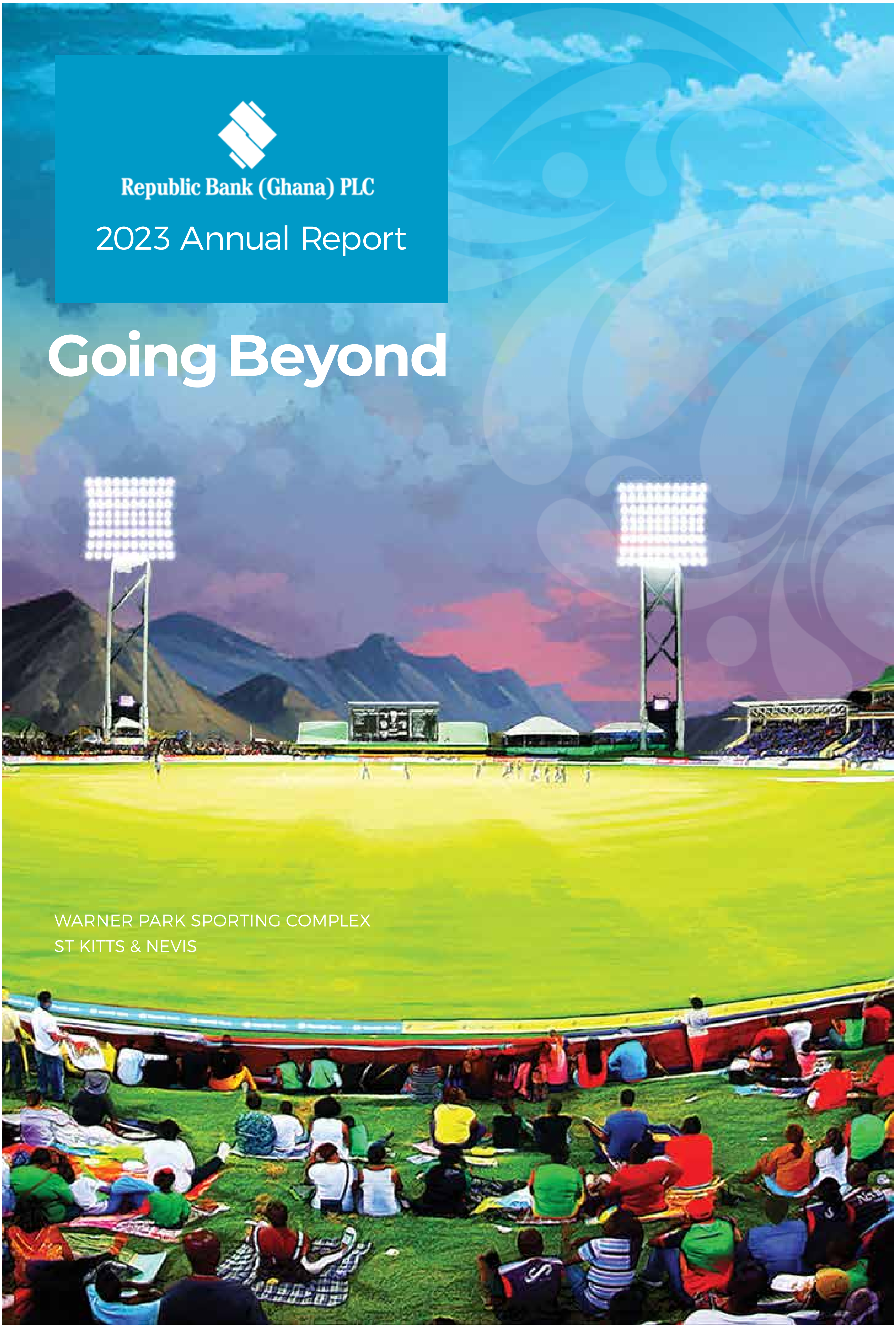
Republic Bank (Ghana) PLC

2023 Annual Report

Going Beyond



WARNER PARK SPORTING COMPLEX
ST KITTS & NEVIS

VISION

Republic Bank (Ghana) PLC is a Financial Institution of Choice for our Staff, Customers and Shareholders. We set the Standard of Excellence in Customer Satisfaction, Employee Engagement, Social Responsibility and Shareholder Value, while building successful societies.

MISSION

Our mission is to provide Personalised, Efficient and Competitively-priced Financial Services and to implement Sound Policies which will redound to the benefit of our Customers, Staff, Shareholders and the Communities we serve.

CORE VALUES

Customer Focus

Integrity

Respect for the Individual

Professionalism

Results Orientation

What’s Inside

CORPORATE INFORMATION

BOARD OF DIRECTORS AND MANAGEMENT

EXECUTIVE REPORTS

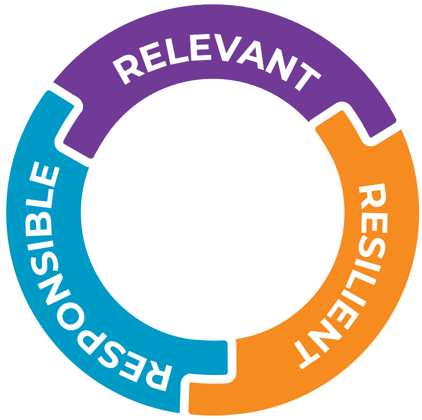
ENVIRONMENTAL, SOCIAL & GOVERNANCE

FINANCIALS

Our Bank at a Glance

Republic Bank (Ghana) PLC. is a subsidiary of Republic Financial Holdings Limited. Republic Bank is a leading universal banking institution in Ghana and arguably the most diversified, providing a wide range of banking services, including corporate, commercial and retail banking; investment banking; mortgage banking; custody services, pensions management and microfinance. Republic Bank (Ghana) PLC. operates in ten out of the sisteen regions in Ghana, with 38 branches and 47 ATMs nationwide.

OUR DECLARATION OF PURPOSE

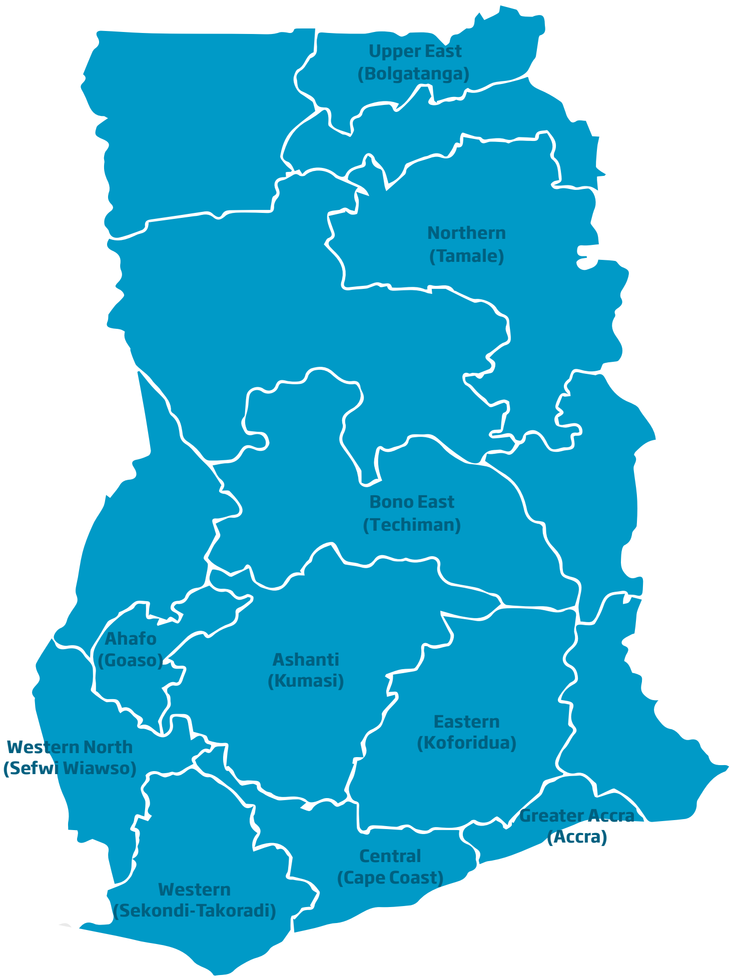


We value people,
we serve with heart,
we are deeply committed
to your success...
we care

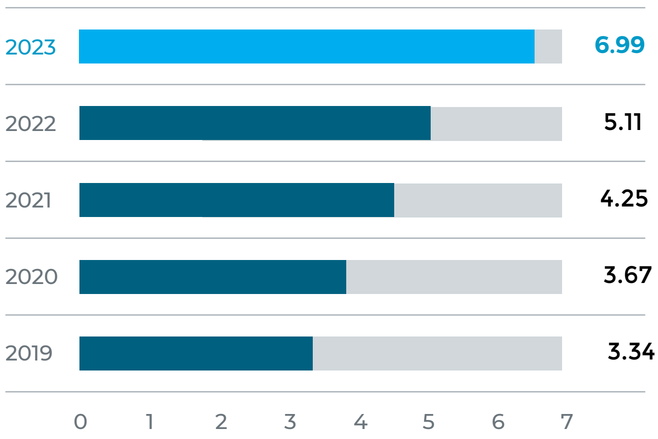
WHERE WE OPERATE

2023

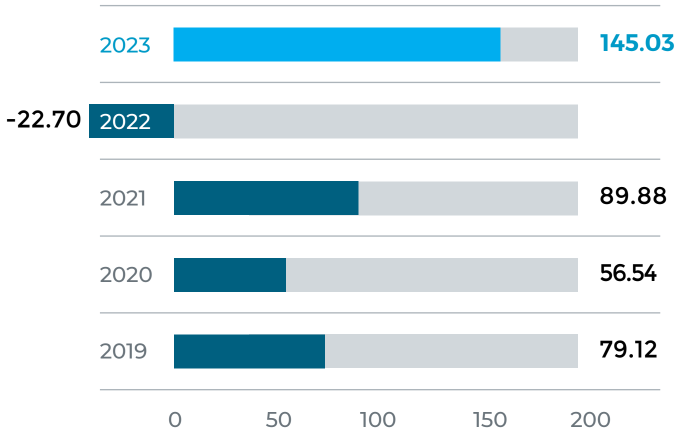
38 BRANCHES IN 10 REGIONS



GROUP TOTAL ASSETS GH¢'B



GROUP PROFIT AFTER TAXATION GH¢'M



2023
SHARE PRICE

¢0.48

2022
SHARE PRICE

¢0.54

2023
EARNINGS PER SHARE

¢0.16

2022
EARNINGS PER SHARE

¢(0.07)

2023
PE RATIO

3.00

2022
PE RATIO

(7.71)

SUBSIDIARIES

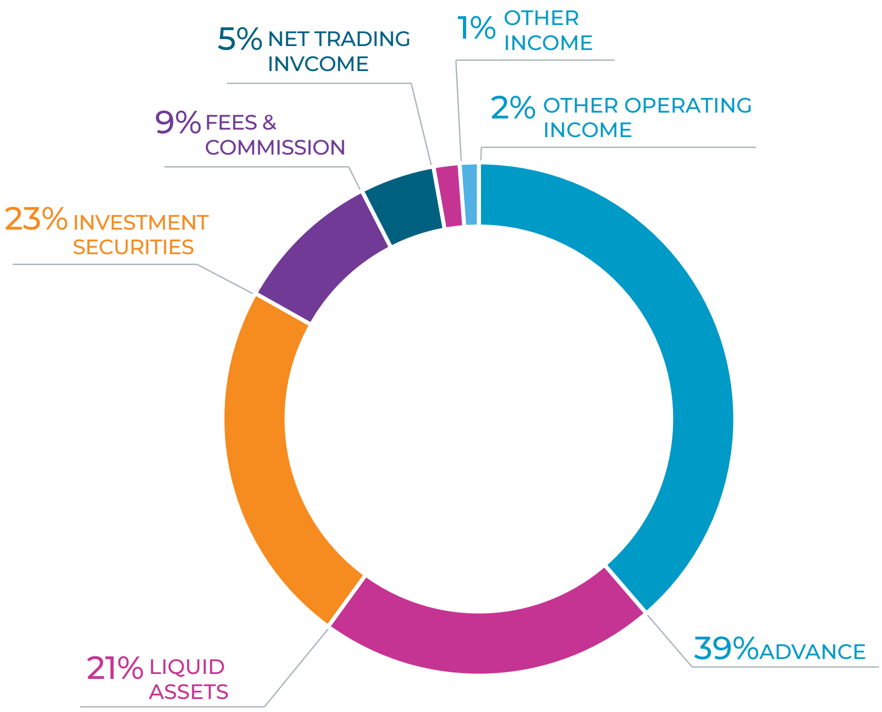
6

BRANCHES

38

ATMs

47



NOTICE OF MEETING

NOTICE IS HEREBY GIVEN THAT the 33rd Annual General Meeting of Republic Bank (Ghana) PLC (the "Company") will be held in-person as well as virtually and streamed live to all Shareholders from the Accra City Hotel, Barnes Road, Accra at 13:00 GMT (1:00 pm) on Thursday, 19th September 2024 to transact the following business:

AGENDA

ORDINARY BUSINESS

1. To receive and adopt the Annual Report and Audited Financial Statements of the Company (and its Subsidiaries) for the year ended 31st December 2023 together with the Directors' and Auditors' Reports thereon.
2. Rotation of Directors:
   a. To re-elect Mr. David Addo-Ashong as a Director.
   b. To accept the retirement of Mr. Ebenezer Tetteh Tagoe as a Director.
   c. To accept the retirement of Mr. Paul King Aryene as a Director.
3. To elect Prof. (Mrs.) Vera Ogeh Lassey Fiador as a Director.
4. To elect Mr. Jonathan Prince Cann as a Director.
5. To elect Mr. Joseph Yaw Asumang as a Director.
6. To appoint Ernst and Young Chartered Accountants as the External Auditors of the Bank for the Financial Years 2024 to 2029.
7. To authorize Directors to fix the remuneration of the Auditors for the year 2024.

NOTES

GENERAL

In accordance with National and Regulatory Guidelines and the Bank's Constitution, attendance and participation by all members and / or their proxies at this year's Annual General Meeting of the Company shall be in-person as well as virtual (by online participation).

A member who is unable to attend the general meeting is entitled to appoint a proxy to attend (in-person or by online participation) and vote on his/her behalf. A proxy need not be a member.

All relevant documents in connection with the virtual meeting are available to Shareholders on the Company's website at www.republicghana.com/investor-relations/ or from the Company's registrars at registrars@myumbbank.com.

Dated this 27th day June 2024
COMPANY SECRETARY
BY ORDER OF THE BOARD

Know-how to win the game

Stability and profitability benefitting people and planet, we know the score we're after. Our financial path reflects the strength of our strategy and our commitment to seeing our region's communities prosper.

CORPORATE INFORMATION

DIRECTORS

DAVID ADDO-ASHONG	ACTING CHAIRMAN
BENJAMIN DZOBOKU	MANAGING DIRECTOR
NIGEL MARK BAPTISTE	MEMBER
PAUL KING ARYENE	MEMBER
EBENEZER TETTEH TAGOE	MEMBER
MICHAEL ADDOTEY ADDO	MEMBER
CHARLES WILLIAM ZWENNES	MEMBER
ARIMEYAW IBN SAEED	MEMBER
PARASRAM SALICKRAM	MEMBER

SECRETARY	AKUA ODURAA BOTCHWAY (MRS.) EBANKESE NO.35 SIXTH AVENUE NORTH RIDGE, ACCRA P. O. BOX CT 4603 CANTONMENTS, ACCRA
REGISTERED OFFICE	EBANKESE NO.35 SIXTH AVENUE NORTH RIDGE, ACCRA P. O. BOX CT 4603 CANTONMENTS, ACCRA
AUDITOR	KPMG CHARTERED ACCOUNTANTS 13 YIYIWA DRIVE, ABELENKPE P. O. BOX GP 242 ACCRA
REGISTRAR	UNIVERSAL MERCHANT BANK KWAME NKRUMAH AVENUE SETHI PLAZA, ACCRA
HOLDING COMPANY	REPUBLIC FINANCIAL HOLDINGS LIMITED 9-17 PARK STREET PORT OF SPAIN TRINIDAD & TOBAGO

Together for the win

Across the Caribbean we're like any family, you can spot us by our similar characteristics. We are focused on you, full of progressive solutions, and busy transforming lives. All of us have the same spirit of service and willingness to be there for you.

THE BOARD OF DIRECTORS

MR. DAVID
ADDO-ASHONG

Mr. David Addo-Ashong (65 years) is currently serving as a Director on the Boards of Republic Bank (Ghana) PLC. Republic Securities Limited and Republic Investment Services Limited.

He is a founding and Senior Partner at Ashong Benjamin and Associates. He previously served as a Partner at Ankamah and Associates and prior to that as Deputy Managing Director at First Atlantic Merchant Bank Limited. Over the years, he has held several key positions at the Office of the Ombudsman, Merchant Bank (Ghana) Limited (now UMB) and Home Finance Company Limited (now Republic Bank (Ghana) PLC).

Mr. Addo-Ashong holds an LLB from the University of Ghana, Legon and a BL from the Ghana Law School. He is a Member of the Ghana Bar Association and for many years served as Chairman of the Ghana Basketball Association a position from which he recently retired.

Mr. David Addo-Ashong was appointed to the Republic Bank (Ghana) PLC's Board in June 2018.

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MR. BENJAMIN
DZOBOKU

Mr. Benjamin Dzoboku (49 years) was appointed as the Managing Director of the Bank in July 2022. He is a senior banking professional with more than two decades of leadership level experience in Financial Strategy, Accounting, Risk Management, and Internal Audit.

Prior to his appointment, he was the Chief Operating Officer, Republic Bank (Ghana) PLC, with operational oversight for many of the Bank's key functions, including Finance, Administration, Custody, International Trade, Research and Strategy, Treasury, Internal Control, and Portfolio Management. He also held oversight for the Bank's subsidiary, Republic Trust Limited Company.

Over the course of his career in the Bank, he has served as Senior Internal Auditor; Head, Risk Management; Head, Internal Audit; Financial Controller; Treasurer; General Manager - Banking Operations; General Manager, Finance and Strategy. He was also the former Chairman of the Mepe Rural Bank.

Mr. Dzoboku holds an MBA in Financial Management from St. Clements University, UK and an MPA in Public Administration from the Ghana Institute of Management and Public Administration (GIMPA). He is a Chartered Accountant (ICA, Ghana), a Certified Chartered Director, Caribbean Governance Training Institute (CGTI) and holds a Certificate in Quantitative Finance (CQF). He is also a Fellow of the Institute of Financial Accountants (IFA, UK), and a member of the Chartered Institute of Taxation (CIT, Ghana), and the Association of Certified Fraud Examiners (ACFE, USA).

Mr. Dzoboku has completed several Executive Management programs including the Senior Executive Program in Leadership at the Harvard Business School, Corporate Governance & Compliance, and High-Performance Management Excellence, Summit on Board of World Bank Savings Institute (WBSI).

THE BOARD OF DIRECTORS

MR. NIGEL MARK BAPTISTE

Mr. Nigel Mark Baptiste (57 years), a Banker for the past 30 years, holds the position of President and Chief Executive Officer of Republic Financial Holdings Limited and Managing Director of Republic Bank Limited.

Mr. Baptiste holds a BSc and MSc in Economics from the University of the West Indies and is a graduate of the Harvard Business School's Advanced Management Programme. He also holds a diploma with distinction from the ABA Stonier Graduate School of Banking (USA) and is a member of the Chartered Institute of Bankers (England).

Mr. Baptiste joined Republic Bank in 1991, after spending two years at the Caribbean Development Bank in Barbados where he was employed as a Country Economist. Prior to assuming his current position of Managing Director, he held the positions of Deputy Managing Director, Executive Director, Managing Director of the Group's subsidiary in Guyana and General Manager, Human Resources, Republic Bank Limited – Trinidad and Tobago.

Mr. Baptiste serves on the Boards of Republic Financial Holdings Limited, Republic Bank (Guyana) Limited, Republic Bank (Barbados) Limited, Adult Literacy Tutors Association and the University of the West Indies Development & Endowment Fund.

Mr. Baptiste was appointed to the Board in September 2016 as a representative of Republic Bank, Trinidad & Tobago (now Republic Financial Holdings Limited).

MR. PAUL KING ARYENE

Mr. Paul King Aryene (74 years) served as the Ambassador to the Federal Republic of Germany with concurrent accreditation to Estonia, Latvia and Lithuania.

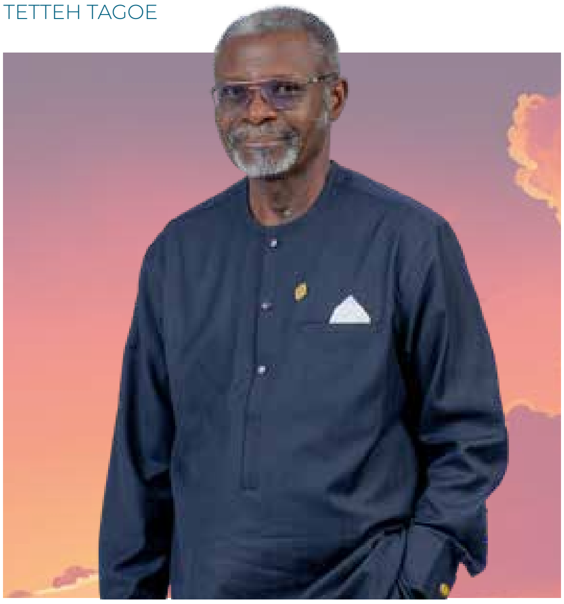
He is a diplomat of high repute and has served in various positions at both the Ministry of Foreign Affairs and Overseas Missions.

Mr. Aryene holds a Degree from the University of Ghana, Diploma in Diplomacy from the University of Nairobi, and in Investment Analysis from the Research Institute of Investment Analysts, Malaysia and a Certificate in Cybersecurity – Developing a Program for Business.

He was appointed to the Board of Republic Bank (Ghana) PLC in April 2015. He also serves as a Director on the Board of HFC Realty Company Limited and until July 2023, served on the Board of UG-HFC (a joint venture with the University of Ghana).

THE BOARD OF DIRECTORS

MR. EBENEZER
TETTEH TAGOE



Mr. Ebenezer Tetteh Tagoe (77 years) was the Board Chairman of the State Enterprises Audit Corporation (a corporation established to audit state organizations) from December 2009 until January 2017.

Mr. Tagoe has immense experience in Accounting and Administration and has served in various management positions with the United Nations World Food Programme, Peat Marwick Mitchell (London) and Mobil Oil Ghana Ltd. He has also served as a Member of the Board of Governors of Adisadel College and a Member of Council of Accra Ridge Church.

Mr. Tagoe holds a BSc. Administration (Accounting) from the University of Ghana. He is a Fellow of the Chartered Association of Certified Accountants (FCCA).

He was appointed to the Board of Republic Bank (Ghana) Limited in April 2015. He also serves as a Director on the Board of Republic Investments (Ghana) Limited.

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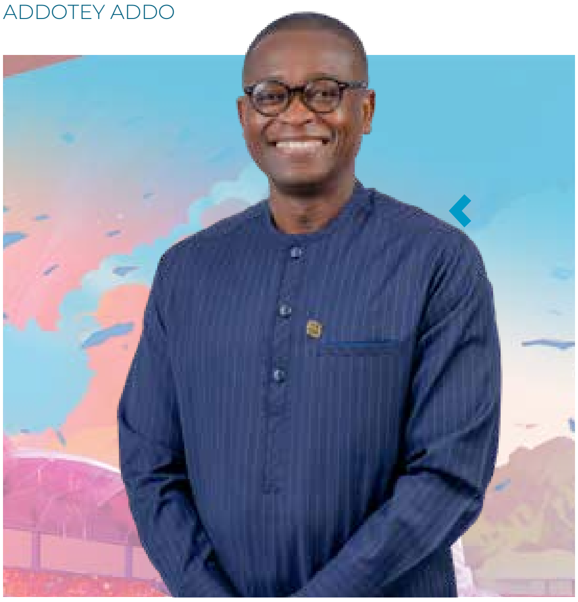
MR. MICHAEL
ADDOTEY ADDO



Mr. Michael A. Addo (58 years) is currently the Deputy Director-General responsible for Administration & Finance at the Social Security and National Insurance Trust (SSNIT).

Mr. Addo is a Board member of Global Accelerex (Ghana) Limited and Central Dialysis Centre.

He has also served as a General Manager, Investments & Development at SSNIT, Chief Operating Officer & Fund Manager at Databank Agrifund Manager Limited and Deputy Managing Director at NTHC Limited, and several years in the financial sector in the New England and Midwestern Regions of the United States.

Mr. Addo has served on the Boards of several organizations including SIC Limited, Ghana Stock Exchange, Starwin Products Limited, First Atlantic Bank and Prudential Bank.

Mr. Addo holds an MBA (Finance) from Johnson Graduate School of Management, Cornell University, NY, USA; MS (Insurance) from Barney School of Business, University of Hartford, CT, USA; and BA (Economics) from Bates College, ME, USA.

Mr. Addo was appointed to the Republic Bank (Ghana) PLC's Board in May 2017 as a representative of SSNIT. He also serves as the Chairman of the Board of Directors of Republic Investments (Ghana) Limited.

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THE BOARD OF DIRECTORS

MR. CHARLES WILLIAM ZWENNES

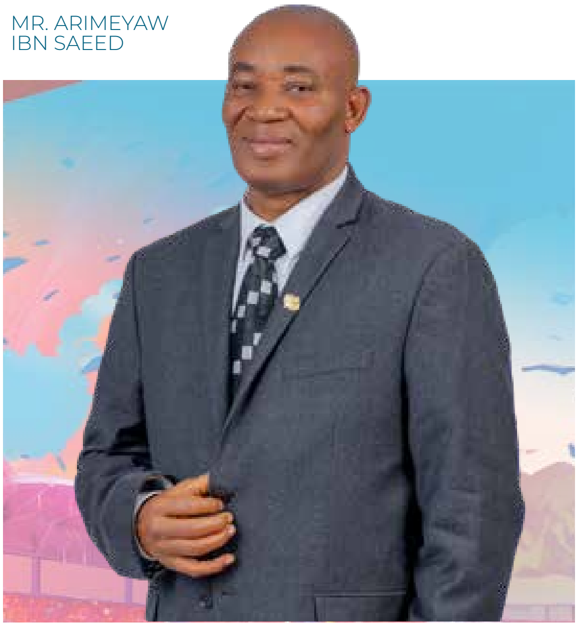
Mr. Charles William Zwennes (51 years) is a Barrister-at-Law in active practice who was called to the Bar of England & Wales in 1995, with rights of audience to practice in Ghana, having been certified by the General Legal Council of Ghana in 1997. He is also a member of the Chartered Institute of Arbitrators, London, and a licensed Insolvency Practitioner (IP) and a Barrister & Solicitor of the Superior Courts of Ghana. He is currently the Head of Chambers of the law firm of Gaisie Zwennes Hughes & Co, Accra.

Mr. Zwennes holds an LL.B from the University of Kent, U.K., and an LL.M in Banking & Finance Law from the University of London, UK. He also holds a Certificate in Structuring, Negotiating and Documenting Oil and Gas Transactions from the Centre for Energy & Mineral Policy Law (CEMPL), from the University of Dundee, Scotland.

Mr. Zwennes is a member of the American Society of International Law (ASIL), the Institute of Advanced Legal Studies (IALS), the Chartered Institute of Arbitrators, the Commonwealth Law Bulletin, the Honorable Society of Gray's Inn, the Ghana Arbitration Center, the Ghana Association of Restructuring and Insolvency Advisors (GARIA) and the Ghana Bar Association.

Mr. Zwennes was appointed Chairman of the Republic Bank Board in April 2017 and completed his two tenures in April 2023.

MR. ARIMEYAW
IBN SAEED



Mr. Arimeyaw Ibn Saeed (54) is a Principal Accountant to the Council for Scientific and Industrial Research (CSIR). He was seconded to the Zongo Development Fund as the first Director of Finance to establish and put in controls for the Finance Division. Prior to joining CSIR in 2012, he worked with JTDCertax Accounting, UK, an independent accounting firm for 12 years.

Mr. Ibn Saeed holds an MBA from the Heriot-Watt University, Edinburgh. He is a Chartered Accountant, became a member of the ACCA in 2005, a fellow (ACCA) in 2010 and an Associate Member of the Chartered Institute of Marketing in 2014.

Mr. Ibn Saeed was formally appointed to the Board of Republic Bank (Ghana) PLC in September 2019.

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THE BOARD OF DIRECTORS

MR. PARASRAM SALICKRAM

Mr. Parasram Salickram (45) is the Group Vice President, Republic Financial Holdings Limited and Vice President, Republic Bank Limited. He has been a member of the Republic Group for nearly two decades.

Mr. Salickram previously held the position of Chief Risk Officer and Chief Financial Officer of Republic Financial Holdings Limited and Republic Bank Limited.

Mr. Salickram is a Fellow of the Association of Chartered Certified Accountants (FCCA) and a member of the Chartered Institute of Management Accountants (CIMA) and the Chartered Global Management Accountants (CGMA). He is a Chartered Financial Analyst (CFA) Charter holder and holds the Financial Risk Manager (FRM) designation from the Global Association of Risk Professionals (GARP). He is also a Harvard Business School Advanced Management Program (AMP) graduate.

Mr. Salickram currently serves as the Chairman of Republic Bank (Suriname) NV and is also a Director on the Board of Republic Bank (Guyana) Limited and Republic Life Insurance Company Limited.

Mr. Salickram was appointed to the Board in December 2022 as a representative of Republic Financial Holdings Limited.

EXECUTIVE MANAGEMENT

Mr. Benjamin Dzoboku
Managing Director

- Over 20 years banking experience including SG Ghana
- Various roles in RBGH including Senior Internal Auditor; Head, Risk Management; Head, Internal Audit; Financial Controller; Treasurer; General Manager, Banking Operations; General Manager, Finance and Strategy; Chief Operating Officer
- MBA Financial Management, St Clements University; MPA, GIMPA; Chartered Accountant (ICA Ghana); Certified Chartered Director, Caribbean Governance Training Institute (CGTI); Certificate in Quantitative Finance (CQF); Fellow, Institute of Financial Accountants (IFA, UK); Member, Chartered Institute of Taxation (CIT, Ghana); Member, Association of Certified Fraud Examiners (ACFE, USA)
- Joined RBGH in January 2007

Ray Klien
Chief Operating Officer

- Over 15 years experience in Corporate, Investment and Private Banking
- Various roles in Republic Financial Holding Limited including Head, Investment Banking Division, Senior Investment Manager, Securities Investment Business Unit. Other roles include Vice president, Citi Global Private Bank, New York (Citigroup), Manager, Product Development and Strategy, Morgan Stanley
- MBA Finance, Columbia University, BA Economics, Brooklyn College of the University of New York.
- Joined RFHL in 2016
- Joined RBGH in 2022

Mr. Joseph Laryea Ashong
General Manager, Retail and Commercial Banking.

- Over 18 years' experience in Audit, Retail Banking and Compliance.
- Previous roles as Internal Auditor, Head of Administration & Compliance and Branch Manager.
- MBA Finance, Ghana Institute of Management and Public Administration (GIMPA), Chartered Accountant and Certified Fraud Examiner.
- Joined RBGH in 2007

Mr. Frank Yaovi Lawoe
Chief Risk officer

- Over 21 years of experience in the Banking Industry.
- Worked as Head of Internal Audit for Societé General Ghana
- His experience includes nine years with HFC Bank (now Republic Bank (Ghana) PLC) as Senior Manager, Recoveries and Collections, Head, Internal Audit and Head, Risk Management and Compliance. He also worked with Ghana Commercial Bank (now GCB Bank PLC) as Assistant Corporate Manager.
- Holds an EMBA (Finance) from the University of Ghana and a Bachelor of Commerce from the University of Cape Coast.
- Member of the Institute of Chartered Accountants (Ghana) and Institute of Internal Auditors (Ghana).
- Joined RBGH in 2023

EXECUTIVE MANAGEMENT

Mrs. Akua Oduraa Botchway
Company Secretary

- Over 20 years of cross-functional private and public service experience in Legal, Corporate Governance, Risk Management, Supplier Engagement Management and Customer Service.
- She has over 13 years of cumulative banking experience spanning her career.
- Worked as a private Legal Practitioner and consulted for KOBAKA CHAMBERS and A.C.A. LAW CONSULT, respectively.
- BA in Law and Political Science (University of Ghana) and an MBA in Finance from the Coventry University, UK. She is a Notary Public and holds a BL from the Ghana School of Law.
- Joined RBGH in January 2023.

Mr. Mannaseh Afoh
Chief Information Officer

- Over 22-years experience within the Financial Services, Software Engineering and Aviation sectors.
- Proven expertise in Business/Technology Strategy, Datacenter Engineering, Financial Service Technology and Core Banking Systems and Cloud Technologies.
- An advocate for the adoption of Secure Cloud Strategies and Digital Experience Platforms towards business development and the growth of Banking products.
- Worked with the Receiver PwC (as Associate Consultant),
- Holds a BSc. in Electrical/Electronic Engineering from the Kwame Nkrumah University of Science and Technology (KNUST). He also has certifications in AWS Cloud and IBM Info sphere.
- Joined RBGH in 2023

Mr. Tetteh Mamah
Head, Human Resources

- HR Practitioner with over 13 years' experience in Human Capital Development.
- Previous experiences as the Head of Human Resources for GHL Bank and Deputy Head of Human Resources with Cal Bank.
- EMBA and BSc Kwame Nkrumah University of Science and Technology.
- Member of the Institute of Human Resources Management Practitioners (IHRMP) and Society for Human Resources Managers (SHRM).
- HR Professional in Banking & Finance Certificate from Fleming Gulf International and the Advance Executive Certification in Human Resources Management from the Leadership & Governance Institute.
- Joined RBGH 2019.

Mr. Gabriel Bonney
Internal Auditor

- Over 14 years experience in banking and auditing. Chartered Accountant
- Previous role as Quality Assurance Manager, Internal Audit Department.
- Other experience in Finance and Strategy
- EMBA, KNUST, Chartered Accountant
- Joined RBGH in 2014

EXECUTIVE MANAGEMENT

Mrs. Evelyn Osei-Tutu
General Manager, Republic Boafo Microfinance

- Over 30 years technical experience in the Microfinance and Informal sector business of banking.
- Played a pioneering role in the set-up of Republic Boafo Limited where she held various leadership roles.
- MBA Marketing Strategy, University of Ghana, BSc Banking and Finance with French, Regent University College of Science and Technology
- A fellow of The Chartered Institute of Credit Management (CICM) Ghana
- Joined RBGH in 1991

Mr. Jacob Kofi Mensa Hobenu
Head, Corporate Banking

- Over 16 years' experience in the Banking Industry
- Previous Roles in Business Development and Mobile Financial Services
- Holds an MBA (Finance) from University of East London, UK.
- BSc. Agriculture from Kwame Nkrumah University of Science & Technology
- Joined RBGH in 2007

Mrs. Madeline Nettey
General Manager, Republic Investments Ghana Ltd.

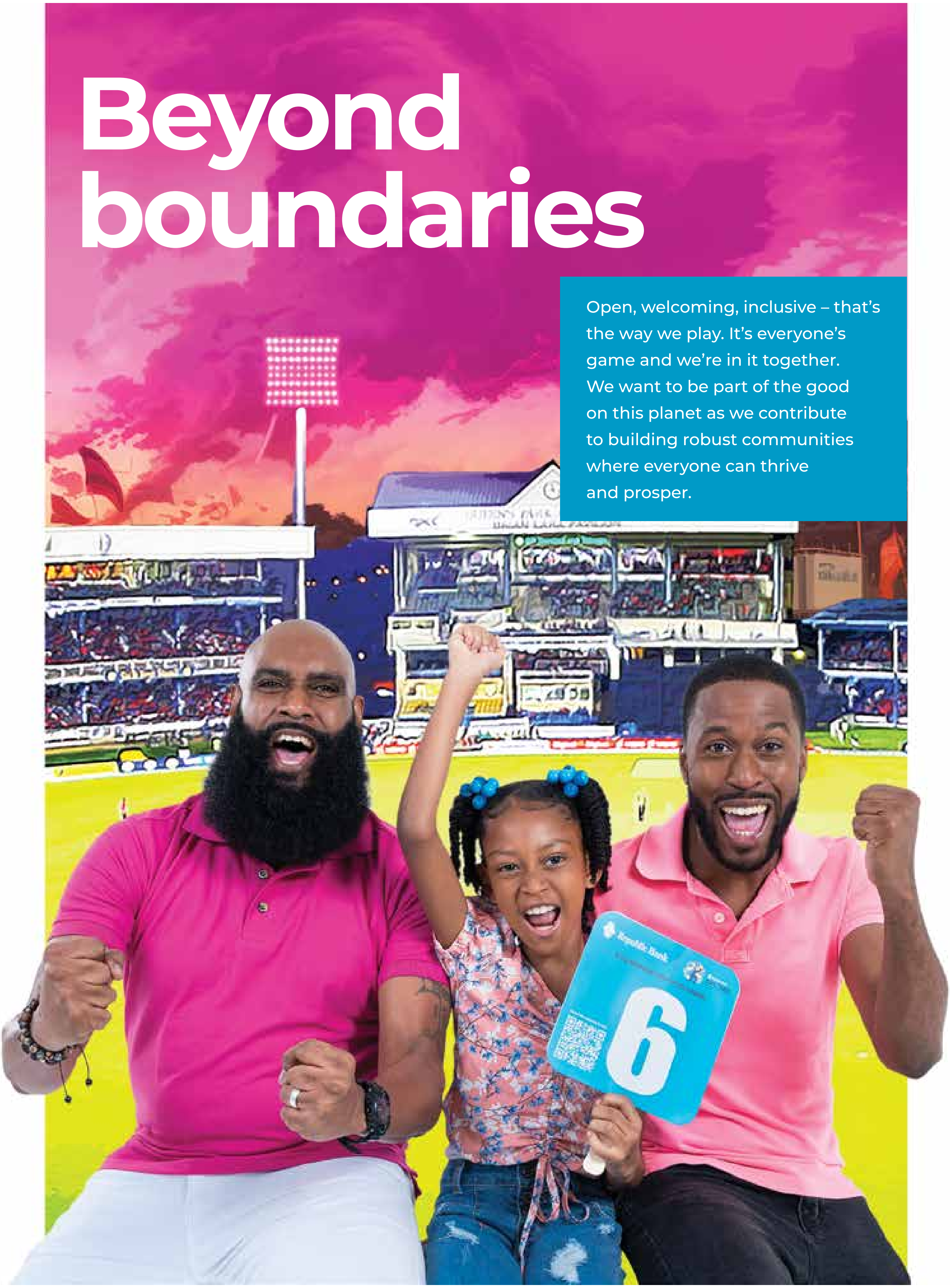
- Over 17 years of Investment Banking Experience spanning Technical and Strategic Leadership.
- Experienced in Funds & Pensions Management, Corporate Finance & Advisory Services, Portfolio Analysis & Management, Structuring & Fund Raising Programmes (Equity & Debt Financing) through GSE Listings & Private Placements, Project Management, Company Valuations & Financial Modelling, Sponsoring Brokerage Services, Securities Trading & Investment Research
- Various Roles in Republic Investments, Republic Securities and SAS Finance Group
- MPhil in Finance, Judge Business School, University of Cambridge, UK; & BSc. Mathematics, Kwame Nkrumah University of Science & Technology (KNUST)
- Licensed by the Securities and Exchange Commission (SEC) Ghana as an Investment Representative for over a decade and a half.
- Certified Pensions Specialist, & Fellow of the Global Academy of Finance & Management (GAFM)
- Certificate in Company Direction from the Institute of Directors (UK)
- Joined RBGH in 2011

Mr. Ferguson Ofori-Atta
Head, Finance, Strategy and Administration

- Over 16 years of experience in banking and external auditing
- Previously worked with Deloitte Ghana.
- Fellow (ACCA), Member (ICAG), MPhil in Finance and Investment (KNUST), BSc Administration (Univ. of Ghana).
- Joined RBGH in 2016.

Beyond boundaries

Open, welcoming, inclusive – that's the way we play. It's everyone's game and we're in it together. We want to be part of the good on this planet as we contribute to building robust communities where everyone can thrive and prosper.



REPORT OF THE DIRECTORS
TO THE MEMBERS OF REPUBLIC BANK (GHANA) PLC

The directors submit their report together with the audited consolidated and separate financial statements for the year ended 31 December 2023, which shows the state of affairs of the Bank and the Group.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view of Republic Bank (Ghana) PLC, comprising the statements of financial position at 31 December 2023, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of material accounting policies and other explanatory notes, in accordance with IFRS Accounting Standards including the Hyperinflation Directive issued by the Institute of Chartered Accountants, Ghana 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 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 misstatements, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The directors have made an assessment of the ability of the Bank and its subsidiaries ("the Group") to continue as going concerns and have no reason to believe that the businesses will not be going concerns in the year ahead.

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.

PRINCIPAL ACTIVITIES

The principal activities of the Group are:

- to carry on the business of universal banking;
- to provide residential and commercial mortgages;
- to provide brokerage services;
- to provide fund and asset management services;

There was no change in the nature of business of the Bank and its subsidiaries during the year.

HOLDING COMPANY

The Bank is sixty-six point five four percentage (66.54%) owned by Republic Financial Holdings Limited (RFHL), a company incorporated in Trinidad and Tobago.

REPORT OF THE DIRECTORS (CONT'D)

SUBSIDIARIES OF THE BANK

The Bank directly or indirectly owns the following subsidiaries as at 31 December 2023.

Company name	Country of incorporation	Nature of business
Republic Investments (Ghana) Limited	Ghana	Fund and asset management services
Republic Securities Limited	Ghana	Brokerage services
Republic Boafo Limited	Ghana	Other services
HFC Realty Company LTD	Ghana	Residential and commercial mortgages
HFC Venture Capital	Ghana	Venture capital financial services
Republic Trust Limited Company	Ghana	Pension Fund administration

FIVE YEAR FINANCIAL HIGHLIGHTS

The state of affairs of the Bank and Group are as follows:

In thousands of GH¢

Bank	2023	2022	2021	2020	2019
Profit /(loss) before tax	231,550	(26,105)	125,649	79,859	92,117
Profit / (loss) after tax	130,404	(66,837)	81,698	51,624	62,557
Total Assets	6,952,222	5,080,292	4,226,259	3,647,785	3,326,242
Total Liabilities	6,160,294	4,418,768	3,536,327	3,039,551	2,769,632
Total Equity	791,928	661,524	689,932	608,234	556,610

In thousands of GH¢

Group	2023	2022	2021	2020	2019
Profit / (loss) before tax	252,425	(15,195)	137,397	87,437	111,294
Profit / (loss) after tax	145,034	(61,127)	89,877	56,535	79,123
Total Assets	6,990,438	5,107,525	4,253,090	3,669,602	3,344,545
Total Liabilities	6,143,431	4,404,691	3,527,001	3,033,390	2,764,868
Total Equity	847,007	702,834	726,089	636,212	579,677

RESULTS FROM OPERATIONS

The financial results of the Bank and Group for the year ended 31 December 2023 are set out in the financial statements, highlights of which are as follows:

In thousands of GH¢

	2023		2022	
	The Bank	The Group	The Bank	The Group
Profit / (loss) before income tax for the year is	**231,550**	**252,425**	(26,105)	(15,195)
From which is deducted growth and sustainability levy of	**(11,577)**	**(12,571)**	-	(664)
From which is deducted financial sector recovery levy of	**(11,577)**	**(11,577)**	-	-
From which is deducted income tax of	**(77,992)**	**(83,243)**	(40,732)	(45,268)
Giving a profit/(loss) after income tax expense for the year of	**130,404**	**145,034**	(66,837)	(61,127)
From which is deducted a non-controlling interest of	**-**	**(5,008)**	-	(2,552)
Leaving profit after non-controlling interest of	**130,404**	**140,026**	(66,837)	(63,679)
To which is added balance brought forward on the income surplus account of	**(192,890)**	**(160,222)**	24,372	53,882
Giving a balance before distribution of	**(62,486)**	**(20,196)**	(42,465)	(9,797)
Out of which is transferred to Statutory Reserve	**(65,202)**	**(65,202)**	-	-
Out of which is transferred to regulatory credit risk reserve of	**(15,558)**	**(15,558)**	(150,425)	(150,425)
Leaving a balance carried forwar d on income surplus account of	**(143,246)**	**(100,956)**	(192,890)	(160,222)

PARTICULARS OF ENTRIES IN THE INTERESTS REGISTER DURING THE FINANCIAL YEAR

During the year 2023 an entry was made in the Interests Register pursuant to sections 194(6), 195(1)(a) and 196 of the Companies Act, 2019 (Act 992) as follows:

December 2023 - Renewal and enhancement of overdraft to Ashong Benjamin & Associates

The facility was at arms' length, conducted on a non-preferential basis and complied with due process and statutory and regulatory requirements.

RELATED PARTY TRANSACTIONS

Information regarding directors' interests in ordinary shares of the Bank and remuneration is disclosed in Note 44 to the financial statements. Related party transactions and balances are also disclosed in Note 44 to the financial statements.

REPORT OF THE DIRECTORS (CONT'D)

CORPORATE SOCIAL RESPONSIBILITY AND CODE OF ETHICS

As a corporate entity, the Bank interacts with and impacts its community in many ways. The Bank works to deliver sustainable growth and Shareholder value, it also contributes to the wider stakeholder community by being a responsible corporate citizen, an employer with a big heart and a bank of choice. The Bank is committed to promoting and engaging in projects that benefit and enhance the socio-economic development of the Community and the Country as a whole.

The Bank's main contributions in these areas have been in sponsorship of quality education, good health and well-being and clean water and sanitation.

A total of GH¢1,018,190 (2022: GH¢805,139) was spent under the Bank's social responsibility programme with key focus on education, financial inclusion and others.

BOARD OF DIRECTORS

Profile and role of the board

Details of the Board of Directors profile can be found on pages 3 to 6 of the annual report.

Details of the roles, professional development and training, conflicts of interest and capacity building of the Board of Directors can be found at the Corporate Governance Report and Corporate Social Responsibility sections of the annual report on pages 40 to 53 of the annual report.

Dividends

In accordance with Section 72 of the Companies Act, 2019, (Act 992) no dividend has been recommended by the Directors for approval by the Shareholders (2022: Nil).

AUDITOR

The Audit Committee has responsibility delegated from the Board of Directors for making recommendations on the appointment, reappointment, removal and remuneration of the external auditor. KPMG has been the auditor of Republic Bank (Ghana) PLC and its subsidiaries for six years and is due to be replaced in accordance with Section 139(11) of the Companies Act 2019, Act 992.

During the year under review, KPMG did not provide non-audit services to the Bank.

INDEPENDENCE OF THE EXTERNAL AUDITOR

In compliance with paragraph 19 of the Securities and Exchange Commission, Corporate Governance Code 2020, the Audit Committee confirms that the external auditor was independent, appropriately qualified and acted with due care.

REPORT OF THE DIRECTORS (CONT'D)

AUDIT FEES

As at December 31 2023, the amount payable in respect of audit fees was GH¢625,000.

CERTIFICATION OF COMPLIANCE WITH BANK OF GHANA CORPORATE GOVERNANCE DIRECTIVE 2018

In compliance with paragraph 12 of the Bank of Ghana Corporate Governance Directive 2018 the Board of Directors of Republic Bank (Ghana) PLC hereby certifies that it has complied with the provisions of the Directive.

The Board further certifies that: -

a. It has independently assessed and documents that the corporate governance process of the Bank is effective and has successfully achieved its objectives.

b. Directors are aware of their responsibilities to the Bank as persons charged with governance.

DECLARATION – BANK OF GHANA RISK MANAGEMENT DIRECTIVE 2021

In compliance with paragraph 41 of the Bank of Ghana Risk Management Directive 2021, the Board of Directors of Republic Bank (Ghana) PLC hereby declares that to the best of its knowledge and having made appropriate enquiries in all material respects: -

(i) The Bank has put in place systems for ensuring compliance with all prudential requirements,

(ii) The systems and resources that are in place for identifying, measuring, evaluating, controlling, mitigating and reporting material risks, and the Risk Management Framework itself are appropriate to the Bank and are commensurate with the size, business mix and complexity of the Bank,

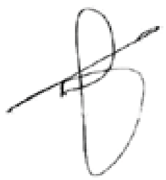
(iii) The risk management and internal control systems in place are operating effectively and are adequate,

(iv) The Bank has a Risk Management Strategy that complies with the Bank of Ghana Risk Management Directive 2021, and the Bank has complied with the requirements described in its Risk Management Strategy, and

(v) The Bank is satisfied with the effectiveness of its processes and management information systems.

APPROVAL OF THE REPORT OF THE DIRECTORS

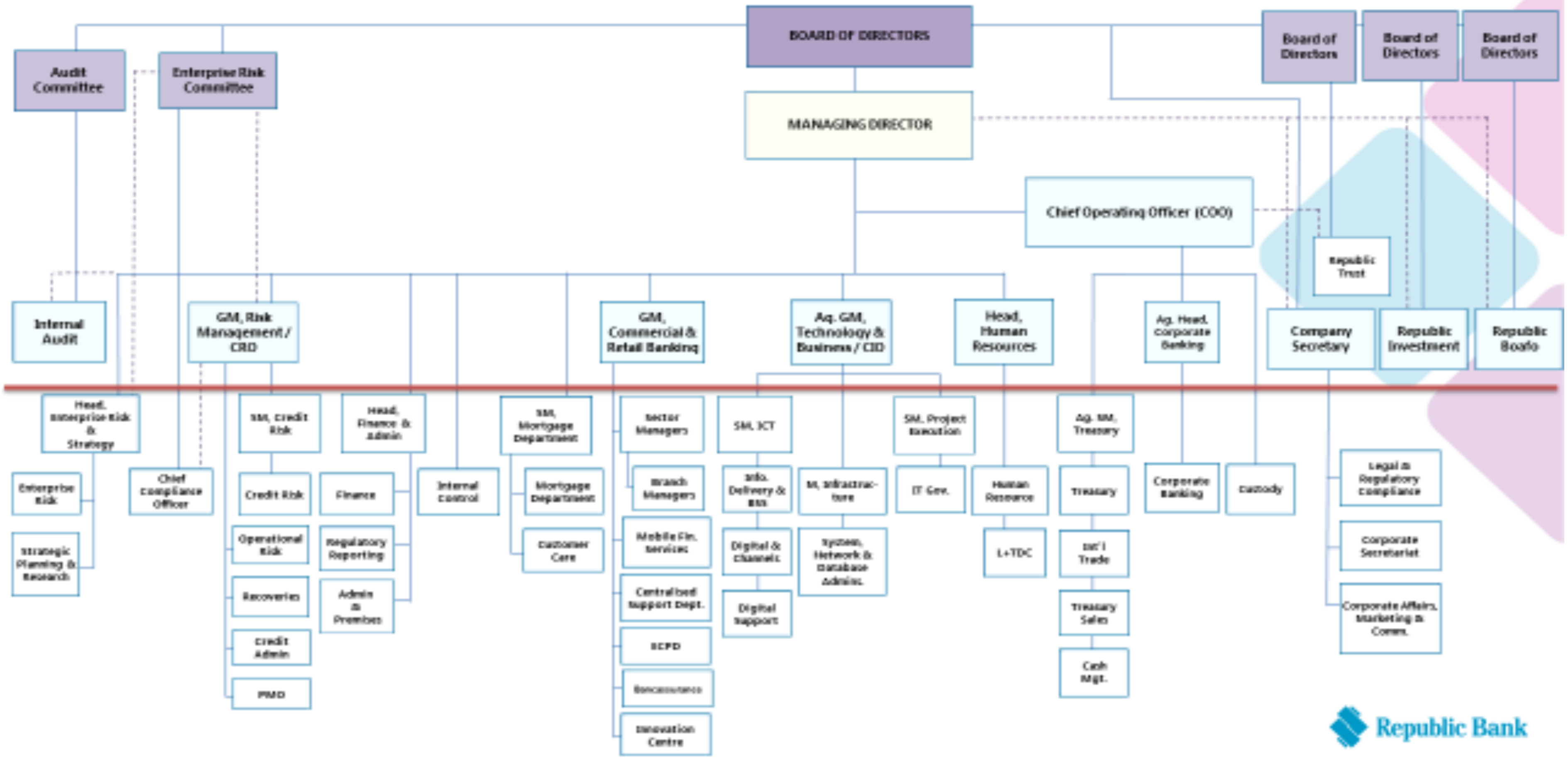
The report of the directors of Republic Bank (Ghana) PLC, were approved by the board of directors on 21st February 2024 and signed on their behalf by:



MR. BENJAMIN DZOBOKU

MR. DAVID ADDO-ASHONG

Revised Organogram – RBGH Group



PROJECTS
ASSISTED

200+

We have established a Group Sustainability Unit with the responsibility for crafting ESG strategies and mainstreaming ESG principles throughout all facets of our operations. This Unit is responsible for upholding our commitments under the United Nations Environment Programme Finance Initiative and providing transparent public reporting on our ESG and sustainability progress locally, regionally and internationally.

Progress

Communities

SOCIETIES
SERVED

14

We are working towards alignment with the United Nations Sustainable Development Goals which shape our ESG initiatives and CSR programmes. We design programmes and initiatives aimed at strengthening our bonds with the communities we serve. Through partnerships with NGOs, we facilitate social investment and outreach programmes aimed at improving the lives of many.

CHAIRMAN'S REVIEW

MR. DAVID ADDO-ASHONG

INTRODUCTION

Dear cherished Shareholders, Ladies and Gentlemen, on behalf of Republic Bank (Ghana) PLC's Board of Directors, Management, and Staff, I warmly welcome you to the Bank's 33rd Annual General Meeting. The Bank and its subsidiaries recorded a total comprehensive income of GH¢145 million for the 2023 financial year, marking a remarkable achievement in the history of the organisation. A comprehensive review of the Group's financial performance can be found in the Managing Director's Discussion and Analysis on pages 33 – 36.

GLOBAL CONDITIONS

Globally, geopolitical instability overshadowed all other risks to economic growth. The divergent growth prospects across the world's regions posed a challenge to returning economies to pre-pandemic output trends. Despite signs of resilience earlier in 2023, the disruption in the energy and food markets caused by geopolitical tensions and unprecedented policy tightening to combat decades-high inflation. The World Bank Economic projected global growth at 3.1% for 2024 on account of greater-than expected resilience in the United States and several large emerging market and developing economies.

Globally, Central Banks are tightening monetary policy and global financing conditions eased in many countries, creating the risk of a sudden correction in risk assessment, particularly for emerging markets. However, these markets experienced further appreciation of the U.S. dollar, leading to capital outflows, higher borrowing costs, debt distress and worsened economic challenges. Trade volumes declined sharply, with imports dropping twice as much as exports. Equity markets also rallied on hopes that central banks have peaked their tightening cycle, resulting in portfolio flows to emerging markets rebounding sharply in late 2023, fuelled largely by the expectations of near-term U.S. Fed rate cuts.

The latest conflict in the Middle East further introduced significant uncertainties into the commodity market with a series of shocks. Prices of oil and gold rose moderately, whiles other commodity prices remained relatively stable. Nevertheless, the persistence of the conflict continues to present a major risk that could lead to surging prices of oil and other commodities. An outcome that would intensify food insecurity in the region and across the world. Overall, the price of gold increased by 14.6% on a yearly basis (US$2,078 ounces), while prices of crude oil and cocoa recorded year-on-year gains of 1.1% and 65.4%, respectively.

DOMESTIC DEVELOPMENT

The Ghanaian economy exhibited some signs of resilience and potential recovery in the early months of 2023 despite some significant challenges such as high inflation, currency depreciation and domestic debt issues. The latest Ghana Statistical Service data showed an expansion in overall real GDP by an annual rate of 2% driven by the services and agriculture sectors during the third quarter of 2023, relative to 2.7% over the same period in 2022. Non-oil GDP growth moderated to 2.1% from 3.3% over the same comparative period.

Ghana's 2023 fiscal policy, which closely aligned with the International Monetary Fund Extended Credit Facility (IMF-ECF) program, purported to achieve key goals including a primary budget surplus, preventing external debt defaults and curbing borrowing by the government and public entities. Notably, the provisional budget data for 2023 suggests a significantly lower deficit of around 3% of GDP, exceeding the initial target of 5.5%.

International trade activity was modest for the year, with overall exports declining by 4.9% (US$17.49 billion to US$16.64 billion). This reduction was mostly due to lower production and prices for major commodities such as cocoa and crude oil. Cocoa and crude oil trade shipments fell by 8.4% and 29.3%, respectively, over the year. Other exports, including non-traditional exports, fell by 1.9% to an estimated US$3.1 billion. Imports followed suit, falling by 4.2% to US$14.21 billion, resulting in an 8.4% drop in the trade balance to US$2.6 billion.

However, the stock of gross international reserves closed the year at US$5.9 billion, enough to finance 2.7 months of imports of goods and services, from the stock position of US$6.3 billion (2.7 months of import cover) at the end of December 2022.

Headline inflation declined sharply by more than 30 percentage points in the course of 2023, supported by a broad base deceleration in the prices of items in the consumer basket. The disinflation process from 54.2% to 23.2% at the end of December 2023 was supported by the tightening of monetary policy stance throughout 2023 and favourable international crude oil prices, which led to stable ex-pumps prices, transportation cost and relative stability in the exchange rate, partly propelled by the forex inflow from the IMF-ECF disbursement, the gold for oil program by the Bank of Ghana, repatriation of foreign exchange from mining and oil companies and a reduction in external debt service payments.

As measures to curb inflation, the Central Bank raised its policy rate from 28% to 30% in 2023. This, in turn, pushed up the interbank weighted average interest rate to 30.19% and the Ghana Reference Rate (GRR) to 32.16% by year-end, leading to higher average lending rates for Banks (33.75%). The government of Ghana capitalized on the high demand for short-term securities to offer reduced interest rates as part of its debt sustainability analysis measures on the back of the Domestic Debt Exchange Program (DDEP). Trades on the new bonds, after the DDEP, remain close to par following the few documented trades.

Strong fiscal consolidation holds the key to anchoring disinflation and driving sustainable economic growth. The recent budget demonstrates Ghana's commitment to this path, successfully achieving fiscal targets set out in the first review of the 3-year IMF program.

GHANAIAN BANKING INDUSTRY

The banking industry improved as adverse spillovers from the Domestic Debt Exchange Program and macroeconomic challenges receded. The industry remains stable, liquid and profitable on the back of on-going recapitalization by shareholders with support from the Ghana Financial Stability Fund. To promote and streamline regulatory actions in the industry, the Bank of Ghana has announced the following regulatory reliefs to help maintain financial stability:

- The Bank of Ghana expects banks to fully restore capital gaps caused by the DDEP proportionally over the next three years, ending December 31, 2025 in line with capital restoration plans approved by the Bank of Ghana;
- It has also published the operational framework for eligible banks to access recapitalization support from the Ghana Financial Stability Fund;
- Unify the current holdings for the cash reserve ratio requirement on foreign currency-denominated deposits and domestic currency deposits for banks
- The new unify cash reserve requirement for total deposits is to be held in cedi and resit at 15%

Furthermore, to strengthen financial intermediation and promote financial stability, the Bank of Ghana issued the following instructions and guidelines:

- Guidelines for inward remittance services by payment service providers: This provides a framework to guide dedicated Electronic Money Issuers and Enhanced Payment Service Providers in collaborating with Money Transfer Operators to deliver inward remittance service to beneficiaries. To also ensure adherence to Anti-Money Laundering and Combating the Financing of Terrorism laws and guidelines.

- Crackdown on illegal loan Apps: The Bank of Ghana issued warnings against unauthorized and illegal digital lending apps, protecting customers from predatory practices.

- Exposure Draft on Outsourcing Service: This directive is to ensure that outsourcing arrangements neither diminish regulated financial institutions (RFI) ability to fulfil their obligations to customers nor pose excessive risks to RFI's

During the year ended December 31, 2023, the industry's:

1. Asset base increased by 29.7% from the previous year figure of GH¢212 billion to GH¢275 billion,
2. Total deposits increased by 34.7%, from GH¢195 billion to GH¢214.5 billion.
3. Loans and advances increased from to GH¢485 billion to GH¢562 billion, thus an increase of 13.7%.
4. Capital Adequacy Ratio (CAR) dropped from 16.2% (2022) to 13.9% as at end of December 2023.
5. Non-Performing Loans (NPL) ratio increased from 16% (2022) to 20.7%

NEW APPOINTMENTS

CHIEF RISK OFFICER

During the year under review, Mr. Frank Yaovi Lawoe was appointed as the Chief Risk Officer on February 1, 2023. He has over 21 years of banking experience. Prior to joining the bank, he worked as head of internal audit for Société General Ghana. He also held numerous roles in RBGH including Senior Manager, Recoveries and Collections, Head, Internal Audit, and Head, Risk Management and Compliance.

CHIEF INFORMATION OFFICER

Mr. Manasseh Afoh was appointed as the Chief Information Office on August 16, 2023. He has over 22 years of experience in the financial sector in relation to technology. He has proven expertise in business and technology strategy, database engineering, financial service technology, core banking systems (T24/Flexcube), and server storage technologies. Prior to joining Republic Bank, he worked as a consultant at Adecare Africa Limited, PwC as an associate consultant, and Heritage Bank Limited as CIO/GM Information Technology.

HEAD OF CORPORATE BANKING

Mr. Jacob Hobenu was appointed as the Head of Corporate Banking on June 12, 2023. Jacob has over 15 years' experience in the Banking Industry and with Republic Bank (Ghana) PLC. He worked as Senior Manager, Mobile Financial Services where he was responsible for the execution of the growth strategy for the Bank's Mobile Money business. He led the rollout of mass market Digital Savings, Micro-Loans, Overdraft and Payment products targeted at millennials and implemented the Mobile Financial Services & Channels Strategy across all business lines to generate income for the Bank. He also worked with Republic Investments Limited as Financial Analyst and Equity Research Analyst with Republic Securities, both subsidiaries of Republic Bank (Ghana) PLC.

Jacob holds an MBA (Finance) from University of East London, UK and a BSc. Agriculture from Kwame Nkrumah University of Science & Technology.

I warmly welcome Mr. Lawoe, Mr. Afoh and Mr. Hobenu to their roles in the Republic Bank (Ghana) PLC family.

DIVIDEND

Dear Shareholders, I am extremely excited about the significant strides made towards improving the profitability of the Bank to improve shareholder value. However, the profit recorded was not enough to overturn the huge dent created by the DDEP. Consequently, the income surplus account continues to be negative and in accordance with the Bank of Ghana directive issued on December 5, 2022, to suspend the payment of dividend and other distributions to shareholders, we are unable to recommend the payment of dividends for the period under review.

OUTLOOK AND CONCLUSION

The risks to global growth for 2024 are broadly balanced amid the lagged and ongoing effects of tight monetary policy, restrictive financial conditions, and feeble global trade and investment. Downside risks to this outlook include an escalation of the recent conflict in the Middle East and associated commodity market disruptions, financial stress in the wake of elevated debt and high borrowing costs, weaker-than-expected activity in China, trade fragmentation, and climate-related disasters. For upside risks to be effective, cooperation needs to be strengthened to provide debt relief, facilitate trade integration, tackle climate change, and alleviate food insecurity.

The IMF's January 2024 world economic outlook projects global growth at 3.1% in 2024 and 3.2% in 2025 on account of greater than expected resilience in the United States and several large emerging market and developing economies, as well as fiscal support in China, coupled with global inflation subsiding faster than expected. This is however below the historical average of 3.8% recorded between 2000 and 2019.

Crude oil prices are expected to edge down to $81 per barrel in 2024 as global activity slows and China's economy continues to decelerate. An escalation of the conflict in the Middle East is a major upside risk to oil prices.

Cocoa prices will continue to extend their rallies due to supply tightness on the back of unfavourable weather conditions due to climate changes in the major cocoa producing countries, smuggling activities and strong global cocoa demand driven by growing chocolate consumption in emerging markets. An escalation of the conflict in the Middle East could push the gold price higher due to increased demand for safe heaven assets.

On the domestic economy, there are clear indicators that the current macroeconomic frameworks being implemented with the support of the IMF-ECF program are yielding positive results. Both headline and core inflation are declining and projected to decelerate further. Inflation expectations seem well anchored, and fiscal policy implementation is broadly in line with expectations. The buildup of foreign exchange reserves has been strong and should support a stable exchange rate outlook. These conditions have fed into sentiment with improvements in business and consumer confidence.

Additionally, improved forex inflows from the IMF-ECF disbursements, expected funding from the World Bank's Development Policy Operation and a reduction in debt service payments would further support reserve buildup and improve the external sector outlook.

While acknowledging the challenges presented by the current economic climate, I remain cautiously optimistic about 2024. Through the execution of our new medium-term strategy to become a financial lighthouse, we will prioritize showcasing the strength and resilience of our business model. This ambition will be fuelled by a customer-centric approach embedded in our digitization plan, a culture that prioritizes service excellence underpinned by operational efficiency, diligent risk management practices, and leveraging the expertise of our talented team.

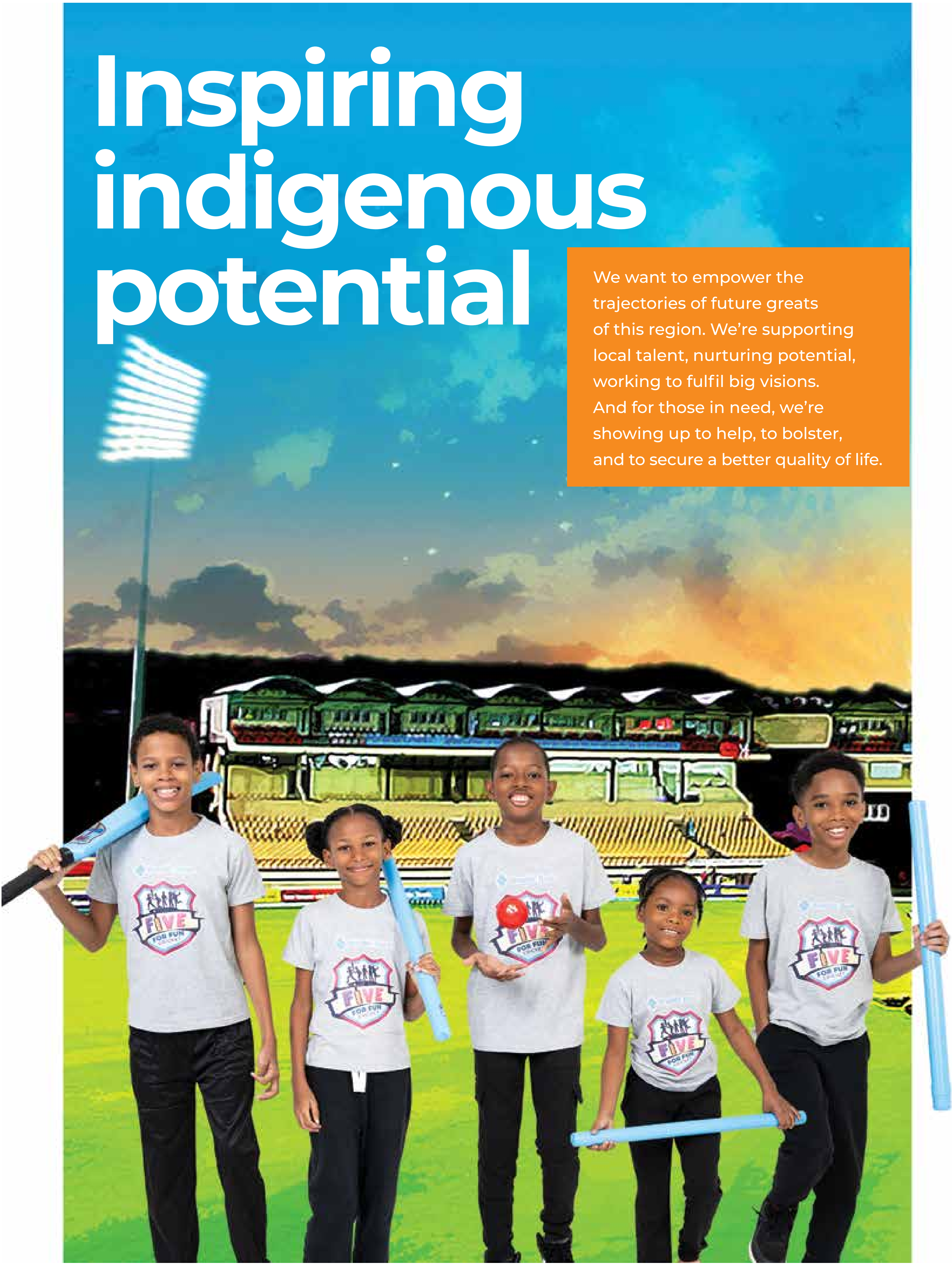
On behalf of the Board, I extend my deepest gratitude to our esteemed shareholders and customers for placing your confidence in Republic Bank and providing us the platform to serve and meet your financial needs.

During the year, amidst significant market uncertainties, I have witnessed remarkable commitment from our management team and every staff member. Their dedication has been truly inspiring, and I commend them for their demonstration of resilience and tenacity. I also extend my deepest gratitude to our Board of Directors for their unwavering engagement, wise counsel, and invaluable experience. To our regulators and all other stakeholders, your continued support for our business is deeply appreciated.

Thank you.

Inspiring indigenous potential

We want to empower the trajectories of future greats of this region. We're supporting local talent, nurturing potential, working to fulfil big visions. And for those in need, we're showing up to help, to bolster, and to secure a better quality of life.



MANAGING DIRECTOR'S DISCUSSION AND ANALYSIS

INTRODUCTION

Dear shareholders, it is my pleasure to present to you my report on our Bank's performance for 2023, which happens to be the last year of our 3-year strategic plan of being a Responsible, Resilient and Relevant Bank. In the face of economic difficulties that impacted individuals, families, businesses, and communities, our resolve to remain profitable contributed to the incredible growth of Republic Bank (Ghana) PLC in 2023. Accordingly, the Group recorded a total comprehensive income of GH¢145.03 million for the year, representing an increase of GH¢167.73 million from the loss of GH¢22.69 million registered in 2022 on the back of the Domestic Debt Exchange Program (DDEP) by the government of Ghana.

It is worth noting that we were not only profitable within the period, but our commitment to excellence, underpinned by our core values, garnered laurels from recognized prestigious and credible institutions because of the testaments from our customers. These include:

- Being rated as a 5-Star Bank in Service Quality for Consumer Banking,
- Being rated 5-Star in Customer Satisfaction for Consumer Banking,
- Earning a total score of 99.5% in the Chartered Institute of Marketing Ghana, Customer Satisfaction Index 2022 (CIMG-CSI2022), and
- Being adjudged the Best in Mortgage Finance by the Ghana Real Estate Developers Association (GREDA)

As a responsible organisation and in line with the United Nations Sustainable Development Goals and Bank of Ghana's Sustainable Banking Principles, in March 2023, we developed and incorporated an Environmental, Social and Governance (ESG) classification toolkit for ESG risk assessment in our credit delivery process. Additionally, we have completed the certification processes for the IS027001:2022, IS022301:2019 and PCI DSS standards, in conformity with the Bank of Ghana Cyber and Information Security Directives. This will enhance governance, embedded security and business continuity in our business operations, consolidate customer confidence and enhance our international profile.

Other initiatives earmarked at improving our customers' experience, including the launch of our Customer Experience Strategy, placing the credit card features on our mobile app, launching of a Pension Scheme for our Republic Boafo customers and implementing sub-class investment schemes for the Republic Investment's managed funds, were all completed in the year under review.

The following is a detailed discussion and analysis of the financial results of Republic Bank (Ghana) Plc. This should be read in conjunction with the audited Consolidated Financial Statements, contained in this report.

SUMMARY OF INCOME STATEMENT

Esteemed shareholders, in spite of the financial fallouts post DDEP and challenging global and domestic economic environments, the Group closed the year 2023 with a strong financial performance by recording a total comprehensive income of GH¢145.03 million. This represents a significant increase of 739% over the loss of GH¢22.70 million posted in 2022. This positive outcome is attributed to a 41.90% improvement in net interest income and 72.64% decline in impairment losses on financial assets. A summary of the income statement is presented in the table below:

TABLE. 1: NET PROFIT / LOSS

NET PROFIT / LOSS (GH¢ MILLIONS)	DEC 2023 ACTUAL	DEC 2022 ACTUAL	CHANGE GH¢	CHANGE (%)
Net Interest Income	557.56	392.92	162.64	41.90%
Other Income	194.57	158.18	36.39	23.01%
Less Operating Expenses	(433.61)	(324.69)	(108.92)	33.55%
Impairment Loss on Financial Asset	(66.09)	(241.61)	(175.52)	(72.64%)
Profit / (Loss) Before Tax	252.43	(15.19)	267.62	(1761.82%)
Less Tax	(107.40)	(45.93)	(61.07)	133.83%
Profit/ (Loss) After Tax	145.03	(61.13)	206.16	(337.25%)
Other comprehensive income				
Revaluation of land and buildings	0.00	51.24	(51.24)	(100.0%)
Income tax on revaluation surplus	0.00	(12.81)	12.81	(100.0%)
Total comprehensive income / (loss) for the period	145.03	(22.70)	167.73	(738.89%)

NET INTEREST INCOME AND NET INTEREST MARGIN

Republic Bank (Ghana) PLC Group interest income increased by 56.03% from GH¢625.16 million for the 2022 financial year to GH¢975.43 million in 2023. The significant increase in the bank's interest-bearing asset base contributed to the increase in the banks interest income and net interest income. Net interest margin went up from 8.95% in 2022 to 9.19% in 2023.

NET INTEREST INCOME (GH¢ MILLIONS)	DEC 2023 ACTUAL	DEC 2022 ACTUAL	CHANG GH¢	CHANGE (%)
Interest Income	975.43	625.16	350.27	56.03%
Interest Expense	(417.87)	(232.23)	(185.64)	79.93%
Net Interest Income	557.56	392.93	162.64	41.90%
Average Total Assets	6,048.98	4,680.31	1,368.67	29.24%
Net Interest Margin	9.19%	8.95%	-	0.24%

OPERATIONAL EFFICIENCY

Operating expenses increased by 33.55% to GH¢433.61 million in 2023 in the wake of sustained inflationary pressures. Staff cost, a key component of the operating expense, also grew by 25.41%, driven by salary increment and increases in staff medical and fuel allowances. Additionally, other operating expenses increased by 48.21% in support of the ongoing digital transformation drive, including a 65.25% increase in software licensing and ICT cost. These notwithstanding, the Group's cost-to-income ratio improved from 58.92% in 2022 to 57.68% in 2023, following the relatively strong growth in the income of the bank.

OPERATING EXPENSES (GH¢ MILLIONS)	DEC 2023 ACTUAL	DEC 2022 ACTUAL	CHANGE GH¢	CHANGE (%)
Staff Cost	233.73	186.37	47.36	25.41%
Depreciation	34.80	26.93	7.87	29.20%
Others	165.08	111.38	53.70	48.21%
TOTAL	433.61	324.68	108.93	33.55%
Cost to Income Ratio	57.68%	58.92%	-	1.24%

NET IMPAIRMENT LOSS ON FINANCIAL ASSET

In 2022, the Bank experienced a net impairment loss of GH¢241.44 million, primarily due to participation in the DDEP. However, through effective loan recovery and robust risk management, the bank successfully reduced its overall net impairment loss on financial assets to GH¢66.09 million by year-end 2023, albeit the recognition of GH¢42.89 million on investment securities, largely from the Cocoa bills debt exchange. Consequently, the NPL ratio reduced from 19.85% in 2022 to 15.95% in 2023. A detailed analysis of this improvement is presented in the table below.

NET IMPAIRMENT LOSS ON FINANCIAL ASSET (GH¢ MILLIONS)	DEC 2023 ACTUAL	DEC 2022 ACTUAL	CHANGE GH¢	CHANGE (%)
Retail & Commercial Loans	5.04	13.85	(8.81)	(63.61%)
Corporate Loans	14.60	32.39	(18.39)	(56.78%)
Mortgage Loans	3.87	25.27	(21.4)	(84.69%)
Credit Card	0.03	0.01	0.02	(200%)
Staff	0.26	0.02	0.24	(1200%)
Debt instruments measured at amortized cost	42.89	169.9	(127.01)	(74.76%)
TOTAL	66.09	241.44	(175.35)	(72.62%)
Non-Performing Loans Ratio	15.95%	19.85%	-	3.90%

TOTAL ASSETS

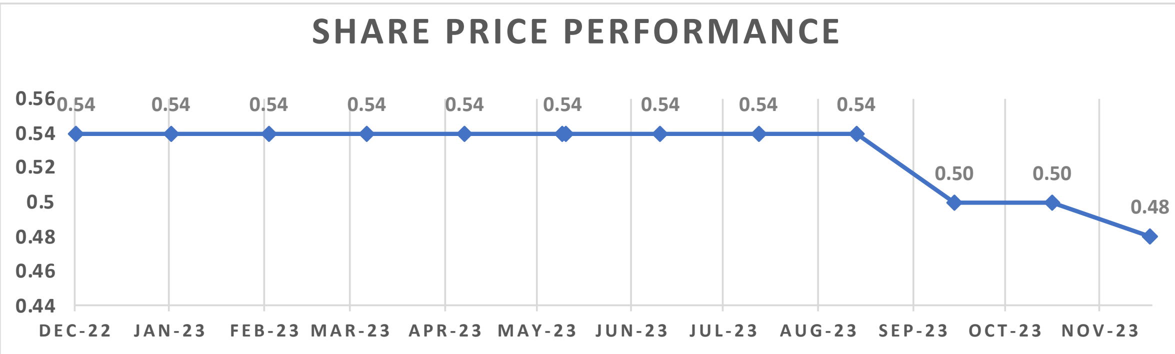
Republic Bank (Ghana) PLC's total assets closed at GH¢6.99 billion at year-end 2023, reflecting a significant increase of GH¢1.88 billion compared to the previous year. This increase was primarily driven by a notable growth in money market placements in addition to growth in loans and advances, altogether supported by the remarkable growth in deposits within the year.

LOANS & ADVANCES

In response to inflationary concerns, Bank of Ghana hiked its policy rate from 28% to 30% in 2023. This spiralled up the Ghana Reference Rate (GRR) to a high of 32.16%, thus significantly increasing borrowing costs. Despite this challenging environment, our Bank impressively grew its net loans and advances portfolio by 24.0%, from GH¢1.96 billion in 2022 to GH¢2.43 billion in 2023. Particularly, credit cards showed the most remarkable increase of 110.50%, from GH¢7.4 million in 2022 to GH¢15.6 million, reflecting the Bank's successful strategy of leveraging digital channels for growth.

SHARE PRICE PERFORMANCES

Presented below is the Bank's share price performance during the financial year, albeit the economic conditions of the country.



OUTLOOK FOR THE YEAR 2024

With the economy showing signs of a rebound and a sustained implementation of sound policies by the Central Bank, the banking sector is expected to remain strong to be able to support the economy. With the recent decrease in the Central bank's monetary policy rate and further anticipated cuts in the coming months, it is expected that improvements in business activities through the support of the financial sector will weigh positively on the outlook for 2024. Our Bank, in commencing the implementation of our new strategic plan, is committing to stakeholders to become a financial lighthouse focused on deepening and expanding relationships with customers; enhancing our mortgage business; consolidating and expanding our banking operations while deepening our electronic business to the delight of our customers. Our goal, going forward, is to illuminate the path for financial success.

CONCLUSION

Following our performance for the 2023 financial year, we shall continue in the steps of pushing our customer-centric and innovation agenda as well as instilling a performance-based culture in the Bank as we seek to triple our profits by 2028. I am confident that with the commitment and dedication of management and staff, we will be able to make 2024 a successful year and play a much bigger role in the businesses and lives of our clients.

On behalf of management, I would like to thank you, our esteemed Shareholders, our customers, the Board of Directors, Management and Staff and all Stakeholders for your continuous support.

Thank you.

Aiming for the highest score

Best outcomes come from aiming high and thinking big. Our game plan is to guide our operations with empowerment strategies and collaborative resources. We want to ensure that all our stakeholders win.

CORPORATE GOVERNANCE

Republic Financial Holding Limited (RFHL), parent company of Republic Bank (Ghana) PLC has committed to aligning investment and lending portfolios with net zero carbon emissions by the year 2050. As a founding signatory member of the Net Zero Banking Alliance (NZBA), (a group of leading global banks committed to financing ambitious climate action to transition the real economy to net-zero greenhouse gas emissions by 2050), and the UN Principles for Responsible Banking (PRB), RFHL conducted and assessed its carbon emissions internally and for its clients. This is in line with an obligation on member banks to set intermediate targets in critical sectors for 2030 in part fulfilment of the goal set for 2050.

The Commercial real estate sector was selected for the intermediate target due to the significant relevance of the sector to the Bank. RFHL has more than 50% of the market share in commercial real estate in Trinidad and Tobago.

Republic Bank (Ghana) PLC ("Republic Bank" or "the Bank"), has also adopted the UN Principles for Responsible Banking in line with RFHL's position. The Board of Directors in seeking to maintain sound corporate governance practices recognises the global shift in banking from mere financiers to the new eco-system of sustainability under PRB which cuts across all business areas for strategy, transactions and portfolios. The Board of Directors further recognise the need for the Bank's strategic and operational goals and objectives to be met within the local statutory and regulatory corporate governance requirements of the Bank of Ghana (BoG) and the Securities and Exchange Commission (SEC).

The corporate governance framework of the Bank is a sound basis for the Board to provide management with ethical strategic direction and oversight within the bank's risk tolerance and statutory and regulatory requirements. The continued growth and success of the Bank have been anchored on accountability, integrity, robust risk management systems and remaining customer-centric.

Key aspects of the Bank's Corporate Governance Framework are outlined below:-

THE BOARD OF DIRECTORS

The Board is responsible for the oversight of the implementation of the Bank's strategic objectives, corporate values, corporate governance and risk strategies in accordance with the Bank's vision and mission. These are aimed at providing and sustaining shareholder value. The Board ensures that the Bank has robust governance practices within which the strategic objectives are met and in an environment of accountability to deliver on its commitments to shareholders. The Bank's strategies are also delivered within a robust framework of prudent and effective systems of internal control for both the financial and operational objectives of the Bank. The adoption of robust governance and risk management practices enables the Board to assess and manage risk in line with its competence, strength and independence.

The Bank's Core Values of Customer Focus, Integrity, Respect for the Individual, Professionalism and Results Orientation remain embedded in the high standards of corporate governance that the Board upholds. The corporate governance practices of the Bank are in compliance with the requirements of the Bank of Ghana, the Securities and Exchange Commission, Republic Financial Holdings Limited (RFHL) where applicable and best practices of corporate governance both local and international.

Directors are required to exercise due care and skill in the performance of their duties, provide effective leadership founded upon ethical foundation characterised by accountability, fairness, responsibility and transparency. Ultimately, the Bank's long terms success, the approval of strategy, management's capital and operating plans to meet strategic objectives for the delivery of value to shareholders and stakeholders is the collective responsibility of the Board.

COMPOSITION

The composition of the Board is in accordance with the Bank's Constitution and current legislation and regulatory requirements. At the beginning of 2023, the Board was composed of a Non-Executive Chairman, a Managing Director and seven (7) other Non-Executive Directors. In accordance with the Bank's Constitution, the minority shareholders of the Bank and the public interest were represented by two (2) of the Non-Executive Directors one of whom was nominated and approved by the Board to be responsible for relations with minority shareholders.

The Directors are highly competent in their areas of expertise and skills which collectively contribute to valuable perspectives necessary for the efficient running of the affairs of the Bank.

The Board comprises a majority of Non-Executive Directors who are independent of Management and objective in decision making with no interference or managerial limitations.

At this Annual General Meeting Mr Ebenezer Tagoe and Mr. Paul Aryene retire from the Board by rotation.

Board Meetings and Attendance

The Board's annual meetings' calendar (showing the scheduled dates for meetings of the Board and its Committees), is adopted by the Board at the end of each preceding financial year. In 2023, the full Board had ten (10) meetings.

Attendance by Directors at the meetings was as follows:-

Director	No of Meetings Eligible to Attend	Attendance
Mr. Charles Zwennes	10	7
Mr. Nigel Baptiste	10	7
Mr. Michael Addo	10	10
Mr. Ebenezer Tetteh Tagoe	10	10
Mr. Paul King Aryene	10	10
Mr. David Addo-Ashong	10	10
Mr. Arimeyaw Ibn Saeed	10	10
Mr. Parasram Salickram	10	6
Mr. Benjamin Dzoboku	10	10

The Board considered key issues in 2023 which were presented in quarterly reports from the Managing Director, the Bank's subsidiaries and units such as Internal Control, Internal Audit, Cyber and Information Security, Human Resources, Legal and Compliance. Updates were provided on progress made in achieving the Bank's strategic goals, general business development, customer satisfaction, cyber and information security, non-performing loans and the impact of key economic factors such as the Government's reform program to restore macroeconomic stability and debt sustainability. Senior executives and managers of the Bank presented reports on their divisions to the Board.

BOARD COMMITTEES

There are five (5) standing Committees to which the Board has delegated authority to achieve its mandate. These are the:-

- Board Credit Committee (previously Finance & Credit Committee)
- Remuneration & Nominations Committee
- Audit Committee
- Enterprise Risk Committee and
- Cyber & Information Security Committee.

All the Board's Committees operate in accordance with their terms of reference set out in the formal Board Charter.

Reports of the Chairperson and details of the Committees are presented below.

BOARD CREDIT COMMITTEE REPORT

The fiscal year 2023 remained tough as the global geopolitical tensions and economic challenges persisted but with some moderate recovery in economic activity. At the domestic level, while economic activity moderately recovered in sync with global trends, the tailing effects of the following developments continued to undermine the fortunes of customers' businesses:

- Policy rate remained high in spite of it levelling-off toward the end of the fiscal year.
- Money market rates continuously trended upwards during the fiscal reinforced by policy rates.
- Inflation remained high despite some easing of underlying pressures from the record high levels observed from the beginning of the 2023 fiscal but remained largely behind the target.
- Despite the relative stability of the local currency against major trading currencies, the uncertainties of the IMF second tranche and COCOBOD Syndicated USD facility amidst seasonal demands, among others, threatened the stability, particularly, against the US Dollar, and weakening in October 2023.
- The repercussions of the Domestic Debt Exchange Programme (DDEP) continued to haunt financial institutions and customers.

Overall, the above developments influenced a rise in interest costs and tightening of credit to customers.

In line with its mandate, the Board Credit Committee continued to perform its credit governance oversight. The Committee provided Management with the necessary guidance and support to ensure the origination of quality assets and to minimize delinquencies and growth in the non-performing loans portfolio. Quarterly reports and trend analysis relating to the quality of the risk asset portfolio were reviewed to ensure that the Bank maintains healthy loan portfolio at all times. During the financial year, the Committee approved the reviewed Credit Policy to align it with changing internal structures and changes in market and regulatory environment.

In addition, the Committee considered and decided on all recommended credit facilities within the limits established by the Board and notified the Board of all facilities approved by the Committee. It also critically and regularly monitored and reviewed the performance of the Bank in relation to the recovery of non-performing loans.

Looking ahead, we forsee that these events may persist with some anticipated challenges for our customers in the ensuing fiscal year. The Committee will continue to provide the necessary strategic support and direction to Management to ensure that it minimizes its credit risks and still delivers value to all stakeholders.

Michael Addo

Chair, Board Credit Committee

COMMITTEE RESPONSIBILITIES

The Board Credit Committee is responsible for setting and reviewing all issues in respect of credit related policies and practices of the Bank.

Appointment to the Board Credit Committee is done by the Board. In the year 2023 the Committee was made up of four (4) Non-Executive Directors, namely Mr. Michael Addo (Chairman), Mr. Nigel Baptiste, Mr. David Addo-Ashong, Mr. Ebenezer Tagoe and Mr. Benjamin Dzoboku.

The Committee had seven (7) meetings in 2023. The Committee also regularly dealt with Credit matters outside the scheduled setting of the Committee meetings. Attendance of Directors at the scheduled meetings was as follows:-

Director	No of Meetings Eligible to Attend	Attendance
Mr. Michael Addo	7	7
Mr. Nigel Baptiste	7	5
Mr. David Addo-Ashong	7	7
Mr. Ebenezer Tagoe	7	7
Mr. Benjamin Dzoboku	7	7

REMUNERATION & NOMINATIONS COMMITTEE REPORT

One of the Committee's key responsibilities is to ensure that the Bank at all times has an adequate succession plan for Executive Managers. In the year under review the succession plan and the leadership needs of the Bank were carefully reviewed to ensure that the necessary skills and expertise were in place for the Bank to remain competitive.

In addition, the Committee begun a search for the appointment of Directors to the Board to fill upcoming vacancies. This was done with the issues of gender and the skills gap identified from the annual Board Evaluation as the key priority areas.

Also, the Committee, based on reports from the HR function was deeply satisfied with staff activities organized to ensure team bonding and camaraderie in the Bank. During the year under review Management organized activities such as Staff Games and Staff Durbars which were well attended by staff from all over the country. The Committee believes that the strong set of results achieved can be attributed to the wellbeing and commitment of staff as a result of these activities. It was a delight to observe the resilience of all staff despite the challenging times and uncertainty to deliver on their targets.

We have no doubt that the continued growth of the Bank rests with the Committee providing Management with the necessary strategic direction to develop and attract resourceful people.

Paul King Aryene
Chair, Remuneration & Nominations Committee

COMMITTEE RESPONSIBILITIES

The objective of the Remuneration & Nominations Committee is to assist the Board to develop and oversee a robust and competitive framework for developing policies on compensation; succession planning; identifying potential director nominees; overseeing management's performance and the development of corporate governance principles for a healthy governance culture. Activities carried out in the year were in line with above such as the review of the Bank's Ethics and Code of Conduct, consideration of the Whistleblowing Policy and the consideration of the Human Resources Report amongst others.

There is an approved performance management system by which remuneration is tied to performance and rewards to motivate staff to achieve assigned targets within allowable risk appetite. The Committee interviews and approves the hiring of all Key Management Personnel who are placed on approved job grades commensurate to job assigned remuneration. Share options are not a part of executive remuneration. Executive Remuneration embeds incentives and benefits in line with an approved budget and sustainability of the institution and performance. An approved Remuneration Structure is in place for the Bank's Directors, executive management and staff.

Appointment to the Remuneration & Nominations Committee is done by the Board and consists of the Non-Executive Directors as at the beginning of 2023. The Committee is chaired by Mr. Paul King Aryene.

The Remuneration and Nominations Committee had four (4) meetings in 2023 and attendance was as follows:-

Director	No of Meetings Eligible to Attend	Attendance
Mr. Paul Aryene	4	4
Mr. Nigel Baptiste	4	3
Mr. Michael Addo	4	4
Mr. Ebenezer Tagoe	4	4
Mr. David Addo-Ashong	4	4
Mr. Arimeyaw Ibn Saeed	4	4
Mr. Parasram Salickram	4	3

ENTERPRISE RISK COMMITTEE REPORT

The Enterprise Risk Committee (ERC) of the Board provides oversight and advice to the Board in relation to current and potential risk exposures of the Bank and future risk strategies, including determination of risk appetite and tolerance. In the performance of these responsibilities, the Committee reviewed and monitored changes in internal and external environments that generated or had the potential to generate various types of risks for the Bank. Key developments in the Bank's internal operations and external factors including macroeconomic, legal and regulatory changes were keenly monitored to ensure that the Bank's internal processes, systems and structures are sufficiently deployed to mitigate current and emerging risks.

Consequently, the Committee considered exposures to credit, fraud, market, liquidity, and operational risks. Of significant importance was Environmental and Social Governance risk, which the Committee reviewed and was satisfied that the Bank had put in place adequate measures to mitigate. The Bank maintained its zero-tolerance for Anti-Money Laundering/ Combating the Financing of Terrorism and the Proliferation of Weapons of Mass Destruction (AML/CFT & P) risks.

The committee remains focused on its oversight responsibility for enterprise-wide risks to ensure that value is driven for stakeholders from the operations of the Bank.

David Addo-Ashong

Chair, Enterprise Risk Committee Report

COMMITTEE RESPONSIBILITIES

The main responsibility of the Enterprise Risk Committee is to set the tone and parameters of the risk strategies and oversee the management of risk appetites and exposures of the Bank. The Committee had four (4) meetings in 2023.

The Board appoints members of the Enterprise Risk Committee.

In the year 2023 the following were the members of the Committee: - Mr. David Addo-Ashong (Chairman), Mr. Nigel Baptiste, Mr. David Addo-Ashong and Mr. Paul King Aryene. Attendance by Directors at the meetings was as follows:-

Director	No of Meetings Eligible to Attend	Attendance
Mr. David Addo-Ashong	4	4
Mr Michael Addo	4	4
Mr. Nigel Baptiste	4	3
Mr. Paul King Aryene	4	4

The Committee ensured that all issues identified as a potential risk to the Bank were thoroughly investigated and ensured that the necessary measures were put in place by Management to prevent or at least minimize any threats to the Bank. We will continue to ensure that in as much as we seek to drive value for the Bank even in these challenging times, we do not lose sight of risks inherent in various activities and provide the necessary review and oversight.

David Addo-Ashong

Chair, Enterprise Risk Committee

CYBER & INFORMATION SECURITY COMMITTEE REPORT

In the ever-evolving technology and digital landscape, safeguarding the confidentiality, integrity and availability of all information assets of the Bank including clients' data, whiles providing innovative products and services to meet customer needs remain paramount. In this regard, the Cyber & Information Security Committee continued to provide the required oversight to ensure adequate control measures are in place and are working effectively to promote robust and resilient technology systems of the Bank to withstand and respond to cyber and information security threats.

The Committee reviewed the security of the Bank's information assets and critical systems through Management reports in assessing the cyber readiness, compliance levels and the security posture of the Bank and was satisfied with the measures in place. The Bank has also implemented multifaceted security protocols, perform regular internal and external reviews including vulnerability assessments and penetration tests and addressed issues identified in a timely fashion to ensure the Bank's cyber defense systems remain resilient, responsive, and compliant. This continuing pursuit of excellence and continual improvement in cyber and information security reflects the Bank's dedication to providing a secure financial environment for its clients, protecting its assets, and upholding the standards of trust and reliability.

The Committee is committed and will continuously oversee investments in advanced technologies, robust infrastructure, and comprehensive training programs to fortify, and continually improve the Bank's defenses against cyber threats. Through diligent monitoring, initiative-taking, risk assessments, and strategic partnerships with cybersecurity experts, we strive to ensure the resilience of our systems and maintain the trust our clients place in the Bank. As part of its ongoing efforts, the Bank has operationalized an internal Security Operations Centre (SOC) to facilitate effective monitoring and coordination of response to cyber and information security related events and incidents.

Paul King Aryene

Chair, Cyber & Information Security Committee

COMMITTEE RESPONSIBILITIES

The Board Committee on Cyber & Information Security provides oversight responsibilities on the control framework for mitigating potential cyber risks facing the Bank. The Committee's ambit covers oversight of the cyber and information risk exposures/tolerance of the Bank, the strategy and controls for the various cyber and information risks and all aspects of technology security. In the year 2023 the members of the Committee were Mr. Paul King Aryene (Chairman), Mr. Ebenezer Tagoe and Mr. Arimeyaw Ibn Saeed and Mr. Parasram Salickram.

The Committee had two (2) meetings in 2023. Attendance by Directors at the meetings was as follows:-

Director	No of Meetings Eligible to Attend	Attendance
Mr. Paul King Aryene	2	2
Mr. Ebenezer Tagoe	2	2
Mr. Arimeyaw Ibn Saeed	2	2
Mr. Parasram Salickram	2	-

AUDIT COMMITTEE REPORT

The Audit Committee continued to focus on monitoring the effectiveness of the internal control environment and the integrity of the Bank's financial reporting during the year under review. The Audit Committee discharged its responsibilities with regards to the Internal Audit function, financial and other reporting as well as the Bank's relationship and interaction with the External Auditor.

The Committee reviewed and approved the Internal Audit Charter, Strategy and the Annual Plan, quarterly updates from the Head of Internal Audit on the delivery of the 2023 Audit Plan as well as the key findings from the Internal Audit work and management's actions aimed at remediating the identified gaps. The Committee further considered and was satisfied that the competencies, experience and the level of resources of the Internal Audit Team were adequate to achieve the proposed plan.

On behalf of the Board, the Audit Committee oversaw the relationship with the External Auditor including monitoring all matters regarding their appointment, remuneration, performance and independence.

The Audit Committee assisted the Board in determining that the Annual Report and the Consolidated Financial Statements when considered as a whole is fair, balanced and understandable and provide all the necessary information for the shareholders to assess the Bank's possition and performance.

It further assisted the Board in its responsibilities regarding the assessment of the principal and emerging risks facing the Bank; the monitoring of risk management and internal control systems effectiveness. The Committee also assessed the viability and the potential risks of the decision to enter the Southern African country of Namibia.

The Committee assessed the effectiveness of the process undertaken by management to evaluate going concern which included reviewing management's assumptions under pinning projected cashflows and, in particular those relating to the continuing impact of the Government DDEP program and the potential impact of climate related risks on profitability and liquidity.

Ebenezer Tagoe

Chair, Audit Committee

COMMITTEE RESPONSIBILITIES

The Audit Committee's responsibilities are to ensure the adequacy, integrity and effectiveness of critical systems, financial controls and reporting; compliance with legal and regulatory obligations; the safeguard of the Bank's assets and review of all activities to control the Bank's risk exposure.

The Committee in the year 2023 reviewed the adequacy of the Bank's internal controls and the degree of compliance with material policies, laws, the code of ethics and business practices of the Bank and is satisfied with the outcomes.

The Committee in the year, reviewed and adopted various internal control measures such as the Internal Audit Plan and Internal Charter as well as quarterly reports of the Internal Audit Department, Internal Control Department, the External Auditor's Plan, Whistleblowing Report, Consumer Complaints report on the Bank's Ethics and Code of Conduct, Reviewed the following policies, Staff Ethics & Code of Conduct Policy Manual, Whistleblowing Policy, the

Board of Directors Code of Conduct/Corporate Governance, Related Party Policy, Conflict of interest Policy and Investor Relations Function Policy and reviewed its Terms of Reference.

COMPOSITION AND MEETING

The Board of Directors appoints members to the Audit Committee.

In the year 2023 the members of the Committee were Mr. Ebenezer Tagoe (Chairman), Mr. Paul Aryene, Mr. Arimeyaw Ibn Saeed and Mr. Parasram Salickram.

The Committee had seven (7) meetings in 2023. Attendance by Directors at the meetings was as follows:-

Director	No of Meetings Eligible to Attend	Attendance
Mr. Ebenezer Tagoe	7	7
Mr. Paul Aryene	7	7
Mr. Arimeyaw Ibn Saeed	7	7
Mr. Parasram Salickram	7	7

CONFIRMATION – INDEPENDENCE OF THE EXTERNAL AUDITOR

In compliance with paragraph 19 of the Securities and Exchange Commission Corporate Governance Code for Listed Companies 2020, the Audit Committee confirms that the external auditor was independent, appropriately qualified and acted with due care.

The focus of planned activities for the Board Committees in the 2023 financial year is in line with the Board's strategic objectives under the three Rs – Resilient, Responsible and Relevant. The calendar of activities of the Board Committees in the year 2024 will be in line with their mandate within the Corporate Governance Framework of the Bank and the Bank's strategic objectives and direction for 2024.

TRAINING AND DEVELOPMENT

Directors of the Bank are expected to participate in various forms of training to enhance their knowledge and skills in order to add value to their performance and improve effectiveness. Directors are exposed to various facets of the Bank's business at induction and throughout their tenure. These include the Bank's strategic direction, finances, internal control, risk management, audit, compliance, corporate governance and other related matters.

Both the local and international environment and legislative and regulatory demands remain increasingly complex and challenging causing the Bank to constantly review its systems and make use of technology to ensure that compliance is robust. In this regard, the Bank recognises the importance of training and development for Directors to enhance their collective knowledge.

In the year 2023 the Directors collectively and individually undertook training seminars in the following:-

- Corporate Governance Certification - delivered by Purple Almond Consulting Services
- AML/CFT & P Training - delivered by Bank of Ghana
- Environmental, Social and Governance (ESG) Training – delivered by RFHL Group
- Introduction to Cyber Security – delivered by Cyber Hawk

DIRECTORS' REMUNERATION

Remuneration of Non-Executive Directors is made up of a fixed annual fee and a sitting allowance for attendance and participation at Board and Committee meetings. The Shareholders of the Bank approve the remuneration of Directors at General Meetings in accordance with the Companies Act. Directors' remuneration is generally reviewed every couple of years to attract and retain good calibre Directors and to keep up with industry rates. However, the Bank's Directors' remuneration has not been reviewed for seven (7) years now and has therefore remained below the 25th percentile of the Industry peer group for some time.

CONFLICTS OF INTEREST / RELATED PARTY ISSUES

Directors are required to avoid any action, position or interest that may conflict or appear to conflict with any of the Bank's interests. Any Director who has a material personal interest in a matter relating to the Bank's affairs is required to disclose the nature and extent of that interest to the other Directors as soon as possible. In the event of a conflict of interest or a related party transaction, the Director will have to leave the relevant section of the meeting and will not participate in the decision making. The following related party transactions can only be approved by the Board of Directors:-

- writing off /down debts from a related party
- compromising the principal with respect to debts due from a related party.

The Bank has in place appropriate policies on conflict of interest and related party matters, maintains an up-to-date register for documenting and managing conflict of interest situations and regularly reports to the Board.

During the year 2023 entries were made in the Interests' Register pursuant to sections 194(6), 195(1)(a) and 196 of the Companies Act, 2019 (Act 992) as follows:-

- December 2023 - Ashong Benjamin & Associates (Mr. David Addo-Ashong, Senior Partner)

The facility was at arms' length, conducted on non-preferential basis and complied with due process, statutory and regulatory requirements. The facility is performing satisfactorily.

BOARD EVALUATION

An external Board evaluation was conducted by questionnaires issued to all Directors via email in the course of the year for the entire Republic Financial Holdings Limited (RFHL) Group including Republic Bank (Ghana) PLC. The evaluation was facilitated by PwC Advisory Services Ltd, (Trinidad & Tobago) and assessed the performance of the Board, the effectiveness of individual Directors and to benchmark the Bank's practices to international and regulatory standards. A detailed report will be submitted within the stipulated period per the Bank of Ghana Corporate Governance Directive, 2018. The last external evaluation was conducted by Purple Almond Consulting Services in 2021 and a report on same submitted to Bank of Ghana in June 2022.

The report of the evaluation exercise indicated that generally the practices of the Board conform with international and regulatory standards. The Directors understand their duties and are devoted to their responsibilities. The Board collectively possesses the requisite experiences and complementary expertise to strategically guide the Bank.

The Board is assisted by a competent Company Secretary who provides the needed support to the Board to carry out its mandate. To enhance the effectiveness of the Board, the report noted the lack of IT and Cyber Security expertise on the Board and the need to identify same to complement the collective expertise on the Board. Additionally, the Bank is to enhance its diversity scope and include a female representative on the Board in line with leading practices. In compliance with regulatory requirements the Report was submitted to Bank of Ghana within the stipulated period given.

The Board also carried out two (2) Self-Evaluation exercises of its performance on Anti-Money Laundering, Counter Financing of Terrorism and Proliferation of Weapons of Mass Destruction (AML/CFT & P) during the year. This was to ascertain the Board's effectiveness and effect any changes/improvements. The results of the evaluation demonstrated the Board's awareness of and responsiveness to AML/CFT & P issues.

The Board takes the findings of Evaluations seriously and diligently reviews and works through all the recommendations to optimise and enhance governance and improve its effectiveness. An action plan with defined deadlines has been put in place to address the observed weaknesses and key findings.

ETHICS AND PROFESSIONALISM

The Bank has in place a Code of Conduct for its Directors and all employees. It is signed off by all persons to whom it applies on an annual basis having read and understood the Code of Conduct and sanctions for breach.

CORPORATE GOVERNANCE – CONT'D

The Bank, its employees, management and Board of Directors commit to the highest standards of professional behaviour, business conduct, and sustainable business practices through its policies and values of Customer Focus, Integrity, Respect for the Individual, Professionalism and Results Orientation.

Republic Financial Holdings Limited's (RFHL) requirements governing trading in the shares of the Bank are signed off by all Directors in the RFHL Group on an annual basis. There are currently no such policies for Key Management Personnel and employees. No policies governing trading in the Banks shares for Directors, key management and employees.

Trading in shares of the Bank by Directors, Key Management Personnel and employees are governed by existing statutory and regulatory requirements.

SUCCESSION PLANNING

An approved succession plan is in place for Key Management Personnel and the heads of key functions within the Bank with diverse skill and background. Candidates for such senior positions are rigorously assessed.

SYSTEMS OF INTERNAL CONTROL

The Board as the ultimate body with oversight responsibility for the integrity, adequacy and robustness of the internal control systems of Republic Bank (Ghana) PLC ('Republic Bank' or 'the Group'), takes keen interest in the identification and management of risks that can derail the achievement of the Group's strategic objectives.

In the quest to offering sustainable financial solutions to the public and in building a resilient institution, the Group continues to review and invest in improving the internal control framework governing its activities.

To ensure the integrity of financial reports and the internal control framework, the Board has put in place systems of review and periodic reporting from and by various units, principally Internal Audit, Enterprise Risk, Compliance and Internal Control as part of exercising its oversight responsibility. The Board promotes the independence and robustness of the control environment through the proactiveness of these units in identifying possible negative outcomes, establishing control measures to mitigate these and ensuring measures are implemented to correct control deficiencies/breaches identified immediately.

The reliability of every manual control as part of an internal control system hinges on 'the people – the staff'. To this end, the Group continues with investment in training to build and strengthen its human capital. This, coupled with regular review of defined staff roles and responsibilities and the enforcement of the Group's code of conduct ensures the sustenance of the adequacy and efficiency of internal controls employed, primarily segregation and authorization (oversight) controls.

INTERNAL CONTROL FRAMEWORK

Key internal control policies developed and reviewed during the year were, Treasury Risk & Investment Management policy, Market Risk Policy, Information Security policies and AML/CFT & P policy/guidelines. These were aimed at enhancing controls towards addressing financial, operational, strategic and compliance/regulatory risks. Procedures for management of the Bank's credit portfolio/exposures were reviewed with pre-emptive structures established for early detection and correction of deteriorating of facilities.

The Bank has a zero-tolerance for fraud or non-compliance with regulatory requirements and internally monitors and assesses compliance with various laws and regulatory guidelines for prompt identification and redress of gaps. The key points concerning its risk exposures and risk management strategies without necessarily breaching confidentiality are in the management of NPLs. With the growing trends of NPLs in the industry, the Bank continues to vigorously monitor the performance of its credit portfolio with proactive measures undertaken by the Credit Watchlist Committee to forestall deterioration of the portfolio.

Breaches on internal controls or deficiencies, when identified, are documented and officially reported immediately to respective business units and the senior management member with oversight responsibility for redress. Regular reports on gaps/breaches (pending or remediated) are reported to the Bank's Executive Committee and quarterly to the Board through both business units and assurance partners such as the Internal Audit, Internal Control, Operational Risk, Chief Risk Officer and the Anti-Money Laundering Reporting Officer.

INTERNAL AUDIT

The Internal Audit function is the third line of defense in the Bank's Risk Management Framework. The Internal Audit Department is independent of management and reports directly to the Audit Committee of the Board. The Department's major responsibility as stated in its Audit Charter is to review the effectiveness of the internal control systems, governance and risk management to provide assurance, advice and insight to promote the wellbeing of the Bank. The Department uses risk-based methodology to ensure that resources are focused in areas which pose the greatest risks to the Bank.

ENTERPRISE RISK MANAGEMENT

The Board of Directors oversees the implementation of an effective risk management culture and the implementation of a strong internal control environment across the Bank. They approve and enforce the risk management framework, inclusive of the overall risk appetite and the Bank's philosophy on risk taking.

The Enterprise Risk Committee (ERC) of the Board provides oversight and advice to the Board in relation to current and potential risk exposures of the Bank and future risk strategies, including determination of risk appetite and tolerance. In the performance of these responsibilities, the Committee reviewed and monitored changes in internal and external environments that generated or had the potential to generate various types of risks for the Bank. Key developments in the Bank's internal operations and external factors including macroeconomic, legal and regulatory changes were keenly monitored to ensure that the Bank's internal processes, systems and structures are sufficiently deployed to mitigate current and emerging risks.

Consequently, the Committee considered exposures to credit, fraud, market, liquidity, and operational risks. Of significant importance was Environmental and Social Governance risk, which the Committee reviewed and was satisfied that the Bank had put in place adequate measures to mitigate. The Bank maintained its zero-tolerance for AML/CFT & P risks.

The committee remains focused on its oversight responsibility for enterprise-wide risks to ensure that value is driven for stakeholders from the operations of the Bank.

COMPLIANCE & ANTI-MONEY LAUNDERING

Republic Bank is committed to ensuring that the Bank complies with relevant Anti-Money Laundering, Combating the Financing of Terrorism and the Proliferation of Weapons of Mass Destruction (AML/CFT & P) legislation, regulations, guidelines, directives and standards both locally and internationally.

In this regard, the Bank maintains a Board approved AML/CFT & P Compliance Programme, which is supported by systems, policies and procedures that reflect the existing legislative and regulatory framework. Adequate controls and monitoring measures are also in place to prevent the use of the Bank's products and services for money laundering, terrorist financing and fraudulent activities.

To ensure that a compliance culture is embedded within the Bank, AML/CFT & P training is conducted annually for the Board and staff.

MANAGEMENT

The demarcation and segregation of roles and responsibilities between the Board and Management fosters transparency, confidence and mutual trust.

The Board has delegated to the Managing Director the authority and responsibility of managing the day-to-day affairs of the Bank, who in turn are accountable to the Board for their management of the operations of the Bank. Explicit authorities and responsibilities of the Managing Director are documented and approved by the Board. Matters not specifically delegated are reserved to the Board.

SUSTAINABILITY - ENVIRONMENTAL AND SOCIAL GOVERNANCE (ESG) REPORT

The Bank's Environmental and Social Governance (ESG) initiatives and Corporate Social Responsibility (CSR) programs are largely based on the United Nations Sustainable Development Goals (SDGs). The Bank is therefore conscious of its funding activities and their impact on the Economic, Environmental and Social Development of the communities in which it operates and therefore takes necessary steps to conduct its business in a manner that promotes a sustainable future.

The Bank recognizes that ESG is not only beneficial for sustainability but also a key driver of financial performance. In line with this, the Bank has integrated ESG criteria into its lending, investment and risk assessment processes and has prioritized ESG in its product offerings. It is worth noting that, the Republic Financial Holdings Limited (RFHL) Group of which Republic Bank (Ghana) PLC is a subsidiary has set a financing target of USD300Million to support climate action and agriculture financing.

To promote good environmental and social governance practices, appropriate internal policies have been formulated and an ESG Unit has been created and resourced to oversee the implementation and reporting of the Bank's ESG initiatives. In order to keep track of our key performance indicators, monitor progress of implementation, and document our ESG activities, periodic reports are submitted to the appropriate internal governance bodies and the Bank of Ghana.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Republic Bank (Ghana) PLC, as a corporate entity, interacts with and influences its community in distinctive ways. Corporate Social Responsibility (CSR) remains essential to our operations. The Bank acknowledges the importance of ensuring Sustainable Growth and enhancing Shareholder Value for its success. Equally significant is the Bank's role as a responsible Corporate Citizen, contributing to community development where it operates, ultimately benefiting all Ghanaians. The Bank actively positions itself as a driving force, embodying a compassionate presence in the Ghanaian market.

Republic Financial Holdings Limited (RFHL), parent company of Republic Bank (Ghana) PLC, embraced the United Nations Sustainable Development Goals (SDGs) in 2021. Republic Bank (Ghana) PLC has therefore aligned its Corporate Social Responsibility with the SDGs as a key strategic focus for the next three (3) years. The Bank has aligned with four (4) SDG areas namely, Good Health and Well-Being (SDG 3), Quality Education (SDG 4), Clean Water and Sanitation (SDG 6), and Climate Action (SDG 13).

The Bank's CSR initiatives also operate under the RFHL Group's 'Power to Make a Difference' (PMAD) brand, structured around four pillars: Power to Learn: Engaging youth through education, culture, and the arts; Power to Care: Focusing on health issues, elderly care, and raising awareness for the differently abled; Power to Help: Addressing poverty alleviation, and Power to Succeed: Tackling environmental issues, entrepreneurship, and sports development.

Under the PMAD banner, the Bank sustained its support for major educational and health institutions and contributed to cultural and national activities in its operational areas. The Bank allocated approximately GH¢ 1,005,189.98 (2022: GH¢ 805,138.94) towards its CSR and PMAD activities for the year ending December 31, 2023. Specific details of these initiatives are as follows:

INSTITUTIONAL SUPPORT: -

i. Purchase of laptops for Software training for:
   - University of Ghana Business School (UGBS), Department of Accounting
   - University of Ghana, Vice Chancellor's One-Student, One-Laptop Project

ii. Maintenance of the African Union (AU) Square in Accra

iii. Sponsorship of the following: -
   - University of Ghana Student Financial Aid
   - C.K. Tedam University, Navorongo
   - National Partnership for Children's Trust (NPCT)
   - Thyroid Foundation Ghana
   - Ghana Chamber of Construction in Young Women in Technical and Vocational Education Training (TVET)
   - Accra Parent, Preschool and Child Care
   - Jospong Group of Companies
   - Ghana National Petroleum Company (GNPC) Foundation Career Fair
   - Ghana Garden and Flower Fair
   - Wassa Dunkwa Government Hospital
   - Ghana National Service Personnel, Cape Coast
   - National Health Insurance Scheme (NHIS), World Health Organization (WHO) Universal Health Coverage Conference
   - Ghana Society for the Physically Disabled
   - Konzonkala M/A Junior High School, Jirapa Upper West Region
   - Ghana Registered Nurses and Midwives Association

CORPORATE DONATIONS -

i. Nana Saka Nkansah School

ii. Ghana Blind Union

iii. Nsroma Cricket Academy

iv. Pearl House Foundation

v. Goaso Traditional Area

vi. Eluo Festival of Sefwi Wiawso

vii. Krachi State Yam Festival

viii. Farmers Day Celebration: -
   - Korle Klottey Municipal Assembly
   - Asunafo North Municipal Assembly
   - Ashaiman Municipal Assembly

ix. B5 Plus Company

Corporate Social Responsibility (CSR) (Cont'd)

STAFF VOLUNTEERISM PROGRAM (SVP) -

i. Refurbishment and Donation to Osu Maternity Home

ii. Wassa Dunkwa Government Hospital, in Western North

iii. Tamale Metro Clean-Up Exercise, in Tamale

iv. Cape Coast Metropolitan Clean-Up Exercise, in Cape Coast

v. Clean-Up and Donation to New Juaben Market, in Koforidua

vi. Christ Faith Foster Home, in Adenta-Frafraha

OUTLOOK FOR 2024:

In 2024, our commitment to Corporate Social Responsibility is embedded in the DNA of the Bank. Embracing the principles of the United Nations SDGs together with our 'Power to Make a Difference' (PMAD), we prioritize initiatives that contribute to good health and well-being, clean water and sanitation, quality education, and climate action. We proudly supported numerous individuals and institutions in 2023 in these critical areas, and we are enthusiastic about expanding our impact even further in 2024 as follows: -

1. Strengthening Healthcare Access:

Building on our dedication to Good Health and Well-being, we aim to enhance our support for healthcare initiatives, ensuring access to quality medical services for underserved communities. Collaborating with healthcare institutions, we aspire to make a meaningful difference in the lives of individuals who need it most.

2. Advancing Clean Water and Sanitation:

Our commitment to Clean Water and Sanitation remains unwavering. In 2024, we plan to intensify our efforts to provide communities sustainable access to clean water and improved sanitation facilities. We aim to address the fundamental need for clean and safe water sources by partnering with local organizations. A key initiative is providing boreholes to Ghana's communities needing clean and safe drinking water.

3. Empowering Quality Education:

Quality education is the cornerstone of societal progress. In the coming year, Republic Bank will focus on empowering educational institutions and initiatives that foster learning opportunities for all. Through scholarship programs, infrastructure development, and educational outreach, we aim to contribute to the educational advancement of future generations.

4. Championing Climate Action

Recognizing the urgency of climate action, we will continue to champion initiatives promoting environmental sustainability and Social and Governance (ESG) commitment to help improve our world. Our commitment to mitigating climate change will be at the forefront of our CSR agenda, from supporting renewable energy projects to engaging in tree-planting campaigns.

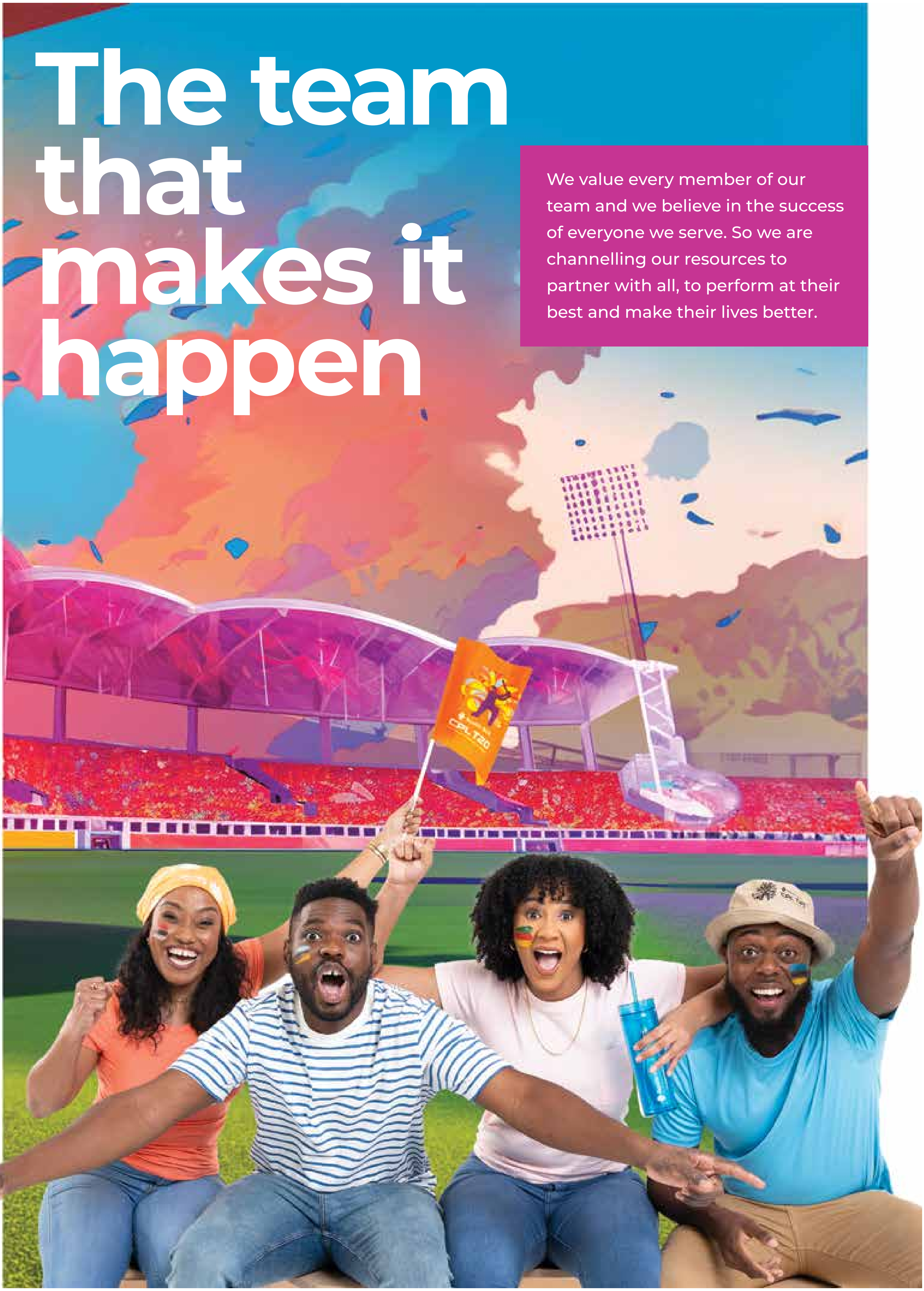
5. Staff Volunteerism Initiative:

Our Staff Volunteering initiative is a testament to the collective impact that can be achieved when our dedicated team comes together to enforce our PMAD arm under our CSR. In 2024, we will continue encouraging our staff to actively participate in volunteering activities aligned with our CSR and PMAD focus areas. Whether contributing time to local community projects, participating in educational outreach programs, or supporting environmental conservation efforts, our staff will play a crucial role in amplifying the positive impact of our CSR initiatives.

As we embark on this journey into 2024, we remain steadfast in our mission to create a lasting and positive impact on the communities we serve. Together with our employees, stakeholders, and partners, we look forward to building a future where sustainable development is not just a goal but a shared reality.

The team that makes it happen

We value every member of our team and we believe in the success of everyone we serve. So we are channelling our resources to partner with all, to perform at their best and make their lives better.



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF REPUBLIC BANK (GHANA) PLC

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Opinion

We have audited the consolidated and separate financial statements of Republic Bank (Ghana) PLC ("the Group and Bank"), which comprise the consolidated and separate statements of financial position at 31 December 2023, and the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of material accounting policies and other explanatory notes, as set out on pages 59 to 203.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Group and Bank at 31 December 2023, and of its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards including the Hyperinflation Directive issued by the Institute of Chartered Accountants, Ghana and in the manner required by the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit–Taking Institutions Act, 2016 (Act 930).

Basis for Opinion

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

Key Audit Matters

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

Impairment allowance of loans and advances to customers (GH¢ 209.7 million)

Refer to Note 22b to the consolidated and separate financial statements

The key audit matter	How the matter was addressed in our audit
The expected credit losses ('ECL') calculation involves significant judgement and estimates. There is increased risk of material misstatement of ECL in the current year due to the increased judgment and estimation uncertainty. The impairment allowances at 31 December 2023 was GH₵209.7 million (2022: GH₵ 186.6 million). The key areas where we identified significant levels of management judgement and therefore increased levels of audit focus in the Bank's estimation of ECL are: • Economic scenarios – IFRS 9 requires the Bank to measure ECLs on a forward looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the economic scenarios used and the probability weightings applied. • Significant Increase in Credit Risk ('SICR') – the criteria selected to identify a significant increase in credit risk is a key area of judgement within the Bank's ECL calculation as these criteria determine whether a 12 month or lifetime provision is recorded. • ECL estimations – Inherently judgemental modelling is used to estimate ECLs which involves determining Probabilities of Default ('PD'), Loss Given Default ('LGD'), and Exposures at Default ('EAD'). The PD models used are the key drivers of the Bank's ECL results and are therefore the most significant judgemental aspect of the Bank's ECL modelling approach. • Disclosure quality - the disclosures regarding the Bank's credit risks are key to understanding the key judgements and material inputs to the IFRS 9 ECL results. Given the high degree of estimation uncertainty and significance of the balance, we considered impairment allowances on loans and advances to customers to be a key audit matter.	Based on our risk assessment and industry knowledge, we have examined the impairment allowance for loans and advances to customers and evaluated the methodology applied as well as the assumptions made according to the description of the key audit matter. Our procedures included: • Assessing and testing the design, implementation and operating effectiveness of key controls over the capture, monitoring and reporting of loans and advances to customers. • Assessing and testing the design and operating effectiveness of controls over the Bank's loan impairment process regarding management's review process over impairment calculations. • Using impairment model specialists to independently assess and substantively validate the impairment models by re performing calculations and agreeing sample of data inputs to source documentation. • Assessing whether key data inputs used in the ECL calculation are complete and accurate through testing a sample of relevant data elements and their aggregate amounts against data in the source system. • Assessing the ongoing effectiveness of the SICR criteria through loan file reviews and independently determining the staging of a sample of the Bank's loans and advances portfolio. • Sample testing over key inputs and assumptions impacting ECL calculations to assess the reasonableness of economic forecasts, weights, and PD, LGD and EAD assumptions applied. • Considering the adequacy of the Bank's disclosures in relation to impairment. In addition, we assessed whether the disclosure of the key judgements and assumptions made was reasonable.

INDEPENDENT AUDITOR'S REPORT

To the Members of Republic Bank (Ghana) PLC
Report on the Audit of the Consolidated and Separate Financial Statements

Impairment allowance of Government Securities (GH¢18.6 million)

Refer to Note 21d to the consolidated and separate financial statements

The key audit matter	How the matter was addressed in our audit
Investments in government bonds and bills amounted to GH¢1,017m at 31 December 2023, which represent 15% of the total amount of the Bank's total assets. The Bank recognised an impairment loss allowance of GH¢18.6m on these balances as of 31 December 2023 (GH¢ 166m at 31 December 2022). The Bank is required to recognise expected credit losses (ECL) on these instruments which involve significant judgement and complexity including estimating future cash flows and associated cash shortfalls to be experienced on the government securities. The expected credit losses of investment may be materially misstated if judgements or estimates made by the Bank are inappropriate. The Bank's ECL model includes certain judgements and assumptions such as: • the credit grades allocated to the Government of Ghana (GoG); the probability of a security's maturity being past due and GoG subsequently defaulting on repayments (probability of default 'PD'); • the determination of the Bank's definition of default; • the magnitude of the likely loss if there is default (loss given default 'LGD'); • the expected exposure in the event of a default (exposure at default 'EAD'); • the criteria for assessing significant increase in credit risk (SICR); • the rate of recovery on the securities that are past due and in default; • the incorporation of forward-looking information related to the expected outlook on the country's inflation rates, central bank interest rates, exchange rates and the gross domestic product used in determining the expected credit losses in the loans and advances portfolios. The quality of disclosures required by IFRS 9 are complex and need to provide insights to the key judgments and material inputs to the IFRS 9 ECL results. Due to the significance of the investment in government securities to the financial position of the Bank and significant measurement uncertainty involved in the impairment of qualifying investments, this was considered a key audit matter in our audit	Based on our risk assessment, we have examined the impairment of government securities based on the description of the key audit matter. Our procedures included: • Obtaining an understanding and testing the design, implementation, and operating effectiveness of key controls over the impairment of government securities. • Testing the IT general controls and application controls relating to IT systems that support impairment of investment securities. • Assessing the appropriateness of staging for government securities and other sovereign-related exposures. • Using the Financial Risk Management team to independently estimate the ECL of these securities to validate the accuracy of the management's estimates. • Assessing the completeness and accuracy of the data used in the models through testing a sample of relevant data fields and their aggregate amounts against data in the systems. • Sample testing over key inputs and assumptions impacting ECL calculations to assess the reasonableness of economic forecasts, weights, and PD, LGD and EAD assumptions applied. • Assessing whether the disclosure of the key judgements and assumptions made were reasonable.

KPMG

INDEPENDENT AUDITOR'S REPORT

To the Members of Republic Bank (Ghana) PLC
Report on the Audit of the Consolidated and Separate Financial Statements

Other Information

The Directors are responsible for the other information. The other information comprises, the Report of the Directors as required by the Companies Act, 2019 (Act 992), the Corporate Information, Organogram, Chairman's Review and Managing Director's Discussion and Analysis and the Corporate Governance and Corporate Social Responsibility but does not include the consolidated and separate financial statements and our auditor's report thereon.

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

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

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The Directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with IFRS Accounting Standards including the Hyperinflation Directive issued by the Institute of Chartered Accountants, Ghana and in the manner required by the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930), and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and/or Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

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

- We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purpose of our audit.
- In our opinion, proper books of account have been kept, so far as appears from our examination of those books.
- The consolidated and separate statements of financial position and profit or loss and other comprehensive income are in agreement with the accounting records and returns.
- We are independent of the Bank under audit pursuant to Section 143 of the Companies Act, 2019 (Act 992).

To the Members of Republic Bank (Ghana) PLC
Report on the Audit of the Consolidated and Separate Financial Statements

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

- We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purpose of our audit.
- The Group and Bank's transactions were within its powers and the Bank generally complied with the relevant provisions of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).
- The Group and Bank have generally complied with the provisions of the Anti-Money Laundering Act, 2020 (Act 1044) Anti-Terrorism Act, 2008 (Act 762) and all relevant Amendments and Regulations governing the Acts.

Compliance with the requirements of the Bank of Ghana Corporate Governance Disclosure Directive, 2022

- The Corporate Governance practices and Corporate Governance Report of the Group and Bank have 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 Frederick Nyan Dennis (ICAG/P/1426).

KPMG
....

FOR AND ON BEHALF OF:
KPMG: (ICAG/F/2024/038)
CHARTERED ACCOUNTANTS
13 YIYIWA DRIVE, ABELENKPE
P O BOX GP 242
ACCRA

15 March 2024

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

In thousands of GH¢		**2023**		2022	
	Note	**Bank**	**Group**	Bank	Group
Interest income using effective interest method	8	**947,212**	**975,427**	604,862	625,157
Interest expense	9	**(420,586)**	**(417,866)**	(234,196)	(232,234)
Net interest income		**526,626**	**557,561**	370,666	392,923
Fee and commission income	10a	**66,985**	**109,198**	52,213	84,884
Fee and commission expense	10b	**(3,116)**	**(3,116)**	(1,708)	(1,708)
Net fee and commission income		**63,869**	**106,082**	50,505	83,176
Net trading income	11	**55,222**	**55,222**	34,014	34,014
Net income from investments at fair value thru. profit & loss	12a	**-**	**-**	5,098	4,692
Other operating income	12b	**19,164**	**19,164**	18,493	18,493
Revenue		**664,881**	**738,029**	478,776	533,298
Other income	12c	**13,652**	**14,104**	14,807	17,805
Operating income		**678,533**	**752,133**	493,583	551,103
Net impairment loss on financial assets	13	**(66,773)**	**(66,094)**	(237,662)	(241,607)
Personnel expenses	14a	**(196,845)**	**(233,734)**	(157,498)	(186,374)
Lease expenses	15	**(767)**	**(767)**	(2,374)	(2,374)
Depreciation and amortization	16	**(32,444)**	**(34,800)**	(24,977)	(26,934)
Other expenses	17	**(150,154)**	**(164,313)**	(97,177)	(109,009)
Profit / (loss) before income tax for the year		**231,550**	**252,425**	(26,105)	(15,195)
Growth and Sustainability Levy	18	**(11,577)**	**(12,571)**	-	(664)
Financial Sector Recovery Levy	18	**(11,577)**	**(11,577)**	-	-
Tax expense	18	**(77,992)**	**(83,243)**	(40,732)	(45,268)
Profit / (loss) for the year		**130,404**	**145,034**	(66,837)	(61,127)
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Revaluation of land and buildings	28	**-**	**-**	51,239	51,239
Related tax on revaluation surplus	25	**-**	**-**	(12,810)	(12,810)
Other comprehensive income for the year		**-**	**-**	38,429	38,429
Total comprehensive income /(loss) for the year		**130,404**	**145,034**	(28,408)	(22,698)
Profit / (loss) for the year attributable to:					
Controlling Equity holders of the bank		**130,404**	**140,026**	(66,837)	(63,679)
Non-controlling interest		-	**5,008**	-	2,552
Profit / (loss) for the year		**130,404**	**145,034**	(66,837)	(61,127)
Comprehensive income / (loss) attributable to:					
Controlling Equity holders of the bank		**130,404**	**140,026**	(28,408)	(25,250)
Non-controlling interest		**-**	**5,008**	-	2,552
Total comprehensive income /(loss) for the year		**130,404**	**145,034**	(28,408)	(22,698)
Basic earnings/ (loss) per share (Ghana pesewas)	48	**15.31**	**16.44**	(7.84)	(7.47)
Diluted earnings/ (loss) per share (Ghana pesewas)	48	**15.31**	**16.44**	(7.84)	(7.47)

The attached notes on pages **67 to 203** form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

In thousands of GH¢	Note	2023		2022	
		Bank	**Group**	Bank	Group
Assets					
Cash and cash equivalents	19	**2,985,556**	**2,985,579**	1,759,927	1,759,937
Investment securities at FVOCI	20	**-**	**-**	11,185	11,185
Pledged assets	20	**101,019**	**101,019**	34,148	34,148
Investment securities	21	**1,065,451**	**1,097,430**	1,015,786	1,042,752
Loans and advances to customers	22	**2,429,756**	**2,429,756**	1,958,017	1,958,017
Investment in subsidiaries	23	**13,543**	**-**	13,543	-
Current tax assets	24	**-**	**-**	14,009	13,575
Deferred tax assets	25	**32,542**	**32,899**	26,360	27,558
Intangible asset and Goodwill	26	**9,139**	**9,210**	6,143	6,308
Other assets	27	**27,118**	**41,479**	22,762	30,823
Property and equipment	28	**288,098**	**293,066**	218,412	223,222
Total assets		**6,952,222**	**6,990,438**	5,080,292	5,107,525
Liabilities and equity					
Deposits from customers	29	**5,868,216**	**5,841,981**	4,090,281	4,068,545
Borrowing	30	**-**	**-**	88,123	88,123
Current tax liabilities	24	**4,014**	**3,870**	-	-
Deferred tax liabilities	25	**28,197**	**28,197**	24,743	25,404
Bonds	31	**81,748**	**81,748**	81,681	81,681
Other liabilities	32	**178,119**	**187,635**	133,940	140,938
Total liabilities		**6,160,294**	**6,143,431**	4,418,768	4,404,691
Equity					
Stated capital	33	**401,191**	**401,191**	401,191	401,191
Income surplus	34	**(143,246)**	**(100,956)**	(192,890)	(160,222)
Statutory reserve fund	35	**257,527**	**257,527**	192,325	192,325
Revaluation reserve	36	**63,281**	**63,281**	63,281	63,281
Regulatory credit risk reserve	37	**212,431**	**212,431**	196,873	196,873
Housing development assistance reserve	38	**744**	**744**	744	744
Total equity attributable to equity holders of the Bank		**791,928**	**834,218**	661,524	694,192
Non-controlling interest	39	-	**12,789**	-	8,642
Total equity		**791,928**	**847,007**	661,524	702,834
Total liabilities and equity		**6,952,222**	**6,990,438**	5,080,292	5,107,525

The financial statements were approved by the Board of directors on 21st February, 2024 and signed on its behalf by:

MR. BENJAMIN DZOBOKU

MR. DAVID ADDO-ASHONG

The attached notes on pages **67 to 203** form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

Bank-2023

In thousands of GH¢	Stated Capital	Income surplus account	Statutory reserve fund	Revaluation reserve	Housing development assistance reserve	Regulatory credit risk reserve	Total Equity
	(Note 33)	(Note 34)	(Note 35)	(Note 36)	(Note 38)	(Note 37)	
Balance at 1 January 2023	401,191	(192,890)	192,325	63,281	744	196,873	661,524
Profit for the year	-	130,404	-	-	-	-	130,404
Transfers from income surplus to reserves							
Transfer to credit risk reserve	-	(15,558)	-	-	-	15,558	-
Transfer to statutory reserve fund	-	(65,202)	65,202	-	-	-	-
Total transfers	-	(80,760)	65,202	-	-	15,558	-
At 31 December 2023	401,191	(143,246)	257,527	63,281	744	212,431	791,928

The attached notes on pages **67 to 203** form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

Bank-2022

In thousands of GH¢	Stated Capital	Income surplus account	Statutory reserve fund	Revaluation reserve	Housing development assistance reserve	Regulatory credit risk reserve	Total Equity
	(Note 33)	(Note 34)	(Note 35)	(Note 36)	(Note 38)	(Note 37)	
Balance at 1 January 2022	401,191	24,372	192,325	24,852	744	46,448	689,932
Loss for the year	-	(66,837)	-	-	-	-	(66,837)
Transfers from income surplus to reserves							
Transfer to regulatory credit risk reserve	-	(150,425)	-	-	-	150,425	-
Total transfers	-	(150,425)	-	-	-	150,425	-
Other Comprehensive income							
Revaluation of land and building	-	-	-	51,239	-	-	51,239
Taxation on revaluation surplus	-	-	-	(12,810)	-	-	(12,810)
Net other comprehensive income	-	-	-	38,429	-		38,429
At 31 December 2022	401,191	(192,890)	192,325	63,281	744	196,873	661,524

The attached notes on pages **67 to 203** form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

Group-2023

In thousands of GH¢	Stated Capital	Income surplus account	Statutory reserve fund	Revaluation reserve	Housing development assistance reserve	Regulatory credit risk reserve	Non-controlling interest	Total Equity
	(Note 33)	(Note 34)	(Note 35)	(Note 36)	(Note 38)	(Note 37)	(Note 39)	
Balance at 1 January 2023	401,191	(160,222)	192,325	63,281	744	196,873	8,642	702,834
Profit for the year	-	140,026	-	-	-	-	5,008	145,034
Transaction with equity holders								
Dividends	-	-	-	-	-	-	(861)	(861)
Transfers from income surplus to reserves								
Transfer to credit risk reserve	-	(15,558)	-	-	-	15,558	-	-
Transfer to statutory reserve fund	-	(65,202)	65,202	-	-	-	-	-
Total transfers	-	(80,760)	65,202	-	-	15,558	-	-
At 31 December 2023	401,191	(100,956)	257,527	63,281	744	212,431	12,789	847,007

The attached notes on pages **67 to 203** form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

Group-2022

In thousands of GH¢	Stated Capital	Income surplus account	Statutory reserve fund	Revaluation reserve	Housing development assistance reserve	Regulatory credit risk reserve	Non-controlling interest	Total Equity
	(Note 33)	(Note 34)	(Note 35)	(Note 36)	(Note 38)	(Note 37)	(Note 39)	
Balance at 1 January 2022	401,191	53,882	192,325	24,852	744	46,448	6,647	726,089
Loss for the year	-	(63,679)	-	-	-	-	2,552	(61,127)
Transaction with equity holders								
Dividends	-	-	-	-	-	-	(557)	(557)
Transfers from income surplus to reserves								
Transfer to regulatory credit risk reserve	-	(150,425)	-	-	-	150,425	-	-
Total transfers	-	(150,425)	-	-	-	150,425	-	-
Other Comprehensive income								
Revaluation of land and building	-	-	-	51,239	-	-	-	51,239
Taxation on revaluation surplus	-	-	-	(12,810)	-	-	-	(12,810)
Net other comprehensive income	-	-	-	38,429	-	-	-	38,429
At 31 December 2022	401,191	(160,222)	192,325	63,281	744	196,873	8,642	702,834

The attached notes on pages **67 to 203** form an integral part of these financial statements

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

In thousands of GH¢		2023		2022	
	Note	**Bank**	**Group**	Bank	Group
Cashflow from operating activities					
Profit / (loss) before tax		**231,550**	**252,425**	(26,105)	(15,195)
Adjustments for:					
Depreciation and amortization	16	**32,444**	**34,800**	24,977	26,934
Profit on disposal of property and equipment	12c	**(84)**	**(84)**	(728)	(728)
Net impairment loss on loans and advances	13	**23,200**	**23,200**	71,630	71,630
Impairment on investment securities	13	**43,573**	**42,894**	166,032	169,977
Impairment of goodwill	26	**-**	**-**	968	968
Net interest income	9	**(526,626)**	**(557,561)**	(370,666)	(392,923)
Fair value change– investments securities FVTPL	12a	**3,121**	**3,051**	(5,098)	(4,692)
Exchange difference		**29,035**	**29,035**	45,093	45,093
Effect of foreign exchange fluctuations on cash & cash equiv.		**(182,536)**	**(182,536)**	(160,533)	(160,533)
Changes in working capital:					
Decrease in investments securities at FVOCI		**11,185**	**11,185**	6,476	6,476
(Increase) / decrease in pledged assets		**(66,871)**	**(66,871)**	40,258	40,258
Increase in loans and advances to customers		**(462,516)**	**(462,516)**	(281,650)	(281,650)
Increase in other assets		**(4,356)**	**(10,656)**	(6,104)	(4,890)
Increase in deposits from customers		**1,734,385**	**1,729,886**	880,186	897,111
Increase in other liabilities		**51,232**	**53,473**	39,245	35,067
Cash generated from operations		**916,736**	**899,725**	423,981	432,903
Interest paid		**(377,540)**	**(374,820)**	(228,806)	(228,806)
Interest received		**888,838**	**917,053**	604,862	608,969
Tax refund	24	**13,710**	**13,710**	-	-
Corporate tax paid	24	**(77,113)**	**(82,710)**	(50,928)	(55,384)
National fiscal stabilization levy paid	24	**(11,224)**	**(12,248)**	(4,425)	(4,425)
Financial Sector recovery levy paid	24	**(11,224)**	**(11,224)**	(4,358)	(4,358)
Net cash generated from operating activities		**1,342,183**	**1,349,486**	740,326	748,899

The attached notes on pages **67 to 203** form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

In thousands of GH¢		2023		2022	
	Note	**Bank**	**Group**	Bank	Group
Cash flows from investing activities					
Purchase of property and equipment	28	**(98,647)**	**(101,093)**	(52,976)	(56,084)
Purchase of Intangible asset-software	26	**(6,576)**	**(6,576)**	(419)	(635)
Proceeds from sale of property and equipment	28	**181**	**207**	1,133	1,133
Purchase of investment securities at amortised cost		**(2,302,449)**	**(2,320,866)**	(1,230,622)	(1,243,754)
Proceeds from redemption of investment securities at amortised cost		**2,232,040**	**2,246,342**	1,289,919	1,301,015
Proceeds from sale of investment securities – FVTPL		**-**	**-**	7,159	7,159
Purchase of investment securities – FVTPL		**-**	**(755)**	-	(2,223)
Net cash used in investing activities		**(175,451)**	**(182,741)**	14,194	6,611
Cash flows from financing activities					
Payment of lease liabilities	32	**(13,193)**	**(13,193)**	(8,957)	(9,927)
Payment of interest on lease liabilities	32	**(963)**	**(963)**	(354)	(371)
Repayment of borrowings	31	**(109,484)**	**(109,484)**	(91,870)	(91,870)
Net cash used in financing activities		**(123,640)**	**(123,640)**	(101,181)	(102,168)
Increase in cash and cash equivalents		**1,043,093**	**1,043,106**	653,339	653,342
Effect of foreign exch. fluctuations on cash & cash equiv.		**182,536**	**182,536**	160,533	160,533
At 1 January		**1,759,927**	**1,759,937**	946,055	946,062
Cash and cash equivalents as at 31 December	19	**2,985,556**	**2,985,579**	1,759,927	1,759,937

The attached notes on pages **67 to 203** form an integral part of these financial statements.

1. REPORTING ENTITY

Republic Bank (Ghana) PLC ("Bank") is a limited liability company incorporated and domiciled in Ghana. The address of the Bank's registered office is Ebankese No. 35 Sixth Avenue, North Ridge, Accra. The financial statements as at and for the year ended 31 December 2023 comprise the consolidated financial statements of the Bank and its subsidiaries (together referred to as the "Group") as well as the separate financial statements of the Bank. The Group's principal activities are in investment banking, corporate banking, retail banking, mortgage banking, asset management services and property management and development. The Bank is listed on the Ghana Stock Exchange.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with IFRS Accounting Standards including the Hyperinflation Directive issued by the Institute of Chartered Accountants, Ghana and in the manner required by the Companies Act, 2019 (Act 992), and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

The ICAG issued a directive in November 2023 to accountants in business and accountants in practice, together with an update during January 2024 in terms of which the ICAG concluded that based on its analysis and interpretation, hyperinflation accounting will not be applicable for December 2023 financial reporting period since Ghana is not considered to be operating in a hyperinflationary economy. In this regard, the financial statements of the Company, including the corresponding figures for the comparative period have not been stated in terms of the measuring unit current at the end of the reporting period.

Basis of measurement

The financial statements have been prepared under historical cost basis except for financial instruments at fair value through profit or loss and leasehold land and buildings stated at fair value and revalued amount respectively.

3. USE OF ESTIMATES AND JUDGEMENT

In preparing these consolidated and separate financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 7.

Estimates and underlying assumptions are reviewed on an ongoing basis and revisions to estimates are recognised prospectively.

4. CHANGES IN ACCOUNTING POLICIES

a. Material Accounting policy information

The Group and the Bank have adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies.

The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Note 5 Material accounting policies (2022: Significant accounting policies) in certain instances in line with the amendments.

b. Deferred tax related to assets and liabilities arising from a single transaction

The Group and Bank also adopted Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) from 1 January 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – e.g. leases. For leases, an entity is required to recognise the associated deferred tax assets and liabilities from beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, an entity applies the amendments to transactions that occur on or after the beginning of the earliest period presented.

The Group and Bank previously accounted for deferred tax on leases by applying the 'integrally linked' approach, resulting in a similar outcome as under the amendments, except that the deferred tax asset or liability was recognised on a net basis. Following the amendments, the Group and bank have recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. However, there was no impact on the statement of financial position because the balances qualify for offset under paragraph 74 of IAS 12. There was also no impact on the opening retained earnings as at 1 January 2022 as a result of the change. The key impact for the Group and Bank relates to disclosure of the deferred tax assets and liabilities recognised (see note 25)

5. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except if mentioned. All accounting policies relate to both the group and Bank. The term "Group" has been used to refer to all entities within the group

5.1 BASIS OF CONSOLIDATION

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.

5. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

5.1 BASIS OF CONSOLIDATION CONT'D

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.

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.

At initial recognition, the Bank measures its investment in subsidiaries at its fair value plus or minus, transaction costs that are directly attributable to the acquisition or issue of the investment.

The Bank applies the impairment requirements for the subsequent recognition and measurement of a loss allowance for its investment in subsidiaries which are measured at cost. In the separate financial statements, investments in subsidiaries are accounted for at cost less accumulated impairment if any.

Investment funds

The Group acts as fund manager to a number of investment funds. Determining whether the Group controls such an investment fund usually focuses on the assessment of the aggregate economic interests of the Group in the fund (comprising any carried interests and expected management fees) and the investors' rights to remove the fund manager. For all funds managed by the Group, the investors (whose number ranges from 100 to over 1,000) are able to vote by simple majority to remove the Group as fund manager without cause, and the Group's aggregate economic interest is in each case less than 15%. As a result, the Group has concluded that it acts as agent for the investors in all cases, and therefore has not consolidated these funds.

For further disclosure in respect of unconsolidated investment funds in which the Group has an interest or for which it is a sponsor, see Note 21b

Non-controlling interests

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

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.

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.

5.2 FOREIGN CURRENCY TRANSLATION

(a) Functional and presentation currency

The consolidated and separate financial statements are presented in Ghana Cedis, which is the Bank's functional currency. All amounts have been rounded to the nearest thousand except otherwise indicated.

(b) Transactions and balances

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the spot rate of exchange at the reporting date. The spot rate used for foreign currency translation is the Ghana Association of Bankers' interbank average rate.

Non–monetary items that are measured in terms of historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition. Non–monetary items measured at fair value in a foreign currency are translated using the spot exchange rates at the date when the fair value was determined.

Foreign currency differences arising on translation are generally recognised in profit or loss.

5.3 SEGMENT REPORTING

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses relating to transactions with any of the Group's other components, whose operating results are regularly reviewed by the Board of Directors. Operating segments are reported in a manner consistent with the internal reporting provided to the Asset and Liabilities Committee (ALCO) and the Board of Directors. The Board allocates resources to and assesses the performance of the operating segments of the entity. Income and expenses directly associated with each segment are included in determining operating segment performance.

Segment results 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.

The Group has the following reporting segments: retail banking, corporate banking, microfinance and mortgage banking.

5.4 SALE AND REPURCHASE AGREEMENTS

'Sale and repurchase agreements' are transactions in which the Group sells a security and simultaneously agrees to repurchase it (or an asset that is substantially the same) at a fixed price on a future date. The Group continues to recognise the securities in their entirety in the statement of financial position because it retains substantially all the risks and rewards of ownership. The cash consideration received is recognised as a financial asset and the financial liability is recognised for the obligation to pay the repurchase price. Because the Group sells the contractual rights to the cash flows of the securities, it does not have the ability to use the transferred assets during the term of the arrangement. Securities sold subject to repurchase agreements ('repos') are reclassified in the financial statements as pledged assets when the transferee has the right by contract or custom to sell or repledge the collateral; the counterparty liability is included in deposits from banks or deposits from customers, as appropriate. Securities purchased under agreements to resell ('reverse repos') are recorded as loans and advances to other banks or customers, as appropriate.

The difference between sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest method. Securities lent to counterparties are still recognised in the financial statements.

5.5 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

5.5(I) RECOGNITION AND INITIAL MEASUREMENT

The Group initially recognises loans and advances, deposits, debt securities issued and subordinated liabilities on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial 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. The fair value of a financial instrument at initial recognition is generally its transaction price.

See Notes 5.5 (vi) and 5.21.1 for a description of the policy if the fair value of a financial instrument at initial recognition differs from the transaction price.

5.5(II) CLASSIFICATION

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost, FVOCI or FVTPL. A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL: –

1. the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

2. the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI (Solely Payments of Principal and Interest).

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL: –

1. the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

2. the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

Business model assessment

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

1. the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;

2. how the performance of the portfolio is evaluated and reported to the Group's management;

3. the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;

4. how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and

5. the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

The Group's retail and corporate banking business comprises primarily loans to customers that are held for collecting contractual cash flows. In the retail business the loans comprise mortgages, overdrafts and unsecured personal lending facilities.

Certain debt securities are held by the Treasury Department of the Group in a separate portfolio for long-term yield. These securities may be sold, but such sales are not expected to be more than infrequent. The Group considers that these securities are held within a business model whose objective is to hold assets to collect the contractual cash flows.

Certain other debt securities are held by the Treasury Department of the Group in separate portfolios to meet everyday liquidity needs. The Treasury Department of the Group seeks to minimise the costs of managing these liquidity needs and therefore actively manages the return on the portfolio. That return consists of collecting contractual cash flows as well as gains and losses from the sale of financial assets. The investment strategy often results in sales activity that is significant in value. The Group considers that these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

1. contingent events that would change the amount and timing of cash flows;
2. leverage features;
3. prepayment and extension terms;
4. terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse loans); and
5. features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

The Group holds a portfolio of long-term fixed-rate loans for which the Group has the option to propose to revise the interest rate at periodic reset dates. These reset rights are limited to the market rate at the time of revision. The borrowers have an option to either accept the revised rate or redeem the loan at par without penalty.

The Group has determined that the contractual cash flows of these loans are SPPI because the option varies the interest rate in a way that is consideration for the time value of money, credit risk, other basic lending risks and costs associated with the principal amount outstanding.

Equity instruments have contractual cash flows that do not meet the SPPI criterion. Accordingly, all such financial assets are measured at FVTPL unless the FVOCI option is selected.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets.

5.5(III) DERECOGNITION

FINANCIAL ASSETS

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss. Any cumulative gain/loss recognised in OCI in respect of equity investment securities designated as at FVOCI is not recognised in profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Group is recognised as a separate asset or liability.

The Group enters into transactions whereby it transfers assets recognised on its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. In such cases, the transferred assets are not derecognised. Examples of such transactions are securities lending and sale-and-repurchase transactions.

When assets are sold to a third party with a concurrent total rate of return swap on the transferred assets, the transaction is accounted for as a secured financing transaction similar to sale-and repurchase transactions, because the Group retains all or substantially all of the risks and rewards of ownership of such assets.

In transactions in which the Group neither retains nor transfers substantially all of the risks and rewards of ownership of a financial asset and it retains control over the asset, the Group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

5.5 (IV) MODIFICATIONS OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

In certain transactions, the Group retains the obligation to service the transferred financial asset for a fee. The transferred asset is derecognised if it meets the derecognition criteria. An asset or liability is recognised for the servicing contract if the servicing fee is more than adequate (asset) or is less than adequate (liability) for performing the servicing.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

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 5.5 (iii)) 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:

1. 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

2. 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 below for write-off policy). 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 fees received as part of the modification 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 (see (vii)), 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.

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 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.

5.5 (VI) FAIR VALUE MEASUREMENT

Interest rate benchmark reform

If the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changes as a result of interest rate benchmark reform, then the Group updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

If changes are made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, then the Group first updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. After that, the Group applies the policies on accounting for modifications set out above to the additional changes.

5.5 (V) 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, or for gains and losses arising from a group of similar transactions such as in the Group's trading activity.

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. The fair value of a liability reflects its non-performance risk.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Group on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for the particular risk exposure. Portfolio-level adjustments – e.g. bid-ask adjustment or credit risk adjustments that reflect the measurement on the basis of the net exposure – are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid. The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

5.5 (VII) IMPAIRMENT

The Group recognises loss allowances for ECL on the following financial instruments that are not measured at FVTPL:

1. financial assets that are debt instruments;
2. financial guarantee contracts issued; and
3. loan commitments issued.

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL.

1. debt investment securities that are determined to have low credit risk at the reporting date; and
2. other financial instruments on which credit risk has not increased significantly since their initial recognition.

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which a 12-month ECL is recognised are referred to as ‘Stage 1 financial instruments’. Financial instruments allocated to Stage 1 have not undergone a significant increase in credit risk since initial recognition and are not credit impaired.

Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instrument. Financial instruments for which a lifetime ECL is recognised but which are not credit-impaired are referred to as ‘Stage 2 financial instruments’. Financial instruments allocated to Stage 2 are those that have experienced a significant increase in credit risk since initial recognition but are not credit impaired.

Financial instruments for which lifetime ECL are recognised and that are credit-impaired are referred to as ‘Stage 3 financial instruments.’

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows: –

1. financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive);
2. financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
3. undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive;.
4. financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Group expects to recover.

When discounting future cash flows, the following discount rates are used:

i. financial assets other than purchased or originated credit-impaired (POCI) financial assets: the original effective interest rate or an approximation thereof;

ii. POCI assets: a credit-adjusted effective interest rate;

iii. undrawn loan commitments: the effective interest rate, or an approximation thereof, that will be applied to the financial asset resulting from the loan commitment; and

iv. financial guarantee contracts issued: the rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows.

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.

1. 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.

2. 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.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI 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:

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

A loan that has been renegotiated due to a 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, a retail loan that is overdue for 90 days or more is considered credit-impaired, which aligns with the regulatory definition of default.

In making an assessment of whether an investment in sovereign debt is credit-impaired, the Group considers the following factors:

1. The market's assessment of creditworthiness as reflected in the bond yields.
2. The rating agencies' assessments of creditworthiness.
3. The country's ability to access the capital markets for new debt issuance.
4. The probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness.
5. The international support mechanisms in place to provide the necessary support as 'lender of last resort' to that 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.

POCI FINANCIAL ASSETS

POCI financial assets are assets that are credit-impaired on initial recognition. For POCI assets, lifetime ECL are incorporated into the calculation of the effective interest rate on initial recognition. Consequently, POCI assets do not carry an impairment allowance on initial recognition. The amount recognised as a loss allowance subsequent to initial recognition is equal to the changes in lifetime ECL since initial recognition of the asset.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

1. financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
2. loan commitments and financial guarantee contracts: generally, as a provision;
3. where a financial instrument includes both a drawn and an undrawn component, and the Group cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Group presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision in other liabilities.

Write-off

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.

A write-off constitutes a derecognition event. 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 Central Bank.

Recoveries of amounts previously written off recognised when cash is received and are included in 'other income' in the statement of comprehensive income.

Financial guarantee contracts held

The Group assesses whether a financial guarantee contract held is an integral element of a financial asset that is accounted for as a component of that instrument or is a contract that is accounted for separately. The factors that the Group considers when making this assessment include whether:

1. the guarantee is implicitly part of the contractual terms of the debt instrument;
2. the guarantee is required by laws and regulations that govern the contract of the debt instrument;
3. the guarantee is entered into at the same time as and in contemplation of the debt instrument; and
4. the guarantee is given by the parent of the borrower or another company within the borrower's group.

If the Group determines that the guarantee is an integral element of the financial asset, then any premium payable in connection with the initial recognition of the financial asset is treated as a transaction cost of acquiring it. The Group considers the effect of the protection when measuring the fair value of the debt instrument and when measuring ECL.

If the Group determines that the guarantee is not an integral element of the debt instrument, then it recognises an assets representing any prepayment of guarantee premium and a right to compensation of credit losses. A prepaid premium asset is recognised only if the guarantee exposure neither is credit impaired nor has undergone a significant increase in credit impaired risk when the guarantee is acquired. These assets are recognised in "other assets". The Group presents gains or losses as a compensation right in profit or loss in the line item impairment loss on financial instruments.

5.6 INTEREST INCOME AND EXPENSE

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:

i. the gross carrying amount of the financial asset; or

ii. 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.

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.

Calculation of interest income and expense

The effective interest rate of a financial asset or financial liability is calculated on initial recognition of a financial asset or a financial liability. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit impaired) or to the amortised cost of the liability. The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating rate instruments to reflect movements in market rates of interest.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. Interest income is recognised when there is a probability of recovery. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis. For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves. For information on when financial assets are credit-impaired, see Note 5.5(vii).

Presentation

Interest income calculated using the effective interest method presented in the statement of comprehensive income includes

- -interest on financial assets and financial liabilities measured at amortised cost.
- - interest on debt instruments measured at fair value through other comprehensive income (FVOCI)

Interest expense presented in the comprehensive income includes financial liabilities measured at amortised cost.

Interest income and expense on other financial assets and financial liabilities at FVTPL are presented in net income from other financial instruments at FVTPL.

Cash flows related to capitalised interest are presented in the statement of cash flows consistently with interest cash flows that are not capitalised.

5.7 FEE AND COMMISSION INCOME AND EXPENSE

Fee and commission income and expense that are integral to the effective interest rate on a financial asset or financial liability are included in the effective interest rate (see (5.6)).

If a loan commitment is not expected to result in the draw-down of a loan, then the related loan commitment fee is recognised on a straight-line basis over the commitment period.

Fee and commission income from contracts with customers is measured based on the consideration specified in a contract with a customer. The Bank recognises revenue when it transfers control over a service to a customer.

The Group provides banking services to retail and corporate customers, including account management, provision of overdraft facilities, foreign currency transactions, credit card and servicing fees. Fees for ongoing account management are charged to the customer's account on a monthly basis or as product specification may require. The Group sets the rates separately for retail and corporate banking customers in line with its pricing policy. Transaction based fees for interchange, foreign currency transactions and overdrafts etc. are charged to the customer's account when the transaction takes place. Servicing fees are charged on a monthly basis and are based on approved tariffs at any point in time.

Revenue from account service and servicing fees is recognised over time as the services are provided. Revenue related to transactions is recognised at the point in time when the transaction takes place.

Other fee and commission expenses relate mainly to transaction and service fees, which are expensed as the services are received.

The Group provides asset management services. Fees for asset management services are calculated based on a fixed percentage of the value of assets managed and deducted from the customer's account balance on a monthly basis. In addition, the Group charges a non-refundable up-front fee when opening an account. Revenue from asset management services is recognised over time as the services are provided. Non-refundable up-front fees give rise to material rights for future services and are recognised as revenue over the period for which a customer is expected to continue receiving asset management services.

Other fee and commission expenses relate mainly to transaction and service fees, which are expensed as the services are received.

5.8 NET TRADING INCOME

'Net trading income' comprises gains less losses from the sale of investments at fair value through other comprehensive income and foreign exchange differences.

5.9 NET INCOME FROM OTHER FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Net income from other non-trading assets mandatorily measured at FVTPL. The line item includes fair value changes, interest, dividends and foreign exchange differences. Net income from other financial instruments at FVTPL relates to non-trading financial assets.

5.10 DIVIDEND INCOME

Dividend income is recognised when the right to receive income is established. Dividends are presented in net trading income, net income from other financial instruments at FVTPL or other revenue based on the underlying classification of the equity investment. Dividends are recognised in profit or loss.

5.11 LEASES

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.

Group acting as a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates consideration in the contract to each lease component on the basis of its relative stand- alone price. However, for leases of branches and office premises the Group has elected not to separate non-lease components and accounts for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any, initial direct costs incurred and an estimate of costs to dismantle and remove any improvements made to branches or office premises.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by analysing its borrowings from various external sources and makes certain adjustments to reflect the terms of the lease and type of asset leased.

Lease payments included in the measurement of the lease liability comprise the following;

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method, It is remeasured when there is a change in future lease payments arising from a charge in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment,

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Group presents right-of-use assets in 'property and equipment' and lease liabilities in 'other liabilities' in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low value assets and short-term leases, including leases of IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

5.12 INCOME TAX

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

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'.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the 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 related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

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

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for: –

1. temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
2. temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
3. taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on business plans for individual subsidiaries in the Group.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if there is any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

5.13 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include notes and coins on hand, balances with central bank and correspondent banks adjusted for reconciling items, mandatory and unrestricted balances held with central banks and highly liquid financial assets with 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 Group in the management of its short-term commitments.

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

5.14 LOANS AND ADVANCES

Loans and advances to customers captions in the statement of financial position are measured at amortised cost (see 5.5 (ii)); they are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method.

When the Group purchases a financial asset and simultaneously enters into an agreement to resell the asset (or a substantially similar asset) at a fixed price on a future date (reverse repo or stock borrowing), the arrangement is accounted for as a loan or advance, and the underlying asset is not recognised in the Group's financial statements.

5.15 INVESTMENT SECURITIES

The 'investment securities' caption in the statement of financial position includes:

i. debt investment securities measured at amortised cost (see 5.5(ii)); these are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method; and

ii. debt and equity investment securities mandatorily measured at FVTPL.

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

5.16 DEPOSITS AND DEBT SECURITIES IN ISSUE

Deposits and debt securities in issue and are the Group's sources of debt funding. When the Group sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (sale-and-repurchase agreement), the consideration received is accounted for as a deposit, and the underlying asset continues to be recognised in the Group's financial statements.

The Group classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

Deposits and debt securities in issue are initially measured at fair value minus incremental direct transaction costs. Subsequently, they are measured at their amortised cost using the effective interest method, except where the Group designates liabilities at FVTPL.

5.17 PROPERTY AND EQUIPMENT

Land and buildings comprise mainly branches and offices and are shown at fair value, based on periodic, valuations by external independent valuers, less subsequent depreciation for buildings and any impairment losses. Properties of the Group are revalued every five years. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment are stated at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent expenditures are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

Freehold Land is not depreciated. Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

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

– Buildings	50 years
– Computers	3 years
– Furniture and Equipment	5 years
– Motor Vehicle	5 years

The assets' residual values, depreciation methods and useful lives are reviewed and prospectively adjusted if appropriate, at the end of each reporting period.

Increases in the carrying amount arising on revaluation of buildings are credited to other comprehensive income and shown as revaluation reserve in the shareholders' 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.

Property and equipment are 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 profit or loss in the year the asset is derecognised.

5.18 PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Contingent liabilities are possible obligations whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group, or present obligations that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are not recognised but are disclosed unless they are remote.

5.19 STATED CAPITAL

The Group classifies capital and equity instruments in accordance with the contractual terms of the instrument. Incremental costs directly attributable to the issue of equity shares, net of any tax effects are recognised as a deduction from equity.

Dividends on equity shares are recognised as a liability and deducted from equity when they are approved by the Group's shareholders. Interim dividends are deducted from equity when they are declared and no longer at the discretion of the Bank. Dividends for the year that are approved after the statement of financial position date are disclosed as an event after the statement of financial position date.

5.20 INTANGIBLE ASSETS AND GOODWILL

- **Software**

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

Expenditure on internally developed software is recognised as an asset when the Group is able to demonstrate that the product is technically feasible, its intention and ability to complete the development and use the software in a manner that will generate future economic benefits, and that it can reliably measure the costs to complete the development.

The capitalised costs of internally developed software include all costs directly attributable to developing the software and capitalised borrowing costs and are amortised over its useful life. Internally developed software is stated at capitalised cost less accumulated amortisation and any 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.

Software is amortised on a straight-line basis in profit or loss over its estimated useful life, from the date on which it is available for use. The estimated useful life of software for the current and comparative periods is three years. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

- **Goodwill**

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate Classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. 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. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

5.20 INTANGIBLE ASSETS AND GOODWILL

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

5.21 EMPLOYEE BENEFITS

(i) Defined Contribution schemes

Obligations for contributions to defined contribution plans are expensed as the related service is provided and recognised as personnel expenses in profit or loss. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Any contributions unpaid at the reporting date are included as a liability. The Group has the following defined contribution schemes:

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.

Provident Fund

The Group has a Provident Fund Scheme for all employees who have completed their probation period with the Group. Employees contribute 10% of their basic salary to the Fund whilst the Group contributes 5%. Obligations under the plan are limited to the relevant contributions which have been recognised in the financial statements and are settled on due dates to the Fund Manager.

(ii) Short-term employee benefits

Short-term employee benefits, such as salaries, paid absences, and other benefits, are accounted for on an accrual basis over the period which employees have provided services in the year. Bonuses are recognised to the extent that the Group has a present obligation to its employees that can be measured reliably.

All expenses related to employee benefits are recognised in profit or loss in staff costs, which is included within operating expenses.

5.21.1 OTHER EMPLOYEE BENEFITS - LOANS AT CONCESSIONARY RATE

The Group grants credit facilities to staff on concessionary terms. The Bank recognises these benefits as part of employee benefits on the basis that such facilities are granted to staff on the assumption of their continued future service to the Bank and not for their past service. The Bank's Lending Rate adjusted for risk not associated with the Bank's staff is applied to fair value such facilities.

Any discount arising from the difference between the fair value and the amount of credit facility granted is recognised as a prepaid staff benefit which is amortised through profit or loss over the shorter of the life of the related facilities and expected average remaining working lives of employees.

5.22 EARNINGS PER SHARE

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss that is attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

5.23 INVESTMENT SECURITIES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investment securities measured at FVOCI, gains and losses are recognised in OCI, except for the following, which are recognised in profit or loss in the same manner as for financial assets measured at amortised cost:

- interest revenue using the effective interest method;
- ECL and reversals; and
- foreign exchange gains and losses.

When investment security measured at FVOCI is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss.

5.24 IMPAIRMENT OF NON-FINANCIAL ASSETS

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that is largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount

The Group's corporate assets do not generate separate cash inflows and are used by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGUs to which the corporate assets are allocated.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, 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.

Financial guarantees and loan commitments

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

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

Financial guarantees issued or commitments to provide a loan at a below-market interest rate are initially measured at fair value. Subsequently, they are measured at the higher of the loss allowance determined in accordance with IFRS 9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15. Other loan commitments issued are measured at the sum of (i) the loss allowance determined in accordance with IFRS 9 (see (5)(vii)) 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 (5.5)(iii) 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 provisions.

6. STANDARDS ISSUED BUT NOT YET EFFECTIVE AND INTERPRETATION

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2024 and have not been applied in preparing these financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early. These will be adopted in the period that they become mandatory unless otherwise indicated:

For reporting periods commencing on any date from 1 January 2023 – 31 December 2023:			
IAS 1 amendment	*Classification of liabilities as current or rent*	January 2020	1 January 2024
IFRS 16 amendments	*Lease Liability in a Sale and Leaseback*	September 2022	1 January 2024
IAS 1 amendment	*Non-current Liabilities with Covenants*	October 2022	1 January 2024
IAS 7 and IFRS 7 amendment	*Supplier Finance Arrangements*	May 2023	1 January 2024
IAS 21 amendment	*Lack of exchangeability*	August 2023	1 January 2025

Classification of liabilities as current or non-current and Non-current Liabilities with Covenants (Amendments to IAS 1)

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

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

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

Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)

The amendments confirm the following.

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

A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted.

Under IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16. This means that it will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments.

Supplier Finance Arrangements (Amendment to IAS 7 and IFRS 7)

The IASB's amendments apply to supplier finance arrangements that have all of the following characteristics.

- A finance provider pays amounts a company (the buyer) owes its suppliers.
- A company agrees to pay under the terms and conditions of the arrangements on the same date or at a later date than its suppliers are paid.
- The company is provided with extended payment terms or suppliers benefit from early payment terms, compared with the related invoice payment due date.

The amendments do not apply to arrangements for financing receivables or inventory.

The amendments introduce additional disclosure requirements for companies that enter into these arrangements.

However, they do not address the classification and presentation of the related liabilities and cash flows. The amendments introduce two new disclosure objectives – one in IAS 7 and another in IFRS 7 – for a company to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the company's liabilities and cash flows, and the company's exposure to liquidity risk.

Under the amendments, companies also need to disclose the type and effect of non-cash changes in the carryingamounts of the financial liabilities that are part of a supplier finance arrangement.

The amendments also add supplier finance arrangements as an example to the existing disclosure requirements in IFRS 7 on factors a company might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities.

The amendments are effective for periods beginning on or after 1 January 2024, with early application permitted.
However, some relief from providing certain information in the year of initial application is available.

Lack of exchangeability (Amendment to IAS 21)

In August 2023, the International Accounting Standards Board (IASB) amended IAS 21 to clarify:

- when a currency is exchangeable into another currency; and
- how a company estimates a spot rate when a currency lacks exchangeability.

A currency is exchangeable into another currency when a company is able to exchange that currency for the other currency at the measurement date and for a specified purpose. When a currency is not exchangeable, a company needs to estimate a spot rate. A company's objective when estimating a spot rate is only that it reflects the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions.

The amendments contain no specific requirements for estimating a spot rate. Therefore, when estimating a spot rate a company can use:

- an observable exchange rate without adjustment; or
- another estimation technique.

New disclosures

Under the amendments, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. These disclosures might include:

- the nature and financial impacts of the currency not being exchangeable;
- the spot exchange rate used;
- the estimation process; and
- risks to the company because the currency is not exchangeable.

The amendments apply for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted.

7.a Assumptions and estimation uncertainties

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. All estimates and assumptions required in conformity with IFRS are best estimates undertaken in accordance with the applicable standard. Estimates and judgements are evaluated on a continuous basis, and are based on past experience and other factors, including expectations with regard to future events. Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows:

Notes 41 and 47: impairment of financial instruments: determination of inputs into the ECL measurement model, including key assumptions used in estimating recoverable cash flows and incorporation of forward-looking information.

The Group reviews its financial assets to assess impairment at least on a quarterly basis. In determining whether an impairment loss should be recorded in the profit or loss, the Group makes judgements as to whether there is any observable data indicating an impairment trigger followed by measurable decrease in the estimated future cash flows from a portfolio of loans, investment securities and other financial assets before the decrease can be identified with that instruments. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a bank, or national or local economic conditions that correlate with defaults on assets in the Bank. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

Fair value of financial instruments

The fair values of financial instruments where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques. In these cases, the fair values are estimated from observable data in respect of similar financial instruments or using models. Where market observable inputs are not available, they are estimated based on appropriate assumptions. Where valuation techniques (for example, models) are used to determine fair values, they are validated and periodically reviewed by qualified personnel independent of those that sourced them.

All models are certified by the Group General Manager for Risk before they are used and models are calibrated to ensure that outputs reflect actual data and comparative market prices. To the extent practical, models use only observable data; however, areas such as credit risk (both own credit risk and counterparty risk), volatilities and correlations require management to make estimates. Additional disclosures where required, are provided in the individual notes relating to the assets and liabilities whose fair values were determined. Fair value hierarchy is provided in Note 49.

b. Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated and separate financial statements is included in the following notes.

Note 47(a)(i): 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. Interest income using effective interest method

In thousands of GH¢	2023		2022	
	Bank	Group	Bank	Group
Cash and cash equivalent	**250,267**	**250,267**	102,976	102,976
Loans and advances to customers	**451,685**	**453,685**	344,174	344,174
Investment securities at amortised cost and FVOCI	**245,260**	**271,475**	157,712	178,007
Total Interest income	**947,212**	**975,427**	604,862	625,157

9. Interest expense

In thousands of GH¢	2023		2022	
	Bank	Group	Bank	Group
Deposit from Banks	**10,603**	**10,603**	6,115	6,115
Deposit from Customers	**364,287**	**361,567**	195,040	193,078
Debts Securities Issued	**18,198**	**18,198**	17,142	17,142
Other interest expense	**27,498**	**27,498**	15,899	15,899
Total Interest Expense	**420,586**	**417,866**	234,196	232,234
Net Interest Income	**526,626**	**557,561**	370,666	392,923

The amounts reported above represent interest income and expense, calculated using the effective interest method that relate to financial assets and financial liabilities measured at amortised cost. Finance charge on lease liabilities for the year of GH¢7.10 million has been included in the 'others interest expense' line. (2022: GH¢6.26 million).

10. Net Fees and commission Income

In thousands of GH¢	2023		2022	
	Bank	Group	Bank	Group
10a. Fees and commission Income				
Administrative processing fees	**4,392**	**28,538**	2,389	15,061
Commission on turnover & transfers fees	**31,214**	**31,214**	26,008	26,008
Foreign transactions	**3,315**	**3,315**	2,823	2,823
Custody income	**7,079**	**7,079**	5,675	5,675
Fund and assets management fees	**-**	**14,593**	-	15,777
Sundry fees and commission	**20,985**	**24,459**	15,318	19,540
Total fees and commission income	**66,985**	**109,198**	52,213	84,884

10b. Fees and Commission expense

In thousands of GH¢	2023		2022	
	Bank	Group	Bank	Group
Total fees and commission expense	**3,116**	**3,116**	1,708	1,708
Net Fee and Commission income	**63,869**	**106,082**	50,505	83,176

In the table above, fee and commission income from contracts with customers in the scope of IFRS 15 is disaggregated by major type of services. Note 50 further provides a reconciliation of the disaggregated fee and commission income with the Group's reportable segments.

The amounts reported above represent fees and commission income and expense arising from financial assets and financial liabilities measured at amortised cost.

11. Net trading income

In thousands of GH¢	2023		2022	
	Bank	Group	Bank	Group
Net Foreign exchange gain	**140,403**	**140,403**	20,658	20,658
Net (loss) /gain on sale of investments	**(85,181)**	**(85,181)**	13,356	13,356
Net trading income	**55,222**	**55,222**	34,014	34,014

12a. Net income from investments measured at fair value

In thousands of GH¢	2023		2022	
	Bank	Group	Bank	Group
Fair value gain - Unit Trust	-	-	5,098	4,692
Total	-	-	**5,098**	**4,692**

12b. Other Operating Income

In thousands of GH¢	2023		2022	
	Bank	Group	Bank	Group
Arrears penalty income	**19,164**	**19,164**	18,493	18,493
Total	**19,164**	**19,164**	18,493	18,493

12c. Other income

In thousands of GH¢	2023		2022	
	Bank	Group	Bank	Group
Profit on disposal of asset	**84**	**84**	728	728
Sundry Income	**6,402**	**7,750**	4,907	8,484
Dividend income	**896**	**-**	579	-
Bad debt recovered	**6,270**	**6,270**	8,593	8,593
Total	**13,652**	**14,104**	14,807	17,805

13. Net impairment loss on financial assets

In thousands of GH¢	2023		2022	
	Bank	Group	Bank	Group
Loans and advances -(Notes 22c)	**23,200**	**23,200**	71,630	71,630
Debt instruments measured at amortized cost (Note 21d)	**43,573**	**42,894**	166,032	169,977
Total	**66,773**	**66,094**	237,662	241,607

14a. Personnel Expenses

In thousands of GH¢	2023		2022	
	Bank	Group	Bank	Group
Salaries	**85,443**	**108,579**	72,663	99,014
Contributions to defined Contribution Plan	**12,643**	**15,910**	10,593	11,287
Other Staff Costs (Note 14.b)	**98,759**	**109,245**	74,242	76,073
Total	**196,845**	**233,734**	157,498	186,374

Total number of staff in employment at the end of the reporting period was 1,157. (2022: 1,183) for the Group and 802. (2022:826) for the Bank.

14b. Personnel Expenses – Other staff costs

The other staff cost comprises the following.

In thousands of GH¢	2023		2022	
	Bank	Group	Bank	Group
Management housing maintenance	**15,544**	**15,868**	12,388	12,646
Car maintenance and fuel	**34,755**	**37,142**	22,907	23,105
Medical & dental expense	**7,656**	**9,681**	5,762	6,405
Clothing expense	**8,841**	**9,425**	7,245	7,852
Sundry staff expense	**31,963**	**37,129**	25,940	26,065
Total	**98,759**	**109,245**	74,242	76,073

15. Lease expense

In thousands of GH¢	2023		2022	
	Bank	Group	Bank	Group
Rent – Short- term leases	**767**	**767**	2,374	2,374
Total	**767**	**767**	2,374	2,374

16. Depreciation and amortization

In thousands of GH¢	2023		2022	
	Bank	Group	Bank	Group
Depreciation- property and equipment	**28,864**	**31,126**	22,519	24,260
Amortisation- intangible asset	**3,580**	**3,674**	2,458	2,674
	32,444	**34,800**	24,977	26,934

17. Other Expenses

In thousands of GH¢	2023		2022	
	Bank	Group	Bank	Group
Software licensing and other ICT costs	**43,684**	**44,951**	22,420	23,244
E-Banking expense	**7,869**	**7,869**	3,958	3,958
Auditors' remuneration	**625**	**965**	500	774
Directors' emoluments	**7,413**	**8,501**	5,533	7,583
Marketing and advertisement	**10,271**	**11,051**	9,524	10,263
Electricity and water	**6,921**	**7,880**	4,334	5,315
Printing and stationery	**3,375**	**3,805**	1,981	2,206
Vehicle and equipment maintenance	**8,429**	**8,793**	5,724	6,080
Consultancy fees	**3,727**	**3,733**	2,197	2,197
Travelling and transport	**6,320**	**6,960**	3,345	3,900
Insurance expenses	**11,811**	**12,167**	8,144	8,544
Cash collection expenses	**5,146**	**5,146**	3,579	3,579
General and admin. Expenses	**34,563**	**42,492**	25,938	31,366
Total	**150,154**	**164,313**	97,177	109,009

18. Income tax expense

In thousands of GH¢	2023		2022	
	Bank	Group	Bank	Group
Current tax (Note 24)	**80,720**	**85,791**	45,239	50,048
Deferred tax (Note 25)	**(2,728)**	**(2,548)**	(4,507)	(4,780)
	77,992	**83,243**	40,732	45,268
National Fiscal stabilization levy (Note 24)	**11,577**	**12,571**	-	664
Financial Sector Recovery Levy (Note 24)	**11,577**	**11,577**	-	-
Total	**101,146**	**107,391**	40,732	45,932

Income tax expense reconciliation

In thousands of GH¢	2023		2022	
	Bank	Group	Bank	Group
Profit/loss before income tax	**231,550**	**252,425**	(26,105)	(15,195)
Corporate tax at applicable rate of 25% (2022: Nil)	**57,888**	**63,106**	-	-
Growth and sustainability levy 5% (2022: 5%)	**11,577**	**12,571**	-	664
Financial Sector Recovery Levy 5% (2022: Nil)	**11,577**	**11,577**	-	-
Tax effect of non-deductible expenses	**30,978**	**32,212**	49,243	57,574
Tax effect of income exempted from tax	**(10,874)**	**(12,075)**	(8,511)	(12,306)
Tax charge	**101,146**	**107,391**	40,732	45,932
Effective tax rate	**43.68%**	**42.54%**	(156.03%)	(302.28%)

All tax liabilities are subject to the agreement of the Commissioner General of the Ghana Revenue Authority. The tax on the Bank's and the Group's profit before tax differs from the theoretical amount that would arise using the statutory income tax rate applicable to profits. Non-deductible expenses include donations, entertainment and penalty fees and income exempt from tax include income on mutual funds' investments.

19. Cash and cash equivalents

In thousands of GH¢	2023		2022	
	Bank	Group	Bank	Group
Cash and bank balances with banks	**551,146**	**551,169**	568,507	568,517
Balances with Central Banks	**387,312**	**387,312**	218,769	218,769
Mandatory balance with Central Bank	**614,884**	**614,884**	544,027	544,027
Money market placement	**1,432,214**	**1,432,214**	428,624	428,624
Total cash and cash equivalents	**2,985,556**	**2,985,579**	1,759,927	1,759,937

Cash and cash equivalents comprise cash and bank balances with Correspondents Banks, the Central Bank as well as money market placement with less than 90 days' maturity.

Mandatory balance with Central Banks represents 15% of customer deposits in local and foreign currencies held with the Central Bank and are assessable when customer deposits are drawn down.

At the reporting date, the Bank/Group recorded a bank ledger balance of GH¢ 1,060.04 million (2022: GH¢ 923.26 million) in its statement of financial position as compared to the bank statement balance of GH¢ 1,082.0 million (2022: GH¢ 918.59 million). The transactions making up the difference between the bank ledger balance and the bank statement balance totalling GH¢ 21.6 million (2022: GH¢ 4.67 million) includes various reconciling items such as unpresented cheques and uncredited lodgements.

20. Pledged and Investment securities at FVOCI - Group and Bank

In thousands of GH¢	2023			2022		
	Pledged	Investment securities at FVOCI	Total	Pledged	Investment securities at FVOCI	Total
Government bonds	**-**	**-**	**-**	25,130	-	25,130
Treasury bills	**101,019**	**-**	**101,019**	9,018	11,185	20,203
Total	**101,019**	**-**	**101,019**	34,148	11,185	45,333

Pledged assets are the carrying amount of Government Securities (Treasury bills) used as collateral for short term funds borrowed from banks and non-bank financial institutions. In the event, the entity 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 could not be used for any other trading until the payment is done and the pledged assets are released by Central Securities Depository.

These transactions are conducted under terms that are usual and customary to securities borrowing and lending activities. It is at a rate of 91-day treasury bill plus a spread of 1%. Both instruments (pledged and non-pledged) are non-current.

21a. Investment securities

In thousands of GH¢	2023		2022	
	Bank	Group	Bank	Group
Investment securities at FVTPL (Note 21b)	**48,934**	**60,571**	52,055	62,867
Investment securities measured at amortized cost (Note 21c)	**1,016,517**	**1,036,859**	963,731	979,885
	1,065,451	**1,097,430**	1,015,786	1,042,752
Current	**225,938**	**252,917**	577,830	613,175
Non- Current	**839,513**	**844,513**	437,956	429,577
	1,065,451	**1,097,430**	1,015,786	1,042,752

21b. Investment securities at FVTPL

In thousands of GH¢	2023		2022	
	Bank	Group	Bank	Group
Investment in Unit Trust -RIGL	**44,811**	**56,448**	47,932	58,744
Investment in Ebankese Venture Fund	**4,123**	**4,123**	4,123	4,123
	48,934	**60,571**	52,055	62,867
Opening balance	**52,055**	**62,867**	54,116	63,111
Additions	**-**	**755**	-	2,223
Disinvestment	**-**	**-**	(7,159)	(7,159)
Fair value changes during the period	**(3,121)**	**(3,051)**	5,098	4,692
Closing balance	**48,934**	**60,571**	52,055	62,867

Investment in Unit trust which are managed by Republic Investments Ghana Limited and Ebankese Venture Fund are recognised at fair value. Gains and losses arising from changes in fair value are included directly in profit or loss.

21c. Investment securities measured at amortized cost

In thousands of GH¢	2023		2022	
	Bank	Group	Bank	Group
Government securities	**1,016,517**	**1,031,079**	963,731	973,578
Corporate bonds	**-**	**5,000**	-	5,000
Fixed deposit	**-**	**780**	-	1,307
	1,016,517	**1,036,859**	963,731	979,885

The fixed deposits investments are securities with other financial institutions that would mature within one year. The Cedi investments attract an average interest rate of 18.80% (2022: 17.75%) per annum whilst the dollar attracts 6% (2022: 7.8%) per annum. The corporate bonds represents a bond instrument subscribed by a subsidiary of the Group and this has been secured with a landed property of the lender.

21d. Impairment assessment of investment securities measured at amortized cost

Bank – 2023 In thousands of GH¢	Stage 1 12 Month ECL	Stage 2 Lifetime ECL	Stage 3 Credit Impaired Financial Assets	Purchased / Originated Credit Impaired	Total
Gross exposure	**108,238**	**-**	**17,820**	**909,064**	**1,035,122**
ECL	**(9,695)**	**-**	**(8,910)**	**-**	**(18,605)**
Net Exposure	**98,543**	**-**	**8,910**	**909,064**	**1,016,517**
ECL allowance as at Jan 1, 2023	**-**	**-**	**166,032**	**-**	**166,032**
Net measurement of loss allowance	**9,695**	**-**	**33,878**	**-**	**43,573**
Derecognition of financial assets	**-**	**-**	**(191,000)**	**-**	**(191,000)**
Other credit loss movement, etc.	**-**	**-**	**-**	**-**	**-**
At 31 December 2023	**9,695**	**-**	**8,910**	**-**	**18,605**

The contractual terms of the Bank's Government of Ghana domestic bonds were modified and the existing bonds exchanged during the period under review under a domestic debt exchange programme (DDEP) initiated by the Government. The programme provides that the Bank's existing bonds at the balance sheet date be assessed and be accounted for as Purchased / Originated Credit Impaired (POCI). Refer to Note 41 for details on the DDEP and the expected credit loss.

21d. Impairment assessment of investment securities measured at amortized cost

Group 2023 In thousands of GH¢	Stage 1 Lifetime ECL	Stage 3 Credit Impaired Financial Assets	Purchased / Originated Credit Impaired	Total
Gross exposure	**114,173**	**31,077**	**917,864**	**1,063,114**
ECL	**(9,695)**	**(16,560)**	**-**	**(26,255)**
Net Exposure	**104,478**	**14,517**	**917,864**	**1,036,859**
ECL allowance as at 1 January 2023	**-**	**176,235**	**-**	**176,235**
Net measurement of loss allowance	**9,695**	**33,199**	**-**	**42,894**
Derecognition of financial assets	**-**	**(192,874)**	**-**	**(192,874)**
Other credit loss movement etc.	**-**	**-**	**-**	**-**
At 31 December 2023	**9,695**	**16,560**	**-**	**26,255**

21d. Impairment assessment of investment securities measured at amortized cost

Bank – 2022 In thousands of GH¢	Stage 1 12 Month ECL	Stage 2 Lifetime ECL	Stage 3 Credit Impaired Financial Assets	Total
Gross exposure	-	-	1,129,763	1,129,763
ECL	-	-	(166,032)	(166,032)
Net Exposure	-	-	963,731	963,731

Group 2022 In thousands of GH¢	Stage 1 Lifetime ECL	Stage 3 Credit Impaired Financial Assets	Total
Gross exposure	1,307	1,154,813	1,156,120
ECL	-	(176,235)	(176,235)
Net Exposure	1,307	978,578	979,885
ECL allowance as at 1 January 2022	2,396	3,862	6,258
Change in ECL allowance	(2,396)	172,373	169,977
At 31 December 2022	-	176,235	176,235

22a. Loans and advances to customers

In thousands of GH¢	2023		2022	
	Bank	Group	Bank	Group
Total loans and advances	**2,429,756**	**2,429,756**	1,958,017	1,958,017
	2,429,756	**2,429,756**	1,958,017	1,958,017

22b. Loans and advances to customers at amortized cost

In thousands of GH¢	2023			2022		
Bank / Group	Gross carrying amount	ECL allowance	Net carrying amount	Gross carrying amount	ECL allowance	Net carrying amount
Financial Institution lending	**31,693**	**(6,025)**	**25,668**	31,176	(10,041)	21,135
Retail & commercial	**537,394**	**(38,067)**	**499,327**	536,595	(33,052)	503,543
Mortgages	**497,841**	**(42,223)**	**455,618**	400,211	(38,326)	361,885
Corporate	**1,522,437**	**(123,048)**	**1,399,389**	1,133,078	(105,061)	1,028,017
Credit cards	**15,718**	**(42)**	**15,676**	7,455	(8)	7,447
Staff	**34,408**	**(330)**	**34,078**	36,064	(74)	35,990
Total	**2,639,491**	**(209,735)**	**2,429,756**	2,144,579	(186,562)	1,958,017

75% of the loans and advances portfolio are backed by collateral and this covers in full all collateralized balances. (2022: 74%).

22c. Provision for credit impairment analysis

Bank / Group		
In thousands of GH¢	2023	2022
Opening balance – Jan. 1	**186,562**	144,392
Impairment charge for the year	**23,200**	71,630
Write-off during the year	**(27)**	(29,460)
Ending balance – Dec. 31	**209,735**	186,562

22d. Classification of loans and advances

The following table sets out the classifications for loans and advances measured at amortised cost by industry concentration.

Bank / Group 2023	Stage 1	Stage 2	Stage 3	Total
Financial Institution lending	**5**	**-**	**31,688**	**31,693**
Retail & commercial	**478,976**	**34,821**	**23,597**	**537,394**
Mortgages	**364,634**	**62,152**	**71,055**	**497,841**
Corporate	**974,565**	**253,455**	**294,417**	**1,522,437**
Credit Card	**11,933**	**3,783**	**1**	**15,717**
Staff	**33,947**	**168**	**294**	**34,409**
Total	**1,864,060**	**354,379**	**421,052**	**2,639,491**

Bank / Group 2022	Stage 1	Stage 2	Stage 3	Total
Financial Institution lending	1,387	-	29,789	31,176
Retail & commercial	500,476	17,543	18,576	536,595
Mortgages	268,031	50,076	82,104	400,211
Corporate	734,669	103,284	295,125	1,133,078
Credit card	7,197	258	-	7,455
Staff	36,056	-	8	36,064
Total	1,547,816	171,161	425,602	2,144,579

22e. Provision for credit impairment analysis

In thousands of GH¢

The table below shows the expected credit losses per stages and the maximum exposure to credit risk by type of customer.

Bank & Group – 2023	Financial Institution lending	Retail & commercial	Mortgages	Corporates	Credit cards	Staff	Total
Gross Loans	**31,693**	**537,394**	**497,841**	**1,522,437**	**15,718**	**34,408**	**2,639,491**
Stage 1: 12 Month ECL	**(2)**	**(12,455)**	**(1,886)**	**(12,530)**	**(32)**	**(36)**	**(26,941)**
Stage 2: Lifetime ECL	**-**	**(2,015)**	**(771)**	**(3,925)**	**(9)**	**-**	**(6,720)**
Stage 3: Credit Impaired Financial Assets - Lifetime ECL	**(6,023)**	**(23,597)**	**(39,566)**	**(106,593)**	**(1)**	**(294)**	**(176,074)**
	25,668	**499,327**	**455,618**	**1,399,389**	**15,676**	**34,078**	**2,429,756**

Bank & Group – 2022	Financial Institution lending	Retail & commercial	Mortgages	Corporates	Credit cards	Staff	Total
Gross Loans	31,176	536,595	400,211	1,133,078	7,455	36,064	2,144,579
Stage 1: 12 Month ECL	(32)	(13,420)	(482)	(16,119)	(8)	(73)	(30,134)
Stage 2: Lifetime ECL	-	(1,056)	(1,033)	(8,483)	-	-	(10,572)
Stage 3: Credit Impaired Financial Assets - Lifetime ECL	(10,009)	(18,576)	(36,811)	(80,459)	-	(1)	(145,856)
	21,135	503,543	361,885	1,028,017	7,447	35,990	1,958,017

22f. Provision for credit impairment analysis (cont'd)

The following tables show reconciliations from the opening to the closing balance of the loss allowance by customer classifications.

In thousands of GH¢

Bank and Group - 2023	Financial Institution lending	Retail & commercial	Mortgages	Corporates	Credit card	Staff	Total
Stage 1: 12 Month ECL							
Balance as at 1 January 2023	32	13,420	482	16,119	8	73	30,134
ECL on new instruments issued during the year	-	4,766	644	9,875	19	17	15,321
Net remeasurement of loss allowance	(30)	(5,731)	760	(13,464)	5	(54)	(18,514)
At 31 December 2023	2	12,455	1,886	12,530	32	36	26,941
Stage 2: Lifetime ECL							
Balance as at 1 January 2023	-	1,056	1,033	8,483	-	-	10,572
ECL on new instruments issued during the year	-	260	9	853	3	-	1,125
Net remeasurement of loss allowance	-	699	(271)	(5,411)	6	-	(4,977)
At 31 December 2023	-	2,015	771	3,925	9	-	6,720
Stage 3: Credit Impaired Financial Assets - Lifetime ECL							
Balance as at 1 January 2023	10,009	18,576	36,811	80,459	-	1	145,856
Write-offs	-	(27)	-	-	-	-	(27)
Net remeasurement of loss allowance	(3,986)	5,048	2,755	26,134	1	293	30,245
At 31 December 2023	6,023	23,597	39,566	106,593	1	294	176,074
Total	6,025	38,067	42,223	123,048	42	330	209,735

22f. Provision for credit impairment analysis (cont'd)

Bank and Group – 2022

In thousands of GH¢

Stage 1: 12 Month ECL	Financial Institution lending	Retail & commercial	Mortgages	Corporates	Credit card	Staff	Total
Balance as at 1 January 2022	22	10,173	74	14,278	-	56	24,603
ECL on new instruments issued during the year	13	3,104	483	3,079	8	18	6,705
Net remeasurement of loss allowance	(3)	143	(75)	(1,238)	-	(1)	(1,174)
At 31 December 2022	32	13,420	482	16,119	8	73	30,134
Stage 2: Lifetime ECL							
Balance as at 1 January 2022	-	1,643	207	21,494	-	-	23,344
ECL on new instruments issued during the year	-	12	705	123	-	-	840
Net remeasurement of loss allowance	-	(599)	121	(13,134)	-	-	(13,612)
At 31 December 2022	-	1,056	1,033	8,483	-	-	10,572
Stage 3: Credit Impaired Financial Assets - Lifetime ECL							
Balance as at 1 January 2022	10,025	8,599	21,027	56,793	-	1	96,445
Write-offs	-	(1,234)	(8,330)	(19,896)	-	-	(29,460)
Net remeasurement of loss allowance	(16)	11,211	24,114	43,562	-	-	78,871
At 31 December 2022	10,009	18,576	36,811	80,459	-	1	145,856
Total	10,041	33,052	38,326	105,061	8	74	186,562

The amount designated as write-off represents the contractual amount outstanding at the time of derecognising the exposure. To the extent that customers exist, the amount so written-off are subject to enforcement activity.

22f. Provision for credit impairment analysis (cont'd)

The table below provides an explanation of how significant changes in the gross carrying amount of financial instruments during the year contributed to changes in loss allowance.

Changes in loans and advances balances	Stage 1	Stage 2	Stage 3	Total
Gross loans – 2023	**1,864,060**	**354,379**	**421,052**	**2,639,491**
Gross loans - 2022	**1,547,816**	**171,161**	**425,602**	**2,144,579**
Growth /(decline) in %	**20.43%**	**107.04%**	**(1.07%)**	**23.08%**

Changes in provision stock	Stage 1	Stage 2	Stage 3	Total
Provision balance - 2023	**26,941**	**6,720**	**176,074**	**209,735**
Provision balance - 2022	**30,134**	**10,572**	**145,856**	**186,562**
Growth /(decline) in %	**(10.60%)**	**(36.44%)**	**20.72%**	**12.42%**

The Group's gross loans and advances measured at amortised cost grew by 23.08% (2022: 13.33%) following the risk assets (loan) growth drive initiates implemented during the year. This propelled the provision stock to correlate in similar pattern, thus increased by 12.42% (2022: 29.21%, increase).

The decrease in ECLs of Stage 1 portfolios was driven by a reversed 20.43% increase in the gross size of the portfolio and the change in ECLs of Stage 2 portfolios was driven by movements between stages as a result of improvements in credit risk and in economic conditions. The increase in ECLs of Stage 3 portfolios was driven by movement of facilities within the stages to stage 3. The transfers to stage 3 was mainly the personal loans which for which full provisions were made.

2022

Changes in loans and advances balances	Stage 1	Stage 2	Stage 3	Total
Gross loans – 2022	1,547,816	171,161	425,602	2,144,579
Gross loans – 2021	1,479,765	122,762	289,860	1,892,387
Growth in %	4.60	39.43	46.83	13.33

Changes in provision stock	Stage 1	Stage 2	Stage 3	Total
Provision balance – 2022	30,134	10,572	145,856	186,562
Provision balance – 2021	24,603	23,344	96,445	144,392
Growth in %	22.48	(54.71)	51.23	29.21

22g. Loans and advances classification

In thousands of GH¢	2023		2022	
	Bank	**Group**	Bank	Group
Current	**784,478**	**785,160**	608,494	608,494
Non- Current	**1,855,013**	**1,854,331**	1,536,085	1,536,085
	2,639,491	**2,639,491**	2,144,579	2,144,579

22h. Loans and advances ratios

In thousands of GH¢	2023		2022	
	Bank	**Group**	Bank	Group
	%	**%**	**%**	**%**
Loan loss provision ratio	**7.95**	**7.95**	8.70	8.70
Gross non-performing loans ratio	**15.95**	**15.95**	19.85	19.85
Ratio of 50 largest exposures	**47.70**	**47.70**	43.05	43.05

In thousands of GH¢	2023		2022	
	Bank	**Group**	Bank	Group
Interest rate charge	**%**	**%**	%	%
Commercial loan	**20 - 46**	**20 - 46**	20-44	20-44
Consumer loans	**10 – 44**	**10 – 44**	10-48	10-48
Mortgage loans – dollar	**10 – 14**	**10 – 14**	10-14	10-14
Mortgage loans – Cedi	**12 – 32**	**12 – 32**	10-32	10-32
Staff loans – dollar	**3 – 4**	**3 – 4**	3-4	3-4
Staff loans – Cedi	**6 - 16**	**6 - 16**	6-12	6-12

23. Investments in subsidiaries

In thousands of GH¢	2023	2022
	Bank	Bank
Investments in subsidiaries	13,543	13,543
	13,543	13,543

Subsidiaries

In thousands of GH¢	2023	2022
	Bank	Bank
Republic Investment Limited	4,535	4,535
HFC Realty Limited	1,930	1,930
Republic Boafo Limited	503	503
Republic Securities (Ghana) Limited	75	75
HFC Venture Capital Fund	5,000	5,000
Republic Trust Limited Company	1,500	1,500
	13,543	13,543

Investments in subsidiaries are measured at cost.

(ii) Holding structure

The holdings of Republic Bank in the various subsidiaries are as follows:

Subsidiaries	Holding		Country of Incorporation	Relationship	Nature of business
	2023	2022			
	%	%			
Republic Investment (Ghana) Limited	100	100	Ghana	A wholly owned subsidiary of the bank	Investment management
HFC Realty Limited	100	100	Ghana	A wholly owned subsidiary of the bank	Property management
Republic Boafo Limited	51	51	Ghana	A company in which the Bank has 51% equity holding	Microfinance
UG-HFC	60	60	Ghana	A company in which the bank has 60% equity holding	Asset management
HFC Venture Capital Fund	100	100	Ghana	A wholly owned subsidiary of the bank	Venture capitalist
Republic Trust Limited Company	100	100	Ghana	A wholly owned subsidiary of the bank	Pension Fund Manager

(iv). Summary of financial information

In thousands of GH¢

Description	Republic Investments 2023	Republic Investments 2022	Republic Boafo 2023	Republic Boafo 2022	HFC Realty 2023	HFC Realty 2022	HFC Venture Capital 2023	HFC Venture Capital 2022	Republic Trust 2023	Republic Trust 2022
Revenue	**18,333**	19,406	**51,736**	35,478	**1,019**	1,536			**2,497**	1,192
Expenses	**(14,551)**	(16,637)	**(36,997)**	(27,528)	**(71)**	(1,209)			**(2,155)**	(1,234)
Income Tax and Growth and Sustainability Levy	**(1,164)**	(2,220)	**(4,428**	(2,840)	**(237)**	(82)			**(99)**	(59)
Profit for the year/Total comprehensive income	**2,618**	549	**10,311**	5,110	**711**	245			**243**	(101)
Total assets	**37,615**	31,971	**34,175**	23,173	**5,132**	4,419	**5,049**	5,049	**1,811**	3,778
Total liabilities	**6,789**	5,497	**8,075**	5,535	**121**	119	**10**	10	**169**	2,379
Total shareholders' equity	**37,615**	26,474	**26,100**	17,638	**5,011**	4,300	**5,039**	5,039	**1,642**	1,399
Total cash inflows	**17,882**	12,281	**46,594**	40,461	**1,611**	1,196	**-**	-	**2,280**	1,192
Total cash outflows	**(17,560)**	(15,041)	**(44,333)**	(38,110)	**(308)**	(951)	**-**	-	**(2,893)**	(1,993)
Net cash inflow/ outflow	**322**	(2,760)	**2,261**	2,351	**1,303**	245	**-**	-	**(613)**	(801)

24. Current income tax – 2023

In thousands of GH¢

The Bank

Income Tax	Balance at 1/1/2023	Charge for the year	Payments during the year	Refund	Balance at 31/12/2023
Up to 2022	**(5,689)**	**1,529**	**(1,529)**	**5,390**	**(299)**
2023	**-**	**79,191**	**(75,584)**	**-**	**3,607**
	(5,689)	**80,720**	**(77,113)**	**5,390**	**3,308**
Growth and Sustainability Levy					
Up to 2022	**(4,160)**	**-**	**-**	**4,160**	**-**
2023	**-**	**11,577**	**(11,224)**	**-**	**353**
	(4,160)	**11,577**	**(11,224)**	**4,160**	**353**

Financial Sector Recovery Levy

Income Tax	Balance at 1/1/2023	Charge for the year	Payments during the year	Refund	Balance at 31/12/2023
2022	(4,160)	-	-	4,160	-
2023	-	11,577	(11,224)	-	353
	(4,160)	11,577	(11,224)	4,160	353
Total tax (assets) / liability	(14,009)	103,874	(99,561)	13,710	4,014

Group

Income Tax	Balance at 1/1/2023	Charge for the year	Payments during the year	Refund	Balance at 31/12/2023
Up to 2022	(5,866)	1,529	(1,529)	5,390	(476)
2023	-	84,262	(81,181)	-	3,081
	(5,866)	85,791	(82,710)	5,390	2,605
Growth and Sustainability Levy					
Up to 2022	(3,549)	-	-	4,160	611
2023	-	12,549	(12,248)	-	301
	(3,549)	12,549	(12,248)	4,160	912
Financial Sector Recovery Levy					
Up to 2022	(4,160)	-	-	4,160	-
2023	-	11,577	(11,224)	-	353
	(4,160)	11,577	(11,224)	4,160	353
Total	(13,575)	109,917	(106,182)	13,710	3,870

The tax assets for both the Bank up to 2022 have been agreed with the Ghana Revenue Authority. All other tax liabilities are subject to agreement with the Ghana Revenue Authority.

The Bank

Income Tax	Balance at 1/1/2022	Charge for the year	Payments during the year	Refund	Balance at 31/12/2022
Up to 2021	1,270	-	-	(1,270)	-
2022	-	45,239	(50,928)	-	(5,689)
	1,270	45,239	(50,928)	(1,270)	(5,689)
National Fiscal Stabilization Levy					
Up to 2021	(351)	-	(265)	616	-
2022	-	-	(4,160)	-	(4,160)
	(351)	-	(4,425)	616	(4,160)
Financial Sector Recovery Levy					
Up to 2021	159	-	(198)	39	-
2022	-	-	(4,160)	-	(4,160)
	159	-	(4,358)	39	(4,160)
	1,078	45,239	(59,711)	615	(14,009)

Group

Income Tax	Balance at 1/1/2022	Charge for the year	Payments during the year	Adjustment	Balance at 31/12/2022
Up to 2021	740	-	-	(1,270)	(530)
2022	-	50,048	(55,384)	-	(5,336)
	740	50,048	(55,384)	(1,270)	(5,866)
National Fiscal Stabilization Levy					
Up to 2021	(404)	-	(265)	616	(53)
2022	-	664	(4,160)	-	(3,496)
	(404)	664	(4,425)	616	(3,549)
Financial Sector Recovery Levy					
Up to 2021	159	-	(198)	39	-
2022	-	-	(4,160)	-	(4,160)
	159	-	(4,425)	39	(4,160)
Total	495	50,712	(64,167)	(615)	(13,575)

The National Fiscal Stabilisation Levy Act 2013 (Act 862) has been repealed and replaced with the Growth and Sustainability Levy Act 2023 (Act 1095) The Growth and Sustainability Levy Act came into effect from May 1, 2023, and the levy is applicable as a percentage of 5% on the accounting profit before tax.

The Financial Sector Recovery Levy was passed on March 31, 2021, to impose a special levy on Banks to raise revenue to support the financial sector reforms and to provide for related matters. The levy is at 5% of the Bank's profit before tax.

25. Deferred tax

Deferred taxes are calculated on all temporary differences under the liability method using a principal tax rate of 25% (2022: 25%). The movement on the deferred tax account is as follows:

In thousands of GH¢	**2023**		2022	
	Bank	**Group**	Bank	Group
At 1 January	**(1,617)**	**(2,154)**	(9,920)	(10,184)
Charge to profit or loss (Note 18)	**(2,728)**	**(2,548)**	(4,507)	(4,780)
Charge to Other Comprehensive Income	**-**	**-**	12,810	12,810
At 31 December	**(4,345)**	**(4,702)**	(1,617)	(2,154)

Recognised deferred tax assets

The Group recognised deferred tax assets of GH¢ 32,854,000 ((2022: GH¢ 25,835,000) and the Bank recognised deferred tax assets of GH¢ 32,542,000 ((2022: GH¢ 25,134,000) 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.

Deferred tax assets and liabilities are attributable to the following items:

2023	**Bank**			**Group**		
	Assets	**Liabilities**	**Net**	**Assets**	**Liabilities**	**Net**
Property and equipment	**-**	**(45)**	**(45)**	**357**	**(45)**	**312**
Loan Impairment	**32,542**	**-**	**32,542**	**32,542**	**-**	**32,542**
Leases	**-**	**(8,276)**	**(8,276)**	**-**	**(8,276)**	**(8,276)**
Revaluation of building	**-**	**(19,876)**	**(19,876)**	**-**	**(19,876)**	**(19,876)**
Net deferred tax (assets)/liabilities	**32,542**	**(28,197)**	**4,345**	**32,899**	**(28,197)**	**4,702**

2022	**Bank**			**Group**		
	Assets	**Liabilities**	**Net**	**Assets**	**Liabilities**	**Net**
Property and equipment	1,226	-	1,226	2,424	-	2,424
Loan Impairment	25,134	-	25,134	25,134	-	25,134
Leases	-	(4,867)	(4,867	-	(5,528)	(5,528)
Revaluation of building	-	(19,876)	(19,876)	-	(19,876)	(19,876)
Net deferred tax (assets)/liabilities	26,360	(24,743)	1,617	27,558	(25,404)	2,154

25.b. Movement in deferred tax balances

	2023							
	Bank				Group			
In thousands of GH¢	Net balance at Jan. 1	Recognised in profit & loss	Recognised OCI	Net balance at Dec. 31	Net balance at Jan. 1	Recognised in profit & loss	Recognised OCI	Net balance at Dec. 31
Property and equipment	**1,226**	**(1,271)**	**-**	**(45)**	**2,424**	**(2,112)**	**-**	**312**
Loan impairment	**25,134**	**7,408**	**-**	**32,542**	**25,134**	**7,408**	**-**	**32,542**
Leases	**(4,867)**	**(3,409)**	**-**	**(8,276)**	**(5,528)**	**(2,748)**	**-**	**(8,276)**
Revaluation of building	**(19,876)**	**-**	**-**	**(19,876)**	**(19,876)**	**-**	**-**	**(19,876)**
	1,617	**2,728**	**-**	**4,345**	**2,154**	**2,548**	**-**	**4,702**

25.b. Movement in deferred tax balances

	2022							
	Bank				Group			
In thousands of GH¢	Net balance at Jan. 1	Recognised in profit & loss	Recognised OCI	Net balance at Dec. 31	Net balance at Jan. 1	Recognised in profit & loss	Recognised OCI	Net balance at Dec. 31
Property and equipment	326	900	-	1226	754	1670	-	2,424
Loan impairment	19,551	5,583	-	25,134	19,551	5,583	-	25,134
Leases	(2,891)	(1,976)	-	(4,867)	(3,055)	(2,473)	-	(5,528)
Revaluation of building	(7,066)	-	(12,810)	(19,876)	(7,066)	-	(12,810)	(19,876)
	9,920	**4,507**	**(12,810)**	**1,617**	**10,184**	**4,780**	**(12,810)**	**2,154**

26. Goodwill and Intangible assets

In thousands of GH¢	2023		2022	
	Bank	Group	Bank	Group
Goodwill (Note 26a)	**2,774**	**2,774**	2,774	2,774
Software (Note 26b)	**6,365**	**6,436**	3,369	3,534
	9,139	**9,210**	6,143	6,308

26a. Goodwill
(Bank and Group)

In thousands of GH¢		
Cost	**2023**	**2022**
At 31 December	**3,923**	3,923
Accumulated impairment		
At 1 January	**1,149**	181
Charge for the year	**-**	968
At 31 December	**1,149**	1,149
Carrying amount	**2,774**	2,774

The impairment charge for the prior year relates to the de-recognition of goodwill for a CGU (branch) which was closed during the prior year.

26a. Impairment testing

For the purpose of annual impairment testing, goodwill is allocated to the operating segments (operating branches) expected to benefit from the synergies of the business acquisition in which the goodwill arises, as follows:

Carrying amount of goodwill as allocated to each of the CGUs

In thousands of GH¢	**2023**	**2022**
Goodwill	**2,774**	2,774

The recoverable amount of the retail segment was determined based on value-in-use calculations, covering a detailed five-year forecast, followed by an extrapolation of expected cash flows for the remaining useful lives using a declining growth rate determined by management.

The recoverable amount of the retail segment is set out below:

In thousands of GH¢	**2023**	**2022**
Recoverable amount	**72,810**	64,317
Carrying amount of underlying assets of CGU	**72,810**	64,317

The present value of the expected cash flows of the retail segment is determined by applying a suitable discount rate reflecting current market assessments of the time value of money and risks specific to the segment.

	Growth rate	**Discount rate**
Retail	**10%**	**50.3%**

Key assumptions used in value in use calculations

Growth rates

The growth rates reflect the long-term average growth rates for the retail segments (all publicly available). The growth rate for online retailing exceeds the overall long-term average growth rates for Ghana because this sector is expected to continue to grow at above-average rates for the foreseeable future.

Discount rates

The discount rates reflect appropriate adjustments relating to market risk and specific risk factors of the retail segment. The discount rate applied was referenced to the end of year inflation rate, which reflects the current market assessment of the time value of money.

Cash flow assumptions

Retail segment

Management's key assumptions include stable profit margins, based on past experience in this market. The Group's management believes that this is the best available input for forecasting this mature market.

Cash flow projections reflect stable profit margins achieved immediately before the budget period. The cash flow projections covered a period of five (5) years No expected efficiency improvements have been taken into account and prices and wages reflect publicly available forecasts of inflation for the industry.

26b. Software acquired

In thousands of GH¢	2023		2022	
	Bank	**Group**	Bank	Group
Cost				
Opening balance	**26,574**	**27,595**	26,155	26,960
Additions	**6,576**	**6,576**	419	635
At 31 December	**33,150**	**34,171**	26,574	27,595
Accumulated depreciation				
Opening balance	**23,205**	**24,061**	20,747	21,387
Charge for the year	**3,580**	**3,674**	2,458	2,674
At 31 December	**26,785**	**27,735**	23,205	24,061
Net Book Value	**6,365**	**6,436**	3,369	3,534

27. Other assets

In thousands of GH¢	2023		2022	
	Bank	**Group**	Bank	Group
Prepayments	**12,837**	**13,638**	13,389	16,451
Account receivable	**12,684**	**19,174**	7,169	7,169
Inventory-consumables	**610**	**659**	811	1,295
Sundry account receivable	**987**	**6,849**	947	4,267
Others	**-**	**1,159**	446	1,641
	27,118	**41,479**	22,762	30,823

28. Property and equipment

The Bank – 2023 In thousands of GH¢	Land and Building	Computers	Furniture and Equipment	Motor Vehicles	Assets Refurbishment	Right -of-Use Assets - Building	Capital Work in Progress	Total
Cost/valuation								
At 1 January	85,545	27,544	45,413	20,794	26,068	69,303	58,269	332,936
Additions	11	5,557	7,802	6,261	5,353	20,179	53,484	98,647
Disposals	-	(21)	(20)	(434)	-	-	-	(475)
Transfers	200	12,407	127	3,271	1,816	-	(17,821)	-
At 31 December	85,756	45,487	53,322	29,892	33,237	89,482	93,932	431,108
Accumulated Depreciation								
At 1 January	2,594	26,690	33,473	12,668	7,561	31,538	-	114,524
Charge for the year	677	5,692	4,098	3,764	3,136	11,497	-	28,864
Disposals	-	(18)		(360)	-	-		(378)
At 31 December	3,271	32,364	37,571	16,072	10,697	43,035	-	143,010
Carrying amount	82,485	13,123	15,751	13,820	22,540	46,447	93,932	288,098

Included in property and equipment is right of use assets.

No property and equipment were impaired as at 31 December 2023 (2022, Nil)

28. Property and equipment (cont'd)

In thousands of GH¢

The Bank – 2022 In thousands of GH¢	Land and Building	Computers	Furniture and Equipment	Motor Vehicles	Assets Refurbishment	Right -of- Use Assets - Building	Capital Work in Progress	Total
Cost/valuation								
At 1 January	39,422	26,352	42,317	16,536	24,587	52,301	34,192	235,707
Additions	601	1,220	2,500	4,636	494	17,002	26,523	52,976
Revaluation surplus	51,239	-	-	-	-	-	-	51,239
Gross revaluation adjustment*	(5,373)	-	-	-	-	-	-	(5,373)
Disposals	(344)	(28)	(335)	(678)	(228)	-	-	(1,613)
Transfers	-	-	931	300	1,215	-	(2,446)	-
At 31 December	85,545	27,544	45,413	20,794	26,068	69,303	58,269	332,936
Accumulated Depreciation								
At 1 January	5,445	24,876	30,131	11,071	5,637	21,426	-	98,586
Charge for the year	2,583	1,830	3,645	2,261	2,088	10,112	-	22,519
Adjust for accum. Depreciation	(5,373)	-	-	-	-	-	-	(5,373)
Disposals	(61)	(16)	(303)	(664)	(164)	-	-	(1,208)
At 31 December	2,594	26,690	33,473	12,668	7,561	31,538	-	114,524
Carrying amount	82,951	854	11,940	8,126	18,507	37,765	58,269	218,412

28. Property and equipment (cont'd)

The Group 2023 In thousands of GH¢	Land and Building	Computers	Furniture and Equipment	Motor Vehicles	Assets Refurbishment	Right -of-Use Assets	Capital Work in Progress	Total
Cost/valuation								
At 1 January	85,545	30,416	48,879	25,660	26,068	73,454	58,269	348,291
Additions	11	5,569	8,624	8,114	5,353	19,938	53,484	101,093
Disposals		(99)	(46)	(580)	-	-		(725
Transfers	200	12,407	127	3,271	1,816	-	(17,821)	-
At 31 December	85,756	48,293	57,584	36,465	33,237	93,392	93,932	448,659
Accumulated Depreciation								
At 1 January	2,594	28,457	36,550	15,817	7,562	34,089	-	125,069
Charge for the year	677	6,128	4,201	4,777	3,135	12,208	-	31,126
Disposals	-	(96)	-	(506)	-	-	-	(602)
At 31 December	3,271	34,489	40,751	20,088	10,697	46,297	-	155,593
Carrying amount	82,485	13,804	16,833	16,377	22,540	47,095	93,932	293,066

Included in property and equipment is right of use assets.

*This gross revaluation adjustments relates to the accumulated depreciation as at the revaluation date that was eliminated against the gross carrying amount of the revalued asset.

No property and equipment were impaired as at 31 December 2023 (2022, Nil)

28. Property and equipment (cont'd)

In thousands of GH¢

The Group 2022 In thousands of GH¢	Land and Building	Computers	Furniture and Equipment	Motor Vehicles	Assets Refurbishment	Right -of-Use Assets	Capital Work in Progress	Total
Cost/valuation								
At 1 January	39,422	28,624	45,575	20,433	24,587	55,237	34,192	248,070
Additions	601	1,870	2,816	5,971	-	18,217	26,609	56,084
Revaluation surplus	51,239	-	-	-	-	-	-	51,239
Gross revaluation adjustment*	(5,373)	-	-	-	-	-	-	(5,373)
Disposals	(344)	(78)	(335)	(744)	(228)	-	-	(1,729)
Transfers	-	-	823	-	1,709	-	(2,532)	-
At 31 December	85,545	30,416	48,879	25,660	26,068	73,454	58,269	348,291
Accumulated Depreciation								
At 1 January	5,445	26,521	33,025	13,699	5,637	23,179	-	107,506
Charge for the year	2,583	2,003	3,828	2,847	2,089	10,910	-	24,260
Adj. for accum. depreciation	(5,373)	-	-	-	-	-	-	(5,373)
Disposals	(61)	(67)	(303)	(729)	(164)	-	-	(1,324)
At 31 December	2,594	28,457	36,550	15,817	7,562	34,089	-	125,069
Carrying amount	82,951	1,959	12,329	9,843	18,506	39,365	58,269	223,222

28. Property and equipment (cont'd)

The Group revalued its land and building at the end of December 2021 and effectively recognized in 2022. The assets revaluation exercise was undertaken by one of the Group approved independent valuers. The revaluation resulted in the recognition of a surplus of GH¢51.24 million and a corresponding additional depreciation of GH¢1.92 million. No revaluation exercise was undertaken in 2023.

In accordance with Section 156 of the Banks and Specialised Deposit-Taking Institutions Act, 2016, Act 930, the composition of the Group's Net Own Funds shall exclude surplus arising from the revaluation. Further, the revaluation surplus is not distributable to shareholders.

If land and buildings were measured using the cost model, the carrying amounts would be as follows:

In thousands of GH¢	2023		2022	
	Bank	Group	Bank	Group
Cost	**17,554**	**17,554**	17,554	17,554
Accumulated depreciation	**(3,880)**	**(3,880)**	(3,529)	(3,529)
Net carrying amount	**13,674**	**13,674**	14,025	14,025

Profit / loss on disposal

In thousands of GH¢	2023		2022	
	Bank	Group	Bank	Group
Gross book value	**475**	**725**	1,613	1,729
Accumulated depreciation	**(378)**	**(602)**	(1,208)	(1,324)
Net book value	**97**	**123**	405	405
Sale proceeds	**181**	**207**	1,133	1,133
Profit / (loss) on disposal	**84**	**84**	728	728

There were no capitalised borrowing costs related to the acquisition of property and equipment during the year ended December 31, 2023 (December 31, 2022: nil). Also, there were no restrictions on title and no property and equipment has been pledged as security for a liability as at December 31, 2023 (December 31, 2022, Nil)

29. Deposits from customers

In thousands of GH¢	2023		2022	
	Bank	Group	Bank	Group
Retail & corporates customers:				
Term deposits	**2,128,632**	**2,128,632**	1,299,848	1,289,848
Current deposits	**2,258,350**	**2,232,115**	1,835,837	1,824,101
Others	**1,331,106**	**1,331,106**	861,998	861,998
Financial institution customers;				
Term deposit	**100,312**	**100,312**	37,215	37,215
Current deposit	**49,816**	**49,816**	55,383	55,383
	5,868,216	**5,841,981**	4,090,281	4,068,545

29b. Analysis of deposits from customers

In thousands of GH¢	2023		2022	
	Bank	Group	Bank	Group
Current	**2,344,297**	**2,301,478**	1,891,220	1,884,532
Non-current	**3,523,919**	**3,540,503**	2,199,061	2,184,013
Total	**5,868,216**	**5,841,981**	4,090,281	4,068,545

The ratio of the 20 largest deposits to total deposits for the current financial year is 27.60% (2022: 33.37%).

30. Borrowings

In thousands of GH¢	2023		2022	
	Bank	Group	Bank	Group
Ghana International Bank (i)			-	-
IFC loan (ii)	-	-	88,123	88,123
	-	-	88,123	88,123

The movement on borrowings is as follow:

In thousands of GH¢	2023		2022	
	Bank	Group	Bank	Group
At 1 January			136,606	136,606
Addition	**88,123**	**88,123**	-	-
Interest charged	**4,055**	**4,055**	7,058	7,058
Repayment	**(109,484)**	**(109,484)**	(91,870)	(91,870)
Exchange difference	**24,056**	**24,056**	45,093	45,093
Interest paid	**(6,750)**	**(6,750)**	(8,764)	(8,764)
At 31 December	-	-	88,123	88,123

In thousands of GH¢	2023		2022	
	Bank	Group	Bank	Group
Current	-	-	45,243	45,243
Non-current	-	-	42,880	42,880
	-	-	88,123	88,123

(i) International Finance Corporation (IFC) Loan

Republic Bank (Ghana) PLC executed a US$40.00 million loan agreement with the International Finance Corporation (IFC) on June 27, 2019, with an initial repayment date of December 15, 2023, and subsequently reviewed to August 15, 2024. Drawdown for the first tranche of the facility was for US$20.00 million in 2020 at a Six (6) month Libor rate plus and a spread of 3.75% per annum. The facility is to be used by Republic Bank (Ghana) PLC exclusively for financing Eligible Sub-projects and as of the reporting period, there had not been a breach of any of the covenants underlying this facility.

The facility which was unsecured was fully paid during the 2023 financial year.

31. Bonds

In thousands of GH¢	2023		2022	
	Bank	Group	Bank	Group
At 1 January	**81,681**	**81,681**	80,849	80,849
Bonds issued	**-**	**-**	-	-
Interest charged	**18,198**	**18,198**	17,142	17,142
	99,879	**99,879**	97,991	97,991
Redemptions	**-**	**-**	-	-
Interest paid	**(18,131)**	**(18,131)**	(16,310)	(16,310)
At 31 December	**81,748**	**81,748**	81,681	81,681

Analysis by type of bond:

In thousands of GH¢	2023		2022	
	Bank	Group	Bank	Group
SSNIT Bonds – Treasury linked	**81,748**	**81,748**	81,681	81,681
Total Ghana cedi bonds at 31 December	**81,748**	**81,748**	81,681	81,681

In thousands of GH¢	2023		2022	
	Bank	Group	Bank	Group
Current	**5,748**	**5,748**	5,681	5,681
Non- Current	**76,000**	**76,000**	76,000	76,000
Total Ghana cedi bonds at 31 December	**81,748**	**81,748**	81,681	81,681

SSNIT - Pilot Scheme

(i) The Treasury linked bond is also for 20yrs. The rate is a 2-year Treasury bill rate plus a spread of 2.5%. Coupons are paid semi-annually. The balance on the bond account as at December 31, 2023 was at a principal value of GH¢76.00 million (December 31, 2022, GH¢76.00 million). Settlement of the bonds shall be made in cash.

32. Other liabilities

In thousands of GH¢	2023		2022	
	Bank	Group	Bank	Group
Creditors	**176,312**	**185,828**	132,133	139,131
ECL Provision on contingent liabilities	**1,798**	**1,798**	1,798	1,798
Dividend payable (Note 40)	**9**	**9**	9	9
	178,119	**187,635**	133,940	140,938

The creditors balance includes the following:

In thousands of GH¢	2023		2022	
	Bank	Group	Bank	Group
Payment order	**5,901**	**5,901**	32,131	32,131
Deferred commission & fees	**1,303**	**1,303**	1,303	1,303
Account payable	**142,278**	**151,897**	78,754	84,373
Lease liability	**12,345**	**13,653**	18,298	19,329
Sundry payable	**14,485**	**13,074**	1,647	1,995
	176,312	**185,828**	132,133	139,131

Creditors are non-interest bearing, non-secured.

In thousands of GH¢	2023		2022	
	Bank	Group	Bank	Group
Current	**165,789**	**174,323**	116,687	123,050
Non-current	**10,523**	**11,505**	15,446	16,081
	176,312	**185,828**	132,133	139,131

32c. Lease Liability

In thousands of GH¢	2023		2022	
	Bank	Group	Bank	Group
Balance as at 1 January	**18,298**	**19,329**	19,313	21,027
Additions	**1,100**	**1,100**	2,033	2,033
Interest expense	**2,124**	**2,401**	952	1,083
Principal repayment	**(13,193)**	**(13,193)**	(8,957)	(9,927)
Interest payment	**(963)**	**(963)**	(354)	(371)
Foreign exchange losses	**4,979**	**4,979**	5,311	5,484
Balance as at 31 December	**12,345**	**13,653**	18,298	19,329

32c. Lease Liability
Amount recognised in profit or loss

In thousands of GH¢	2023		2022	
	Bank	Group	Bank	Group
Interest expense	**2,124**	**2,401**	952	1,083
Expenses relating to short-term leases	**767**	**767**	2,374	2,374
Foreign exchange losses	**4,979**	**4,979**	5,311	5,484
Amounts recognized in statement of cash flows				
Total cash outflows for lease	**14,156**	**14,156**	9,311	10,298

33. Stated capital

The Bank has authorised shares of 1,000,000,000 out of which 851,966,373 have been issued (2022: 851,966,373) at no par value. The movement in stated capital is as follows:

In thousands of GH¢	2023		2022	
	No. of shares	Proceeds GH¢'000	No. of shares	Proceeds GH¢'000
At 1 January	**851,966**	**401,191**	851,966	401,191
Ordinary shares issued	**-**	**-**	-	-
31 December	**851,966**	**401,191**	851,966	401,191

There are no calls or instalments unpaid. There are no treasury shares (2022: Nil).

The ordinary shareholders are entitled to receive dividend as declared by the Board from time to time and are entitled to one vote per share at meetings of the Bank. The ordinary shares rank equally with regard to the Bank's residual assets.

34. Income surplus

In thousands of GH¢	2023		2022	
	Bank	Group	Bank	Group
At 1 January	**(192,890)**	**(160,222)**	24,372	53,882
Profit / (loss) for the year	**130,404**	**140,026**	(66,837)	(63,679)
Movement to regulatory credit risk reserve	**(15,558)**	**(15,558)**	(150,425)	(150,425)
Transfer to statutory reserve	**(65,202)**	**(65,202)**	-	-
At 31 December	**(143,246)**	**(100,956)**	(192,890)	(160,222)

35. Statutory reserve fund

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 Institutions 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.

36. Revaluation reserve

The revaluation reserve relates to the unrealised surplus on the revaluation of buildings which is non-distributable. The balance is net of deferred tax of GH¢19.88 million (2022: GH¢19.88 million).

37. Regulatory credit risk reserve

Regulatory credit risk reserve represents differences in loan loss provisioning resulting from the application of IFRS impairment rules and the credit loss provisioning rules of Bank of Ghana (BOG).

In thousands of GH¢	2023		2022	
	Bank	Group	Bank	Group
Impairment allowance per BoG guidelines	**422,166**	**422,166**	383,435	383,435
Impairment allowance per IFRS (Note 21c)	**(209,735)**	**(209,735)**	(186,562)	(186,562)
Credit risk reserve - December 31	**212,431**	**212,431**	196,873	196,873

38. Housing development assistance reserve

In thousands of GH¢	2023		2022	
	Bank	Group	Bank	Group
At 31 December	**744**	**744**	744	744
	744	**744**	744	744

The housing development assistance reserve has been set up by management to fund housing related research and new technologies when the need arises and is as such not available for distribution to shareholders.

39. Non-controlling interest

In thousands of GH¢	2023	2022
	Group	Group
At 1 January	**8,642**	6,647
Share of net profit	**5,008**	2,552
Dividend	**(861)**	(557)
At 31 December	**12,789**	8,642

The non-controlling interest is not material to the Group.

40. Dividend

In thousands of GH¢	2023		2022	
	Bank	Group	Bank	Group
At 1 January	**9**	**9**	9	9
Dividend paid in the year	**-**	**-**	-	-
At 31 December	**9**	**9**	9	9

The payment of dividend is subject to the deduction of withholding tax at a rate of **8%** for residents and non-residents (2022: 8%).

41. Ghana Domestic Debt Exchange Programme

Ghana's economy experienced economic downturn in 2022, which led the country to seek support from the International Monetary Fund (IMF) to restore the country's macroeconomic stability. However, the execution of this support programme was contingent on the implementation of a debt restructuring plan. On 5 December 2022, the Government launched the Ghana Domestic Debt Exchange Programme (GDDEP) through which registered bondholders exchanged their eligible Ghana Cedi Denominated Domestic Bonds for new benchmark bonds with the same aggregate principal amount (plus applicable capitalized accrued and unpaid interest).

During the year, the Government of Ghana undertook series of domestic debt exchange in respect of the following instruments:

- Ghana Cedi Denominated Domestic Bonds (comprising GH¢ Bonds, ESLA Bonds and Daakye Bonds)
- US Dollar Denominated Domestic Bonds
- Cocoa Bills

This note highlights the impact of the /Bank's participation in the domestic debt exchanges on the financial statements.

Ghana Cedi Denominated Domestic Bonds

On 21 February 2023, the Bank and Group exchanged its existing eligible bonds for a new set of bonds. The exchange was considered a substantial modification of the existing terms of bonds held, therefore, required the derecognition of the existing bonds and recognition of the new bonds at fair value. The Bank received twelve (12) new general bonds with an aggregate principal amount equal to the principal amount of eligible bonds tendered (in addition to any accrued and unpaid interest due on such bonds) under the exchange programme with the following terms:

1. For existing eligible bonds maturing before 2023 exchanged, these bonds will mature over a ten (10) year period with principal repayment starting each year from 2027 through to and including 2033.
2. For existing eligible bonds maturing after 2023 exchanged, these bonds will mature over a fifteen (15) year period with principal repayment starting each year from 2027 through to and including 2038.

   - Interest on the new bonds will be paid in cash, except for interest accrued from the settlement date to 21 February 2025. During this period, a specified portion of the interest will be settled in cash and the remainder capitalised by adding the amount to the principal amount and settled on the maturity of the new general bond.
   - The coupon rates on the twelve new general bonds range from 8.35% to 10%.

The Bank and Group derecognised the existing bonds eligible for exchange and recognised the new bonds at fair value in its 2023 financial period.

US Dollar Denominated Domestic Bonds and Cocoa Bills

On 14th July 2023, the Government, and the Ghana Cocoa Board (COCOBOD) announced the exchange of US$ denominated domestic bonds and cocoa bills respectively. The exchange was settled on 4 September 2023.

The Bank and Group did not have holdings in US Dollar denominated bonds, accordingly, did not participate in the debt exchange program in this respect.

The Bank and Group received five (5) different Bonds with an aggregate principal amount equal to the principal amount of Cocoa Bills tendered (in addition to any accrued and unpaid interest due on such Cocoa Bills). The five (5) Bonds will mature on a one-per-year basis consecutively from (and including) 2024 to (and including) 2028 and will attract a coupon rate of 13%.

The exchanges of the Cocoa Bills were considered substantial modifications of the existing bonds held requiring derecognition of these assets at the settlement dates. The new bonds were recognised initially at fair value.

Bonds eligible for exchange

The following table details the amounts exchanged and the settlement dates of each transaction.

Bank

Exchange Programme	Settlement Date	Currency	Amount Exchanged
GH¢ Domestic Bonds	21 February 2023	GH¢	GH¢ 532 million
Cocoa Bills	4 September 2023	GH¢	GH¢ 516 million

Group

Exchange Programme	Settlement Date	Currency	Amount Exchanged
GH¢ Domestic Bonds	21 February 2023	GH¢	GH¢ 539 million
Cocoa Bills	4 September 2023	GH¢	GH¢ 520 million

Measurement of eligible bonds held at amortised cost.

Initial recognition of new bonds on settlement dates of exchange programmes

The new bonds issued under the exchange programmes were recognised as new financial assets and initially measured at fair value. The fair value of the new bonds was estimated using discounted cash flow techniques, applying rates from the yield curve that was constructed from market information and data available at the date of measurement to discount the expected cash flows from the new bonds as outlined in the exchange memorandum. The data considered in the construction of the yield curve includes traded prices, indicative broker quotes and evaluated prices from pricing services around the measurement date.

The difference between the fair value of the new bonds and the carrying amount as at 31 December 2022 of the old bonds was recorded in profit or loss on the date of initial recognition (i.e. the settlement date) as follows:

- For old bonds measured at amortised cost, the difference is presented as an additional impairment loss or a reversal of an impairment loss in 2023.

41. Ghana Domestic Debt Exchange Programme (cont'd)

The following table shows the weighted-average yield-to-maturity applied in discounting the cashflows of the new bonds to be issued under the exchange programmes, the fair value on initial recognition, net carrying amount at settlement date and the additional or reversal of impairment loss recognized or changes in fair value.

Assets measured at amortised cost.

Bank

Exchange Programme	Yield-to-maturity (Discount Rate)	Fair Value on Initial Recognition	Net carrying amount at settlement date	Additional/ (reversal) impairment loss
GH¢ Domestic Bonds	15.70%	GH¢ 382 million	GH¢ 382 million	Nil
Cocoa Bills	17.0%	GH¢ 476 million	GH¢ 476 million	Nil

Group

Exchange Programme	Yield-to-maturity (Discount Rate)	Fair Value on Initial Recognition	Net carrying amount at settlement date	Additional/ (reversal) impairment loss
GH¢ Domestic Bonds	15.70%	GH¢ 386 million	GH¢ 386 million	Nil
Cocoa Bills	17.0%	GH¢ 480 million	GH¢ 480 million	Nil

Subsequent measurement of instruments acquired in GDDE

Subsequent to initial recognition, the bonds and cocoa bills acquired under the debt the exchange programme are classified as amortised cost.

ECL considerations

Ghana has been facing financial difficulties since 2022, with its sovereign debt trading at significant discounts. The financial challenges are further evidenced by the exchange programmes and the county's credit ratings as assessed by major agencies such as Fitch Ratings, Moody's and Standard and Poor's. Government of Ghana instruments have been assigned speculative grade ratings, indicative of a high risk of default or restructuring. Government has also suspended the issuance of long-term securities and cocoa bills due to the exchange programme undertaken on these securities.

In this regard, exposures to Government of Ghana exposure exchanged under the debt exchange programme in 2023 are considered as purchased or originated credit impaired (POCI) assets.

On initial recognition, POCI assets do not carry an impairment allowance. Instead, lifetime ECLs are incorporated into the calculation of the effective interest rate. The amount recognised as a loss allowance for these assets is not the total amount of lifetime ECLs, but instead the changes in lifetime ECLs since initial recognition of the asset. Differences between the amount of lifetime expected credit losses at each reporting date and the amount of expected credit losses that were included in the estimated cash flows on initial recognition is recognised in profit or loss as an impairment gain or loss.

Other Government Exposures

The Bank also held other government exposures such as treasury bills and Eurobonds. The Bank is also indirectly exposed to the Government through loans and other credit exposures enterprises conducting business activities which significantly depend on income sources from the Government.

On 19 December 2022, the Ministry of Finance suspended debt service on external debt until renegotiations take place. External debts include Euro Bonds and other external foreign currency denominated debts. In October 2023, the Finance Ministry proposed between 30% - 40% haircut for dollar bond investors and the issue of new instruments that would have up to 20-year maturities and a 5% coupon. This offer has not been accepted by bondholders. In this regard, Eurobonds are considered impaired and included in Stage 3.

Despite the government's financial challenges, positive economic trends have emerged following the conclusion of the GDDE and the initiation of the IMF support program. Notably, the inflation trend, which increased in 2022, reversed in 2023. As of December 2023, inflation stood at 23.2%, surpassing the IMF's projection of 31.3%. The IMF anticipates that Ghana will close 2024 with a 15% inflation rate, aiming for a return to single-digit inflation over the medium term, with a projected 8% inflation rate by the end of 2028. During the year, the Government successfully completed negotiations on other foreign debts.

Moreover, investor confidence in treasury bills remains robust, as evidenced by oversubscribed auctions, indicating strong demand. Importantly, the Government has not defaulted on the payment of treasury bills or payments due from the restructured bonds. Treasury bills are therefore considered to be not credit impaired at the reporting date.

Inputs, assumptions and techniques for estimating impairment on government exposures.

2023

Impairment of other government exposures measured at amortised cost

Other direct government exposures are assessed to be credit-impaired and thus assigned a PD of 100%.

The determination of the LGD is based on an empirical analysis of recovery rates observed at the African level on the sovereign debt of countries that have defaulted. This analysis was based on the report produced by Moody's Investors Service, Sovereign default and recovery rates from 1981-2021.We have considered default events over the last 10 years (2021 – 2011). Beyond this period, we consider that recovery rates would not be indicative of current recovery potential because the economic context is very different.

For treasury bills issued in local currency that have reached maturity at the date of authorisation of these financial statements and have been settled by the Government of Ghana, having observed a 100% recovery rate was assigned an LGD of 0%.

For exposures that are outstanding at the date of authorisation these financial statements and the Government has not defaulted on, we formulated two scenarios: a scenario where a loss occurs and a scenario where no loss occurs. The probability weightings applied to these scenarios are as follows:

Instrument	Scenario where a loss occurs	Scenario where no loss occurs
Treasury Bills	15%	85%
Euro Bonds	50%	50%

41. Ghana Domestic Debt Exchange Programme (cont'd)

Inputs, assumptions and techniques for estimating impairment on government exposures. 2022

For bonds eligible for exchange and measured at amortised cost, impairment was assessed based on the fair value of the new bonds issued under the debt exchange Programme at the settlement date discounted to the reporting date using the effective interest rate of the eligible bonds.

The fair value of the new bonds was estimated using discounted cash flow techniques, applying rates from the yield curve that was constructed from market information and data available at the date of measurement to discount the expected cash flows from the new bonds as outlined in the exchange memorandum.

The data considered in the construction of the yield curve includes traded prices, indicative broker quotes and evaluated prices from pricing services over the period from 30 December 2022 to 3 March 2023. The weighted-average yield-to-maturity applied in discounting the cashflows of the new bonds issued under the exchange Programme on 21 February 2023 was 15.70% resulting in a fair value of GH¢ 382 million for the bonds held at amortised cost.

Sensitivity of ECL on Eligible Bonds to Yield-to-Maturity Rates

The ECL on the eligible bonds are sensitive to judgements and assumptions made regarding the choice of yield-to-maturity rate applied in discounting the cashflows of the new bonds to be issued under the exchange Programme. Management performs a sensitivity analysis on the ECL recognised on these assets. A 100bp parallel rise in the yield curve at the measurement date, holding other assumptions constant, would have increased the loss allowance on the eligible bonds by GH¢18.18 million. A 100bp fall in the yield curve would have an equal effect in the opposite direction.

Impairment of other government exposures measured at amortised cost

For other government exposures measured at amortised cost, similar assumptions and methodologies as applied in 2023 for determining the ECL were used in 2022.

Also, two scenarios were formulated: a scenario where a loss occurs and a scenario where no loss occurs. The probability weightings applied to these scenarios are as follows

Instrument	Scenario where a loss occurs	Scenario where no loss occurs
Treasury Bills	12.35%	87.65%
Cocoa Bills	12.35%	87.65%
Euro bonds	20%	80%

41. Ghana Domestic Debt Exchange Programme (cont'd)

Reconciliation of gross carrying amount

Bank
31 December 2023

	Stage 1 GH¢'000	Stage 2 GH¢'000	Stage 3 GH¢'000	POCI GH¢'000	Total GH¢'000
Investment securities at amortised cost					
Balance at 1 January	-	-	**1,129,763**	-	**1,129,763**
New financial assets originated or purchased	**78,247**	-	**29,897**	**858,110**	**966,254**
Accrued interest	**29,991**	-	**123,404**	**50,954**	**204,349**
Derecognition of financial asset	-	-	**(1,265,244)**	-	**(1,265,244)**
Balance at 31 December	**108,238**	-	**17,820**	**909,064**	**1,035,122**
Loss allowance	**(9,695)**	-	**(8,910)**	-	**(18,605)**
Carrying amount at 31 December	**98,543**	-	**8,910**	**909,064**	**1,016,517**

31 December 2022

	Stage 1 GH¢'000	Stage 2 GH¢'000	Stage 3 GH¢'000	POCI GH¢'000	Total GH¢'000
Investment securities at amortised cost					
Balance at 1 January	1,189,062	-	-	-	1,189,062
Reclassification	(1,129,763)	-	1,129,763	-	-
Derecognition of financial asset	(59,299)	-	-	-	(59,299)
Balance at 31 December	-	-	1,129,763	-	1,129,763
Loss allowance	-	-	(166,032)	-	(166,032)
Carrying amount at 31 December	-	-	(936,731)	-	963,731

41. Ghana Domestic Debt Exchange Programme (cont'd)

Reconciliation of impairment loss allowance

31 December 2023

	Stage 1 GH¢'000	Stage 2 GH¢'000	Stage 3 GH¢'000	POCI GH¢'000	Total GH¢'000
Investment securities at amortised cost					
Balance at 1 January	-	-	**166,032**	-	**166,032**
Derecognised financial assets	-	-	**(191,000)**	-	**(191,000)**
Net measurement of loss allowance	**9,695**	-	**33,878**	-	**43,573**
Balance at 31 December	**9,695**	-	**8,910**	-	**18,605**

*The total amount of undiscounted expected credit losses at initial recognition of purchase or originated credit-impaired investment securities at amortised cost for the Bank is **GH¢191 million.**

Bank

Reconciliation of impairment loss allowance (cont'd)

31 December 2022	Stage 1 GH¢'000	Stage 2 GH¢'000	Stage 3 GH¢'000	Total GH¢'000
Investment securities at amortised cost				
Balance at 1 January	-	-	-	-
Net remeasurement of loss allowance	-	-	166,032	166,032
Newly originated financial assets	-	-	-	-
Balance at 31 December	-	-	166,032	166,032

41. Ghana Domestic Debt Exchange Programme (cont'd)

Group

Reconciliation of gross carrying amount

31 December 2023

	Stage 1 GH¢'000	Stage 2 GH¢'000	Stage 3 GH¢'000	POCI * GH¢'000	Total GH¢'000
Investment securities at amortised cost					
Balance at 1 January	**1,307**	**-**	**1,154,813**	**-**	**1,156,120**
New financial assets originated or purchased	**86,088**	**-**	**30,222**	**866,528**	**982,838**
Accrued interest	**30,292**	**-**	**123,686**	**51,336**	**205,313**
Derecognition of financial asset	**(3,514)**	**-**	**(1,277,644)**	**-**	**(1,281,158)**
Balance at 31 December	**114,173**	**-**	**31,077**	**917,864**	**1,063,114**
Loss allowance	**(9,695)**	**-**	**(16,560)**	**-**	**(26,255)**
Carrying amount at 31 December	**104,478**	**-**	**14,517**	**917,864**	**1,036,859**

31 December 2022

	Stage 1 GH¢'000	Stage 2 GH¢'000	Stage 3 GH¢'000	POCI GH¢'000	Total GH¢'000
Investment securities at amortised cost					
Balance at 1 January	1,189,062		-	-	1,189,062
New financial assets purchased	36,408				36,408
Reclassification	(1,154,813)		1,154,813	-	-
Derecognition of financial asset	(69,350)		-	-	(69,350)
Balance at 31 December	1,307-	-	1,154,813	-	1,156,120
Loss allowance	-	-	(176,235)	-	(176,235)
Carrying amount at 31 December	1,307	-	978,578	-	979,885

41. Ghana Domestic Debt Exchange Programme (cont'd)

Reconciliation of impairment loss allowance

31 December 2023

	Stage 1 GH¢'000	Stage 2 GH¢'000	Stage 3 GH¢'000	POCI * GH¢'000	Total GH¢'000
Investment securities at amortised cost					
Balance at 1 January	-	-	176,235	-	176,235
Derecognised financial assets	-	-	(192,874)	-	(192,874)
Net measurement of loss allowance	9,695	-	33,199	-	42,894
Balance at 31 December	9,695	-	8,910	-	26,255

*The total amount of undiscounted expected credit losses at initial recognition of purchase or originated credit-impaired investment securities at amortised cost for the Group is GH¢192.87 million.

Reconciliation of impairment loss allowance

31 December 2022

	Stage 1 GH¢'000	Stage 2 GH¢'000	Stage 3 GH¢'000	Total GH¢'000
Investment securities at amortised cost				
Balance at 1 January	2,396	-	3,862	6,258
Net remeasurement of loss allowance	(2,396)	-	172,373	169,977
Net remeasurement of loss allowance	-	-	176,235	176,235

Indirect government exposures

The Bank did not have significant indirect exposure to the Government of Ghana through loans and other credit exposures to enterprises conducting business activities which significantly depend on income sources from the Government.

42. Value Added Statements for the year ended 31 December 2023

In thousands of GH¢	2023		2022	
	Bank	**Group**	Bank	Group
Interest earned and other operating income	**1,069,419**	**1,137,847**	696,187	748,747
Direct cost of services	**(423,702)**	**(420,982)**	(235,904)	(233,842)
Value added by banking services	**645,717**	**716,865**	460,283	514,805
Non-banking income	**32,816**	**35,268**	33,300	36,298
Impairment charge	**(66,773)**	**(66,094)**	(237,662)	(241,607)
Value added	**611,760**	**686,039**	255,921	309,496
Distributed as follows				
To employees:				
Non-executive directors	**3,364**	**4,037**	3,127	4,003
Executive directors	**4,049**	**4,464**	2,406	3,580
Other employees	**196,845**	**233,734**	157,498	186,374
To Government:				
Income tax	**101,146**	**107,391**	40,732	45,932
To shareholders:				
Dividends to shareholders	**-**	**-**	-	557
To expansion and growth:				
Depreciation	**28,864**	**31,126**	22,519	24,260
Amortisation	**3,580**	**3,674**	2,458	2,674
Other operating expenses	**143,508**	**156,579**	94,018	103,800
To Income surplus	**130,404**	**145,034**	(66,837)	(61,684)

43. Contingent liabilities and commitments

The Bank conducts business involving acceptances, guarantees and performance bonds. The majority of these facilities are offset by corresponding obligations of third parties. The table below shows outstanding commitments at the reporting date:

In thousands of GH¢	**Bank 2023**	**Group 2023**	Bank 2022	Group 2022
Letters of credit	**50,861**	**50,861**	9,442	9,442
Guarantees and bonds	**252,198**	**252,198**	118,279	118,279
Loan commitments	**136,274**	**136,274**	126,505	126,505
Total exposure	**439,333**	**439,333**	254,226	254,226

All contingent liabilities and commitments are current. There were no instruments or commitments pending drawdown as at the end of December 2023. (December 31, 2022, Nil).

The contingent liabilities are largely cash- backed and expected credit loss for the period was GH¢1.79 million (2022: GH¢1.80 million).

43. Contingent liabilities and commitments (cont'd)

Nature of commitments

An acceptance is an undertaking to pay a bill of exchange drawn on a customer. The Bank expects most acceptances to be presented, but reimbursement by the customer is normally immediate.

Letters of credits commit the bank to make payments to third parties, on production of documents, which are subsequently reimbursed by customers. Guarantees are generally written by the Bank to support performance by a customer to third parties. The Bank will only be required to meet these obligations in the event of the customer's default.

Legal Proceedings

There were a number of legal proceedings outstanding against the Group as at 31 December 2023. If defence against legal action is unsuccessful, potential liabilities estimated at GH¢0.48 million would be payable (2022: GH¢0.40 million).

The above information also relates to the Bank.

44. Related party transactions

A number of transactions are entered into with related parties in the normal course of business.

i. Transactions with directors, key management personnel and connected persons

Short term employee benefits

In thousands of GH¢	2023		2022	
	Bank	Group	Bank	Group
Salaries and other short-term benefits	**4,094**	**4,256**	3,400	4,420
Employer Social Security charges	**346**	**360**	563	742
	4,440	**4,616**	3,963	5,162
Directors' emoluments	**7,413**	**8,501**	5,533	7,583

Loans and advances

Loans and advances to key management personnel outstanding as at 31 December 2023 is GH¢ 1,646,898 (2022: GH¢ 909,106). Interest income on these loans amounted to GH¢ 156,987 (2022: GH¢ 177,696). No impairment losses have been recorded in respect of these loans.

The Group granted short-term personal loan for the sum of GH¢ 230,000 to a director in 2021 and none during the period under review. The facility was for a period of five years and as at December 31, 2023 the balance on the account was GH¢ 125,540 (2022: GH¢ 178,570).

Directors' shareholdings as at 31 December 2023 and 2022

	2023		2022	
	Shares	% of issued share capital	Shares	% of issued share capital
Mr. Charles William Zwennes	**317,273**	**0.0372**	317,273	0.040
Mr. Ebenezer Tetteh Tagoe	**27,349**	**0.0032**	23,702	0.003
Mr. Benjamin Dzoboku	**3,746**	**0.0004**	3,746	0.001
Total	**348,368**	**0.0408**	344,721	0.043

44. Related party transactions (cont'd)

ii. Transactions with parent company, subsidiaries and other related companies

Name of related party	Relationship
• Republic Financial Holdings Ltd (Trinidad & Tobago)	Ultimate Parent and Parent Company of Republic Bank (Ghana) PLC.
• Social Security National Insurance Trust	Minority Shareholder
• Republic Investment (Ghana) Limited	Wholly owned subsidiary
• HFC Realty LTD	Wholly owned subsidiary
• Republic Securities Limited	Wholly owned subsidiary of Republic Investments Ltd
• Republic Boafo Limited	51% equity holding
• UG-HFC	60% equity holding
• St. Patrick Estate Limited	Indirect control
• Republic Trust Limited Company	Wholly owned subsidiary

Loans to related parties

No funds were advanced to the subsidiaries, associates or related entities during the year under review and there were no outstanding loans and advances balance at the end of the year. (2022: Nil)

Borrowings from related party

The outstanding balance of bonds from Social Security and National Insurance Trust (SSNIT) as at 31 December 2023 was GH¢81.68 million (2022: GH¢ 80.85 million). Note 31 of these financial statements provides details on interest charge, payments during the year and other terms on the bonds.

iii) Related parties deposits

Deposits from related parties includes deposits from HFC Realty Limited, Republic Boafo Limited, Republic Investment Ghana Limited, Republic Securities Limited, Republic Financial Holdings Limited, Directors and Key Management Personnel.

44. Related party transactions (cont'd)

A. Related parties deposits– Parent and subsidiaries

In thousands of GH¢	2023						
	Republic Financial Holdings Ltd	Republic Investments Gh. Ltd	Republic Boafo Gh. Ltd	HFC Realty Gh. Ltd	HFC Venture Capital Fund	Republic Trust	Social Security & National Insurance Trust
Deposit at 1 January	**28,628**	**4,208**	**13,294**	**3,930**	**123**	**2,399**	**6,023**
Deposit received during the year	**494**	**535,628**	**163,798**	**11,358**	**6,050**	**8,103**	**1,252,733**
Interest expenses / exch. Loss	**10561**	**172**	**3,667**	**22**	**44**	**-**	**4,161**
Withdrawals during the year	**(81)**	**(537,241)**	**(162,681)**	**(10,677)**	**-**	**(10,415)**	**(1,185,972)**
Deposit at 31 December	**39,602**	**2,766**	**18,079**	**4,633**	**6,217**	**86**	**76,946**

In thousands of GH¢	2022						
	Republic Financial Holdings Ltd.	Republic Investments Gh. Ltd.	Republic Boafo Gh. Ltd	HFC Realty Gh. Ltd.	HFC Venture Capital Fund	Republic Trust	Social Security & National Insurance Trust
Deposit at 1 January	20,242	1,809	10,626	3,731	89	1,020	35,108
Deposit received during the year	170	442,600	44,374	5,486	-	3,214	917,774
Interest expenses / exch. Loss	8,216	39	364	428	34	-	385
Withdrawals during the year	-	(440,240)	(42,070)	(5,715)	-	(1,835)	(947,244)
Deposit at 31 December	28,628	4,208	13,294	3,930	123	2,399	6,023

B. Related parties' deposits – Directors and key management

	2023		2022	
	Bank	**Group**	Bank	Group
Deposit at 1 January	**1,204**	**1,252**	348	384
Deposit received during the year	**7,977**	**9,741**	11,455	12,546
Interest expenses / exch. Loss	**55**	**60**	13	25
Withdrawals	**(7,446)**	**(9,132)**	(10,612)	(11,703)
Deposit at 31 December	**1,790**	**1,921**	1,204	1,252

iv) Due to related parties

	2023	2022
Republic Financial Holdings	**33,665**	25,728
Republic Boafo Limited	**5,626**	3,777

During the year, Republic Boafo Limited provided services to the Bank for a total fees and commission of GH¢50.88 million (2022: GH¢37.15). The amount payable relates to fees and commission due to Republic Boafo Limited for the December 2023 services provided to the Bank. (2022: GH¢3.78 million).

44. Related party transactions (cont'd)

v) Due from related parties

	2023	2022
Republic Boafo Limited	-	-
Republic Financial Holdings	678	31
Republic Trust Company Limited	-	2,295
Total	678	2,326

The amount due from Republic Boafo Limited was settled during the year.

45. Country analysis

The amount of total assets and liabilities held by the Bank inside and outside Ghana are analysed below:

Bank

In thousands of GH¢	2023		2022	
Assets	**In Ghana**	**Outside Ghana**	In Ghana	Outside Ghana
Cash and cash equivalents	2,915,417	70,139	1,659,649	100,278
Investment securities at FVOCI	-	-	11,185	-
Pledged assets	101,019	-	34,148	-
Investment securities	1,065,451	-	1,015,786	-
Loans and advances to customers	2,429,756	-	1,958,017	-
Investments in subsidiaries	13,543	-	13,543	-
Current income tax	-	-	14,009	-
Deferred tax assets	32,542	-	26,360	-
Intangible assets	9,139	-	6,143	-
Other assets	27,118	-	22,762	-
Property, plant and equipment	288,098	-	218,412	-
Total assets	6,882,083	70,139	4,980,014	100,278

Liabilities	2023		2022	
	In Ghana	**Outside Ghana**	In Ghana	Outside Ghana
Deposits from banks	-	-	-	-
Deposits from customers	5,868,216	-	4,090,281	
Borrowings	-	-	-	88,123
Current tax liabilities	4,014	-	-	-
Deferred tax liabilities	28,197	-	24,743	-
Bonds	81,748	-	81,681	-
Other liabilities	178,119	-	133,940	-
Total liabilities	6,160,294	-	4,330,645	88,123

45. Country Analysis (cont'd)

Group

Assets	2023		2022	
In thousands of GH¢	In Ghana	Outside Ghana	In Ghana	Outside Ghana
Cash and cash equivalents	**2,915,440**	**70,139**	1,659,659	100,278
Investment securities at FVOCI	**-**	**-**	11,185	-
Pledged assets	**101,019**	**-**	34,148	-
Investment securities	**1,097,430**	**-**	1,042,752	-
Loans and advances to customers	**2,429,756**	**-**	1,958,017	-
Current income tax	**-**	**-**	13,575	-
Deferred tax assets	**32,899**	**-**	27,558	-
Intangible assets	**9,210**	**-**	6,308	-
Other assets	**41,479**	**-**	30,823	-
Property, plant and equipment	**293,066**	**-**	223,222	-
Total assets	**6,920,299**	**70,139**	5,007,247	100,278

Liabilities	2023		2022	
In thousands of GH¢	In Ghana	Outside Ghana	In Ghana	Outside Ghana
Deposits from banks	**-**	**-**	-	-
Deposits from customers	**5,841,981**	**-**	4,068,545	-
Borrowings	**-**	**-**	-	88,123
Current tax liabilities	**3,870**	**-**	-	-
Deferred tax liabilities	**28,197**	**-**	25,404	-
Bonds	**81,748**	**-**	81,681	-
Other liabilities	**187,635**	**-**	140,938	-
Total liabilities	**6,143,431**	**-**	4,316,568	88,123

46. Classification of financial assets and financial liabilities

The following table provides a reconciliation between line items in the statement of financial position and categories of financial instruments.

Bank – 2023

In thousands of GH¢	At FVTPL	Amortized cost	Total carrying amount
Cash and cash equivalents	-	2,985,556	2,985,556
Pledged assets	-	101,019	101,019
Investment securities	48,934	1,016,517	1,065,451
Loans and advances to customers	-	2,429,756	2,429,756
Other assets	-	13,671	13,671
Total financial assets	48,934	6,546,519	6,595,453
Deposits from customers	-	5,868,216	5,868,216
Bonds	-	81,748	81,748
Other liabilities	-	162,664	162,664
Total financial liabilities	-	6,112,628	6,112,628

Group – 2023

In thousands of GH¢	At FVTPL	Amortized cost	Total carrying amount
Cash and cash equivalents	-	2,985,579	2,985,579
Investment securities at FVOCI	-	-	-
Pledged assets	-	101,019	101,019
Investment securities	60,571	1,036,859	1,097,430
Loans and advances to customers	-	2,429,756	2,429,756
Other assets	-	27,182	27,182
Total financial assets	60,571	6,580,395	6,640,966
Deposits from customers	-	5,841,981	5,841,981
Borrowing	-	-	-
Bonds	-	81,748	81,748
Other liabilities	-	170,872	170,872
Total financial liabilities	-	6,094,601	6,094,601

46. Classification of financial assets and financial liabilities (cont'd)

BANK – 2022 In thousands of GH¢	At FVTPL	At FVOCI	Amortized cost	Total carrying amount
Cash and cash equivalents	-	-	1,759,927	1,759,927
Investment securities at FVOCI	-	11,185	-	11,185
Pledged assets	-	-	34,148	34,148
Investment securities	52,055	-	963,731	1,015,786
Loans and advances to customers	-	-	1,958,017	1,958,017
Other assets	-	-	9,619	9,619
Total financial assets	52,055	11,185	4,725,442	4,788,682
Deposits from customers	-	-	4,090,281	4,090,281
Borrowing	-	-	88,123	88,123
Bonds	-	-	81,681	81,681
Other liabilities	-	-	114,148	114,148
Total financial liabilities	-	-	4,374,233	4,374,233

GROUP – 2022 In thousands of GH¢	At FVTPL	At FVOCI	Amortized cost	Total carrying amount
Cash and cash equivalents	-	-	1,759,937	1,759,937
Investment securities at FVOCI	-	11,185	-	11,185
Pledged assets	-	-	34,148	34,148
Investment securities	62,867	-	979,885	1,042,752
Loans and advances to customers	-	-	1,958,017	1,958,017
Other assets	-	-	10,431	10,431
Total financial assets	62,867	11,185	4,742,418	4,816,470
Deposits from customers	-	-	4,068,545	4,068,545
Borrowing	-	-	88,123	88,123
Bonds	-	-	81,661	81,661
Other liabilities (incl. bonds)	-	-	118,419	118,419
Total financial liabilities	-	-	4,352,768	4,352,768

47. Financial risk management

The Group's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial services business, and the operational risks are an inevitable consequence of being in business. The Group's aim is therefore, to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Group's financial performance.

The Group's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Risk Management and Compliance Department regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

The objective of the Risk Management and Compliance Department is to ensure that the Group's operations are carried out in a manner to ensure that risks are balanced with rewards. The Risk Management and Compliance Department ensures that the Group complies with all prudential and regulatory guidelines in the pursuit of profitable banking opportunities while avoiding excessive, unnecessary and uncontrollable risk exposures. Risk is an inherent feature in the business activities of the Group and therefore the Group has put in place various mitigating measures to prevent their occurrence.

The Board of directors is the ultimate authority for approving large credit exposures. It has delegated certain limits in amounts for approval to the Finance and Credit committee.

Finance and credit committee of the Board

The Finance and credit committee is chaired by a non-executive director. It is vested with power to approve credits facility which is above the limit of the credit committee. In addition, this committee of the Board ensures that the Group's risk taking is consistent with shareholders' expectations and the Group's strategic plan.

The Credit committee, chaired by the Managing director, approves credit exposures with ceilings established by the Board of directors. Credit exposures are evaluated in line with the Group's strategic plan.

Assets and Liabilities Committee (ALCO)

The Assets and liabilities committee (ALCO), chaired by the Managing Director, monitor, compile and analyse market interest rates, exchange rates and inflation rate. ALCO analyse and report on trends in volumes and volatility of advances, deposits and investments.

ALCO also considers gap analysis and capital maturity reports by Treasury Department, with its recommendations.

The committee also monitors the Group's liquidity position and mandates the treasurer to undertake any necessary measures for changing the Group's liquidity position, if necessary. Decisions about repricing of interest rate charged out are undertaken to align the Group's risk and return.

Risk management framework

The Risk management and compliance department is guided by a set of policy and procedure manuals which have been instituted by the Board of directors and management. A comprehensive departmental manual has established a framework within which management effectively manages and controls risks. Tasks involved in the risk management functions are to identify, define, measure, control, monitor and mitigate potential events that could impair the ability of the Group to generate

Risk Identification

All risks are qualitatively evaluated on a recurring basis and, where appropriate, evaluation including quantitative analysis is made. Management understands the degree and nature of risk exposures on decisions regarding allocation of resources. Risk assessment is validated by the risk department which also tests the effectiveness of risk management activities and makes recommendations for remedial action. The Group also identifies risk by evaluating the potential impact of internal and external factors business transactions and positions. Once the risks are identified various mitigating measures are put in place to regulate the degree of risks involved.

Risk monitoring, control and reporting

The Risk Management and Compliance department monitors, on a continuous basis, the Group's risks. Management is regularly updated on the risks likely to impact on the Group operations. The findings are reported at ALCO meetings and appropriate remedial actions are taken to control the risks identified.

Risk types

Through its risk management structure, the Group seeks to manage efficiently the core risks: credit, liquidity and market risk. These arise directly through the Group's commercial activities whilst compliance and regulatory risk, operational risk and reputational risks are normal consequences of any business undertaking.

Internal audit

The Group's policy is that risk management processes throughout the Group are audited by the internal audit function, which examines both the adequacy of the procedures and the Group's compliance with the procedures. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to the Audit committee.

A. Credit risk

The Group takes on exposure to credit risk, which is the risk that counterparty will cause a financial loss for the Group by failing to discharge an obligation. Credit risk is the most important risk for the Group's business; management therefore manages its exposure to credit risk carefully. Credit exposures arise principally in lending activities that lead to loans and advances, and investment activities that bring debt securities and other bills into the Group's asset portfolio. There is also credit risk in off- statement of financial position instruments, such as loan commitments. The credit risk management and control are centralised in credit risk management team of the Group treasury department and report to the Board of directors.

In addition to direct financial loss, credit risk is viewed in the context of economic exposures, taking into consideration opportunity costs, mark-to-market re-valuations, transaction costs and expenses associated with recovering a non-performing asset over and above the accounting losses. Credit risk is mitigated by appropriate risk-based pricing, case-by-case loan structuring, collateralisation and contingencies to protect the Group's position.

In evaluating credit risk, the Group consistently assesses three principal components: portfolio at risk, expected default frequency and loss in the event of default.

47. Financial risk management (cont'd)

(i) Credit risk measurement

Loans and advances (including loan commitments and guarantees) and investment securities

Significant increase in credit risk

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and expert credit assessment and including forward-looking information.

The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing:

1. the remaining lifetime probability of default (PD) as at the reporting date; with

2. the remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure (adjusted where relevant for changes in prepayment expectations).

The Group uses three criteria for determining whether there has been a significant increase in credit risk:

1. quantitative test based on movement in PD;

2. qualitative indicators; and

3. a backstop of 30 days past due

Credit risk grades

The Group allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of default and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of borrower.

Credit risk grades are defined and calibrated such that the risk of default occurring increases exponentially as the credit risk deteriorates so, for example, the difference in risk of default between credit risk grades 1 and 2 is smaller than the difference between credit risk grades 2 and 3.

Each exposure is allocated to a credit risk grade on initial recognition based on available information about the borrower.

47. Financial risk management (cont'd)

Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk grade. The monitoring typically involves use of the following data.

Corporate exposures	Retail exposures	All exposures
Information obtained during periodic review of customer files – e.g. audited financial statements, management accounts, budgets and projections. Examples of areas of particular focus are; gross profit margins, financial leverage ratios, debt service coverage, compliance with covenants, quality of management, senior management changes	Internally collected data on customer behaviour – e.g. utilisation of credit facilities	Payment record – this includes overdue status as well as a range of variables about payment ratios
Data from credit reference agencies, press articles, changes in external credit ratings	Affordability metrics	Utilisation of the granted limit
Actual and expected significant changes in the political, regulatory and technological environment of the borrower or in its business activities		

Generating the term structure of PD

Credit risk grades are a primary input into the determination of the term structure of PD for exposures. The Group 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. For some portfolios, information purchased from external credit reference agencies is also used.

The Group employs statistical models to analyse the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time.

Determining whether credit risk has increased significantly

The Group assesses whether credit risk has increased significantly since initial recognition at each reporting date. Determining whether an increase in credit risk is significant depends on the characteristics of the financial instrument and the borrower, and the geographical region. What is considered significant differs for different types of lending, in particular between wholesale and retail and other financial instruments.

As a general indicator, credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Group's quantitative modelling:

1. the remaining lifetime PD is determined to have increased by more than 10% of the corresponding amount estimated on initial recognition; or,

2. if the absolute change is annualised, lifetime PD since initial recognition is greater than 200 basis points.

In addition, irrespective of the relative increase since initial recognition, credit risk of an exposure is deemed not to have increased significantly if its remaining annualised lifetime PD at the reporting date is 100 basis point or less.

47. Financial risk management (cont'd)

The credit risk may also be deemed to have increased significantly since initial recognition based on qualitative factors linked to the Group's credit risk management processes that may not otherwise be fully reflected in its quantitative analysis on a timely basis. This will be the case for exposures that meet certain heightened risk criteria, such as placement on a watch list. Such qualitative factors are based on its expert judgment and relevant historical experiences.

As a backstop, the Group considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower.

If there is evidence that there is no longer a significant increase in credit risk relative to initial recognition, then the loss allowance on an instrument return to being measured as 12-month ECL. Some qualitative indicators of an increase in credit risk, such as delinquency or forbearance, may be indicative of an increased risk of default that persists after the indicator itself has ceased to exist. In these cases, the Group determines a period during which the financial asset is required to demonstrate good behaviour to provide evidence that its credit risk has declined sufficiently. A customer needs to demonstrate consistently good payment behaviour over a regulatory maximum of six (6) months before the exposure is no longer considered to be credit-impaired or in default or the PD is considered to have decreased such that the loss allowance reverts to being measured at an amount equal to 12-month ECL. When contractual terms of a loan have been modified, evidence that the criteria for recognising lifetime ECL are no longer met includes a history of up-to-date payment performance against the modified contractual terms.

The Group monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

1. the criteria are capable of identifying significant increases in credit risk before an exposure is in default;
2. the criteria do not align with the point in time when an asset becomes 30 days past due; the average time between the identification of a significant increase in credit risk and default appears reasonable;
3. exposures are not generally transferred directly from 12-month ECL measurement to credit impaired; and
4. there is no unwarranted volatility in loss allowance from transfers between 12-month PD (Stage 1) and lifetime PD (Stage 2).

Definition of default

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

1. 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);
2. 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
3. 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.

47. Financial risk management (cont'd)

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

1. qualitative: e.g. breaches of covenant;
2. quantitative: e.g. overdue status and non-payment on another obligation of the same issuer to the Group; and
3. 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.

The definition of default largely aligns with that applied by the Group for regulatory capital purposes.

Incorporation of forward-looking information

The Group incorporates forward-looking information into both the assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and the measurement of ECL.

In 2022, the Group formulated three economic scenarios: base, downside and upside cases. The base case and downside scenarios were assigned relatively higher probability of occurring, and one less likely scenario which is upside was assigned a lower probability of occurring. The base case 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 and monetary authorities in the countries where the Group operates, supranational organisations such as the OECD and the International Monetary Fund and selected private-sector and academic forecasters.

A comprehensive review is performed at least annually on the design of the scenarios by a panel of experts that advises the Group's senior management. For periods beyond five years, management utilises the inhouse research view and model outputs, which allow for a reversion to longterm growth rates or norms. All projections are updated on a quarterly basis.

The Group has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

The key drivers for credit risk for wholesale portfolios are; GDP growth, unemployment rates and interest rates. For exposures to specific industries and/or regions, the key drivers also include relevant commodity and/or real estate prices. The key drivers for credit risk for retail portfolios are; unemployment rates, house prices and interest rates.

Predicted relationships between the key indicators and default and loss rates on various portfolios of financial assets were developed based on analysing historical data over the past 5 to 10 years.

The economic scenarios used as at 31 December 2022 included the following key indicators for Ghana for the years ending 31 December 2022 to 2026. These have been provided below.

47. Financial risk management (cont'd)

Indicators		Dec-22	Dec-22	Dec-23	Dec-24	Dec-25	Dec-26
Unemployment rates	Base	13.9%	13.9%	13.0%	11.7%	10.0%	11.9%
	Upside		12.7%	12.0%	10.4%	8.4%	10.0%
	Downside		12.7%	11.6%	10.6%	9.3%	11.4%
Average GDP growth	Base	3.5%	3.5%	2.8%	3.9%	4.9%	5.6%
	Upside		3.5%	2.1%	5.0%	5.9%	4.9%
	Downside		3.5%	3.5%	2.8%	3.9%	6.3%
Inflation	Base	54.1%	54.1%	18.9%	7.8%	6.0%	6.0%
	Upside		52.1%	16.9%	5.8%	4.0%	4.0%
	Downside		56.1%	20.9%	9.8%	8.0%	8.0%

Amendment to the expected credit loss methodology

During the year, the Group amended the methodology in determining the expected credit loss for loans and advances. The amendments relate in particular to how forward-looking information has been inculcated into the ECL Model.

The general overlay on the expected credit loss model outputs following the amendment was based on a scorecard approach utilizing key economic indicators relative to the economy for which the default took place.

The key economic indicators applied were: Inflation, Unemployment, Gross Domestic Product (GDP), Exchange Rate and Ghana Reference Rate (GRR). Each of these variables was assigned a weighting, totaling 100%, based on how the variable is seen as impacting economic activity/circumstances. The weights are within a range of (0%-30%) depending on the variable. Higher weights were assigned to variables considered to have dire impact on the Group's portfolio, moderate rates assigned to variables considered not having extreme impact, and low rate assigned to variables considered to have a low impact on our portfolio.

Below are the variables and their degree of percentage impact on the Group: The Group's approach utilizes simple modelling with three scenarios and respective weightings. The variables take could have an outlook of positive (improving), negative (deteriorating) or stable. These variables were assigned a multiplier value, within a range 0 to 1.25 respectively. A value of '1.25' was assigned to a 'negative' outlook as the impact will be more profound in reality. Conversely, a 'positive' outlook will not.

Scenarios

Three scenarios were considered; a 'best' case, a 'worst' case and a likely; the latter reflecting management's view of the economic circumstances of Ghana next year. The 'worst' case considers all indicators trending negatively. The 'best' case considers the likely combination that will have the most favourable effect on the economy in the next year, in management's view.

The outcome of these scenarios is assigned a probability of occurrence to generate an overlay factor. The weights assignment reflects Group's view of the likely reality which are reflected in the qualitative evaluation.

Scenario Results

After applying the probability factors, the resultant factor was 1.06.
The economic variables applied as at 31 December 2023 are provided below.

47. Financial risk management (cont'd)

Incorporation of forward-looking information (cont'd)

Amendment to the expected credit loss methodology

Appendix I

Combination of Macroeconomic Variables

Weighting		Multiplier	
Macroeconomic Variable	% Weighting	Outlook	Multiplier
Inflation	25%	Positive	0.75
		Stable	1
		Negative	1.25
Unemployment	10%	Positive	0.75
		Stable	1
		Negative	1.25
GDP	20%	Positive	0.75
		Stable	1
		Negative	1.25
GRR	20%	Positive	0.75
		Stable	1
		Negative	1.25
Exchange Rate	25%	Positive	0.75
		Stable	1
		Negative	1.25
		Positive	
		Stable	
		Negative	
	100%		

Forward Looking Factor to be applied					Probability of occurance	Overlay factor
Worst Case						
Calculation 1						
Macroeconomic Variable	Outlook	Multiplier	% Weighting	Score		
Inflation	Negative	1.25	25%	0.31		
Unemployment	Negative	1.25	10%	0.13		
GDP	Negative	1.25	20%	0.25		
GRR	Negative	1.25	20%	0.25		
Exchange Rate	Negative	1.25	25%	0.31		
	Negative	0	0%	0.00		
			Macroeconomic Multiple	1.2500	42%	0.52
Best case						
Calculation 2						
Macroeconomic Variable	Outlook	Multiplier	% Weighting	Score		
Inflation	Stable	1	25%	0.25		
Unemployment	Stable	1	10%	0.10		
GDP	Stable	1	20%	0.20		
GRR	Stable	1	20%	0.20		
Exchange Rate	Stable	1	25%	0.25		
	Negative	0	0%	0.00		
			Macroeconomic Multiple	1.0000	33%	0.33
Management's Expectations						
Calculation 3						
Macroeconomic Variable	Outlook	Multiplier	% Weighting	Score		
Inflation	Positive	0.75	25%	0.19		
Unemployment	Stable	1	10%	0.10		
GDP	Positive	0.75	20%	0.15		
GRR	Positive	0.75	20%	0.15		
Exchange Rate	Stable	1	25%	0.25		
	Negative	0	0%	0.00		
			Macroeconomic Multiple	0.8375	25%	0.21
					100%	1.06

The impact of the amendments to the ECL model is considered minimal on the 2023 financials. The level of volatility and uncertainties with predicted macro-economic indices, presents difficulties in estimating the future effects of the amendments on the expected credit loss. The Group will continue with its quarterly review of the model and associated methodology in light of the changes in both the domestic and global economic indices.

Modified financial assets

The contractual terms of a loan may be modified for a number of reasons, including changing market conditions, customer retention and other factors not related to a current or potential credit deterioration of the customer. An existing loan whose terms have been modified may be derecognised and the renegotiated loan recognised as a new loan at fair value in accordance with the accounting policy set out in Note 5.4(iv).

When the terms of a financial asset are modified and the modification does not result in derecognition, the determination of whether the asset's credit risk has increased significantly reflects comparison of:

1. its remaining lifetime PD at the reporting date based on the modified terms; with
2. the remaining lifetime PD estimated based on data on initial recognition and the original contractual terms.

47. Financial risk management (cont'd)

When modification results in derecognition, a new loan is recognised and allocated to Stage 1 (assuming it is not credit-impaired at that time). The Group renegotiates loans to customers in financial difficulties (referred to as 'forbearance activities) to maximise collection opportunities and minimise the risk of default. Under the Group's forbearance policy, loan forbearance is granted on a selective basis if the debtor is currently in default on its debt or if there is a high risk of default, there is evidence that the debtor made all reasonable efforts to pay under the original contractual terms and the debtor is expected to be able to meet the revised terms.

The revised terms usually include extending the maturity, changing the timing of interest payments and amending the terms of loan covenants. Both retail and corporate loans are subject to the forbearance policy. The Group Credit Committee regularly reviews reports on forbearance activities.

For financial assets modified as part of the Group's forbearance policy, the estimate of PD reflects whether the modification has improved or restored the Group's ability to collect interest and principal and the Group's previous experience of similar forbearance action. As part of this process, the Group evaluates the borrower's payment performance against the modified contractual terms and considers various behavioural indicators.

Generally, forbearance is a qualitative indicator of a significant increase in credit risk and an expectation of forbearance may constitute evidence that an exposure is credit-impaired (see Note 5.4(vii)). A customer needs to demonstrate consistently good payment behaviour over a period of time before the exposure is no longer considered to be credit-impaired/in default or the PD is considered to have decreased such that the loss allowance reverts to being measured at an amount equal to 12-month ECL

There were no modification in both the current and prior period.

Measurement of ECL

The key inputs into the measurement of ECL are the term structure of the following variables:

1. probability of default (PD);
2. loss given default (LGD); and
3. exposure at default (EAD).

ECL for exposures in Stage 1 is calculated by multiplying the 12-month PD by LGD and EAD. Lifetime ECL is calculated by multiplying the lifetime PD by LGD and EAD. The methodology of estimating PDs is discussed above under the heading 'Generating the term structure of PD'. LGD is the magnitude of the likely loss if there is a default. The Group estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset. For loans secured by retail property, Loan-to-Value ratios are a key parameter in determining LGD. LGD estimates are recalibrated for different economic scenarios and, for real estate lending, to reflect possible changes in property prices. They are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor.

EAD represents the expected exposure in the event of a default. The Group derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract and arising from amortisation. The EAD of a financial asset is its gross carrying amount at the time of default. For lending commitments, the EADs are potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts. For financial guarantees, the EAD represents the amount of the guaranteed exposure when the financial guarantee becomes payable. For some financial assets, EAD is determined by modelling the range of possible exposure outcomes at various points in time using scenario and statistical techniques.

As described above, and subject to using a maximum of a 12-month PD for Stage 1 financial assets, the Group measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for credit risk management purposes, the Group considers a longer period. The maximum contractual period extends to the date at which the Group has the right to require repayment of an advance or terminate a loan commitment or guarantee.

However, for retail overdrafts facilities that include both a loan and an undrawn commitment component, the Group measures ECL over a period longer than the maximum contractual period if the Group's contractual ability to demand repayment and cancel the undrawn commitment does not limit the Group's exposure to credit losses to the contractual notice period. These facilities do not have a fixed term or repayment structure and are managed on a collective basis. The Group can cancel them with immediate effect, but this contractual right is not enforced in the normal day-to-day management, but 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, and that serve to mitigate ECL.

These include a reduction in limits, cancellation of the facility and/or turning the outstanding balance into a loan with fixed repayment terms.

47. Financial risk management (cont'd)

Measurement of ECL (cont'd)

Where modelling of a parameter is carried out on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics that include:

1. instrument type;
2. credit risk gradings;
3. collateral type;
4. date of initial recognition;
5. remaining term to maturity; and
6. category of facility.

The groupings are subject to regular review to ensure that exposures within a particular group remain appropriately homogeneous.

Loss allowance

A reconciliation from the opening to the closing balance of the loss allowance by class of financial instrument have been provided under Note 22 (d).

The loss allowance in the tables includes ECL on loan commitments for certain retail and corporate products such as overdrafts and commitments and letter of guarantees, because the Group cannot separately identify the ECL on the loan commitment component from those on the financial instrument component.

In measuring credit risk of loan and advances to customers and to banks at a counterparty level, the Group reflects three components (i) the 'probability of default' by the client or counterparty on its contractual obligations; (ii) current exposures to the counterparty and its likely future development, from which the Group derive the 'exposure at default'; and (iii) the likely recovery ratio on the defaulted obligations (the 'loss given default').

The Group assesses the probability of default of individual counterparties using internal rating tools tailored to the various categories of counterparty. They have been developed internally and combine statistical analysis with credit officer judgment and are validated, where appropriate, by comparison with externally available data. Customers of the Group are segmented into six rating classes.

47. Financial risk management (cont'd)

The table below shows the credit quality by class of loans and advances and investment securities.

2023 – Bank / Group						
Loans and advances at amortised						
Internal rating	**Limit in (days)**	**PD ranges**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Rating - R1 - R3	**<= 30**	**0 - 20.70%**	**1,864,060**	**-**	**-**	**1,864,060**
Rating - R4 - R5	**>= 30**	**20.71% - 99.99%**	**-**	**354,379**	**-**	**354,379**
Rating - R6	**>= 90**	**100%**	**-**	**-**	**421,052**	**421,052**
			1,864,060	**354,379**	**421,052**	**2,639,491**
Gross carrying balance						
Loss allowance			**(26,941)**	**(6,720)**	**(176,074)**	**(209,735)**
Carrying balance			**1,837,119**	**347,659**	**244,978**	**2,429,756**
Letter of credit and guarantees						
Gross amount			**303,059**			**303,059**
Loss allowance			**(1,798)**			**(1,798)**

2022 – Bank / Group						
Internal rating	Limit in (days)	PD ranges	Stage 1	Stage 2	Stage 3	Total
Rating - R1 - R3	<= 30	0 - 20.70%	1,547,816		-	1,547,816
Rating - R4 - R5	>= 30	20.71% - 99.99%	-	171,161	-	171,161
Rating - R6	>= 90	100%	-	-	425,602	425,602
Gross carrying balance			1,547,816	171,161	425,602	2,144,579
Loss allowance			(30,134)	(10,572)	(145,856)	(186,562)
Carrying balance			1,517,682	160,589	279,746	1,958,017
Letter of credit and guarantees						
Carrying balance			127,721	-	-	127,721
Loss allowance			(1,798)	-	-	(1,798)

47. Financial risk management (cont'd)

Credit quality - Investment securities

In thousands of GH¢					
Bank – 2023	**Stage 1**	**Stage 2**	**Stage 3**		
	12 Month ECL	**Lifetime ECL**	**Credit Impaired Financial Assets**	**Purchased / Originated Credit Impaired**	**Gross maximum exposures**
Gross exposure	**108,238**	**-**	**17,820**	**909,064**	**1,035,122**
ECL	**(9,695)**	**-**	**(8,910)**	**-**	**(18,605)**
Net	**98,543**	**-**	**8,910**	**909,064**	**1,016,517**
Bank – 2022					
Gross exposure	595,292	-	534,461	1,129,753	
ECL	(11,357)	-	(154,675)	(166,032)	
Net	583,935	-	379,786	963,721	

Group – 2023	**Stage 1**	**Stage 2**	**Stage 3**	**Purchased / Originated Credit Impaired**	**Gross maximum exposures**
Gross exposure	**114,173**	**-**	**31,077**	**917,864**	**1,063,114**
ECL	**(9,695)**	**-**	**(16,560)**	**-**	**(26,255)**
Net	**104,478**	**-**	**14,517**	**917,864**	**1,036,859**
Group – 2022					
Gross exposure	606,503	-	549,607	1,156,110	
ECL	(13,753)	-	(162,482)	(176,235)	
Net	592,750	-	387,125	979,875	

The Group in addition to its rating scale, uses the loan classification guide as provided by the Central Bank in its assessments. The Central Bank classification guide, which is shown below, reflects the range of default probabilities defined for each rating class. This means that, in principle, exposures migrate between classes as the assessment of their probability of default changes. The rating tools are kept under review and upgraded as necessary.

The Central Bank classification guide / rating is as follows:

Description of the grade	Number of days of delinquency
Current	Less than 1 month
Olem	Above 30 to 90 days
Sub-standard	Above 90 to 180 days
Doubtful	Above 180 to 365 days
Loss	Above 365 days

The following table sets out the credit analysis for loans and advances measured at amortised cost in accordance with the Central's Bank classification guide.

47. Financial risk management (cont'd)

Risk limit control and mitigation policies

At 31 December 2023

Bank / Group In thousands of GH¢	Current	Olem	Sub Standard	Doubtful	Loss	Gross maximum exposures	Security against impaired loans
Loans and advances to financial institutions	5	-	-	-	31,688	31,693	
Loans and advances to customers	1,499,421	292,227	31,078	62,973	225,936	2,109,957	(520,066)
Mortgage lending	364,634	62,152	21,535	7,157	42,363	497,841	
Gross loans and advances	1,864,060	354,379	52,613	70,130	298,310	2,639,491	(520,066)

At 31 December 2022

Bank / Group In thousands of GH¢	Current	Olem	Sub Standard	Doubtful	Loss	Gross maximum exposures	Security against impaired loans
Loans and advances to financial institutions	1,387	-	-	-	29,789	31,176	
Loans and advances to customers	1,268,641	130,842	50,814	23,429	239,466	1,713,192	(446,128)
Mortgage lending	277,788	40,319	28,379	7,143	46,582	400,211	
Gross loans and advances	1,547,816	171,161	79,193	30,572	315,837	2,144,579	(446,128)

47. Financial risk management (cont'd)

Risk Limit Control and mitigation Policies

The Group manages limits and controls concentrations of credit risk wherever they are identified in particular, to individual counterparties and industries.

Exposure to credit risk is also managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate.

The Group's main control and mitigation measures to credit risk exposure is through the use of collateral.

The Group employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advances, which is common practice. The Group implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and advances are:

- Mortgages over residential properties;
- Charges over business assets such as premises, inventory and accounts receivable;
- Charges over financial instruments such as debt securities and equities; and
- Hypothecation of stock.

The Central Bank classification guide described above focus more on credit-quality mapping from the inception of the lending and investment activities. In contrast, impairment provisions are recognised for financial reporting purposes only for losses that are expected at the financial position date based on objective evidence of impairment.

The internal rating tool assists management to determine whether objective evidence of impairment exists based on the following criteria set out by the Group:

- Delinquency in contractual payments of principal or interest;
- Cash flow difficulties experienced by the borrower (e.g. equity ratio, net income percentage of sales);
- Breach of loan covenants or conditions;
- Deterioration of the borrower's competitive position; and
- Deterioration in the value of collateral.

Please refer to Notes 5.5 for details on the Group impairment policies

Collateral and security

The Bank routinely obtains collateral and security to mitigate credit risk. Collaterals held as security and other credit enhancements, were in the form of cash (deposits) and landed properties of the borrowing entities which amounted to GH¢ 4,883,346,605 as at the reporting date (2022: GH¢2,880,733,078).

The Bank ensures that any collateral held is sufficiently liquid, legally effective, enforceable and regularly reassessed. Before attaching value to collateral, businesses holding approved classes of collateral must ensure that they are legally perfected devoid of encumbrances.

The general creditworthiness of a corporate customer tends to be the most relevant indicator of credit quality of a loan extended to it. However, collateral provides additional security and the Group generally requests that corporate borrowers provide it. The Group may take collateral in the form of a first charge over real estate, floating overall corporate assets and other liens and guarantees. Because of the Group's focus on corporate customers' creditworthiness, the Group does not routinely update the valuation of collateral held against all loans to corporate customers. Valuation of collateral is performed at the time of borrowing and generally are not updated except when a loan is individually assessed as impaired. Valuation of collaterals is updated in a three-year cycle for loans whose credit risk has deteriorated significantly and are being monitored more closely, except where it is prohibited by law.

Collateral is not normally held for loans and advances to banks, except when securities are held as part of reverse repurchase and securities borrowing activity. If collaterals are obtained, these are usually in the form of assignment of Government treasury bills and bonds.

47. Financial risk management (cont'd)

Collateral and security (cont'd)

Collateral is not usually held against investment securities, and no such collateral was held at 31 December 2022.

Collateral values of impaired loans are at cash flows of the forced sale values less estimated costs of sale as discounted to present values.

Provided below is a summary of the Group's credit risk mitigation benchmarks for loans and advances

No	Facility type	Credit Risk mitigation benchmark
1	Corporate & Commercial loans and advances	1. Cash collateral cover of 110% above facility when in same currency and 120% when in different currency 2. Property / mortgage collateral to have a forced sale value of at least one hundred and thirty percent (130%) of the facility amount
2	Mortgages	1. Property / mortgage collateral to have a forced sale value of at least one hundred and twenty-five percent (125%) of the facility amount.
3	Personal loans	1. Personal Guarantee 2. Employer's undertaking /or 3. Guarantees /or 4. Salary domiciliation /or 5. Secured against provident fund
4	Off- balance sheet exposures	1. 100% Guarantees issued by Insurance Companies 2. Cash collateral cover of 110% or above facility when in same currency and 120% when in different currency 3. Property / mortgage collateral to have a forced sale value of at least one hundred and thirty percent of the facility amount

At 31 December 2023, the Group and Bank had gross loans and advances within the Stage 3 category amounting to GH¢63,155,117 (2022: GH¢47,571,525) for which there was no loss allowance recognised because their present values of collateral values exceeded the outstanding amounts.

Included in the loans and advances to customers balance are credit-impaired financial assets with a carrying amount of GH¢ 244.98 million (2022: 279.75 million) and corresponding fair value of collaterals as GH¢ 520.07 million (2022: 562.83 million).

Maximum exposure to credit risk before collateral held

In Thousands of GH¢	**2023**		2022	
	Bank	**Group**	Bank	Group
Cash and cash equivalents	**2,752,175**	**2,794,517**	1,498,171	1,498,181
Investment securities at FVOCI	**-**	**-**	11,185	11,185
Pledged assets	**101,019**	**101,019**	34,148	34,148
Investment securities	**1,065,451**	**1,097,430**	1,181,818	1,218,987
Loans and advances to customers	**2,429,756**	**2,429,756**	2,144,579	2,144,579
Other assets	**13,671**	**26,023**	9,619	10,431
	6,362,072	**6,448,745**	4,879,520	4,917,511

47. Financial risk management (cont’d)

Collateral and security (cont’d)

Contingent liabilities	2023		2022	
	Bank	Group	Bank	Group
Letters of credits	**50,861**	**50,861**	9,442	9,442
Guarantees commitments	**252,198**	**252,198**	118,279	118,279
Loan commitments	**136,274**	**136,274**	126,505	126,505
	439,333	**439,333**	254,226	254,226
Total Exposure	**6,801,405**	**6,888,078**	5,133,746	5,171,737

The above table represents a worst-case scenario of credit risk exposure to the Bank and Group at 31 December 2023 and 31 December 2022, without taking account of any collateral held or other credit enhancements attached. For on-balance sheet items, the exposures set out above are based on gross amounts as reported in the financial statements.

As shown above, 37.25% of the total maximum exposure is derived from loans and advances to banks and customers (2022: 43.91%) at the Group level. At the Bank level, the ratios were 37.72% for 2023 and 44.24% for 2022.

Management is confident in its ability to continue to control and sustain minimal exposure of credit risk to the Bank resulting from both its loan and advances portfolio and debt securities based on the following:

- 81% of the loans and advances portfolio is categorised in the top two grades of the internal rating system (2022: 82%);
- 60% of the loans and advances portfolio are considered to be neither past due nor impaired (2022: 74%);

Repossessed properties

The total forced sale value of repossessed properties, mainly landed properties and buildings, covering an exposure of GH¢ 150.83 million (2022: GH¢ 166.5 million) at the end of the year was GH¢126.09 million (2022: GH¢ 69.24 million). Repossessed properties are offered to potential buyers at prevailing market prices.

Concentration risk

The following table shows the Bank and Group's credit exposure as categorised by industry sectors.

	2023		2022	
	Bank	**Group**	Bank	Group
Financial Institution lending	**31,693**	**31,693**	31,176	31,176
Agriculture, Forestry & Fishing	**15,352**	**15,352**	12,668	12,668
Manufacturing	**119,826**	**119,826**	131,454	131,454
Construction	**345,834**	**345,834**	232,868	232,868
Electricity, Gas & Water	**320,104**	**320,104**	259,273	259,273
Commerce & Finance	**570,853**	**570,853**	400,466	400,466
Mortgage loans	**497,841**	**497,841**	400,211	400,211
Transport, Storage & Communication	**78,917**	**78,917**	43,201	43,201
Services	**625,829**	**625,829**	350,782	350,782
Miscellaneous	**33,242**	**33,242**	282,480	282,480
Gross loans and advances to customers	**2,639,491**	**2,639,491**	2,144,579	2,144,579

The following table shows the Group's credit exposure as categorised by contingent products;

In thousands of GH¢ **Bank**	**Guarantees, acceptances and other financial facilities**	Guarantees, acceptances and other financial facilities
	2023	2022
Letters of Credit	**50,861**	9,442
Banks guarantee	**124,739**	57,868
Advance Payment Guarantee	**123,204**	58,659
Bid Security	**50**	200
Tender security	**476**	20
Performance Bond	**3,729**	1,532
	303,059	127,721
Group		
Letters of Credit	**50,861**	9,442
Banks guarantee	**124,739**	57,868
Advance Payment Guarantee	**123,204**	58,659
Bid Security	**50**	200
Tender security	**476**	20
Performance Bond	**3,729**	1,532
	303,059	127,721

47. Financial risk management (cont'd)

Concentration risk -(cont'd)

The following table shows the Group's Non- performing loans (NPL) analysis by business segments

In thousands of GH¢	NPL - Bank		NPL - Group	
	2023	2022	**2023**	2022
Agriculture, Forestry & Fishing	**200**	-	**200**	-
Manufacturing	**27,147**	703	**27,147**	703
Construction	**96,966**	107,779	**96,966**	107,779
Electricity, Gas & Water	**38,807**	37,159	**38,807**	37,159
Commerce & Finance	**86,624**	83,234	**86,624**	83,234
Mortgage loans	**77,953**	82,104	**77,953**	82,104
Transport, Storage & Communication	**12,361**	35,013	**12,361**	35,013
Services	**58,459**	79,362	**58,459**	79,362
Miscellaneous	**22,535**	248	**22,535**	248
As at 31 December	**421,052**	425,602	**421,052**	425,602
Stage 3 impairment provision	**176,074**	145,856	**176,074**	145,856
Net exposure	**244,978**	279,746	**244,978**	279,746

(a) Market risk

Market risk is managed through the Group's treasury operations where the primary objective is to minimise both interest rate risk and foreign exchange loss. On a trading basis, investments in Government of Ghana Securities and Commercial Paper are restricted to the highest-grade issues. The Group does not engage in speculative operations, either in Ghana or overseas.

Speculative operations are those operations which create short term open risk positions to the Group. Investment in equity instruments for trading purposes is not permitted, except with the approval of the Board of Directors.

(i) Interest rate risk

Interest rate risk refers to the Group's exposure to interest rate changes in the economy that could impact on the Group's earning capacity and capital. This risk is composed of the following sub-risks:

(i) Re-pricing risk, arising from timing differences or mismatches in maturity and re-pricing of the Group's assets (mainly loans, overdrafts, advances and investments) and liabilities (primarily customer deposits);

(ii) Basis risk, arising from imperfect correlation in the adjustment of rates earned and paid on different instruments with otherwise similar re-pricing characteristics; and

47. Financial risk management (cont'd)

(i) Interest rate risk - (cont'd)

Sensitivity analysis - Group and Bank

2023	Increase in policy rate	Impact on profit or loss	Impact on equity
		GH¢'000	GH¢'000
Interest rate	**2%**	**10,698**	**6,954**

2022	Increase in policy rate	Impact on profit or loss	Impact on equity
		GH¢'000	GH¢'000
Interest rate	2%	14,466	9,403

A two percentage (2%) increase in interest rate would have a positive impact on the Group's profit and equity income by the value indicated; likewise, the same percentage decrease will have a negative impact on profit and equity by the value indicated. The impact of a change in the policy rate on the operations of the Bank approximate the impact on the Group's position and results.

(ii). Interest rate benchmark reform

1. Overview

A fundamental reform of major interest rate benchmarks were undertaken globally in 2022, replacing some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR reform). In 2023, the Group did not undertake amendments to its financial instruments with contractual terms as most are not indexed to IBORs and as such they did not incorporate new benchmark rates as Sterling Overnight Index Average (SONIA), Secured Overnight Financing Rate (SOFR) and Euro Short-Term Rate. As at December 31, 2023, the Group did not have IBOR exposure.

The main risks to which the Group has been exposed as a result of IBOR reform are operational and the financial risk was predominantly limited to interest rate risk.

2. Non-derivative financial assets and loan commitments

The Group has no unreformed non-derivative financial assets and loan commitments as at December 31, 2023 (2022: Nil)

3. Non-derivative financial liabilities

The Group's non-derivative financial liability subject to the reform was the borrowing from the International Finance Corporation. Details of the facility has been provided under Note 30.

Maturity Profile

The tables below summarise the Bank and the Group's exposure to interest rate risks. Included in the tables are the Bank and the Group's assets and liabilities at carrying amounts (non-derivatives), categorised by the earlier of contractual repricing or maturity dates. The Bank and the Group does not bear interest rate risk on off balance sheet items.

Bank In Thousands of GH¢	2023 Up to 1 month	2- 3 months	4-12 months	1-5 years Total	Over 5 years	Non-interest bearing	Total	Carrying Amount
Financial asset								
Cash and cash equivalents	289,299	1,432,214	-	--	-	1,264,043	2,985,556	2,985,556
Pledged assets	-	-	101,019	-	-	-	101,019	101,019
Investment securities	91	67,667	57,694	579,055	360,944	-	1,065,451	1,065,451
Loans and advances to customers and financial Inst.	417,705	172,818	483,349	707,345	858,274	-	2,639,491	2,429,756
Other assets	-	-	-	-	-	13,671	13,671	13,671
Total financial assets	707,095	1,672,699	642,062	1,286,400	1,219,218	1,277,714	6,805,188	6,595,453
Financial Liabilities								
Deposits from banks and customers	324,459	713,179	850,704	1,671,708	-	2,308,166	5868,216	5868216
Bonds	-	-	5,748	-	76,000	-	81,748	81,748
Lease liability	-	1,797	1,734	7,947	867	-	12,345	12,345
Other liabilities	-	-	-	-	-	162,664	162,664	162,664
	324,459	714,976	858,186	1,679,655	76,867	2,470,830	6,124,973	6124973
Total Interest re-pricing gap	382,636	957,723	(216124)	(393,255)	1,142351	(1,193,116)	680,215	470,480

47. Financial risk management (cont'd)

2022 Bank In Thousands of GH¢	Up to 1 month	2- 3 months	4-12 months	1-5 years Total	Over 5 years	Non-interest bearing		Carrying Amount
Financial asset								
Cash and cash equivalents	600,254	-	-	-	-	1,159,673	1,759,927	1,759,927
Investment securities at FVOCI	-	11,185	-	-	-	-	11,185	11,185
Pledged assets	-	-	34,148	-	-	-	34,148	34,148
Investment securities	61,250	352,149	265,786	389,571	112,880	-	1,181,636	1,015,786
Loans and advances to customers and financial Inst.	60,297	85,002	463,195	750,193	785,892	-	2,144,579	1,958,017
Other assets	-	-	-	-	-	9,619	9,619	9,619
Total financial assets	721,801	448,336	763,129	1,139,764	898,772	1,169,292	5,141,094	4,788,682
Financial Liabilities								
Deposits from banks and customers	12,774	849,223	970,280	366,784	-	1,891,220	4,090,281	4,090,281
Borrowings	-	45,243	21,440	21,440	-	-	88,123	88,123
Bonds	-	-	-	-	81,681	-	81,681	81,681
Lease liability	-	-	4,574	13,724	-	-	18,298	18,298
Other liabilities	-	-	-	-	-	95,850	99,565	95,850
	12,774	894,466	996,294	401,948	81,681	1,987,070	4,377,948	4,374,233
Total Interest re-pricing gap	709,027	(446,130)	(233,165)	737,816	817091	(817,778)	763,146	414,449

47. Financial risk management (cont'd)

2023 Group In Thousands of GH¢	Up to 1 month	2- 3 months	4-12 months	1-5 years	Over 5 years	Non-interest bearing	Total	Carrying amount
Financial asset								
Cash and cash equivalents	289,299	1,432,214	-	-	-	1,264,066	2,985,579	2,985,579
Pledged assets	-	-	101,019	-	-	-	101,019	101,019
Investment securities	91	67,667	57,694	581,168	390,810	-	1,097,430	1,097,430
Loans and advances to customers and financial Inst.	417,705	172,818	483,349	707,345	858,274	-	2,639,491	2,429,756
Other assets	-					26,023	26,023	26,023
Total financial assets	707,095	1,672,699	642,062	1,288,513	1,249,084	1,290,089	6,849,542	6,639,807
Deposits from banks and customers	298,224	713,179	850,704	1,671,708	-	2,308,166	5,841,981	5,841,981
Bonds	-	-	5,748	-	76,000	-	81,748	81,748
Lease Liability	-	1,797	1,734	9,255	867	-	13,653	13,653
Other liabilities	-	-	-	-	-	170,872	170,872	170,872
Total financial liabilities (contractual maturity dates)	298,224	714,976	858,186	1,680,963	76,867	2,479,038	6,108,254	6,108,254
Total Interest re-pricing gap	408,871	957,723	(216,124)	(392,450)	1,172,217	(1,188,949)	741,288	531,553

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

47. Financial risk management (cont'd)

2022 Group In Thousands of GH¢	Up to 1 month	2- 3 months	4-12 months	1-5 years	Over 5 years	Non-interest bearing	Total	Carrying amount
Financial asset								
Cash and cash equivalents	600,254	-	-	-	-	1,159,683	1,759,937	1,759,937
Investment securities at FVOCI	-	11,185	-	-	-	-	11,185	11,185
Pledged assets	-	-	34,148	-	-	-	34,148	34,148
Investment securities	61,250	352,149	266,874	405,383	133,331	-	1,218,987	1,042,752
Loans and advances to customers and financial Inst.	60,297	85,002	463,195	750,193	785,892	-	2,144,579	1,958,017
Other assets	-	-	-	-	-	10,431	10,431	10,431
Total financial assets	721,801	448,336	764,217	1,155,576	919,223	1,170,114	5,179,267	4,816,470
Deposits from banks and customers	12,774	849,223	970,280	366,784	-	1,869,484	4,068,545	4,068,545
Borrowings	-	45,243	21,440	21,440	-	-	88,123	88,123
Bonds	-	-	-	-	81,681	-	81,681	81,681
Lease Liability	-	-	4,574	14,755	-	-	19,329	19,329
Other liabilities	-	-	-	-	-	95,090	95,090	95,090
Total financial liabilities (contractual maturity dates)	12,774	894,466	996,294	402,979	81,681	1,964,574	4,352,768	4,352,768
Total Interest re-pricing gap	709,027	(446,130)	(232,077)	752,597	837,542	(794,460)	826,499	463,702

47. Financial risk management (cont'd)

Maturity Profile (cont'd)

(ii) Foreign exchange rate risk

Foreign exchange rate risk arises from changes in foreign exchange rates that affect the value of assets (primarily loans, overdrafts, advances and investments), liabilities (primarily, customer deposits) and off- statement of financial position transactions denominated in foreign currencies. Management developed procedures, instruments and control mechanisms designed to protect the value of the Group's equity without endangering other business priorities.

(iii) Concentration of currency risk-on-and off- statement of financial position financial instruments

The Group takes on exposure to effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Board sets limits on the level of exposure by currency and in total for both overnight and intra-day positions, which are monitored daily. The table below summarises the Group's exposure to foreign currency exchange rate at 31 December 2023. Included in the table are the Group's assets and liabilities at carrying amounts categorised by currency:

The amounts presented in this table is the cedi equivalent of the original currencies.

Bank

In thousands of GH¢			
At 31 December 2023	**EUR**	**USD**	**GBP**
Assets			
Cash and cash equivalents	**45,486**	**614,437**	**44,785**
Investment securities	**-**	**17,820**	**-**
Loans and advances to customers	**3**	**642,034**	**101**
Other assets	**1,31**	**11,133**	**46**
Total assets	**45,620**	**1,285,424**	**44,932**
Liabilities			
Deposits from customers	**41,146**	**1,222,982**	**44,763**
Other liabilities	**131**	**56,701**	**-**
Total liabilities	**46,277**	**1,279,683**	**44,763**
Net on balance sheet	**(657)**	**5,741**	**169**
At 31 December 2022			
Total assets	28,909	893,129	21,784
Total liabilities	28,643	892,103	21,561
Net on balance sheet	266	1,026	223

47. Financial risk management (cont'd)

Group

In thousands of GH¢			
At 31 December 2023	**EUR**	**USD**	**GBP**
Assets			
Cash and cash equivalents	**45,486**	**391,093**	**44,785**
Investment securities	**-**	**223,344**	**-**
Loans and advances to customers	**3**	**642,034**	**101**
Other assets	**131**	**11,133**	**46**
Total assets	**45,620**	**1,267,604**	**44,932**
Liabilities			
Deposits from banks			
Deposits from customers	**41,146**	**1,222,982**	**44,763**
Other liabilities	**131**	**38,881**	**-**
Total liabilities	**41,277**	**1,261,863**	**44,763**
Net on balance sheet	**(657)**	**5,741**	**169**
At 31 December 2022			
Total assets	28,909	893,129	21,784
Total liabilities	28,643	892,103	21,561
Net on balance sheet	266	1,026	223

47. Financial risk management (cont'd)

Sensitivity analysis – Group and Bank

2023	Change in currency	Impact on profit or loss GH¢ '000	Impact on equity GH¢ '000
Currency			
USD	**2%**	**115**	**75**
EUR	**2%**	**(13)**	**(9)**
GBP	**2%**	**3**	**2**

2022	Change in currency	Impact on profit or loss	Impact on equity
		GH¢ '000	GH¢ '000
Currency			
USD	2%	20	13
EUR	2%	5	3
GBP	2%	4	3

An increase of two percent (2%) in the various currencies will have a positive impact on profit or loss and equity by the values indicated; likewise, the same percentage decrease in the currencies will have a negative impact on profit or loss and equity by the values indicated.

The analyses above reflect both the Bank's and Group's positions as the other subsidiaries within the Group do not maintain financial instruments in foreign currencies.

Exchange rates movements

Exchange rates used for the translation of foreign denominates financial instruments as well as the maximum, average and minimum rates during the period have been provided below:

	2023			2022		
	USD	**GBP**	**EUR**	USD	GBP	EUR
End year exchange rates	**11.8800**	**15.1334**	**13.1264**	8.5760	10.3118	9.1457
Maximum exchange rate during the year	**11.8800**	**15.1334**	**13.1264**	13.1057	16.0353	13.8049
Average exchange rate during the year	**10.2280**	**12.8226**	**11.2361**	9.5509	12.0530	10.2579
Minimum exchange rate during the year	**8.5760**	**10.3118**	**9.1457**	5.9961	8.0706	6.7109

47. Financial risk management (cont'd)

(c) Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay depositors and fulfil commitments to lend.

The Group regularly and without delay meets its obligations and liabilities on maturity dates during its everyday activity and maintain business flow as usual without any strains on its payment capability.

The Group manages this risk by striving to maintain a well-diversified customer depositor base and satisfactory access to a variety of funding sources. Particular attention is paid to marketability of assets, whose availability for sale or as collateral for refinance is evaluated under different market scenarios.

The Group's liquidity management process, as carried out within the individual entities in the Group and monitored by a separate team in the Group treasury department, includes:

- Day-to-day funding, managed by monitoring future cash flows to ensure that requirements can be met. This includes replenishment of funds as they mature or is borrowed by customers;
- Maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;
- Monitoring statement of financial position liquidity ratios against internal and regulatory requirements; and
- Managing the concentration and profile of debt maturities.

47. Financial risk management (cont'd)

(c) Liquidity risk (cont'd)

A key measure used by the bank and Group for managing liquidity risk is the ratio of net liquid assets to deposits from customers. For this purpose, net liquid assets are considered as including cash and cash equivalents and investment securities for which there is an active and liquid market less any deposits from banks, debt securities issued, other borrowings and commitments maturing within the next month. Details of the reported bank and Group liquid ratio of net liquid assets to current deposits at the reporting date and during the reporting period were as follows:

	2023		2022	
	Bank	**Group**	Bank	Group
At 31 December	**180.23%**	**180.23%**	146.70%	146.70%
Average for the period	**177.61%**	**177.61%**	149.07%	149.07%
Maximum for the period	**194.70%**	**194.70%**	155.39%	155.39%
Minimum for the period	**152.62%**	**152.62%**	141.60%	141.60%

i) Liquidity risk management process

The Group is exposed to daily calls on its available cash resources from overnight deposits, current accounts, maturing deposits, and calls on cash to settle contingencies. The Group does not maintain cash resources to meet all of these needs as experience shows that a minimum level of reinvestment of maturing funds can be predicted with a high level of certainty. The Board sets limits on the minimum proportion of maturing funds available to meet such call and on the minimum level of inter-bank and other borrowing facilities that should be in place to cover withdrawals at unexpected levels of demand.

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of the Group. It is unusual for banks ever to be completely matched since business transacted is often of uncertain terms and of different types. An unmatched position potentially enhances profitability, but can also increase the risk of losses.

ii) Funding approach

Sources of liquidity are regularly reviewed by a separate team in Bank Treasury to maintain a wide diversification by currency, provider, product and term.

Eurobonds

On 19 December 2022, the Government suspended debt service on external debt, including the Bank's holdings in Eurobonds, which are reported under "Investment securities" in the table above. The amounts disclosed in the table are based on the remaining contractual undiscounted cashflows of the Eurobonds held by the Bank at 31 December 2022. As of the date of authorization of these financial statements, negotiations between the Government and stakeholders are ongoing to restructure the terms of the Eurobonds. The finalization of these negotiations will have an impact on the maturities of the undiscounted cash flows of these bonds as well as the Bank's liquidity gap position.

The table below analyses the undiscounted cash flows of the Bank and Group financial assets and liabilities into relevant maturity groupings based on the remaining period at 31 December 2023 and 2022 to the contractual maturity date.

47. Financial risk management (cont'd)

(ii) Funding approach (cont'd)

2023 Bank In thousands of GH¢	Carrying Amount	Up to 1 month	2- 3 months	4-12 months	1-5 years	Over 5 years	Total
Financial asset							
Cash and cash equivalents	2,985,556	1,560,273	1,535,154	-	-	-	3,095,427
Investment securities at FVOCI	-	-	-	-	-	-	-
Pledged assets	101,019	-	-	101,019	-	-	101,019
Investment securities	1,065,451	91	117,882	152,481	1,573,433	1,198,886	3,042,773
Loans and advances to customers and financial Inst.	2,429,756	117,962	260,982	643,488	1,442,276	627,668	3,092,376
Other assets	13,671	-	13,671	-	-	-	13,671
Assets held for managing liquidity risk	6,595,453	1,678,326	1,927,689	896,988	3,015,709	1,826,554	9,345,266
Deposits from customers	5,868,216	2,634,382	724,768	878,352	1,997,691	-	6,235,193
Bonds	81,748	-	-	-	-	98,098	98,098
Lease liabilities	12,345	1,100	559	1860	7,687	2,236	13,442
Other liabilities	162,664	-	-	162,664	-	-	162,664
Total financial liabilities (contractual maturity dates)	6,124,973	2,635,482	725,327	1,042,876	2,005,378	100,334	6,509,397
Liquidity gap	470,480	(957,156)	1,202,362	(145,888)	1,010,331	1,726,220	2,835,869
Contingent liabilities and commitments							
Guarantees	252,198	-	88,269	163,929	-	-	252,198
Letters of credit	50,861	-	8,901	41,960	-	-	50,861
	303,059	-	97,170	41,960	-	-	303,059

47. Financial risk management (cont'd)

(ii) Funding approach (cont'd)

2023 Group In thousands of GH¢	Carrying Amount	Up to 1 month	2- 3 months	4-12 months	1-5 years	Over 5 years	Total
Financial asset							
Cash and cash equivalents	2,985,579	1,560,296	1,535,154	-	-	-	3,095,450
Investment securities at FVOCI	-	-	-	-	-	-	-
Pledged assets	101,019	-	-	101,019	-	-	101,019
Investment securities	1,097,430	91	117,882	152,481	1,588,212	1,244,880	3,103,546
Loans and advances to customers and financial Inst.	2,429,756	117,962	260,982	643,488	1,442,276	627,668	3,092,376
Other assets	26,023	-	26,023	-	-	-	26,023
Assets held for managing liquidity risk	6,639,807	1,678,349	1,940,041	896,988	3,030,488	1,872,548	9,418,414
Financial liabilities							
Deposits from customers	5,841,981	2,608,005	724,768	878,352	1,997,691	-	6,208,816
Borrowings	-	-	-	-	-	-	-
Bonds	81,748	-	-	-	-	98,098	98,098
Lease liabilities	13,653	1,100	559	1860	7,687	2,236	13,442
Other liabilities	170,872	-	-	170,872	-	-	170,872
Total financial liabilities (contractual maturity dates)	6,108,254	2,609,105	725,327	1,051,084	2,005,378	100,334	6,491,228
Liquidity gap	531,553	(903,756)	1,214,714	(154,096)	1,025,110	1,772,214	2,927,186
Contingent liabilities and commitments							
Guarantees	252,198	-	88,269	163,929	-	-	252,198
Letters of credit	50,861	-	8,901	41,960	-	-	50,861
	303,059	-	97,170	205,889	-	-	303,059

47. Financial risk management (cont'd)

(ii) Funding approach (cont'd)

2022 Bank In thousands of GH¢	Carrying Amount	Up to 1 month	2- 3 months	4-12 months	1-5 years	Over 5 years	Total
Financial asset							
Cash and cash equivalents	1,759,927	1,773,933	-	-	-	-	1,773,933
Investment securities at FVOCI	11,185	-	11,702	-	-	-	11,702
Pledged assets	34,148	-	-	37,307	-	-	37,307
Investment securities	1,015,786	3,853	7,706	631,279	432,021	670,655	1,745,514
Loans and advances to customers and financial Inst.	1,958,017	110,266	186,308	916,686	2,660,650	2,161,203	6,035,113
Other assets	9,619	-	7,264	2,355	-	-	9,619
Assets held for managing liquidity risk	4,788,682	1,888,052	212,980	1,587,627	3,092,671	2,831,858	9,613,188
Deposits from customers	4,090,281	391,018	1,244,451				4,294,922
Borrowings	88,123	-	45,243	23,584	29,158	-	97,985
Bonds	81,681	-	-	-	-	171,530	171,530
Lease liabilities	18,298	-	-	4,780	18,665	-	23,445
Other liabilities	95,850	-	5,150	35,510	55,190	-	95,850
Total financial liabilities (contractual maturity dates)	4,374,233	391,018	1,294,844	1,490,020	958,076	549,774	4,683,732
Liquidity gap	414,449	1,497,034	(1,081,864)	97,607	2,134,595	2,282,084	4,929,456
Contingent liabilities and commitments							
Guarantees	118,279	608	14,325	92,346	11,000	-	118,279
Letters of credit	9,442	3,155	4,568	1,719		-	9,442
	127,721	3,763	18,893	94,065	11,000		127,721

47. Financial risk management (cont'd)

(ii) Funding approach (cont'd)

2022 Group In thousands of GH¢	Carrying Amount	Up to 1 month	2- 3 months	4-12 months	1-5 years	Over 5 years	Total
Financial asset							
Cash and cash equivalents	1,759,937	1,773,943	-	-	-	-	1,773,943
Investment securities at FVOCI	11,185	-	11,702	-	-	-	11,702
Pledged assets	34,158	-	-	37,307	-	-	37,307
Investment securities	1,042,752	3,853	7,706	632,468	447,209	603,278	1,694,514
Loans and advances to customers and financial Inst.	1,958,017	110,266	186,308	916,686	2,660,650	2,161,203	6,035,113
Other assets	10,431	-	8,076	2,355	-	-	10,431
Assets held for managing liquidity risk	4,816,470	1,888,062	213,792	1,588,816	3,107,859	2,764,481	9,563,010
Financial liabilities							
Deposits from customers	4,068,545	370,181	1,244,451	1,426,146	855,063	378,244	4,274,085
Borrowings	88,123	-	45,243	23,584	29,158	-	97,985
Bonds	81,681	-	-	-	-	171,530	171,530
Lease liabilities	19,329	-	-	5,010	18,875	-	23,885
Other liabilities	95,090	-	4,390	35,510	55,190	-	95,090
Total financial liabilities (contractual maturity dates)	4,352,768	370,181	1,294,084	1,490,250	958,286	549,774	4,662,575
Liquidity gap	463,702	1,517,881	(1,080,292)	98,566	2,149,573	2,214,707	4,900,435
Contingent liabilities and commitments							
Guarantees	118,279	108	14,325	103,846			118,279
Letters of credit	9,442	3,155	4,568	1,719			9,442
	127,721	3,263	18,893	105,565			127,721

47. Financial risk management (cont'd)

The amounts in the table above have been compiled as follows:

- Non-derivative financial liabilities and financial assets – undiscounted cash flows, which include estimated interest payment

- Issued financial guarantee contracts, and unrecognised loan commitments – Earliest possible contractual maturity. For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.

As part of the management of liquidity risk arising from financial liabilities, the Group and Bank holds liquid assets comprising cash and cash equivalents, and investments in government securities, which can be readily sold to meet liquidity requirements.

(iii) Assets held for managing liquidity risk

The Bank holds a diversified portfolio of cash and high-quality highly liquid securities to support payment obligations and contingent funding in a stressed market environment. The Bank's assets held for managing liquidity risk comprise:

- Cash and balances with central banks;

- Certificates of deposit;

- Government bonds and other securities that is readily acceptable in repurchase agreements with the central banks

The assets above are available for future funding requirement and none is encumbered, except to the extent that it has been pledged to a counter party

(iv) Capital management

The Banks's objectives when managing capital, which is a broader concept than the 'equity' on the face of statement of financial position, are:

- to comply with the capital requirements set by Bank of Ghana;

- to safeguard the Group's, particularly the Bank's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and

- to maintain a strong capital base to support the development of its business.

The group and its individually regulated entities generally complied with all externally imposed capital requirements. The subsidiaries are not subject to externally imposed capital requirements.

Capital adequacy and the use of regulatory capital are monitored daily by the Group's management, employing techniques based on the guidelines developed by the Bank of Ghana for supervisory purposes. The required information is filed with the Bank of Ghana on a monthly basis. The Bank of Ghana requires each locally owned bank to hold the minimum level of regulatory capital of GH¢400 million.

47. Financial risk management (cont'd)

(iv) Capital management (cont'd)

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

Tier 1 capital

Tier 1 capital which is made up of the stated capital and disclosed reserved is the portion of capital which is permanently and freely available to absorb unanticipated. The disclosed reserves are made of retained earnings or surplus after tax and dividends, statutory reserves, general reserves (not ear-marked for any identifiable losses) and the book value of goodwill is deducted.

Tier 2 Capital

Tier 2 capital is a supplementary capital with some attributes of tier 1 capital but restricted in its ability to absorb losses. It provides a useful supplement to tier 1 capital, because of the significant efficiencies and ability to provide protection for depositors and other creditors. Tier 2 capital is divided into two, Upper tier 2 capital (has no fixed maturity) and Lower tier 2 capital (has a limited lifetime).

Capital Ratios

Tier 1 capital ratio:

Tier 1 capital ratio is calculated as the adjusted tier 1 capital divided by the total risk-weighted assets and the Bank's internal guideline is to ensure that the Bank maintains the minimum regulatory capital ratio of 13% as detailed below:

Regulatory Capital	RWAs (%)
Minimum Common Equity Tier	6.5
Maximum Additional Tier 1	1.5
Minimum Tier 1 Capital Ratio	8.0
Maximum Tier 2 Capital Ratio	2.0
Minimum Capital Adequacy ratio	10.0
Capital Conservation Buffer (CCB1)	3.0
Minimum Capital Adequacy with CCB1	13.0

The Group and its individually regulated operations have complied with all externally imposed capital requirements to which they are subject to for both the current and prior financial years.

To help manage the potential impact of the debt exchange program and preserve financial stability, the Bank of Ghana granted several regulatory reliefs for banks that fully participated in the Debt Exchange effective 31 December 2022, until further notice. Considering this, the bank applied the following reliefs in determining capital adequacy ratio for the year ended 31 December 2023 and 31 December 2022:

- Reduction in capital conservative buffer from 3% to 0%. Thus, the minimum capital requirement is 10%.
- Losses from GDDEP to be spread over 4 years for the purpose of CAR and Net own Funds computation, effective 2022.
- Increase in Tier 2 capital from a maximum of 2% to 3% of total RWA.
- Reduction in Minimum CET1 from 6.5% to 5.5%.
- Increase in allowable portion of property revaluation gains for Tier 2 capital from 50% to 60%.

(iv) Capital management (cont'd)

Risk weight is 0% for new bonds and 100% for old bond.

In determining exposures for banks and SDIs, new bonds are deductible but old bonds are not.

The risk weighted assets are measured in accordance with the guidelines as provided by the Bank of Ghana. It takes into account the nature of, and reflecting an estimate of credit, market and other risks associated with each asset and counterparty. The table below summarises the composition of regulatory capital and the ratios of the Group for the years ended 31 December 2023 (after applying relief (c) above provided by the regulator) and 2022. During those two years, the Bank complied with all of the externally imposed capital requirements to which it is subject to.

47. Financial risk management (cont'd)

(iv) Capital management (cont'd)

In thousands of GH¢	**2023**	2022
Tier 1 Capital	**564,520**	482,402
Tier 2 capital	**104,302**	80,099
Total Capital	**668,822**	562,501
Total Credit Risk Equiv. RWA	**2,478,170**	1,908,277
Total Operational Risk Equiv. RWA	**992,342**	760,362
Total Market Risk Equiv. RWA	**6,209**	1,318
Total RWA	**3,476,721**	2,669,957
Tier 1 / RWA	**16.24%**	18.25%
Tier 2 / RWA	**3.00%**	3.00%
Capital Adequacy Ratio (CRD)	**19.24%**	21.25%

(a) Forecasted capital position

In accordance with the Capital Requirement Directive, the Bank's Internal Capital Adequacy Assessment Process (ICAAP) is established to ensure that the Bank holds appropriate capital commensurate for unexpected losses that may arise from business through capital transactions, credit, operational and market risks.

Based on the Bank's Internal Capital Adequacy Assessment Process, the forecasted capital position for the ensuing year is GH¢881.64 million, with a ratio of 22.26%. The table balance summaries the composition of the capital position and associated ratio.

In thousands of GH¢	**Forecasted (2024)**
Tier 1 Capital	**762,896**
Tier 2 capital	**118,837**
Total Capital	**881,643**
Total Credit Risk Equiv. RWA	**2,951,317**
Total Operational Risk Equiv. RWA	**1,001,903**
Total Market Risk Equiv. RWA	**8,010**
Total RWA	**3,961,230**
Tier 1 / RWA	**19.26%**
Tier 2 / RWA	**3.00%**
Capital Adequacy Ratio	**22.26%**

47. Financial risk management (cont'd)

(b) Operational risk

Operational risk is the risk of loss resulting from failed internal processes or inadequate internal processes, people and systems or from external events, involving legal risk and any other risks that is deemed fit on an ongoing basis Operational risk exists in all products and business activities and the effective management of operational risk has always been a fundamental element of the Group's risk management programme.

Republic Bank Ghana PLC has a broad operational risk management framework which defines the set of activities designed to proactively identify, assess and manage all operational risks by aligning the people, technology and processes with best risk management practices towards sustaining financial performance and enhancing stakeholders' value.

Measurement of operational risk

Republic Bank Ghana PLC maintains and implements an Enterprise Risk Management Framework within which Operational Risks are identified, assessed, monitored, and reported.

The Bank seeks to minimize exposures in key areas, including people related risks, new initiatives and products, continuity of critical services and processes, information security and integrity, third party relationships and fraud.

The Bank uses qualitative and quantitative methods to identify and measure operational risks. These include:

- Risk Control Self-Assessment (RCSA) which involves self-assessment by different business and support units within the bank to identify and evaluate operational risks. This is done through the Bank's enterprise risk workbook.
- Incident reporting which allows for the analysis of historical incidents to identify patterns and trends in operational losses.
- Simulation of various scenarios to assess the potential impact of operational risks to the Bank. The scenarios include cyber-attack, system-downtimes, etc.
- Constantly scanning the internal and external environment in a structured manner for emerging risks.

The identified risks are continuously assessed through a process that focuses on analyzing the severity or impact, likelihood, adherence to risk appetite and control effectiveness.

- Severity or impact: The potential magnitude of the effect on business operations should the risk occur.
- Probability or Likelihood: The measure of the expected frequency of a risk occurring within a specified time horizon.
- Control Effectiveness: Measurement of the effectiveness of existing controls at managing the risk. Consideration given to noted trends, internal and external audit results and key risk indicator and risk appetite breaches.

(d) Operational risk (cont'd)

The Bank's operational risk profile is periodically reviewed to ensure that all current and emerging risks are monitored in line with the Bank's Enterprise Risk Management (ERM) framework. This is done through:

- The quarterly review of risk workbooks (or more frequently as events occur).
- The deployment of key risk indicators (KRIs) which include the number of fraud incidents, customer complaints, system downtimes, number of unauthorized IT incidents, number of verified breaches.
- Risk appetite metrics which compares risk exposures with limits and thresholds beyond which the risk is considered unacceptable.

The Bank employs a combination of these methods and others to effectively manage operational risks within acceptable levels.

Operational and other breaches

Republic Trust Company Limited, a subsidiary of Republic Bank Ghana PLC licenced by the National Pensions Regulatory Authority in line with Section 122 of the National Pension Act, 2008 (Act 766) to operate as a Pension Fund Administrator before the company was set up.

Republic Bank Ghana PLC however did not obtain prior written approval from the Bank of Ghana in accordance with section 71 of the Banks and Specialised Deposit-Taking Institutions Act 2016, Act 930. In view of this, the Republic Bank was sanctioned to pay an administrative penalty of GH¢ 12,000.

48. Basic and diluted earnings per share

Basic and diluted earnings per share are calculated by dividing the net profit attributable to equity holders by the weighted average number of ordinary shares in issue during the year. The Group held only ordinary shares issued at no par value and there were no instruments, ordinary shares or otherwise that could potentially dilute the earnings per share at the reporting date.

In thousands of GH¢	**2023**		2022	
	Bank	**Group**	Bank	Group
Profit / (loss) attributable to the equity holders	**130,404**	**140,026**	(66,837)	(61,127)
Weighted average number of ordinary shares issued	**851,966**	**851,966**	851,966	851,966
Bonus shares issued included in right issues	**-**	**-**	-	-
Total Weighted average number of shares outstanding	**851,966**	**851,966**	851,966	851,966
Basic earnings per share (expressed in GH Pesewas)	**15.31**	**16.44**	(7.84)	(7.47)
Diluted earnings per share (expressed in GH Pesewas)	**15.31**	**16.44**	(7.84)	(7.47)

49. Fair value of assets and liabilities

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Group determines fair values using other valuation techniques.

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.

a. Valuation models

The Group measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges (for example, The Ghana Stock Exchange).
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). This level includes the majority of Bank of Ghana's securities and other investments which are valued by reference to Bank of Ghana rates and the use of discounted cash flow techniques.
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observation market data when available. The Group considers relevant and observable market prices in its valuation when possible.

The Group invests in Unit trust, which are not quoted in an active market and The Group considers the valuation techniques and inputs used in valuing these investments as part of its due diligence prior to investing, to ensure they are reasonable and appropriate and therefore the net asset value of unit trust may be used as an input into measuring their fair value. In measuring this fair value, the net asset value of the unit trust is adjusted, as necessary, to reflect restrictions on redemptions, future commitments, and other specific factors of the Trust.

The Group invests in Unit trust and Ebankese Fund, which are not quoted in an active market. The Group considers the valuation techniques and inputs used in valuing these investments as part of its due diligence prior to investing, to ensure they are reasonable and appropriate and therefore the net asset value of unit trust may be used as an input into measuring their fair value. In measuring this fair value, the net asset value of the unit trust is adjusted, as necessary, to reflect restrictions on redemptions, future commitments, and other specific factors of the Trust. The fair value of the Ebankese Fund is based on the Group's share of the net assets value of the fund. At the end of the reporting period, fair value of investment securities at FVOCI is categorised as Level 2 in the fair value hierarchy (2022: Level 2). This is due to the disappearance of active market at the reporting date following the announcement of a debt exchange programme by government. The fair value was based on constructing yield curves based on traded prices, indicative broker quotes and evaluated prices from pricing services.

49. Fair value of assets and liabilities (cont'd)

a. Financial instruments measured at fair value

2023 **Bank** **In thousands of GH¢**	**Level 1**	**Level 2**	**Level 3**	**Total**
Investment securities - Unit Trust	**-**	**44,811**	**-**	**44,811**
Investment securities - Ebankese Fund	**-**	**4,123**	**-**	**4,123**
	-	**48,934**	**-**	**48,934**

2023 **Group** **In thousands of GH¢**	**Level 1**	**Level 2**	**Level 3**	**Total**
Investment securities - Unit Trust	**-**	**56,448**	**-**	**56,448**
Investment securities - Ebankese Fund	**-**	**4,123**	**-**	**4,123**
	-	**60,571**	**-**	**60,571**

2022 Bank In thousands of GH¢	Level 1	Level 2	Level 3	Total
Investment securities at FVOCI	-	11,185	-	11,185
Investment securities - Unit Trust	-	47,932	-	47,932
Investment securities - Ebankese Fund	-	4,123	-	4,123
	-	63,240	-	63,240

2022 Group In thousands of GH¢	Level 1	Level 2	Level 3	Total
Investment securities at FVOCI	-	11,185	-	11,185
Investment securities - Unit Trust	-	58,744	-	58,744
Investment securities - Ebankese Fund	-	4,123	-	4,123
	-	74,052	-	74,052

49. Fair value of assets and liabilities (cont'd)

b. Financial instruments not measured at fair value

(a) Loans and advances to customers

Loans and advances are net of charges for impairment. The estimated fair value of loans and advances represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

(b) Investment securities

The fair value for investment securities and held-to-maturity financial assets is based on market prices. Where this information is not available, fair value is estimated using quoted market prices for securities with similar credit, maturity and yield characteristics.

The estimated fair value of fixed interest-bearing deposits not quoted in an active market is based on discounted cash flows using interest rates for new debts with similar remaining maturity.

(c) Deposits from banks and due to customers

The estimated fair value of deposits with no stated maturity, which includes non-interest-bearing deposits, is the amount repayable on demand.

The following table sets out the fair values of financial instruments not measured at fair value. Financial instruments not held at fair value comprises loans and advances to banks, loans and advances to customers, deposits from banks, deposits from customers, other assets (excluding prepayments) and other liabilities.

2023 Bank In thousands of GH¢	Level 1	Level 2	Level 3	Fair value	Carrying Amount
Financial assets					
Cash and cash equivalents	-	**2,985,556**	-	**2,985,556**	**2,985,556**
Pledged assets	-	**101,019**	-	**101,019**	**101,019**
Investment securities		**1,016,517**	-	**1,016,517**	**1,016,517**
Loans and advances to customers	-	**2,429,756**	-	**2,429,756**	**2,429,756**
Total financial assets	-	**6,532,848**	-	**6,532,848**	**6,532,848**
Financial liabilities					
Deposits from customers	-	**5,868,216**	-	**5,868,216**	**5,868,216**
Bonds	-	**81,748**	-	**81,748**	**81,748**
Total financial liabilities	-	**5,949,964**	-	**5,949,964**	**5,949,964**

49. Fair value of assets and liabilities (cont'd)

(c) Financial instruments not measured at fair value (cont'd)

2022 Bank In thousands of GH¢	Level 1	Level 2	Level 3	Fair value	Carrying Amount
Financial assets					
Cash and cash equivalents	-	1,759,927	-	1,759,927	1,759,927
Pledged assets	-	34,148	-	34,148	34,148
Investment securities	-	1,015,786	-	1,015,786	1,015,786
Loans and advances to customers	-	1,958,017	-	1,958,017	1,958,017
Total financial assets	-	4,767,878	-	4,767,878	4,767,878
Financial liabilities					
Deposits from customers	-	4,090,281	-	4,090,281	4,090,281
Borrowing	-	88,123	-	88,123	88,123
Bonds	-	81,681	-	81,681	81,681
Total financial liabilities	-	4,260,085	-	4,260,085	4,260,085

2023 Group In thousands of GH¢	**Level 1**	**Level 2**	**Level 3**	**Carrying Amount**	**Fair value**
Financial assets					
Cash and cash equivalents	**-**	**2,985,579**	**-**	**2,985,579**	**2,985,579**
Pledged assets	**-**	**101,019**	**-**	**101,019**	**101,019**
Investment securities	**-**	**1,036,859**	**-**	**1,036,859**	**1,036,859**
Loans and advances to customers	**-**	**2,429,756**	**-**	**2,429,756**	**2,429,756**
Total financial assets	**-**	**6,553,213**	**-**	**6,553,213**	**6,553,213**
Financial liabilities					
Deposits from customers	**-**	**5,841,981**	**-**	**5,841,981**	**5,841,981**
Bonds	**-**	**81,748**	**-**	**81,748**	**81,748**
	-	**5,923,729**	**-**	**5,923,729**	**5,923,729**

2022 Group **In thousands of GH¢**	Level 1	Level 2	Level 3	Carrying Amount	Fair value
Financial assets					
Cash and cash equivalents	-	1,759,937	-	1,759,937	1,759,937
Pledged assets	-	34,148	-	34,148	34,148
Investment securities		1,042,752		1,042,752	1,042,752
Loans and advances to customers	-	1,958,017	-	1,958,017	1,958,017
Total financial assets	-	4,794,854	-	4,794,854	4,794,854
Financial liabilities					
Deposits from customers	-	4,068,545	-	4,068,545	4,068,545
Borrowing	-	88,123	-	88,123	88,123
Bonds	-	81,681	-	81,681	81,681
	-	4,238,349	-	4,238,349	4,238,349

50. Segment analysis

The Group has four main reporting segments on a worldwide basis:

Retail banking – incorporating private banking services, private customer current accounts, savings, deposits, investment savings products, custody, credit and consumer loans;

Mortgage banking – incorporating mortgage services

Corporate banking – incorporating direct debit facilities, current accounts, deposits, overdrafts, loans, and foreign currency; and

Microfinance banking – incorporating savings account, deposits, loan and other credit facilities

Other Group's operations comprise fund management, institutional finance and providing computer services, none of which constitutes a separately reportable segment and business activities from head office.

As the Group's segment operations are all financial with a majority of revenues deriving from interest and the Board of Directors relies primarily on net interest revenue to assess the performance of the segment, the total interest income and expense for all reportable segments is presented on a net basis.

There were no changes in the reportable segments during the year.

The revenue from external parties reported to the Board of directors is measured in a manner consistent with that in the profit or loss.

Funds are ordinarily allocated between segments, resulting in funding cost transfers disclosed in inter-segment net interest income. Interest charged for these funds is based on the Bank's cost of capital. There are no other material items of income or expense between the business segments.

Internal charges and transfer pricing adjustments have been reflected in the performance of each business. Revenue-sharing agreements are used to allocate external customer revenues to a business segment on a reasonable basis.

50. Segment analysis (cont'd)

The segment information provided to the Board of Directors for the reportable segments for the year ended 31 December 2023 and 2022 are as follows:

Bank At 31 December 2023 In thousands of GH¢	Corporate	Mortgage	SEGMENT REPORTING Consumer & retail	Micro-finance	Total
Income					
Interest income	**756,520**	**46,183**	**97,604**	**46,905**	**947,212**
Interest expenses	**(317,850)**	**(34,837)**	**(27,021)**	**(50,878**	**(420,586)**
Net interest income	**438,670**	**11,346**	**70,583**	**(3,973)**	**526,626**
Fee and commission income	**29,738**	**3,235**	**34,012**	**-**	**66,985**
Fee and commission expenses	**-**	**-**	**(3,116)**	**-**	**(3,116)**
	29,728	**3,235**	**30,896**	**-**	**63,869**
Net Trading Income	**55,222**	**-**	**-**	**-**	**55,222**
Other Operating Income	**19,164**	**-**	**-**	**-**	**19,164**
Other Income	**13,652**	**-**	**-**	**-**	**13,652**
Total operating income	**566,446**	**14,581**	**101,479**	**(3,973)**	**678,533**
Impairment charges for credit losses	**(55,153)**	**(3,223)**	**(7,217)**	**(1,180)**	**(66,773)**
Operating expenses-unallocated					**(380,210)**
Taxation – unallocated					**(101,146)**
Segment profit / (loss) after tax	**511,293**	**11,358**	**94,262**	**(5,153)**	**130,404**
Segment assets					
Loans and advances	**1,425,057**	**455,618**	**458,071**	**91,010**	**2,429,756**
Unallocated assets					**4,522,466**
Total assets	**1,425,057**	**455,618**	**458,071**	**91,010**	**6,952,222**
Segment liabilities					
Total deposits	**217,280**	**-**	**5,391,741**	**259,195**	**5,868,216**
Unallocated liabilities					**292,078**
Total Liabilities	**217,280**	**-**	**5,391,741**	**259,19**	**6,160,294**
Segment Equity					
Total shareholders' funds					**791,928**
Total liabilities and shareholders' fund					**6,952,222**

50. Segment analysis (cont'd)

Bank At 31 December 2022 In thousands of GH¢	SEGMENT REPORTING Corporate	Mortgage	Consumer & retail	Micro-finance	Total
Income					
Interest income	427,336	39,962	106,253	31,311	604,862
Interest expenses	(137,371)	(26,014)	(33,660)	(37,151)	(234,196)
Net interest income	289,965	13,948	72,593	(5,840)	370,666
Fee and commission income	32,926	309	18,978	-	52,213
Fee and commission expenses	-	-	(1,708)	-	(1,708)
	32,926	309	17,270	-	50,505
Net Trading Income	34,014	-	-	-	34,014
Net income from investments at fair value thru. P&L	5,098	-	-	-	5,098
Other Operating Income	18,493	-	-	-	18,493
Other Income	14,807	-	-	-	14,807
Total operating income	395,303	14,257	89,863	(5,840)	493,583
Impairment charges for credit losses	(198,419)	(25,348)	(13,444)	(451)	(237,662)
Operating expenses- unallocated					(282,026)
Taxation – unallocated					(40,732)
Segment profit/loss before tax	196,884	(11,091)	76,419	(6,291)	(66,837)
Segment assets					
Loans and advances	1,049,152	361,885	485,669	61,311	1,958,017
Unallocated assets					3,121,049
Total assets	1,049,152	361,885	485,169	61,311	5,079,066
Segment liabilities					
Total deposits	121,409	-	3,784,087	184,785	4,090,281
Unallocated liabilities					327,261
Total Liabilities	121,409	-	3,784,087	184,785	4,417,542
Segment Equity					
Total shareholders' funds					661,524
Total liabilities and shareholders' fund					5,070,066

50. Segment analysis (cont'd)

Group	SEGMENT REPORTING				
At 31 December 2023	Corporate	Mortgage	Consumer & retail	Micro-finance	Total
In Thousands of GH¢					
Income					
Interest income	782,735	46,183	97,604	46,905	973,427
Interest expenses	(305,130)	(34,837)	(27,021)	(50,878	(417,866)
Net interest income	477,605	11,346	70,583	(3,973)	555,561
Fee and commission income	71,951	3,235	34,012	-	109,198
Fee and commission expenses	-	-	(3,116)	-	(3,116)
	71,951	3,235	30,896	-	106,082
Net Trading Income	55,222	-	-	-	55,222
Other Operating Income	21,164	-	-	-	21,164
Other Income	14,104	-	-	-	14,104
Total operating income	640,046	14,581	101,479	(3,973)	752,133
Impairment charges for credit losses	(54,474)	(3,223)	(7,217)	(1,180)	(66,094)
Operating expenses- unallocated					(433,614)
Taxation – unallocated					(107,391)
Segment profit/loss before tax	585,572	11,358	94,262	(5,153)	145,034
Segment assets					
Loans and advances	1,425,057	455,618	458,071	91,010	2,429,756
Unallocated assets					4,560,682
Total assets	1,425,057	455,618	458,071	91,010	6,990,438
Segment liabilities					
Total deposits	191,045	-	5,391,741	259,195	5,841,981
Unallocated liabilities					301,450
Total Liabilities	191,045	-	5,391,741	259,195	6,143,431
Segment Equity					
Total shareholders' funds					847,007
Total liabilities and shareholders' fund					6,990,438

50. Segment analysis (cont'd)

Group	SEGMENT REPORTING				
At 31 December 2022	Corporate	Mortgage	Consumer & retail	Micro-finance	Total
In Thousands of GH¢					
Income					
Interest income	427,336	39,962	126,548	31,311	625,157
Interest expenses	(137,371)	(26,014)	(31,698)	(37,151)	(232,234)
Net interest income	289,965	13,948	94,850	(5,840)	392,923
Fee and commission income	32,926	309	51,649	-	84,884
Fee and commission expenses	-	-	(1,708)	-	(1,708)
	32,926	309	49,941	-	83,176
Net Trading Income	34,014	-	-	-	34,014
Net income from investments at fair value thru. P&L	4,692	-	-	-	4,692
Other Operating Income	18,493	-	-	-	18,493
Other Income	17,805	-	-	-	17,805
Total operating income	397,895	14,257	144,791	(5,840)	551,103
Impairment charges for credit losses	(202,364)	(25,348)	(13,444)	(451)	(241,607)
Operating expenses- unallocated					(324,691)
Taxation - unallocated					(45,932)
Segment profit/loss before tax	195,531	(11,091)	131,347	(6,291)	(61,127)
Segment assets					
Loans and advances	1,049,152	361,885	485,169	61,311	1,958,017
Unallocated assets					3,147,785
Total assets	1,049,152	361,885	485,169	61,311	5,105,802
Segment liabilities					
Total deposits	121,409	-	3,762,351	184,785	4,068,545
Unallocated liabilities					334,423
Total Liabilities	121,409	-	3,762,351	184,785	4,402,968
Segment Equity					
Total shareholders' funds					702,834
Total liabilities and shareholders' fund					5,105,802

No individual customer contributed 10% or more to revenue, except interest income on government investments. All revenues are generated in Ghana.

Operating segments are reported in a manner consistent with internal reporting provided to ALCO and the Board of Directors. Income and expenses directly associated with each segment are included in determining business segment performance.

51. Maturity analysis of assets and liabilities

Bank 2023			At 31 December	
In Thousands of GH¢	Note	Total	Within 12 months	After 12 months
Assets				
Cash and cash equivalents	19	2,985,556	2,985,556	-
Pledged assets	20	101,019	101,019	-
Investment securities	21	1,065,451	26,911	1,038,540
Loans and advances to customers	22	2,429,756	785,160	1,644,596
Investments in subsidiaries	23	13,543	-	13,543
Deferred tax assets	25	32,542	-	32,542
Intangible asset	26	9,139	-	9,139
Other assets	27	27,118	13,671	13,447
Property and equipment	28	288,098	-	288,098
Total assets		6,952,222	3,912,317	3,039,905
Liabilities				
Deposits from customers	29b	5,868,216	2,344,297	3,523,919
Current tax	24	4,014	-	4,014
Deferred tax liabilities	25	28,197	-	28,197
Bonds	31	81,748	5,748	76,000
Other liabilities	32b	178,119	166,131	11,988
Total liabilities		6,160,294	2,516,176	3,644,118

51. Maturity analysis of assets and liabilities (cont'd)

Group 2023 In Thousands of GH¢	Note	Total	At 31 December Within 12 months	After 12 months
Assets				
Cash and cash equivalents	**19**	2,985,579	2,985,579	-
Pledged assets	**20**	101,019	101,019	-
Investment securities	**21**	1,097,430	26,911	1,070,519
Loans and advances to customers	**22**	2,429,756	785,160	1,644,596
Deferred tax assets	**25**	32,899	-	32,899
Intangible asset	**26**	9,210	-	9,210
Other assets	**27**	41,479	26,023	15,456
Property and equipment	**28**	293,066	-	293,066
Total assets		6,990,438	3,924,692	3,065,746
Liabilities				
Deposits from customers	**29b**	5,841,981	2,301,478	3,540,503
Current tax	**24**	3,870	-	3,370
Deferred tax liabilities	**25**	28,197	-	28,197
Bonds	**31**	81,748	5,748	76,000
Other liabilities	**32b**	187,635	170,872	16,763
Total liabilities		6,142,931	2,478,098	3,664,833

51. Maturity analysis of assets and liabilities

Bank 2022		At 31 December		
In Thousands of GH¢	Note	Total	Within 12 months	After 12 months
Assets				
Cash and cash equivalents	19	1,759,927	1,759,927	-
Investment securities at FVOCI	20	11,185	11,185	-
Pledged assets	20	34,148	34,148	-
Investment securities	21	1,015,786	411,798	603,988
Loans and advances to customers	22	1,958,017	421,932	1,536,085
Investments in subsidiaries	23	13,543	-	13,543
Current income tax	24	14,009	14,009	-
Deferred tax assets	25	25,134	-	25,134
Intangible asset	26	6,143	1,585	4,558
Other assets	27	22,762	9,619	13,144
Property and equipment	28	218,412	-	218,412
Total assets		5,079,066	2,664,203	2,414,864
Liabilities				
Deposits from customers	29b	4,090,281	1,891,220	1,884,532
Borrowing	30	88,123	66,683	21,440
Deferred tax liabilities	25	23,517	-	23,517
Bonds	31	81,681	5,681	76,000
Other liabilities	32b	133,940	27,610	106,330
Total liabilities		4,417,542	1,991,194	2,111,819

51. Maturity analysis of assets and liabilities

Group 2022		At 31 December		
In Thousands of GH¢	Note	Total	Within 12 months	After 12 months
Assets				
Cash and cash equivalents	19	1,759,937	1,759,937	-
Investment securities at FVOCI	20	11,185	11,185	-
Pledged assets	20	34,148	34,148	-
Investment securities	21	1,042,752	438,764	603,988
Loans and advances to customers	22	1,958,017	421,932	1,536,085
Investments in subsidiaries	23	-	-	-
Current income tax	24	13,575	13,575	-
Deferred tax assets	25	25,835	-	25,835
Intangible asset	26	6,308	1,585	4,723
Other assets	27	30,823	30,823	-
Property and equipment	28	213,222	-	213,222
Total assets		5,095,802	2,711,949	2,383,853
Liabilities				
Deposits from banks		-	-	-
Deposits from customers	29b	4,068,545	1,884,532	2,184,013
Borrowing	30	88,123	66,683	21,440
Deferred tax liabilities	25	23,681	-	23,681
Bonds	31	81,681	5,681	76,000
Other liabilities	32b	140,938	34,608	106,330
Total liabilities		4,402,968	3,336,826	1,066,142

52. Going concern and Events after the reporting period

There was no event after reporting date that required adjustments or disclosure.

The Group made profit for the year and subsequent to the reporting date, the Group continues to make profit and is expected to remain profitable for the foreseeable future.

The directors have considered the following matters in making an assessment on the going concern assumption:

- Cash flow forecast – profit making, increase in the revenue and liquidity management
- New turnaround strategy — that is focused on diversifying its investments portfolio and expansion of its loan market to drive growth in income for the foreseeable future.
- Risk management – rigorous selection process for clients, management of business risks and working capital. New turnaround strategy that has shown an improvement in revenue for the foreseeable future.

The financial statements are prepared on the basis of 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.

53. Analysis of Shareholding

Range of shareholding as at 31 December 2023

FROM	TO	No. of shareholders	No. of Shares	% of Holding
1	1,000	1,746	521,719	0.06
1,001	5,000	401	931,250	0.11
5,001	10,000	74	537,562	0.06
10,001	50,000	97	2,027,465	0.24
50,001	999,999,999	49	847,948,377	99.53
TOTAL		2,367	851,966,373	100.00

Major shareholders as at 31 December 2023 (top 20)

Name of shareholder	Number of shares	% of issued Capital
REPUBLIC FINANCIAL HOLDINGS LIMITED	566,922,389	66.54
SOCIAL SECURITY & NATIONAL INS.TR.	220,379,810	25.87
GHANA UNION ASSURANCE CO. LTD.	42,364,167	4.97
SCGN/GHANA INTERNATIONAL BANK PLC	9,221,968	1.08
ACE MEDICAL INSURANCE LIMITED	1,204,200	0.14
STD NOMS TVL PTY/HERITAGE FUND LTD	899,976	0.11
UNITED MASTER TRUST PROVIDENT	880,407	0.10
CAPITAL AND EQUITY LTD.	625,000	0.07
ZWENNES CHARLES MR	317,273	0.04
PRESTIGE CAPITAL LIMITED	295,297	0.04
HFCN/CDH BALANCED FUND LIMITED	292,769	0.03
AMOAKO-ATTA CHARLES MR	272,350	0.03
BOATENG DANIEL A. DAMEH DR.	257,288	0.03
REGIMANUEL GRAY LTD.	220,266	0.03
NSIA GHANA LIMITED	219,389	0.03
DATABANK BROKERAGE LIMITED	200,000	0.03
AL-HASSAN ABDUL-RAHMAN MR	196,932	0.02
DUKU KWADWO MR	193,351	0.02
DJANGMAH VICTOR KODJO V.K	165,000	0.02
ASAFO-ADJEI OSEI MR	160,000	0.02
REPORTED TOTALS	845,287,832	99.22
NOT REPORTED	6,678,541	0.78
GRAND TOTALS	851,966,373	100.00

Directors' shareholdings as at 31 December 2023

Name of Shareholders	Number of Shares	% of issued Capital
Mr. Charles William Zwennes	317,273	0.0372
Mr. Ebenezer Tetteh Tagoe	27,349	0.0032
Mr. Benjamin Dzoboku	3,746	0.0004
Total	348,368	0.0408

RESOLUTIONS

ORDINARY RESOLUTIONS

1. That the Financial Statements of Republic Bank (Ghana) PLC and its Subsidiaries for the financial year ended 31st December 2023 together with the Auditors' Reports thereon be received and adopted.

2. That the Directors' Report for the year ended 31st December 2023 be received and adopted.

3. That Mr. David Addo-Ashong be and is hereby re-elected as a Director of the Company under Article 66 of the Company's Constitution and Section 325(d) of the Companies Act, 2019 (Act 992).

4. That the retirement of Mr. Ebenezer Tetteh Tagoe as a Director be and is hereby accepted under Article 67 of the Company's Constitution and Section 325(b) of the Companies Act, 2019 (Act 992).

5. That the retirement of Mr. Paul King Aryene as a Director be and is hereby accepted under Article 67 of the Company's Constitution and Section 325(b) of the Companies Act, 2019 (Act 992).

6. That Prof. Mrs. Vera Ogeh Lassey Fiador be and is hereby elected as a Director of the Company under Article 67 of the Company's Constitution and Section 325(e) of the Companies Act, 2019 (Act 992).

7. That Mr. Jonathan Prince Cann be and is hereby elected as a Director of the Company under Article 67 of the Company's Constitution and Section 325(e) of the Companies Act, 2019 (Act 992).

8. That Mr. Joseph Yaw Asumang be and is hereby elected as a Director of the Company under Article 67 of the Company's Constitution and Section 325(e) of the Companies Act, 2019 (Act 992).

9. That Ernst and Young Chartered Accountants be and is hereby appointed as the External Auditors of the Bank for the Financial Years 2024 to 2029 under Article 49 of the Company's Constitution and Section 139(3) of the Companies Act, 2019 (Act 992).

10. That the Directors be and are hereby authorized to fix the remuneration of the Company's Auditors for the 2024 financial year.

PROXY

I/We ....of ....
being members of Republic Bank (Ghana) PLC (the "Company") hereby appoint .... or failing him/her, MR. DAVID ADDO-ASHONG, Acting Chairman of Republic Bank (Ghana) PLC, as my/our proxy to vote for me/us on my/our behalf at the In-person and Virtual Annual General Meeting of the Company to be streamed from the Accra City Hotel, Barnes Road, Accra at 1.00 pm (13.00 GMT) on the 19th day of September 2024 and at any adjournment thereof..

Please indicate with a tick in the space below how you wish your votes to be cast
ORDINARY RESOLUTIONS

			For	Against	Abstain
1.	To receive and adopt the 2023 Financial Statements of Republic Bank (Ghana) PLC & Auditors Report thereon	1.			
2.	To receive and adopt the Directors' Report.	2.			
3.	To re-elect Mr. David Addo-Ashong as a Director.	3.			
4.	To accept the retirement of Mr. Ebenezer Tetteh Tagoe as a Director.	4.			
5.	To accept the retirement of Mr. Paul King Aryene as a Director.	5.			
6.	To elect Prof. (Mrs.) Vera Ogeh Lassey Fiador as a Director	6.			
7.	To elect Mr. Jonathan Prince Cann as a Director.	7.			
8.	To elect Mr. Joseph Yaw Asumang as a Director.	8.			
9.	To appoint Ernst and Young Chartered Accountants as the External Auditors of the Bank for the Financial Years 2024 to 2029	9.			
10.	To authorise Directors to fix the Auditors' fees for 2024.	10.			

This .... day of .... 2024 / Signed ....

THIS FORM SHOULD NOT BE COMPLETED AND SENT TO THE COMPANY SECRETARY IF THE SENDER WILL BE 'ATTENDING' THE MEETING

1. Provision has been made on the form for MR. DAVID ADDO-ASHONG, the Chairman of the Meeting, to act as your Proxy; but if you so wish, you may insert in the blank space the name of any person, whether a member of the Company or not, who will attend the Meeting and vote on your behalf instead of the Chairman.

2. In the case of joint holders, each holder must sign. In the case of a company, the Proxy Form must be signed by a Director or its Common Seal appended.

If you intend to sign a Proxy, please sign the above Proxy Form and post it to reach the Company Secretary, Republic Bank (Ghana) PLC, "Ebankese", P.O. Box CT4603, Cantonments, Accra, Ghana or via email to marketing@republicghana.com at any time prior to the commencement of the meeting in accordance with the Company's Regulations.

Republic Bank (Ghana) PLC

THIRD FOLD HERE

SECOND FOLD HERE

FIRST FOLD HERE

THE COMPANY SECRETARY
REPUBLIC BANK (GHANA) PLC
EBANKESE
P.O. BOX CT4603
CANTONMENTS
ACCRA, GHANA

BEFORE POSTING THE ABOVE FORM, TEAR OFF AND RETAIN THE PART BELOW

republicghana.com

email@republicghana.com