content of our credit E&S policy with our internal E&S policy.

The Credit Environmental and Social Management Policy describes the regulatory framework for our credit E&S management and details our commitment as a Bank to achieve defined objectives for our sustainability. The Credit E&S Officer is responsible for the day-to-day implementation of the policy and receives technical support from the Sustainability Manager. The projects we finance are first screened for environmental and social compliance and risks and are accordingly classified into High (A), Medium (B) or Low (C) risk categories for effective management. We work closely with clients to develop constructive management solutions and we continuously monitor implementation of these action plans for project sustainability and continual improvement. All facility agreements contain appropriate environmental representations, warranties, and covenants; requiring that projects are in compliance with all material aspects, with national environmental, health, safety and social requirements embodied by state general laws and implementing agencies. Where projects do not comply with the applicable requirements, we apply the necessary mitigation measures including refusal to finance.

Compliance with Laws and Regulations

Our Sustainable Banking Policy Statement contains a clear commitment to legal and other E&S requirements. Our sustainability risk management framework addresses first of all our lending operations where we employ traceable and systemic tools and processes for the identification and ranking of inherent risks through the stages of appraisal, due diligence, action planning and monitoring. The framework is based on the

- Applicable Laws and Regulations of Ghana
- Ghana Sustainable Banking Principles
- ESG Disclosure Manual of the GSE
- Partner ESG standards and requirements
- IFC ESS Performance Standards
- Voluntary ESG standards and Good Practice

These mandatory and voluntary requirements define our compliance framework and govern the quality of the processes we employ in the management of our environmental social and governance risks and opportunities. They are consistently identified, updated, applied and are monitored by both internal controls and third-party assurance protocols. We have established a compliance register and continue to constantly engage with environmental, fire safety and banking regulators for the update of our registers and capacity building of new laws and regulations. Our regulatory and compliance requirements form a key part of our enterprise and sustainability risk management.

Industry Associations and Memberships

Our Sustainable Banking Policy Statement contains a clear commitment to legal and other E&S requirements. Our sustainability As a banking institution we have constantly sought to share knowledge, information and industry level innovation with peers and partners. This Has led us to joins various associations and networks locally and international and we continue to pursue this channel of networking for both business and sustainability. For example Cal bank is a proud signatory to the sustainable banking principles of Ghana and remains a member of Ghana Association of Banks (GAB)

Awards & Recognitions

We continue to attract recognition and appreciation for our leadership in business performance and quality service. In 2023 we won six (6) awards at the CIMG 34th Annual National Marketing Performance Awards, as well as the Financial Service Provider of the Year Award at the 5th Ghana Pharma Awards.

Overall Best Bank in Customer Satisfaction in Business Banking

Overall Best Bank in Service Quality in Business Banking

5 Stars in Service Quality in Business Banking

5 Stars in Customer Sa7sfac7on in Consumer Banking

5 Stars in Customer Sa7sfac7on in Business Banking

CalBank won the Maiden eCedi Hackathon.

The eCedi Hackathon was a 12-week innovation challenge launched by the Bank of Ghana in collaboration with EMTECH Solutions Inc. The hackathon was designed to foster innovation, drive technological advancement, and develop solutions that will redefine the Ghanaian financial landscape. The hackathon was open to FinTechs, developers, and innovators from all over the world. Participants were invited to develop solutions that explore various use cases of the eCedi, Ghana's Central Bank Digital Currency (CBDC). A total number of 88 groups participated in this maiden competition.

The eCedi Hackathon was an immersive and competitive event that brought together some of the brightest minds in the fintech landscape. Organized to explore and harness the potential of eCedi, the hackathon aimed to revolutionize financial accessibility, efficiency, and transparency in Ghana.

CalBank presented innovative solutions such as offline eCedi wallets, transaction tokens, agent networks, and mobile applications to address challenges in offline transactions and promote financial inclusion.

New Partnerships

In September 2023 we signed a partnership agreement to join the Africa Nature Capital Alliance (ANCA). ANCA is a collaborative forum for mobilizing the financial community's response to the risk of nature loss in Africa and support the ANCA's aim of ensuring better integration of nature into financial decision making.

The program will be delivered once a month by ANCA through a series of short online webinars (30-60 minutes each) from August 2023 -Feb 2024 to be attended by selected Group Head, Heads of Departments (HODs) and members of the following departments - Risk, Credit, Corporate and Retail, Strategy and Performance, Investor Relations, Legal and Marketing.

The ANCA program will support CalBank to:

- Assess, disclose, manage, and act on our nature related risks, recognizing that nature is integral to sustainable development.
- Align our portfolio and practice with nature, and
- Drive change through our financing, investment, and insurance products along with active engagement with the real economy

ENVIRONMENT

Paperless Banking

The Bank's strategy to reduce paper use as much as possible is part of our overall resource efficiency improvement program. The strategy of automating our banking operations has reduced our paper use as well as the paper waste we generate. The 2022/2023 paper consumption by the Bank including all branches and their cost are shown in the table below

Paper Consumption Data 2023/2022

	Unit	2023	2022
Paper Used	Boxes of A4 Sheet	1,444	1,384
	GHS	400,400	546,680

The increase in paper use could be attributed to the increased customer base and number of branches in 2023 which outweighed the positive impacts of our paper reduction initiatives. Prices also increased astronomically in 2023

Energy Conservation

Energy is a material topic at our bank. Our energy impacts occur in the form of fuel, electricity, lighting and cooling. Our energy is partly self-generated and partly purchased from external sources including the national electricity grid. We have both renewable and non-renewable sources of energy. Our renewable sources of energy are mainly solar energy which are self -generated and hydro-electric power purchased from the national grid. Our solar installations have been mounted at almost all branches in Ghana and especially in our iconic IFC-certified green building. Our non-renewable energy sources are mainly in the form of fuel for transportation and electrical generators. Our 500KW Solar Farm generates renewable energy creating energy savings of approximately 30% at full capacity without the provision of battery storage.

Energy impacts outside our bank occur through direct energy consumption by our borrowing clients especially by our SME and corporate client who operate in the energyconsuming sectors such as mining, manufacturing, electricity, oil and gas, and transport. We have in place procedures to assess environmental and social impacts of such clients through direct due diligence which include energy impacts.

We are increasingly opting for renewable energy sources as we pursue our solar power installations at all branches and offices. We have also physically installed and adopted technologies that ensure efficient use of energy. These measures and initiatives are essential for combating climate change and for lowering our overall environmental footprint.

Electricity Consumption

	Unit	2023	2022
Electricity	kWH	3,754,555	3,576,028
	GHS	7,438,603	4,645,398

The addition of four new branches in 2023 may account for the increase in electricity consumption. The Public Utilities Regulatory Commission's (PURC) quarterly electricity price adjustments is responsible for the disproportionate increase in electricity consumed by the Bank.

Water Use

Access to fresh water is essential for human life and wellbeing, and is recognized by the United Nations as a human right. As a bank our internal operations do not significantly impact on fresh water sources. However, water is a material topic to us because our clients in certain sectors could negatively impact on water sources. For example, clients in the mining sector can impact water resources through its withdrawal and consumption of water. Withdrawals from a water system can affect the environment by lowering the water table, reducing the volume of water available for use, or otherwise altering the ability of an ecosystem to perform its functions. Such changes have wider impacts on the quality of life in the area, including economic and social consequences; and consequences for the local communities.

In spite of the low impact of our internal operations on fresh water sources we continue to adopt office lifestyles and technology practices that reduce water consumption and consequent waste water generation.

Water Consumption Data 2023/2022

	Unit	2023	2022
Water	ML	20.84	20.84
	GHS	614,520	189,067

For example, by design about 44% of our water at the Head Office is received from the national supply. Boreholes provide the water needs (sanitary facilities and tea rooms). Rainwater is also harvested and channeled into a 30m3 underground tank purposely for landscaping purposes. Our office building design allows us to reduce dependence on the national supply with total water savings of 56 %. according to our EDGE certification.

Green Building

GREEN BUILDING CERTIFICATION

SOCIAL

This section of our report describes the social dimension of sustainability concerns our company impacts on the social systems within which we operate. In this section we have addresses topics such as employment, labour, gender, occupational health and safety, product responsibility and social events.

Labour

As an operating Bank in Ghana, we are governed by the Labour laws and regulations of the country. Our labour aspects are managed by various people-related policies including our overaching human resource (HR) policy.

At CalBank, we aim to create a culture that is inclusive, diverse and supportive where our employees can achieve their full potentials. Our employees are our greatest asset – their skill set, ideas, zeal and professionalism to succeed makes it possible for us to deliver consistently
superior value to our stakeholders. We invest in their successes, helping them develop their skills and their careers.

To ensure we achieve growth in the right way, we place great emphasis on our values, and are committed to applying the highest standards everywhere we do business. We want our employees to act responsibly first to themselves and our stakeholders, and to act with trust, speak up for what is right and feel proud of working with CalBank.

Fair Recruitment Process

Employment in our bank is governed by our Recruitment Policy which commits us to compliance with applicable legal laws and regulations, labour related compliance standards of our partners, and existing related policies and procedures in the bank. The overall objective of the Bank's recruitment policy is to support the various business units to meet their strategic objectives by hiring the right persons into the right job role, at the right time.

We seek to fill the bank's vacancies with the best available candidates both from within and outside, based on business requirements. We advertise these positions internally and externally, where appropriate, to select the most qualified candidate. We always insist on equitable and courteous treatment for both successful and unsuccessful candidates.

Business functions initiate the requests and are assisted by the People and Culture Department to complete the process. Interviews in most cases are conducted by a panel of interviewers comprising the line manager who initiated the recruitment request, Head of People and Culture, and other persons selected by Head of People and Culture. Appointments of key management staff are approved by the Board of Directors.

Employee Career Management

CalBank is committed to the smooth progression of its employees to meet current and future needs of the Bank and career aspirations of employees. The Bank has two career tracks: specialist and management career tracks. The specialist career track provides for career progression for employees whose roles are focused mainly on a specific area requiring deep specialist skills. Such have very clearly defined responsibilities and performance expectations within the defined specialist skill area or function in the Bank. The Management career track provides for career progression for employees with broad management responsibilities including allocation and management of the Bank's resources, including people.

Diversity and Equal Opportunity

CalBank operates an equal pay for equal work done policy, and adheres strictly to the principle of fairness and equity in all its decision-making process regardless of sex, marital status, pregnancy, disability, religion, tribe, etc. All decisions related to recruitment and selection, career advancement, compensation, transfer benefits, and training are based solely on the individual's qualifications, merit, and business needs and in accordance with the provisions of the Bank's policies.

A survey conducted by the People and Culture Department in 2022 found that there is a significant gender gap in leadership and managerial roles. Out of 913 total staff, 525 (57%) are male while only 388 (43%) are female. Yet there are disproportionately more men than women in leadership positions, spanning from first-line management to the executive level.

A breakdown of women in leadership roles are as follows:

Table: Gender & Diversity

Level	Male	Female	Total	% Female
Board	9	2	11	18
Executive Management	3	1	4	25
Senior Management	21	10	31	32
Middle Management	69	56	125	49
General Employees	401	309	710	44

Women Leadership Program

To address this gender imbalance and promote more women into leadership roles, the "Identifying and Elevating the Talented Woman to Lead" Programme was launched. The objectives of this initiative are to identify and develop talented female employees for management and leadership positions, empower and inspire women to recognize their own potential, and raise awareness of essential leadership skills.

The programme will provide a structured learning curriculum focused on introducing leadership concepts, banking industry topics relevant to managers, gaining business acumen and other issues pertinent to present and aspiring women leaders. 20 potential female leaders have been selected to participate in the maiden edition of the programme in Quarter one of 2024.

In July 2023, a leadership seminar for female employees across the bank was organized on the topic "The Journey of Becoming," featuring speaker Isabel Boateng, Managing Partner, AB & David Africa. During her address, Ms. Boateng shared insights from her own professional and personal path to leadership, highlighting key skills like assertiveness, strategic relationship building, and overcoming self-doubt that have helped guide her journey.

The seminar provided a supportive environment for attendees to learn from a successful woman leader's firsthand experience and gain practical advice applicable to their own advancement at the bank. Feedback from participants was overwhelmingly positive, with many noting fresh motivation and ideas to pursue leadership roles after hearing Ms. Boateng's inspirational story. 20 potential female leaders have been selected to commence the programme in 2024 quarter one.

Training and Capacity Building

It is a policy of the bank to train and develop our employees. We ensure that training and development support key organizational performance objectives and adhere to high standards. Training and development in the Bank are a continuous formal process of improving individual performance and competency. Training serves as a vehicle for the transfer and development of requisite skills and aims at building up an empowered workforce.

Annual training plans are developed to align with the Bank's strategy and are designed to support specific performance objectives for the year. Annual individual training plans are developed for each employee based on the Bank's training curriculum and identified individual needs.

Training needs are identified based on defined organizational competencies as well as specific needs of the individuals and groups within the organization. Individual performance appraisal provides critical input into the training need identification process. Identification of training needs is the responsibility of line management whose input is required for the development of individual training plans. We invest in training and development at all levels, enabling us to build a strong succession pipeline of future leaders of the Bank.

In 2023 employees from 73 branches and departments were trained in various subjects and skills. A total of six hundred and sixty-three (663) participants took part in 11 training events during the year.

Course	No. of Participants
Train-the-Trainer Training: Driving People through Performance	9
ICUMS Refresher Training	15
Interpersonal Communication Skills for Leaders	11
Awareness Engagement on the Four (4) Critical Behaviors	187
Sustainable Banking Principles	56
Contact Center Operations	21
Service Quality Management	11
Performance Management using the Vision BI Tool	69
Credit Policy Learning Program	225
Whole Manager Learning Program (Cohort 2)	46
Negotiating to Win	13

Occupational Health and Safety

Our policy and principles for employee health and safety are contained in our multiple labour and sustainability policies and procedures. Part of these policies also apply to our clients including those in the high-risk sectors such as mining and manufacturing, and whose performance are continuously monitored by regular visits of our sustainability monitoring team. Our Head Office and all Banking Halls are also fitted with firefighting and fire detections equipment which are monitored by third party inspectors and regulators on a periodic basis. Our regular fire emergency drills continue to equip our staff with the requisite awareness and skills in managing and reducing the impacts of fire incidents and related negative consequences. We recorded one vehicular accident during the year in which an employee was injured. All employees have accident insurance benefit and full medical coverage.

Employee Health Awareness & Screening

Breast Cancer Awareness Information Sharing was conducted for 79 female employees while 88 employees comprising of 56 men and 32 women received free eye screening and examination. Both screening test were conducted for employees at the Head office in Accra. The Bank continues to provide employees with testing and treatment. The following measure remain enforced within the period:

Eye screening and examination was also conducted for employees at the Head Office and 88 of them participated, an increase of 7 from last year's 75 participants.

PRODUCT RESPONSIBILITY

All accounts are subjected to due diligence at the account opening stage, hence these accounts were taken through the same KYC checks before relationship was established.

Green Financing

The Bank deploys a Green Financing program which has made available approximately US$20million from Agence Française de Développement (AFD) and US$12.5 million from IFC for the financing of renewable energy (RE) and energy efficiency (EE) projects. Under the Green Finance program is the ECOWAS Refrigerators and Air Conditioners Initiative (ECOFRIDGES). ECOFRIDGES is a joint program by the United Nations Environment Programmes (UNEP), Basel Agency for Sustainable Energy and the governments of Ghana and Senegal. Under the Green Finance facility, the Bank extends credit support to projects that lead to measurable reduction in the average energy consumption, reduction of Green House Gas (GHG) emissions and/or use of renewable energy sources in industries, SMEs, climate smart agriculture projects, Green Building Project (LEED, EDGE, BREEAM South Africa Star rating certification), commercial services and households. Projects with strong positive social impact, as well as small size projects which are harder to finance are prioritized. Solar and biomass/ biogas project types are also strongly encouraged. Eligibility for financial support under this Facility are projects implemented in Ghana.

Since the commencement of the program a total of USD3,378,271 has been approved by the Bank and AFD under the SUNREF program. In 2022 additional total of USD887,300 was disbursed to three SME clients in the transport, manufacturing and hospitality industry respectively, and then in 2023, we conditionally approved a facility worth USD992,471 for a corporate client subject to client meeting pre-disbursement conditions together with a number of pipelines deals which are under review at various stages. No new product or service has been developed within the period of 2022 to 2023.

New Inclusive Banking Initiatives

- **New Branches –** Four (4) new branches were created during the year in Ashaley Botwe (Greater Accra Region), Ashaiman (Greater Accra Region), Bolgatanga (Upper East Region) and Kasoa (Central Region) bringing our total branches to 38.

- **The Walker System –** The Walker System banking was developed during the year. The system is an in-person cash collection system where appointed staff of the Bank are assigned to markets and business centres to take the deposits of CalBank account holders daily. The Walker System is a mobile tellering service which takes deposits only from account holders to further extend Bank's services to the underserved and unserved customers.

- **CalBank/Edify School Loan Program –** Another targeted product developed in 2023 is the CalBank/Edify School Loan Program. The loan program is designed to provide access to inexpensive funding for Christian owned schools via the provision of funds for capital expenditure and supporting working capital requirements.

Agent Banking

Since 2018 CalBank has used agent banking to make financial services available to the underserved and unserved customers. Our approach is to use distributed outlets to carry out financial services on behalf of the Bank. Agent Banking expands our base of outreach to customers. It is a major service for financial inclusion and provides easy access to financial services within many communities and localities where the setting up of a formal banking branch may not be sustainable. Through Agent Banking the Bank is able to design tailor-made banking solutions that introduce new account types to meet the needs of the underserved population. At the Agent point, one can open a CalBank Snap Account, deposit and make cash withdrawals, pay bills, transfer funds within Ghana and even buy airtime top up.

REGION	BRANCH	AGENTS
GREATER ACCRA	20	279
EASTERN	1	16
ASHANTI	6	349
CENTRAL	2	27
VOLTA	1	23
UPPER WEST	-	4
UPPER EAST	1	7
SAVANNAH	-	-
NORTH EAST	-	-
BRONG AHAFO	-	5
AHAFO	-	10
WESTERN NORTH	-	5
OTI	-	-
BONO EAST	1	25
WESTERN	5	81
NORTHERN	1	62
TOTAL	**38**	**893**

Agent Banking Events & Engagement

Banking for Women

Head of Women Banking

The role of women in society is unique in itself. Women must therefore be supported to fulfill this role and meaningfully contribute to the economy. In our part of the world setting businesses are culturally patronised by women and women also perform better than men in them. For these and other important reasons, CalBank has created a dedicated Women's Banking Unit (WBU) to help identify, develop and promote women-owned and women-managed businesses and activities. The service is suited for women who accept the challenging role to meet their personal needs and to become economically independent. Any woman who organizes and manages any enterprise or business is eligible for the Women Banking service. Through the Women Banking Unit, the Bank provides financing, advisory, banking and investment services to women entrepreneurs in various sectors of the economy. Since the inception of the WBU CalBank has developed a number of special women products which have been tested by women and continue to see improvements for women.

Summary of Exposure of business with women – 2023

INDUSTRY	EXPOSURE (GHS)
AGRICULTURE FORESTRY & FISHING	88,819.95
MINING & QUARRYING	0.00
MANUFACTURING	3,265,000.00
CONSTRUCTION	0.00
ELECTRICITY, GAS & WATER	0.00
COMMERCE & FINANCE	7,740,531.10
TRANSPORT, STORAGE & COMM.	0.00
SERVICES	3,958,658.65
MISCELLANEOUS	0.00
TOTAL	**15,085,310.41**

Exclusive & Specialised Benefits for Women

- Specially designed products and services to meet the business and financial needs of women and women entrepreneurs
- Access to dedicated Account Relationship Officer
- Accessibility to Credit facilities
- Sensitisation and education of women women-owned businesses on business financial literacy and capacity building
- Flexible collateral arrangement for credits
- Specialized trade finance account

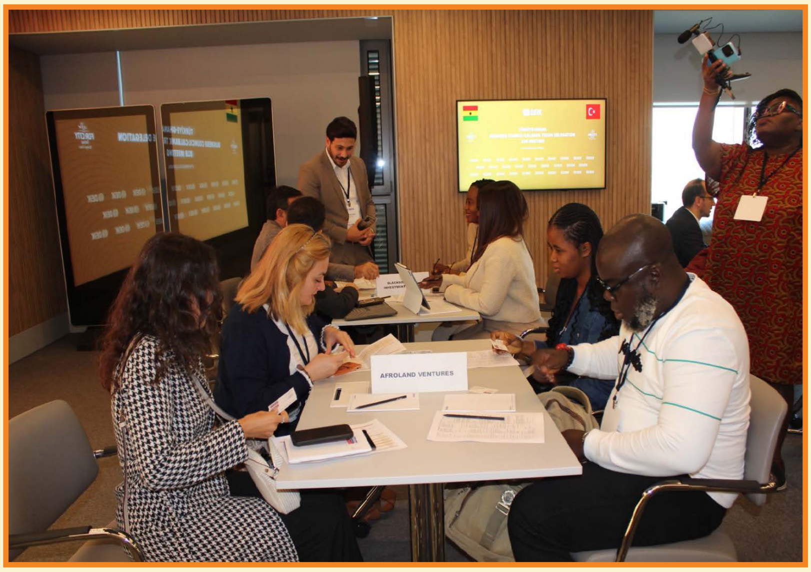
Obaapa Loan – A Special Women Product

The Obaapa loans are for women owned and women managed businesses. It is a solution for easy access of cash required to grow women businesses and exclusively designed with the focus of business expansion and growth plans. CalBank Obaapa Loan gives women the opportunity to expand and grow their businesses by providing working capital requirements and/or financing their business assets whilst maintaining and growing savings which can be used as security. Women are given loans at a discounted interest rate and without landed property but are required to provide cash collateral.

Exhibition for Women Entrepreneurs – SHEXPO

In December 2023 Oxford Africa Women Leadership Institute (OAWLI) invited CalBAnk to participate in a three-day exhibition for women entrepreneurs across all sectors at the State House, Accra. The was named SheXpo and it was organised for 40 exhibitors and 1,000 attendees. The Bank's attendance of the event was part of its product responsibility and customer awareness program.

CalBank B2B Meetings in Turkey



28 customers o f CalBank (businessmen and women) t r a vel led t o Tur key to partake in a business-to-business meeting organized by CalBank. The delegation met over 70 manufacturers on arrival for oneon- one meetings. Factory visits were also organized for the delegation where they met various various business counterparts. Another B2B meeting was organized and hosted by the WCI Forum to meet with members of Musiad in Istanbul where o ver 100 manufacturers came to engage their business counterparts for business network/relationships purposes.

Quality Assurance & Certifications

ISO/IEC 270001: 2013 ISMS

CalBank operates under a number of international quality management standards including those administered by ISO International Standards Organization (ISO). The standards involve the establishment, implementation and maintaining of quality management systems that assure our stakeholders of the highest standards of operations and customer experience. In 2023 we were recertified for compliance with the ISO/IEC 27001:2013 ISMS after a successful third-party re-certification audit.


PCI Security Standards Council
QUALIFIED SECURITY ASSESSOR

Certificate number : PI.01.1233.2023
Classification : Service Provider
Date of Expiration : 22 August 2024

Panacea InfoSec

CERTIFICATE OF PCI DSS COMPLIANCE

is hereby awarded to

CalBank PLC

23 Independence Avenue, Accra, Greater Accra, Ghana - 00233

On the successful audit against the Payment Card Industry Data Security Standard Version 3.2.1

Ajay Kaushik - CEO
CISSP, CISM, QSA

23 August 2023
Date of Issue

The entity shown above was assessed by Panacea InfoSec on the dates shown and found to be compliant with the requirements of the Payment Card Industry Data Security standard Version 3.2.1(Effective June 2018).
This certificate does not provide and guarantee that ongoing compliance is being maintained by the entity. The responsibility of maintaining the requirements of this security standard, remains with the entity above.
This certificate does not offer any form of guarantee or warranty to 3rd parties that the entity above is secure from attacks and breaches. Panacea InfoSec accepts no responsibility for loss or damage of any description in the event of a security breach or failure in the entity's security.

Social Investment

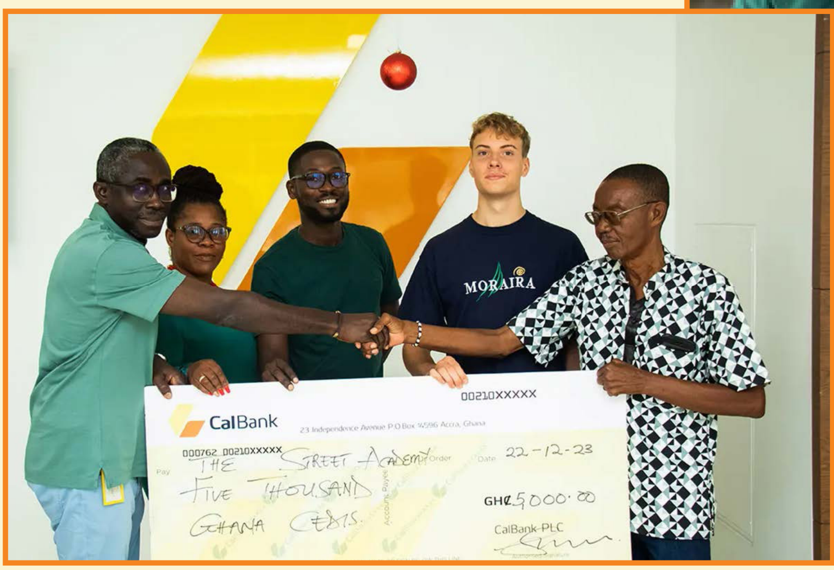
Our social investment initiatives as a bank over the years have involved projects related to multiple areas of community lives. We have implemented and donated many projects to society and communities in the areas of education, healthcare, training, women empowerment, youth and sports, infrastructure development, information awareness and other activities that promote economic and social development. In 2023.

Donation to Village of Hope

In 2023 CalBank repeated its annual donation scheme to needy, orphaned and abandoned children at the Village of Hope located at Gomoa Fete in the Central region of Ghana. The Bank donated GHS 10,000 to support the children and the home as a whole. The donation was derived from monetary collections made to the Bank during its Annual Thanksgiving Service.

Donation to Street Academy

During the reporting year we also supported Street Academy of Ghana to provide under-resourced families and especially young people from underserved neighborhoods with quality education and empowerment that could stimulate hope and confidence for a resourceful future in their lives. This year the Bank donated a sum of GHS5,000

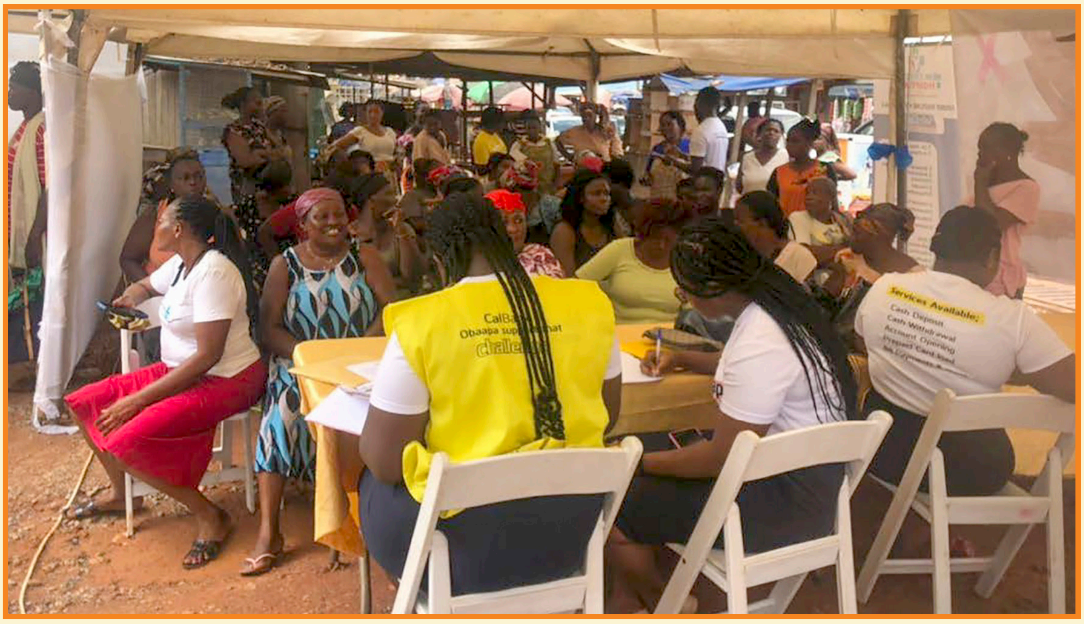


Refurbishment of Classroom Block in a Rural Community

Graduates from tertiary institutions who undertook their national service program at CalBank in 2022/2023 voluntarily contributed part of their monthly national service allowance as a seed money for the renovation of a three-unit classroom block and a headteacher's office for the Bogyawe-Ankaasi Junior High School, at Bekwai in the Ashanti Region of Ghana. The project also donated desks and chairs to the school. Additional funds were provided by the Bank and monetary contributions from the staff. The total cost of the renovation project was GHS70,000. The school building had not been renovated for a number of years after its construction. The queen mother of the community and the headteacher expressed their deepest gratitudes to the Bank on behalf of the community and students.

Breast Cancer Screening for Traders

CalBank's Women Banking in collaboration with the New Crystal Hospital organized a free breast cancer screening exercise for traders in Takoradi. The event included awareness talk on two health topics breast cancer and high blood pressure. Participants were educated on the causes, symptoms and precautionary measure against the two conditions. They were also offered free consultations with the medical doctors and screened for the two conditions. Persons who indicated positive in any of the conditions were given medication. Those with extremely high sugar levels were detained and treated by the doctors. Participants whose conditions had advanced were given referrals to visit the New Crystal Hospital for treatment. Over 350 women were screened during the event.



P. O. Box GP 453
Accra
Ghana

Deloitte & Touché
Chartered Accountants
The Deloitte Place, Plot No. 71
Off George Walker Bush Highway
North Dzorwulu
Accra
Ghana

Tel: +233 (0)302 775355
Email:ghdeloitte@deloitte.com.gh

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of CalBank PLC

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Calbank PLC and its subsidiaries (the Bank and Group),set out on pages 66 to 163, which comprise the consolidated and separate statements of financial position as at 31 December 2023, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, the notes to the consolidated and separate financial statements, including a summary of material accounting policy information and other explanatory disclosures.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of CalBank PLC as at 31 December 2023,and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards with the IAS 29 directive issued by the Institute of Chartered Accountants Ghana, the requirements of 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group and Bank in accordance with the requirements of the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) and other independence requirements applicable to performing audits of financial statements in Ghana. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements that are relevant to our audit of financial statements in Ghana.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty relating to going concern
We draw attention to Note 42 to the financial statements, which indicates that the Bank and the Group incurred a net loss of GHS681million/GHS671million (2022: loss of GHS815 million/GHS810 million).

The Bank and the Group also had negative net assets of GHS185 million/GHS141 million (2022: positive of GHS497 million/GHS531 million).

The Bank also has an unimpaired capital of negative GHS409million (2022: positive of GHS271million). The capital adequacy ratio (CAR) as at 31 December 2023 is negative 9.9% (2022: positive 12.5%) as against the required minimum level of 10% as indicated in note 7.6 to the financial statements.

As stated in Note 42 to the financial statements, these events or conditions, along with other matters as set forth in Note 42, indicate that a material uncertainty exists that may cast significant doubt on the Bank and Group's ability to continue as a going concern.

Deloitte.

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of CalBank PLC

Our opinion is not modified in respect of this matter.

Key Audit Matter

Key audit matter is that matter that, in our professional judgement, which is of most significance in our audit of the consolidated and separate financial statements of the current period. This matter was 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 this matter. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matter to be communicated in our report.

Key Audit Matter	How the matter was addressed in the audit
Expected Credit Losses (ECL) on Loans and Advances This key audit matter is applicable to the separate financial statements. As at 31 December 2023, the Group's loan and advances portfolio was GHS 3.9 billion (2022: GHS 3.7 billion) with an associated impairment allowance for expected credit losses ("ECL" or "allowance for impairment") of GHS 1.1 billion (2022: GHS 548 million). As described in Note 4.12 and 24c to the financial statements, ECL represents a complex accounting estimate, which is based on management's evaluation of probable loan losses expected to be incurred over the life of the loan. The Company is required to compute loan provision in accordance with the Bank of Ghana (BOG) prudential guidelines and IFRS 9 Financial Instruments. We have identified the significant risk that: • There is inappropriate classification of loans and advances in accordance with BOG's guidelines that result in inaccurate loan impairment computations. • We have identified a risk that loans and advances that have met the Bank's policy on default criteria and therefore should move to Stage 2 (lifetime expected credit losses staging bucket) or Stage 3 (lifetime expected credit losses staging bucket) have not been appropriately identified and thus the ECL determined may have been misstated. The assumption with the most significant impact on the cash flow forecast was determining the staging of financial assets of the Company. Inappropriate staging may have a significant impact on the provision for expected credit loss. Expected credit losses is considered to be a key audit matter due to the level of significant judgement applied by management in its determination and the increased uncertainty related to the impact of local economic challenges.	We performed the following procedures with the assistance of our credit specialists: • Obtained an understanding of management's processes around the measurement of the ECL including management's modelling methodology and incorporation of assumptions. • Evaluated the design and tested the implementation of relevant controls relating to the determination of changes in credit risk i.e., significant increases in credit risk and default criteria. • Reviewed the appropriateness of management judgements/assumptions used in the determination of the appropriateness of staging of loans. • Assessed conformity of management's ECL policy with the Bank of Ghana's regulatory directives (including current guidance) and IFRS. • Evaluated the ongoing impact of the current macro-economic conditions on changes in credit risk. • Evaluated whether the staging used in the final ECL model appropriately reflects the determined staging buckets and all relevant considerations. • Based on an audit sample, agreed the input data (for example days past due) to underlying audit evidence including loan systems data and loan documentation. • Evaluated management's calculation of the ECL for arithmetical accuracy. • Evaluated the disclosures made with respect to staging of ECL are appropriate within the context of the Bank and current circumstances. Based on the procedures described above, we found management's estimate to be reasonable.

Deloitte.

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of CalBank PLC

Other Matter

The consolidated and separate financial statements of the Group and Bank for the year ended 31 December 2022, were audited by another auditor who expressed an unmodified opinion on those statements on 28 April 2023.

Other Information

The directors are responsible for the other information. The other information comprises the five-year consolidated financial summary, corporate information, board of directors' profile, profile of executive management, report of the Directors, the Chairman's report, Managing director's report, corporate governance report, risk management declaration, sustainability report, twenty largest shareholders, value added statements, which we obtained prior to the date of this report. The other information 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 and will not express an audit opinion or 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 on the other information obtained prior to the date of this auditor's report, 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 and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards, the requirements of 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 consolidated and separate 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's and the 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 the Bank or to cease operations, or have no realistic alternative but to do so.

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 judgement and maintain professional scepticism 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.

Deloitte.

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of CalBank PLC

- 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's and the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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's and the 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 the 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 those charged with governance 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 those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to 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 those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current year 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

In accordance with the Seventh Schedule of the Companies Act, 2019 (Act 992) we expressly state that:

1. We have obtained the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of the audit.

2. In our opinion:
    - proper books of accounts have been kept by the Group, so far as appears from our examination of those books.
    - the information and explanations given to us, were in the manner required by the Companies Act, 2019 (Act 992) and give a true and fair view of the:

        a. statement of financial position of the Group at the end of the financial year, and
        b. statement of profit or loss and other comprehensive income for the financial year.

Deloitte.

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of CalBank PLC

- the group accounts have been properly prepared in accordance with the Companies Act, 2019 (Act 992), to give a true and fair view of the state of affairs, and the profit or loss of the Bank and its subsidiaries.

3. The Group's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the accounting records and returns.

4. The group account has been properly prepared in accordance with the Companies Act, 2019 (Act 992), to give a true and fair view of the state of affairs, and the profit or loss of the Bank and its subsidiaries.

5. We are independent of the group, pursuant to Section 143 of the Companies Act, 2019 (Act 992).

The Banks and Specialized Deposit-Taking Institution Act, 2016 (Act 930) requires that we state certain matters in our report. We hereby state that:

1. We confirm that the accounts give a true and fair view of the state of the affairs of the Bank and the results of operations for the year under review.

2. We were able to obtain all the information and explanation required for the efficient performance of our duties as auditors.

3. We confirm that the transactions of the Group were within its powers.

4. In our opinion, the Bank has generally complied with the provisions of the Anti-Money Laundering Act, 2020 (Act 1044), as amended by the Anti-Money Laundering (Amendment) Act, 2014 (Act 874), the Anti-Terrorism Act, 2008 (Act 762) and Regulations made under these enactments.

5. Except as disclosed in Note 35 and Note 7.6 and Note 7.7 to the financial statements, the Bank has generally complied with the provisions of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

6. The Bank has generally complied with the requirements of the Bank of Ghana Corporate Governance Disclosure Directive, 2022.

The engagement partner on the audit resulting in this independent auditor's report is **Abena Biney (ICAG/P/1508).**

Deloitte & Touche.

For and on behalf of Deloitte & Touche (ICAG/F/2024/129)
Chartered Accountants
The Deloitte Place, Plot No.71
Off George Walker Bush Highway
North Dzorwulu
Accra Ghana

19th April,................................ **2024**

It's as easy as a SNAP!

Access an instant loan with CalBank Snap Cash. Simply download the **CalBank App** and sign up, or **dial *771#** to request your loan today.

Go ahead and give it a try. All you must do is repay within 30days.

Download the **CalBank App** and sign up

GET IT ON Google Play | Available on the App Store | Download on AppGallery | mastercard | VISA

#ForwardTogether

Ts & Cs apply

CalBank

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER

in thousands of Ghana Cedis		2023		2022	
	Note	**Bank**	**Group**	**Bank**	**Group**
Interest income calculated using the effective interest method	11	1,094,092	1,098,912	1,275,872	1,282,278
Interest expense calculated using the effective interest method	11	(558,735)	(557,577)	(689,730)	(689,183)
Net interest income		**535,357**	**541,335**	**586,142**	**593,095**
Fees and commission income	12	126,360	142,694	84,554	101,202
Fees and commission expense	12	(27,405)	(27,415)	(18,288)	(18,294)
Net fees and commission income		**98,955**	**115,279**	**66,266**	**82,908**
Net trading income	13	176,807	176,807	114,773	114,773
Revenue		**811,119**	**833,421**	**767,181**	**790,776**
Other (loss)/income	14	(277)	(707)	923	888
Operating income		**810,842**	**832,714**	**768,104**	**791,664**
Net impairment loss on financial instruments	24(c)	(1,229,498)	(1,228,901)	(1,442,221)	(1,451,244)
Personnel expenses	15	(170,495)	(175,309)	(155,567)	(159,165)
Depreciation and amortisation	28(b)	(54,097)	(54,305)	(47,112)	(47,277)
Finance cost on lease liabilities	33(b)	(4,651)	(4,651)	(4,085)	(4,085)
Other expenses	16	(311,944)	(315,746)	(199,456)	(202,069)
Total operating expenses		**(1,770,685)**	**(1,778,912)**	**(1,848,441)**	**(1,863,840)**
Loss before tax		**(959,843)**	**(946,198)**	**(1,080,337)**	**(1,072,176)**
Income tax	17(a)	279,565	275,130	265,137	262,366
Loss for the year		**(680,278)**	**(671,068)**	**(815,200)**	**(809,810)**
Other comprehensive income					
Items that will not be reclassified to profit or loss:					
Revaluation of property and equipment	35(c)	-	-	124,159	124,159
Remeasurement of employee benefit	35(e)	(1,134)	(1,159)	(909)	(901)
Other comprehensive loss/income, net of tax		**(1,134)**	**(1,159)**	**123,250**	**123,258**
Total comprehensive loss		**(681,412)**	**(672,227)**	**(691,950)**	**(686,552)**
Earnings per share (Ghana cedis per share)	18				
Basic earnings per share		(1.0858)	(1.0711)	(1.3012)	(1.2926)
Diluted earnings per share		(1.0858)	(1.0711)	(1.3012)	(1.2926)

The notes on pages 71 - 163 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER

In thousands of ghana cedis		2023		2022	
	Note	Bank	Group	Bank	Group
Assets					
Cash and cash equivalents	20	2,320,963	2,320,963	2,008,870	2,008,870
Non-pledged trading assets	23	77,812	77,812	47,001	47,001
Investment securities	21	2,982,682	3,008,369	2,675,533	2,699,301
Loans and advances to customers	24	2,754,779	2,754,779	3,190,359	3,190,359
Investment in subsidiaries	25	3,540	-	3,540	-
Current tax assets	17(c)	41,485	40,873	21,906	21,281
Property, plant and equipment	28	637,653	637,830	622,319	622,408
Intangible assets	29	80,340	81,328	81,731	82,640
Right-of-use assets	33(a)	75,161	75,161	85,047	85,047
Deferred tax assets	27	666,124	668,233	359,680	361,927
Other assets	26	228,894	234,498	123,268	131,720
Total assets		**9,869,433**	**9,899,846**	**9,219,254**	**9,250,554**
Liabilities					
Deposits from banks and other financial institutions	30	555,001	539,747	622,594	618,522
Deposits from customers	31	6,945,627	6,945,627	6,116,174	6,116,174
Borrowings	32	1,292,718	1,292,718	1,610,950	1,610,950
Lease liabilities	33(b)	68,188	68,188	66,288	66,288
Other liabilities	34	1,192,802	1,194,568	306,739	307,395
Total liabilities		**10,054,336**	**10,040,848**	**8,722,745**	**8,719,329**
Shareholders' equity					
Stated capital	35(a)	400,000	400,000	400,000	400,000
Retained earnings	35(f)	(1,202,955)	(1,159,113)	(522,677)	(488,045)
Revaluation reserve	35(c)	227,085	227,085	227,085	227,085
Statutory reserve	35(b)	393,905	393,905	393,905	393,905
Other reserves	35(e)	(2,938)	(2,879)	(1,804)	(1,720)
Total shareholders' equity		**(184,903)**	**(141,002)**	**496,509**	**531,225**
Total equity and liabilities		**9,869,433**	**9,899,846**	**9,219,254**	**9,250,554**

The financial statements were approved by the board of directors on 18 April 2024 and signed on their behalf by:

Signed

Carl Selasi Asem
Director
18 April 2024

Signed

Joe Rexford Mensah
Director
18 April 2024

The notes on pages 71 - 163 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER

2023 Bank *in thousands of Ghana Cedis*	Note	Stated Capital	Retained Earnings	Revaluation Reserve	Statutory Reserve	Credit Risk Reserve	Other Reserves	Total
Balance as at 1 January		400,000	(522,677)	227,085	393,905	–	(1,804)	496,509
Total comprehensive income								
Loss for the year	35(f)	–	(680,278)	–	–	–	–	(680,278)
Other comprehensive income, net of tax								
Remeasurement of other long term employee benefit	35(e)	–	–	–	–	–	(1,134)	(1,134)
Transactions with equity holders of the Bank								
Dividends paid to equity holders		–	–	–	–	–	–	–
Balance at 31 December		**400,000**	**(1,202,955)**	**227,085**	**393,905**	**–**	**(2,938)**	**(184,903)**

2023 Group *in thousands of Ghana Cedis*	Note	Stated Capital	Retained Earnings	Revaluation Reserve	Statutory Reserve	Credit Risk Reserve	Other Reserves	Total
Balance at 1 January		400,000	(488,045)	227,085	393,905	–	(1,720)	531,225
Total comprehensive income								
Loss for the year	35(f)	–	(671,068)	–	–	–	–	(671,068)
Remeasurement of other long term employee benefit	35(e)	–	–	–	–	–	(1,159)	(1,159)
Transactions with equity holders of the Bank								
Dividends paid to equity holders		–	–	–	–	–	–	–
Net changes in Bank's shares held by subsidiaries		–	–	–	–	–	–	–
Balance at 31 December		**400,000**	**(1,159,113)**	**227,085**	**393,905**	**–**	**(2,879)**	**(141,002)**

The notes on pages 71 – 163 are an integral part of these financial statements.

Consolidated Statement of Changes in Equity (Continued)

2022 Bank *in thousands of Ghana Cedis*	Note	Stated Capital	Retained Earnings	Revaluation Reserve	Statutory Reserve	Credit Risk Reserve	Other Reserves	Total
Balance as at 1 January		400,000	361,554	102,926	393,905	–	(895)	1,257,490
Total comprehensive income								
Loss for the year	35(f)	–	(815,200)	–	–	–	–	(815,200)
Other comprehensive income, net of tax								
Revaluation surplus on property and equipment	35(c)	–	–	124,159	–	–	–	124,159
Remeasurement of other long term employee benefit	35(e)	–	–	–	–	–	(909)	(909)
Transactions with equity holders of the Bank								
Dividends paid to equity holders	35(g)	–	(69,031)	–	–	–	–	(69,031)
Balance at 31 December		**400,000**	**(522,677)**	**227,085**	**393,905**	**–**	**(1,804)**	**496,509**

2022 Group *in thousands of Ghana Cedis*	Note	Stated Capital	Retained Earnings	Revaluation Reserve	Statutory Reserve	Credit Risk Reserve	Other Reserves	Total
Balance at 1 January		400,000	390,697	102,926	393,905	–	(958)	1,286,570
Total comprehensive income								
Loss for the year	35(f)	–	(809,810)	–	–	–	–	(809,810)
Other comprehensive income, net of tax								
Revaluation surplus on property and equipment	35(c)	–	–	124,159	–	–	–	124,159
Remeasurement of other long term employee benefit	35(e)	–	–	–	–	–	(901)	(901)
Transactions with equity holders of the Bank								
Dividends paid to equity holders	35(g)	–	(68,956)	–	–	–	–	(68,956)
Net changes in Bank's share held by subsidiaries	35(e)	–	24	–	–	–	139	163
Balance at 31 December		**400,000**	**(488,045)**	**227,085**	**393,905**	**–**	**(1,720)**	**531,225**

The notes on pages 71 – 163 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER

in thousands of Ghana Cedis		2023		2022	
	Note	**Bank**	**Group**	**Bank**	**Group**
Cash from operating activities					
Loss for the year		**(680,278)**	**(671,068)**	**(815,200)**	**(809,810)**
Adjustments for:					
Depreciation and amortisation	28(b)	54,097	54,305	47,112	47,277
Net impairment loss on financial instruments	24(c)	1,229,498	1,228,901	1,442,221	1,451,244
Net interest income	11	(535,357)	(541,335)	(586,142)	(593,095)
Income tax	17(a)	(279,565)	(275,130)	(265,137)	(262,366)
Unrealised exchange loss		11,088	11,088	74,245	74,245
Loss from disposal of property and equipment	28(c)	2,032	2,032	-	-
Finance cost on lease liabilities	33(b)	4,651	4,651	4,085	4,085
Cash used in operations before changes in operating assets and liabilities		**(193,834)**	**(186,556)**	**(98,816)**	**(88,420)**
Changes in:					
Non-pledged trading assets		30,811	30,811	625,508	625,508
Loans and advances to customers		(895,837)	(895,837)	(1,267,413)	(1,267,413)
Other assets		(105,626)	(102,778)	(33,029)	(38,465)
Derivative assets		-	-	26,466	26,466
Deposit from banks and other financial institutions		(59,828)	(71,010)	(555,079)	(555,469)
Deposits from customers		895,795	895,795	949,426	949,426
Other liabilities		886,063	887,173	165,586	164,027
Asset held for sale		-	-	121,085	121,085
Cash generated by operating activities		**751,378**	**744,154**	**32,550**	**25,165**
Interest received		1,135,016	1,139,790	1,292,833	1,298,328
Interest paid		(632,440)	(631,315)	(727,449)	(726,901)
Finance charges on lease liability paid		(3,409)	(3,409)	(4,085)	(4,085)
Income taxes paid	17(c)	(46,460)	(50,770)	(131,740)	(136,125)
Net cash flows from operating activities		**1,010,251**	**1,011,894**	**363,293**	**367,962**
Cash flows from investing activities					
Proceeds from disposal of investment securities		991,883	991,896	4,445,948	4,446,071
Acquisition of investment securities		(1,299,243)	(1,300,527)	(3,317,089)	(3,322,089)
Acquisition of property and equipment	28(a)	(53,390)	(53,518)	(71,348)	(71,371)
Proceeds from disposal of property and equipment	28(c)	2,987	2,987	-	-
Acquisition of intangible assets	29	(6,933)	(7,180)	(14,427)	(14,461)
Increase in equity share of subsidiary		-	-	(20)	-
Net cash flows (used in)/from investing activities		**(364,696)**	**(366,342)**	**1,043,064**	**1,038,150**
Cash flows from financing activities					
Dividends paid	35(g)	-	-	(69,031)	(68,956)
Proceeds from borrowings	32	173,308	173,308	2,211,560	2,211,560
Repayment of borrowings	32	(491,540)	(491,540)	(2,814,877)	(2,814,877)
Principal payment of lease liabilities	33(d)	(12,597)	(12,597)	(32,403)	(32,403)
Interest payment of lease liabilities	33(d)	(4,651)	(4,651)	(4,085)	(4,085)
Net cash flows used in financing activities		**(335,480)**	**(335,480)**	**(708,836)**	**(708,761)**
Net increase in cash and cash equivalents		310,075	310,072	697,521	697,351
Cash and cash equivalents at 1 January		2,008,870	2,008,870	1,307,694	1,307,701
Effect of exchange rate fluctuations on cash and cash equivalents held		2,018	2,021	3,655	3,818
Cash and cash equivalents at 31 December	20	**2,320,963**	**2,320,963**	**2,008,870**	**2,008,870**

The notes on pages 71 - 163 are an integral part of these financial statements.

(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. The financial statements for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the directors on 18 April 2024.

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.
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 new IFRSs which became effective from 1 January 2023 but do not have a material effect on the Group's financial statements.

4. MATERIAL 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 36(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. If the financial assets cures and is no longer originated credit-impaired, the Bank reverts to calculating interest income on a gross basis.

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 provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences, except:

i. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

ii. In respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it becomes probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current and deferred taxes are recognised as income tax benefits or expenses in the income statement except for tax related to the fair value re-measurement of debt instruments at fair value through OCI, foreign exchange differences and the net movement on cash flow hedges, which are charged or credited to OCI.

These exceptions are subsequently reclassified from OCI to the income statement together with the respective deferred loss or gain. The Group also recognises the tax consequences of payments and issuing costs, related to financial instruments that are classified as equity, directly in equity. The Group only off-sets its deferred tax assets against liabilities when there is both a legal right to offset its current tax assets and liabilities and it is the Group's intention to settle on a net basis.

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.

Letters of credit are written undertakings by the Group on behalf of a customer authorising a third party to draw drafts on the Group up to a stipulated amount under specific terms and conditions. The primary purpose of these instruments is to ensure that funds are available to a customer as required.

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.

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 note4.11) 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.

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.

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 dent 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
- Interest rates

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.

There have been no changes to the estimation techniques or significant assumptions throughout the reporting period. The methodologies and underlying assumptions have remained consistent with our risk management practices.

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 repossessed, 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 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:

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.

4.19.5 CAPITAL WORK IN PROGRESS

Property and equipment under construction is stated at initial cost and depreciated from the date the asset is made available for use over its estimated useful life. Assets are transferred from capital work in progress to an appropriate class of property and equipment when commissioned and ready for its intended use.

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 ISSUE AND BORROWINGS

Deposits, debt securities in issue 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 respect 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 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. ADOPTION OF NEW AND REVISED STANDARDS

5.1.1 NEW AND AMENDED IFRS ACCOUNTING STANDARDS THAT ARE EFFECTIVE FOR THE CURRENT YEAR

In the current year, the group has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

In the current year, the group has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

The group has adopted the amendments to IAS 1 for the first time in the current year. The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements. The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

The group has adopted the amendments to IAS 12 for the first time in the current year. The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

The group has adopted the amendments to IAS 12 for the first time in the current year. The IASB amends the scope of IAS 12 to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum topup taxes described in those rules.

The amendments introduce a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

Following the amendments, the group is required to disclose that it has applied the exception and to disclose separately its current tax expense (income) related to Pillar Two income taxes.

The group has adopted the amendments to IAS 8 for the first time in the current year. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The definition of a change in accounting estimates was deleted.

5.1.2 NEW AND REVISED IFRS ACCOUNTING STANDARDS IN ISSUE BUT NOT YET EFFECTIVE

At the date of authorisation of these financial statements, the group has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective for the financial year under review are disclosed below:

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture .
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the group in future periods, except if indicated below.

Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures—Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted. The directors of the parent company anticipate that the application of these amendments may have an impact on the group's consolidated financial statements in future periods should such transactions arise.

Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Non-current

The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or noncurrent in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2024, with early application permitted. The IASB has aligned the effective date with the 2022 amendments to IAS 1. If an entity applies the 2020 amendments for an earlier period, it is also required to apply the 2022 amendments early.

The directors of the parent company anticipate that the application of these amendments may have an impact on the group's consolidated financial statements in future periods.

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or noncurrent).

Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

The amendments are applied retrospectively for annual reporting periods beginning on or after 1 January 2024. Earlier application of the amendments is permitted. If an entity applies the amendments for an earlier period, it is also required to apply the 2020 amendments early.

The directors of the parent company anticipate that the application of these amendments may have an impact on the group's consolidated financial statements in future periods.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information.
To meet the disclosure objective, an entity will be required to disclose in aggregate for its supplier finance arrangements:

- The terms and conditions of the arrangements
- The carrying amount, and associated line items presented in the entity's statement of financial position, of the liabilities that are part of the arrangements

- The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers
- Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement
- Liquidity risk information

The amendments, which contain specific transition reliefs for the first annual reporting period in which an entity applies the amendments, are applicable for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted.

Amendment to IFRS 16 Leases—Lease Liability in a Sale and Leaseback

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability, that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15, is a lease liability.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. If a seller-lessee applies the amendments for an earlier period, it is required to disclose that fact.

A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.

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. (Refer to note 43)

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, related parties 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.
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.

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 risk 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.

At 31 December	2023			2022		
	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 2023	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 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%

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.

in thousands of cedis	2023				2022			
As at 31 December	**Upside**	**Central**	**Downside**	**Probability weighted**	**Upside**	**Central**	**Downside**	**Probability weighted**
Gross loans	3,850,332	3,850,332	3,850,332	3,850,332	3,738,077	3,738,077	3,738,077	3,738,077
Loss allowance	1,096,859	1,083,193	1,079,284	1,095,553	549,823	543,621	541,824	547,718

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.

in thousands of cedis	2023				2022			
As at 31 December	**Upside**	**Central**	**Downside**	**Probability weighted**	**Upside**	**Central**	**Downside**	**Probability weighted**
Gross Investment	4,012,024	4,012,024	4,012,024	4,012,024	3,719,932	3,719,932	3,719,932	3,719,932
Loss Allowance	1,034,531	1,021,641	1,017,954	1,029,342	1,132,915	1,130,025	1,127,030	1,139,550

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. Explaination of the term Stage 1, Stage 2, and Stage 3 is included in Note 4.12.2.

Group and Bank 2023 *in thousands of Ghana Cedis*	Stage 1	Stage 2	Stage 3	Total
Loans and advances to customers				
Grade A	1,462,367	266,588	-	1,728,955
Grade B	-	20,012	791,752	811,764
Grade C	-	16,363	391,743	408,106
Grade D	-	16,313	45,245	61,558
Grade E	-	-	839,949	839,949
	1,462,367	**319,276**	**2,068,689**	**3,850,332**
Loss allowance	(20,197)	(21,011)	(1,054,345)	(1,095,553)
Carrying amount	**1,442,170**	**298,265**	**1,014,344**	**2,754,779**
Loan Commitments				
Grade A	832,384	-	-	832,384
Loss allowance	(605,521)	-	-	(605,521)
Guarantees & Indemnities				
Grade A	515,021	-	-	515,021
Loss allowance	(654)	-	-	(654)
Letters of credit				
Grade A	91,070	-	-	91,070
Loss allowance	(539)	-	-	(539)

Bank 2023 *in thousands of Ghana Cedis*	Stage 1	Stage 2	Stage 3	POCI	Total
Investment securities at amortised cost					
Grade B	-	-	-	4,012,024	4,012,024
Loss allowance	-	-	-	(1,029,342)	(1,029,342)
Carrying amount	**-**	**-**	**-**	**2,982,682**	**2,982,682**
Cash and cash equivalent					
Grade A	2,320,963	-	-	-	2,320,963
Loss allowance	-	-	-	-	-
Carrying amount	**2,320,963**	**-**	**-**	**-**	**2,320,963**

Group 2023 *in thousands of Ghana Cedis*	Stage 1	Stage 2	Stage 3	POCI	Total
Investment securities at amortised cost					
Grade B	-	-	-	4,046,137	4,046,137
Loss allowance	-	-	-	(1,037,768)	(1,037,768)
Carrying amount	**-**	**-**	**-**	**3,008,369**	**3,008,369**
Cash and cash equivalent					
Grade B	2,320,963	-	-	-	2,320,963
Loss allowance	-	-	-	-	-
Carrying allowance	**2,320,963**	**-**	**-**	**-**	**2,320,963**

Group and Bank 2022 *in thousands of Ghana Cedis*	**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 *in thousands of Ghana Cedis*	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**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	2,008,870	-	-	-	2,008,870
Loss Allowance	-	-	-	-	-
Carrying amount	**2,008,870**	**-**	**-**	**-**	**2,008,870**

Group 2022 *in thousands of Ghana Cedis*	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**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 B	2,008,870	-	-	-	2,008,870
Loss allowance	-	-	-	-	-
Carrying amount	**2,008,870**	**-**	**-**	**-**	**2,008,870**

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 **2023**

Loans and advances to customers at amortised cost *in thousands of Ghana Cedis*	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance at 1 January	19,759	19,402	508,557	547,718
Transfer to Stage 2	(2,737)	2,737	-	-
Transfer to Stage 3	(5,943)	(10,041)	15,984	-
Net remeasurement of loss allowance	13,850	9,793	713,255	736,898
New financial assets originated or purchased	1,958	1,580	31,762	35,300
Loans that have been derecognised	(6,690)	(2,460)	(7,976)	(17,126)
Write-offs	-	-	(207,237)	(207,237)
Balance at 31 December	**20,197**	**21,011**	**1,054,345**	**1,095,553**

Loan and advances increased in 2023 with a corresponding increase in credit risk of some high value facilities which resulted in increased ECL.

Group and Bank **2022**

Loans and advances to customers at amortised cost *in thousands of Ghana Cedis*	**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**

Bank — **2023**

Investment Securities at amortised cost	*in thousands of Ghana Cedis*	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance at 1 January		-	-	1,139,550	1,139,550
Transfer to Stage 3		-	-	-	-
Net remeasurement of loss allowance		-	-	(110,208)	(110,208)
Balance at 31 December		**-**	**-**	**1,029,342**	**1,029,342**

Group — **2023**

Investment Securities at amortised cost	*in thousands of Ghana Cedis*	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance at 1 January		-	-	1,148,573	1,148,573
Transfer to Stage 3		-	-	-	-
Net remeasurement of loss allowance		-	-	(110,805)	(110,805)
Balance at 31 December		**-**	**-**	**1,037,768**	**1,037,768**

Group and Bank — **2023**

Letters of credit, loan commitments and financial guarantees	*in thousands of Ghana Cedis*	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance at 1 January		1,240	-	-	1,240
Net remeasurement		1,048	-	-	1,048
Balance at 31 December		**2,288**	**-**	**-**	**2,288**

Bank — **2022**

Investment securities at amortised cost	*in thousands of Ghana Cedis*	**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		-	-	1,134,394	1,134,394
Balance at 31 December		**-**	**-**	**1,139,550**	**1,139,550**

Group — **2022**

Investment securities at amortised cost	*in thousands of Ghana Cedis*	**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	*in thousands of Ghana Cedis*	**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**

7.2.12 LOANS WITH RENEGOTIATED 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

	2023	**2022**
	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.

	2023	**2022**
	GHS'000	GHS'000
Financial assets modified during the period		
Amortised costs before modification	Nil	120,433
Net modification Gain	Nil	6,141

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	**2023**		**2022**	
	Bank	**Group**	**Bank**	**Group**
Balance at the beginning	461,744	461,744	488,473	488,473
Write-offs during the year	207,236	207,236	-	-
Recovery during the year	(20,185)	(20,185)	(26,729)	(26,729)
Balance at the end	**648,795**	**648,795**	**461,744**	**461,744**

The contractual amount of financial assets that were written off during the year ended 31 December 2023 and that is still subject to enforecement activity is GHS207.23 million (2022 : GHS Nil)

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	2023		2022	
	Bank	**Group**	**Bank**	**Group**
Cash and cash equivalents	2,085,295	2,085,295	1,847,501	1,686,132
Investment Securities	2,982,682	3,008,369	2,675,533	2,699,301
Loans and advances to customers	2,754,779	2,754,779	3,190,359	3,190,359
Other assets	221,553	227,755	123,268	131,720
	8,044,309	8,076,198	7,836,661	7,707,512
Loan commitments and financial guarantees	628,077	628,077	872,407	872,407

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 2023.

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	2023		2022	
	Bank	**Group**	**Bank**	**Group**
Against impaired assets	1,488,628	1,488,628	239,505	239,505
Carrying amounts of the impaired assets	1,014,344	1,014,344	71,967	71,967

7.2.16 COLLATERAL REPOSSESSED

During the year no collateral was repossessed by the Bank (2022: 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	2023		2022	
	Bank	**Group**	**Bank**	**Group**
Carrying amount of loans and advances	2,754,779	2,754,779	3,190,359	3,190,359
Concentration by sector				
Agriculture, forestry & fishing	20,973	20,973	24,848	24,848
Mining and quarrying	173,830	173,830	89,044	89,044
Manufacturing	191,911	191,911	324,496	324,496
Construction	850,040	850,040	817,339	817,339
Electricity, gas and water	-	-	106,057	106,057
Commerce and finance	517,475	517,475	335,007	335,007
Transport, storage and communications	619,823	619,823	697,678	697,678
Services	1,002,100	1,002,100	1,075,922	1,075,922
Miscellaneous	474,180	474,180	267,686	267,686
	3,850,332	**3,850,332**	**3,738,077**	**3,738,077**
Allowance for Impairment	(1,095,553)	(1,095,553)	(547,718)	(547,718)
Carry amount	**2,754,779**	**2,754,779**	**3,190,359**	**3,190,359**
Concentration by type of customer				
Private enterprises	3,369,171	3,369,171	3,200,691	3,200,691
Joint private & state enterprises	297,698	297,698	296,126	296,126
Individuals	183,463	183,463	241,260	241,260
	3,850,332	**3,850,332**	**3,738,077**	**3,738,077**
Allowance for Impairment	(1,095,553)	(1,095,553)	(547,718)	(547,718)
Carry amount	**2,754,779**	**2,754,779**	**3,190,359**	**3,190,359**

Investments securities

Investment securities amounting to GHS2.98 billion (2022: GHS2.68 billion) are held in Government of Ghana Treasury Bills and Bonds

in thousands of Ghana Cedis	2023		2022	
	Bank	**Group**	**Bank**	**Group**
Government Bonds and Notes	2,486,995	2,511,949	1,714,537	1,737,963
Treasury Bills	30,350	30,350	29,676	29,676
Eurobonds	437,606	437,606	382,576	382,576
Money Market Placements	20,050	20,050	280,956	280,956
Cocoa Bonds	7,369	7,369	267,569	267,614
Equity Investment	312	1,045	219	516
	2,982,682	**3,008,369**	**2,675,533**	**2,699,301**

Non-pledged trading securities

in thousands of Ghana Cedis	2023		2022	
	Bank	**Group**	**Bank**	**Group**
Government Bonds and Notes	-	-	9,421	9,421
Treasury Bills	76,810	76,810	29,205	29,205
Eurobonds	1,002	1,002	8,375	8,375
	77,812	**77,812**	**47,001**	**47,001**

Trading securities amounting to GHS77.81 million (2022: GHS47.00 million) are held in Government of Ghana Treasury Bills and bonds.

Due from banks and other financial institutions

Amount due from local banks of GHS20 million (2022: GHS544 million) and foreign banks of GHS178 million (2022: GHS434 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.

	2023	2022
At 31 December	73.8%	65.1%
Average for the period	67.8%	72.8%
Maximum for the period	73.8%	79.2%
Minimum for the period	58.2%	65.1%

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 2023, 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:

2023 *in thousands of Ghana Cedis*				**Bank**					
Assets	**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**
Non-Derivative Assets									
Cash and Cash Equivalents	2,320,963	2,320,963	2,081,080	239,883	-	-	-	-	-
Non-Pledged Trading Assets	77,812	77,812	43,460	27,618	5,732	-	120 882	-	
Investment Securities	2,982,682	6,499,616	104,875	412,392	33,808	153,400	589,991	1,398,345	3,806,805
Loans and Advances to									
Customers	2,754,779	3,906,130	1,022,201	186,457	234,756	441,714	1,238,379	531,198	251,425
Other Assets	131,639	124,298	-	24,860	37,289	62,149	-	-	-
Total Assets	**8,267,875**	**12,928,819**	**3,251,616**	**891,210**	**311,585**	**657,263**	**1,828,490**	**1,930,425**	**4,058,230**
									-
Liabilities									
Non-Derivative Liabilities									
Deposits From Banks and Other									
Deposits From Banks and									
Other Financial Institutions	555,001	773,661	733,965	32,490	6,039	1,136	31	-	-
Deposits From Customers	6,945,627	7,146,467	3,959,917	1,440,290	1,117,794	603,339	25,124	-	3
Borrowings	1,292,718	1,293,262	88,554	64,057	41,688	124,319	331,952	316,278	326,414
Lease Liabilities	68,188	70,099	-	-	1,571	7,576	18,958	41,994	-
Other Liabilities	587,982	587,234	296,614	174,372	116,248	-	-	-	-
Total Liabilities	**9,449,516**	**9,870,722**	**5,079,050**	**1,711,209**	**1,283,340**	**736,370**	**376,065**	**358,272**	**326,417**
Period liquidity gap	**-**	**-**	**(1,827,434)**	**(820,001)**	**(971,754)**	**(79,106)**	**1,452,426**	**1,572,154**	**3,731,813**
Cummulative liquidity gap	**-**	**-**	**(1,827,434)**	**(2,647,435)**	**(3,619,189)**	**(3,698,296)**	**(2,245,870)**	**(673,716)**	**3,058,097**
Contingent Liabilities	**628,079**	**628,079**	**50,780**	**18,980**	**47,104**	**336,258**	**174,713**	**244**	**-**

2023 *in thousands of Ghana Cedis*	Group								
Assets	**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**
Cash and Cash Equivalents	2,320,963	2,320,963	2,081,080	239,883	-	-	-	-	-
Non-Pledged Trading Assets	77,812	77,812	43,460	27,618	5,732	-	120	882	-
Investment Securities	3,008,369	6,531,737	104,875	414,005	35,685	162,377	602,714	1,404,175	3,807,906
Loans and Advances to Customers	2,754,779	3,906,130	1,022,201	186,457	234,756	441,714	1,238,379	531,198	251,425
Other Assets	136,155	129,333	-	29,895	37,289	62,149	-	-	-
Total Assets	**8,298,078**	**12,965,975**	**3,251,616**	**897,858**	**313,462**	**666,240**	**1,841,213**	**1,936,255**	**4,059,331**
									-
Liabilities									
Deposits From Banks and Other Financial Institutions	539,747	769,589	733,965	28,418	6,039	1,136	31	-	-
Deposits From Customers	6,945,627	7,146,467	3,959,917	1,440,290	1,117,794	603,339	25,124	-	3
Borrowings	1,292,718	1,293,262	88,554	64,057	41,688	124,319	331,952	316,278	326,414
Lease Liabilities	68,188	70,099	-	-	1,571	7,576	18,958	41,994	-
Other Liabilities	589,748	588,012	296,614	174,372	117,026	-	-	-	-
Total Liabilities	**9,436,028**	**9,867,428**	**5,079,050**	**1,707,137**	**1,284,118**	**736,370**	**376,065**	**358,272**	**326,417**
Period liquidity gap	**-**	**-**	**(1,827,434)**	**(809,281)**	**(970,655)**	**(70,129)**	**1,465,149**	**1,577,984**	**3,732,914**
Cummulative liquidity gap	**-**	**-**	**(1,827,434)**	**(2,636,715)**	**(3,607,370)**	**(3,677,500)**	**(2,212,351)**	**(634,367)**	**3,098,547**
Contingent Liabilities	**-**	**628,079**	**50,780**	**18,980**	**47,104**	**336,258**	**174,713**	**244**	**-**

2022 *in thousands of Ghana Cedis*				**Bank**					
Assets	**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**
Cash and Cash Equivalents	2,008,870	2,008,870	2,001,496	7,374	-	-	-	-	-
Non-Pledged Trading Assets	47,001	47,001	6,402	20,760	19,839	-	-	-	-
Investment Securities	2,675,533	5,561,855	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	4,435,299	928,495	260,996	313,693	430,235	943,085	838,737	720,058
Other Assets	59,585	59,158	-	11,832	17,747	29,579	-	-	-
Total Assets	**7,981,348**	**12,112,183**	**2,944,978**	**341,897**	**682,832**	**1,159,380**	**2,147,649**	**2,850,475**	**1,984,972**
Liabilities									
Deposits From Banks and									
Other Financial Institutions	622,594	788,344	360,083	413,662	11,979	2,510	110	-	-
Deposits From Customers	6,116,174	6,320,961	4,364,969	951,108	688,909	287,684	28,291	-	-
Borrowings	1,610,950	1,907,556	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	306,739	486,297	102,929	307,530	75,838	-	-	-	-
Total Liabilities	**8,722,745**	**9,574,446**	**5,089,062**	**1,781,333**	**1,039,307**	**414,663**	**428,242**	**369,079**	**452,760**
Period liquidity gap	**-**	**-**	**(2,144,084)**	**(1,439,436)**	**(356,475)**	**744,717**	**1,719,407**	**2,481,396**	**1,532,212**
Cummulative liquidity gap	**-**	**-**	**(2,144,084**	**(3,583,520)**	**(3,939,995)**	**(3,195,278)**	**(1,475,871)**	**1,005,525**	**2,537,737**
Contingent Liabilities	**-**	**579,118**	**65,461**	**146,074**	**245,268**	**105,873**	**16,442**	**-**	**-**

2022 *in thousands of Ghana Cedis*	**Group**								
Assets	**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**
Cash and Cash Equivalents	2,008,870	2,008,870	2,001,496	7,374	–	–	–	–	–
Non-Pledged Trading Assets	47,001	47,001	6,402	20,760	19,839	–	–	–	–
Investment Securities	2,699,301	5,594,646	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	4,435,299	928,495	260,996	313,693	430,235	943,085	838,737	720,058
Other Assets	65,164	64,753	–	17,427	17,747	29,579	–	–	–
Total Assets	**8,010,695**	**12,150,569**	**2,944,978**	**347,492**	**683,592**	**1,168,257**	**2,162,372**	**2,857,705**	**1,986,173**
Liabilities									
Other Financial Institutions	618,522	784,272	360,083	409,590	11,979	2,510	110	–	–
Deposits From Customers	6,116,174	6,320,961	4,364,969	951,108	688,909	287,684	28,291	–	–
Borrowings	1,610,950	1,907,556	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	307,395	487,075	102,929	307,530	76,616	–	–	–	–
Total Liabilities	**8,719,329**	**9,571,152**	**5,089,062**	**1,777,261**	**1,040,085**	**414,663**	**428,242**	**369,079**	**452,760**
Period liquidity gap	**–**	**–**	**(2,144,084)**	**(1,429,769)**	**(356,493)**	**753,594**	**1,734,130**	**2,488,626**	**1,533,413**
Cummulative liquidity gap	**–**	**–**	**(2,144,084)**	**(3,573,853**	**(3,930,346)**	**(3,176,752)**	**(1,442,622)**	**1,046,004**	**2,579,417**
Contingent Liabilities	**–**	**646,961**	**65,461**	**146,074**	**245,268**	**105,873**	**67,843**	**16,442**	**–**

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.

in thousands of Ghana Cedis	2023		2022	
Description	**Bank**	**Group**	**Bank**	**Group**
Lines for letters of credit establishment	1,758,240	1,758,240	1,216,077	1,216,077
Lines for letters of credit refinancing/ payment	617,760	617,760	343,040	343,040

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 *in thousands of Ghana Cedis*	**300 bp parallel increase**	**300 bp parallel decrease**	**200 bp parallel increase**	**200 bp parallel decrease**
At 31 December 2023	(128,047)	128,047	(85,365)	85,365
At 31 December 2022	(75,197)	75,197	(50,131)	50,131

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 tables on pages 112 and 115 also sets out the allocation of assets and liabilities subject to interest rate risk between trading and non trading portfolio.

2023 *in thousands of Ghana Cedis*	**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	949,426	239,883	-	-	-	-	-	1,131,654	2,320,963
Non-Pledged Trading Assets	43,460	27,618	5,732	-	120	882	-	-	77,812
Investment Securities	104,875	412,392	33,808	153,400	589,991	1,398,345	3,806,805	-	6,499,616
Loan and Advances to Customers	1,022,201	186,457	234,756	441,714	1,238,379	531,198	251,425	-	3,906,130
Other Assets	-	-	-	-	-	-	-	124,298	124,298
Total Assets	**2,119,962**	**866,350**	**274,296**	**595,114**	**1,828,490**	**1,930,425**	**4,058,230**	**1,255,952**	**12,928,819**
Liabilities									
Deposit from Banns and Other Financial Institutions	733,965	32,490	6,039	1,136	31	-	-	-	773,661
Deposits from Customers	3,959,917	740,290	517,794	166,447	25,124	-	3	-	5,409,575
Borrowings	88,554	64,057	41,688	124,319	331,952	316,278	326,414	-	1,293,262
Other Liabilities	-	-	-	-	-	-	-	587,234	587,234
Total Liabilities	**4,782,436**	**836,837**	**565,521**	**291,902**	**357,107**	**316,278**	**326,417**	**587,234**	**8,063,732**
Total Interest re-pricing gap	**(2,662,474)**	**29,513**	**(291,225)**	**303,212**	**1,471,383**	**1,614,147**	**3,731,813**	**668,718**	**4,865,087**

2023 *in thousands of Ghana Cedis*	Group								
	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	949,426	239,883	-	-	-	-	-	1,131,654	2,320,963
Non-Pledged Trading Assets	43,460	27,618	5,732	-	120	882	-	-	77,812
Investment Securities	104,875	414,005	35,685	162,377	602,714	1,404,175	3,807,906	-	6,531,737
Loan and Advances to Customers	1,022,201	186,457	234,756	441,714	1,238,379	531,198	251,425	-	3,906,130
Other Assets	-	-	-	-	-	-	-	129,333	129,333
Total Assets	**2,119,962**	**867,963**	**276,173**	**604,091**	**1,841,213**	**1,936,255**	**4,059,331**	**1,260,987**	**12,965,975**
Liabilities									
Deposit from Banns and									
Other Financial Institutions	733,965	28,418	6,039	1,136	31	-	-	-	769,589
Deposits from Customers	3,959,917	740,290	517,794	166,447	25,124	-	3	-	5,409,575
Borrowings	88,554	64,057	41,688	124,319	331,952	316,278	326,414	-	1,293,262
Other Liabilities	-	-	-	-	-	-	-	588,012	588,012
Total Liabilities	**4,782,436**	**832,765**	**565,521**	**291,902**	**357,107**	**316,278**	**326,417**	**588,012**	**8,060,438**
Total Interest re-pricing gap	**(2,662,474)**	**35,198**	**(289,348)**	**312,189**	**1,484,106**	**1,619,977**	**3,732,914**	**672,975**	**4,905,537**

2022 *in thousands of Ghana Cedis*	**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	634,302	336,366	-	-	-	-	-	1,038,202	2,008,870
Non-Pledged Trading Assets	6,402	20,760	19,839	-	-	-	-	-	47,001
Investment Securities	8,585	214,431	331,553	699,566	1,204,564	2,011,738	1,264,914	-	5,735,351
Loan and Advances to Customers	928,495	260,996	313,693	430,235	943,085	838,737	720,058	-	4,435,299
Other Assets	-	-	-	-	-	-	-	59,158	59,158
Total Assets	**1,577,784**	**832,553**	**665,085**	**1,129,801**	**2,147,649**	**2,850,475**	**1,984,972**	**1,097,360**	**12,285,679**
Liabilities									
Deposit from Banns and Other Financial Institutions	360,083	413,662	11,979	2,510	110	-	-	-	788,344
Deposits from Customers	4,364,969	951,108	688,909	287,684	28,291	-	-	-	6,320,961
Borrowings	261,081	109,033	261,256	117,532	380,383	325,511	452,760	-	1,907,556
Other Liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**557,585**	**557,585**
Total Liabilities	**4,986,133**	**1,473,803**	**962,144**	**407,726**	**408,784**	**325,511**	**452,760**	**557,585**	**9,574,446**
									-
Total Interest re-pricing gap	**3,408,349)**	**(641,250)**	**(297,059)**	**722,075**	**1,738,862**	**5,524,964**	**1,532,212**	**539,775**	**2,711,233**

2022 *in thousands of Ghana Cedis*	**Group**								
	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	634,302	336,366	-	-	-	-	-	1,038,202	2,008,870
Non-Pledged Trading Assets	6,402	20,760	19,839	-	-	-	-	-	47,001
Investment Securities	8,585	214,431	332,313	708,443	1,219,287	2,018,968	1,266,115	-	5,768,142
Loan and Advances to Customers	928,495	260,996	313,693	430,235	943,085	838,737	720,058	-	4,435,299
Other Assets	-	-	-	-	-	-	-	59,158	59,158
Total Assets	**1,577,784**	**832,553**	**665,845**	**1,138,678**	**2,162,372**	**2,857,705**	**1,986,173**	**1,097,360**	**12,318,470**
Liabilities									
Deposit from Banns									
and Other Financial Institutions	360,083	409,590	11,979	2,510	110	-	-	-	784,272
Deposits from Customers	4,364,969	951,108	688,909	287,684	28,291	-	-	-	6,320,961
Borrowings	261,081	109,033	261,256	117,532	380,383	325,511	452,760	-	1,907,556
Other Liabilities	-	-	-	-	-	-	-	557,585	557,585
Total Liabilities	**4,986,133**	**1,469,731**	**962,144**	**407,726**	**408,784**	**325,511**	**452,760**	**557,585**	**9,570,374**
Total Interest re-pricing gap	**3,408,349)**	**(637,178)**	**(296,299)**	**730,952**	**1,753,588**	**2,532,194**	**1,533,413**	**539,775**	**2,748,096**

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 *in thousands of Ghana Cedis*	**2023**				
Assets	**US Dollars**	**British Pounds**	**Euro**	**Others**	**Total**
Cash and Cash Equivalents	520,064	118,802	149,315	2,881	791,062
Investment Securities	582,231	-	312	-	582,543
Loans and Advances to Customers	2,259,948	2,106	1,199	-	2,263,253
Other Assets	45,002	-	-	-	45,002
Total Assets	**3,407,245**	**120,908**	**150,826**	**2,881**	**3,681,860**
Liabilities					
Deposits From Customers	1,962,070	99,966	108,547	-	2,170,583
Borrowings	1,152,251	-	-	-	1,152,251
Other Liabilities	273,328	1,811	24,247	-	299,386
Total Liabilities	**3,387,649**	**101,777**	**132,794**	**-**	**3,622,220**
Net On-Balance Sheet Position	**19,596**	**19,131**	**18,032**	**2,881**	**59,640**
Off-Balance Sheet Credit Commitments	**364,324**	**-**	**17,502**	**-**	**381,826**
Total Exposure	**383,920**	**19,131**	**35,534**	**2,881**	**441,446**

Group and Bank *in thousands of Ghana Cedis*	**2022**				
Assets	**US Dollars**	**British Pounds**	**Euro**	**Others**	**Total**
Cash and Cash Equivalents	402,842	37,609	81,931	2,010	524,392
Investment Securities	390,951	-	219	-	391,170
Loans and Advances to Customers	1,702,424	1,605	44	-	1,704,073
Other Assets	346,243	-	213	-	346,456
Total Assets	**2,842,460**	**39,214**	**82,407**	**2,010**	**2,966,091**
Liabilities					
Deposits From Customers	1,227,706	35,830	78,507	-	1,342,043
Borrowings	1,244,480	8,940	-	-	1,253,420
Other Liabilities	104,843	308	8,123	-	113,274
Total Liabilities	**2,577,029**	**45,078**	**86,630**	**-**	**2,708,737**
Net On-Balance Sheet Position	**265,431**	**(5,864)**	**(4,223)**	**2,010**	**257,354**
Off-Balance Sheet Credit Commitments	**443,770**	**-**	**20,898**	**-**	**464,668**
Total Exposure	**709,201**	**(5,864)**	**16,675**	**2,010**	**722,022**

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 2023 and 2022 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.

	2023				2022			
	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	11.8800	39%	7,642	5,732	8.5760	43%	114,135	85,601
British Pounds	15.1334	47%	8,992	6,744	10.3118	27%	5,165	3,874
Euro	13.1264	44%	7,797	5,848	9.1457	34%	6,025	4,519

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% (2022: 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 2023 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 2023 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 2023 as shown below.

The regulatory capital position at 31 December was as follows:

in thousands of Ghana Cedis	2023		2022	
	Bank	**Group**	**Bank**	**Group**
Paid up capital	400,000	400,000	400,000	400,000
Retained earnings	(1,202,955)	(1,159,113)	224,842	259,474
Statutory reserves	393,905	393,905	393,905	393,905
Other qualifying reserves	996,693	996,693	-	-
Tier 1 capital before deductions	**587,643**	**631,485**	**1,018,747**	**1,053,379**
Software	80,340	81,328	81,731	82,640
Deferred tax	666,124	668,233	359,680	361,927
Losses not provided for	498,346	498,346	-	-
Others	101,107	98,343	67,436	66,556
Total regulatory adjustments	**1,345,917**	**1,346,250**	**508,847**	**511,123**
Total tier 1 capital	**(758,274)**	**(714,765)**	**509,900**	**542,256**
Subordinated term debt	63,840	63,840	91,619	91,619
Property revaluation reserve (@60%)	136,251	136,251	136,251	136,251
Tier 2 capital (limited to 3% of risk weighted assets)	**175,961**	**177,095**	**171,188**	**172,074**
Total Regulatory Capital	**(582,313)**	**(537,670)**	**681,088**	**714,330**
Risk-weighted assets				
Credit risk	4,400,483	4,404,877	4,269,726	4,275,823
Operational risk	1,410,670	1,443,471	1,261,549	1,284,981
Market risk	76,942	76,942	174,999	174,993
Total risk weighted assets	**5,888,095**	**5,925,290**	**5,706,274**	**5,735,797**
Capital adequacy ratio	**(9.9%)**	**(9.1%)**	**11.9%**	**12.5%**
Summary of key ratios				
Tier 1 capital ratio	(12.9%)	(12.1%)	8.9%	9.5%
Tier 2 capital ratio	3.0%	2.9%	3.0%	3.0%
Capital adequacy ratio	(9.9%)	(9.1%)	11.9%	12.5%
Leverage ratio*	(7.6%)	(7.1%)	5.3%	5.6%
***In computing leverage ratio, total assets (off and on-balance sheet) amounted to**	**9,983,977**	**10,014,057**	**9,582,814**	**9,611,838**

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.

	2023		2022	
	Bank	Group	Bank	Group
Regulatory Quantitative Disclosures				
Capital Adequacy Ratio	(9.9)%	(9.1)%	11.9%	12.5%
Non-Performing Loans Ratio	33.2%	33.2%	11.2%	11.2%
Liquid Ratio	117.8%	118.3%	168.5%	169.2%
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

A letter from Bank of Ghana to us indicated that, the penalties associated with the breaches in CAR, single obligor limit (SOL) and aggregate forex open position (AFOP) will be computed and deferred until the bank makes profits and its financial soundness indicators are within regulatory limits..

As at December 2023, the Bank was not in a position to quantify the penalties.

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.

8.1.4 REVALUATION OF LAND AND BUILDING

Land and buildings are recognised at fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. A revaluation surplus is credited to other reserves in shareholders' equity. All other property, plant and equipment is recognised at historical cost less depreciation. Valuation was performed on 31 December 2022 by Apex Property Surveying Consult Limited using the cost approach.

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.

8.3 IMPACT OF CLIMATE RISK ON ACCOUNTING JUDGMENTS AND ESTIMATES

8.3.1 CLASSIFICATION OF ESG-LINKED (OR SUSTAINABILITY-LINKED) LOANS AND BONDS:

For loans and bonds with sustainability-linked features, the Bank determines whether the instrument passes the solely payments of principal and interest test by considering whether they provide commensurate compensation for basic lending risks, such as credit risk, or whether they do not introduce compensation for risks that are inconsistent with basic lending arrangements. Some features may be de minimis or non-genuine. Based on the size of the portfolio of these products held by the Bank at 31 December 2023, the impact was assessed to be immaterial.

8.3.2 FAIR VALUE MEASUREMENT:

The Bank has assumed that any climate change variables incorporated in fair value measurement are those that market participants would consider when pricing the asset or liability, in line with IFRS 13 Fair Value Measurement. Consequently, the Bank concluded that climate risk has been adequately reflected within the fair value of its assets and liabilities. Where prices are observable, it is assumed that the fair value already incorporates market's participants view of climate risk variables. Where a proxy valuation approach has been used for unobservable prices, the selection of the proxy includes consideration of climate risk factors where appropriate.

8.3.3 DIRECTIVE TO ACCOUNTANTS IN BUSINESS AND ACCOUNTANTS IN PRACTICE ON APPLICATION OF IAS 29 IN GHANA.

The Institute of Chartered Accountants, Ghana ("Institute") is mandated by the Institute of Chartered Accountants, Ghana Act, 2020 (Act 1058) to regulate the accounting profession in Ghana. As part of its regulatory functions, it issued a directive on whether Ghana is a hyperinflationary economy for the year ended 31 December 2023. The Institute, concluded, Ghana is not operating in a hyperinflationary economy. The requirements of IAS 29 are therefore deemed not applicable in the recognition, measurement, presentation, and disclosures in the financial statements for the financial year ended 31 December 2023.

Paragraph 4 of IAS 29 provides at least 5 indicators on which professional judgment of hyperinflation can be reached:

1. The general population prefers to keep its wealth in non-monetary assets or in a relatively stable foreign currency. Amounts of local currency held are immediately invested to maintain purchasing power;
2. The general population regards monetary amounts not in terms of the local currency but in terms of a relatively stable foreign currency. Prices may be quoted in that currency;
3. Sales and purchases on credit take place at prices that compensate for the expected loss of purchasing power during the credit period, even if the period is short;
4. Interest rates, wages, and prices are linked to a price index; and
5. The cumulative inflation rate over three years is approaching, or exceeds, 100%.

The assessments of these factors by Institute of Chartered Accountants, Ghana led to the issuance of a directive that the economy of Ghana was not hyperinflationary and therefore the requirements of IAS 29 are not applicable for financial reporting for the year ended 31 December 2023.

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.

31 December 2023	Corporate Banking & Project Finance	Consumer & Retail Business Banking	Treasury	CalBrokers Limited*	CalAsset Management	Unallocated	Consolidated
External revenues							
Net Interest Income	164,137	14,496	356,724	-	5,978	-	541,335
Net Fees and Commissions	39,843	57,129	1,983	-	16,324	-	115,279
Net Trading Income	9,912	5,184	161,711	-	-	-	176,807
Other Operating Income	323	77	424	-	170	(1,701)	(707)
Intersegment Revenue	70,903	362,317	(433,220)	-	-	-	-
Total Segment Revenues	**285,118**	**439,203**	**87,622**	**-**	**22,472**	**(1,701)**	**832,714**
Operating Costs	(11.333.538)	(147,591)	97,980	-	(8,226)	(387,537)	(1,778,912)
Loss before tax	**(1,048,550)**	**291,612**	**185,602**	**-**	**14,246**	**(389,238)**	**(946,328)**
Income Tax Expense	-	-	-	-	(4,297)	279,426	275,130
Loss for the period	**(1,048,550)**	**291,612**	**185,602**	**-**	**9,949**	**(109,812)**	**(671,068)**
Segment Assets	3,501,962	365,121	3,378,679	-	47,843	2,606,241	9,899,846
Total Assets	**3,501,962**	**365,121**	**3,378,679**	**-**	**47,843**	**2,606,241**	**9,899,846**
Segment Liabilities	3,461,127	3,884,436	1,342,842	-	1,764	1,350,679	10,040,848
Total Liabilities	**3,461,127**	**3,884,436**	**1,342,842**	**-**	**1,764**	**1,350,679**	**10,040,848**
Impairment Loss on Financial Instrumen	**(1.316.146**	**(23,560)**	**110,208**	**-**	**597**	**-**	**(1.228.901)**
Depreciation and Amortisation	**(637)**	**(8,429)**	**(458)**	**-**	**(208)**	**(44,573)**	**(54,305)**
Expenditure on non-current assets	**-**	**-**	**-**	**-**	**303**	**51,559**	**51,862**

*CalBrokers is being liquidated and therefore no segment information is presented.

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)	(1,147,674)	-	(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 instrumen	**(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**

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 2023 and 2022.

2023	Northern	Ashanti	Western	Greater Accra	Consolidated
Interest Income	5,610	22,315	25,789	1,045,198	1,098,912
Interest Expense	(3,198)	(16,555)	(14,377)	(523,447)	(557,577)
Net interest income	**2,412**	**5,760**	**11,412**	**521,751**	**541,335**
Net Fees and Commissions	1,844	8,156	7,339	97,940	115,279
Net Trading Income	1,666	2,922	4,657	167,562	176,807
Other Operating Income	13	1	1	(722)	(707)
Operating income	**5,935**	**16,839**	**23,409**	**786,531**	**832,714**
Net Impairment Loss on Financial Instruments	(28)	166	(114)	(1,228,925)	(1,228.901)
Personnel Expenses	(2,557)	(7,324)	(5,805)	(159,623)	(175,309)
Depreciation and Amortisation	(680)	(1,034)	(1,399)	(51,192)	(54,305)
Finance cost on lease liabilities	(144)	(1,330)	(473)	(2,704)	(4,651)
Other Expenses	(1,893)	(5,009)	(3,353)	(305,491)	(315,746)
Total Operating Expenses	**(5,302)**	**(14,531)**	**(11,144)**	**(1,747,935)**	**(1,778,042)**
Profit Before Income Tax	**633**	**2,308**	**12,265**	**(961,534)**	**(946,328)**
Income tax expense	-	-	-	-	275,130
Profit For The Period	**633**	**2,308**	**12,265**	**(961,534)**	**(671,912)**
Segment Assets	15,429	60,231	87,581	9,736,605	9,899,846
Total Assets	**15,429**	**60,231**	**87,581**	**9,736,605**	**9,899,846**
Segment Liabilities	78,536	719,977	662,374	8,579,961	10,040,848
Total Liabilities	**78,536**	**719,977**	**662,374**	**8,579,961**	**10,040,848**

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)	(145,678)	(159,165)
Depreciation and Amortisation	(1,030)	(3,379)	(2,713)	(40,155)	(47,277)
Finance cost on lease liabilities	(126)	(1,164)	(414)	(2,381)	(4,085)
Other Expenses	(1,157)	(3,963)	(2,964)	(193,985)	(202,069)
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**

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.

2023 Bank	Fair Value Through Profit or Loss	Amortised cost	Total carrying amount	Fair Value Level 2	Fair Value Level 3
Cash and cash equivalents	-	2,320,963	2,320,963	2,320,963	-
Non-pledged trading assets	77,812	-	77,812	77,812	-
Investment Securities	312	2,982,370	2,982,682	58,020	2,924,350
Loans and advances to customers	-	2,754,779	2,754,779	2,754,779	-
Other assests	-	131,639	131,639	131,639	-
	78,124	**8,189,751**	**8,267,875**	**5,343,213**	**2,924,350**
Deposit from banks and other financial institution	-	555,001	555,001	555,001	-
Deposits from customers	-	6,945,627	6,945,627	6,945,627	-
Borrowings	-	1,292,718	1,292,718	1,292,718	-
Lease liabilities	-	68,188	68,188	68,188	-
Other liabilities	-	1,192,802	1,192,802	1,192,802	-
	-	**10,054,336**	**10,054,336**	**10,054,336**	**-**

2023 Group	Fair Value Through Profit or Loss	Amortised cost	Total carrying amount	Fair Value Level 2	Fair Value Level 3
Cash and cash equivalents	-	2,320,963	2,320,963	2,320,963	-
Non-pledged trading assets	77,812	-	77,812	77,812	-
Investment Securities	1,045	3,007,324	3,008,369	58,520	2,949,535
Loans and advances to customers	-	2,754,779	2,754,779	2,754,779	-
Other assests	-	136,155	136,155	136,155	-
	78,857	**8,219,221**	**8,298,078**	**5,348,229**	**2,949,535**
Deposit from banks and other financial institution	-	539,747	539,747	539,747	-
Deposits from customers	-	6,945,627	6,945,627	6,945,627	-
Borrowings	-	1,292,718	1,292,718	1,292,718	-
Lease liabilities	-	68,188	68,188	68,188	-
Other liabilities	-	1,194,568	1,194,568	1,194,568	-
	-	**10,040,848**	**10,040,848**	**10,040,848**	**-**

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 assests	-	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**	**8,679,735**

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 assests	-	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**	**8,676,319**

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.

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 *in thousands of Ghana Cedis*	2023				2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Non-pledged trading assets	77,812	-	-	77,812	47,001	-	-	47,001
Investment Securities -	-	-	219	219	-	-	219	219
	77,812	**-**	**219**	**78,031**	**47,001**	**-**	**219**	**47,220**

Group *in thousands of Ghana Cedis*	2023				2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Non-pledged trading assets	77,812	-	-	77,812	47,001	-	-	47,001
Investment Securities	-	-	-	-	561	-	-	561
	77,812	**-**	**-**	**77,812**	**47,562**	**-**	**-**	**47,562**

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.

11. NET INTEREST INCOME

See accounting policy in Note: 4.3.

in thousands of Ghana Cedis	2023		2022	
	Bank	**Group**	**Bank**	**Group**
Interest Income				
Cash and cash equivalents	64,310	64,310	11,454	11,454
Loans and advances to customers	564,832	564,832	473,474	473,474
Investment securities at amortised cost	464,950	469,770	790,944	797,350
Total interest income calculated using the effective interest method	**1,094,092**	**1,098,912**	**1,275,872**	**1,282,278**
Interest Expense				
Deposit from banks and other financial institutions	1,052	1,052	1,020	473
Deposit from customers	400,665	399,507	538,021	538,021
Debt securities issued	157,018	157,018	150,689	150,689
Total interest expense	**558,735**	**557,577**	**689,730**	**689,183**
Net Interest Income	**535,357**	**541,335**	**586,142**	**593,095**

There were no interest income on loans and advances to customers (2022: 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	2023		2022	
	Bank	**Group**	**Bank**	**Group**
Financial assets measured at amortised cost	1,094,092	1,098,912	1,275,872	1,282,278
Total	**1,094,092**	**1,098,912**	**1,275,872**	**1,282,278**

in thousands of Ghana Cedis	2023		2022	
	Bank	**Group**	**Bank**	**Group**
Financial liabilities measured at amortised cost	558,735	557,577	689,730	689,183
Total	**558,735**	**557,577**	**689,730**	**689,183**

12. NET FEES AND COMMISSION INCOME

See accounting policy in Note: 4.4

in thousands of Ghana Cedis	2023		2022	
	Bank	**Group**	**Bank**	**Group**
Fees and commission income				
Customer fees	31,022	31,022	17,909	17,909
Credit related fees	27,889	27,889	23,447	23,447
Corporate financing and advisory fees	2,808	19,142	437	17,085
Others*	64,641	64,641	42,761	42,761
Total fee and commission income	**126,360**	**142,694**	**84,554**	**101,202**
Fees and commission expense				
Interbank transaction fees	25,056	25,056	15,474	15,474
* Other fees and commission expense	2,349	2,359	2,814	2,820
Total fee and commission expense	**27,405**	**27,415**	**18,288**	**18,294**
Net fees and commission income	**98,955**	**115,279**	**66,266**	**82,908**

* 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	2023		2022	
	Bank	**Group**	**Bank**	**Group**
Fixed income	62,951	62,951	76,378	76,378
Foreign exchange gain (loss)	113,856	113,856	38,395	38,395
Net trading income	**176,807**	**176,807**	**114,773**	**114,773**

14. OTHER (LOSS)/INCOME

See accounting policy in Note 4.7.

in thousands of Ghana Cedis	2023		2022	
	Bank	**Group**	**Bank**	**Group**
Loss from disposal of property and equipment	(2,032)	(2,032)	-	-
Sundry income	1,755	1,325	903	884
Dividend income	-	-	20	4
Other operating income	**(277)**	**(707)**	**923**	**888**

15. PERSONNEL EXPENSES

See accounting policy in Note: 4.24.

in thousands of Ghana Cedis	2023		2022	
	Bank	**Group**	**Bank**	**Group**
Salaries and allowances	71,896	74,264	63,696	65,442
Social security costs	6,314	6,462	5,575	5,703
Expenses related to post-employment defined benefit plans	11,542	11,597	4,501	4,509
Expenses related to long-service award scheme	751	751	782	817
Other personnel expenses	79,992	82,235	81,013	82,694
	170,495	**175,309**	**155,567**	**159,165**
Average number of employees at 31 December	**866**	**882**	**899**	**916**

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 GHS20.2 million (2022: GHS11.1 million) relating to executive directors.

16. OTHER EXPENSES

in thousands of Ghana Cedis	2023		2022	
	Bank	**Group**	**Bank**	**Group**
Software licensing and other IT cost	81,340	82,099	45,094	45,721
Auditors remuneration	782	806	1,133	1,193
Directors fees and allowances	13,568	14,214	7,229	7,638
Advert & Publication	42,583	42,583	23,345	23,345
Fuel & Lubricants	24,287	24,287	18,996	18,996
Outsource Cost	28,157	28,157	14,446	14,446
Communications	22,614	22,614	15,700	15,700
Other expenses	98,612	100,985	73,513	75,030
Total	**311,944**	**315,746**	**199,456**	**202,069**

Significant amounts included in other expenses includes general and deposit insurance, computer cost and printing & stationery.

17. INCOME TAXES

See accounting policy in 4.8

(a) Amounts recognised in profit or loss

in thousands of Ghana Cedis	2023		2022	
	Bank	**Group**	**Bank**	**Group**
Current tax expense				
Current year income tax	26,881	31,178	107,652	112,682
Deferred tax - See Note: 27	(306,446)	(306,308)	(372,789)	(375,048)
Total income tax expense	**(279,565)**	**(275,130)**	**(265,137)**	**(262,366)**

(b) Reconciliation of effective tax rate

in thousands of Ghana Cedis	2023		2022	
	Bank	**Group**	**Bank**	**Group**
Loss before tax	**(960,573)**	**(946,328)**	**(1,080,337)**	**(1,072,176)**
Corporate income tax at applicable tax rate of 25%	(240,143)	(236,582)	(270,084)	(268,044)
Non-deductible expenses	95,849	96,937	82,134	84,572
Tax exempt income	(135,271)	(136,197)	(77,157)	(79,302)
Tax incentive	-	-	(30)	(30)
Financial Sector Recovery Levy @ 5%	-	712	-	438
Current year income tax	**(279,565)**	**(275,130)**	**(265,137)**	**(262,366)**
Effective tax rate	29.1%	29.1%	24.5%	24.5%

(c) Current tax assets/liabilities

2023 Bank *in thousands of Ghana Cedis*	Balance at 1 Jan	Charge for the year	Payments during the year	Balance at 31 Dec
Corporate income tax				
2022	4,980	-	(4,455)	525
2023	-	26,881	(21,475)	5,406
	4,980	**26,881**	**(25,930)**	**5,931**
National fiscal stabilisation levy				
2022	(13,443)	-	-	(13,443)
2023	-	-	(10,265)	(10,265)
	(13,443)	**-**	**(10,265)**	**(23,708)**
National Reconstruction levy				
2022	(13,443)	-	-	(13,443)
2023	-	-	(10,265)	(10,265)
	(13,443)	**-**	**(10,265)**	**(23,708)**
Total	**(21,906)**	**26,881**	**(46,460)**	**(41,485)**

2022 Bank *in thousands of Ghana Cedis*	**Balance at 1 Jan**	**Charge for the year**	**Payments during the year**	**Balance at 31 Dec**
Corporate income tax				
2020	(2,771)	3,695	(924)	–
2021	(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)**

2023 Group *in thousands of Ghana Cedis*	**Balance at 1 Jan**	**Charge for the year**	**Payments during the year**	**Balance at 31 Dec**
Corporate income tax				
2009 - 2020	(189)	–	–	(189)
2021	174	–	–	174
2022	6,041	–	(4,455)	1,586
2023	–	31,178	(25,785)	5,393
	6,026	**31,178**	**(30,240)**	**6,964**
National fiscal stabilisation levy				
2009 - 2020	–	–	–	–
2021	–	–	–	–
2022	(13,864)	–	–	(13,864)
2023	–	–	(10,265)	(10,265)
	(13,864)	**–**	**(10,265)**	**(24,129)**
National Reconstruction levy				
2022	(13,443)	–	–	(13,443)
2022	–	–	(10,265)	(10,265)
	(13,443)	**–**	**(10,265)**	**(23,708)**
Total	**(21,281)**	**31,178**	**(50,770)**	**(40,873)**

2022 Group *in thousands of Ghana Cedis*	Balance at 1 Jan	Charge for the year	Payments during the year	Balance at 31 Dec
Corporate income tax				
2009 - 2020	(2,960)	3,695	(924)	(189)
2021	(2,505)	2,539	(34)	-
2022	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				
2021	(507)	507	-	-
2022	1,329	6	(1,335)	-
2022	-	409	(14,273)	(13,864)
	822	**922**	**(15,608)**	**(13,864)**
Financial sector recovery levy				
2022	976	5	(981)	-
2022	-	-	(13,443)	(13,443)
	976	**5**	**(14,424)**	**(13,443)**
Total	**2,162**	**112,682**	**(136,125)**	**(21,281)**

Liabilities up to and including 2021 for the Bank have been agreed with the tax authorities, liabilities up to and including 2022 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	2023		2022	
	Bank	**Group**	**Bank**	**Group**
Loss for the year attributable to equity holders of the Bank	(680,278)	(671,068)	(815,200)	(809,810)
Weighted average number of ordinary shares				
Issued ordinary shares at 1 January	627,539	627,539	627,539	627,539
Bank's own shares held in treasury	(1,039)	(1,039)	(1,039)	(1,039)
Weighted average number of ordinary shares	**626,500**	**626,500**	**626,500**	**626,500**
Basic earnings per share (GHS)	**(1.0858)**	**(1.0711)**	**(1.3012)**	**(1.2926)**

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.

in thousands of Ghana Cedis	2023		2022	
	Bank	**Group**	**Bank**	**Group**
(Loss)/Profit for the year attributable to equity holders of the Bank	(680,278)	(671,068)	(815,200)	(809,810)
Weighted average number of ordinary shares (diluted)				
Issued ordinary shares at 1 January	627,539	627,539	627,539	627,539
Bank's own shares purchased during the year	(1,039)	(1,039)	(1,039)	(1,039)
Weighted average number of ordinary shares (diluted)	**626,500**	**626,500**	**626,500**	**626,500**
Diluted earnings per share (GHS)	**1.0858)**	**(1.0711)**	**(1.3012)**	**(1.2926)**

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 2023 (2022 : Nil)

20. CASH AND CASH EQUIVALENTS

See accounting policy in Note: 4.16.

in thousands of Ghana Cedis	2023		2022	
	Bank	**Group**	**Bank**	**Group**
Cash and Balances with Banks	413,347	413,347	392,389	392,389
Unrestricted Balances with Bank of Ghana	429,556	429,556	474,299	474,299
Mandatory reserve deposit with Bank of Ghana	1,131,654	1,131,654	942,857	942,857
Items in course of collection	27,909	27,909	25,561	25,561
Treasury bills with contractual maturities of 90 days and less	318,497	318,497	173,764	173,764
Cash and cash equivalent per statement of cash flows	**2,320,963**	**2,320,963**	**2,008,870**	**2,008,870**

At the reporting date, the Bank recorded a bank ledger balance of GHS1,739 million (2022: GHS1,541 million) in its statement of financial position as compared to the bank statement balance of GHS1,907 million (2022: GHS1,659 million) The transactions making up the difference between the bank ledger balance and the bank statement balance totalling GHS168 million (2022: GHS118 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	2023		2022	
	Bank	**Group**	**Bank**	**Group**
Securities at amortised cost	2,982,370	3,007,324	2,675,314	2,698,740
Securities at FVTPL	312	1,045	219	561
Total	**2,982,682**	**3,008,369**	**2,675,533**	**2,699,301**
a) Securities at amortised cost				
Money Market Placements	20,050	22,784	280,956	280,956
Treasury Bills	30,350	30,350	29,676	29,676
Government Notes	-	-	412,757	412,757
Government Bonds	2,924,601	2,946,821	1,684,356	1,707,782
Corporate Bonds	7,369	7,369	267,569	267,569
	2,982,370	**3,007,324**	**2,675,314**	**2,698,740**
b) Securities at FVTPL				
Equities	312	1,045	219	561
	312	**1 ,045**	**219**	**561**
Current	857,825	857,825	810,824	810,824
Non-current	2,124,857	2,150,544	1,864,709	1,888,477

A total of GHS Nil (2022: GHS412.47 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 Ghana Domestic Debt Exchange Program (DDEP)

21.1.1 First Phase of DDEP

The initial phase of the Domestic Debt Exchange Program (DDEP) concluded on Friday, February 10, 2023, boasting an impressive 85% participation rate among eligible bonds, as reported in a Ministry of Finance (MoF) website publication on February 14, 2023. Subsequently, on February 24, 2023, S&P Global Ratings elevated Ghana's local currency sovereign credit ratings from selective default (SD) to 'CCC+/C'. This positive development indicates a significant mitigation of default risk linked to the previous bonds.

Furthermore, on June 9, 2023, Moody's Investors Service upgraded Ghana's sovereign local currency (LCY) long-term issuer rating from "Ca" to "Caa3". Moody's attributed this enhancement to the successful execution of the Domestic Debt Exchange Program (DDEP), which has provided substantial fiscal relief to the Government. Despite the upgrade, Moody's underscored that the "Caa3" rating still reflects a notable risk of redefault, which remains significant until the outstanding LCY debt is settled, and foreign currency debt restructuring occurs.

In particular, the "Caa3" rating aligns with the potential for default events leading to losses for private creditors within the range of 20.0% - 35.0%

Second Phase of DDEP

The Government of Ghana initiated a second phase of the Domestic Debt Exchange Program (DDEP) aimed at restructuring an additional GHS123 billion ($11.18 billion) of public debt to meet the requirements for the next disbursement under the IMF ECF program. This phase of the DDEP involves a comprehensive restructuring of various debt components, including domestic dollar bonds, cocoa bills, pension funds, and debt owed to the Central Bank, as reported by Reuters.

The Ministry of Finance (MoF) issued a memorandum of exchange for the domestic United States Dollar instruments, while the Ghana Cocoa Board has similarly issued the memorandum of exchange for the cocoa bills. The total value of the domestic dollar instruments slated for exchange amounts to USD808.99 million (GHS8.9 billion), with GHS7.93 billion in cocoa bills. Repayment for the United States Dollar instruments is scheduled in two equal installments in 2027 and 2028, with respective interest rates of 2.75% and 3.25% per annum. The proposed coupon rate for the cocoa bills stands at 13% per annum, with maturities ranging from 2024 to 2028. Unlike the first phase, the second phase features shorter tenors for the eligible instruments, potentially offering improved returns.

The second round of the DDEP was notably less tumultuous than the initial phase in terms of impairment provisions. However, similar to the first DDEP, and in light of the Ghanaian bond market collapse, determining an appropriate discount factor for assessing fair values during the initial recognition of the new instruments, and consequently evaluating modification losses or gains, remains a critical consideration. The lack of objectivity in determining prices at Level 1 and/or Level 2 has necessitated reliance on Level 3 prices derived through discounted cash flow techniques.

In 2023 the Group and Bank successfully exchanged GHS3.4 billion Government of Ghana Cedi bonds, GHS24.3 million COCOBOD bonds and GHS0.64 million Government of Ghana USD bonds for a series of new bonds with coupons ranging from 8.35% to 10.00%, 13.00%, and 2.75% to 3.25% and maturity dates commencing from 2027-2038, 2024-2028 and 2027-2028 respectively, through the Ghana Domestic Debt Exchange Programme. A modification loss of GHS883.2 million was recognised as a result of the exchange of bonds which were discounted at 15.67% for Cedi denominated bonds and Cocoa bills, 21.45% for Eurobonds and 21% for Ghana USD bonds.

Group and Bank

	2023 ECL GHS'000
Carrying amount of DDEP Impacted investment at January	3,463,124
Fair value of investments exchanged	(2,579,913)
Modification loss on exchange	883,211

The sensitivity of the impairment provision to a 100 basis points (1%) change in the discount rate is set out below:

Group and Bank

	2023 ECL GHS'000	2022 ECL GHS'000
1% decrease in discount rate	877,241	973,638
Base	1,037,356	1,148,573
1% increase in discount rate	1,218,217	1,346,480

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.

23. Non-pledged trading assets

in thousands of Ghana Cedis	2023		2022	
	Bank	Group	Bank	Group
Fixed income trading portfolio	77,812	77,812	47,001	47,001
	77,812	**77,812**	**47,001**	**47,001**

24. LOANS AND ADVANCES TO CUSTOMERS

See accounting policy in Note: 4.9.

in thousands of Ghana Cedis	2023		2022	
	Bank	**Group**	**Bank**	**Group**
(a) Analysis by portfolio				
Retail:				
Mortgage	49,796	49,796	51,164	51,164
Personal	95,725	95,725	93,856	93,856
SME	291,046	291,046	286,424	286,424
Retail Gross Loans and Advances	**436,567**	**436,567**	**431,444**	**431,444**
Corporate:				
Financial Institutions	117,706	117,706	143,881	143,881
Other secured	3,296,059	3,296,059	3,162,752	3,162,752
Corporate Gross Loans and Advances	**3,413,765**	**3,413,765**	**3,306,633**	**3,306,633**
Gross Loans and Advances	**3,850,332**	**3,850,332**	**3,738,077**	**3,738,077**
Less:				
Stage 1 and 2 Impairment - Retail	(12,319)	(12,319)	(12,319)	(12,319)
Stage 3 Impairment - Retail	(9,210)	(9,210)	(14,622)	(14,622)
Stage 1 and 2 Impairment - Corporate	(26,840)	(26,840)	(26,840)	(26,840)
Stage 3 Impairment - Corporate	(1,047,184)	(1,047,184)	(493,937)	(493,937)
Total accumulated impairment	**(1,095,553)**	**(1,095,553)**	**(547,718)**	**(547,718)**
Carrying Amount	**2,754,779**	**2,754,779**	**3,190,359**	**3,190,359**
(b) Analysis by type				
Overdrafts	903,105	903,105	797,377	797,377
Term Loans	2,947,227	2,947,227	2,940,700	2,940,700
Gross Loans and Advances	**3,850,332**	**3,850,332**	**3,738,077**	**3,738,077**
Less:				
Stage 1 and 2 Impairment	(39,159)	(39,159)	(39,159)	(39,159)
Stage 3 Impairment	(1,056,394)	(1,056,394)	(508,559)	(508,559)
Carrying Amount	**2,754,779**	**2,754,779**	**3,190,359**	**3,190,359**
Current	1,431,798	1,431,798	1,432,739	1,432,739
Non-current	1,322,981	1,322,981	1,757,620	1,757,620

in thousands of Ghana Cedis	2023		2022	
	Bank	**Group**	**Bank**	**Group**
(c) Allowances for impairment				
Movement in impairment loss allowance on loans and advances				
Balance at 1 January	547,718	547,718	213,401	213,401
Impairment losses recognised on loans and advances	755,071	755,071	334,317	334,317
Amounts written off during the year	(207,236)	(207,236)	-	-
Balance at 31 December	**1,095,553**	**1,095,553**	**547,718**	**547,718**
Movement in impairment loss allowance on investment securities				
Balance at 1 January	1,139,550	1,148,573	5,156	5,156
Impairment (gain) /loss recognised on investment securities	(110,208)	(110,805)	1,134,394	1,143,417
Balance at 31 December	**1,029,342**	**1,037,768**	**1,139,550**	**1,148,573**
Credit loss expense				
Impairment losses recognised on loans and advances	755,071	755,071	334,319	334,319
Impairment charge on off-balance sheet exposures	604,820	604,820	237	237
Impairment charge on investment securities	(110,208)	(110,805)	1,134,394	1,143,417
Amounts recovered previously written off	(20,185)	(20,185)	(26,729)	(26,729)
Net charge to the income statement	**1,229,498**	**1,228,901**	**1,442,221**	**1,451,244**
Loan ratios				
Impairment charge to gross loans	35.3%	35.3%	38.6%	38.8%
Loan loss provision ratio	28.5%	28.5%	14.7%	14.7%
Gross non-performing loan ratio	33.2%	33.2%	11.2%	11.2%
50 largest exposures to total exposure	93.4%	93.4%	81.3%	81.3%

Total non-performing loans amounted to GHS1,276.9 million (2022: GHS439.1 million)

25. INVESTMENTS IN SUBSIDIARIES

(a) The Principal Subsidiaries are:

2023	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	

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	

in thousands of Ghana Cedis	2023		2022	
	Bank	Group	Bank	Group
Investments in subsidiaries are measured at cost:				
Investments in Subsidiaries	3,540	-	3,540	-

(b) Summary of Subsidiary Financial Statements

2023 *in thousands of Ghana Cedis*	CBL	CAML	CBNL	CTCL
Operating income	-	23,069	-	-
Operating expenses	-	(8,823)	-	-
Income Tax and National Fiscal Stabilization Levy	-	(4,296)	-	-
Profit for the year	**-**	**9,950**	**-**	**-**
Total Assets	1,500	47,843	10	10
Total Liabilities	-	(1,803)	-	-
Total Shareholder's Equity	**1,500**	**46,040**	**10**	**10**
Total Cash Inflows	-	1,540,760	-	-
Total Cash Outflows	-	(1,530,485)	-	-
Net Cash Inflow	**-**	**10,275**	**-**	**-**

2022 *in thousands of Ghana Cedis*	CBL	CAML	CBNL	CTCL
Operating income	-	23,597	-	-
Operating expenses	-	(15,415)	-	-
Income Tax and National Fiscal Stabilization Levy	-	(2,773)	-	-
Profit 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**	**-**	**-**

26. OTHER ASSETS

in thousands of Ghana Cedis	2023		2022	
	Bank	Group	Bank	Group
Prepayments	97,255	98,343	63,683	66,556
Sundry Debtors	131,639	136,155	59,585	65,164
	228,894	**234,498**	**123,268**	**131,720**
Current	228,894	234,498	123,268	131,720

27. DEFERRED TAX ASSETS/LIABILITIES

Movements in deferred income tax during the year is as follows:

Bank 2023 *in thousands of Ghana Cedis*	**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	6,221	11,913	-	18,134	-	18,134
Other employee benefit liabilities	(5,537)	(2,698)	-	(8,235)	(8,235)	-
Impairment allowance	(422,127)	(312,454)	-	(734,581)	(734,581)	-
Leases	(9,180)	(3,207)	-	(12,387)	(12,387)	-
Revaluation reserve on property and equipment	70,945	-	-	70,945	-	70,945
	(359,678)	**(306,446)**	**-**	**(666,124)**	**(755,203)**	**89,079**

Group 2023 *in thousands of Ghana Cedis*	**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	6,239	11,916	-	18,155	-	18,155
Other employee benefit liabilities	(5,546)	(2,712)	-	(8,258)	(8,258)	-
Impairment allowance	(424,383)	(312,305)	-	(736,688)	(736,688)	-
Leases	(9,180)	(3,207)	-	(12,387)	(12,387)	-
Revaluation reserve on property and equipment	70,945	-	-	70,945	-	70,945
	(361,925)	**(306,308)**	**-**	**(668,233)**	**(757,333)**	**89,100**

The Group recognised deferred tax assets of GHS668.23 million (2022: GHS 361.93 million) and the Bank recognised deferred tax assets of GHS666.12 million (2022: GHS359.68 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 2022 *in thousands of Ghana Cedis*	**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 *in thousands of Ghana Cedis*	**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**

28. PROPERTY AND EQUIPMENT

See accounting policy in Note: 4.19

(a) Reconciliation of carrying amount

Bank 2023 *in thousands of Ghana Cedis*	Bank Premises	Furniture, Fixtures & Equipment	Motor Vehicles	Work in Progress	Total
Cost/valuation					
Balance at 1 January	456,893	172,519	16,039	89,539	734,990
Additions	285	1,547	-	51,558	53,390
Disposals	(4,709)	(491)	(1,780)	-	(6,980)
Transfers	-	77,418	-	(79,186)	(1,768)
Balance at 31 December	**452,469**	**250,993**	**14,259**	**61,911**	**779,632**
Accumulated depreciation					
Balance at 1 January	7,747	96,385	8,539	-	112,671
Depreciation for the year	7,311	22,335	1,623	-	31,269
Disposals	(46)	(487)	(1,428)	-	(1,961)
Balance at 31 December	**15,012**	**118,233**	**8,734**	**-**	**141,979**
Carrying amounts					
Balance at 31 December	**437,457**	**132,760**	**5,525**	**61,911**	**637,653**

Group 2023 *in thousands of Ghana Cedis*	Bank Premises	Furniture, Fixtures & Equipment	Motor Vehicles	Work in Progress	Total
Cost/valuation					
Balance at 1 January	456,893	173,524	16,039	89,539	735,995
Additions	285	1,675	-	51,558	53,518
Disposals	(4,709)	(491)	(1,780)	-	(6,980)
Transfers	-	77,418	-	(79,186)	(1,768)
Balance at 31 December	**452,469**	**252,126**	**14,259**	**61,911**	**780,765**
Accumulated depreciation					
Balance at 1 January	7,747	97,300	8,540	-	113,587
Depreciation for the year	7,311	22,375	1,623	-	31,309
Disposals	(46)	(487)	(1,428)	-	(1,961)
Balance at 31 December	**15,012**	**119,188**	**8,735**	**-**	**142,935**
Carrying amounts					
Balance at 31 December	**437,457**	**132,938**	**5,524**	**61,911**	**637,830**

Bank 2022 *in thousands of Ghana Cedis*	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 *in thousands of Ghana Cedis*	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**

There was no indication of impairment of property and equipment held by the Bank at 31 December 2023 (2022: 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 (2022: 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.

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 *in thousands of Ghana Cedis*	**2023**				**2022**			
	Level 1	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Bank Premises	-	437,457	-	437,457	-	437,457	-	437,457
	-	**437,457**	**-**	**437,457**	**-**	**437,457**	**-**	**437,457**

Group *in thousands of Ghana Cedis*	**2023**				**2022**			
	Level 1	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Bank Premises	-	449,146	-	449,146	-	449,146	-	449,146
	-	**449,146**	**-**	**449,146**	**-**	**449,146**	**-**	**449,146**

There was no transfer between different levels of hierarchy during the year.

(b) Depreciation and amortisation

in thousands of Ghana Cedis	**2023**		**2022**	
	Bank	**Group**	**Bank**	**Group**
Property and equipment See Note: 28(a)	31,269	31,309	27,492	27,518
Depreciation on right-of-use assets See Note: 33(a)	14,504	14,504	12,862	12,862
Intangible assets (Note 29)	8,324	8,492	6,758	6,897
	54,097	**54,305**	**47,112**	**47,277**

(c) Loss on disposal of property and equipment

in thousands of Ghana Cedis	**2023**		**2022**	
	Bank	**Group**	**Bank**	**Group**
Cost	6,980	6,980	-	-
Accumulated depreciation	(1,961)	(1,961)	-	-
Carrying amount	**5,019**	**5,019**	**-**	**-**
Proceeds from disposal	2,987	2,987	-	-
Loss on disposal	**(2,032)**	**(2,032)**	**-**	**-**

29. INTANGIBLE ASSETS

See accounting policy in Note: 4.20.

2023 *in thousands of Ghana Cedis*	Software	Work in Progress	Bank Total	Software	Work in Progress	Group Total
Cost						
Balance at 1 January	84,131	23,205	107,336	85,556	23,205	108,761
Additions	3,509	3,424	6,933	3,756	3,424	7,180
Balance at 31 December	**87,640**	**26,629**	**114,269**	**89,312**	**26,629**	**115,941**
Accumulated amortisation						
Balance at 1 January	25,605	-	25,605	26,121	-	26,121
Amortisation for the year	8,324	-	8,324	8,492	-	8,492
Balance at 31 December	**33,929**	**-**	**33,929**	**34,613**	**-**	**34,613**
Carrying amount						
Balance at 31 December	**53,711**	**26,629**	**80,340**	**54,699**	**26,629**	**81,328**

2022 *in thousands of Ghana Cedis*	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**

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 (2022: Nil).

30. DEPOSIT FROM BANKS AND OTHER FINANCIAL INSTITUTION

See accounting policy in Note: 4.22.

in thousands of Ghana Cedis	2023		2022	
	Bank	**Group**	**Bank**	**Group**
Time deposits	456,753	444,233	524,330	520,994
Current account	98,248	95,514	98,264	97,528
	555,001	**539,747**	**622,594**	**618,522**
Current	555,001	539,747	622,594	618,522

31. DEPOSITS FROM CUSTOMERS

See accounting policy in Note: 4.22.

in thousands of Ghana Cedis	2023		2022	
	Bank	**Group**	**Bank**	**Group**
Analysis by product				
Current account	4,086,409	4,086,409	3,388,924	3,388,924
Time deposit	1,787,471	1,787,471	2,004,194	2,004,194
Savings deposit	1,071,747	1,071,747	723,056	723,056
	6,945,627	**6,945,627**	**6,116,174**	**6,116,174**
Analysis by portfolio				
Retail				
Current account	2,093,481	2,093,481	1,432,280	1,432,280
Time deposit	732,396	732,396	965,723	965,723
Savings deposit	1,037,109	1,037,109	721,156	721,156
	3,862,986	**3,862,986**	**3,119,159**	**3,119,159**
Corporate				
Current account	1,992,928	1,992,928	1,956,644	1,956,644
Time deposit	1,055,075	1,055,075	1,038,471	1,038,471
Savings deposit	34,638	34,638	1,900	1,900
	3,082,641	**3,082,641**	**2,997,015**	**2,997,015**
Total deposits	**6,945,627**	**6,945,627**	**6,116,174**	**6,116,174**
Analysis by type				
Individuals and other private enterprises	6,789,174	6,789,174	5,986,330	5,986,330
Public enterprises	156,453	156,453	129,844	129,844
	6,945,627	**6,945,627**	**6,116,174**	**6,116,174**
Current	5,852,886	5,852,886	4,326,712	4,326,712
Non-current	1,092,741	1,092,741	1,789,462	1,789,462

Twenty largest depositors to total deposit ratio is 31% (2022: 38%).

32. BORROWINGS

See accounting policy in Note: 4.22.

in thousands of Ghana Cedis	2023		2022	
	Bank	**Group**	**Bank**	**Group**
Long-term borrowings				
Agence Francaise De Development	161,784	161,784	140,148	140,148
Development Bank Ghana	109,416	109,416	100,161	100,161
Ghana Export - Import Bank	11,001	11,001	16,514	16,514
US International Development Finance Corporation (DFC)	773,581	773,581	638,214	638,214
Total	**1,055,782**	**1,055,782**	**895,037**	**895,037**
Short-term borrowing				
Africa Trade Finance	-	-	214,400	214,400
Agence Francaise De Development	39,817	39,817	23,358	23,358
PROPACO	-	-	20,058	20,058
SSNIT	-	-	13,822	13,822
US International Development Finance Corporation (DFC)	113,229	113,229	79,776	79,776
Interbank Borrowings	20,050	20,050	272,880	272,880
Total	**173,096**	**173,096**	**624,294**	**624,294**
Surbordinated term borrowings				
PROPACO	63,840	63,840	91,619	91,619
Total	**63,840**	**63,840**	**91,619**	**91,619**
Carrying amount	**1,292,718**	**1,292,718**	**1,610,950**	**1,610,950**
Current	223,246	223,246	623,774	623,774
Non-current	1,069,472	1,069,472	987,176	987,176
Reconciliation of borrowing per statement of cash flows				
At 1 January	1,610,950	1,610,950	2,214,267	2,214,267
Proceeds from borrorwings	173,308	173,308	2,211,560	2,211,560
Interest expense	157,018	157,018	150,689	150,689
Principal repayment	(473,962)	(473,962)	(2,814,877)	(2,814,877)
Interest payment	(172,660)	(172,660)	(144,651)	(144,651)
Foreign exchange loss	(1,936)	(1,936)	(6,038)	(6,038
At 31 December	**1,292,718**	**1,292,718**	**1,610,950**	**1,610,950**

32 Borrowings (Continued)

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.

Development Bank Ghana – This facility is granted by Development Bank Ghana for on-lending to the private sector development. Interest rate on these facilities is 10.0% per annum maturing in 2032.

Development Bank Ghana – This facility is granted by Development Bank Ghana for on-lending to the private sector development. Interest rate on these facilities is 15.0% per annum maturing in 2026.

InterBank Borrowings – These are overnight borrowings for the purposes of liquidity management. The Interest rates of these facilities are usually set at policy rate minus 2.0% - 2.5%.

Breach of loan covenant

As at the end of year 2023, 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 United States International Development Finance Corporation (DFC), contained in a covenant state that the amount of gross non-performing loans must not be 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 2023 as it recorded a ratio of thirty four percent (34.0%).

Also, the group exceeded the covenant relating to Financial Expenses Coverage Ratio, and Capital Adequacy ratio. The covenant states that, "Financial Expenses Coverage Ratio" shall not fall below 125%, and capital adequacy ratio shall be more than or equal to 10%

However, the group reported (1,136.0%) on Financial Expenses Coverage Ratio, and (9.1%) on Capital Adequacy 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.

33. LEASE LIABILITIES

See accounting policy in Note: 4.29.

Bank 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 renogotiated 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 noncancellable 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 liabilites.

Information about leases for which the Group is a lessee is presented below:

in thousands of Ghana Cedis	2023		2022	
	Bank	**Group**	**Bank**	**Group**
(a) Right-of-use assets				
Balance at 1 January	85,047	85,047	89,070	89,070
Additional right-of-use asset recognised in current year	5,196	5,196	16,271	16,271
Remeasurement of right-of-use assets	(578)	(578)	(6,340)	(6,340)
Derecognition	-	-	(1,092)	(1,092)
Depreciation on right-of-use assets	(14,504)	(14,504)	(12,862)	(12,862)
Balance at 31 December	**75,161**	**75,161**	**85,047**	**85,047**
(b) Lease liabilities				
Balance at 1 January	66,288	66,288	86,128	86,128
Additional lease liability recognised in current year	5,196	5,196	16,271	16,271
Derecognition	-	-	(1,508)	(1,508)
Remeasurement of lease liability	(1,787)	(1,787)	(6,340)	(6,340)
Finance cost on lease liability	4,651	4,651	4,085	4,085
Losses from currency translation	11,088	11,088	4,140	4,140
Total lease payments	(17,248)	(17,248)	(36,488)	(36,488)
Balance at 31 December	**68,188**	**68,188**	**66,288**	**66,288**
(c) Low value assets and short term leases				
Expenses relating to low-value assets charged to profit or loss as part of other expenses	2,473	2,473	2,140	2,140
(d) Amounts recognised in statement of cash flows				
Lease liability finance charges paid	4,651	4,651	4,085	4,085
lease liability principal repayments	12,597	12,597	32,403	32,403
Total cash outflow for leases	**17,248**	**17,248**	**36,488**	**36,488**

34. OTHER LIABILITIES

in thousands of Ghana Cedis	2023		2022	
	Bank	**Group**	**Bank**	**Group**
Creditors	249,850	251,535	217,191	217,813
Accruals	11,347	11,411	1,466	1,538
Recognised liability for employee benefits (note 34a)	34,037	34,054	23,246	23,208
Cash margin *	278,176	278,176	63,074	63,074
Others **	14,572	14,572	522	522
Impairment off-balance sheet items ***	604,820	604,820	1,240	1,240
	1,192,802	**1,194,568**	**306,739**	**307,395**
(a) Movement in the liability for employee benefits				
Liability for employee benefit at 1 January	23,246	23,208	17,709	17,672
Benefits paid	(751)	(751)	(782)	(817)
Expense charged to profit or loss (note 24b)	10,408	10,438	5,410	5,452
Expense charged to OCI (note 35e)	1,134	1,159	909	901
Liability for employee benefit at 31 December	**34,037**	**34,054**	**23,246**	**23,208**
(b) Expenses recognised in profit or loss				
Current service costs	9,761	9,777	4,894	4,928
Interest on obligation	647	661	516	524
	10,408	**10,438**	**5,410**	**5,452**
(c) Expense charged to OCI (note 35e)				
Remeasurement of employee benefit	(1,134)	(1,159)	909	901
Amounts related to executive directors included in expenses recognised in profit or loss	**9,057**	**9,057**	**4,911**	**4,911**
Actuarial assumptions				
Assumptions at the reporting date (expressed in weighted averages)				
Discount rate at 31 December	24.3%	24.3%	27.0%	27.0%
Future salary increases	20.0%	20.0%	10.0%	10.0%
Mortality loading	10.0%	10.0%	10.0%	10.0%
Inflation rate	10.0%	10.0%	10.0%	11.0%

Assumptions regarding future mortality based on published statistics and mortality tables 1983 Unisex Group Annuity mortality

*** Cash Margin:**
These are customer funds set aside to meet customer obligations as and when they fall due.

**** Others:**
This category includes withholding taxes deducted from customers and suppliers, E-levy as well VAT deducted from suppliers and payable to Ghana Revenue Authority.

***** Impairment of Off-Balance Sheet Items**:
This category comprises impairment of letters of credit and financial guarantees.

The sensitivity analysis as at the year end for the Bank and Group is as follows:

2023 *in thousands of Ghana Cedis*	Main Basis	Discount rate (-2%)	Discount rate (+2%)	Salary scale (-2%)	Salary scale (+2%)	Mortality (10%)
Actuarial Liability	34,054	36,438	32,011	32,351	36,097	34,054
Percentage Change	-	7%	(6)%	(5)%	6%	-%

2022 *in thousands of Ghana Cedis*	Main Basis	Discount rate (-2%)	Discount rate (+2%)	Salary scale (-2%)	Salary scale (+2%)	Mortality (10%)
Actuarial Liability	23,208	23,672	22,976	22,744	23,672	23,208
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 2023 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.

35. CAPITAL AND RESERVES

See accounting policy in Note: 4.26.

a. Stated Capital	2023		2022	
	Number ('000)	Value	Number ('000)	Value
Authorised:				
Equity shares of no par value	2,500,000	-	2,000,000	-
Preference shares of no par value	500,000	-	-	-
Issued:				
For cash	414,871	93,305	414,871	93,305
Transfer from Retained Earnings	-	306,695	-	306,695
Bonus issue	212,668	-	212,668	-
	627,539	**400,000**	**627,539**	**400,000**

There is no call or instalment unpaid on any share.

At 31 December 2023, the authorised share capital comprised 2.5 billion equity shares (2022: 2 billion) of no par value and 500 million preference share (2022: Nil).

The Bank has a negative equity of GHS185 and the umimpaired capital as at 31 December 2023 reduced to negative GHS409million . This is below its authorised capital of GHS 400 million as specified by Bank of Ghana. This was mainly due to the effect of the 2022/23 DDEP and the substantial impairment provisioning of GHS 1.03 billion that the bank recorded in the year.

However, in 2023 the shareholders of the bank approved an additional authorized share capital of 1 billion (comprising 500 million ordinary shares and 500 million preference shares) to enable the bank to raise an additional capital of GHS 600 million to cater for the eroded capital.

In 2023, shareholders approved an additional authorized share capital of 1 billion (comprising 500 million ordinary shares and 500 million preference shares) to enable the bank to raise an additional capital of GHS 600 million.

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.

(b) Statutory reserve

in thousands of Ghana Cedis	2023		2022	
	Bank	**Group**	**Bank**	**Group**
Balance at 1 January	393,905	393,905	393,905	393,905
Transfer from Retained Earnings	-	-	-	-
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 2023, no transfer has been effected.

(c) Revaluation reserve

in thousands of Ghana Cedis	2023		2022	
	Bank	**Group**	**Bank**	**Group**
Balance at 1 January	227,085	227,085	102,926	102,926
Revaluatioin Gain	-	-	165,546	165,546
Deferred Tax on Revaluation	-	-	(41,387)	(41,387)
Balance at 31 December	**227,085**	**227,085**	**227,085**	**227,085**

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	2023		2022	
	Bank	**Group**	**Bank**	**Group**
Specific Provision on Loans and Advances	1,011,166	1,011,166	284,142	284,142
General Provision on Loans and Advances	16,223	16,223	31,036	31,036
Provision required by Bank of Ghana	**1,027,389**	**1,027,389**	**315,178**	**315,178**
Amount provided per IFRS (note 24)	(1,095,553)	(1,095,553)	(547,718)	(547,718)
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.

(e) Other reserves

in thousands of Ghana Cedis	2023		2022	
	Bank	**Group**	**Bank**	**Group**
1. Fair value reserve – defined benefit				
Balance 1 January	(1,097)	(1,013)	(188)	(112)
Experience gains/losses on other long-term employee benefit	(1,134)	(1,159)	(909)	(901)
Balance at 31 December	**(2,231)**	**(2,172)**	**(1,097)**	**(1,013)**
Share deals account				
Balance 1 January	(707)	(707)	(136)	(136)
Shares repurchased	-	-	(571)	(571)
Balance at 31 December	**(707)**	**(707)**	**(707)**	**(707)**

in thousands of Ghana Cedis	2023		2022	
	Bank	**Group**	**Bank**	**Group**
Total Other Reserves	**(2,938)**	**(2,879)**	**(1,804)**	**(1,720)**

(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	2023		2022	
	Bank	**Group**	**Bank**	**Group**
Dividend declared	-	-	69,031	68,956
Dividend paid	-	-	(69,031)	(68,956)
Balance at 31 December	**-**	**-**	**-**	**-**

At the reporting date, the Directors do not recommend the payment of a dividend (2022: GHS Nil).

Net assets per share is based on 627,539,000 (2022: 627,539,000) equity shares at the statement of financial position date.

36. 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 2023 in respect of the above amounted to (GHS1,438.1 million 2022: GHS872.4 million) , as detailed below:

in thousands of Ghana Cedis	2023		2022	
	Bank	**Group**	**Bank**	**Group**
Undrawn loans and overdrafts	832,384	832,384	225,455	225,455
Letters of credit	91,070	91,070	308,345	308,345
Guarantees and indemnities	515,021	515,021	338,607	338,607
	1,438,475	**1,438,475**	**872,407**	**872,407**

The amount of unsecured contingencies and commitments in respect of these at 31 December 2023 was nil (2022: nil).

(b) Commitments for capital expenditure

There were no commitments to capital expenditures in relation to property and equipment as at 31 December 2023 (2022: nil).

(c) Claims and litigation

At the year end, there were some legal cases pending against the Group and the Bank. We do not expect judgment to go in favour of plaintiff. The Group and the Bank estimates the claims of the pending legal cases at GHS61.94 million (2022: GHS60.08 million). No provisions in relation to these claims has been recognised in the consolidated financial statements as legal advice indicates that it is not probable that a significant liability will arise.

(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 GHS4.29 billion (2022: GHS2.67 billion). Corresponding fee income amount to GHS16.32 million (2022 : GHS16.64 million)

Assets under custody amounted to GHS6.50 billion (2022:GHS4.23 billion). Corresponding fee income amount to GHS6.80 million (2022 : GHS5.59 million)

37. 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:

in thousands of Ghana Cedis	2023	2022
Loans and advances to directors and their associates		
Balance at 1 January	**13,877**	**477**
Loans advanced during the year	515	13,640
Loan repayments during the year	(8,850)	(240)
Loans outstanding at 31 December	**5,542**	**13,877**
Loans and advances to employees		
Balance at 1 January	**44,525**	**36,003**
Loans advanced during the year	14,025	20,282
Loan repayments during the year	(13,073)	(11,760)
Loans outstanding at 31 December	**45,477**	**44,525**

Included in loans and advances to employees is a total amount of GHS2.4 million (2022: GHS5.5 million) of loans relating to key management personnel.

A total of GHS0.51 million new loans and advances was granted to companies in which Directors have an interests at the end of the year. (2022: GHS13.6 million)

A total provision of GHS0.52 million (2022: GHS0.61 million) was made in respect of loans and advances to directors and key management personnel.

(b) Subsidiaries
Details of principal subsidiaries are shown in Note 25.

Included in deposits is GHS12.5 million (2022: GHS3.3 million) due to our subsidiary companies. Interest paid on deposits from subsidiaries during the year amounted to GHS1.2 million (2022: GHS0.55 million).

Dividend of GHSNil (2022: GHS0.09 million) was paid to subsidiaries of the Bank during the year.

(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	2023		2022	
	Bank	Group	Bank	Group
Non-executive directors				
Annual fees	2,659	2,936	1,656	1,843
Sitting allowances	10,909	11,278	5,573	5,795
	13,568	**14,214**	**7,229**	**7,638**
Executive directors				
Basic salaries	7,760	8,026	4,321	4,523
Social security contributions	1,009	1,043	562	588
Defined benefit obligation	9,057	9,057	4,911	4,911
Others allowances	1,682	2,056	761	1,061
	19,508	**20,182**	**10,555**	**11,083**
Other key management personnel				
Basic salaries	3,850	3,850	4,191	4,191
Social security contributions	501	501	545	545
Others allowances	1,166	1,166	2,727	2,727
	5,517	**5,517**	**7,463**	**7,463**

(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.

38. DIRECTORS' SHAREHOLDINGS

The Directors named below held the following number of shares in the company at the year end.

	2023		2022	
	No. of Shares	Percentage shareholding	No. of Shares	Percentage shareholding
Philip Owiredu	1,429,246	0.23	1,429,246	0.23
Joseph Rexford Mensah	22,955	-	22,955	-
Nana Otuo Acheampong	114	-	114	-
Total	**23,069**	**-**	**23,069**	**-**

39. KEY MANAGEMENT PERSONNEL SHAREHOLDING

Name	Position	Number of Shares 2023	Number of Shares 2022
Philip Owiredu	Managing Director	1,429,246	1,429,246
Thomas Boasi- Sarpong	Exec Head, Finance & Operations	235,840	235,840
Philip Duodu Fynn	Group Head, Treasury	156,995	156,995
Barbara Banson	Chief Risk Officer	11,428	11,428
Joejo Wodow- Hammond	Group Head, Operations	2,286	2,286

40. ANALYSIS OF SHAREHOLDING AS AT THE YEAR END 2023

	No. of Shareholders	Holders %	No. of Shares	% of Holding
1 - 1,000	16,462	71.50	8,483,757	1.35
1001 - 5,000	5,136	22.31	9,259,592	1.48
5001 - 10,000	566	2.46	3,782,343	0.60
10,001 - 20,000	345	1.50	4,725,497	0.75
20,001 - 30,000	142	0.62	3,443,244	0.55
30,001 - 40,000	59	0.26	2,056,939	0.33
40,001 - 50,000	32	0.14	1,446,493	0.23
Over 50,001	281	1.22	594,340,399	94.71
	23,023	**100**	**627,538,264**	**100**

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	1.47
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**	**627,538,264**	**100**

41. 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
Hosi, Senyo Kwasi	3,188,781	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
SCGN/SCB DIFC A/C Financial Brokerage Group A/C African Lions	2,838,824	0.45
ZBGC/Cedar Pension Scheme-ICAM	2,723,660	0.43
SCGN/SS Munich Care of State Street Bank and Trust Company	2,661,383	0.42
Top 20 shareholders	**520,135,502**	**82.86**
Others	107,402,762	17.14
Grand Total	**627,538,264**	**100.00**

42. NEGATIVE EQUITY AND GOING CONCERN

The total liabilities of the Bank and Group exceeded its total assets by GHS184.90 million (2022: GHS496.51 million, total assets exceeded total liabilities) and GHS141.0 million (2022: GHS531.23 million, total assets exceeded total liabilities) respectively. The decline in the net worth position was specifically due to the following:

- significant additional provisions made on the loan portfolio to accurately reflect the current economic situation which resulted in the Bank recording losses for the 2023 financial year-end.
- the adverse impact of the Domestic Debt Exchange Programme (DDEP) on the Bank's interest income throughout the year 2023.

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. The Board of Directors has taken into account the Bank of Ghana's existing forbearance measures aimed at reducing the adverse effects on capital resulting from the DDEP and believes that these measures will continue to provide sufficient buffer for the Bank to continue to operate as a going concern, despite the challenging operating environment which significantly impacted the Bank's credit portfolio during the review period.

To re-enforce our commitment, specific actions taken to recover and build-back a positive equity include:

- raising of the approved additional capital of GHS600 million which we remain on track and seek shareholders' approval to add an additional GHS700 million during the upcoming Annual General Meeting. This move aims to improve the Bank's capital levels and ensure enhanced operational performance.
- retention of profits to help rebuild capital until equity firmly returns to positive.
- executing our new strategy which aims at diversifying revenues, enhance operational efficiency and improve the health of our balance sheet.

The Bank and the Group incurred net losses for the year ended 31 December 2023 of GHS681 million and GHS671 million (2022: loss of GHS815 million and GHS810 million) respectively. As of that date, the Bank and Group recorded positive operating cashflows of GHS1.01 billion (2022: positive cashflow positions of GHS367 million).

Consequently, the Bank's Capital Adequacy Ratio (CAR) at the reporting date was negative 9.9% because of the significant credit impairment despite the existing 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 therefore below the revised minimum regulatory limit of 10%.

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 2024 to 2028 which prescribes clear pathway to address our capital needs.

The Bank of Ghana (BoG) has reviewed and approved the revised capital restoration plan aimed at raising additional capital of upto GHS1.3 billion by September 2024. This approval was granted to ensure that the bank addresses the capital shortfall by year-end 2024 and achieve a capital adequacy ratio (CAR) of 12.63% with DDEP reliefs by the end of 2024 and 15.73% without DDEP relief by year end 2025.

As part of the directive from the BoG, the bank is required to adhere to the following measures:

- Ensure the timely injection of GHS600 million and GHS700 million as scheduled in its revised capital restoration plan to bring its CAR with DDEP relief to a minimum of 10% by year-end 2024.
- Achieve the planned profit after tax for the years 2024-2025 to attain a minimum CAR of 13% (without DDEP reliefs) by year-end 2025.

The Board of Directors has therefore laid out clear action plans that will be implemented to address the capital requirements of the bank. These include:

Raising additional capital to improve on the core capital of the bank. To this end the following actions are planned:

- A resolution will be presented to shareholders at the upcoming annual general meeting to approve an additional capital raise. This follows the successful completion of the first phase of capital raising, during which the Bank is in the final stages of raising the approved GHS600 million.
- The GHS600 million right issue offer is expected to be closed, with additional listing for trading on the Ghana Stock Exchange scheduled for 16th May 2024.

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.

43. EVENTS AFTER THE REPORTING DATE

The following events happened between the date of the financial statements and the date of the auditor's report:

Carl Selasi Asem the Deputy Managing Director was appointed effective 13th February 2024 as the Acting Managing Director of the Bank, following the retirement of Philip Owiredu as Managing Director and capping a 19 year career at the bank.

The bank launched and commenced its renounceable rights issue of 2,068,965,517 shares ("Offer Shares") of no par value at GHS0.29 per share in a ratio of 1 Offer Share for every 0.3033 existing shares held by a qualifying shareholder on April 5, 2024. The Offer Shares comprised 1,872,461,736 Ordinary Shares in a ratio of 1 new ordinary share for every 0.3351 existing ordinary shares and 196,503,781 preference shares in a ratio of 1 new preference share for every 3.1935 existing ordinary shares held by a qualifying shareholder.

There were no other subsequent events after the reporting period which would have an impact on these financial statements.

44. VALUE ADDED STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

in thousands of Ghana Cedis	2023		2022	
	Bank	**Group**	**Bank**	**Group**
Interest earned and other operating income	1,396,382	1,417,706	1,476,122	1,499,141
Direct cost of services	(889,167)	(891,175)	(904,330)	(905,993)
Value added by banking services	**507,815**	**526,531**	**571,792**	**593,148**
Impairments	(1,229,498)	(1,228,901)	(1,442,221)	(1,451,244)
Value added	**(721,683)**	**(702,370)**	**(870,429)**	**(858,096)**
Distributed as follows:	**(721,683)**	**(702,370)**	**(870,429)**	**(858,096)**
To Employees				
Non Executive Directors	(13,568)	(14,214)	(7,229)	(7,638)
Executive directors	(19,508)	(20,182)	(10,555)	(11,083)
Other employees	(150,987)	(155,127)	(145,012)	(148,082)
To Government				
Income tax	279,565	275,130	265,137	262,366
To providers of capital				
Dividends to shareholders	-	-	(69,031)	(68,956)
To expansion and growth				
Depreciation	(31,269)	(31,309)	(27,492) (	27,518)
Amortisation	(22,828)	(22,996)	(19,620)	(19,759)
Retained earnings	**(680,278)**	**(671,068)**	**(884,231)**	**(878,766)**

45. SOCIAL RESPONSIBILITY

Amounts spent on fulfilling social responsibility obligations amounted to GHS1.0 million: (2022: GHS1.3 million).

Our Branches

- **Ashanti Region**
  Adum Branch
  Asafo Branch
  Kejetia Branch
  KNUST Branch
  Nhyiaeso Branch
  Suame Branch

- **Bono East Region**
  Techiman Branch

- **Central Region**
  Cape Coast Branch
  Kasoa Branch

- **Eastern Region**
  Koforidua Branch

- **Greater Accra Region**
  Achimota Branch
  Airport City Branch
  Ashaiman Branch
  Ashaley Botwe Branch
  Dansoman Branch
  Derby Avenue Branch
  East Legon Branch
  Graphic Road Branch
  Independence Avenue Branch (Head Office)
  Labone Branch
  Legon Branch
  Madina Branch
  Osu Branch
  Ring Road Central Branch
  Ring Road West Branch
  Spintex Road Branch
  Tema Community 1 Branch
  Tema Community 25 Branch
  Tema Industrial Area
  Weija Branch

- **Northern Region**
  Tamale Branch

- **Upper East Region**
  Bolgatanga Branch

- **Western Region**
  Ainyinase Agency
  Esiama Branch
  Sekondi Branch
  Takoradi Harbour Branch
  Takoradi Market Circle Branch
  Tarkwa Branch

- **Volta Region**
  Ho Branch

T: +233 (0) 302 680061-69, +233 (0) 302 680079
F: +233 (0) 302 680081, +233 (0) 302 680083
A: 23 Independence Avenue P.O.Box 14596 Accra
E: customercare@calbank.net | www.calbank.net

Call us Toll free on

0800 500 500

+233 302 739 900 (from international line)