GTBank

Guaranty Trust Bank (Ghana) Ltd
CS406022014

GUARANTY TRUST BANK (GHANA) LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

GUARANTY TRUST BANK (GHANA) LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

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CORPORATE INFORMATION

Board of Directors	Joseph K. Amoa-Awuah (Chairman) Thomas Attah John (Managing Director) Rasheed Ibrahim Maidie Elizabeth Arkutu Irene Baaba Hagan Adebanji Adeniyi
Secretary	Iris Richter-Addo 25A Castle Road, Ambassadorial Area, Ridge PMB CT 416, Cantonments Accra, Ghana
Auditor	Ernst and Young Ghana Chartered Accountants 60 Rangoon Lane, Cantonments City, P. O. Box KA 16009 Airport, Accra, Ghana
Registered Office	Guaranty Trust Bank (Ghana) Ltd 25A Castle Road, Ambassadorial Area, Ridge PMB CT 416, Cantonments Accra, Ghana
Correspondent banks	CitiBank London CitiBank New York Ghana International Bank Plc J.P. Morgan Chase Bank Guaranty Trust Bank London Bank of Beirut (UK) Ltd Rand Merchant Bank Investment and Corporate Banking Standard Chartered Bank UK Guaranty Trust Bank (Nigeria) Limited
Solicitors	Lithur Brew and Company No. 110B, 1st Kade Close, Kanda Estates P. O. Box CT 3865, Cantonments Accra, Ghana Adu-Kusi PRUC Third Floor, Teachers Hall Complex Educational Loop, Off Barnes Road Adabraka-Accra

REPORT OF THE DIRECTORS

The Directors present their report together with the audited financial statements for the year ended 31 December 2024.

Directors' responsibility statement

The Directors are responsible for the preparation of financial statements for each financial year, which gives a true and fair view of the state of affairs of the Guaranty Trust Bank (Ghana) Ltd, comprising the statement of financial position as at 31 December 2024 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 preparing these financial statements, the directors have selected suitable accounting policies and applied them consistently, made judgements and estimates that are reasonable and prudent and applied the requirements of IFRS Accounting Standards as issued by the International Accounting Standards Board 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 Specialized Deposit–Taking Institutions Act, 2016 (Act 930). In addition, the Directors are responsible for the preparation of the report of the directors.

The Directors are responsible for ensuring that the Bank keeps proper accounting records and disclose with reasonable accuracy at any time the financial position of the Bank. The Directors are also responsible for safeguarding the assets of the Bank and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The Directors have assessed the ability of the Bank to continue as a going concern having regard of the business impact of the Government of Ghana's Domestic Debt Exchange programme (GDDE) and other government exposures and have no reason to believe that the business will not be a going concern over the next twelve (12) months. The Capital Adequacy ratio of the Bank in spite of the domestic debt exchange programme remains strong and well above the minimum capital adequacy ratio of 10%.

Directors have no plans or intentions, for example to dispose of the business or cease operations that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.

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

Objectives of the Bank and Nature of business

The Bank is licensed by the Bank of Ghana under the Banks and Specialized Deposit Taking Institutions Act, 2016 (Act 930) to carry out universal banking business in Ghana and there was no change in the nature of the Bank's business during the period.

Holding company

The Bank is a subsidiary of Guaranty Trust Bank (Nigeria) Limited, a company incorporated in the Federal Republic of Nigeria and licensed to carry out universal banking business. The company holds 98.32% of the registered shares of Guaranty Trust Bank (Ghana) Ltd.

REPORT OF THE DIRECTORS (CONTINUED)

Distributable profits

	2024 GH¢	2023 GH¢
Profit for the year ended 31 December before tax is	1,171,391,030	1,118,498,441
from which is deducted taxation	(427,368,693)	(392,711,992)
giving a profit for the year after tax of	744,022,337	725,786,449
less transfer to statutory and other reserves of	(93,002,792)	(181,446,612)
less transfer from/(to) credit risk reserve of	13,293,177	(20,453,783)
less payment of prior year dividends declared	(312,811,280)	-
leaving a balance of	351,501,442	523,886,054
when added to the balance brought forward on Retained Earnings of	996,999,417	473,113,363
leaving a balance of	**1,348,500,859**	**996,999,417**

At the next shareholders meeting on the financial performance for the year ended 31 December 2024, dividend of GH¢ 464,838,001 (2023: GH¢ 312,811,280) will be tabled for shareholders' consideration and approval subject to the regulator's approval.

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Financial results at a glance (current year)

The state of affairs of the Bank is as follows:

	2024 GH¢	2023 GH¢
Profit before tax	1,171,391,030	1,118,498,441
Profit after tax	744,022,337	725,786,449
Total assets	15,366,150,436	11,224,352,893
Total liabilities	12,872,304,232	9,161,717,746
Total equity	2,493,846,204	2,062,635,147

The Directors consider the state of the company's affairs to be satisfactory.

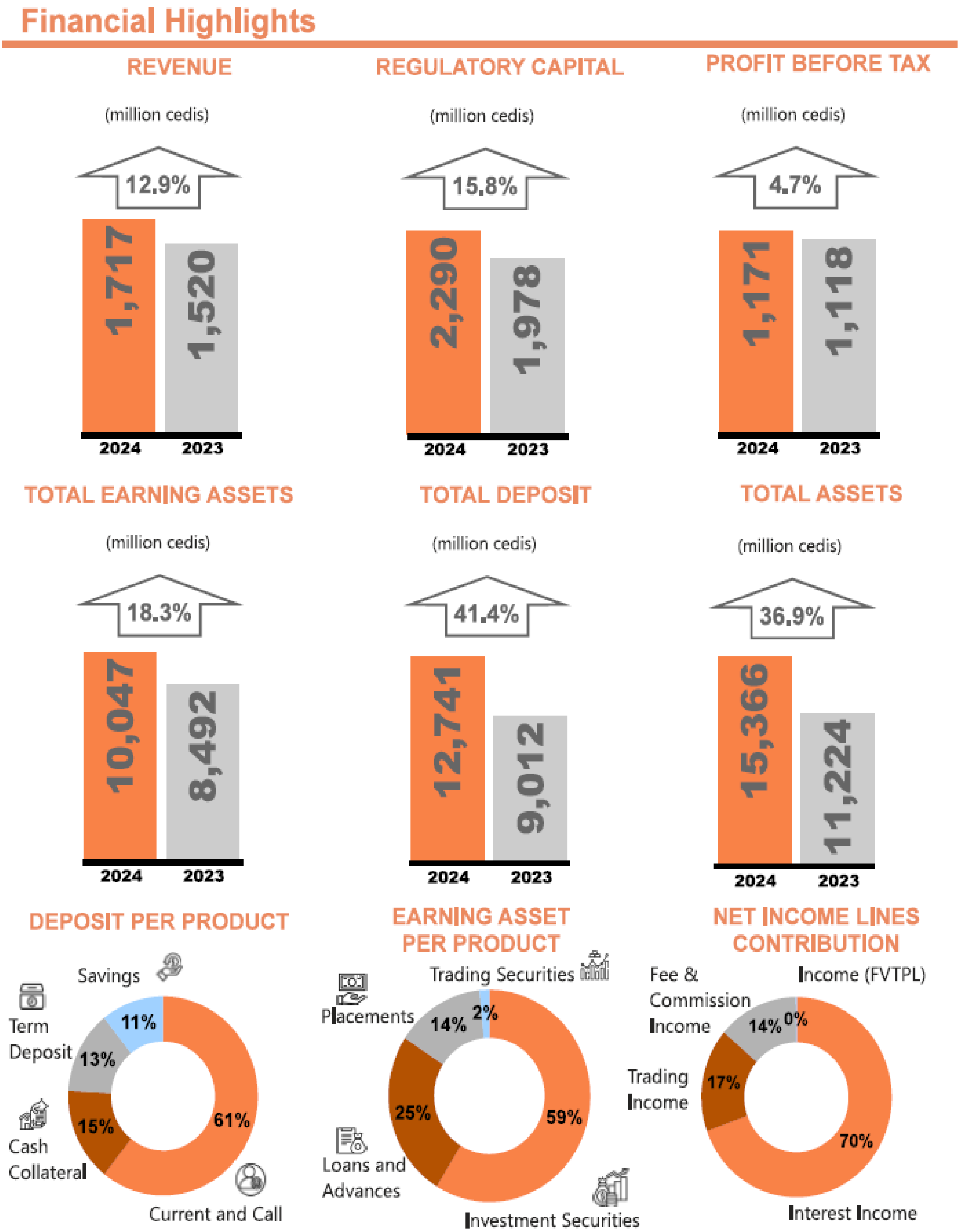
Particulars of entries in the Interests Register during the financial year.

The entity maintains an Interests Register. There was however no director interest in any contract within the year under review. No entry was therefore made in the Register as required by sections 194(6), 195(1)(a) and 196 of the Companies Act 2019, (Act 992).

Corporate social responsibility and code of ethics

A total of GH¢ 4,880,496 (2023: GH¢3,946,844) was spent under the Company's social responsibility programme with key focus on education, health and others. This is disclosed in note 13.1. An extract of the company's code of ethics can be found in the appendices.

FINANCIAL RESULTS AT A GLANCE (COMPARATIVE)



REPORT OF THE DIRECTORS (CONTINUED)

Board of Directors

Profile

Executive	Qualification	Outside Board and management position
Thomas Attah John	Chartered Banker MBA, Certificate in Management Performance Measurement, Masters in Business Administration, BSc Pure Applied Chemistry, ACIB, MCIB (Scotland and Wales)	Non-Executive Director, GTBank Sierra Leone Non-Executive Director, GTBank Liberia Director – Discovery Investments Limited
Non-executive		
Adebanji Isola Adeniyi	Doctor of Vet Medicine Degree, Associate and Fellow of the Institute of Chartered of Accountants of Nigeria (ACA & FCA), MBA, Honorary Senior Member of the Chartered Institute of Bankers	Group Chief Financial Officer, GTCO Non-Executive Director, GTBank Gambia Non-Executive Director, GTBank Cote d'Ivoire
Joseph Kofi Amoa-Awuah (Chairman)	B.Sc. Business Administration, MBA,	Executive Director, 3A Consult Limited; Non-Executive Director, Apex Health Insurance Company; Non-Executive Director, S. P. Christian International School
Rasheed Ibrahim	B.Sc. Business Administration	Director – Dara Salam Group of Companies; Director – Y2 Properties Limited; Director – Busi & Stephenson Limited; Director – Dorian Management Limited
Maidie Elizabeth Arkutu	Post-Graduate Diploma in Marketing, MBA, Bachelor of Arts (BA) degree in Business Economics with a minor in French	Non-Executive Director, Axis Pensions Group; Non-Executive Director, Nyaho Healthcare Limited; Trustee-CAMFED International, UK; Funder of Oranjade Management Consulting
Irene Baaba Hagan	Fellow Chartered Accountant, Certified Information Systems Auditor, MBA, B.Sc. (Hons.) in Accounting & Finance	Founder & Proprietor – Ihagan Consult; Non-Executive Director – Temple S&P Sovereign Bond Index EFT PLC; Non-Executive Director – Temple Impact VC Fund Ltd

Biographical information of directors

Age category	Number of directors
41 – 45 years	3
46 – 60 years	2
Above 60 years	1

REPORT OF THE DIRECTORS (CONTINUED)

Capacity building of directors to discharge their duties

On appointment to the Board, Directors are provided with full, formal and tailored programmes to enable them gain in-depth knowledge about the Company's business, the risks and challenges faced, the economic knowledge and the legal and regulatory environment in which the Company operates. Programmes of strategic importance provided during the year ensure Directors continually update their skills, knowledge and familiarity with the Company's businesses. This further provides insights into the industry and other developments to enable them effectively fulfil their role on the Board and other Committees.

Auditor/ Audit fees

The Board Audit Committee has responsibility delegated from the Board of Directors for making recommendations on the appointment, reappointment, removal and remuneration of the external auditor. Non-audit services provided by KPMG amounted to GHS 507,390. Audit fees for the year for Ernst and Young amounted to GHS 950,000.

Approval of the report of the Directors

The report of the directors of Guaranty Trust Bank (Ghana) Ltd, was approved by the Board of directors on 13th February 2025 and are signed on their behalf by:

...................…………......	...................…………......
Rasheed Ibrahim	Thomas Attah John
Director	*Managing Director*

REPORT OF THE AUDIT COMMITTEE

In accordance with corporate governance best practices contained in The Banking Business-Corporate Governance Directive 2018 and the Corporate Governance Disclosure Directive (CGDD) in May 2022, the members of the Audit Committee of Guaranty Trust Bank (Ghana) Ltd hereby report as follows:

(i) We are of the opinion that the accounting and reporting policies of the Bank are in accordance with legal requirements and agreed ethical practices and that the scope and planning of both the external and internal audits for the full year ended 31 December 2024 were satisfactory and reinforced the Bank's internal control system.

(ii) We are satisfied that the Bank has complied with the provisions of Bank of Ghana's Circular BSD/108/2011 "International Financial Reporting Standards (IFRS) Implementation" and hereby confirm that an aggregate amount of GHS 33,393,999 has been set aside as at 31 December 2024 in relation to differences in impairment provisions for loans and advances under International Financial Reporting Standard (IFRS 9 *Financial Instruments*) and Bank of Ghana Prudential/Impairment Guidelines.

(iii) We are satisfied that the Bank has complied with the provisions of Bank of Ghana's Circular BSD/17/2018 "Adoption of International Financial Reporting Standard 16 Leases (IFRS 16)" and hereby confirm that the substance and the economics of lease transactions have been properly reflected in our books as required by the standard.

(iv) We are satisfied with the assessment of the impact of the Government of Ghana's Domestic Debt Exchange Programme together with other government exposures with respect to credit losses on the revenue and assets of the bank for the 2024 financial year and beyond. We are of the opinion that the accounting treatment and credit losses taken are prudent and will not adversely affect the Bank's capital adequacy and business continuity.

(v) We have deliberated with the external auditors, who have confirmed that necessary cooperation was received from management in the course of their audit, and we are satisfied with management's response thereon and with the effectiveness of the Bank's system of accounting and internal control.

....

Irene B. Hagan
Chairperson, Audit Committee

Accra

13th February 2025.

CORPORATE GOVERNANCE REPORT

1.0 Governance Structure

The Board has overall responsibility for ensuring compliance with all necessary frameworks that the Bank must operate within to ensure strict adherence to the Corporate Governance Directive (CGD) in December 2018 and the Corporate Governance Disclosure Directive (CGDD) in May 2022 and international best practices which are high on the agenda of Guaranty Trust Bank (Ghana) Ltd. As such, the Bank is governed by a framework that facilitates checks and balances and ensures that appropriate controls are put in place to facilitate best practices for the Board of Directors and senior management in order to maximize stakeholder value.

There were no new directors and management personnel inducted during the financial year under review.

Currently, there is a 6-member Board of Directors of Guaranty Trust Bank (Ghana) Ltd composed of an independent non-executive Chairman, with 1 Executive Director 1 non-resident Non-Executive Director and 3 other independent non-executive directors, all of whom are resident in Ghana, each bringing diverse and rich experience, with enviable records of achievement in their various fields of endeavour. The Directors possess the requisite skills and experience, integrity and business acumen to bring independent judgment to bear on Board deliberations for the good of the Bank.

There are currently five (5) main committees through which the Board of Directors discharges its functions; Board Audit Committee, Board Risk Committee, Board Credit Committee, Board Cyber and Information Security Committee and the Board Nominations Committee.

In addition to the Board Committees, there are five (5) Management Committees to ensure effective and good corporate governance at the Management level.

2.0 Disqualification of Directors, Employees and Key Management Personnel

The Bank appoints and elects into the position of a director, managing director or key management personnel in compliance with Section 58 of Banks and Specialized Deposit-Taking Institutions Act, 2016 (Act 930), any person other than one who:

(i) has been adjudged to be of unsound mind or is detained as a person with a mental disorder under any relevant enactment;
(ii) has been declared insolvent, has entered into any agreement with another person for payment of that person's debt and has suspended payment of the debt;
(iii) has been convicted of an offence involving fraud, dishonesty or moral turpitude;
(iv) has been a director, Key Management Personnel associated with the management of an institution which is being or has been wound up by a court of competent jurisdiction on account of bankruptcy or an offence committed under an enactment;
(v) is a director or Key Management Personnel of another bank, specialized deposit taking institution or financial holding company in the country;
(vi) is under the age of eighteen years (18 years);
(vii) does not have the prior written approval of the Bank of Ghana; or
(viii) has defaulted in the repayment of the financial exposure of that person.

CORPORATE GOVERNANCE REPORT (CONTINUED)

3.0 Shareholding Structure

The shareholding structure of the Bank is as provided below:

Name of Shareholder	Number of Shares	Monetary Share of Capital (GHS)	Shareholding Structure (%)	Voting Rights
Guaranty Trust Bank (Nigeria) Limited	13,933,838,405	398,093,232.30	98.32%	In accordance with sections 34 and 53 of the Companies Act, 2019 (Act 992)
Alhaji Yusif Ibrahim	238,051,874	6,802,244.00	1.68%	In accordance with sections 34 and 53 of the Companies Act, 2019 (Act 992)
Key Management Personnel	N/A	N/A	N/A	N/A
Related Parties	N/A	N/A	N/A	N/A
Total	14,171,890,279	404,895,476.30	100.00%	

No director, key management personnel or related party has any other interest in any shares or loan stock of the Company.

4.0 Board Composition, Roles and Appointment Dates

S/N	BOARD OF DIRECTORS	ROLE	APPOINTMENT DATE
1	Joseph Kofi Amoa-Awuah	Chairman (Independent Non-Executive director)	Appointed on 29th December, 2021
2	Adebanji Adeniyi	Non-Executive Director	Appointed on 9th July, 2021
3	Rasheed Ibrahim	Independent Non-Executive Director	Appointed on 6th November, 2018
4	Maidie Arkutu	Independent Non-Executive Director	Appointed on 24th May, 2019
5	Irene Hagan	Independent Non-Executive Director	Appointed on 16th September, 2019
6	Thomas John	Managing Director (Executive Director)	Appointed on 16th March, 2018

There were no retirements, resignations, and removal of directors during the financial year 2024. Mr. Rasheed Ibrahim retired from the Board Risk Committee on 17th May, 2024 having served the maximum tenure of five years prescribed by the Corporate Governance Directive, 2018.

5.0 Annual Certification

As required by the Bank of Ghana's Corporate Governance Directive issued in December 2018, the Board shall certify general compliance with the CGD 2018 within 90 days at the beginning of each financial year. The Board therefore certifies that:

- **(i)** It has independently assessed and documented the corporate governance process of the Bank and has generally achieved its objectives.
- (ii) The Directors are aware of their responsibilities to the Bank as persons charged with governance.
- (iii) It confirms that it shall report any material deficiencies and weaknesses that it identifies in the course of the year along with action plans and timetables for the corrective action by the Board to the Bank of Ghana.

CORPORATE GOVERNANCE REPORT (CONTINUED)

5.0 Annual Certification - continued

Directors are aware of their responsibilities as persons charged with governance and have completed trainings on their responsibilities.

The table below provides a summary of the syllabus for the 2024 Annual Corporate Governance Certification Programme, facilitated by the National Banking College, together with an indication of each director's attendance (X) or absence (-).

S/N	Name of Director	A	B	C
1	Joseph Amoa-Awuah	X	X	X
2	Rasheed Ibrahim	X	X	X
3	Adebanji Adeniyi	X	X	X
4	Irene Hagan	X	X	X
5	Maidie Arkutu	X	X	X
6	Thomas John	X	X	X

A. Annual Corporate Governance Certification Module 1 on "Emerging Regulatory Concerns to Effective Corporate Governance Practice" by National Banking College on 23rd October, 2024 at Kempinski Hotel Gold Coast City, Accra

B. Annual Corporate Governance Certification Module 2 on "Board Renewal and CEO Succession Planning" by National Banking College on 23rd October, 2024 at Kempinski Hotel Gold Coast City, Accra

C. Annual Corporate Governance Certification Module 3 on "Credit Risk Governance & Oversight in Times of Uncertainty" by National Banking College on 24th October, 2024 at Kempinski Hotel Gold Coast City, Accra

6.0 Business Strategy

The Board approves and monitors the overall business strategy of the Bank considering the long-term financial interest of the company, its exposure to risk and its ability to manage risk effectively. The Board approves and oversees the formulation and implementation of the:

(i) overall risk strategy, including its risk tolerance/appetite;
(ii) policies for risk, risk management and compliance, including anti-money laundering and combating the financing of terrorism risk;
(iii) internal control systems;
(iv) corporate governance framework, principles and corporate values including a code of conduct
(v) compensation system

7.0 Duty of Care and Loyalty

The members of the Board exercise a "duty of care" and "duty of loyalty" to the Bank at all times which is stipulated in the Companies Act, 2019 (Act 992) and the Policies and the Bank's Board charter.

CORPORATE GOVERNANCE REPORT (CONTINUED)

8.0 Corporate culture, values, ethics and professionalism

The Board has established corporate culture, values, ethics and professional standards for the Bank that promote and reinforces norms for responsible and ethical behaviour in terms of the Bank's risk awareness, risk-taking and risk management. The Bank has in place a Code of Conduct and a Conflict-of-Interest Policy duly approved by the Board of Directors which is made available to all persons to whom it applies. All directors and employees sign off annually as having read and understood the Code of Conduct and sanctions for breaching the policy.
The Board, management and employees of the bank always commit to the highest standards of professional behaviour, business conduct, and sustainable business practices.

9.0 Related Party Transactions

The Board ensures that transactions with related parties, including internal group transactions, are reviewed to assess risk and are subject to appropriate restrictions by requiring that such transactions be conducted on non-preferential terms and applicable legislation are followed.

No director has any other interest in any shares or loan stock of the Company. Related party transactions and balances are also disclosed in note 31 to the financial statements.

10.0 Succession Plan

The Bank is putting in place the required succession plan to enable the business to continue to the foreseeable future. The plan focuses on developing human resources to enable the Bank to retain a pool of qualified candidates who are ready to compete for key positions and areas when they become vacant to ensure effective continuity of the deposit-taking business.

11.0 Key Management Oversight

The Board provides an oversight of Senior Management as part of the Bank’s checks and balances and
(i) monitors to ensure the actions of Senior Management through reports from Management are consistent with the strategy and policies approved by the Board, including the risk tolerance appetite and risk culture.
(ii) meets regularly with Senior Management through the Board sub committees.
(iii) questions and critically reviews explanations and information provided by senior management.
(iv) ensures that the knowledge and expertise of senior management remain appropriate given the nature of the business and the Bank's risk profile.
(v) oversees the implementation of appropriate governance framework for the Company.
(vi) ensures that appropriate succession plans are in place for senior management positions.
(vii) oversees the design and operation of the Company's compensation system, monitor and reviews the system to ensure that it is aligned with the desired risk culture and risk appetite of the Company.
(viii) approves the overall internal control framework of the bank and monitors its effectiveness.

Management Reporting Structure

The Board has put in place key management committees whose reports from meetings are included in board reports to keep the board updated on the progress of the bank in terms of performance against set strategic plans and budgets. These reports are submitted to the board every quarter. Bi-annually, management also submits to the board the Bank’s achievement against the budgeted revenue and Profit before Tax (PBT) to enable the board to make a determination on whether or not to review the annual budget of the bank.

12.0 Separation of Powers

There is a clear division of responsibilities at the top hierarchy of the bank. The positions of the Board Chairman and the Managing Director are separate. The two top positions of Board Chairman and Managing Director in the company are not both occupied by foreigners. The Chairman is a Ghanaian and the Managing Director is a Nigerian.
Furthermore, no two related persons occupy the positions of Board Chairman and Managing Director of the bank.

CORPORATE GOVERNANCE REPORT (CONTINUED)

13.0 Independent Director

The Board of Directors continuously ensures that the position and requirements of Independent Directors are always met and that an independent director shall be non-executive and shall not: -

(i) hold cross directorship positions with another director on the Board of other institutions.
(ii) be a director on the Board of an institutional shareholder with significant equity interest in the regulated financial institution.
(iii) have more than 5% equity interest directly or indirectly in the Company or in its related companies.
(iv) be employed in an executive position in the Company or its related company at least 2 years prior to his appointment date.
(v) have relatives employed by the Company or any of its related companies as Key Management Personnel in the last two (2) years.
(vi) have engaged in any transaction within the last two (2) years with the Company on terms that are less favourable to the Company than those normally offered to other persons.
(vii) have served as a director in the Company continuously for more than two (2) terms unless the director can affirm that his/her independence is not impaired.
(viii) be related to persons with significant shareholding in the Company or having any business or employment connections to a significant shareholder.

There are 4 non-executive directors on the board who are classified as independent.

14.0 Directors' Appointments and Managing Director Tenure

The procedure for appointment of directors to the Board is formal and transparent and conforms to the directive issued by the Bank of Ghana on Fit and Proper persons. The Bank has complied with the Bank of Ghana directive in respect of the tenure of the Managing Director of 12 years.

15.0 Appointment of Key Management Personnel

The Bank submits to the Bank of Ghana before it appoints a Key Management Person, an enhanced due diligence report on proposed nominees as Key Management Personnel. The Bank also conducts police criminal and academic background checks; obtains references from previous employers and 2 other reputable persons; notifies the Bank of Ghana about the recruitment of Key Management personnel and obtains its approval.

16.0 Alternate Director

The Bank does not currently have any alternate directors.

17.0 The Board Chairman

The Chairman of the Board is an independent non-executive director and is ordinarily resident in Ghana. The Chairman provides leadership to the Board and ensures that Board decisions are taken on a sound and well-informed basis. The Chairman encourages and promotes critical discussion and ensures that dissenting views can be expressed and discussed within the decision-making process. The Chairman encourages constructive relationship within the Board and between the Board and Management. He promotes checks and balances in the governance structure of the Bank. He does not serve as a Chairman of any of the Board Committees

18.0 The Board Secretary

The Board Secretary serves as an interface between the Board and Management and supports the Chairman in ensuring the smooth functioning of the Board. The Board Secretary advises the Board on matters relating to the statutory duties of the directors under the law, disclosure obligations, and company law regulations as well as on matters of corporate governance requirements and effective Board processes. The Board Secretary ensures that directors are provided with complete, adequate and timely information prior to Board meetings.

CORPORATE GOVERNANCE REPORT (CONTINUED)

19.0 Board Meetings

The Company holds a minimum of 4 Board meetings annually. In 2024 meetings were held in February, May, August and November. It also held one Annual General Meeting in May and one Budget Meeting in December, 2024.

In compliance with the Bank of Ghana's Directive on Corporate Governance, the Board hereby discloses the total number of Board meetings and the attendance rate of each Director below:

		Quarterly	**Quarterly**	**Quarterly**	**Quarterly**	
No.	**Name**	**28-Feb-24**	**17-May-24**	**8-Aug-24**	**6-Nov-24**	**% Attendance**
1	Thomas Attah John	Yes	Yes	Yes	Yes	100%
2	Joseph Kofi Amoa-Awuah	Yes	Yes	Yes	Yes	100%
3	Adebanji Adeniyi	Yes	Yes	Yes	Yes	100%
4	Irene Baaba Hagan	Yes	Yes	Yes	Yes	100%
5	Rasheed Ibrahim	Yes	Yes	Yes	Yes	100%
6	Maidie Elizabeth Arkutu	Yes	***N/A*	Yes	Yes	75%

***N/A– Director was absent with apologies due to ill health*

Provided below is the attendance rate of each Director for the 2024 Annual General Meeting:

Annual General Meeting

No.	**Name**	**AGM - 17-May-24**
1	Thomas Attah John	Yes
2	Joseph Kofi Amoa-Awuah	Yes
3	Adebanji Adeniyi	Yes
4	Irene Baaba Hagan	Yes
5	Rasheed Ibrahim	Yes
6	Maidie Elizabeth Arkutu	**N/A

***N/A– Director was absent with apologies due to ill health*

The Board undertook the following activities in 2024:

Q1	Approval of 2023 Audited Financial Statements and recommendation on dividend payment to shareholders, Approval of amendments to Board Charters and various Compliance, Risk Management, Information and Fraud Risk Management- related Policies, Consideration of external audit review of the Bank's ERM Framework and Consideration of Q4 2023 reports
Q2	Approval of Bank's Succession Plan, Approval of Revised Sectoral Concentration Limits, Approval of IFRS 9 Model Validation and Implementation Policy, Approval of various Compliance, Audit and Risk – related Policies and Consideration of Q1 2024 reports
Q3	Approval of write-off of selected non-performing loans, Approval of renewal of term of office of a director, and Consideration of Q2, 2024 reports
Q4	Approval of the Board's Work Plan for 2025, Approval of reviewed Whistleblowing Policy and Consideration of Q3, 2024 reports

CORPORATE GOVERNANCE REPORT (CONTINUED)

For the year 2025, the proposed work plan as approved at the November 2024 board meeting is provided below.

Activity	**Proposed Date**
Annual General Meeting	February 2025
Quarterly Board Meetings	February, May, August, November 2025
Review of Reports	
Ernst and Young Management Letter	February 2025
Managing Director’s Report	February, May, August, November 2025
SYSCON Inspection Report (GT Bank Plc)	November 2025
Status Report – Project Xcent	February, May, August, November 2025
Report of Board Committees	February, May, August, November 2025
Customer Satisfaction Survey	November 2025
Board Training	To-be-determined
Board Evaluation	
Board Performance Evaluation	May 2025
In-house AML/CFT Evaluation	May, November 2025
Directors’ Informal Meeting/Dinner	To-be-determined
Review/Approvals	
2024 Audited Fin. Statements	February 2025
Recommendation of Dividends	February 2025
2026 Ann. Budget	December 2025
Ethics Policy	February 2025
Risk Assessment Framework	August 2025
Compliance Policy	August 2025
KYC Policy	August 2025
AML/CFT Policy	August 2025
Whistleblowing Policy	November 2025
STR Framework	February 2025
Consumer Recourse Mechanism Policy	February 2025
*Various Risk Mgmt. Policies	
Insider Related Credits	February, May, August, November 2025
Code of Conduct for Forex Interbank Market Trading	May 2025
Market and Liquidity Risk Mgmt.	May 2025
Climate Risk Policy	August 2025
Sustainability Policy	August 2025
ICAAP	May 2025
Board Charters	February 2025
2026 Board Work Plan	November 2025

CORPORATE GOVERNANCE REPORT (CONTINUED)

20.0 Board Sub-Committees

There are currently Five (5) main committees through which the Board of Directors discharge its functions; Board Audit Committee, Board Credit Committee, the Board Risk Committee, the Board Nominations Committee, and the Board Cyber and Information Security Committee. Their composition and functions are as follows:

20.1 Board Audit Committee

This Committee is currently made up of three (3) Non-Executive Directors while the Company Secretary serves as the secretary to the Committee. The membership comprises the following:

S/N	BOARD AUDIT COMMITTEE	ROLE	APPOINTMENT DATE
1	Irene Hagan	Chairperson	Appointed on 6th November, 2019
2	Maidie Arkutu	Member	Appointed on 6th November, 2019
3	Rasheed Ibrahim	Member	Appointed on 6th November, 2019

The membership of the Audit Committee meets the 30% Ghanaian membership requirement with full membership being Ghanaians. The Chairperson of the Committee is independent and chairs no other board committee.

The committee is responsible for ensuring that the Bank complies with all the relevant policies and procedures both from the regulators and as laid down by the Board of Directors. The committee is guided by a well-defined charter and terms of reference.

The Audit Committee is responsible for the review of the integrity of the Bank's financial reporting and oversees the independence and objectivity of the external auditors. The internal and external auditors have unrestricted access to the Committee to ensure their continued independence. The Committee also seeks explanations and additional information, where relevant, from the internal and external auditors.

Meetings are held on a quarterly basis. Other members of management may be invited to the Committee's meetings as and when appropriate. A report is provided to the full Board at each sitting.

The Board hereby discloses the total number of Audit Committee meetings and the attendance rate of each Director below:

		Quarterly	Quarterly	Quarterly	Quarterly	
No.	**Name**	**28-Feb-24**	**17-May-24**	**8-Aug-24**	**6-Nov-24**	**% Attendance**
1	Irene Baaba Hagan	Yes	Yes	Yes	Yes	100%
2	Rasheed Ibrahim	Yes	Yes	Yes	Yes	100%
3	Maidie Elizabeth Arkutu	Yes	No	Yes	Yes	75%

The Committee undertook the following activities in 2024;

(i) Quarterly review of internal audit reports, internal control reports, compliance reports;
(ii) Review of audited financial statement for the year 2023;
(iii) Consideration and approval of amendments to compliance related policies, standard operating procedures; and
(iv) Review and approval of the Committee's work plan for the year 2025.

CORPORATE GOVERNANCE REPORT (CONTINUED)

20.1 Board Audit Committee (continued)

The Committee's work plan for 2025 as approved by the Board on 6th November 2024 is provided below.

Activity	Proposed Date
Committee Meetings	February, May, August, November 2025
Quarterly Meetings	February, May, August, November 2025
Internal Reports	
Internal Audit Report	February, May, August, November 2025
Compliance Report	February, May, August, November 2025
Customer Satisfaction Survey Report	November 2025
Internal Control Report	February, May, August, November 2025
Combined Assurance Framework	August 2025
Report on Internal Assessment of Internal Audit Function	February 2025
Appraisals	
Appraisal of Internal Auditor	April 2025
Committee Self-appraisal	May 2025
Reviews/Approvals	
Audited Fin. Statements	February 2025
2026 Risk-based Internal Audit Prog.	November 2025
2026 Compliance Programme	November 2025
Ethics Policy	February 2025
STR Framework	February 2025
Consumer Recourse Mechanism Policy	February 2025
2025 AML Risk Assessment	November 2025
Risk Assessment Policy	August 2025
Compliance Policy	August 2025
KYC Policy	August 2025
AML/CFT Policy	August 2025
Various SOP	November 2025
Whistleblowing Policy	November 2025
2026 Committee Work Plan	November 2025
External Audits/Examinations	
Ernst and Young Mgmt. Letter	February 2025
SYSCON Inspection Report (GTBank Nigeria)	November 2025
BOG/CBN Exam. Report	August 2025

CORPORATE GOVERNANCE REPORT (CONTINUED)

20.2 Board Credit Committee

The Board's Credit Committee is responsible for reviewing all credits granted by the Bank and approves specific loans and credit-related proposals beyond the Management Credit Committee's authority limit as may be defined from time to time by the Board. The Committee is guided by its terms of reference provided in the Board Credit Committee Charter.

The Committee is also responsible for ensuring that the Bank's internal control procedures in the area of risk assets remain high to safeguard the quality of the Bank's risk assets.

In view of the volume of transactions that require Board Credit Committee approvals, there are instances where credits will need to be approved by members expeditiously between Credit Committee Meetings. Such urgent credits are circulated amongst the members and slated for ratification at the next meeting of the Board of Credit Committee.

The Board Credit Committee is made up of two (2) Non-Executive Directors and 1 Executive Director listed as follows:

S/N	BOARD CREDIT COMMITTEE	ROLE	APPOINTMENT DATE
1	Adebanji Adeniyi	Chairperson	Appointed on 3rd August, 2021
2	Irene Hagan	Member	Appointed on 6th November, 2019
3	Thomas John	Member	Appointed on 6th November, 2020

The Committee meets at least four times a year. A report is provided to the full Board at each sitting. The Board hereby discloses the total number of Board Credit Committee meetings and the attendance rate of each Director below:

		Quarterly	Quarterly	Quarterly	Quarterly	
No.	**Name**	**28-Feb-24**	**17-May-24**	**8-Aug-24**	**6-Nov-24**	**% Attendance**
1	Adebanji Adeniyi	Yes	Yes	Yes	Yes	100%
2	Irene B. Hagan	Yes	Yes	Yes	Yes	100%
3	Thomas A. John	Yes	Yes	Yes	Yes	100%

The committee undertook the following activities in 2024;

(i) Quarterly review of sectoral concentration limits for credit facilities, the Bank's credit portfolio, insider-related credits, government exposures and facility summary reports,
(ii) Consideration and approval of the Global Market Trading Limits of the Bank; and
(iii) Review and approval of the Committee's work plan for the year 2026.

CORPORATE GOVERNANCE REPORT (CONTINUED)

20.2 Board Credit Committee - continued

The Committee's work plan for 2025 as approved by the Board on 6th November 2024 is provided below.

Activity	Proposed Date
Committee Meetings	
Quarterly Meetings	February, May, August, November 2025
Internal Reports	
Review of Credit Portfolio/FSRs	February, May, August, November 2025
Review of insider related credits	February, May, August, November 2025
Documentation Status Report	February, May, August, November 2025
Top 20 Performing Loans Report	February, May, August, November 2025
Top Non-performing Loans Report	February, May, August, November 2025
Report on exposures to government and related companies	February, May, August, November 2025
Review of Sectoral Concentration limit for Credit Facilities	February, May, August, November 2025
Appraisals	
Committee Self-appraisal	May 2025
Approvals	
Credits Above GHS400,000.00	February, May, August, November 2025
Insider Related Credits	February, May, August, November 2025
Review/Approval of Sectoral limits for credits	February 2025
Review/Approval of Credit Policy Guide	May 2025
2026 Committee Work Plan	November 2025

20.3 Board Risk Committee

The Committee's main responsibilities include reviewing and recommending for approval of the Board, the Bank's Risk Management Policies including the risk profile and limits; determining the adequacy and effectiveness of the Bank's risk detection and measurement systems and controls; evaluating the Bank's internal control and assurance framework annually, in order to satisfy itself on the design and completeness of the framework relative to the Bank's activities and risk profile; oversight of Management's process for the identification of significant risks across the Bank and the adequacy of risk mitigation, prevention, detection, transfer and reporting mechanisms; and reviewing and recommending to the Board for approval, the contingency plan for specific risks.

The Committee is governed by terms of reference provided in the Risk Committee Charter.

The Board's Risk Committee is comprised of three (3) Non-Executive Directors and 1 Executive Director listed as follows:

S/N	BOARD RISK COMMITTEE	ROLE	APPOINTMENT DATE
1	Maidie Arkutu	Chairperson	Appointed on 6th November, 2019
2	Rasheed Ibrahim	Member	Appointed on 6th February, 2019
3	Adebanji Adeniyi	Member	Appointed on 3rd August, 2021
4	Thomas John	Member	Appointed on 6th November, 2020

Mr. Rasheed Ibrahim resigned from the Board Risk Committee effective17th May, 2024 having attained the maximum tenure of five (5) years.

CORPORATE GOVERNANCE REPORT (CONTINUED)

20.3 Board Risk Committee -continued

The membership of the Risk Committee meets the 30% Ghanaian membership requirement with two (2) members being Ghanaians.

The Committee is charged with the quarterly review of the Bank's central liability report and summary of criticized loans with the concurrent power of assessing the adequacy of the reserves for loan losses and approving possible charge-offs.

The Committee presents reports to the Board at its quarterly meetings.

The Board hereby discloses the total number of Risk Committee meetings and the attendance rate of each Director below:

		Quarterly	Quarterly	Quarterly	Quarterly	
No.	**Name**	**28-Feb-24**	**17-May-24**	**8-Aug-24**	**6-Nov-24**	**% Attendance**
1	Maidie E. Arkutu	Yes	No	Yes	Yes	75%
2	Rasheed Ibrahim	Yes	Yes	*N/A	*N/A	100%
3	Adebanji Adeniyi	Yes	Yes	Yes	Yes	100%
4	Thomas John	Yes	Yes	Yes	Yes	100%

The Committee undertook the following activities in 2024;

(i) Quarterly review of the Bank's risk management portfolio, credit portfolio, facility summary reports;
(ii) Consideration and approval of Cloud Computing Policy; and
(iii) Review and approval of the Committee's work plan for the year 2025.

The Committee's work plan as approved by the Board on 6th November 2024 is provided below.

Activity	**Proposed Date**
Committee Meetings	
Quarterly Meetings	February, May, August, November 2025
Internal Reports	
Risk Management Report	February, May, August, November 2025
Documentation Status Report	February, May, August, November 2025
Review of Credit Portfolio/FSRs	February, May, August, November 2025
Appraisals	
Committee Self-appraisal	May 2025
Reviews/Approvals	
Code of Conduct for Forex Interbank Market Trading	May 2025
Market and Liquidity Risk Mgmt Policy	May 2025
ICAAP	May 2025
Risk Appetite Statement	February 2025
Contingency Funding Plan	February 2025
Global Market Trading Limit	February 2025
Sustainability Policy	August 2025
Climate Risk Policy	August 2025
2026 Committee Work Plan	November 2025

CORPORATE GOVERNANCE REPORT (CONTINUED)

20.4 Board Nominations Committee

The Committee is responsible for the selection and nomination of persons as Directors and Key Management personnel as defined by Act 930 and who meet the Fit and Proper requirements and in addition reviews due diligence and assessment of such candidates conducted by Management prior to appointment. The Committee is governed by its terms of reference as provided in the Board Nominations Charter.

This Committee is currently made up of Three (3) Non-Executive Directors. The membership comprises the following:

S/N	BOARD NOMINATIONS COMMITTEE	ROLE	APPOINTMENT DATE
1	Joseph Amoa-Awuah	Member	Appointed 9th February, 2022
2	Adebanji Adeniyi	Chairperson	Appointed 9th February, 2022
3	Rasheed Ibrahim	Member	Appointed 3rd August, 2021

The Committee holds meetings as and when the need arises. One meeting was held in the year 2024 with the attendance provided below:

		Ad-hoc	
No.	**Name**	**16 – May - 2024**	**% Attendance**
1	Adebanji Adeniyi	Yes	100%
2	Rasheed Ibrahim	Yes	100%
3	Joseph Amoa-Awuah	Yes	100%

20.5 Board Cyber and Information Security Committee

The Board Cyber and Information Security Committee was established following approval by the Board at its meeting in November 2023. The Committee is responsible for the oversight and creation of a secure cyberspace for the Bank, taking into consideration the needs of stakeholders and regulators.

The Board's Cyber and Information Security Committee is comprised of Three (3) Non-Executive Directors and 1 Executive Director listed as follows:

S/N	BOARD CYBER & INFO SEC COMMITTEE	ROLE	APPOINTMENT DATE
1	Rasheed Ibrahim	Chairperson	Appointed 8th November, 2023
2	Irene Hagan	Member	Appointed 8th November, 2023
3	Adebanji Adeniyi	Member	Appointed 8th November, 2023
4	Thomas John	Member	Appointed 8th November, 2023

The Committee meets on a quarterly basis and present reports to the Board at its quarterly meetings.

		Quarterly	Quarterly	Quarterly	Quarterly	
No.	**Name**	**28-Feb-24**	**17-May-24**	**8-Aug-24**	**6-Nov-24**	**% Attendance**
1	Rasheed Ibrahim	Yes	Yes	Yes	Yes	100%
2	Irene Hagan	Yes	Yes	Yes	Yes	100%
3	Adebanji Adeniyi	Yes	Yes	Yes	Yes	100%
4	Thomas John	Yes	Yes	Yes	Yes	100%

CORPORATE GOVERNANCE REPORT (CONTINUED)

20.5 Board Cyber and Information Security Committee-continued

The Committee undertook the following activities in 2024;

(i) Quarterly review of the Bank's Access Review Report, Cyber Risk Information Reports, Data Compliance Status Report and Risk Assessment of the Bank's Applications;
(ii) Consideration and approval of Information Security Policies; and
(iii) Review and approval of the Committee's work plan for the year 2025.

The Committee's work plan as approved by the Board on 6th November 2024 is provided below.

Activity	Proposed Date
Committee Meetings	
Quarterly Meetings	
Committee Meetings	February, May, August, November, 2025
Internal Reports	
Cyber Risk and Information Security Report	February, May, August, November, 2025
Data Policy Compliance Report	February, May, August, November, 2025
Access Review Report	February, May, August, November, 2025
Payment Systems & Services Report	February, May, August, November, 2025
Appraisals	
Committee Self-evaluation	May, 2025
Approvals	
2026 Committee Work Plan	November, 2025

CORPORATE GOVERNANCE REPORT (CONTINUED)

21.0 Profile of Board of Directors

Joseph Kofi Amoa-Awuah (Chairman)

Mr. Amoa-Awuah is the Chairman of the Board of Directors. He holds a Bachelor of Science degree in Business Administration from the University of Ghana, Legon as well as a Master of Business Administration (MBA) from the University of Strathclyde, Glasgow, UK.

He worked with the Bank of Ghana for over 33 years and played a prominent role in establishing the Anti-Money Laundering (AML) Unit in January 2011. He headed the Unit for the ensuing five years, during which he spearheaded the supervision and regulation of the AML Compliance function of major banks and some non-bank financial institutions and supervised a six-man team to ensure that licensed banks, rural and community banks, NBFIs, micro-finance companies and forex bureaus complied with statutory and regulatory requirements for anti-money laundering (AML) in Ghana.

He also served as Senior Banking Supervisor from January 2008 to December 2010 with a staff of 16 responsible for on-going prudential compliance for capital adequacy, asset quality, management, earnings and liquidity for 6 banks, 15 rural banks and 15 NBFIs. Mr. Amoa-Awuah worked previously in the SME financing unit (FUSMED) at the Bank of Ghana and supervised feasibility studies, project appraisals, approval of funding and post disbursement monitoring for SMEs. He was also involved in the drafting and roll-out of the Cyber and Information Security Directive for Bank of Ghana licensed financial Institutions. He ultimately rose to become the Director and Head of the Other Financial Institutions Supervision Department, from January 2016 in charge of a staff of 125, with responsibility for licensing, regulation and supervision of rural and community banks, micro-finance companies and forex bureaus in Ghana, until his retirement in July 2019.

He is exposed to International Monetary Fund (IMF) and World Bank financial system safeguard assessments, Basel Core assessments and also initiatives in the area of Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) and has been involved in sub-regional efforts at the level of the Inter-Governmental Action Group against Money Laundering in West Africa (GIABA) since 2011.

He was engaged by GIABA in 2019 as a Financial Sector Expert to join other Legal and Law Enforcement Experts, to undertake the Mutual Evaluation of Sierra Leone in respect of the Effectiveness of that country's AML/CFT implementation. As part of his assignment with GIABA, he was also one of three (3) Experts to draft best practice guidance for the supervisors of the Designated Non-Financial Businesses and Professions (DNFBPs) for ECOWAS member States.

His areas of consultancy interests and specializations cover AML/CFT compliance; general management; banking and microfinance prudential regulation and supervision; corporate training; advisor for financial, operational and strategic matters; SME development; private sector development; and corporate governance.

Mr. Amoa-Awuah is engaged as a non-executive director of Apex Health Insurance Limited, Cooperative Governance Africa and as an executive Director of 3A Consult Limited

Thomas Attah John (Managing Director/Chief Executive Officer)

Mr. Thomas Attah John is an astute banker, a Certified Brewer and Chemist with combined work experience of 16 years in various business development, deal origination and structuring and credit appraisal roles.

He has over the last 14 years led and executed landmark deals in various roles within GTBank's Corporate, Telecom, Operations and Retail Business.

Thomas holds a Chartered Banker MBA from the University of Bangor, UK, an MBA from the Lagos Business School, Certificate in Management Performance Measurement from Nanyang Technological University, Singapore and a Bachelor of Science (BSC. Hons) in Pure Applied Chemistry from the University of Calabar, Nigeria.

CORPORATE GOVERNANCE (CONTINUED)

21.0 Profile of Board of Directors (continued)

Thomas Attah John (Managing Director/Chief Executive Officer)-continued

Mr. John also serves as a non-executive director on the boards of Guaranty Trust Bank (Liberia) Limited and Guaranty Trust Bank (Sierra-Leone) Limited. He is also a director of Discovery Investments Limited.

Rasheed Ibrahim (Non-Executive Director)

Mr. Rasheed Ibrahim was appointed to the Board of the Bank in November 2018 as a Non-Executive Director.

Mr. Ibrahim holds a Bachelor of Science degree (B.Sc. Hons.) in Business Administration from the Abraham Lincoln University, Pennsylvania, United States of America.

He is a Businessman with diverse experience. He has held directorships with Chrome Energy Resources Limited, Dara Salam Estate Limited and Osagyefo Leadership International School and currently holds executive and managerial positions in Dara Salam Group of Companies, Y2 Properties Limited, Busi & Stephenson Limited and Dorian Management Limited.

His key areas of competence and skills acquired over the period include business development, contract negotiation, project and risk management as well as marketing and corporate sponsorships.

Maidie Elizabeth Arkutu (Non-Executive Director)

Ms. Maidie Elizabeth Arkutu was appointed to the Board of the Bank in May 2019 as an Independent Non-Executive Director.

Maidie Arkutu previously held the position of Vice President, Chairman and Managing Director of Unilever Francophone Africa. In this role, she led one of the 4 sub-Saharan Africa clusters for the Unilever Africa Group, managing over 10 French speaking countries and based in Abidjan. She was the Managing Director of Unilever Ghana prior to taking on the Francophone role.

Before her appointment as Managing Director of Unilever Ghana, Ms. Arkutu was the Marketing Director for Unilever West Africa (UWA). Miss Arkutu joined Unilever West Africa from Coca-Cola East and Central Africa Business Unit (ECABU) where she was the Marketing Manager for the Horn, Islands and Mid Africa (HIMA).

A professional Marketer, Ms. Arkutu has a post-Graduate Diploma in Marketing from the Chartered Institute of Marketing (U.K. Board). She also holds a Master of Business Administration (MBA) degree from the Vrije Universiteit Brussel, Belgium and a Bachelor of Arts (BA) degree in Business Economics with a minor in French from Vesalius College, Belgium.

Prior to her appointment, Miss Arkutu was the Lady Chair and Executive Board Member of the Executive Women Network (EWN), a Non- Executive Board member at Barclays Bank Ghana Limited and an Executive Board Member at Unilever Ghana Limited. She also served as a Regulatory Committee Member of the Business Enabling Environment Programme and a corporate advisory Group Member at the University of Ghana Business School.

During her tenure as Managing Director of Unilever Ghana, Ms. Arkutu received several recognitions, including the prestigious Marketing Woman of the Year (2015) at the Chartered Institute of Marketing Ghana Awards and Outstanding Manufacturing Executive, Personal Products (2016) at the Feminine Ghana Achievement Awards. She was awarded the Female Influential Leader Award by Ghana UK Based Achievements (GUBA) in 2017, and in 2018, the prestigious Jeune Afrique Magazine named Ms. Arkutu as one of the Top 50 Most Influential Women in African Business.

CORPORATE GOVERNANCE (CONTINUED)

21.0 Profile of Board of Directors (continued)

Maidie Elizabeth Arkutu (Non-Executive Director)-continued

Ms. Arkutu has held various positions with Olam Nigeria Limited and Nutrifoods Ghana Limited. She is the immediate past Franchise Director of Coca-Cola Tunisia and Algeria. She currently acts as a trustee of CAMFED International, UK and is a non-executive member of the boards of Axis Pension and Nyaho Medical Centre and founder of Oranjade Management Consulting.

Irene Baaba Hagan (Non-executive Director)

Ms. Irene Baaba Hagan was appointed to the Board of the Bank in September 2019 as an Independent Non-Executive Director.

Irene is a Fellow Chartered Accountant (FCA) with the Institute of Chartered Accountants in England and Wales and a Certified Information Systems Auditor with both local and international experience in Audit, Finance, Governance, Risk and Compliance with FTSE 100 clients in the financial and telecommunications industries.

Her early career was with KPMG, UK in Assurance practice within the Infrastructure & Government Group. She moved on to work with PricewaterhouseCoopers, London (U.K) and Boston, MA (U.S.A) where she managed various teams. She later worked in various capacities in both Vodafone Plc, United Kingdom and Vodafone, Ghana and rose to a senior management position before leaving to pursue other interests.

Irene holds a B.Sc. (Hons.) in Accounting & Finance from The London School of Economics and Political Science and an MBA from the Hult International Business School, Massachusetts, USA. She is currently the Institute of Chartered Accountants in England and Wales (ICAEW) contact member and ambassador in Ghana. She is also the founder of IHagan Consult, a consultancy practice which provides corporate advisory and capacity building services across a variety of industries.

Irene also serves on the Board of Temple S&P Ghana Sovereign Bond Index ETF as a non-executive director and was appointed as a non-executive Director of Temple Impact VC Fund Ltd in October 2024.

Adebanji Isola Adeniyi (Non-executive Director)

Adebanji is an astute professional with over 24 years' experience acquired through consulting and auditing at Coopers & Lybrand 1996-1998, PricewaterhouseCoopers 1998-2000 & Arthur Andersen 2000-2001. During his stint at the Big 4, he garnered experience within the Manufacturing, Oil and Gas and Financial Services Industry providing value adding financial statement audit, assurance and business advisory services.

He started his career in banking at Lead Bank in 2001, rose to Deputy Manager / Head, Internal Audit with responsibilities for Inspection and Internal Control functions, and implemented Control tools amongst other projects at the Bank.

In February 2006, he joined Guaranty Trust Bank Nigeria Limited and is currently a General Manager and Chief Financial Officer, with responsibility for the activities within the Financial Control, Strategy and Group Reporting Division. Adebanji has diverse knowledge and vast experience in planning, implementing, building and enhancing financial health of organizations. He possesses strong analytical, General Management, Accounting, and Financial Advisory & Control skills.

He He has worked on several projects with challenging objectives; GTBank Eurobonds issuance working with PwC, JP Morgan, Morgan Stanley and White & Case; led the finance team in converting 3 years Local GAAP Financial Statement to IFRS FS in fulfilment of the listing requirement of $825m GDR on the London Stock Exchange and championed GTBank's full transition and embedding of IFRS. Adebanji has represented GTBank at several Roads shows (RS) and Conferences (CFs) both locally and internationally (GTBank/JPMorgan RS, HSBC, EFG Hermes, Rencap, Standard Bank & Moody CFs.

CORPORATE GOVERNANCE (CONTINUED)

21.0 Profile of Board of Directors (continued)

Adebanji Isola Adeniyi (Non-executive Director) -continued

He has served on GTBank Plc's Management Credit Committee, Criticized Assets Committee, Assets and Liabilities Management Committee, IT Steering Committee and is an observer member of the Bank's Statutory and Board Audit Committees. He is currently the Group Chief Financial Officer of Guaranty Trust Holding Company Plc and serves as a non-executive director on the boards of Guaranty Trust Bank (Gambia) Ltd and Guaranty Trust Bank (Cote d'Ivoire) Limited.

An Alumnus of University of Ibadan, Adebanji graduated with a Doctor of Vet Medicine Degree in 1995, became an Associate and Fellow of the Institute of Chartered of Accountants of Nigeria (ACA & FCA) in 2001 & 2013 respectively, bagged an MBA in 1999 and became an Honorary Senior Member of the Chartered Institute of Bankers (HCIB in 2013). He has attended Local and International Trainings; Euromoney, Programme Certificate in Strategic Finance IMD Switzerland, McKinsey Executive Leadership Programmes South Africa, Michigan Ross, Cranfield School of Management & LBS SMP.

21.1 Governance Structure

Board Effectiveness

The board's effectiveness as a whole is assessed based on the following performance criteria; accountability, risk and performance; board composition, practices and procedures; succession and human resources management; governance of strategy; information and communication; and lastly regulatory compliance.

Areas of assessment for the Board Chairman and the Managing Director covered performance, leadership, succession and human resource, information and communication with the only differing areas being strategy execution for the Managing Director, and strategy formulation for the Board Chairman.

In assessing effectiveness of individual members of the board, the areas considered include; professionalism, leadership, responsibility, time commitment and accountability, transparency and effective communication.

Summary of Board Trainings and Capacity Building Programmes

Topic	Facilitator	Date
Navigating ESG: Creating a Sustainable Future for Your Company	Institute of Directors	30th April, 2024
Cyber Security Training for Directors	Information Security Dept. - GT Bank	2nd May, 2024
AML/CFT & P Training for Directors	Compliance Dept. - GT Bank	2nd May, 2024
IT Governance Training for Directors and Key Management Personnel	Mango Info Sec Solutions Limited/	24th October, 2024

22.0 Board Performance Evaluation

The Board carries out regular evaluation, both self-assessment and external evaluation, of its performance as a whole, including its sub-committees and of individual Board members in order to review the effectiveness of its own governance practices and procedures including Anti-Money Laundering/Combating the Fighting of Terrorism (AML/CFT).

22.1 External Board Evaluation

In line with Bank of Ghana's Corporate Governance Directive to conduct an external evaluation every two (2) years, the Board underwent an external board evaluation facilitated by Purple Almond Consulting in 2024.

CORPORATE GOVERNANCE (CONTINUED)

22.0 Board Performance Evaluation - (continued)

22.1 External Board Evaluation (continued)

The external evaluator reviewed relevant corporate documents and broad thematic areas selected for the assessment which included a review of board and committee composition and skills matrix, review of select number of agenda for board meetings and minutes of meetings for the period under review, key board papers; annual board work plans, conflict of interest register, directors' other engagements, internal control framework, success planning, remuneration policies, annual certification, data protection and reporting etc. There were also interviews of all directors and selected key management staff.

A review of the status of recommendations from previous board evaluation was also undertaken by the external evaluator.

22.2 Report on Board Evaluation

Following the external evaluation exercise, it was concluded that the Board exhibited strength in the following areas:

(i) Commendable level of diligence, exercising rigorous scrutiny in their review and interrogation of information

(ii) Constructive and thoughtful dialogue with management, ensuring accountability and sound decision-making

(iii) Demonstrates a deep commitment to its fiduciary responsibilities with its directors collectively contributing to the provision of strategic direction that aligns with the institution's long-term goals and objectives

(iv) Exhibiting good interpersonal relationships with staff and management

Conversely the following areas were highlighted as areas of improvement:

(i) Enhancing Cyber risk expertise on the Board Cyber and Information Security Committee

(ii) Board size and succession planning, given dynamic nature of the regulatory landscape

(iii) Enhanced board engagements with key management staff

(iv) Reduced processing time for credit approvals

Recommendations from the external board evaluation have been duly noted by the Board for action.

A detailed report of the external evaluation report was submitted to the Banking Supervision Department of the Bank of Ghana on the 20th February 2025.

23.0 Conflicts of Interest

The Board has in place a Conflict-of-Interest Policy which includes:

i. The duty of the director to avoid possible activities that could create conflicts of interest;

ii. A review or approval process for directors to follow before they engage in certain activity so as to ensure that such activity will not create a conflict of interest;

iii. The duty of the director to disclose, in addition to section 59 of the Banks and Specialized Deposit-Taking Institutions Act, 2016 (Act 930) any matter that may result, or has already resulted in a conflict of interest;

CORPORATE GOVERNANCE (CONTINUED)

23.0 Conflicts of Interest –continued

iv. The responsibility of the director to abstain from voting as prescribed under section 59 of Act 930 and on any matter where the director may have conflict of interest;
v. Adequate procedures for transactions with related parties to be made on a non-preferential basis; and
vi. The way in which the Board will deal with any non-compliance with the policy.

24.0 Chief Risk Officer

The Bank has a Chief Risk Officer (CRO) who is a Key Management Person (who is not involved in the operations of the bank) with distinct responsibility for the risk management function and the comprehensive risk management framework of the bank across the entire organization.

The independence of the CRO is paramount and the role is distinct from other executive functions and business line responsibilities. The CRO reports to the Managing Director with unfettered reporting access to the Board and its Risk committee. Interaction between the Board and the CRO is regular and comprehensively documented.

25.0 Internal Audit

The Bank has in place an internal audit department providing an independent assessment of the adequacy of, and compliance with established policies and procedures, the lines of reporting of the internal audit department, the roles and responsibilities of the internal audit department as well as the scope and nature of audit work.

Chief Internal Auditor

The Bank has a Chief Internal Auditor (CIA) who is an independent Key Management Personnel who is not involved in the audited activities and business line responsibilities of the Bank. The CIA is competent to examine all areas in which the Bank operates and shall;

1. Have the professional competence to collect and analyse financial information as well as evaluate audit evidence and to communicate with the stakeholders of the internal audit function.
2. Possess sufficient knowledge of auditing techniques and methodologies.
3. Be a member of a relevant recognised professional body.

The Chief Internal Auditor reports directly to the Board sub-committee on audit or the full Board (depending on size and complexity) and has direct access to the Board and its audit committee. Interaction between the Board and the CIA is regular and comprehensively documented.

26.0 Internal Controls framework

Internal controls are designed to ensure that each key risk has a policy, process or other measure, as well as a control that ensures that the policy, process or other measure is being applied and works as intended. Internal controls help provide comfort in that financial and management information is reliable, timely and complete and that the Regulated Financial Institution is in compliance with its various obligations, including applicable laws and regulations.

26.1 Internal Control & Risk Management Systems

Internal control and Risk Management Systems in relation to financial reporting

Guaranty Trust Bank's internal control and risk Management systems ensure that material errors or inconsistencies in the financial statements are identified and corrected. The Bank's internal control framework is patterned after the Committee of Sponsoring Organizations of the Treadway Commission's (COSO) Framework.

CORPORATE GOVERNANCE (CONTINUED)

26.1 Internal Control & Risk Management Systems - continued

COSO defines internal control as “a process effected by an entity’s Board of Directors, Management and other personnel, to provide reasonable assurance regarding the achievement of objectives” in three categories--effectiveness and efficiency of operations; reliability of financial reporting; and compliance with applicable laws and regulations. The scope of internal control therefore extends to policies, plans, procedures, processes, systems, activities, functions, projects, initiatives, and endeavours of all types at all levels of the Bank.

The internal control and risk Management systems comprise the following areas:
- Control Environment
- Risk Assessment
- Control Activities
- Information and Communication
- Monitoring

Control Environment
The Bank has four Board Committees (Board Risk Committee, Board Credit Committee, Board Audit Committee and Board Cyber and Information Security Committee) that have oversight function on the Bank’s Risk Management Processes. The Committees are responsible for setting risk Management policies that ensure material risks inherent in the Bank’s business are identified and mitigated or controlled. The Bank also has an Audit Committee which is independent. Its oversight functions include among others, ensuring that quality accounting policies, internal controls, independent and objective statutory auditors are in place to prevent and detect fraud and material errors in financial reporting. The Bank’s Management committees are responsible for implementing risk Management policies set out by the Board. They are also responsible for setting internal control policies and monitoring the effectiveness of the internal control systems. They ensure proper books of accounts are kept and accounting policies are in conformity with: International Financial Reporting Standards; Prudential Guidelines for licensed Banks; Circulars issued by the Bank of Ghana; The requirements of the Banks and Specialized Deposit Taking Institutions Act among others.

Risk Assessment
The Board and Senior Management regularly assess the risks the Bank is exposed to, including risks relating to financial reporting. Management Committees meet on a regular basis to assess the credit, market, interest rates, liquidity, legal and reputational risks facing the bank. Senior Management also regularly considers whether the existing internal controls are effective in relation to the risks identified in the financial reporting process. The Board also assesses the effectiveness of the Bank’s internal control over financial reporting on an ongoing basis and specifically at mid-year and year end. The Management letter issued by the external auditors which contains the auditors’ observations on the control environment in the Bank is discussed at the Audit Committee meetings.

Control Activities
Control activities are an integral part of the Bank’s Day to day operations. Senior Management has set up a control structure to ensure control activities are defined in every business area.

Examples of the Bank’s control activities include the following;
Top Management Reviews
- Internal Audit Reports eliciting control weaknesses are presented periodically to the Management and Board Audit Committee.
- Preparation of financial statements on a daily basis for Management review.
- Monthly and quarterly profitability review, where the Bank’s financial performance is reviewed and compared with set budgets. Quarterly reports of the Chief Risk Officer to the Board eliciting the existing and potential risks facing the Bank and the mitigants deployed.

Activity Control
Control functions are embedded within each business area for self-checking of activities within the areas (for instance, transactions call over for timely detection of errors are carried out by all posting units).

Physical Controls
There are policies guiding access to the Bank’s physical and financial assets, including dual custody, use of overrides etc.

CORPORATE GOVERNANCE (CONTINUED)

26.1 Internal Control & Risk Management Systems - continued

Compliance with Limits

The Bank sets internal limits guiding its trading book activities, liquidity and interest rate gaps, credit concentration limits. The limits are monitored on a daily basis by an independent unit outside the business areas.

Approval and Authorization Limits

- There is segregation of duties; no officer can start and conclude transactions
- Limits exist for credit and expense approvals. Transactions are approved at appropriate levels.

Verifications and Reconciliations

All internal ledgers are regularly proofed and reconciled; exception reports are generated.

Whistle Blowing

The Bank has instituted a strong whistle blowing culture among staff and also created awareness among its stakeholders. The whistle blowing platform is accessible to all and the aim is primarily to ensure that all cases of irregularities are made known and addressed by the Bank.

Information and Communication/ Monitoring

The Bank's Management understands the need for a timely, reliable and accurate information flow within the Bank, for effective decision making and enhanced financial reporting. Every activity of the Bank is codified in the Bank's Standard Operating Procedures (SOP), which outlines the process flow and specifies the duties and responsibilities of every officer in relation to the activity. The SOP further highlights the requirement for reporting, the frequency of reporting as well as those within the organization to whom the report would be directed to.

27.0 Management Committees

Management Committees are various committees comprising of senior management of the Bank. The Committees are risk driven as they are basically set up to identify, analyse and make recommendations on risks arising from the day-to-day activities of the Bank. They also ensure that risk limits as contained in the Board and Regulatory policies are complied with at all times. They provide input for the respective Board Committees and also ensure that recommendations of the Board Committees are effectively and efficiently implemented.

They meet as frequently as risk issues occur to immediately take actions and decisions within the confines of their powers.

The key Management Committees in the Bank are:

- Management Credit Committee;
- Criticized Assets Committee;
- Assets and Liability Management Committee; and
- IT Steering Committee
- Executive Committee

27.1 Management Credit Committee (MCC)

The Management Credit Committee is responsible for ensuring that the Bank complies fully with the Credit Policy Guide as laid down by the Board of Directors. The Committee also provides input for the Board Credit Committee. This Committee reviews and approves credit facilities to individual obligors not exceeding, in aggregate, a sum to be determined by the Board from time to time. The Management Credit Committee is responsible for reviewing and approving all credits that are above the approval level of the Managing Director as determined by the Board. The Committee meets at least once a week or once a fortnight depending on the number of credit applications to be considered.

CORPORATE GOVERNANCE (CONTINUED)

27.1 Management Credit Committee (MCC)

The Committee reviews the entire credit portfolio of the Bank and conducts a periodic assessment of the quality of risk assets in the Bank. It also ensures that adequate monitoring of performance is carried out. The Secretary of the committee is the Head of Credit Administration Unit of the Bank.

27.2 Criticized Assets Committee (CAC)

The Criticized Assets Committee is responsible for the assessment of the risk asset portfolio of the Bank. It highlights the status of the Bank's assets in line with the internal and external regulatory framework and ensures that triggers are sent in respect of delinquent assets. The Committee also ensures that adequate provisions are taken in line with the regulatory guidelines.

The members of the Committee include the Managing Director, General Manager, and other relevant Senior Management Staff of the Bank.

27.3 Assets and Liabilities Management Committee (ALMAC)

The Criticized Assets Committee is responsible for the assessment of the risk asset portfolio of the Bank. It highlights the status of the Bank's assets in line with the internal and external regulatory framework and ensures that triggers are sent in respect of delinquent assets. The Committee also ensures that adequate provisions are taken in line with the regulatory guidelines.

The members of the Committee include the Managing Director, General Manager, and other relevant Senior Management Staff of the Bank.

27.4 IT Steering Committee

The IT Steering Committee is responsible for the review of technology deployments in the Bank, planning of new IT products and the review of developments in the Technology industry.

The Committee is chaired by the Managing Director and has the Head of Technology Unit as the Secretary. Other members include; the General Manager, the Group Heads of Investment Bank, Retail Bank, Alternative Channels, Settlements; and Heads of Corporate Affairs, Risk Management, Systems and Control, and Financial Control and Strategy.

27.5 Executive Committee

The Executive Committee is responsible for the review of significant issues and challenges in the Bank, ensuring compliance with regulatory requirements and internal policies, overseeing risk management practices and internal control systems

The Committee is chaired by the Managing Director and includes members of senior management including but not limited to the Chief Finance Officer, The Company Secretary/Divisional Head, General Internal Services, Chief Technology Officer, Chief Risk Officer, Divisional Head, Wholesale Banking & Treasury, Divisional Heads, corporate bank and Head, Human Resources.

CORPORATE GOVERNANCE REPORT (CONTINUED)

28.0 Profile of Senior Management

Ayokunle Yusuf (Chief Operating Officer)

Mr. Ayokunle Yusuf has over a decade of banking experience, having joined GTBank Plc in 2009 and began work in the Financial Control Division. In May 2018, he was redeployed to the Oil & Gas Division to manage the Shell Companies in Nigeria (SCiN) relationship (2017 total assets in excess of $8bn) and the largest Joint Venture partner of the Nigerian National Petroleum Corporation (NNPC).

In November 2018, he was appointed Chief Operating Officer (COO) of GTBank (Rwanda) Plc where he successfully delivered the Bank's IT virtualization project and spearheaded the Business Automation Project (BAP) comprising 92 products', services', systems and processes' upgrade, improvement and enhancement tasks across 14 Departments of the Bank. In addition, he successfully optimized the Bank's Digital Banking products and services portfolio for enhanced revenue generation, created multiple loan products and tremendously improved the credit-writing process until his appointment as the Chief Operating Officer (COO) of GTBank (Ghana) Ltd in December 2020.

Prior to 2018, he assisted GTBank (Sierra Leone) Ltd in transiting to IFRS 9, designed bespoke IFRS impairment analyser for the subsidiary and also provided post-IFRS 9 implementation support while he also advised GTBank

(Kenya) Ltd and GTBank (UK) Ltd on IFRS 9 implementation. He is a sought-after resource person and has delivered several macro-economic presentations and policy papers both within GTBank and to external parties including the International Money Fund/World Bank/Federal Ministry of Finance teams during Staff Visits.

Yusuf holds a Bachelor of Science Degree in Accounting, is a Chartered Accountant (ACCA), Chartered Stockbroker (ACS) and has an MBA from Warwick Business School, United Kingdom. He has attended several trainings including one at China Europe International Business School (CEIBS) while he has also facilitated trainings at GTBank (Liberia) Ltd, GTBank (Sierra Leone) Ltd, GTBank (Rwanda) Ltd, GTBank (Ghana) Ltd and GTBank (Tanzania) Ltd.

Iris Richter-Addo (Divisional Head, Internal Services)

Ms. Richter-Addo holds a Bachelor of Laws Degree from the University of Ghana and Barrister at Law qualification from the Ghana School of Law. She also holds a Master's Degree (cum laude) in International Trade and Investment Law jointly run by the University of the Western Cape, Cape Town, South Africa/American University, Washington DC, USA. She was called to the Ghana Bar in 1995 and has over 28 years' post-qualification experience in company secretarial practice and diverse areas of law. She possesses a proven track record of being an efficient, results-oriented multi-tasker possessing the ability to meet and exceed delivery expectations; strong strategy and policy formulation capabilities; superior leadership, communication, negotiation and interpersonal skills.

She currently oversees Human Resources, Legal, Corporate Communications & Experience and Administration. She also serves as the Company Secretary of the Bank, a position she has held since the inception of the Bank.

Prior to joining the Bank, she worked as an associate lawyer with Messrs. Fugar & Company, a reputable law firm with offices in Accra, Ghana, providing legal and company secretarial services to both local and multi-national clients.

Ms. Richter-Addo is a member of the Ghana Bar Association.

Nelson Ofosu (Head, Tema Corporate Banking)

Mr. Ofosu joined the Bank in February 2010 as the Head of Tema Branch and was later appointed as the Group Head for the Tema Business Group comprising of the Corporate, Commercial and Retail Teams of the branches within Tema. Later, he became the Divisional Head overseeing the Corporate, Retail and Advantium (SME & Commercial) Business Groups within the Tema and Spintex area. Currently, he is the Divisional Head overseeing the Tema Corporate Bank Division.

CORPORATE GOVERNANCE REPORT (CONTINUED)

28.0 Profile of Senior Management - continued

Nelson Ofosu (Head, Tema Corporate Banking) – continued

Mr. Ofosu started his banking career with the Bank for Housing and Construction (in-official -liquidation) as Commercial Banking Officer in 1998. He had previously worked for the Ghana Education Service and taught for one academic year at the Presbyterian Boys' Secondary School, Legon. Thereafter, he worked with a team of implementation consultants from the International Projekt Consult, Frankfurt-Germany, to set up ProCredit Savings and Loans Company Limited, in Ghana. In 2002, Mr. Ofosu was employed as Credit Officer and later assumed responsibility as Deputy Credit Manager (in charge of Risk Management) and eventually as the Head of Credit of ProCredit, a senior management position he held until September 2006. He later moved to Intercontinental Bank Ghana Limited as a Microfinance Specialist to manage the Microfinance Department.

He holds a Bachelor of Science degree (Second Class Upper Division) in Physics from the Kwame Nkrumah University of Science and Technology and master's degree in business administration (Finance Option) from the University of Ghana.

Calleb Osei (Chief Finance Officer)

Mr. Calleb Osei is a fellow of the Association of Chartered Certified Accountants (ACCA-UK) and a member of the Institute of Chartered Accountants (ICA-Ghana), has an Executive Master's in Business Administration (Accounting option) and BSc in Administration (Accounting Option), both from the Business School of the University of Ghana, Legon. He holds an honorary doctorate degree in leadership and strategic management from MG Business Solutions.

Mr. Osei has over 15 years work experience from very renowned institutions such as Marine and General Brokers, Access Bank (Ghana) Ltd and Guaranty Trust Bank (Ghana) Ltd. His expertise cuts across Risk Management, Treasury Management, Financial Reporting, Corporate Finance, Strategic Management as well as Tax Planning and Administration.

He was a panel member of the Arab African Trade Forum held in Dubai in December 2017, providing key insights into how the Middle East can tap into the trade business of the Sub-Saharan African Countries. He attended the London Banking School of Risk Management and was the guest of the British Government at the 2015 City Week, an International Financial Services Forum. He also participated in the 2016 Future of Finance Conference organized by FMO in Netherlands amongst others.

Mr. Osei has been very influential in the banking and financial sector through his contributions in leading the process for the Initial Public Offer of Access Bank Ghana Limited as well as a Note Programme. He played a key role in the implementation of IFRS 9 and 16 for Access Bank and Guaranty Trust Bank respectively.

Mr. Osei has held key positions in the financial industry. He currently is the Regional Chief Finance Officer (CFO) of the West African Region of Guaranty Trust Bank Holding Company and the Chief Finance Officer of Guaranty Trust Bank (Ghana) Ltd having previously worked with Access Bank Ghana Limited in the same capacity.

Yahaya Atchulo (Divisional Head, Public Sector Banking 1)

Mr. Yahaya Atchulo is a member of the Institute of Chartered Accountants, Ghana (ICAG) and a fellow of the Chartered Institute of Taxation, Ghana (CITG). He holds an EMBA in Finance from the University of Ghana, Legon.

Mr. Atchulo has over 20 years work experience in the finance profession and banking industry. He joined the Bank from inception in 2005. He later joined the United Nations Development Program (UNDP) where he rose to be the Head of the Finance unit, before proceeding to Guaranty Trust Bank (Ghana) Ltd where rose through the ranks to hold several leadership positions. He became the Head of the Northern Sector, Energy and Power, and Public Sector businesses consecutively.

CORPORATE GOVERNANCE REPORT (CONTINUED)

28.0 Profile of Senior Management (continued)

Yahaya Atchulo (Divisional Head, Public Sector Banking 1)-continued

He currently is Divisional head of the Public Sector Business, and a Senior Member of the Bank, where he champions the Bank's cause to provide quality and timely services to customers and other stakeholders of the Bank.

Ernest Kumi (Divisional Head, Retail Division 3)

Mr. Kumi holds a Bachelor's degree in Banking and Finance from the Central University. He is currently the Divisional Head, Public Sector Division 2 prior to the new role, he was the Divisional head of retail Division 1, head of the Currency Trading Group of the Bank and has been in charge of the leadership of the Investment Bank Group. He has over twenty years of experience in banking.
Prior to joining the Bank, Mr. Kumi worked with CAL Bank Ltd in various capacities including holding the Risk Officer position as well as Head of Treasury Back Office. He also worked with erstwhile Intercontinental Bank as Head of the Trading and Investment Banking Unit. Currently, he is a Divisional Head of one of the Bank's Retail Banking Business.

Nana Kwabena Afoom (Divisional Head, Accra Corporate Bank)

Nana Kwabena Afoom currently heads the Accra Corporate Banking Division of the Bank. He joined the Bank in 2008 as the Unit Head of the Commercial Banking Group in charge of FMCG businesses. He was responsible for setting up the SME Group of the Bank in 2013 before being appointed the Group head of Corporate Banking Group in 2015. Prior to setting up the SME group, he was the Pioneer Branch Head of the Achimota Branch from 2009 to 2011, Branch Head of the Airport branch from 2011 to 2012 and then Regional head for Retail Banking, 2012 to 2013. He is currently the Divisional Head of the Bank's Accra Corporate Banking Business.

He started his banking career as a Credit officer with the Dansoman Branch of the Agricultural Development Bank (ADB) in 2000 before becoming the credit manager of the branch in 2003. His other work experience is in the areas of marketing and events management.

He holds a BSc. (Agricultural Economics) degree from the University of Ghana (1994 - 1998) and an M.Sc. (International Economics, Banking & Finance) degree from Cardiff Business School, Cardiff, Wales 2003-2004.

Oscar Dadzie (Chief Risk Officer)

Mr. Oscar Dadzie is a member of the Association of Chartered Certified Accountants (ACCA-UK) and of the Information Systems Audit and Control Association (ISACA). He also has a Master's in Business Administration (Financial Management), BA (Hons) Economics), and Project Management Professional (PMP) level one from Hull University, UK, the University of Ghana, Legon, and Knowledge Tree Technologies, Accra respectively.

Mr. Dadzie has over 20 years' work experience in the banking industry. He began in the erstwhile ProCredit Savings & Loans Co. Accra, Ghana (now part of Fidelity Bank Ghana Limited) before later joining Guaranty Trust Bank (Ghana) Ltd where he rose through the ranks to positions such as Head of Domestic operations, Chief Finance Officer and Chief Risk Officer.

He is also an attendant of several professional seminars cutting across Risk, Finance and Information Technology (IT) which have served to fine-tune his expertise in these various fields – IT Governance in Banking, Ethics, ERM and Corporate Governance as organized by credible institutions.

He currently is the Chief Risk Officer (CRO) of Guaranty Trust Bank (Ghana) Ltd where he has achieved the feat of successfully managing the Bank's credit and risk portfolio.

CORPORATE GOVERNANCE REPORT (CONTINUED)

28.0 Profile of Senior Management (continued)

Chris Joseph Haruna (Chief Internal Auditor)

Chris Joseph Haruna is a Chartered Accountant and a member of the Institute of Chartered Accountants Ghana. He is an associate member of the Association of Certified Fraud Examiners (ACFE). He is a member of the Institute of Internal Auditors Ghana (IIAG) and also a certified ISO 9001:2015 Lead Auditor. He holds a first degree in Bachelor of Commerce (B.COM) from the University of Cape Coast, Ghana and an MBA in Accounting and Finance from the University of Professional Studies, Accra (UPSA).

Mr. Haruna joined the Bank in November 2016 from PricewaterhouseCoopers Ghana (PWC Ghana) where he was responsible for the conduct of external assurance audit engagements with specialization in financial sector audits. He joined the Bank as the Unit Head of Internal Audit and was later appointed as the Chief Internal Auditor. He has 13 years working experience in Leadership, External and Internal auditing and Internal control, and fraud prevention and detection. He has knowledge and understanding of applicable banking operations, regulations, International Standards for the Professional Practice of Internal Auditing and Operational risk and control.

There were no retirements, resignations, or removal of Key Management Personnel during the financial year.

Richard Agala (Treasurer & Head, Wholesale Banking Division)

Richard Agala is the Treasurer of the Bank and oversees the bank’s assets and liabilities. He is a finance professional with approximately 18 years of experience, providing both investment banking and commercial banking services to a wide range of customers across sub-Sahara Africa. He combines investment advisory knowledge, analytical acumen, and negotiation skills towards attaining corporate goals.

Prior to this role, Richard was Head of Financial Institutions and led bank’s business offering in this niche area and developed a scalable, collection and payment process for clients. In the process, he supported the development of various electronic channels of the Bank and optimized collections at bran1ches and remote locations.

Prior to joining GTBank in 2011, Richard held various positions at IC Securities (Ghana) Limited, providing extensive research coverage in sub-Sahara Africa. Richard was part of the team that successfully closed various capital raising mandates from commercial banks in Ghana, worth more than US$100.00 million. Additional advisory mandates originated included Tullow Oil Plc’s listing and Wilmar Africa’s acquisition of Unilever Ghana’s stake in Benso Oil Palm Plantation, all executed on the Ghana Stock Exchange.

Richard graduated with First Class Honours in Economics from the University of Ghana and received the prestigious Chevening Scholarship Award in 2010 to undertake a Master of Finance programme at the Judge Business School, University of Cambridge, which was successfully completed in 2011. Richard also holds the ACI Dealing Certificate, a globally recognised professional qualification for Treasury officers.

Joshua Boamah (Chief Technology Officer)

Mr. Joshua Boamah is a Senior Information Technology Executive with over 20 years of solutions-oriented professional experience. He is a member of the Information Systems Audit and Control Association (ISACA). He has a Master’s in Business Administration (Technology Management), a BSc. in Oceanography and Fisheries, a Project Management Professional (PMP), ITEL 4, and a Certificate in Leadership from McKinsey and Company.

Mr. Joshua Boamah began his career as a Technical Engineer at Bong UK. He has consulted for various Internet Service Providers and corporate organizations. He became the Assistant Technical Manager at TeledataICT just after a year of joining the company. He was also the Technical Manager at Engineering System and Services before later joining Guaranty Trust Bank (Ghana) Ltd. He was the Head of Enterprise Infrastructure and rose through the ranks to the position of Chief Technology Officer (CTO) where he leads the digital innovation and security of IT assets.

CORPORATE GOVERNANCE REPORT (CONTINUED)

28.0 Profile of Senior Management (continued)

Michael Safo (Chief Compliance Officer)

Mr. Michael Safo brings a wealth of expertise and a sterling track record to his role as Chief Compliance Officer. As a Certified Anti-Money Laundering Specialist (CAMS) and possessing a suite of certifications in information security and strategy including Certified Information Systems Auditor (CISA), Certified Information Security Manager (CISM), Lead Auditor for ISO 22301 and ISO 27001 (Business Continuity and Information Security Management Systems) and a Balanced Scorecard Professional, Mr. Safo's qualifications underscore his commitment to excellence and adherence to the highest standards of compliance.

Mr. Safo earned his bachelor's degree in Statistics and Actuarial Science from the Kwame Nkrumah University of Science and Technology, complemented by a master's degree in business administration with a Finance concentration from the University of Ghana Business School.

His journey at Guaranty Trust Bank (Ghana) Ltd commenced a decade ago, during which he has ascended through various roles including Foreign Operations, Information Systems Audit, Internal Audit, and Compliance. This diverse experience has endowed him with a comprehensive understanding of the Bank's operations.

Throughout his professional journey, Mr. Safo has remained committed to continuous learning and development, participating in numerous seminars and workshops on Information Security, Risk Management, and Anti-Money Laundering (AML/CFT & P). These engagements have enriched his expertise and honed his skills, enabling him to effectively manage the Bank's AML risk and regulatory obligations.

Joshua Otumfo (Head, Internal Control)

Joshua Otumfo is an experienced banker with a demonstrated background in the banking industry spanning almost 15 years. He is a member of the Institute of Internal Auditors - Ghana, a Certified Data Protection Supervisor, and a Certified Credit Administrator (MSMEs).

He also has a Master's in Business Administration (Strategic Management and Consulting) from the Kwame Nkrumah University of Science and Technology and a Bachelor of Science in Business Administration (Banking of Finance) from the Presbyterian University, Ghana. He is currently a student member at the level 3 of the Association of Chartered Institute of Bankers, Ghana.

He embarked on his banking career with the Standard Chartered Bank having worked in two different departments before joining the Guaranty Trust Bank (Ghana) Ltd at the Settlement Group. He rose through the ranks from an officer to become Head of the Funds Transfer Unit and later as Head of Internal Control.

His innovations at the Internal Control has led to effective and robust implementations of controls that has prevented loss to the bank.

Some of the trainings he has attended to enhance his capacity to add value to the business include; ISO 27001 Lead Auditor Training, Risk Based Internal Audit, ISO 27001 Lead Implementer Training, Managing Governance Risks in Banks, Black Leadership Academy's Management Accelerator Programme, Digital Banking Strategies and Risk Management, Corporate Governance in Banks amongst others facilitated by well-established educational institutions.

Desmond Adusei (Chief Information Security Officer)

Desmond Adusei serves as the Chief Information Security Officer (CISO) of Guaranty Trust Bank (Ghana) Ltd., bringing a wealth of experience in the banking and non-banking industries and also about eight years of experience in information and cyber security.

Mr. Adusei is a certified member of ISCACA and PECB. He holds several certifications, such as CISA, CRISC, ISO 27001 LA, ISO 27001 LI, and certified email authenticator, among others. He also holds a Master of Science in Enterprise Risk Management and Business Consulting, a BSc in Computer Science and Statistics, and an ACCA Diploma in Accounting in Business.

Mr. Adusei has over 10 years of work experience in the banking and non-banking industries. He has exhibited extensive proficiency in Information & Cyber Security, Risk Management and Business Continuity during the roles

CORPORATE GOVERNANCE REPORT (CONTINUED)

28.0 Profile of Senior Management (continued)

Desmond Adusei (Chief Information Security Officer) -continued

he held at Global Haulage Group Ltd., The Royal Bank Ltd (currently part of the Consolidated Bank Ghana Ltd,) and FirstBank Ghana Ltd. (previously FBNBank Ghana).

Notably, he served as the acting CISO for The Royal Bank and the CISO for FirstBank Ghana Ltd. Known for his transformational Information and Cyber security implementations and other enhancement activities, Desmond has risen through the ranks and was honoured with the Service Excellence Icon Award at the FirstBank Annual Merit Awards (FAMA 2021). He has attended and contributed to several professional summits and conferences, such as the Gulf Information Security Expo and Conference (GISEC), Africa Cyber Security Summit, CISOs Summit, etc.

Mr. Desmond Adusei has achieved a remarkable milestone in enhancing and managing the Bank’s Cyber and Information Security as the Chief Information Security Officer (CISO)

29.0 Remuneration Policies

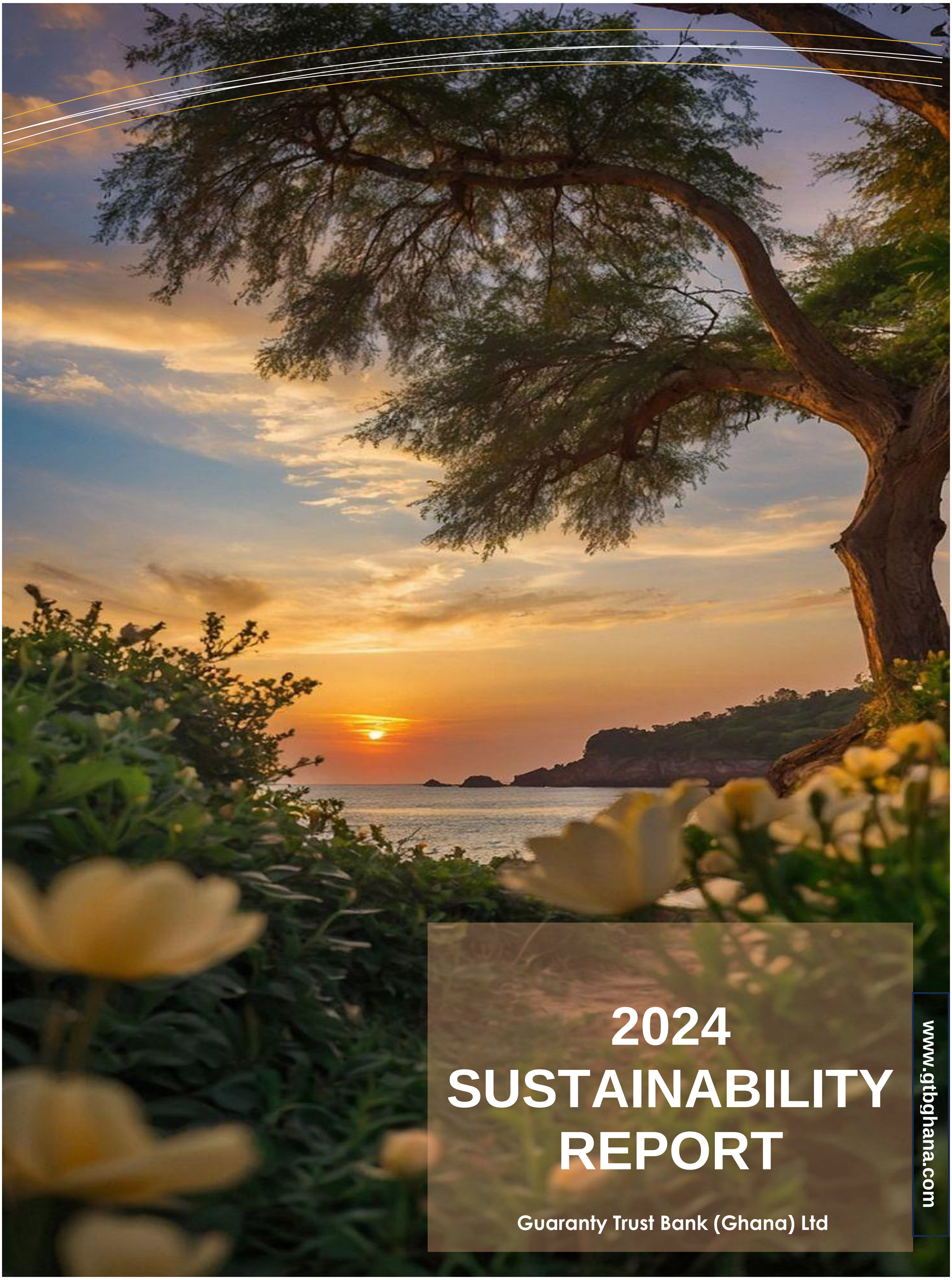
The Board oversees the design and operation of the compensation system of the bank and periodically reviews the compensation system to ensure that it is effectively aligned with prudent risk taking and at par with industry peers.

The Board ensures that levels of remuneration are sufficient to attract, retain, and motivate executive officers of the bank and ensures the remuneration is balanced to avoid excessive risk taking or potential risks to the bank’s capital base.

Remuneration of the executive and non-executive directors is proposed based on the results of a survey conducted by an independent consultant and is subject to approval by shareholders at the annual general meeting.

Staff compensation structure and any changes made therein are taken through an approval process which ultimately ends at the Board level. Discussions concerning changes to remuneration at all levels are considered and approved at full Board level. Executive remuneration has a mix of both short- and long-term components to promote sustainable long-term performance.

The Board ensures that remuneration that is tied to performance and any variable remuneration scheme more generally, is designed in such a way as to prevent excessive risk taking or fraud.


2024
SUSTAINABILITY
REPORT
Guaranty Trust Bank (Ghana) Ltd
www.gtbghana.com

Chairperson's Message

Sustainability and ESG have come to stay in the business world, and at GTBank, we pride ourselves in an environmentally friendly, economically viable and socially responsible business model with robust governance structures.

This report highlights our continued commitment to sustainable banking practices, stakeholder engagement, and creating value for our community and the environment.

Thank you for your trust and partnership as we continue this journey of sustainable development. Our commitment is to carry all stakeholders along in building a more sustainable business for this and future generations to benefit from.

Thank you for banking with us.

The year 2024 has had its challenges as well as opportunities. Guaranty Trust Bank (Ghana) remains unfazed in our resolve to create long-term value for our esteemed stakeholders. Our risk management framework has been strengthened further to stand the test of time, amidst the current tide of economic, environmental and social challenges.

We fully integrate sustainability in our strategy as we operate a model that evaluates economic concerns while constantly weighing the impact of our business operations and activities on people and the environment.

We further ensure that our Environmental and Social Management System (ESMS) aligns with the requirements of the Bank of Ghana Sustainable Banking Principles and the IFC Performance Standards.
Our banking practices prioritize resource efficiency, a healthy and mutually beneficial stakeholder relationship, effective risk management, and superb customer experience.

During the year under review, GTBank partnered with the International Finance Corporation (IFC), Bank of Ghana, Ghana Association of Banks, FSD Africa, African Natural Capital Alliance, GIZ Ghana and the Environmental Protection Agency to advance the sustainability agenda.
This Sustainability Report echoes our journey through the year 2024, highlighting the initiatives undertaken by the Bank to ensure that we remain an economically viable and financially sustainable organization.

The scope of our report covers the **Corporate Behaviour, Access to Communication, Governance, Materiality, Environment, contribution to the SDGs, Social Opportunity, Marketplace and Workplace** as well as our scorecard in the implementation of Bank of Ghana's Sustainable Banking Principles.

Corporate Behaviour

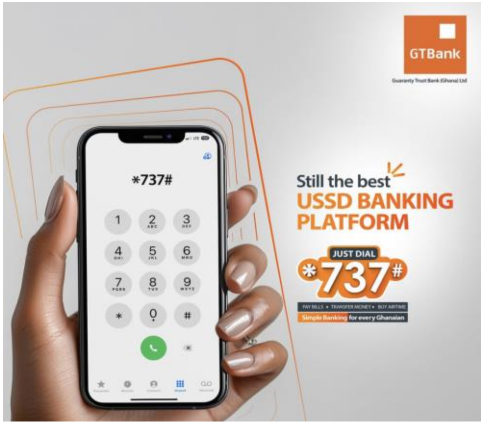
GTBank values customer-centricity and superior financial performance along with resource optimization.
Our corporate behaviour reflects our values of integrity, innovation, and excellence. We adhere to the highest ethical standards in all our dealings, ensuring transparency and accountability across our operations.
Our brand value can be summarized in our vision, vision and orange rules as summarized below:

VISION

To be Africa's leading financial services institution.

MISSION

To make end-to-end financial services easily accessible to every African and business by leveraging technology and strategic partnerships.



Access to Communication

At GTBank, we deem it important to provide seamless service and get continuous feedback from the very people we serve to enable us identify areas where we can improve upon service delivery. Therefore, we have deployed the various channels via which our customers can reach out to us as follows:

24-hour Contact Centre

The GTBank Contact Centre works round the clock to engage customers who require assistance with their accounts and other banking-related issues. Customers are also contacted frequently with reminders on issues such as dormant accounts and expired cards.

Social Media Platforms

The Bank has official handles on Facebook, Twitter, Instagram, WhatsApp and LinkedIn through which customers and potential customers are able to reach our dedicated team with enquiries and complaints that are attended to within strict timelines.

Official Emails

Customers can also reach us via the Bank’s official email accounts (gh.corporateaffairs@gtbank.com, gh.custmersupport@gtbank.com) where hundreds of enquiries, requests and complaints are attended to on a daily basis.

Branch QR Feedback

Each branch also has a QR code which customers can scan to provide feedback on service delivery upon each visit. Feedback from these channels is attended to in real time to ensure all issues are resolved immediately.

Talk with MD

One novelty introduced by GTBank is the 2-hour monthly “Talk with MD” session, where the Managing Director invites customers to contact him directly via phone call with their enquiries and suggestions on how to further improve upon general service delivery.

Corporate Behaviour.

GTBank's governance framework is carved around the IFC Performance Standards, UN Sustainable Development Goals, Bank of Ghana Sustainable Banking Principles, and Bank of Ghana Corporate Governance Directive. Our operations are aligned with the following approved policies:

- **Anti-Money Laundering Policy**
- **Consumer Recourse Mechanism Policy**
- **GTBank Whistle Blowing Policy**
- **Training and Development Policy**

- **Credit Policy Guide**
- **Risk Appetite Policy**
- **Compliance Policy**

- **Ethics Policy**
- **Environmental & Social Management Policy**
- **Service Management Policy**

- **Data Protection Policy**
- **Business Continuity & Disaster Recovery Plan**
- **Information Security Policy**

- Business Continuity & Disaster

Materiality

GTBank's materiality matrix embodies its areas of focus for all sustainability related activities and initiatives. Our materiality matrix can be summarized under the following broad areas.

Access and Affordability

To complement our branch network the Bank continues to invest in alternative channels such as GTWorld, *737#, Internet and agency banking to improve access to the Bank's financial services while optimizing the associated costs to enhance affordability of our services.

Systemic Risk Management

The Bank's Enterprise Risk Management (ERM) Division works with relevant units in the Bank in managing risks in our business operations and activities. Several units focus on different risks such as environmental and social, credit, operational, reputational, market, legal and cyber risks.

Business Ethics

We remain committed to the highest standards of governance in our operations and business conduct in line with all relevant local and international standards.

Labour Practices

The Bank train and empower its youthful workforce towards the achievement of corporate objectives and their personal career goals.

Data Security and Customer Privacy

Considering the importance of data security, we have put in place modern tools to prevent cyber-attacks and promote data security. We also ensure customer privacy by aligning with best international practice. We continue to create awareness among all our staff, customers, vendors and partners to prevent fraud.

Lifecycle Impacts of Products and Services

We have fully integrated environmental and social considerations into all our business activities and operations. This is to ensure that our lending activities do not have adverse environmental and social implications on the environment.

Environment.

Guaranty Trust Bank (Ghana) Ltd is committed to safeguarding and conserving the physical environment within which it operates. The Bank has the following initiatives in the afore-mentioned areas:

Carbon Emissions

Procure only brand-new vehicles from certified dealers to ensure fuel efficiency.

Resource Efficiency

- Automated shutdown of all bank branches.
- Shift from physical to virtual alternatives (including internal training and awareness creation).
- Use of LED lighting only in all branches.
- Paperless banking initiative in banking halls (also helps reduce queuing).

Packaging Material and Waste

Partner with paper recycling companies to reduce and/or reuse paper waste.
Waste segregation project at our Head Office premises and to implement same in all our branches.

Biodiversity & Land Use

We maintain flora on 40% of our Head Office premises. We also comply strictly with all EPA standards and requirements.

Automation of Internal Processes

- E-recruitment and digital interviews.
- Electronic filing to ease retrieval and reduce paper usage.
- Internal processes mostly run on secure locally managed Enterprise Resource Planning systems.
- Over 90 processes have been migrated to one ERP or another, with 10 added for the year under review.

SDGs.

The Bank currently contributes to the following SDGs through the underlisted initiatives:

1 NO POVERTY	**1 – NO POVERTY** Responsible corporate citizen through payment of taxes Collateral-free loans for salaried workers Quick credit for salaried workers via USSD
3 GOOD HEALTH AND WELL-BEING	**3 – GOOD HEALTH & WELLBEING** Employee health screening Autism Awareness Campaign
4 QUALITY EDUCATION	**4 - QUALITY EDUCATION** ICT Initiative – refurbishment of ICT laboratories for basic and senior high schools
5 GENDER EQUALITY	**5 – GENDER EQUALITY** Gender balance among employees in all cadres
8 DECENT WORK AND ECONOMIC GROWTH	**8 – DECENT WORK & ECONOMIC GROWTH** Employment & decent work for a youthful workforce
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	**9 – INDUSTRY, INNOVATION & INFRASTRUCTURE** Integration of modern technology into delivery of affordable banking services
10 REDUCED INEQUALITIES	**10 – REDUCED INEQUALITY** Unbiased recruitment, vendor and partner engagement practices Affordable services accessible in branches and agencies, and via web & USSD
13 CLIMATE ACTION	**13 – CLIMATE ACTION** Integration of climate risk assessment into facility screening & vendor risk assessment
17 PARTNERSHIPS FOR THE GOALS	**17 – PARTNERSHIPS FOR THE GOALS** Partnerships with IFC, FSD Africa, BOG, Ghana Association of Banks & GIZ Ghana

Social Opportunity.

Guaranty Trust Bank (Ghana) Limited, over the years has prioritized the wellbeing of the society as paramount and continues to support various fields of endeavor within its operating environment. Our Corporate Social drive is guided by a framework of five key intervention areas – Health, Education, Sports, Arts and Culture.
For the year under review, the Bank supported the following initiatives in the afore-mentioned areas:

The Bank's annual Autism Workshop and Consultations, the Bank's biggest Corporate Social Responsibility initiative began with an opening event and workshop followed by a four-day one-on-one Consultation.

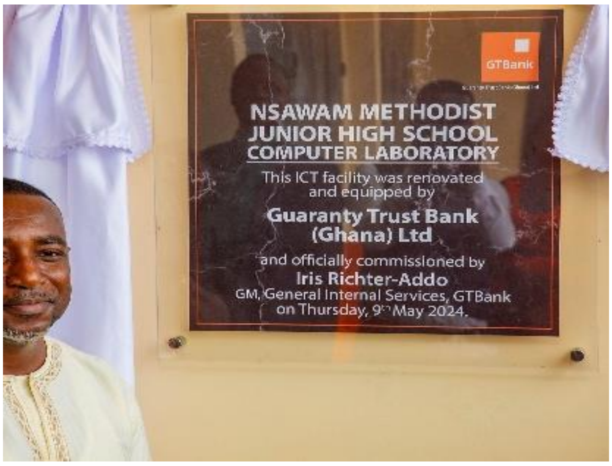
In attendance were carefully selected specialists and consultants such as Psychiatrist, Speech Therapists, Behaviour Analysts, Occupational Therapist, Psychologists and Special Education Needs Specialist from Canada, United States, Nigeria and Ghana.

The consultations and workshop began on Tuesday 23rd - Saturday 27th July 2024 from 8:00am to 4:00pm each day at the Kofi Ohene-Konadu Auditorium, University of Professional Studies (UPSA), Accra-Ghana.

Social Opportunity.

GTBank ICT Drive

The Bank handed over a fully refurbished and equipped ultra-modern ICT Laboratory to the Nsawam Methodist Basic Schools (A&B, C) and JHS.



The newly built facility was stocked with 51 computers with accessories, 3 air-conditioners, desk sets, printer, projector and internet access.

The Bank also successfully commissioned and handed over its 10th ICT laboratory to the SUSEC Model School in Sunyani, as part of its Corporate Social Responsibility drive to support effective teaching and learning of ICT amongst basic schools in Ghana.

The ICT laboratory has been beautifully refurbished and fully stocked with fifty-one desktop computers, fifty-one desks, four air conditioners, a projector, a printer and internet access.

Marketplace

GTBank is a trailblazer in delivering paperless banking services to its customers over the years, contributing to our environmental sustainability goals. This initiative aligns with our commitment to reducing our carbon footprint and promoting more eco-friendly banking practices.

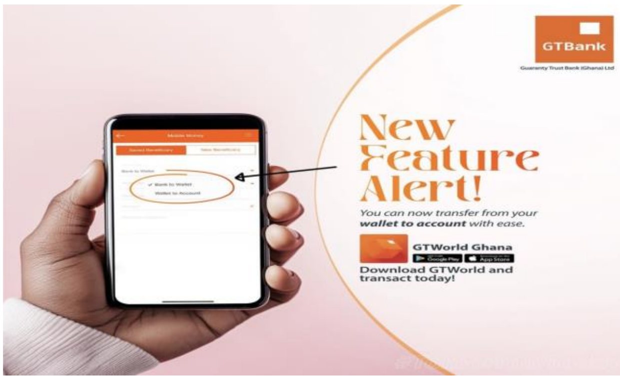
On lifestyle and banking, we held a discussion on our Twitter handle dubbed “Apps to have in 2024”. We also enhanced our digital platforms to enable some customer requests such as corporate cards and cheque books and take feedback from customers.

A massive campaign on social media was initiated to get customers to update their bank accounts with their National Identity Card (Ghana Card) details.

A new branch was opened at Sunyani while the Bank’s Airport branch was relocated to a more conducive environment to enhance convenience and provide better services to its customers.

We published our first newsletter article on LinkedIn, which was originally published in the “Outstanding Brands to Look out for in 2024” section of the Business & Financial Times. In all, our posts reached 2.9 million people on social media.

The Bank also received the Financial Service Provider of the Year Award at the Ghana Shippers Awards 2024.



Our commitment to sustainability is also demonstrated by our Environmental & Social Risk Management (ESRM) framework, which is integrated into our credit approval process. This ensures that our lending activities do not negatively impact the environment or society. In 2024, we screened 44 corporate credits approved by the Bank for environmental and social (E&S) risks.

Our ESRM team categorizes project-related transactions into high, medium, and low risks. For high-risk sectors, we conducted enhanced due diligence, while moderate due diligence was performed for medium-risk sectors, in line with the Bank of Ghana’s classification.

Our ESRM assessment reviews E&S practices against key national regulations and international best practices. We apply an exclusion checklist to all corporate credits, regardless of their risk category.

Our enhanced due diligence involves engaging our borrowers to identify gaps in their environmental and social risk management systems and proffer workable solutions to fill those gaps. It also involves a monitoring mechanism to track their progress with the implementation of agreed policies and initiatives.

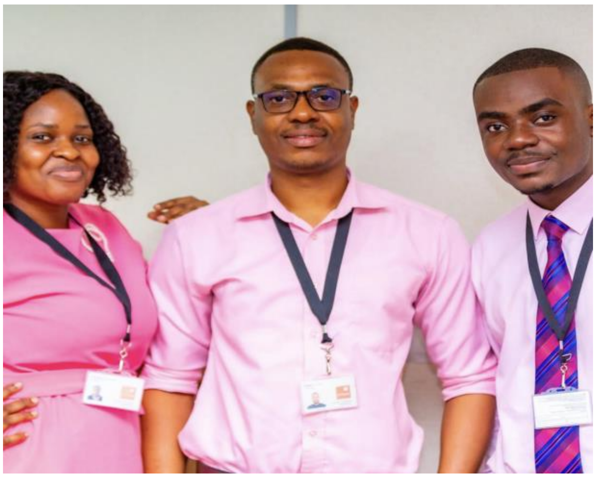
Workplace

We are an equal opportunity employer that encourages cultural diversity and runs an open-door policy, with no room for discrimination.

Our workforce remains our most valued asset at GTBank as we continue to channel resources towards human capital development, compliance with labour standards and maintaining a safe work environment. We are an equal opportunity employer that encourages cultural diversity and runs an open-door policy, with no room for discrimination.

To ensure the health and safety of our employees, we organized health talks on cervical cancer awareness and prostate cancer awareness, cardiovascular disease, mental health, and how to manage pregnancy and work. Periodic seminars and webinars are also organized for employees on wellness, security and health to improve their awareness and well-being.

We also partnered with Claron Health International to provide medical screening for all permanent staff.



Employee Appreciation Day and customer service week were delightful moments for all employees as they switched to dress down mode with initiatives like "African Wear Day" and "Pink & Casual Day".

Employees marked International Women's Day celebrating all women in the Orange family. Individuals and teams had kind words of comfort and encouragement for women who inspire them.

The Operational Risk Management (ORM) Group in conjunction with the Compliance Group, Information Security Group and the Human Resource Group also published several awareness slides on Compliance, Cybersecurity, Health and Safety during the period in line with our commitment to empower and support employees.

In line with our drive for capacity building, we trained more than 700 employees on subject matters ranging from Financial Modelling, Business Continuity, Customer Relationship Management, Professional Development, Risk Management, Environmental and Social Risk Management, Workplace Fire Safety and First Aid Management, Digital Banking and Customer Experience, Effective leadership & Supervision, Managing Stress among others.

GTBank also remains committed to promoting gender equality and women empowerment. The ratio of women in the employment of the Bank and in management positions are currently 49% and 39% respectively. The percentage of women on our Board of Directors is currently 29%.

Scorecard

Score Card: **Bank of Ghana Sustainable Banking Principles**
We are committed to complying with all regulatory requirements on sustainability.

The table below shows our progress in the implementation of Bank of Ghana's Sustainable Banking Principles:

PRINCIPLES	THEME	CRITERIA	PROGESS UPDATE
Principle 1	Environmental & Social Risk Management (ESRM)	Number of loan applications screened for E&S risks	○ 44 transactions approved by the Bank were screened for E&S risks. ○ ESG enhanced due diligence was conducted on 20 customers in high-risk sectors for the year under review. ○ High risk exposures for on balance sheet stood at 46% while off balance sheet was at 76% of loan book at December 2024.
		Number of hours or days of employee training on E&S risk management policy and procedures	Constant training on the Bank's electronic notice Board (Intranet) and periodical training meetings
		Percent of employees trained on the E&S risk management policy and procedures	80% of Staff have had personal training; circulars are published on daily basis to create awareness
		Number of new products and/or services introduced that are intended to encourage good E&S performance by clients	0
		Uptake of new products and/or services intended to encourage good E&S performance by clients (number of products and/or services sold)	The Bank has deployed its paperless banking solutions in all branches, while availing all critical services on its digital channels
Principle 2	Internal Environment Social & Governance (ESG) in banks operations	Electricity consumption per sq. meter of office space	Total energy consumed was 171.22 kWh/m2
		Paper consumption per full time equivalent employee	Reams of A4 paper consumed was 2
		GHG emissions per sq. meter of office space	
		Waste production per full time equivalent employee	718.88 kg
		Number of employee health and safety incidents per full time equivalent employee	0
		Number of employee sick days per full time equivalent employee	2 days per employee with full pay
		Number of hours or days of employee training around health and safety per full time equivalent employee	6 hours of training was done on health and safety for staff
		Workplace diversity (measured by percent of women, ethnic minorities, etc. who are employed at the bank)	A culturally diversified workplace with zero discrimination policy. Women currently form 49% of total staff, and 39% of management staff.
		Community engagement (measured by number of employee	The Bank handed over a fully refurbished and equipped ultra-modern ICT Laboratory to the Nsawam Methodist

		volunteering hours, amount of money invested in the local community, and number of community initiatives sponsored or implemented)	Basic Schools (A&B, C) and JHS. The newly built facility was stocked with 51 computers with accessories, 3 air-conditioners, desk sets, printer, projector and internet access, as part of the Bank's social and community responsibility for this year. The Bank also successfully commissioned and handed over its 10th ICT laboratory to the SUSEC Model School in Sunyani, as part of its Corporate Social Responsibility drive to support effective teaching and learning of ICT amongst basic schools in Ghana. The ICT laboratory has been beautifully refurbished and fully stocked with fifty-one desktop computers, fifty-one desks, four air conditioners, a projector, a printer and internet access. The Bank's annual Autism Workshop and Consultations, the Bank's biggest Corporate Social Responsibility initiative began with an opening event and workshop followed by a four-day one-on-one Consultation. The consultations and workshop began on Tuesday 23rd - Saturday 27th July 2024 from 8:00am to 4:00pm each day at the Kofi Ohene-Konadu Auditorium, University of Professional Studies (UPSA), Accra-Ghana.
Principle 3	Corporate Governance & Ethical Standard	Number of hours or days of employee training on good governance and ethical standards	Minimum of 11 hours training per employee, including certification on ethics with the Chartered Institute of Bankers
		Number of ongoing lawsuits related to governance issues	No governance related lawsuits
		Percent of total employees for whom bribery and corruption is a relevant issue	No active staff member has been identified as being related to any corruption or bribery scheme
Principle 4	Gender Equality	Gender pay gap	Equal pay for all FTEs at same levels
		Percent of FTEs who are women	Women constitute 49% of FTEs
		Percent of women FTEs recruited in the last 12 months	Women make up 49% of new recruits over the last 12 months period.
		Percent of women in senior leadership roles	39% of management staff are women
		Number business relationships with women-owned enterprises (including small businesses and women entrepreneurs)	121,801 representing 32% of small businesses.
		Amount of money and/or employee time invested in philanthropic programmes that support gender equality	3 hours a week is dedicated to implementing initiatives that promote gender equality through financial inclusion programmes.
Principle 5	Financial Inclusion	Number of new basic bank accounts opened over tech platforms	262,464 accounts have been opened via Tech platforms for the year under review
		Number of transactions conducted over tech platforms	6.42 M transactions on all digital channels from January to Date
		Number of new financial products and/or services introduced that are targeted at the financially underserved	0
		Uptake of new financial products and/or services targeted at the financially underserved (number of	

		new accounts opened or number of products sold)	
Principle 6	Resource efficiency, Sustainable Production & Consumption	Loans and advances targeted at improving resource efficiency	GHS 172 M was advanced to various customers in support for environmentally friendly solutions
		Number of new products and/or services introduced that are intended to encourage resource efficiency by clients	0
		Uptake of new financial products and/or services intended to encourage resource efficiency by clients (number of products and/or services sold)	N/A
Principle 7	Reporting	Frequency of Reports to Bank of Ghana Number of Reports to Bank of Ghana Frequency of Reports to Board of Directors Number of Reports to Board of Directors Frequency of Reports to Management Number of Reports to Management	○ Semi-Annual ○ 2 ○ Quarterly ○ 4 ○ Monthly ○ 12

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GUARANTY TRUST BANK GHANA LTD

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Guaranty Trust Bank Ghana Ltd (the Bank), set out on pages 59 to 173, which comprise the statement of financial position as at 31December2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Guaranty Trust Bank Ghana Ltd as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) including the IAS 29 Hyperinflation Directive issued by the Institute of Chartered Accountants Ghana and in the manner required by the provisions of the Companies Act, 2019 (Act 992) and the Banks and Specialized 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 Financial Statements* section of our report. We are independent of the Bank in accordance with the 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 the 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 judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements

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Key audit matters	How our audit addressed the key audit matters
Allowance for expected credit losses on loans and advances to customers	
IFRS 9 introduced a forward-looking Expected Credit Loss (ECL) model. The ECL model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. The amount of ECL's recognized as a loss allowance or provision depends on the extent of credit deterioration since the initial recognition and recognition of impairment could be done on a 12-month expected credit losses or lifetime expected credit losses. Impairment computations under IFRS 9 therefore involves the use of models that takes into account: • The probability-weighted outcome. • Reasonable and supportable information that is available without undue cost or Loan loss provision is a key area of judgement for management. • Significant judgements in the determination of the Bank's Expected Credit Loss includes: ► Use of assumptions in determining ECL modelling parameters. ► Portfolio segmentation for ECL computation ► Determination of a significant increase credit risk and ► Determination of associations between macroeconomic scenarios. The level of judgements and assumptions underlying the ECL models can significantly affect the level of allowance for expected credit losses on loans and advances to customers. Due to the significance of such loans which account for about 17% of total assets of the Bank, and the significant use of judgements, assessment of the allowance for expected credit losses is a key audit matter. The information on Credit impairment allowance for loans and advances to customers is provided in notes 3.3 and note 17 of the financial statements.	We have also performed, among others, the following audit procedures: • Obtained an understanding of the Bank's credit risk modelling methodology • Reviewed the accounting policies and framework of the methodology developed by the Bank in order to assess its compliance with IFRS 9; • Reviewed and tested the methodology developed to calculate loan loss provision under IFRS 9, concentrating on aspects such as factors for determining a 'significant increase in credit risk', staging of loans, testing specific models related to Probability of Default (PD), Loss Given Default (LGD), Exposure at Default (EAD); • Tested the accuracy and completeness of data used in modelling the risk parameter, Recalculating the ECL; • Reviewed forward looking information / multiple economic scenario elements; • For stage 3 exposures, we tested the reasonableness of the assumptions underlying impairment identification and quantification including forecasts of future cash flows, valuation of underlying collateral, estimated period of realization for collaterals, etc. • We have also analyzed information relating to the allowance for expected credit losses on loans and advances to customers disclosed in the Notes to the financial statements of the Bank.

Other information

The Directors are responsible for the other information. The other information comprises Corporate information (Directors, Company Secretary, Registered Office, Solicitors and Bankers), Financial highlights, Report of the Directors as required by the Companies Act, 2019 (Act 992) , Corporate Governance Report, Value added statement and Shareholder information report included in the 159-page document titled "Guaranty Trust Bank Ghana Ltd Annual report and financial statements for the year ended 31 December 2024", other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

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

Responsibilities of the directors for the financial statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS) including the IAS 29 Hyperinflation Directive issued by the Institute of Chartered Accountants Ghana and the requirements of the Companies Act, 2019, (Act 992) and the Banks and Specialized 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 financial statements, the Directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Bank or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting processes.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it 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 financial statements

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 controls 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 Bank's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 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 Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 bank to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Bank's 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 controls 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the 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 requirements

The Companies Act, 2019 (Act 992) requires that in carrying out our audit we consider and report on the following matters. We confirm that:

- We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
- In our opinion, proper books of account have been kept by the Bank, so far as appears from our examination of those books;
- Proper returns adequate for the purpose of our audit have been received from branches not visited by us; and
- The statements of financial position and income statements and statements of other comprehensive Income are in agreement with the books of account.
- As Auditors, we are independent of the Bank pursuant to Section 143 of the Companies Act, 2019 (Act 992).

The Banks and Specialised Deposit Taking Institutions Act, 2016 Act 930 under section 85 (2) requires that we report on certain matters. Accordingly, we state that;

- The accounts give a true and fair view of the statement of affairs of the Bank and the results of operations for the year under review;
- We were able to obtain all the information and explanations required for the efficient performance of our duties;
- The transactions of the bank are generally within the powers of the bank;
- The Bank has generally complied with the provisions of the Banks and Specialised Deposit-Taking Institutions Act, 2016, (Act 930).
- The bank has generally complied with the provisions of the Anti-Money Laundering Act, 2008 (Act 749), the Anti-Terrorism Act, 2008 (Act 762) and regulations made under these enactments;

Other matters

- The Bank has generally complied with the provisions of the Corporate Governance Disclosure Directive 2022 issued by the Bank of Ghana.

- The financial statements of the Bank the year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion on those statements on 27 March 2024.

The Engagement Partner on the audit resulting in this independent Auditor's report is Pamela Des Bordes (ICAG/P/1329).

Ernst & Young

Ernst & Young (ICAG/F/2025/126)
Chartered Accountants
Accra, Ghana

Date: 26.03.2025

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
(All amounts are in Ghana Cedis)

		Year ended 31 December	
	Note	**2024**	**2023**
Interest income calculated using the effective interest method	6	**1,828,377,834**	1,341,301,643
Other interest and similar income	6	**276,761**	2,977,477
Interest expense calculated using the effective interest method	6	**(630,424,013)**	(313,112,891)
Net interest income		**1,198,230,582**	1,031,166,229
Fee and commission income	7	**364,277,682**	281,228,949
Fee and commission expense	7	**(129,306,521)**	(85,993,064)
Net fee and commission income	7	**234,971,161**	195,235,885
Net trading income	8	**281,748,137**	297,363,750
Net gain or (loss) on financial assets at FVTPL	9	**1,554,532**	(3,410,846)
Net Trading and other Income		**518,273,830**	489,188,789
Net Operating Income		**1,716,504,412**	1,520,355,018
Other income	10	**7,170,608**	2,132,936
Impairment on loans and advances	17(iii)	**4,531,107**	(21,529,826)
Impairment reversal/(charge) on cash and cash equivalents	15(ii)	**314**	(5,630,334)
Impairment reversal on investment securities	18(ii)	**152,635,569**	321,957,577
Modification loss on investment securities	18(iii)	**(342,971,930)**	(410,431,226)
Personnel expenses	11	**(117,054,204)**	(87,279,160)
Amortisation of prepaid lease rentals	12	**(2,119,569)**	(2,284,483)
Depreciation and amortisation	21	**(27,825,858)**	(23,313,773)
Other operating expenses	13	**(219,479,419)**	(175,748,288)
Profit before income tax expense		**1,171,391,030**	1,118,498,441
Income Tax Expense	14	**(427,368,693)**	(392,711,992)
Profit for the year		**744,022,337**	725,786,449
Other comprehensive income			
Items that are or may be subsequently reclassified to profit or loss:			
Debt instruments at FVOCI - net change in fair value		**-**	(12,723)
Debt instruments at FVOCI - reclassified to profit or loss		**-**	1,646,403
Related tax		**-**	(408,419)
Total other comprehensive income for the year net of tax	27(iv)	**-**	1,225,261
Total comprehensive income for the year net of tax		**744,022,337**	727,011,710
Earnings Per Share	*Appendix i*	***0.0525***	*0.0512*

The notes on pages 63 to 174 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

(All amounts are in Ghana Cedis)

	Note	As at 31 December 2024	2023
Assets			
Cash and cash equivalents	15	**5,660,310,341**	3,094,740,459
Non-pledged trading assets	18(iii)	**158,697,223**	60,897,297
Pledged assets	16	**283,000,000**	156,831,000
Loans and advances	17(i)	**2,553,795,163**	1,790,421,768
Investment securities	18(i)	**5,609,497,441**	5,516,067,029
Current tax assets	14	**23,728,254**	11,892,018
Deferred tax assets	22	**199,618,587**	166,670,502
Other assets	23	**600,719,295**	277,577,096
Property and equipment and right-of-use-assets	19	**272,197,546**	144,069,644
Intangible assets	20	**4,586,586**	5,186,080
Total assets		**15,366,150,436**	11,224,352,893
Liabilities			
Deposits from customers	24	**12,741,124,117**	9,011,565,909
Provision on off balance sheet Items	3.3.3	**1,024,800**	1,024,800
Other liabilities	25	**130,155,315**	149,127,037
Total liabilities		**12,872,304,232**	9,161,717,746
Equity			
Stated capital	26	**404,895,476**	404,895,476
Credit risk reserve	27	**33,393,999**	46,687,176
Statutory reserve fund	27	**707,055,870**	614,053,078
Retained Earnings	27	**1,348,500,859**	996,999,417
Total equity		**2,493,846,204**	2,062,635,147
Total liabilities and equity		**15,366,150,436**	11,224,352,893

The notes on pages 63 to 174 are an integral part of these financial statements.

The financial statements were approved by the Board on 13th February 2025 and signed on its behalf by:

……………………………
Rasheed Ibrahim
Director

……………………………
Thomas Attah John
Managing Director

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Ghana Cedis)

	Stated Capital	**Statutory Reserve Fund**	**Credit Risk Reserve**	**Retained Earnings**	**Total**
	Note 26	Note 27	Note 27	Note 27	
Balance at 1 January 2024	**404,895,476**	**614,053,078**	**46,687,176**	**996,999,417**	**2,062,635,147**
Profit for the year	-	-	-	744,022,337	744,022,337
Total comprehensive income	-	-	-	**744,022,337**	**744,022,337**
Transfers					
Transfer from credit risk reserve	-	-	(13,293,177)	13,293,177	-
Transfer to statutory reserve fund	-	93,002,792	-	(93,002,792)	-
Total Transfers	**-**	**93,002,792**	**(13,293,177)**	**(79,709,615)**	**-**
Dividend Paid (Note 28)	**-**	**-**	**-**	**(312,811,280)**	**(312,811,280)**
Total transactions recognized directly in equity	**-**	**93,002,792**	**(13,293,177)**	**(392,520,895)**	**(312,811,280)**
Balance at 31 December 2024	**404,895,476**	**707,055,870**	**33,393,999**	**1,348,500,859**	**2,493,846,204**

Dividend per share (0.0221)

	Stated Capital	Statutory Reserve Fund	Credit Risk Reserve	Other Reserves	Retained Earnings	Total
Balance at 1 January 2023	**404,895,476**	**432,606,466**	**26,233,393**	**(1,225,261)**	**473,113,363**	**1,335,623,437**
Profit for the year	-	-	-	-	725,786,449	725,786,449
Other comprehensive income:						
Debt instruments at FVOCI - reclassified to profit or loss -net of tax	-	-	-	1,237,984	-	1,237,984
Debt instruments at FVOCI - net change in fair value	-	-	-	(12,723)	-	(12,723)
Total comprehensive income	**-**	**-**	**-**	**1,225,261**	**725,786,449**	**727,011,710**
Transfers						
Transfer to credit risk reserve			20,453,783		(20,453,783)	-
Transfer to statutory reserve fund	-	181,446,612	-	-	(181,446,612)	-
Total Transfers	**-**	**181,446,612**	**20,453,783**	**-**	**(201,900,395)**	**-**
Balance at 31 December 2023	**404,895,476**	**614,053,078**	**46,687,176**	**-**	**996,999,417**	**2,062,635,147**

The notes on pages 63 to 174 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Ghana Cedis)

	Note	2024	2023
Cash flows from operating activities			
Profit after tax		**744,022,337**	725,786,449
Adjustments for:			
Depreciation and amortization	21	**27,825,858**	23,313,773
Impairment (reversal)/charge on cash and cash equivalent	15(ii)	**(314)**	5,360,334
Impairment (reversal)/charge on loans and advances and off-balance sheet items	17(iii)	**(4,238,081)**	23,250,538
Impairment reversal on other financial assets	18(ii)	**(152,635,569)**	(321,957,577)
Modification loss on investment securities	18(iii)	**342,971,930**	410,431,227
Modification gain on right of use assets	10	**(7,064,250)**	-
Profit on disposal of property and equipment	10	**(105,188)**	(499,254)
Write-off of item in capital work-in-progress	19	**10,475**	403,611
Net trading income	8	**(281,748,137)**	(297,363,750)
Net income/(loss) from other financial instruments carried at fair value	9	**(1,554,532)**	3,410,846
Net interest income	6	**(1,198,230,582)**	(1,031,166,229)
Income tax expense	14	**427,368,693**	392,303,573
		(103,377,360)	(66,726,459)
Change in:			
loans and advances		**(703,073,877)**	146,323,165
trading assets and investment securities		**(391,955,518)**	(3,316,804,515)
Pledged assets		**(126,169,000)**	1,796,720
other assets	23	**(323,142,199)**	282,946,139
deposits from customers	24	**3,062,785,495**	2,961,382,119
other liabilities	25	**(2,002,848)**	(10,435,662)
Interest received		**1,784,534,539**	1,328,591,905
Interest paid		**(620,829,143)**	(280,309,980)
Income received from trading gains		**470,816,418**	224,959,452
Income received from other financial instruments carried at fair value		**1,971**	9,267,101
Cash generated from operations		**3,047,588,478**	1,280,989,985
Income tax paid	14	**(472,153,013)**	(389,483,111)
Net cash generated from operating activities		**2,575,435,465**	891,506,874
Cash flows from investing activities			
Purchase of property and equipment	19	**(160,767,900)**	(28,546,534)
Purchase of intangible assets	20	**(1,115,512)**	(1,824,585)
Proceeds from sale of property and equipment	19.1	**197,805**	1,540,721
Net cash used in investing activities		**(161,685,607)**	(28,830,398)
Cash flows from financing activities			
Principal portion of lease liability	29(iii)	**(12,459,473)**	(3,950,708)
Dividend Paid	28	**(312,811,280)**	-
Net cash used in financing activities		**(325,270,753)**	(3,950,708)

Net increase in cash and cash equivalents		**2,088,479,105**	858,725,768
Cash and cash equivalents at 1 January	15	**3,105,746,424**	1,784,921,380
Effect of exchange rate fluctuations	8	**477,090,463**	462,099,276
Cash and cash equivalents at end of period	15	**5,671,315,992**	3,105,746,424

** *Cash and cash equivalents exclude expected credit loss of GHS 11.005 million (2023: GHS 11.005 million)*

The notes on pages 63 to 174 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

1. REPORTING ENTITY

Guaranty Trust Bank (Ghana) Ltd (the Bank) is a limited liability company incorporated and domiciled in Ghana. The address of the Bank's registered office is 25A Castle Road Ambassadorial Area, Ridge, PMB CT 416, Cantonments, Accra. The Bank is a subsidiary of Guaranty Trust Bank (Nigeria) Limited. The Company is licensed to operate as a bank with a universal banking license that allows it to undertake all banking and related services. The financial statements were approved by the board of directors on the 13th February 2025.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the financial statements are set out below. These accounting policies have been consistently applied to all periods presented in these financial statements**.**

2.1 Statement of compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board including the Hyperinflation Directive issued by the Institute of Chartered Accountants, Ghana and in the manner required by the Companies Act, 2019 (Act 992).

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, IAS 29 will not be applicable for December 2023 financial reporting periods 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. The Bank was also compliant with all provisions of the Bank of Ghana Act (918) 2016 and Banks and Specialised Deposit-Taking Institutions Act (930) 2016 governing all banks in Ghana.

2.2 Basis of Preparation

The financial statements are prepared on a going concern basis and also under the historical cost convention except for the following assets and liabilities that are measured at their fair value:

- financial instruments at fair value through profit or loss
- financial instruments at fair value through OCI

The statement of comprehensive income presents income and expenses based on their nature while the statement of financial position presents assets and liabilities according to their order of liquidity.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the directors to exercise judgment in the process of applying the Bank's accounting policies. 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 4.

2.3 Changes in accounting policies and disclosures

(i) New standard(s) effective from 1 January 2024

The following standards which became effective from 1 January 2024 which were not adopted by the Bank as they have no material effect on the Bank's financial statements:

a. 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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)
2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 Changes in accounting policies and disclosures – continued

(i) ***New standard(s) effective from 1 January 2024*****– continued**

a. Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (Amendments to IAS 1)- continued

amendments, the Board has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period.
This right may be subject to a company complying with conditions (covenants) specified in a loan arrangement. After reconsidering certain aspects of the 2020 amendments, the IASB reconfirmed that only covenant with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current.

Additional disclosure is also required for non-current liabilities subject to future covenants. The amendments also clarify how an entity classifies a liability that can be settled in its own shares. The Bank has assessed the impact of this standard and determined that it has no material impact on the financial statements.

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

b. 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 Bank has yet to assess the impact of this standard. The amendments are effective for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted.

Under IAS 8 A*ccounting 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.

c. 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 Changes in accounting policies and disclosures – continued

(ii) New standard(s) effective from 1 January 2024– continued

c. Supplier Finance Arrangements (Amendment to IAS 7 and IFRS 7) – continued

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 carrying amounts 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 Bank has assessed the impact of this standard and determined that it has no material impact on the financial statements

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.

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

(ii) New and amended standards issued but not yet effective to be adopted by the Bank

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2025 and have not been applied in preparing these financial statements. Those which may be relevant to the Bank are listed below. The Bank has yet to assess the impact of the standards on the financial statements.

a. Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7

On 30 May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

A clarification that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date

Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed

Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments

The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)
The Amendments are effective for annual periods starting on or after 1 January 2026. Early adoption is permitted, with an option to early adopt the amendments for classification of financial assets and related disclosures only. The Bank is currently not intending to early adopt the Amendments.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 Changes in accounting policies and disclosures – continued

(ii) New and amended standards issued but not yet effective to be adopted by the Bank – continued

With respect to the amendments on the derecognition of financial liabilities that are settled through an electronic payment system, the Bank is currently performing an assessment of all material electronic payment systems utilised in the various jurisdictions it operates, in order to assess whether the amendments will result in a material change with respect to current practices and whether it meets the conditions to apply the accounting policy option to derecognise such financial liabilities before the settlement date. Moreover, the Bank is reviewing all its other payment systems (such as cheques, credit cards, debit cards) to ensure that the corresponding financial assets are derecognised when the right to cash flows are extinguished and that the corresponding financial liabilities are derecognised on settlement date.
In addition, the Bank is assessing the impact of the Amendments on its financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features, as well as on non-recourse financing and contractually linked instruments. Based on the initial assessment performed, the amendments in these areas are not expected to have a material impact on the financial statements, however, the assessment is yet to be concluded.

b. IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. There are specific presentation requirements and options for entities that have specified main business activities (either providing finance to customers or investing in specific type of assets, or both).
It also requires disclosure of newly defined management-defined performance measures, which are subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified ‘roles’ of the primary financial statements and the notes.
Narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from ‘profit or loss’ to ‘operating profit or loss’ and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.
The Bank is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

c. 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 Changes in accounting policies and disclosures – continued

b. Lack of exchangeability (Amendment to IAS 21)– continued

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. The Bank is yet to assess the impact of this standard.

d. Sale or contribution of assets between an investor and its associate or joint venture – (Amendments to IFRS 10 and IAS 28):

At the July 2012 Interpretations Committee meeting, some amendments to IAS 28 Investments in Associates and Joint Ventures (2011) and IFRS 10 Consolidated Financial Statements were proposed due to the conflict between the requirements of IAS 28 (2011) and IFRS 10. The IASB and the Interpretations Committee had also concluded that a full gain or loss should be recognised on the loss of control of a business, whether the business is housed in a subsidiary or not.

The Committee recommended that IAS 28 (2011) be amended so that:

i. The current requirements regarding the partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations.

ii. The gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognised in full. It was also recommended to amend IFRS 10 so that the gain or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 to an associate or joint venture is recognised only to the extent of unrelated investors’ interests in the associate or joint venture.

The amendments are available for optional adoption as the effective date is deferred indefinitely**.** The Bank is yet to assess the impact of this standard.

e. IFRS 19 Subsidiaries without Public Accountability:

IFRS 19 specifies the disclosure requirements an entity is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.

An entity is only permitted to apply IFRS 19 when:

- it is a subsidiary
- it does not have public accountability, and

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 Changes in accounting policies and disclosures – continued

e. IFRS 19 Subsidiaries without Public Accountability -continued

- its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

A subsidiary has public accountability if:

- its debt or equity instruments are traded in a public market, or it is in the process of issuing such instruments for trading in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets), or
- it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses (for example, banks, credit unions, insurance companies, securities brokers/ dealers, mutual funds and investment banks often meet this second criterion).

Eligible entities can, but are not required to, apply IFRS 19 in its consolidated, separate or individual financial statements.

The amendments apply for annual reporting periods beginning on or after 1 January 2027. Earlier application is permitted. The Bank is yet to assess the impact of this standard.

f. Power Purchase Agreements – Amendments to IFRS 9 and IFRS 7

In December 2024, the International Accounting Standards Board (IASB) issued Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7). The amendments include:

- Clarifying the application of the ‘own-use’ requirements to be applied retrospectively
- Permitting hedge accounting if these contracts are used as hedging instruments. This is to be applied prospectively to new hedging relationships designated on or after the date of initial application.
- Adding new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2026. Early adoption is permitted. The impact of this amendment is not applicable to the bank.

g. Improvements to International Financial Reporting Standards

In July 2024, the IASB issued Annual Improvements to IFRS Accounting Standards — Volume 11

The following is a summary of the amendments

g(i)- IFRS 1 First-time Adoption of International Financial Reporting Standards

- Hedge Accounting by a First-time Adopter

  Paragraphs B5 and B6 of IFRS 1 have been amended to include cross references to the qualifying criteria for hedge accounting in paragraph 6.4.1(a), (b) and (c) of IFRS 9. These amendments are intended to address potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9.

  An entity applies the amendments for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 Changes in accounting policies and disclosures – continued

g. *Improvements to International Financial Reporting Standards* – continued

g(ii)- IFRS 7 Financial Instruments: Disclosures

- Gain or Loss on Derecognition

The amendments update the language on unobservable inputs in paragraph B38 of IFRS 7 and include a cross reference to paragraphs 72 and 73 of IFRS 13 Fair Value Measurement

- Introduction

The amendments to paragraph IG1 of the Guidance on implementing IFRS 7 clarify that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7, nor does it create additional requirements

- Disclosure of Deferred Difference between Fair Value and Transaction Price

Paragraph IG14 of the Guidance on implementing IFRS 7 has been amended mainly to make the wording consistent with the requirements in paragraph 28 of IFRS 7 and with the concepts and terminology used in IFRS 9 and IFRS 13.

- Credit Risk Disclosures

Paragraph IG20B of the Guidance on implementing IFRS 7 has been amended to simplify the explanation of which aspects of the IFRS requirements are not illustrated in the example

An entity applies the amendments for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted. The Bank is yet to assess the impact of this standard.

g(ii)- IFRS 9 Financial Instruments

- Lessee Derecognition of Lease Liabilities

Paragraph 2.1 of IFRS 9 has been amended to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 and recognise any resulting gain or loss in profit or loss. However, the amendment does not address how a lessee distinguishes between a lease modification as defined in IFRS 16 and an extinguishment of a lease liability in accordance with IFRS 9.

- Transaction Price

Paragraph 5.1.3 of IFRS 9 has been amended to replace the reference to 'transaction price as defined by IFRS 15 Revenue from Contracts with Customers' with 'the amount determined by applying IFRS 15'. The use of the term 'transaction price' in relation to IFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of IFRS 9.

An entity applies the amendments for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted. The Bank is yet to assess the impact of this standard

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 Changes in accounting policies and disclosures – continued

g. Improvements to International Financial Reporting Standards – continued

g(iii) - IFRS 10 Consolidated Financial Statements

- Determination of a 'De Facto Agent'

Paragraph B74 of IFRS 10 has been amended to clarify that the relationship described in paragraph B74 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor. The amendments are intended to remove the inconsistency with the requirement in paragraph B73 for an entity to use judgement to determine whether other parties are acting as de facto agents.

An entity applies the amendments for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted. The Bank is yet to assess the impact of this standard

g(iv)- IAS 7 Statement of Cash Flows

- Cost Method

Paragraph 37 of IAS 7 has been amended to replace the term 'cost method' with 'at cost', following the prior deletion of the definition of 'cost method'..

An entity applies the amendments for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted. The Bank is yet to assess the impact of this standard

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Foreign currency transactions

(i) Functional and presentation currency

The financial statements are presented in Ghana Cedi, which is the Bank's functional currency. Except as indicated, financial information presented in Ghana Cedi has been rounded to the nearest Ghana Cedi.

(ii) Transactions and balances

Foreign currency transactions, that is transactions denominated, or that require settlement in a foreign currency, are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary items denominated in foreign currency are translated using the closing rate as at the reporting date. Non-monetary items measured at historical cost denominated in a foreign currency are translated with the exchange rate as at the date of initial recognition; non-monetary items in a foreign currency that are measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the year end translation of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when deferred in equity as gains or losses from qualifying cash flow hedging instruments or qualifying net investment hedging instruments.

All foreign exchange gains and losses recognised in profit or loss are presented net in the profit or loss within the corresponding item. Foreign exchange gains and losses on other comprehensive income items are presented in other comprehensive income within the corresponding item.

In the case of changes in the fair value of monetary assets denominated in foreign currency classified as fair value through other comprehensive income, a distinction is made between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in the carrying amount, except impairment, are recognised in other comprehensive income.

2.5 Interest income and expense

a. Effective interest rate

Interest income and expenses are recognised in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- The gross carrying amount of the financial asset; or
- The amortised cost of the financial liability.

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

The calculation of the effective interest rate includes transaction costs and fees paid or received that are 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

2.5 Interest income and expense – continued

b. 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 the 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.

c. Calculation of interest income and expenses

Under IFRS 9, interest income is recorded using the EIR method for all financial assets measured at amortised cost. Interest income on interest bearing financial assets measured at FVOCI under IFRS 9 is also recorded using the EIR method. Interest expense is also calculated using the EIR method for all financial liabilities held at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or liability or, when appropriate, a shorter period, to the gross carrying amount of the financial asset.
The calculation of the effective interest rate includes contractual fees paid or received, transaction costs, and discounts or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability.

Whilst interest revenue is always required to be presented as a separate line item, it is calculated differently according to the status of the asset with regard to credit impairment.

For a financial asset that has not become credit impaired since initial recognition, interest revenue is calculated using a ‘gross method’ of applying the effective interest rate method to the gross carrying amount of the asset (i.e. its carrying amount excluding the loss allowance).

For a financial asset that subsequently has become credit-impaired, from the beginning of the next reporting period, interest revenue is calculated using a ‘net method’ of applying the effective interest rate to the net amortised cost balance (i.e. including the loss allowance).

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

d. Presentation

Interest income and expense presented in the income statement includes:

- Interest on financial assets and liabilities measured at amortised cost calculated on an effective interest rate basis.
- Interest on financial assets and liabilities measured at fair value through Profit or Loss.
- Interest income on financial assets measured at fair value through OCI calculated on an effective interest rate basis.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

2.6 Fees and commission income

Fees and commission that are integral to the effective interest rate on a financial asset are included in the measurement of the effective interest rate. These fees are management fees on non-revolving credit facilities. Fees, such as processing and management fees charged for assessing the financial position of the borrower, evaluating and reviewing guarantee, collateral and other security, negotiation of instruments' terms, preparing and processing documentation and finalising the transaction are an integral part of the effective interest rate on a financial asset or liability and are included in the measurement of the effective interest rate of financial assets or liabilities. When a loan commitment is not expected to result in the draw-down of a loan, loan commitment fees are recognised on a straight-line basis over the commitment period.

Other fees and commissions, whether from retail or corporate banking relate mainly to transaction and service fees, including loan account structuring and service fees, investment management and other fiduciary activity fees, placement line fees, syndication fees and guarantee issuance fees are recognised as the related services are provided / performed.

Transaction-based charges comprising transfers (both local and foreign currencies), cards transactions among others are charged to customers' accounts when transactions take place. Maintenance charges are charged to customers on a monthly basis based on fixed rates reviewed annually by the Bank.

The Bank provides other services like custody services for which it receives income based on agreed timelines as detailed in the contract.

Revenue related to transactions is recognised at the point in time when the transaction takes place whereas those related to maintenance and other services are recognised over time as the services are provided.

2.7 Net trading income

Net trading income comprises gains less losses related to foreign exchange trades.

2.8 Net income/(loss) from other financial instruments at fair value through profit or loss

Net income/(loss) from other financial instruments at fair value through profit or loss comprises fair value changes on trading assets and liabilities.

2.9 Leases

Leases (right-of-use asset) are accounted for in accordance with IFRS 16 and are accounted for in line with the following based on whether the Bank is the Lessor or the Lessee:

2.9.1 Bank acting as the lessee.

At the commencement date, or on modification of a contract that contains a lease component, the Bank 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 Bank has elected not to separate non-lease components and accounts for the lease and associated non-lease components as a single lease component. The Bank recognises a right-of-use asset at cost and a lease liability, where applicable, at the present value of the lease payments that are not paid at that date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Bank's incremental borrowing rate. Generally, the Bank uses its incremental borrowing rate as the discount rate.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

2.9.1 Bank acting as the lessee (cont'd)

The Bank 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 the 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 Bank is reasonably certain to exercise, lease payments in an optional renewal period if the Bank is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Bank is reasonably certain not to terminate early.

The cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs incurred by the lessee and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

After the commencement date, the Bank measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any re-measurement of the lease liability. The Bank subsequently measures the lease liability by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and re-measuring the carrying amount to reflect any reassessment or lease modifications.

A re-measurement of the lease liability and right-of-use asset is required under the following circumstances:

- a change in future lease payments arising from a change in an index or rate.
- a change in the lease term (assessment of whether the Bank will exercise a purchase, extension or termination option).
- a change in the Bank's estimate of the amount expected to be payable under a residual value guarantee.
- a revised in-substance fixed lease payment

The corresponding lease liabilities, where applicable, are included in other liabilities. The interest element of the lease liabilities is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Right-of-use assets arising from such contracts as presented as part of the Bank's "Land, Building and Leasehold improvement" under Property and equipment in the Statement of financial position, whereas associated depreciation is charged as part of depreciation of property and equipment in profit or loss.

Short term leases and leases of low-value assets

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

2.10 Income tax

Income tax expense comprises current and deferred tax.
Income tax expense is recognised in profit or loss except to the extent that it relates to items that are charged or credited in other comprehensive income or recognised directly in equity. In these circumstances, deferred tax is charged or credited to other comprehensive income or to equity (for example, current tax on FVOCI).

The Bank evaluates positions stated in tax returns; ensuring information disclosed are in agreement with the underlying tax liability, which has been adequately provided for in the financial statements. The Bank had determined that interest and penalties relating to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

i. Current income tax

Current tax is the expected tax payable or receivable on taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable or receivable in respect of previous years. Income tax payable or receivable is calculated on the basis of the applicable tax law(s) in Ghana.

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. Current tax also includes any tax arising from dividends.

Where the Bank has tax losses that can be relieved only by carrying it forward against taxable profits of future periods, a deductible temporary difference arises.

ii. Deferred income 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 income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

However, the deferred income tax is not recognised for:

- 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.
- temporary differences related to investments in subsidiaries where the timing of the reversal of the temporary difference is controlled by the Bank, and it is probable that they will not reverse in the foreseeable future; and
- temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised when it is probable that future taxable profit will be available against which these temporary differences can be utilised. The tax effects of carry-forwards of unused losses or unused tax credits are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised. 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. 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.

Deferred tax related to fair value re-measurement of FVOCI investments, which are recognised in other comprehensive income, is also recognised in the other comprehensive income and subsequently in profit or loss together with the deferred gain or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

2.10 Income tax - *continued*

ii. Deferred income tax (cont'd)

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.

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

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

2.11 Financial instruments

2.11.1 Recognition

The Bank on the date of origination or purchase recognises loans, debt and equity securities, deposits and subordinated debentures at the fair value of consideration paid. For non-revolving facilities, origination date is the date the facility is disbursed, origination date for revolving facilities is the date the line is availed, while origination date for credit card is the date the credit limit is availed on the card. Regular-way purchases and sales of financial assets are recognised on the settlement date. All other financial assets and liabilities, including derivatives, are initially recognised on the trade date at which the Bank becomes a party to the contractual provisions of the instrument.

2.11.2 Classification and Measurement of financial instruments

Initial measurement of a financial asset or liability is at fair value plus transaction costs that are directly attributable to its purchase or issuance. For instruments measured at fair value through profit or loss, transaction costs are recognised immediately in profit or loss. Financial assets include both debt and equity instruments.

Financial assets are classified into one of the following measurement categories:

- Amortised cost
- Fair Value through Other Comprehensive Income (FVOCI)
- Fair Value through Profit or Loss (FVTPL) for trading related assets

The Bank classifies all of its financial assets based on the business model for managing the assets and the asset's contractual cash flow characteristics.

Business Model Assessment

Business model assessment involves determining whether financial assets are managed in order to generate cash flows from collection of contractual cash flows, selling financial assets or both. The Bank assesses business model at a portfolio level reflective of how groups of assets are managed together to achieve a particular business objective. For the assessment of business model, the Bank takes into consideration the following factors:

- 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 realizing cash flows through the sale of the assets.
- how the performance of assets in a portfolio is evaluated and reported to Bank heads and other key decision makers within the Bank's business lines.
- the risks that affect the performance of assets held within a business model and how those risks are managed.
- how compensation is determined for the Bank's business lines' management that manages the assets; and
- the frequency and volume of sales in prior periods and expectations about future sales activity.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

2.12.2 Classification and Measurement of financial instruments (continued)

Management determines the classification of the financial instruments at initial recognition. The business model assessment falls under three categories:

- Business Model 1(BM1): Financial assets held with the sole objective to collect contractual cash flows.
- Business Model 2 (BM2): Financial assets held with the objective of both collecting contractual cash flows and selling.
- Business Model 3 (BM3): Financial assets held with neither of the objectives mentioned in BM1 or BM2 above. These are basically financial assets held with the sole objective to trade and to realize fair value changes.

The Bank may decide to sell financial instruments held under the BM1 category with the objective to collect contractual cash flows without necessarily changing its business model if one or more of the following conditions are met:

- When the Bank sells financial assets to reduce credit risk or losses because of an increase in the assets' credit risk. The Bank considers sale of financial assets that may occur in BM1 to be infrequent if the sales is one-off during the Financial Year and/or occurs at most once during the quarter or at most three (3) times within the financial year.
- Where these sales are infrequent even if significant in value. A Sale of financial assets is considered infrequent if the sale is one-off during the Financial Year and/or occurs at most once during the quarter or at most three (3) times within the Financial Year.
- Where these sales are insignificant in value both individually and in aggregate, even if frequent. A sale is considered insignificant if the portion of the financial assets sold is equal to or less than five (5) per cent of the carrying amount (book value) of the total assets within the business model.
- When these sales are made close to the maturity of the financial assets and the proceeds from the sales approximates the collection of the remaining contractual cash flows. A sale is considered to be close to maturity if the financial assets has a tenor to maturity of not more than one (1) year and/or the difference between the remaining contractual cash flows expected from the financial asset does not exceed the cash flows from the sales by ten (10) per cent.
- Other reasons: The following reasons outlined below may constitute 'Other Reasons' that may necessitate selling financial assets from the BM1 category that will not constitute a change in business model:

    - Selling the financial asset to realize cash to deal with unforeseen need for liquidity (infrequent).
    - Selling the financial asset to manage credit concentration risk (infrequent).
    - Selling the financial assets as a result of changes in tax laws (infrequent).
    - Other situations also depends upon the facts and circumstances which need to be judged by the management.

Cash flow characteristics assessment.

The contractual cash flow characteristics assessment involves assessing the contractual features of an instrument to determine if they give rise to cash flows that are consistent with a basic lending arrangement. Contractual cash flows are consistent with a basic lending arrangement if they represent cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

Principal is defined as the fair value of the instrument at initial recognition. Principal may change over the life of the instruments due to repayments. Interest is defined as consideration for the time value of money and the credit risk associated with the principal amount outstanding and for other basic lending risks and costs (liquidity risk and administrative costs), as well as a profit margin.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

2.11.2 Classification and Measurement of financial instruments (continued)

In assessing whether the contractual cash flows are solely payments of principal and interest, the Bank 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 Bank considers:

- contingent events that would change the amount and timing of cash flows.
- leverage features.
- prepayment and extension terms.
- terms that limit the Bank’s claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- features that modify consideration of the time value of money.

1. Financial assets measured at amortised cost

Financial assets are measured at amortised cost if they are held within a business model whose objective is to hold for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. After initial measurement, debt instruments in this category are carried at amortised cost using the effective interest method. Amortised cost is calculated taking into account any discount or premium on acquisition, transaction costs and fees that are an integral part of the effective interest rate. Amortisation is included in interest income in profit or loss. Impairment on financial assets measured at amortised cost is calculated using the expected credit loss approach. Loans and debt securities measured at amortised cost are presented net of the Allowance for Credit Losses (ACL) in the statement of financial position.

2. Financial assets measured at FVOCI

Financial assets are measured at FVOCI if they are held within a business model whose objective is to hold for collection of contractual cash flows and for selling financial assets, where the assets’ cash flows represent payments that are solely payments of principal and interest. Subsequent to initial recognition, unrealized gains and losses on debt instruments measured at FVOCI are recorded in other comprehensive income (OCI), unless the instrument is designated in a fair value hedge relationship. Upon derecognition, realized gains and losses are reclassified from OCI and recorded in profit or loss. Foreign exchange gains and losses that relate to the amortised cost of the debt instrument are recognised in the profit or loss. Premiums, discounts and related transaction costs are amortised over the expected life of the instrument to Interest income in the profit or loss using the effective interest rate method. Impairment on financial assets measured at FVOCI is calculated using the expected credit loss approach.

3. Financial assets measured at FVTPL

Debt instruments measured at FVTPL include assets held for trading purposes, assets held as part of a portfolio managed on a fair value basis and assets whose cash flows do not represent payments that are solely payments of principal and interest. Financial assets may also be designated at FVTPL if by so doing eliminates or significantly reduces an accounting mismatch which would otherwise arise. These instruments are measured at fair value in the statement of financial position, with transaction costs recognised immediately in the profit or loss as part of Other Income. Realized and unrealized gains and losses are recognised as part net income/(loss) from other financial instruments at FVTPL.

Financial liabilities are classified into one of the following measurement categories:
- Amortised cost
- Fair Value through Profit or Loss (FVTPL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

2.11.2 Classification and Measurement of financial instruments (continued)

4. Financial Liabilities at amortised cost

Financial liabilities that are not classified at fair value through profit or loss fall into this category and are measured at amortised cost using the effective interest method. Financial liabilities measured at amortised cost are deposits from banks or customers, other borrowed funds, debt securities in issue for which the fair value option is not applied.

Cash and cash equivalents.

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with central banks, balances held with other banks, money market placements and highly liquid financial assets with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value and are used by the Bank in the management of its short-term commitments. Cash and cash equivalents are carried at amortised cost in the statement of financial position.

Non pledged trading assets and trading liabilities

Non pledged trading assets and trading liabilities are those assets and liabilities that the Bank acquires or incurs principally for the purpose of selling or repurchasing in the near term or holds as part of a portfolio that is managed together for short term profit or position taking.

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

Loans and advances

These are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method.

Investment securities

The ‘investment securities’ caption in the statement of financial position includes debt securities measured at amortised cost. These securities are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method.

Repossessed Collateral

In certain circumstances, the property is repossessed following the foreclosure on loans that are in default. If the recognition criteria are met, any collateral received is initially measured based on the carrying amount of the defaulted loan. Thereafter, it is accounted for under the relevant standard and classified as held-for-sale if appropriate.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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Financial liabilities

The Bank classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost or fair value through profit or loss.

Deposits and debt securities issued

Deposits and debt securities issued are the Bank's sources of debt funding.

The Bank 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 issued are initially measured at fair value plus transaction costs, and subsequently measured at their amortised cost using the effective interest method, except where the Bank chooses to carry the liabilities at fair value through profit or loss.

2.11.3 Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Bank changes its business model for managing financial assets. A change in the Bank's business model will occur only when the Bank either begins or ceases to perform an activity that is significant to its operations such as:

- Significant internal restructuring or business combinations; for example, an acquisition of a private asset management company that might necessitate transfer and sale of loans to willing buyers, this action will constitute changes in business model and subsequent reclassification of the Loan held from BM1 to BM2 Category
- Disposal of a business line i.e. disposal of a business segment
- Any other reason that might warrant a change in the Bank's business model as determined by management based on facts and circumstances.

The following are not considered to be changes in the business model:

- A change in intention related to particular financial assets (even in circumstances of significant changes in market conditions)
- A temporary disappearance of a particular market for financial assets
- A transfer of financial assets between parts of the Bank with different business models.

When reclassification occurs, the Bank reclassifies all affected financial assets in accordance with the new business model. Reclassification is applied prospectively from the 'reclassification date'. Reclassification date is 'the first day of the first reporting period following the change in business model. For example, if the Bank decides to shut down the retail business segment on 31 January 2023, the reclassification date will be 1 January, 2024(i.e. the first day of the entity's next reporting period), the Bank shall not engage in activities consistent with its former business model after 31 January, 2023. Gains, losses or interest previously recognised are not restated when reclassification occurs.

2.11.4 Modifications of financial assets and financial liabilities

(i) Financial assets

The Bank sometimes modifies the contractual cashflows of loans to customers. Where the terms of a financial asset are modified via amendments to the loan agreements, the Bank evaluates whether the cash flows of the modified asset are substantially different from the original cashflows. 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, and a new financial asset is recognised at fair value. Any difference between the amortised cost of the original financial asset and the present value of the estimated future cashflows of the new asset is debited or credited to the customer's account.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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(i) Financial assets (continued)

Scenarios where modifications will lead to derecognition of existing loan and recognition of a new loan include but not limited to:

- The exchange of a loan for another financial asset with substantially different contractual terms and conditions such as the restructuring of a loan to a bond; conversion of a loan to an equity instrument of the borrower
- Roll up of interest into a single bullet payment of interest and principal at the end of the loan term
- Conversion of a loan from one currency to another currency
- Extension of maturity dates will lead to modification and derecognition of existing loan and recognition of a new loan.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset in accordance with IFRS 9, the Bank shall recalculate the gross carrying amount of the financial asset and shall recognise a modification gain or loss in profit or loss. For example, contractual cashflows of loan to customers may also be modified due to blanket payment holidays imposed by law and regulations and effective automatically without amendments being made to the loan agreements. In this scenario, the bank revises the expected gross carrying amount by discounting the rescheduled payments at original effective interest rate and the resulting loss is recognised immediately in Other Income in Profit or loss as a cumulative catch-up adjustment.

Fees that are considered in determining the fair value of modified financial asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset and form part of the effective interest on the modified financial asset while other fees are included in profit or loss as part of the gain or loss on derecognition.

Impairment assessment is performed on modified financial assets before modification.

(ii) Financial liabilities

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

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

2.11.5 Impairment of financial assets

In line with IFRS 9, the Bank assesses the under listed financial instruments for impairment using Expected Credit Loss (ECL) approach:
- Amortised cost financial assets;
- Debt securities classified as at FVOCI;
- Off-balance sheet loan commitments; and
- Financial guarantee contracts.

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Expected Credit Loss Impairment Model

The Bank's allowance for credit loss calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. The expected credit loss impairment model reflects the present value of all cash shortfalls related to default events either over the following twelve months or over the expected life of a financial instrument depending on credit deterioration from inception. The allowance for credit losses reflects an unbiased, probability-weighted outcome which considers multiple scenarios based on reasonable and supportable forecasts.

The Bank adopts a three-stage approach for impairment assessment based on changes in credit quality since initial recognition.

• Stage 1 – Where there has not been a significant increase in credit risk (SICR) since initial recognition of a financial instrument, an amount equal to 12 months expected credit loss is recorded. The expected credit loss is computed using a probability of default occurring over the next 12 months. For those instruments with a remaining maturity of less than 12 months, a probability of default corresponding to remaining term to maturity is used.

• Stage 2 – When a financial instrument experiences a SICR subsequent to origination but is not considered to be in default, it is included in Stage 2. This requires the computation of expected credit loss based on the probability of default over the remaining estimated life of the financial instrument.

• Stage 3 – Financial instruments that are considered to be in default are included in this stage. Similar to Stage 2, the allowance for credit losses captures the lifetime expected credit losses.

• POCI– POCI assets are financial assets that are credit impaired on initial recognition. The Bank only recognises the cumulative changes in lifetime ECL since initial recognition, based on a probability-weighting of the four scenarios, discounted by the credit-adjusted EIR

The guiding principle for ECL model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments since initial recognition. The ECL allowance is based on credit losses expected to arise over the life of the asset (lifetime expected credit loss), unless there has been no significant increase in credit risk since origination.

Measurement of Expected Credit Losses

The probability of default (PD), exposure at default (EAD), and loss given default (LGD) inputs used to estimate expected credit losses are modelled based on macroeconomic variables that are most closely related with credit losses in the relevant portfolio.

Details of these statistical parameters/inputs are as follows:

- PD – The probability of default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the remaining estimated life, if the facility has not been previously derecognised and is still in the portfolio.

- 12-month PDs – This is the estimated probability of default occurring within the next 12 months (or over the remaining life of the financial instrument if that is less than 12 months). This is used to calculate 12-month ECLs. The Bank obtains the constant and relevant coefficients for the various independent variables and computes the outcome by incorporating forward looking macroeconomic variables and computing the forward probability of default.

- Lifetime PDs – This is the estimated probability of default occurring over the remaining life of the financial instrument. This is used to calculate lifetime ECLs for 'stage 2' and 'stage 3' exposures. PDs are limited to the maximum period of exposure required by IFRS 9. The Bank obtains 3 years forecast for the relevant

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Measurement of Expected Credit Losses (continued)

- macroeconomic variables and adopts an exponentiation method to compute cumulative PD for future time periods for each obligor.

- EAD – The exposure at default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

- LGD – The loss given default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral. It is usually expressed as a percentage of the EAD.

To estimate expected credit loss for off balance sheet exposures, credit conversion factor (CCF) is usually computed. CCF is a modelled assumption which represents the proportion of any undrawn exposure that is expected to be drawn prior to a default event occurring. It is a factor that converts an off-balance sheet exposure to its credit exposure equivalent. In modelling CCF, the Bank considers its account monitoring and payment processing policies including its ability to prevent further drawings during periods of increased credit risk. CCF is applied on the off-balance sheet exposures to determine the EAD and the ECL impairment model for financial assets is applied on the EAD to determine the ECL on the off-balance sheet exposures.

Forward-looking information

The measurement of expected credit losses for each stage and the assessment of significant increases in credit risk considers information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information requires that:

- The Bank uses internal subject matter experts from Risk, Treasury and Business Divisions to consider a range of relevant forward-looking data, including macro-economic forecasts and assumptions, for the determination of unbiased general economic adjustments in order to support the calculation of ECLs.
- Macro-economic variables taken into consideration include interest rates, and exchange rate, and requires an evaluation of both the current and forecast direction of the macro-economic cycle.
- Macro-economic variables considered have strong statistical relationships with the risk parameters (LGD, EAD, CCF and PD) used in the estimation of the ECLs and are capable of predicting future conditions that are not captured within the base ECL calculations.
- Forward looking adjustments for both general macro-economic adjustments and more targeted at portfolio / industry levels. The methodologies and assumptions, including any forecasts of future economic conditions, are reviewed regularly.

Macroeconomic factors

The Bank relies on a broad range of forward-looking information as economic inputs, such as: GDP growth, unemployment rates, central bank base rates, crude oil prices, inflation rates and foreign exchange rates. The inputs and models used for calculating expected credit losses may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays may be made as temporary adjustments using expert credit judgement.

The macroeconomic variables and economic forecasts as well as other key inputs are reviewed and approved by management before being incorporated in the ECL model. Any subsequent changes to the forward-looking information are also approved before such are inputted in the ECL model. The macro-economic variables are obtained for 3 years in the future and are reassessed every 6 months to ensure that they reflect prevalent circumstances and are up to date.

Where there is a non-linear relationship, one forward-looking scenario is never sufficient as it may result in the estimation of a worst-case scenario or a best-case scenario. The Bank's ECL methodology considers the weighted average of multiple economic scenarios for the risk parameters (basically the forecast macroeconomic variables) in arriving at impairment figure for a particular reporting period. The model is structured in a manner that the final outcome, which is a probability, cannot be negative.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.11.5 Impairment of financial assets - continued

Multiple forward-looking scenarios

The Bank determines allowance for credit losses using three probability-weighted forward-looking scenarios. The Bank considers both internal and external sources of information in order to achieve an unbiased measure of the scenarios used. The Bank prepares the scenarios using five-year forecast generated by credible sources such as Business Monitor International (BMI), International Monetary Fund (IMF), The Ghana Statistical Service, World Bank, The Bank of Ghana, Financial Markets Dealers Quotation (FMDQ), and Trading Economics.

The Bank estimates three scenarios for the Probability of Default (PD) risk parameter– Base case, Upturn and Downturn, which in turn is used in the estimation of the multiple scenario ECLs. The normal case represents the most likely outcome and is aligned with information used by the Bank for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. The Bank 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, credit risk and credit losses.

Assessment of significant increase in credit risk (SICR)

A significant increase in credit risk (SICR) is assessed once there is an objective indicator of a deterioration in credit risk of customer. In addition, the Bank as part of its routine credit processes performs an assessment on a quarterly basis to identify instances of SICR.

At each reporting date, the Bank assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the remaining expected life from the reporting date and the date of initial recognition. The assessment considers borrower-specific quantitative and qualitative information without consideration of collateral, and the impact of forward-looking macroeconomic factors. The common assessments for SICR on retail and non-retail portfolios include macroeconomic outlook, management judgement, and delinquency and monitoring. Forward looking macroeconomic factors are a key component of the macroeconomic outlook. The importance and relevance of each specific macroeconomic factor depends on the type of product, characteristics of the financial instruments and the borrower and the geographical region.

The Bank adopts a multi-factor approach in assessing changes in credit risk. This approach considers: Quantitative (primary), Qualitative (secondary) and Back stop indicators which are critical in allocating financial assets into stages.

The quantitative models consider deterioration in the credit rating of obligor/counterparty based on the Bank's internal rating system or External Credit Assessment Institutions (ECAI) while qualitative factors consider information such as expected forbearance, restructuring, exposure classification by licensed credit bureau, etc.

A backstop is typically used to ensure that in the (unlikely) event that the primary (quantitative) indicators do not change and there is no trigger from the secondary (qualitative) indicators, an account that has breached the 30 days past due criteria for SICR is transferred to stage 2.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.11.5 Impairment of financial assets - continued

Definition of Default and Credit Impaired Financial Assets

At each reporting date, the Bank assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

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

- Significant financial difficulty of the borrower or issuer.
- A breach of contract such as a default or past due event.
- The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- It is becoming probable that the borrower will enter bankruptcy or other financial re-organisation; or
- The disappearance of an active market for a security because of financial difficulties.
- The purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.
- Others include death, insolvency, breach of covenants, etc.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit impaired. In addition, loans that are more than 90 days past due are considered impaired.

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

- The market's assessment of creditworthiness as reflected in the bond yields.
- The rating agencies' assessments of creditworthiness.
- The country's ability to access the capital markets for new debt issuance.
- The probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness.
- The international support mechanisms in place to provide the necessary support as 'lender of last resort' to 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 allowances for ECL on loans and debt instruments are presented in the statement of financial position as follows:

- Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- Financial assets measured at FVOCI: No loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in income surplus.
- Loan commitments and financial guarantee contracts: generally, as a provision; Where a financial instrument includes both a drawn and an undrawn component, and the Bank cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Bank 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.11.5 Impairment of financial assets – continued

Restructured financial assets

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

— If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.

— If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Write-off

The Bank writes off an impaired financial asset (and the related impairment allowance), either partially or in full, where there is no reasonable expectation of recovery as set out in IFRS 9, paragraph 5.4.4. After a full evaluation of a non-performing exposure, in the event that either one or all of the following conditions apply, such exposure shall be recommended for write-off (either partially or in full):

- continued contact with the customer is impossible;
- recovery cost is expected to be higher than the outstanding debt;
- The bank's recovery method is foreclosing collateral and the value of the collateral is such that there is reasonable expectation of recovering the balance in full.

All credit facility write-offs shall require endorsement at the appropriate level, as defined by the Bank. Credit write-off approval shall be documented in writing and properly initialized by the approving authority.

A write-off constitutes a derecognition event. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Bank's procedures for recovery of amount due. Whenever amounts are recovered on previously written-off credit exposures, such an amount recovered is recognised when cash is received as part of recoveries within the impairment expense.

Financial guarantee contracts held

The Bank 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 Bank considers when making this assessment include whether:

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

If the Bank 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 Bank considers the effect of the protection when measuring the fair value of the debt instrument and when measuring ECL.

If the Bank determines that the guarantee is not an integral element of the debt instrument, then it recognises an asset representing any prepayment of guarantee premium and a right to compensation for credit losses. A prepaid premium asset is recognised only if the guaranteed exposure is neither credit impaired nor has undergone a significant increase in credit risk when the guarantee is acquired. These assets are recognised in 'other assets' (see Note 23). The Bank presents a gains

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.11.5 Impairment of financial assets - continued

Write-off (continued)

or losses on a compensation right in profit or loss in the line item 'impairment losses on financial instruments'

Offsetting financial instruments

Master agreements provide that, if an event of default occurs, all outstanding transactions with the counterparty will fall due and all outstanding amounts will be settled on a net basis.

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when there is a currently legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

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

2.11.6 Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer 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 Bank has access at that date. The fair value of a liability reflects its non-performance risk.

When one is available, the Bank 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 Bank uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would consider 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 Bank 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 Bank 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 Bank on the basis of 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 Bank recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.11.7 Financial guarantees and loan commitments.

Financial guarantees are contracts that require the Bank to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee liabilities are initially recognised at their fair value, and the initial fair value is amortized over the life of the financial guarantee. After initial recognition, guarantee contracts are subsequently measured at the higher of:

- The amount of the loss allowance, and
- The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15.

Financial guarantees, principally consisting of letters of credit are included within other liabilities. Loan commitments are firm commitments to provide credit under pre-specified terms and conditions. The Bank recognises a provision in accordance with IAS 37 if the contract was considered to be onerous.

2.12 Pledged assets

'Pledged assets' arise in transactions in which the Bank borrows from counterparties and pledges securities as collateral to back that exposure. The Bank 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 liability for the obligation to pay the amount upon maturity. Because the Bank transfers the contractual rights to the cash flows of the securities, it does not have the ability to use the pledged assets during the term of the arrangement.

2.13 Property and equipment

Recognition and measurement

The Bank recognises items of property and equipment at the time the cost is incurred. These costs include costs incurred initially to acquire or construct an item of property and equipment as well as the costs of its dismantlement, removal or restoration, the obligation for which an entity incurs as a consequence of using the item during a particular period.

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

The assets' carrying values and useful lives are reviewed, and written down if appropriate, at each reporting date. Assets are impaired whenever events or changes in circumstances indicate that the carrying amount is less than the recoverable amount; ***(see note 2.15)*** on impairment of non-financial assets.

Subsequent costs

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

Depreciation

Depreciation is recognised in profit or loss on a straight-line basis to write down the cost of each asset, to their residual values over the estimated useful lives of each part of an item of property and equipment.

Depreciation begins when an asset is available for use and ceases at the earlier date that the asset is derecognised or classified as held for sale in accordance with IFRS 5. A non-current asset or disposal group is not depreciated while it is classified as held for sale.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.13 Property and equipment - continued

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

Leasehold improvements	over the shorter of the useful life of the item or lease term
Building	50 years
Leasehold land	over the life of the lease
Equipment	5 years
Computer and accessories	3 years
Furniture and fittings	5 years
Motor vehicle	4 years

Leasehold improvements, building and leasehold land are all categorized as "Land, Building and Leasehold improvements", Furniture and fittings and Equipment as "Furniture and equipment" in note 19.

Depreciation methods, useful lives and residual values are re-assessed at each reporting date and adjusted if appropriate.

Capital work in progress is not depreciated. Upon completion it is transferred to the relevant asset category.

Buildings on land held as freehold are depreciated in line with the above listed useful life of the asset.

Capital WIP

Property and equipment may be classified as work-in-progress if it is probable that future economic benefits will flow to the Bank and the cost can be measured reliably. Typically, these are items that have not yet been brought to the location and/or condition necessary for it to be capable of operating in the manner intended by management.

Amounts held within work-in-progress that are substantially complete, in common with other property and equipment, are required to be assessed for impairment. Where asset lives are short (technological assets for example) and the assets are held as WIP for a significant period, impairment (through technological obsolescence) is more likely to occur. In such situations, if the assets are generic in nature and do not require significant modification to bring them into use, it would be more appropriate to hold the assets within property and equipment and depreciate them.

In general, assets should not be held in work in progress for a significant period unless it relates to a significant construction project (a building for example).

De-recognition

An item of property and equipment is derecognised at its disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the year the asset is derecognised.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.14 Intangible assets

Software

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

Expenditure on internally developed software is recognised as an asset when the Bank is able to demonstrate its intention and ability to complete the development and use the software in a manner that will generate future economic benefits and 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 are amortised over its useful life. Internally developed software is stated at capitalised cost less accumulated amortisation and impairment.

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

The estimated useful life of software is five years for current and prior years. Amortisation methods, useful lives and residual values are re-assessed at each reporting date.

2.15 Impairment of non-financial assets

The carrying amounts of the Bank's non-financial assets other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash flows that are largely independent from other assets or group of assets.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are 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.

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

2.16 Provisions

A provision is recognised if, as a result of a past event, the Bank has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.
A provision for restructuring is recognised when the Bank has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. The Bank recognises no provision for future operating losses.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.16 Provisions - continued

A provision for onerous contracts is recognised when the expected benefits to be derived by the Bank from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Bank recognises any impairment loss on the assets associated with that contract.

(l) **Contingent liabilities**

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events, and present obligations where the transfer of economic resources is uncertain or cannot be reliably measured. Contingent liabilities are not recognised in the statement of financial position but are disclosed unless the outflow of economic resources is remote.

2.17 Employee benefits

Defined contribution plans

A defined contribution plan is a pension plan under which the Bank pays fixed contributions to a separate entity. The Bank has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the Bank pays contributions to publicly or privately administered Pension Fund Administrators (PFA) on a mandatory, contractual or voluntary basis. The Bank has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense in the profit or loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

a. Social Security

Under a national defined contribution pension scheme, the Bank contributes 13% of employees’ basic salary to the Social Security and National Insurance Trust (SSNIT) for employee pensions. Obligations for contributions are recognised as an expense in profit or loss when they are due. The Bank’s obligation is limited to the relevant contributions, which were settled on due dates. The pension liabilities and obligations, however, rest with SSNIT.

b. Provident Fund

The Bank has a provident fund scheme for staff under which it contributes 10% of staff basic salary. The obligation under the plan is limited to the relevant contribution and these are settled on due dates to the Fund Manager.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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2.18 Stated capital

Equity shares
Equity shares are classified as 'stated capital' in equity. Proceeds from issue of equity shares are classified as equity. Incremental costs that are directly attributable to the issue of equity instruments are deducted from the initial measurement of the equity instrument.

Share issue costs
Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement

2.19 Dividend on equity shares

Dividends on the Bank's equity shares are recognised in equity in the period in which they are, approved by the Bank's shareholders. Dividend proposed which is yet to be approved by shareholders, is disclosed by way of notes.

2.20 Levies

A levy is an outflow of resources embodying economic benefits that is imposed by governments on entities in accordance with legislation (i.e. laws and/or regulations), other than:

- Those outflows of resources that are within the scope of other Standards (such as income taxes that are within the scope of IAS 12 Income Taxes); and
- Fines or other penalties that are imposed for breaches of the legislation

The Bank recognises a levy when the obligating event that gives rise to a liability as identified by the legislation, occurs. This triggers the obligation to pay the levy and recognise the expense for the period.

2.21 Stocks/ Stationery

Stocks include consumables and cards held for resale or subsequent issuance to customers. They are measured at lower of cost and net realizable value. Cost comprises of purchase and other costs incurred in bringing the items of stock to their present location and condition. Net realizable value is the estimated issuance price. When items of stocks are issued to customers, their carrying amount is recognised as an expense in the period in which the relevant revenue is recognised.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

3. FINANCIAL RISK MANAGEMENT

3.1 Introduction

The Bank's business involves taking on risk in a targeted manner and managing them professionally. The core functions of the Bank's risk management are to identify all key risks for the Bank, measure these risks, manage the risk positions and determine capital allocations. The Bank regularly reviews its risk management policies and systems to reflect changes in the market, products and best market practice.

The Bank's aim is to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Bank's financial performance. The Bank defines risk as the possibility of losses or profits forgone, which may be caused by internal or external factors.

3.2 Risk Management Framework

The Board of Directors has overall responsibility for the establishment and oversight of the Bank's risk management framework. The Board has established the Bank's Asset and Liability Management Committee (ALMAC) and Management Credit Committee and the Risk Management Unit, which are responsible for developing and monitoring risk management policies in their specified areas.

All Board Committees have both executive and non-executive members and report regularly to the Board of Directors on their activities.

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

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

3.3 Credit risk

Credit risk is the risk of financial loss to the Bank if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Bank's loans and advances and investment securities. For risk management reporting purposes, the Bank considers and consolidates all elements of credit risk exposure – e.g. individual obligor default risk, country and sector risk.

For risk management purposes, credit risk arising on trading securities is managed independently, but reported as a component of market risk exposure.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

3.3.1 Ghana Debt Exchange Programme

Ghana's economy experienced economic downturn in 2022, which led the country to seek support from the 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).

In 2023, the Government of Ghana undertook series of domestic debt exchange in respect of the following instruments:
— Ghana Cedi Denominated Domestic Bonds (comprising GHS Bonds, ESLA Bonds and Daakye Bonds)
— US Dollar Denominated Domestic Bonds
— Cocoa Bills

On June 24, 2024, the Government announced Ghana's agreement in principle with its commercial creditors to restructure US$13 billion in Eurobond debt. In September 2024, the Government launched an invitation for eligible bond holders to tender their existing notes for either or a combination of two options of two new notes. The exchange was concluded in October 2024.

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

i. Eurobonds

On 09 October 2024, the Bank exchanged its existing eligible Eurobonds bonds for a new set of bonds opting for the par option. 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 three (3) new general bonds with an aggregate principal amount equal to the principal amount of eligible bonds tendered while Past due Interest had a 37% under the exchange programme with the following terms:

- **Long-Term Par New Notes**

  Three instalments respectively on 3 January 2036, 3 July 2036 and 3 January 2037, with the first two instalments payable in amounts each representing 33.3% of the nominal amount and the last instalment at maturity payable in amounts representing 33.4% of the nominal amount at 1.5%.

- **Down Payment New Notes**

  Five equal instalments respectively on the second Business Day after the Issue Date (the "First Amortisation Date"), 3 January 2025, 3 July 2025, 3 January 2026 and 3 July 2026

- **Post-Default Interest New Notes**

  Twelve instalments respectively on the First Amortisation Date and every 3 January and 3 July of each calendar year from 3 January 2025 up to 3 January 2030, with the first 11 instalments payable in amounts each representing 8.33% of the nominal amount and the last instalment at maturity payable in an amount representing 8.37% of the nominal amount

ii. Bonds eligible for exchange

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

Exchange Programme	Settlement Date	Currency	Amount Exchanged
Eurobonds	9 October 2024	US$	56,692,516

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

3.3.1 Ghana Debt Exchange Programme – *Continued*

iii. Fair Value Measurement Basis (IFRS 13)

The Bank measures financial instruments at fair value in accordance with **IFRS 13 Fair Value Measurement**. The fair value hierarchy categorizes inputs into **three levels** based on the degree of observable market data used in valuation:

- **Level 1**: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2**: Inputs other than quoted prices included within Level 1 that are **observable**, either directly (e.g., market prices for similar instruments) or indirectly (e.g., yield curves, credit spreads). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- **Level 3**: Unobservable inputs based on **internal models and significant management judgment**.

Classification of Bond Yields Under IFRS 13

The fair values of Eurobonds held by the Bank have been determined based on **Level 2 inputs** because:

- The values are derived from **multiple independent pricing sources**, including **Bloomberg, Bondblox, and Refinitiv**, which aggregate market-based data.
- Quoted prices for identical bonds were not available at the date on exchange, and fair values were estimated using observable market yields, yield curves, and credit spreads on various trading platforms.
- No significant unobservable inputs or proprietary valuation models were used, ruling out Level 3 classification.

The quoted prices from Bloomberg, Bondblox and Refinitiv were indicative prices, and the volume of trade were not significant. At the date of settlement there were no quotable prices for the New Eurobonds on these platforms.

Fair Value Measurement
In determining the yield for the Level 2 financial instrument, the methodology the bank applied in with the Institute of Chartered Accountants, Ghana guidelines was using observable but indirect market data, interpolation techniques, and adjustments for liquidity and risk factors. The key steps are as follows:

1. Collect Market Data

The Bank gathered yield data from sources such as Bloomberg, Refinitiv, Bondblox, and other pricing services and reviewed historical trading data and spreads for comparable financial instruments. The indicative yield data is as shown below:

Source	**PAR BOND**	**DISCO LONG**	**PAST DUE INTEREST**	**DISCO SHORT**	**DOWN PAYMENT BOND**
Bloomberg Yield	10.16	10.79	11.39	10.14	11.6
Bondblox Yield	9.59	10.92	10.38	10.19	9.29
Refinitiv Yield	9.68	9.27	5.07	8.26	4.79
Average	**9.81**	**10.33**	**8.95**	**9.53**	**8.56**
Maturity Date	3/1/2037	3/7/2035	03/01/2030	3/7/2029	3/7/2026

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

3.3.1 Ghana Debt Exchange Programme – *Continued*

iii. Fair Value Measurement Basis (IFRS 13) – *Continued*

2. Identify Comparable Instruments

The Bank then selected bonds with similar maturities, credit ratings, and industry sectors, considering bonds with the same issuer or comparable sovereign to establish a relevant pricing benchmark.

3. Apply Interpolated Yield Curves

The Bank then constructed a yield curve using available data points, interpolating yields for the bonds without directly using quoted prices. The linear interpolation method was used to estimate missing values.

4. Adjust for Liquidity and Credit Risk

Assessment of bid-ask spreads to account for market liquidity and potential transaction costs and also incorporate adjustments for credit rating changes or issuer-specific risks for Ghana.

5. Validate with Yield Spread Analysis

The Bank analysed the spreads over government bonds or benchmark indices to determine relative risk premiums. Compare with sovereign-specific yield curves to ensure consistency with market trends.

6. Perform Sensitivity Analysis

Evaluate yield variations under different interest rate environments and economic conditions.
Test different spread assumptions to see the impact on fair value estimation.

Reconciliation

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy.

Eurobonds (USD)				
	Level 1	**Level 2**	**level 3**	**Total**
Balance at 1 January	-	-	56,692,516.00	56,692,516.00
Write Off Old Eurobonds	-	-	(56,692,516.00)	(56,692,516.00)
Additions	-	58,730,162.74	-	58,730,162.74
Balance at 31 December		58,730,162.74	-	58,730,162.74

During the reporting period, there were transfers of Eurobonds from Level 3 to Level 2 for the bonds measured at fair value.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

3.3.1 Ghana Debt Exchange Programme- continued

iv. 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 programme were recognised as new financial assets and initially measured at fair value. The fair value of the new bonds was determined using discounted cash flow techniques. Indicative yields from market data, sourced from platforms such as Bloomberg, Refinitiv, and Bondblox were used as a basis for discounting expected cash flows. These yields were further adjusted to account for liquidity and risk factors, as outlined in the exchange memorandum. The difference between the fair value of the new bonds and the carrying amount as at 31 December 2024 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 2024.

The following table shows the yield in discounting the cashflows of the new bonds 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 recognised or changes in fair value.

Assets measured at amortised cost.

Exchange Programme	Yield-to-maturity (Discount Rate)	Fair Value on Initial Recognition	Net carrying amount at settlement date	Modification loss
Eurobonds	8%	USD 34 million	USD 57 million	USD 23 million

Subsequent measurement of instruments acquired under GDDE

The following table shows the classification of the instruments acquired in the 2023 exchange programme. The amounts presented in the table are the carrying amounts at the end of 2024 subsequent to initial recognition.

Exchange Programme	Amortised cost GHS '000	FVTPL GHS '000	Total GHS '000
GHS Domestic Bonds	1,012,224	3,000	1,015,224
US$ Domestic Bonds	1,003,955	-	1,003,955
GHS Cocoa Bonds	90,877	-	90,877

v. 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. On 19 December 2022, the Government suspended debt service on external debt, including the Bank's holdings in Eurobonds,

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

3.3.1 Ghana Debt Exchange Programme- continued

v. ECL considerations -continued

In this regard, exposures to Government of Ghana exposure excluding treasury bills are considered credit impaired. New Government of Ghana exposures (except treasury bills) acquired or exchanged in 2024 are thus 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.

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 has been on a downward trend. As of December 2024, inflation stood at 23.8%, The IMF anticipated 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. Treasury bills are therefore considered to be not credit impaired.

vi. The 2023 Domestic Exchange Programme

Ghana Cedi Denominated Domestic Bonds

On 21 February 2023, the Bank 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:

- 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.
- 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 2033.
- 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 derecognised the existing bonds eligible for exchange and recognised the new bonds at fair value in its 2023 financial period.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

3.3.1 Ghana Debt Exchange Programme- continued

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 August 2023.

The Bank received two (2) bonds with an aggregate principal amount equal to the principal amount of eligible US$ Bonds tendered (in addition to any accrued and unpaid interest due on such US$ bonds). The two (2) bonds will mature in July 2027 and July 2028. The coupon rates on the bonds issued are 2.75% and 3.25%.

The Bank 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 US$ bonds and 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.

Exchange Programme	Settlement Date	Currency	Amount Exchanged
GHS Domestic Bonds	21 February 2023	GHS	1,118,846,313
US$ Domestic Bonds	4 August 2023	US$	73,338,808
Cocoa Bills	4 August 2023	GHS	121,039,043

Measurement of eligible bonds held at amortised cost.

Initial recognition of new bonds on settlement dates of exchange programmes

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.
- For old bonds measured at FVTPL, the difference is presented as net gain or loss on financial assets or financial liabilities measured at FVTPL.

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 recognised or changes in fair value.

Assets measured at amortised cost.

Exchange Programme	Yield-to-maturity (Discount Rate)	Fair Value on Initial Recognition	Net carrying amount at settlement date	Additional/ (reversal) impairment loss
GHS Domestic Bonds	15.67%	GHS 724 million	GHS 724 million	-
US$ Domestic Bonds	5%	USD 68 million	USD 68 million	-
Cocoa Bills	30%	GHS 85 million	GHS 85 million	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

3.3.1 Ghana Debt Exchange Programme- continued

Assets measured at FVTPL.

Exchange Programme	Yield-to-maturity (Discount Rate)	Fair Value on Initial Recognition	Net carrying amount at settlement date	Changes in fair value
GHS Domestic Bonds	15.67%	GHS 70 million	GHS 76 million	GHS 6 million

Subsequent measurement of instruments acquired in GDDE

The following table shows the classification of the instruments acquired in the exchange programme. The amounts presented in the table are the carrying amounts subsequent to initial recognition.

Exchange Programme	Amortised cost GHS '000	FVTPL GHS '000	Total GHS '000
GHS Domestic Bonds	791,197	3,000	794,197
US$ Domestic Bonds	820,421	-	820,421
GHS Cocoa Bonds	85,426	-	85,426

Indirect government exposures

There is no indirect government exposure.

Ghana Debt Exchange Impact on Capital

The Capital Adequacy ratio of the Bank in spite of the domestic debt exchange programme remains strong at 37% and is well above the current minimum capital adequacy ratio of 10%. The adequacy ratio is expected to be above 40% over the next 12 months.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Credit risk (continued)

3.3.2. Management of credit risk

The Board of Directors has delegated responsibility for the management of credit risk to its Board Credit Committee. A separate Management Credit Committee reporting to the Board Credit Committee is responsible for oversight of the Bank's credit risk, including:

- *Formulating credit policies* in consultation with business units, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements.

- *Establishing the authorisation structure* for the approval and renewal of credit facilities. Authorisation limits are allocated to business unit Heads. Larger facilities require approval by the Managing Director, Management Credit Committee, and the Board Credit Committee/Board of Directors as appropriate.

- *Reviewing and assessing credit risk*. Management Credit Committee assesses all credit exposures in excess of designated limits, prior to facilities being committed to customers by the business unit concerned. Renewals and reviews of facilities are subject to the same review process.

- *Developing and maintaining the Bank's risk grading* in order to categorise exposures according to the degree of risk of financial loss faced and to focus management on the attendant risks. The current risk grading framework consists of six grades reflecting varying degrees of risk of default and the availability of collateral or other credit risk mitigation. The responsibility for approving the risk grades lies with the Board Credit Committee. The Risk grades are subject to regular reviews by the Risk Management unit of the Bank.

- *Reviewing compliance* of business units with agreed exposure limits, including those for selected industries, country risk and product types. Regular reports are provided to the Risk Management unit of the Bank on the credit quality of local portfolios and appropriate corrective action is taken.

- *Providing advice, guidance and specialist skills* to business units to promote best practice throughout the Bank in the management of credit risk. Each business unit is required to implement Bank's credit policies and procedures, with credit approval authorised by the Board Credit Committee. Each business unit with the responsibility of initiating credit has experienced credit managers who report on all credit related matters to local management of the Board Credit Committee and respond to issues at the Bank's Criticised Assets Committee (CAC). Each business unit is responsible for the quality and performance of its credit portfolio and for monitoring and controlling all credit risks in its portfolios, including those subject to central approval.

- *Regular review of business units and credit quality* are undertaken by internal audit function of the Bank and the parent company.

- *Credit monitoring* which is done through the credit monitoring unit by reviewing facilities on an ongoing basis to ensure all conditions are being adhered to in line with agreed terms and conditions as well as promptly reporting identified issues with disbursed facilities.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Credit risk (continued)
3.3.3 Credit risk exposure
i. Credit quality analysis

Analysis of credit quality

The following table sets out information about the credit quality of financial assets measured at amortised cost and FVOCI debt instruments. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts. For lending commitments and financial guarantee contracts, the amounts in the table represent the amounts committed or guaranteed, respectively. **The table also includes loss allowance and the net carrying amounts.** Explanation of the terms "Stage 1", "Stage 2" and "Stage 3" is included in Note 2.11.5.

		2024					2023			
		Stage 1	**Stage 2**	**Stage 3**	**Total**		**Stage 1**	**Stage 2**	**Stage 3**	**Total**
		GHS	GHS	GHS	GHS		GHS	GHS	GHS	GHS
Loans and advances at amortised cost										
Grade 1-3 Current: Low risk		2,524,396,501	-	-	2,524,396,501		1,738,371,211	-	-	1,738,371,211
Grade 4 OLEM: Fair risk		-	742,113	-	742,113		-	19,810,846	-	19,810,846
Grade 5 Substandard: Impaired		-	-	593,028	593,028		-	-	15,376,674	15,376,674
Grade 5 Doubtful: Impaired		-	-	3,591,681	3,591,681		-	-	5,352,720	5,352,720
Grade 6 Loss: Impaired		-	-	53,819,852	53,819,852		-	-	51,846,178	51,846,178
Gross amount		**2,524,396,501**	**742,113**	**58,004,561**	**2,583,143,175**		**1,738,371,211**	**19,810,846**	**72,575,571**	**1,830,757,628**
Loss allowance		(16,489,860)	(412,261)	(12,445,891)	(29,348,012)		(8,858,090)	(4,657,880)	(26,819,890)	(40,335,860)
Carrying amount		**2,507,906,641**	**329,852**	**45,558,670**	**2,553,795,163**		**1,729,513,121**	**15,152,966**	**45,755,681**	**1,790,421,768**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

Analysis of credit quality (cont'd)

		2024					2023			
		Stage 1	**Stage 2**	**Stage 3**	**Total**		**Stage 1**	**Stage 2**	**Stage 3**	**Total**
		GHS	GHS	GHS	GHS		GHS	GHS	GHS	GHS
Cash and cash equivalent										
Grade 1-3 Current: Low risk		5,303,923,264	-	-	5,303,923,264		2,939,410,911	-	-	2,939,410,911
Grade 4 OLEM: Fair risk										
Gross amount		**5,303,923,264**	**-**	**-**	**5,303,923,264**		**2,939,410,911**	**-**	**-**	**2,939,410,911**
Loss allowance		(11,005,651)			(11,005,651)		(11,005,965)			(11,005,965)
Carrying amount		**5,292,917,613**	**-**	**-**	**5,292,917,613**		**2,928,404,946**	**-**	**-**	**2,928,404,946**

		2024					2023			
		Stage 1	**Stage 2**	**Stage 3**	**Total**		**Stage 1**	**Stage 2**	**Stage 3**	**Total**
		GHS	GHS	GHS	GHS		GHS	GHS	GHS	GHS
Lending commitments and Financial guarantee contracts										
Grade 1-3 Current: Low risk		105,149,101	-	-	105,149,101		145,482,602	-	-	145,482,602
Gross amount		**105,149,101**	**-**	**-**	**105,149,101**		**145,482,602**	**-**	**-**	**145,482,602**
Loss allowance		(1,024,800)	-	-	(1,024,800)		(1,024,800)	-	-	(1,024,800)

**ECL assessment was done for the year 2024 and deemed immaterial hence no additional ECL taken for the year.*

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

Analysis of credit quality (cont'd)

	2024					2023				
	Stage 1	**Stage 2**	**Stage 3**	**POCI**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Debt securities at amortised cost										
Grade 1-3 Current: Low risk	2,845,171,733	-		2,782,840,310	5,628,012,043	3,238,759,069	-	704,937,965	1,791,095,960	5,734,792,994
Gross amount	**2,845,171,733**	-		**2,782,840,310**	**5,628,012,043**	**3,238,759,069**	-	**704,937,965**	**1,791,095,960**	**5,734,792,994**
Loss allowance	(18,514,602)	-		-	(18,514,602)	(18,514,602)	-	(200,211,363)	-	(218,725,965)
Carrying amount	**2,826,657,131**			**2,782,840,310**	**5,609,497,441**	**3,220,244,467**		**504,726,603**	**1,791,095,960**	**5,516,067,029**

**An assessment was done on the Purchase Originated Credit impaired (POCI) assets for 2024 with no material cash flow shortfall, hence no impairment taken.*

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3.3 Credit risk exposure (continued)

The gross loan book increased by 41% and this was mainly attributable to significant volumes of bookings of loans advanced to corporate customers in the period (2023 decline was 10%) due to improvement in general economic conditions. Whereas this increase in loan book increased stage 1 loss allowances by GHS7.6M, overall credit distress reduced on both the existing and new loans accounting particularly for the decreased lifetime ECL stock at year end.

Loan and advances increased significantly in 2024 due to new loans and advances disbursed during the year however there was overall ECL decrement at year end due to the quality of the assets booked. Although a much higher portfolio growth was observed on the Corporate book, there were some significant loans performing in this portfolio which resulted in a net ECL stock decrement of 33% in that portfolio.

Investment securities decreased by 0.2% compared to prior year. There was an overall ECL increase for investment securities at year end due to the exchange of Eurobonds. Impairment on investment securities increased by remained flat for Stage 1 instrument largely due to Treasury bills classified as Stage 1 same as was done in prior year. The was no impairment on stage 3 investment securities due to Eurobonds being the only instrument at Stage 3 from last year now derecognised subsequent to the completion of the exchange programme. No impairment was recognised on POCI instruments which were originated in the current year as there has been no change in the estimate of lifetime ECLs since the initial recognition of these assets.

Impairment has also been recognised on cash and cash equivalents specifically on our placements with other banks and credit losses taken.

No impairment has been recognised on other asset as these are mainly comprised of e-cash balances which are held in a control account and settlement within a month. Additionally, there has been no history of credit losses on these balances and therefore impairment has been assessed as insignificant.

Credit risk exposures relating to off-balance sheet items are as follows:

	2024	2023
Concentration by product		
Bonds and Guarantees	**104,708,014**	119,172,248
Letters of Credit	**441,087**	26,310,354
	105,149,101	145,482,602
Less: impairment	**(1,024,800)**	(1,024,800)
	104,124,301	144,457,802
Undrawn loan commitment	**20,710,240**	40,901,037
Less: impairment	**-**	-
	124,834,541	185,358,839

Key ratios on loans and advances

The total loans loss provision made by the bank constitutes 1.14% (2023: 2.26%) of the gross loans.

As at the reporting date, gross non-performing loans classified under the Bank of Ghana Prudential Guideline constitute 2.42% (2023: 3.95%) of total gross loans and advances.

The total non-performing loans and advances amounts to GH¢58.004 million (2023: GH¢72.57 million) and the gross loan book was GH¢ 2.583 billion at 31 December 2024 (2023: GH¢1.830 billion).

The fifty largest loan and advances exposure (gross) to total exposure is 95.18% (2023: 97.33%).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3.3 Credit risk exposure (continued)

Impaired loans and securities

Impaired loans and securities are loans and securities for which the Bank determines that it is probable that it will be unable to collect all principal and interest due according to the contractual terms of the loan / securities agreement(s). These loans are graded 5 to 6 in the Bank's internal credit risk grading system.

Write-off policy

The Bank writes off a loan/security balance (and any related allowances for impairment losses) in line with Section 75(3) and 92(2)ii of the Banks and Specialised Deposit Taking Institutions Act, 2016 (Act 930). The Bank's Credit Committee determines the loans/securities that are uncollectible. This determination is reached after considering information such as the occurrence of significant changes in the borrower/issuer's financial position such that the borrower/issuer can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure. For smaller balance standardised loans, charge off decisions are generally based on a product specific past due status. All write offs are approved by the Board with further approval obtained from Bank of Ghana before they are applied to the books of the bank. As at 31 December 2024, the Bank had no written -off loans ((2023: Nil) in line with Section 75(3) and 92(2)ii of the Banks and Specialised Deposit Taking Institutions Act, 2016 (Act 930).

Collateral on impaired exposures

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 Bank generally requests that corporate borrowers provide it. The Bank may take collateral in the form of a first charge over real estate, floating over all corporate assets and other liens and guarantees. Due to the Bank's focus on corporate customers' creditworthiness, the Bank 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. For exposures that subsequently become impaired, collaterals are revalued after every three (3) years.

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. Collateral is not usually held against investment securities, and no such collateral was held at 31 December 2024 (2023: nil). Collateral values of impaired loans are at cash flows of the forced sale values less estimated costs of sale as discounted to present values.

Other types of collateral and credit enhancements

In addition to the above, the Bank holds other types of collateral and credit enhancements, such as second charges and floating charges for which specific values are not generally available.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3.3 Credit risk exposure (continued)

Credit collateral

Details of financial and non-financial assets as collaterals held by the Bank for the year ended 31 December 2024 as security against loans and advances under IFRS 9 are shown below.

AS AT 2024:	**LOANS**		**OVERDRAFTS**		**Total**	
In thousands of Ghana cedi	**Net loan amount**	**Collateral amount**	**Net loan amount**	**Collateral amount**	**Net loan amount**	**Collateral amount**
Against Stage 1 Loans and Advances:						
Property	433,337	973,358	341	483,648	433,678	1,457,006
Cash	1,859,693	2,143,230	2,604	862,451	1,862,297	3,005,681
Guarantees	-	-	-	-	-	-
Total	**2,293,030**	**3,116,588**	**2,945**	**1,346,099**	**2,295,975**	**4,462,687**
Total carrying value	**2,414,291**		**113,866**		**2,528,157**	
% cover by collateral	**95%**		**3%**		**91%**	
Against Stage 2 Loans and Advances:						
Property	-	-	-	-	-	-
Cash	25	8	21	220	46	229
Total	**25**	**8**	**21**	**220**	**46**	**229**
Total carrying value	**233**		**97**		**330**	
% cover by collateral	**11%**		**22%**		**14%**	
Against Stage 3 Loans and Advances:						
Property	26,561	167,327	18,931	256,573	45,492	423,900
Cash	-	-	68	14,395	68	14,395
Total	**26,561**	**167,327**	**18,999**	**270,968**	**45,560**	**438,295**
Total carrying value	**26,561**		**18,998**		**45,560**	
% cover by collateral	**100%**		**100%**		**100%**	
Grand total	**2,319,616**	**3,283,924**	**21,965**	**1,617,287**	**2,341,581**	**4,901,211**
Total carrying value	**2,441,085**		**132,961**		**2,574,046**	
% cover by collateral	**95%**		**17%**		**91%**	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3.3 Credit risk exposure (continued)

Credit collateral (continued)

AS AT 2023:	**LOANS**		**OVERDRAFTS**		**Total**	
In thousands of Ghana cedi	**Net loan amount**	**Collateral amount**	**Net loan amount**	**Collateral amount**	**Net loan amount**	**Collateral amount**
Against Stage 1 Loans and Advances:						
Property	536,868	2,043,933	13,750	316,400	550,618	2,360,333
Cash	909,690	1,334,172	4,684	12,580	914,374	1,346,752
Guarantees	8,344	1,631	-	-	8,344	1,631
Total	**1,454,902**	**3,379,736**	**18,434**	**328,980**	**1,473,336**	**3,708,716**
Total carrying value	**1,579,005**		**150,508**		**1,729,513**	
% cover by collateral	**92%%**		**12%**		**85%**	
Against Stage 2 Loans and Advances:						
Property	13,200	154,092	1,462	-	14,662	154,092
Cash	-	-	155	469	155	469
Total	**13,200**	**154,092**	**1,617**	**469**	**14,817**	**154,560**
Total carrying value	**13,394**		**1,759**		**15,153**	
% cover by collateral	**99%**		**92%**		**98%**	
Against Stage 3 Loans and Advances:						
Property	26,356	282,400	9,158	109,612	35,514	392,012
Cash	10,089	466,989	153	447	10,242	467,436
Total	**36,445**	**749,389**	**9,311**	**110,059**	**45,756**	**859,448**
Total carrying value	**36,445**		**9,311**		**45,756**	
% cover by collateral	**100%**		**100%**		**100%**	
Grand total	**1,504,547**	**4,283,217**	**29,362**	**439,507**	**1,533,909**	**4,722,724**
Total carrying value	**1,628,844**		**161,578**		**1,790,422**	
% cover by collateral	**92%**		**18%**		**86%**	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

Credit collateral (continued)

The Bank closely monitors collateral held for financial assets considered to be credit-impaired, as it becomes more likely that the bank will take possession of collateral to mitigate potential credit losses. Financial assets that are credit impaired and the related collateral in order to mitigate potential losses are shown below:

2024	**Carrying amount**	**Fair value of collateral held**
Past Due and credit impaired		
Loans and advances	58,004,561	438,295,371
	58,004,561	**438,295,371**
2023		
Past Due and credit impaired		
Loans and advances	72,575,571	859,448,021
	72,575,571	**859,448,021**

The Bank does not recognise loss allowances on financial instruments with collaterals cover of more than 100% of the full exposure. The breakdown of such facilities are shown in the table below

		2024			**2023**	
		Carrying amount	**Fair value of collateral held**		**Carrying amount**	**Fair value of collateral held**
Stage 1		2,284,333,601	4,484,192,063		1,110,737,696	2,033,202,375
Stage 2		42,534	220,253		1,323,427	7,224,829
Stage 3		51,431,025	418,695,621		28,422,603	111,004,524
Carrying amount		**2,335,807,160**	**4,903,107,937**		**1,140,483,726**	**2,151,431,728**

Assets obtained by taking possession of collateral

The Bank's policy is to pursue timely realisation of all repossessed collateral in an orderly manner. The Bank does not generally use the non-cash collateral for its own operations. Where the repossessed collaterals are of nature which can be used in the Bank's operations, they are obtained at market values through auction or by mutual consent of both parties. Where repossessed collaterals are sold, proceeds from their sale are used to reduce related outstanding indebtedness. They are normally sold within two years.

The Bank did not hold any financial and non-financial assets resulting from taking possession of collaterals held as security against loans and advances at the reporting date.

Offsetting financial assets and financial liabilities

The Bank did not hold any financial assets and financial liabilities that are off-set in the statement of financial position at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3.3 Credit risk exposure (continued)

Credit concentration

The Bank monitors concentrations of credit risk by product, by industry and by customer.

An analysis of concentrations of credit risk in respect of loans and advances at the reporting date is shown below:

	2024	2023
Carrying amount	**2,553,795,163**	**1,790,421,768**
Concentration by product		
Overdraft	**141,655,762**	**173,055,612**
Term loan	**2,441,487,413**	**1,657,702,016**
Gross	**2,583,143,175**	**1,830,757,628**
Less: impairment	**(29,348,012)**	**(40,335,860)**
Net	**2,553,795,163**	**1,790,421,768**
Concentration by industry		
Manufacturing	**178,196,538**	**294,029,979**
Construction	**5,370,273**	**34,124,824**
Electricity, gas and water	**136,781,587**	**196,606,827**
Commerce and finance	**1,875,038,144**	**853,196,419**
Transport, storage and communication	**138,952,397**	**177,210,944**
Services	**183,791,041**	**219,771,168**
Miscellaneous	**65,013,195**	**55,817,467**
Gross	**2,583,143,175**	**1,830,757,628**
Less: impairment	**(29,348,012)**	**(40,335,860)**
Net	**2,553,795,163**	**1,790,421,768**
Concentration by consumer		
Individuals	**65,013,192**	**55,782,176**
Private enterprises	**2,518,129,983**	**1,774,975,452**
Gross	**2,583,143,175**	**1,830,757,628**
Less: impairment	**(29,348,012)**	**(40,335,860)**
Net	**2,553,795,163**	**1,790,421,768**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3.3 Credit risk exposure (continued)

Credit concentration (continued)
Concentration by industry for loans and advances are measured based on the industry in which customer operates. Where the nature of business operation of a client cannot be clearly identified, it is classified as miscellaneous.

At 31 December 2024, the gross staff loans amount to GH¢26.73 million (2023: GH¢3.6 million) comprising various types of loans granted to staff at concessionary rates.

Investments securities
Investment securities amounting to GH¢5.609 billion (2023: GH¢5.516 billion) are held in Government of Ghana Treasury Bills and bonds as well as other sovereign bonds. The government securities have been assessed for impairment and impairment of GH¢18 million and total modification loss of GH¢343 million (2023: GH¢219 million and GH¢410 million) taken.

Non-pledged trading securities
Investment securities amounting to GH¢159 million (2023: GH¢61 million) are held in Government of Ghana Treasury Bills and bonds.

Pledged assets
Investment securities amounting to GH¢283 million (2023: GH¢157 million) are held in Government of Ghana Treasury Bills and bonds. No impairment (2023: GH¢ 48 million) was assessed on the total amount pledged.

Due from banks and other financial institutions
Amount due from local banks of GH¢0.575 million (2023: nil) and foreign banks of GH¢2.475 billion (2023: GH¢1.329 million) are held with correspondent banks and financial institutions. These amounts are with regulated reputable institutions however due to economic conditions; these exposures have been assessed and impairments taken as necessary, amounting to GH¢11 million (2023: GH¢11 million). The amounts due from banks and other financial institutions set out in Note 15 represent the maximum credit risk exposure of the Bank by holding these placements.

3.3.4 Amount arising from ECL

Inputs, assumptions and techniques used for estimating impairment

Significant increase in credit risk
At each reporting date, the Bank assess whether the credit risk on a financial instrument has increased significantly since initial recognition. To make that assessment, the Bank compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, which indicates significant increases in credit risk since initial recognition.

If reasonable and supportable forward-looking information is available without undue cost or effort, the Bank cannot rely solely on past due information when determining whether credit risk has increased significantly since initial recognition.

The Bank uses various quantitative, qualitative and backstop measures as indicators of a significant increase in credit risk. The thresholds applied for each portfolio are reviewed on a regular basis to ensure they remain appropriate. Where evidence of a significant increase in credit risk is not yet available at an individual instrument level, instruments that share similar risk characteristics are assessed on a collective basis.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

Inputs, assumptions and techniques used for estimating impairment (continued)

Key drivers of a significant increase in credit risk include:

- Where the weighted average probability of default (PD) for an individual exposure or group of exposures as at the reporting date evidences a material deterioration in credit quality, relative to that determined on initial recognition. The Bank considers the impact of changes in the quality of credit enhancements (e.g. guarantees) it holds on the borrower's probability of default if a shareholder or parent has provided a guarantee, and has an incentive and the financial ability to prevent default by capital or cash infusion.

- Adverse changes in payment status, and where accounts are more than 30 days in arrears at reporting date. In certain portfolios a more conservative arrears rule is applied where this is found to be indicative of increased credit risk (e.g. 1 day in arrears);

- Accounts in the Retail portfolio which meet the portfolio's impairment high risk criteria; and

- The Bank's watch list framework applied to the corporate portfolio, which is used to identify customers facing financial difficulties or where there are grounds for concern regarding their financial health.

Credit risk grades
The Bank 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.

Risk grading
A risk rating is a grade given to a loan (or group of loans), reflecting its quality. The ratings are either stated in numbers or as a description from one (1) to six (6).

The Bank's internal rating scale is as follows:

Description	**Ratings**	**Characteristics of Credits**
Superior Credits	1	They are credits (low-fair risk) that have overwhelming capacity to repay obligations. The business has adequate cash flow and high-quality revenue from continuing business. It has strong equity when related to the quality of its assets with track record of at least consistent profit for three (3) years. Full cash collateralised credits are classified as Superior Credits.
Above average Credits	2	These have majority of attributes of superior credits (low-fair risk) but may have weaknesses in not more than two of the characteristics of superior credits. These weaknesses should not impair repayment capacity of the borrower.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

Risk grading (continued)

Description	**Ratings**	**Characteristics of Credits**
Acceptable Credits	3	Acceptable Credits have most of the attributes of Above Average Credits but may have one or more of the following weaknesses which if not closely managed could impair repayment capacity of the borrower: Low capitalisation and equity base, short track record, low market share, price control on its products and highly cyclical demand.
Watch-list Credits/ Other Loans Exceptionally Mentioned (OLEM)	4	This category applies to existing credits that have shown signs of deterioration because they have well-defined weaknesses which could affect the ability of the borrower to repay. Immediate corrective actions are set in motion to avoid complete loss.
Substandard and Doubtful	5	This rate is applied where a strong doubt exists that full repayment of principal and interest will occur. The exact extent of the potential loss is not however certain at the time of classification. Some attributes are interest and principal past due for 90 days or more, borrower has recorded losses consistently for 2 years, borrowers net worth is grossly eroded due to major business failure or disaster and security offered has deteriorated.
Bad and Lost	6	This applies when all or part of the outstanding loans are uncollectible based on present conditions. Attributes are principal and interest overdue and unpaid for more than 180 days, legal processes do not guarantee full recovery of outstanding debt, clients request for a waiver of part of interest accrued has been granted, borrower is under receivership or in the process of liquidation, borrower has absconded and or documentation is shoddy or incomplete to pursue recovery through legal means.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

3.3.4 Amount arising from ECL (continued)

Each exposure is allocated to a credit risk grade at initial recognition based on available information about the borrower. 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 card facilities • Affordability metrics	• Payment record– this includes overdue status as well as a range of variables about payment ratios • Utilisation of the granted limit • Requests for and granting of forbearance • Existing and forecast changes in business, financial and economic conditions
• Data from credit reference agencies, press articles, changes in external credit ratings • Quoted bond and credit default swap (CDS) prices for the borrower where available • Actual and expected significant changes in the political, regulatory and technological environment of the borrower or in its business activities		• Existing and forecast changes in business, financial and economic conditions

Generating the term structure of PD

Past due data of credit risk exposures are a primary input into the determination of the term structure of PD for the determination of ECL. The Bank collects performance and default information about its credit risk exposures analysed by sector. The Bank 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.

The table below provides an indicative range of probability of default (PD) considered for each sector in developing the ECL:

Sector	PD Range	
Commerce	0.72%	23.33%
Construction	1.32%	21.43%
Manufacturing	1.09%	11.32%
Telecoms	1.32%	50.00%
Petroleum-Down/MID stream	0.72%	33.33%
Power, Water, Gas-Producers	0.72%	6.67%
Services	0.72%	20.00%
Mining & Quarrying	0.72%	100.00%
Financial Institutions	1.32%	30.00%
Agriculture	0.72%	6.67%
Arts, Entertainment & Recreation	0.72%	6.67%
Hotels & Hospitality	1.32%	16.67%
Marine & Port Services	0.72%	12.50%
Retail	0.28%	2.86%

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3.4 Amount arising from ECL (continued)

Generating the term structure of PD

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This analysis includes the identification and calibration of relationships between changes in default rates and changes in key macro-economic factors as well as in-depth analysis of the impact of certain other factors (e.g. forbearance experience) on the risk of default. For most exposures, key macro-economic indicators include GDP growth, benchmark interest rates and unemployment. For exposures to specific industries and/or regions, the analysis may extend to relevant commodity and/or real estate prices.

Based on advice from the Asset and Liability Management Committee (ALMAC) and consideration of a variety of external actual and forecast information, the Bank formulates a 'base case view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios (see discussion below on incorporation of forward-looking information). The Bank then uses these forecasts to adjust its estimates of PDs.

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.

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:

- its remaining lifetime PD at the reporting date based on the modified terms; with
- the remaining lifetime PD estimated based on data at initial recognition and the original contractual terms.

The Bank renegotiates loans to customers in financial difficulties referred to as 'forbearance activities' to maximise collection opportunities and minimise the risk of default. Under the Bank'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 Bank's Audit Committee regularly reviews reports on forbearance activities.

For financial assets modified as part of the Bank's forbearance policy, the estimate of PD reflects whether the modification has improved or restored the Bank's ability to collect interest and principal and the Bank's previous experience of similar forbearance action. As part of this process, the Bank evaluates the borrower's payment performance against the modified contractual terms and considers various behavioural indicators.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3.4 Amount arising from ECL (continued)

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 or in default. 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.

Definition of default

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

i. the borrower is unlikely to pay its credit obligations to the Bank in full, without recourse by the Bank to actions such as realising security (if any is held); or
ii. the borrower is past due more than 90 days on any material credit obligation to the Bank. 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
iii. it is becoming probable that the borrower will restructure the asset as a result of bankruptcy due to the borrower's inability to pay its credit obligations.

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

i. qualitative – e.g. breaches of covenant;
ii. quantitative – e.g. overdue status and non-payment on another obligation of the same issuer to the Bank; and
iii. 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 Bank for regulatory capital purposes. Where an asset in default is restructured and meets all required obligations for a minimum period of six months, such asset is reclassified back to stage 1.

Incorporation of forward-looking information

The Bank incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Based on advice from the Bank's Market Risk Unit and economic experts and consideration of a variety of external actual and forecast information, the Bank formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies and Bank of Ghana and selected private-sector and academic forecasters.

The base case represents a most-likely outcome and is aligned with information used by the Bank for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. The scenario probability weighting applied in measuring ECL are 50% for base case, 21.5% for upturn and 28.5% for downturn. Periodically, the Bank carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3.4 Amount arising from ECL (continued)

The Bank 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 economic scenarios used as at 31 December 2024 included the following ranges of key indicators for Ghana for the years ending 31 December 2024 and 2023.

	2024	2023
US Exchange rate	Base 50% Range between 15% and 35%	Base 30% Range between 27% and 42%
Interest rates	Base 50% Range between 22% and 28%	Base 15.54% Range between 10% and 18%

Predicted forward looking macro-economic scenarios have been considered for all portfolios held by the bank.

The Bank prepares the scenarios for a 5 year period using forecasts generated by credible sources such as Business Monitor International (BMI), International Monetary Fund (IMF), The Ghana Statistical Service, World Bank, The Bank of Ghana, Financial Markets Dealers Quotation (FMDQ), and Trading Economics.

Exchange rates are projected on the back of depreciation/appreciation trends, inflation, the country’s economic strength against global economic and political conditions which include balance of payment and aggregate demand & supply of currency.

Interest rates are projected taking into consideration the monetary policy, inflation, GDP and other benchmarks.

Sensitivity of ECL to future economic conditions

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

The table below shows the loss allowance on loans and advances assuming each forward-looking scenario changed by the following percentages as outlined in the table below instead of applying the changes in deriving the Upside and down-side scenarios. For ease of comparison, the table also includes the probability-weighted amounts that are reflected in the financial statements.

The bank has assumed a 28% and 22% change for interest rate and 35%, and 15% change for exchange rates for the macroeconomic scenarios considered in their ECL for the 2024 financial year. The bank assumed for the 2023 financial year a 10% and 18% change for interest rate and 27% and 42% change for exchange rates for the macroeconomic scenarios considered in the ECL.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3.4 Amount arising from ECL (continued)

The below table show the sensitivity analysis of ECL to future economic conditions (interest rate and exchange rate)

Increase in Interest rate				**Decrease in Interest rate**		
Change	**TOTAL ECL**	**GAP**		**Change**	**TOTAL ECL**	**GAP**
Down-side 30%	30,372,812	0.00%		Upside 20%	28,790,172	0.00%
10%	28,809,363	2.50%		10%	28,783,776	2.12%
20%	28,802,966	2.69%		20%	28,796,569	1.93%
40%	28,790,172	3.07%		40%	28,802,966	1.55%
50%	28,783,776	3.26%		50%	28,809,363	1.36%

Cedi appreciation				**Cedi depreciation**		
Change	**TOTAL ECL**	**GAP**		**Change**	**TOTAL ECL**	
Upside 10%	28,804,885	0.00%		Down-side 40%	28,804,885	0.00%
0%	28,902,061	2.31%		0%	28,416,181	2.31%
20%	28,707,709	1.40%		20%	28,610,533	3.23%
30%	28,610,533	0.94%		30%	28,707,709	3.69%
40%	28,513,357	0.48%		40%	28,804,885	4.14%

Measurement of ECL

The key inputs into the measurement of ECL are the term structure of the following variables:

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

These parameters are generally derived from internally developed statistical models and other historical data. They are adjusted to reflect forward-looking information as described above.

(i) Probability of default (PD)

PD estimates are estimates at a certain date, which are calculated based on statistical rating models, and assessed using rating tools tailored to the various categories of counterparties and exposures. These statistical models are based on internally compiled data comprising both quantitative and qualitative factors. Where it is available, market data may also be used to derive the PD for large corporate counterparties. If a counterparty or exposure migrates between rating classes, then this will lead to a change in the estimate of the associated PD. PDs are estimated considering the contractual maturities of exposures and estimated repayment rates.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3.4 Amount arising from ECL (continued)

Incorporation of forward-looking information (continued)

Measurement of ECL (continued)

(ii) Loss given default (LGD)

LGD is the magnitude of the likely loss if there is a default. The Bank estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. Loss Given Default represents the Bank's expectation of the extent of loss on a claim should default occur. It is expressed as percentage loss per unit of exposure. It typically varies by type of counterparty, type of exposure and seniority of claim and availability of collateral or other credit support.

(iii) Exposure at default (EAD)

EAD represents the expected exposure in the event of a default. The Bank derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortisation. The EAD of a financial asset is its gross carrying amount. For lending commitments and financial guarantees, the EAD includes the amount drawn, as well as undrawn portion of overdrafts are considered for impairment. These include estimates based on historical observations and forward-looking forecasts.

As described above, and subject to using a maximum of a 12-month PD for financial assets for which credit risk has not significantly increased, the Bank 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 risk management purposes, the Bank considers a longer period. The maximum contractual period extends to the date at which the Bank has the right to require repayment of an advance or terminate a loan commitment or guarantee.

However, for retail overdrafts and credit card facilities that include both a loan and an undrawn commitment component, the Bank measures ECL over a period longer than the maximum contractual period if the Bank's contractual ability to demand repayment and cancel the undrawn commitment does not limit the Bank's exposure to credit losses to the contractual notice period. These facilities do not have a fixed term or repayment structure and are managed on a collective basis. The Bank can cancel them with immediate effect but this contractual right is not enforced in the normal day-to-day management, but only when the Bank 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 Bank 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.

Where modelling of a parameter is carried out on a collective basis, the financial instruments are grouped on the basis of shared risk characteristic that include instrument type; credit risk grading; collateral type; date of initial recognition; remaining term to maturity; industry; and geographic location of the borrower.

The groupings are subject to regular review to ensure that exposures within a particular group remain appropriately homogeneous. For portfolios in respect of which the Bank has limited historical data, Bank of Ghana guidelines as well as external benchmark information is used to supplement the internally available data.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3.4 Amount arising from ECL (continued)

(iv) Loss Allowance (continued)

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument. Explanation of the terms: 12-month ECL, lifetime ECL and credit-impaired are included in Note 3.3.2i:

	2024			
In thousands of Ghana Cedis	**Stage 1**	**Stage 2**	**Stage3**	**Total**
Loans and advances at amortised cost – corporate customers				
Balance at 1 January	7,991	4,302	19,796	32,090
Transfer to Stage 1	5	-	(5)	-
Transfer to Stage 2	(803)	803	-	-
Transfer to Stage 3	-	(1,055)	1,055	-
Net remeasurement of loss allowance	(746)	(3,384)	(764)	(4,894)
Derecognised financial assets	(1,025)	(666)	(5,560)	(7,251)
New financial assets originated, purchased or reclassified	7,874	52	-	7,926
Foreign exchange difference	199	-	1	200
Write-offs	-	-	(6,658)	(6,658)
Balance at 31 December	**13,495**	**52**	**7,865**	**21,412**

	2023			
In thousands of Ghana Cedis	**Stage 1**	**Stage 2**	**Stage3**	**Total**
Loans and advances at amortised cost – corporate customers				
Balance at 1 January	7,215	4,482	307	12,004
Transfer to Stage 1	12	(12)	-	-
Transfer to Stage 2	(16,545)	16,545	-	-
Transfer to Stage 3	-	(12,971)	12,971	-
Net remeasurement of loss allowance	8,883	(8,032)	6,518	7,369
New financial assets originated, purchased or reclassified	7,592	4,290	-	11,882
Foreign exchange difference	834			834
Write-offs	-	-	-	-
Balance at 31 December	**7,991**	**4,302**	**19,796**	**32,090**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3.4 Amount arising from ECL (continued)

(iv) *Loss Allowance (continued)*

	2024			
In thousands of Ghana Cedis	**Stage 1**	**Stage 2**	**Stage3**	**Total**
Loans and advances at amortised cost – retail customers				
Balance at 1 January	**867**	**356**	**7,023**	**8,246**
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Net remeasurement of loss allowance	13	(159)	(1,790)	(1,936)
Derecognised financial assets	(190)	(29)	(561)	(780)
New financial assets originated, purchased or reclassified	2,305	193	-	2,498
Write-offs	-	-	(92)	(92)
Balance at 31 December	**2,995**	**361**	**4,580**	**7,936**

The loss allowance in these tables below includes ECL on loan commitments for certain retail products such as credit cards and overdrafts.

	2023			
In thousands of Ghana Cedis	**Stage 1**	**Stage 2**	**Stage3**	**Total**
Loans and advances at amortised cost – retail customers				
Balance at 1 January	**2,214**	**1,462**	**1,909**	**5,585**
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Net remeasurement of loss allowance	(1,348)	(1,106)	5,115	2,661
New financial assets originated, purchased or reclassified	-	-	-	-
Write-offs	-	-	-	-
Balance at 31 December	**867**	**356**	**7,023**	**8,246**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3.4 Amount arising from ECL (continued)

(iv) *Loss Allowance (continued)*

	2024			
In thousands of Ghana Cedis	**Stage 1**	**Stage 2**	**Stage3**	**Total**
Loans and advances at amortised cost – Bank-wide				
Balance at 1 January	8,858	4,658	26,820	40,336
Transfer to Stage 1	5	-	(5)	
Transfer to Stage 2	(803)	803		
Transfer to Stage 3	-	(1,055)	1,055	-
Net remeasurement of loss allowance	(733)	(3,543)	(2,554)	(6,830)
Derecognised financial assets	(1,215)	(695)	(6,121)	(8,031)
New financial assets originated, purchased or reclassified	10,179	245	-	10,424
Foreign exchange difference	199	-	1	200
Write-offs	-	-	(6,749)	(6,749)
Balance at 31 December	**16,490**	**413**	**12,445**	**29,348**

	2023			
In thousands of Ghana Cedis	**Stage 1**	**Stage 2**	**Stage3**	**Total**
Loans and advances at amortised cost – Bank-wide				
Balance at 1 January	9,429	5,944	2,216	17,589
Transfer to Stage 1	12	(12)	-	
Transfer to Stage 2	(16,545)	16,545		
Transfer to Stage 3	-	(12,971)	12,971	-
Net remeasurement of loss allowance	7,536	(9,138)	11,633	10,031
New financial assets originated, purchased or reclassified	7,592	4,290	-	11,882
Foreign exchange difference	834			834
Write-offs	-	-	-	-
Balance at 31 December	**8,858**	**4,658**	**26,820**	**40,336**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3.4 Amount arising from ECL (continued)

(iv) *Loss Allowance (continued)*

	2024			
	Stage 1	**Stage 2**	**Stage3**	**Total**
In thousands of Ghana Cedis				
Cash and cash equivalents – Bank-wide				
Balance at 1 January	11,006	-	-	11,006
Net remeasurement of loss allowance	-	-	-	-
Balance at 31 December	**11,006**	**-**	**-**	**11,006**

	2023			
	Stage 1	**Stage 2**	**Stage3**	**Total**
In thousands of Ghana Cedis				
Cash and cash equivalents – Bank-wide				
Balance at 1 January	5,646	-	-	5,646
Net remeasurement of loss allowance	5,360	-	-	5,360
Balance at 31 December	**11,006**	**-**	**-**	**11,006**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3.4 Amount arising from ECL (continued)

(iv) *Loss Allowance (continued)*

	2024			
In thousands of Ghana Cedis	**Stage 1**	**Stage 2**	**Stage3**	**Total**
Investment securities at amortised cost – Bank-wide				
Balance at 1 January	**18,515**	**-**	**200,211**	**218,726**
Derecognised financial assets			(152,636)	(152,636)
Write off			(47,575)	(47,575)
New financial assets originated	-	-	-	-
Balance at 31 December	**18,515**	**-**	**-**	**18,515**

	2023			
In thousands of Ghana Cedis	**Stage 1**	**Stage 2**	**Stage3**	**Total**
Investment securities at amortised cost – Bank-wide				
Balance at 1 January	**904**	**-**	**539,780**	**540,684**
Derecognised financial assets			(410,431)	(410,431)
New financial assets originated	17,611	-	70,863	88,474
Balance at 31 December	**18,515**	**-**	**200,211**	**218,726**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3.4 Amount arising from ECL (continued)

(iv) *Loss Allowance (continued)*

Investment securities at FVOCI

There were no investment securities at FVOCI for current year, thus no disclosure table is provided for current year (2024).

	2023			
	Stage 1	**Stage 2**	**Stage3**	**Total**
In thousands of Ghana Cedis				
Investment securities at FVOCI – Bank-wide				
Balance at 1 January	-	-	1,484	**1,484**
Derecognised financial assets			(1,484)	**(1,484)**
New financial assets originated, purchased or reclassified	-	-	-	-
Balance at 31 December	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3.4 Amount arising from ECL (continued)

Exposure estimate for off-balance sheet items

CCF for loan commitments and financial guarantees
The modelling approach for credit conversion factor (CCF)/utilisation rate reflects expected changes in the utilisation of the undrawn amount over the lifetime of the loan commitment that are permitted by the current contractual terms. The model also considers the bank's credit mitigation policies applied during period of increased credit risk for the undrawn commitment.

The modelling of CCF on loan commitments needs to be consistent with the expectations of drawdowns on that loan commitment. It should consider the expected portion of the loan commitment that will be drawn down within 12 months of the reporting date when estimating 12-month expected credit losses.

It should consider the expected portion of the loan commitment that will be drawn down over the expected life of the loan commitment when estimating lifetime expected credit losses.

CCF translates an off-balance sheet exposure to its credit exposure equivalent. It is the percentage of undrawn credit lines (UCL) which has not been paid out but can be utilised by the borrower until the point of default.

The following percentages were used in converting the notional amount of the transaction using a credit conversion factor (CCF) into an on-balance sheet credit equivalent amounts (CEA), direct Credit Substitutes-100%, Performance-Related Contingencies-50%, Trade-Related Contingencies-20%, and Commitment with certain Drawdowns-100%.

The table below shows the movement in off balance sheet items upon which the CCF was used to determine the impairment on off balance sheet items.

In thousands of Ghana Cedis	**2024**	2023
Impairment on off-balance sheet items		
Balance at 1 January	**1,025**	521
Net re-measurement of loss allowance	**-**	504
Balance at 31 December	**1,025**	1,025

**ECL assessment on off balance sheet items was done for the year 2024 and deemed immaterial hence no additional ECL taken for the year.*

In thousands of Ghana Cedis	**2024**	2023
Loan commitments and financial guarantee contracts (Gross exposure)		
Balance at 1 January	**145,482**	179,098
Movement	**(40,333)**	(33,616)
Balance at 31 December	**105,149**	145,482

The following table provides a reconciliation between:

- amounts shown in the above tables reconciling opening and closing balances of loss allowance per class of financial instruments; and
- the 'impairment losses/(reversals) on financial assets' line items in the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3.4 Amount arising from ECL (continued)

	Loans and advances at amortised cost	Letters of credit, undrawn commitments and guarantee	Cash and cash equivalents	Investment securities	Total
In thousands of Ghana Cedis					
2024					
Net remeasurement of loss allowance	(6,830)	-	-	(152,636)	**(159,466)**
Derecognised financial assets	(8,031)	-	-	-	**(8,031)**
Loss allowance on new financial assets originated	10,424	-	-	-	**10,424**
Foreign exchange difference	200	-	-	-	**200**
Recoveries of amounts previously written off	(293)	-	-	-	**(293)**
	(4,531)	**-**	**-**	**(152,636)**	**(157,166)**

**Net remeasurement of loss allowance on Cash and cash equivalents was* GH¢*314.*

	Loans and advances at amortised cost	Letters of credit, undrawn commitments and guarantee	Cash and cash equivalents	Investment securities	Total
In thousands of Ghana Cedis					
2023					
Net remeasurement of loss allowance	10,031	504	5,360	-	**15,895**
Derecognised financial assets	-			(410,431)	**(410,431)**
Loss allowance on new financial assets originated	11,882	-	-	88,474	**100,356**
Foreign exchange difference	834	-	-	-	**834**
Recoveries of amounts previously written off	(1,721)	-	-	-	**(1,721)**
	21,026	**504**	**5,360**	**(321,958)**	**(295,068)**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3.4 Amount arising from ECL (continued)

Exposure estimates for off-balance sheet items (continued)

The following table sets out a reconciliation of changes in the net carrying amount of credit-impaired loans and advances:

In thousands of Ghana Cedis	**2024**	2023
Credit-impaired loans and advances at 1 January	**45,756**	47,339
Change in allowance for impairment	**14,374**	(24,604)
Classified as credit-impaired	**7,628**	49,356
Net repayments	**(15,450)**	(26,335)
Write off	**(6,749)**	-
Balance at 31 December	**45,559**	45,756

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.4 Liquidity risk

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

Management of liquidity risk

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

Treasury unit receives information from other business units regarding the liquidity profile of their financial assets and liabilities and details of other projected cash flows arising from projected future business. Treasury unit maintains a portfolio of short-term liquid assets, largely made up of short-term liquid investment securities, loans and advances to banks and other inter-bank facilities, to ensure that sufficient liquidity is maintained within the bank. The liquidity requirements of business units are met through short-term loans and investments from Treasury to cover any short-term fluctuations and longer-term funding to address any structural liquidity requirements.

The Bank maintains liquidity limits imposed by the regulator, Bank of Ghana. The overall liquidity is within the regulatory limit of Bank of Ghana. Treasury monitors compliance of all branches to ensure that the Bank maintains optimum liquid assets.

The daily liquidity position is monitored, and regular liquidity stress testing is conducted under a variety of scenarios covering both normal and more severe market conditions. All liquidity policies and procedures are subject to review and approval by the Asset and Liabilities Management Committee (ALMAC). Daily reports on the liquidity position of the bank is submitted to senior management and summary report, including any exceptions and remedial action taken, is submitted regularly to ALMAC on monthly basis.

Exposure to liquidity risk

The key measure used by the Bank for managing liquidity risk is the composition of net liquid assets to deposits from customers (liquid ratio). For this purpose, net liquid assets comprise cash and cash equivalents and government securities for which there is an active and liquid market less any deposits from banks. The Bank also uses gap analysis to determine the liquidity position of the bank and where necessary, recommend remedial action.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.4 Liquidity risk (continued)

Exposure to liquidity risk (continued)

The Bank's liquid ratio determined by the total deposit liabilities covered by the total liquid assets is set out below.

	2024	**2023**
Liquid assets		
Cash on hand	367,392,728	166,335,512
Balance with banks	1,043,255,986	350,477,125
Due from bank of Ghana	2,827,949,288	1,610,092,266
Placements with banks	1,421,712,339	967,835,555
Treasury bills and notes maturing 1 year	2,845,171,733	3,000,233,214
Government bonds maturing in 1 year	352,641,594	499,273,998
Total liquid assets	**8,858,123,668**	**6,594,247,670**
Deposits		
Demand	7,726,650,583	5,697,374,348
Savings	1,355,998,204	899,123,407
Time/Term	1,718,668,989	1,228,298,904
Security deposits	1,939,806,341	1,186,769,250
Total deposit liabilities	**12,741,124,117**	**9,011,565,909**
Liquid ratio	**69.52%**	**73.18%**

The Bank's ratio of net liquid assets to deposits at 31 December 2024 and during the reporting period then ended are as follows:

	2024	2023
	%	%
At 31 December	**69.52%**	73.18%
Average for the period	**72.60%**	63.65%
Maximum for the period	**82.96%**	70.35%
Minimum for the period	**68.69%**	55.21%

Assets used in 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, due from other banks and investments securities including Government bonds and securities that are readily acceptable in repurchase agreements with the central bank.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.4 Liquidity risk (continued)

Maturity analysis for financial liabilities and financial assets
The table below presents the cash flows payable by the Bank under non-derivative financial liabilities and assets held for managing liquidity risk by remaining contractual maturities at the date of the statement of financial position. The amounts disclosed are the contractual undiscounted cash flow.

	Carrying amount	Gross nominal inflow/ (outflow)	0 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
At 31 December 2024							
Financial liability by type							
Deposits from customers	12,741,124,117	12,795,538,939	12,568,069,760	150,892,663	76,576,516	-	-
Other Liabilities	80,663,856	80,663,856	80,663,856	-	-	-	-
Lease liability	39,420,700	113,579,778	15,076,179	-	6,675,744	51,751,849	40,076,006
Total Liabilities	**12,861,208,673**	**12,989,782,573**	**12,663,809,795**	**150,892,663**	**83,252,260**	**51,751,849**	**40,076,006**
Financial assets by type							
Cash and bank balances	3,195,917,944	3,195,917,944	3,195,917,944	-	-	-	-
Non-pledged trading assets	158,697,223	158,697,223	82,551,785	47,410,107	24,725,748	750,001	3,259,582
Pledged assets	283,000,000	283,000,000	-	-	283,000,000	-	-
Due from banks and other financial institutions	2,464,392,397	2,465,221,131	2,465,221,131	-	-	-	-
Loans and advances	2,553,795,163	2,785,233,787	1,285,463,020	932,017,699	255,700,367	301,823,982	10,228,719
Investment securities	5,609,497,441	7,366,623,177	1,712,060,212	14,086,806	2,177,098,447	1,383,706,782	2,079,670,930
Other assets	553,549,803	553,549,803	553,549,803	-	-	-	
Assets held for managing liquidity risk	**14,818,849,971**	**16,808,243,065**	**9,294,763,895**	**993,514,612**	**2,740,524,562**	**1,686,280,765**	**2,093,159,231**
Liquidity Excess/(gap)	**1,957,641,298**	**3,818,460,492**	**(3,369,045,900)**	**842,621,949**	**2,657,272,302**	**1,634,528,916**	**2,053,083,225**
Financial guarantees	104,708,014	104,708,014	40,161,115	64,546,899	-	-	-
Letters of Credit	441,087	441,087	441,087	-	-	-	-
Loan commitment	20,710,240	20,710,240	20,276,793	119,430	314,017		-
Total	**125,859,341**	**125,859,341**	**60,878,995**	**64,666,329**	**314,017**		**-**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

Maturity analysis for financial liabilities and financial assets (continued)

The table below shows the undiscounted cash flows on the Bank's financial liabilities and on the basis of their earliest possible contractual maturity.

	Carrying amount	Gross nominal inflow/ (outflow)	0 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
At 31 December 2023							
Financial liability by type							
Deposits from customers	9,011,565,909	9,015,041,976	8,911,255,147	94,342,589	9,444,240	-	-
Other Liabilities	86,749,280	86,749,280	86,749,280	-	-	-	-
Lease liability	52,306,998	53,872,375	5,246,665	-	3,969,328	15,103,909	29,552,473
Total Liabilities	**9,150,622,187**	**9,155,663,631**	**9,003,251,092**	**94,342,589**	**13,413,568**	**15,103,909**	**29,552,473**
Financial assets by type							
Cash and bank balances	1,776,427,779	1,776,427,779	1,776,427,779	-	-	-	-
Non-pledged trading assets	60,897,297	73,223,876	16,325,634	26,169,813	27,728,429	500,000	2,500,000
Pledged assets	156,831,000	156,831,000	156,831,000	-	-	-	-
Due from banks and other financial institutions	1,318,312,680	1,329,318,645	1,088,639,085	240,679,560	-	-	-
Loans and advances	1,790,421,768	1,937,211,558	679,867,913	672,564,780	65,694,516	512,206,407	6,877,942
Investment securities	5,516,067,029	6,782,919,948	2,433,111,745	157,113,495	1,117,749,514	1,641,636,874	1,433,308,320
Other assets	256,899,436	256,899,436	256,899,436	-	-	-	
Assets held for managing liquidity risk	**10,875,856,989**	**12,312,832,242**	**6,408,102,592**	**1,096,527,648**	**1,211,172,459**	**2,154,343,281**	**1,442,686,262**
Liquidity Excess/(gap)	**1,725,234,802**	**3,157,168,611**	**(2,595,148,500)**	**1,002,185,059**	**1,197,758,891**	**2,139,239,372**	**1,413,133,789**
Financial guarantees	119,172,248	119,172,248	119,172,248	-	-	-	-
Letters of Credit	26,310,353	26,310,353	26,310,353	-	-	-	-
Loan commitment	40,901,037	40,901,037	10,706,648	20,072,246	10,122,143		-
Total	**186,383,638**	**186,383,638**	**156,189,249**	**20,072,246**	**10,122,143**		-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

Maturity analysis for financial liabilities and financial assets (continued)

The amounts in the table above have been compiled as follows.

Type of financial instrument	Basis on which amounts are compiled
• Non-derivative financial liabilities and financial assets	• Undiscounted cash flows,
• 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.

The Bank's expected cash flows on some financial assets and financial liabilities vary significantly from the contractual cash flows. The principal differences are as follows:

- demand deposits from customers are expected to remain stable or increase;
- unrecognised loan commitments are not all expected to be drawn down immediately

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 the Bank of Ghana;
- Government bonds and other securities that are readily acceptable in repurchase agreements with the Bank of Ghana; and
- Secondary sources of liquidity in the form of highly liquid instruments in the Bank are trading portfolios.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

Domestic Debt Exchange considerations

IFRS 7 requires disclosure of quantitative data about liquidity risk arising from financial instruments. The Bank of Ghana in response to the Domestic Debt Exchange increased Cash Reserve Requirement ratio (CRR) from 14% and 12% on both local and foreign currency denominated deposits respectively for 2022. This has since been revised to 15% on both local and foreign currency denominated deposits with CRR on foreign denominated currency deposits to be held in local currency.

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. On June 24, 2024, the Government announced Ghana’s agreement in principle with its commercial creditors to restructure US$13 billion in Eurobond debt. Following this, the Ministry of Finance launched the consent solicitation and the exchange memorandum on the international capital market. In September 2024, the Government launched an invitation for eligible bond holders to tender their existing notes for either or a combination of two options of two new notes. Following the expiration of the early consent deadline and end of the invitation on September 30, 2024, 98.6% of bond holders participated in the invitation by tendering their existing notes pursuant to the Exchange Offer. The amounts disclosed in the table are based on the remaining contractual undiscounted cashflows of the Eurobonds held by the Bank at 31 December 2024. 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.

3.5 Market risks

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

IFRS 7 requires disclosure of quantitative data about market risk arising from financial instruments The market risk impact of the DDE programme as well as the exchange of Eurobonds on the Bank relates to mark-to-market losses or gains resulting from the movement in the prices of securities held for trading and/or hold to collect and sell. This impact is minimal considering less than 10% of the new bonds are classified as held for trading and/or hold to collect and sell. The bank will continue to review the securities and make adequate provisions as may be required for mark-to-market purposes.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

3.5 Market risks (cont'd)

The following table sets out the allocation of assets and liabilities subject to market risk between trading and non-trading portfolios.

31 December 2024	**Carrying amount**	**Trading portfolios**	**Non-trading portfolios.**
Assets subject to market risk			
Cash and cash equivalents	5,660,310,341	-	5,660,310,341
Non-pledge trading assets	158,697,223	158,697,223	-
Pledged assets	283,000,000	-	283,000,000
Loans and advances	2,553,795,163	-	2,553,795,163
Investment securities	5,609,497,440	-	5,609,497,440
Total	**14,265,300,167**	**158,697,223**	**14,106,602,944**
Liabilities subject to market risk			
Deposits from customers	12,741,124,117	-	12,741,124,117
Total	**12,741,124,117**	**-**	**12,741,124,117**

31 December 2023	**Carrying amount**	**Trading portfolios**	**Non-trading portfolios.**
Assets subject to market risk			
Cash and cash equivalents	3,094,740,459	-	3,094,740,459
Non-pledge trading assets	60,897,297	60,897,297	-
Pledged assets	156,831,000	-	156,831,000
Loans and advances	1,790,421,768	-	1,790,421,768
Investment securities	5,516,067,029	-	5,516,067,029
Total	**10,618,957,553**	**60,897,297**	**10,558,060,256**
Liabilities subject to market risk			
Deposits from customers	9,011,565,909	-	9,011,565,909
Total	**9,011,565,909**	**-**	**9,011,565,909**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

Management of market risks

The Bank separates its exposure to market risk between trading and non-trading portfolios, foreign exchange risk within the Bank are monitored by the Risk Management Group. Accordingly, the foreign exchange position is treated as part of the Bank's trading portfolios for risk management purposes.

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

3.5.1 Interest rate risk

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

Domestic Debt Exchange considerations

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 and trading assets" 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 Bank's interest rate gap position.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.5 Market risks (continued)

3.5.1 Interest rate risk (continued)

	Total	Less than 3 months	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
At 31 December 2024						
Cash and bank balance	3,195,342,016	3,195,342,016	-	-	-	-
Due from other bank and other financial inst.s	2,464,968,325	2,464,968,325	-	-	-	-
Investment securities and trading assets	6,051,194,663	44,395,949	106,704,659	3,152,671,837	688,960,451	2,058,461,767
Loans and advances	2,553,795,163	190,284,564	1,203,845,917	707,058,057	424,012,612	28,594,013
Total financial assets	**14,265,300,167**	**5,894,990,854**	**1,310,550,576**	**3,859,729,894**	**1,112,973,063**	**2,087,055,780**
Deposits from customers	12,741,124,117	12,230,154,609	401,444,860	108,483,708	1,040,940	-
Total financial liabilities	**12,741,124,117**	**12,230,154,609**	**401,444,860**	**108,483,708**	**1,040,940**	-
Total interest repricing excess/(gap)	**1,524,176,050**	**(6,335,163,755)**	**909,105,716**	**3,751,246,186**	**1,111,932,123**	**2,087,055,780**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.5 Market risks

3.5.1 Interest rate risk (continued)

	Total	Less than 3 months	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
At 31 December 2023						
Cash and bank balance	1,776,427,778	1,776,427,778	-	-	-	-
Due from other bank and other financial inst.s	1,318,312,680	1,318,312,680	-	-	-	-
Investment securities and trading assets	5,733,795,327	1,772,950,427	40,084,647	1,414,144,803	595,281,854	1,911,333,596
Loans and advances	1,790,421,768	145,069,769	956,527,782	228,148,088	447,597,798	13,078,331
Total financial assets	**10,618,957,553**	**5,012,760,654**	**996,612,429**	**1,642,292,891**	**1,042,879,652**	**1,924,411,927**
Deposits from customers	9,011,565,909	8,603,047,101	386,373,004	19,712,685	2,433,119	-
Total financial liabilities	**9,011,565,909**	**8,603,047,101**	**386,373,004**	**19,712,685**	**2,433,119**	-
Total interest repricing excess/(gap)	**1,607,391,644**	**(3,590,286,447)**	**610,239,425**	**1,622,580,206**	**1,040,446,533**	**1,924,411,927**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.5 Market risks (continued)

3.5.1 Interest rate risk (continued)

Sensitivity analysis

An increase of a 100 basis points in interest rates at the reporting date would have impacted equity and profit or loss by the amounts shown below:

Sensitivity analysis of interest rate risks increase/decrease of 100 basis points in net interest margin.

	December 2024	December 2023
Interest income impact	**18,250,448**	13,441,606
Interest expense impact	**(6,265,585)**	(3,091,862)
Net impact on profit before tax	**11,984,863**	10,349,744

A decrease of a 100 basis points in interest rates at the reporting date would have had the equal but opposite effect on the amount shown above, on the basis that all other variables remain constant.

3.5.2 Foreign exchange risk

The Bank takes on exposure to the 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 aggregate for both overnight and intra-day positions, which are monitored daily.

The Bank applied the Bank of Ghana mid-rates indicated below to translate balances denominated in foreign currencies to Ghana cedi as at 31 December 2024:

	2024	2023
USD	14.7000	11.8800
GBP	18.4008	15.1334
EUR	15.2141	13.1264
CNY	2.0136	1.6732
NAIRA	0.0095	0.0130
RAND	0.7786	0.6495

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.5 Market risks (continued)

3.5.2 Foreign exchange risk (continued)

The table below summarises the Bank's exposure to foreign exchange risk at 31 December 2024. Included in the table are the Bank's financial instruments at carrying amounts, categorised by currency:

At 31 December 2024	USD	GBP	EUR	CNY	NAIRA	RAND	TOTAL
Assets							
Cash and bank balances	1,713,492,721	63,377,600	71,586,720	719,654	32,958	12,216,168	1,861,425,821
Due from banks	1,155,187,007	95,797,724	170,725,383	-	-	-	1,421,710,114
Investment securities and trading assets	2,107,971,814	-	-	-	-	-	2,107,971,814
Loans and advances	263,154,360	5	43	-	-	-	263,154,408
Other assets	12,465,199	3,844,758	19,806	-	-	-	16,329,763
Total financial assets	5,252,271,101	163,020,087	242,331,952	719,654	32,958	12,216,168	5,670,591,920
Liabilities							
Deposits from customers	5,116,193,511	145,345,663	240,768,622	168,271	-	12,213,579	5,514,689,646
Other liabilities	106,433,260	16,672,079	674,423	-	-	1,614	123,781,376
Total financial liabilities	5,222,626,771	162,017,742	241,443,045	168,271	-	12,215,193	5,638,471,022
Net on-balance sheet financial position	29,644,330	1,002,345	888,907	551,383	32,958	975	32,120,898
Credit commitments	8,839,095	-	441,087	-	-	-	9,280,182

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.5 Market risks (continued)

3.5.2 Foreign exchange risk (continued)

At 31 December 2023	**USD**	**GBP**	**EUR**	**CNY**	**NAIRA**	**RAND**	**TOTAL**
Assets							
Cash and bank balances	892,441,312	44,863,108	115,666,892	640,209	45,004	2,208,598	1,055,865,123
Due from banks	696,095,236	85,411,150	101,126,566	-	-	-	882,632,952
Investment securities and trading assets	1,789,766,205	-	-	-	-	-	1,789,766,205
Loans and advances	184,013,024	137	202	-	-	-	184,013,363
Other assets	10,693,466	139,333	1,504,105	56,404	-	4,830,669	17,223,977
Total financial assets	3,573,009,243	130,413,728	218,297,765	696,613	45,004	7,039,267	3,929,501,620
Liabilities							
Deposits from customers	3,244,383,218	119,600,521	216,277,177	139,809	-	2,202,055	3,582,602,780
Other liabilities	325,936,192	9,975,858	1,102,022	56,404	-	4,830,669	341,901,145
Total financial liabilities	3,570,319,410	129,576,379	217,379,199	196,213	-	7,032,724	3,924,503,925
Net on-balance sheet financial position	2,689,833	837,349	918,566	500,400	45,004	6,543	4,997,695
Credit commitments	-	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.5.2 Foreign exchange risk (continued)

Sensitivity analysis

A 5% strengthening of the cedi against foreign currencies at 31 December 2024 would have increased equity and profit/(loss) by GH¢ 1,606,045 (December 2023: GH¢ 747,943).

A 5% weakening of the Ghana cedi against foreign currencies at 31 December 2024 would have had the equal but opposite effect on the amount shown above.

This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2023.

3.6 Operational Risk

Operational risk refers to the risk of direct or indirect loss arising from a wide variety of causes associated with the bank's processes, personnel, technology, infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the bank's operations. The bank's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the bank's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to the Bank's senior management. This responsibility is supported by the development of overall bank standards for the management of operational risk in the following areas:

- The Bank ensures the segregation of duties, including the independent authorization of transactions.
- There is periodic reconciliation and monitoring of transactions
- Consistent Compliance with regulatory and other legal requirements
- Documentation of controls and procedures
- The periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified.
- Requirements for the reporting of operational losses and proposed remedial action
- Development of contingency plans
- Training and professional development for staff of the Bank
- Ethical and business standards

3.7 Capital management

Regulatory capital

The Bank's regulator, the Bank of Ghana sets and monitors capital requirements for the Bank as a whole. In implementing current capital requirements, the Bank of Ghana requires the Bank to maintain a prescribed ratio of total capital to total risk-weighted assets.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

Regulatory capital (continued)

Banking operations are categorised mainly as trading book or banking book, and risk-weighted assets are determined according to specified requirements that seek to reflect the varying levels of risk attached to assets and off-balance sheet exposures.

The Bank's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognised and the Bank recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

The Bank has complied with all externally imposed capital requirements.

Capital adequacy ratio

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 Bank generally complied with all externally imposed capital requirements.

Capital adequacy and the use of regulatory capital are monitored daily by the Bank'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 in 2023 (400 million in 2023).

The Bank'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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

Capital adequacy ratio (cont'd)

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**

Following the Government of Ghana completion of the Domestic Debt Exchange Program (DDEP) and prior to the issuance of the financial statements, the Central Bank of Ghana provided some regulatory forbearances effective December 2022 due to the significant impact of the program. The reliefs provided include:

A. Reduction of Capital Conservation Buffer from 3% to zero, effectively the minimum regulatory capital ratio has been reduced from 13% to 10%.

B. All losses resulting from the Debt Exchange programme is spread over a period of four (4) years for the purpose of CAR computation.

C. Increase in Tier II component of regulatory capital from 2% to 3% of Total Risk Weighted Assets (RWA).

D. Increase in allowable portion of property revaluation gains for Tier II capital computation, from 50% to 60%.

E. Risk-weights attached to the New Bonds to be set to 0% for CAR computation and 100% for old bonds.

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 Bank for the years ended 31 December 2024 with the application of the reliefs above provided by the regulator and 2023. During those two years, the Bank complied with all of the externally imposed capital requirements to which it is subject to.

The Bank of Ghana also expects banks to suspend the declaration and payment of dividends and other distributions to shareholders until otherwise directed.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

1.6 Capital management (continued)

ratio (continued)

	2024	2023
Tier 1 capital		
Equity issued shares	**404,895,476**	**404,895,476**
Disclosed reserves (excluding credit risk reserve)	**2,055,556,727**	**1,611,052,495**
Other qualifying reserves	**305,024,447**	**305,024,447**
Shareholders' fund	**2,765,476,650**	**2,320,972,418**
Intangible and deferred assets as per Bank of Ghana guideline	**4,586,586**	**5,186,081**
Prepayment	**34,423,443**	**15,304,404**
Asset Impairment (Provisions and expected Losses not provided for)	**228,768,335**	**152,512,223**
Deferred tax on financial assets	**203,324,056**	**170,380,955**
Total qualifying tier 1 capital	**2,294,374,230**	**1,977,588,755**
Tier 2 capital		
Fair value reserve for hold-collect-and-sell securities	**-**	**-**
Total qualifying tier 2 capital	**-**	**-**
Total regulatory capital	**2,294,374,230**	**1,977,588,755**
Total Credit Risk Equivalent Weighted Asset	**4,063,340,789**	**2,650,596,939**
Total Operational Risk Equivalent Weighted Asset	**2,069,408,241**	**2,069,408,241**
Total Market Risk Equivalent Weighted Asset	**66,730,567**	**6,798,228**
Risk-weighted assets	**6,199,479,597**	**4,726,803,408**
Total regulatory capital expressed as a percentage of total risk-weighted assets	**37.01%**	**41.84%**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.6 Capital management (continued)

Capital allocation

Management uses regulatory capital ratios to monitor its capital base. The allocation of capital between specific operations and activities is, to a large extent, driven by optimisation of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based primarily on regulatory capital requirements, but in some cases the regulatory requirements do not fully reflect the varying of risk associated with different activities associated with different activities. In such cases the capital requirements may be flexed to reflect differing risk profiles, subject to the overall level of capital to support a particular operation or activity not falling below the minimum required for regulatory purposes. The process of allocating capital to specific operations and activities is undertaken independently of those responsible for the operation by Bank Risk and Bank Credit and is subject to review by the Bank Asset and Liability Management Committee (ALMAC). Although maximisation of the return on risk-adjusted capital is the principal basis used in determining how capital is allocated within the Bank to particular operations or activities, it is not the sole basis used for decision making. Account is also taken of synergies with other operations and activities, the availability of management and other resources, and the fit of the activity with the Bank's longer-term strategic objectives. The Bank's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Bank 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:

Note 3.3.1 and Note 3.3.4: 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 Bank 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 Bank 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 before the decrease can be identified with that portfolio. 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

Fair value of financial instruments (continued)

All models are certified by the Bank 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 5.2(i).

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 3.3.4: 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.

5. Accounting classification, measurement basis and fair values

The table below summarises the Bank's assets and liabilities, categorized by basis of measurement:

In thousands of Ghana Cedis

	Amortised cost	Amortised cost	FVTPL	FVTPL
	2024	**2023**	**2024**	**2023**
Financial assets classification				
Cash and cash equivalents	5,660,310	3,094,740	-	-
Non-pledged trading securities	-	-	158,697,223	60,897
Pledged assets	283,000	156,831	-	-
Loans and advances	2,553,795	1,790,422	-	-
Investment securities	5,609,497	5,516,067	-	-
Other assets (excluding prepayments & inventory)	553,550	256,899	-	-
Total	**14,660,152**	**10,814,959**	**158,697,223**	**60,897**
Financial liabilities classification				
Deposits from customers	12,741,124	9,011,566	-	-
Other liabilities	80,664	86,749	-	-
Total	**12,821,788**	**9,098,315**	**-**	**-**

NB: FVTPL – Fair value through Profit and Loss.
FVOCI – Fair Value through Other Comprehensive Income

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

5. Accounting classification, measurement basis and fair values (continued)

5.2 Fair values of financial instrument

These disclosures are required under both IFRS 13 Fair Value Measurement and IAS 1. IFRS 13 also contains specific disclosure requirements when amounts are transferred into Level 3 of the fair value hierarchy, including sensitivity disclosures.

The Bank has an established control framework for the measurement of fair values. This framework includes a Product control function, which is independent of front office management and reports to the Divisional Head, Enterprise Risk Management and its reports endorsed by Chief Financial Officer, and which has overall responsibility for independently verifying the results of trading and investment operations and all significant fair value measurements. Specific controls include:

- verification of observable pricing.
- re-performance of model valuations.
- a review and approval process for new models and changes to models involving both Product Control and Market Risk.
- quarterly calibration and back-testing of models against observed market transactions.
- analysis and investigation of significant daily valuation movements; and
- review of significant unobservable inputs, valuation adjustments and significant changes to the fair value measurement of Level 3 instruments compared with the previous month.

When third party information, such as broker quotes or pricing services, is used to measure fair value, Product Control assesses and documents the evidence obtained from the third parties to support the conclusion that the valuations meet the requirements of IFRS. This includes:

- verifying that the broker or pricing service is approved by the Bank for use in pricing the relevant type of financial instrument.
- understanding how the fair value has been arrived at, the extent to which it represents actual market transactions and whether it represents a quoted price in an active market for an identical instrument.
- when prices for similar instruments are used to measure fair value, how these prices have been adjusted to reflect the characteristics of the instrument subject to measurement; and
- if a number of quotes for the same financial instrument have been obtained, then how fair value has been determined using those quotes.

Significant valuation issues are reported to the Board’s Audit Committee

5.2 (i) Fair value hierarchy

The fair value hierarchy section explains the judgements and estimates made in determining the fair values of the financials instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Bank has classified its financial instruments into the three levels prescribed under the accounting standards.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

5. FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

5.2 Fair values of financial instruments (continued)

Valuation technique

The Bank measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

Level 1: The fair value of financials instruments traded in active markets (such as trading securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Bank is the current bid price. These instruments are included in level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which observable market prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premiums used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The Bank uses widely recognised valuation models for determining the fair value of common and more simple financial instruments that use only observable market data and require little management judgment and estimation. Availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determining fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

5. FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

5.2 Fair values of financial instruments (continued)

5.2 (i) Fair value hierarchy (continued)

Financial instruments measured at fair value

The table below sets out information about the valuation techniques applied at the end of the reporting period in measuring assets and liabilities whose fair value is categorised as Level 2 in the fair value hierarchy. A description of the nature of the techniques used to calculate valuations based on observable inputs and valuations is set out in the table below:

Category	Valuation technique applied	Assumptions used
Fair value through OCI (Non derivative)	Assets primarily consist of debt securities and are valued using valuation techniques such as discounted cash flow models or other pricing models.	These assets are valued using models that use both observable and significant unobservable data including bond yields and time to maturity.
Fair value through profit or loss (Non derivative)	Assets consist mainly of trading bills and bonds and are valued using a valuation technique which consists of certain debt securities issued by the Government of Ghana. The Bank values the securities using discounted cash flow valuation models which incorporate observable and unobservable data.	Observable inputs include assumptions regarding current rates of interest and yield curves.

The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position.

The fair values include any deferred differences between the transaction price and the fair value on initial recognition when the fair value is based on a valuation technique that uses unobservable inputs.

31 December 2024

In Ghana cedis	Level 1	Level 2	Level 3	Total
Non pledged trading assets				
- Government bonds	-	**158,697,223**	-	158,697,223
Total	-	**158,697,223**	-	**158,697,223**

31 December 2023

In Ghana cedis	Level 1	Level 2	Level 3	Total
Non pledged trading assets				
- Government bonds	**-**	60,897,297	-	60,897,297
Total	**-**	**60,897,297**	-	**60,897,297**

The following table sets out the fair values of financial instruments not measured at fair value and analyses them by the level in the fair value hierarchy into which each fair value measurement is categorised.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

5. FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

5.2 Fair values of financial instruments (continued)

5.2 (i) Fair value hierarchy (continued)

31 December 2024

In Ghana Cedis	**Level 1**	**Level 2**	**Level 3**	**Total**	**Total Carrying values**
Cash and cash equivalents	-	5,660,310,341	-	5,660,310,341	5,660,310,341
Non pledged trading assets	-	158,697,223	-	158,697,223	158,697,223
Pledged Assets	-	246,313,291	-	246,313,291	283,000,000
Loans and advances	-	2,541,231,581	-	2,541,231,581	2,553,795,163
Investment securities	-	3,982,543,718	2,107,056,847	6,089,600,566	5,609,497,441
Other assets	-	548,963,811	-	548,963,811	553,549,804
Total financial assets	-	13,343,908,035	2,107,056,847	15,450,964,883	14,818,849,971
Deposits from customers	-	12,656,544,183	-	12,656,544,183	12,741,124,117
Other Liabilities	-	79,506,543	-	79,506,543	80,663,856
Total financial liabilities	-	12,736,050,726	-	12,736,050,726	12,821,787,973

31 December 2023

In Ghana Cedis	**Level 1**	**Level 2**	**Level 3**	**Total**	**Total Carrying values**
Cash and cash equivalents	-	3,094,740,459	-	3,094,740,459	3,094,740,459
Non pledged trading assets		60,897,297		60,897,297	60,897,297
Pledged Assets		150,955,793		150,955,793	156,831,000
Loans and advances	-	1,668,615,587	-	1,668,615,587	1,790,421,768
Investment securities	-	3,783,292,644	1,882,148,559	5,665,441,203	5,516,067,029
Other assets	-	245,457,181	-	245,457,181	256,899,436
Total financial assets	-	**9,003,958,961**	**1,882,148,559**	**10,886,107,520**	**10,875,856,989**
Deposits from customers	-	8,990,802,277	-	8,990,802,277	9,011,565,909
Other Liabilities	-	85,591,965	-	85,591,965	86,749,279
Total financial liabilities	-	**9,076,394,242**	-	**9,076,394,242**	**9,098,315,188**

Valuation Techniques used

The fair value of loans and advances is estimated using valuation models, such as discounted cash flow techniques which represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine the fair value. For collateral-dependent impaired loans, the fair value is measured based on the value of the underlying collaterals.

The fair values of investment securities are estimated by a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.

The fair value of deposits from customers is estimated using discounted cash flow techniques, applying the rates that are offered for deposits of similar maturities and terms. The fair value of deposits payable on demand is the amount payable at the reporting date.

The fair value of other liabilities and cash and cash equivalent are considered to approximate the carrying values as these financial instruments are short tenured and therefore the effective of discounting is immaterial.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

6. NET INTEREST INCOME

	2024	2023
Interest income calculated using the effective interest method		
Money market placements	**93,046,557**	30,344,541
Loans and advances	**518,693,662**	394,571,352
Investment securities	**1,216,637,615**	916,385,750
Total interest income calculated using the effective interest method	**1,828,377,834**	1,341,301,643
Other interest and similar income		
Financial assets measured at FVTPL	276,761	2,977,477
Total other interest and similar income	**276,761**	2,977,477
Interest expense calculated using the effective interest method		
Deposits from banks	**(24,989,252)**	(11,303,443)
Deposits from customers	**(601,569,240)**	(297,882,767)
Finance chaLease liabilities	**(3,865,520)**	(3,926,680)
Financial liabilities at amortised cost	**(630,424,013)**	(313,112,891)
Net interest income	**1,198,230,582**	1,031,166,229

7. NET FEE AND COMMISSION INCOME

	2024	2023
Commission income	**70,041,353**	54,033,648
Other fees and commission*	**294,236,329**	227,195,301
Fee and commission income	**364,277,682**	281,228,949
Card-related expenses	**(125,415,093)**	(83,182,844)
Other fees and commission expense	**(3,891,428)**	(2,810,220)
Fee and commission expense	**(129,306,521)**	(85,993,064)
Net fee and commission income	**234,971,161**	195,235,885

All fees and commissions were earned within the financial year 2024 and 2023 respectively and as such were duly recognised at the point of transaction in accordance with IFRS 15.

***** The 'Other fees and commission' comprise largely of card-related fees and commissions on issued transfers, swift, foreign currency withdrawals among others.

The fees and commission presented include income of GHS 364,277,682 (2023: GHS 281,228,949) and GHS 129,306,521 (2023: GHS 85,993,064) expenses related to financial assets and financial liabilities not measured at FVTPL. These figures exclude amounts incorporated in determining
the effective interest rate on such financial assets.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

8. NET TRADING INCOME

	2024	2023
Net trading gain	**463,752,168**	224,959,452
Other foreign exchange gains	**(182,004,031)**	72,404,298
	281,748,137	297,363,750

Foreign exchange gains in statement of cash flow comprises:		
Effect of FX rate fluctuation on cash and cash-equivalent	**477,090,463**	462,099,276
Foreign exchange gains on non-cash and cash-equivalent	**(659,094,494)**	(389,694,978)
	(182,004,031)	72,404,298

9. NET GAIN/ (LOSS) FROM OTHER FINANCIAL ASSETS AT FVTPL

	2024	2023
Mark-to-market loss on trading assets	**1,554,532**	(3,410,846)
	1,554,532	(3,410,846)

10. OTHER INCOME

	2024	2023
Profit on disposal of property and equipment	**105,188**	499,254
Gain on sale of FVOCI Instruments	**-**	1,633,682
Modification gain on right of use asset	**7,064,250**	-
Fraud loss recoveries	**1,170**	-
	7,170,608	2,132,936

11. PERSONNEL EXPENSES

	2024	2023
Employee's Wages and salaries	**92,055,166**	65,456,382
Employer's pension contributions	**6,164,148**	4,457,005
Employer's provident fund contributions	**4,741,653**	3,428,461
Other staff related expenses *	**14,093,237**	13,937,312
	117,054,204	87,279,160

The number of permanent persons employed by the bank during the period ended 31 December 2024 was 643 (December 2023: 585). The Bank contributes 10% of employees' basic salary as provident fund contribution for staff.

**Other staff related expenses comprise staff medical allowance, training, relocation and welfare expenses.*

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

12. AMORTISATION OF PREPAID LEASE RENTALS

	2024	2023
Expense relating to short term leases – staff houses	**1,515,458**	1,545,061
Expense relating to leases of low value items	**604,111**	739,422
	2,119,569	2,284,483

13. OTHER OPERATING EXPENSES

	2024	2023
Advertising and marketing expenses	**13,076,537**	8,691,419
Administrative expenses	**156,801,368**	129,918,706
Contract services	**18,979,734**	14,658,139
Software licensing	**19,408,454**	14,371,919
Directors' emoluments	**3,821,281**	2,686,016
Auditor's remuneration	**2,511,549**	1,475,245
Corporate social responsibility costs	**4,880,496**	3,946,844
	219,479,419	175,748,288

The Administrative expenses relate to repairs and maintenance, occupancy costs, bank charges among others. Directors emoluments comprises of annual fees of GHS 1,657,849 Sitting allowances of GHS 1,899,367 and other general expenses of GHS 264,065.

13.1 Breakdown of Corporate social responsibility costs

	2024	2023
GTBank Autism Program	**2,748,359**	1,776,743
GTBank ICT Project - SUSEC Model School	**797,627**	-
GTBank ICT Project - Nsawam Methodist JHS School	**812,510**	-
Donation towards 14th EOCO Conference and AGM	**147,000**	-
Donation towards construction of commanding officer accommodation	**100,000**	-
Donation To Village Of Hope Orphanage	**80,000**	80,000
Girl Power Project By Jamestown Asere	**30,000**	-
Donation to National Banking College	**20,000**	-
Donation to family of the late Otumfo Akyempimhen	**25,000**	-
Support of Ghana Customer Service Index report	**25,000**	-
Ghana International School - 2024 Yearbook	**20,000**	-
Donation towards Coronation Of Manye Naa Amorkor Shikafutr	**20,000**	-
Donation to ICA Ghana conference 2024	**15,000**	-
Seniors' Day Out	**15,000**	
Sallah Donation to the Muslim community	**15,000**	279,470
Donation towards celebration Of World Physiotherapy Day	**10,000**	
Refurbishment Works On UG Computer Science Dept Lab	-	347,722
Refurbishment Of Inchaban Catholic Kg/Primary Lab	-	282,101
Donations To Gr. Accra Regional Hosp., Ridge (Accuvein Handheld Vein Viewing System etc)	-	224,382
Donation of relief items to victims of Akosombo spillage	-	150,000
Sponsorship towards education	-	101,259
Donation To Leukemia Project Foundation-Jason-Mitc	-	100,000
Other CSR expenses	**-**	605,167
	4,880,496	3,946,844

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

14. INCOME TAX EXPENSE

	2024	2023
Corporate Income tax	**343,177,676**	310,111,448
Deferred income tax – P&L (Note 22)	**(32,948,085)**	(29,657,720)
Deferred income tax - OCI (Note 22)	**-**	408,420
Income tax expense	**310,229,591**	280,862,148
National fiscal stabilization levy	**-**	13,996,546
Growth & Sustainability levy	**58,569,551**	41,928,376
Financial sector recovery levy	**58,569,551**	55,924,922
Total	**427,368,693**	392,711,992

The National fiscal stabilisation Levy is a 5% levy applied on profit before tax for certain companies including financial institutions operating in Ghana. This was replaced with the Growth & Sustainability levy in the second quarter of 2023. The Financial Sector Recovery Levy is applied on the profit before tax of financial institutions operating in Ghana.

Current income tax

2024	**Balance at 1 January**	**Payments during year**	**Charge for the year**	**Balance at 31 December**
Year of assessment				
Up to 2023 (31 December)	35,990,188	-	-	35,990,190
December 2024	-	(350,304,005)	343,177,676	(7,126,330)
	35,990,188	**(350,304,005)**	**343,177,676**	**28,863,861**

Growth & Sustainability levy

Year of assessment				
Up to 2023 (31 December)	(23,941,103)	-	-	(23,941,103)
December 2024	-	(60,924,504)	58,569,551	(2,354,953)
	(23,941,103)	**(60,924,504)**	**58,569,551**	**(26,296,056)**

Financial sector recovery levy

Year of assessment				
Up to 2023 (31 December)	(23,941,103)	-	-	(23,941,103)
December 2024	-	(60,924,504)	58,569,551	**(2,354,953)**
	(23,941,103)	**(60,924,504)**	**58,569,551**	**(26,296,056)**
Total	**(11,892,018)**	**(472,153,013)**	**460,316,778**	**(23,728,254)**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

14. INCOME TAX EXPENSE - *Continued*

Current income tax

2023	**Balance at 1 January**	**Payments during year**	**Charge for the year**	**Balance at 31 December**
Year of assessment				
Up to 2022 (31 December)	6,540,209	-	-	6,540,209
December 2023	-	(280,661,469)	310,111,448	29,449,979
	6,540,209	**(280,661,469)**	**310,111,448**	**35,990,188**

National fiscal stabilisation levy/Growth & Sustainability levy

Year of assessment				
Up to 2022 (31 December)	(25,455,204)	-	-	(25,455,204)
December 2023	-	(54,410,821)	55,924,922	**1,514,101**
	(25,455,204)	**(54,410,821)**	**55,924,922**	**(23,941,103)**

Financial sector recovery levy

Year of assessment				
Up to 2022 (31 December)	(25,455,204)			(25,455,204)
December 2023	-	(54,410,821)	55,924,922	**1,514,101**
	(25,455,204)	**(54,410,821)**	**55,924,922**	**(23,941,103)**
Total	**(44,370,199)**	**(389,483,111)**	**421,961,292**	**(11,892,018)**

All tax liabilities are subject to the agreement of the Commissioner General of the Ghana Revenue Authority.

The tax on the Bank's profit before tax differs from the theoretical amount that would arise using the statutory income tax rate applicable to profits as follows:

	2024	2023
Profit before income tax	**1,171,391,030**	1,118,498,441
Income tax using the enacted corporation tax rate (25%)	**292,847,758**	279,624,610
Effect of:		
National fiscal stabilisation levy/Growth and Sustainability Levy (5%)	**58,569,551**	55,924,922
Financial sector recovery levy (5%)	**58,569,551**	55,924,922
Non-deductible expenses	**50,329,918**	30,486,838
Deferred tax reversal	**(32,948,085)**	(29,249,300)
Income tax expense	**427,368,693**	392,711,992
Effective tax rates	**36.48%**	35.11%

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

15. CASH AND CASH EQUIVALENTS

The Bank's cash and cash equivalents are held with central banks and financial institutions counterparties that are not rated.

	2024	2023
Cash on hand	**367,392,728**	166,335,513
Balance with foreign banks (Nostro)	**1,053,685,709**	361,483,090
Balances with local banks	**575,928**	-
Mandatory reserve deposit with Bank of Ghana	**2,827,949,288**	1,610,092,266
Money market placements with banks and other financial institutions	**1,421,712,339**	967,835,555
Total Cash And Cash Equivalents	**5,671,315,992**	3,105,746,424
Impairment allowance	**(11,005,651)**	(11,005,965)
Net Cash And Cash Equivalents	**5,660,310,341**	3,094,740,459

15(ii) Impairment allowance on cash and cash equivalents

	2024	2023
At 1 January	**11,005,965**	**5,645,631**
Impairment (reversal)/charge	**(314)**	**5,360,334**
At 31 December	**11,005,651**	**11,005,965**

Cash and cash equivalents as included in statement of cashflows:

	2024	2023
Cash on hand	**367,392,728**	166,335,513
Balances with Bank of Ghana	**2,827,949,288**	1,610,092,266
Due from and to banks and other financial institutions	**2,475,973,976**	1,329,318,645
Impairment provision	**(11,005,651)**	(11,005,965)
Total cash and cash equivalent per statement of financial position	**5,660,310,341**	3,094,740,459
Adjustment for impairment loss	**11,005,651**	11,005,965
Cash and cash equivalent per statement of cash flows	**5,671,315,992**	3,105,746,424

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

15. CASH AND CASH EQUIVALENTS (CONTINUED)

15(iii) Due from and to banks and other financial institutions

	2024	2023
Nostro account balances	**1,053,685,709**	361,483,090
Placements with banks and other financial institutions	**1,421,712,339**	967,835,555
Due from other local banks	**575,928**	-
Due from banks and other financial institutions	**2,475,973,976**	1,329,318,645

Amounts due from and to banks and other financial institutions are current.

At the reporting date, the Bank recognised in cash and cash equivalent bank ledger balance of GHS5.66bn (2023: GHS3.094bn) as compared to the bank statement balance of GHS 6.259bn (2023: GHS 3.119bn). The transactions making up the difference between the bank ledger balance and the bank statement balance totalling GHS 588M (2023: GHS 25M) were reflected as reconciling items in the bank reconciliation statements as well as impairment allowance on cash and cash equivalents.

16. PLEDGED ASSETS

Assets are pledged as collateral under repurchase agreements with other banks and as security relating to overnight borrowings.

	2024	2023
Financial assets: Amortized cost		
Treasury bills	283,000,000	156,831,000
Gross amount	**283,000,000**	156,831,000
Impairment	-	-
Total	**283,000,000**	156,831,000

There above are investment securities held in Government treasury bills which have been pledged as collateral for liabilities. In the event that, the entity fails to make good the payment as and when it falls due, the collateral will not be released back to the entity. All amounts are current. Impairment assessment was done on these assets and found to be immaterial

17. LOANS AND ADVANCES

17(i) Breakdown of carrying amount into gross amount and impairment:

	2024	2023
Gross Loans and advances at amortised cost	**2,583,143,175**	1,830,757,628
Stage 1 & 2 impairment loss allowance	**(16,902,121)**	(13,515,970)
Stage 3 impairment loss allowance	**(12,445,891)**	(26,819,890)
Loans and advances at Amortised cost	**2,553,795,163**	1,790,421,768
Current	**2,357,938,404**	1,356,023,168
Non-current	**195,856,759**	434,398,600

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

17. LOANS AND ADVANCES (CONT'D)

At 31 December 2024, the gross loan and advances include non-performing loans of GH¢58.004 million (31 December 2023: GH¢72.58 million).

17(ii) Reconciliation of opening and closing impairment allowance on loans and advances:

	2024	2023
At 1 January	**40,335,860**	17,588,781
Write off	**(6,749,767)**	-
Impairment reversal/ charge	**(4,238,081)**	22,747,079
At 31 December	**29,348,012**	40,335,860

17(iii) Impairment charge/(reversal) on loans and advances and off-balance sheet items:

For the year:

Impairment (reversal)/charge on loans and advances		**(4,238,081)**	22,747,080
Off balance sheet impairment charge		**-**	503,458
		(4,238,081)	23,250,538
Loan recoveries		**(293,026)**	(1,720,711)
	Note 3.3.4	**(4,531,107)**	21,529,826

18. INVESTMENT SECURITIES AND TRADING ASSETS

18(i). Investment securities

Hold-to-collect investments

	2024	2023
Treasury bills	**2,845,171,733**	3,000,233,214
Government bonds	**2,656,917,090**	2,596,418,418
	5,502,088,823	5,596,651,632
Accrued Interest	**125,923,220**	138,141,362
	5,628,012,043	5,734,792,994
Total	**5,628,012,043**	5,734,792,994
Impairment on investment securities	**(18,514,602)**	(218,725,965)
Net	**5,609,497,441**	5,516,067,029
Maturing over 90 days from purchase	**5,609,497,441**	5,516,067,029

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

18. INVESTMENT SECURITIES & TRADING ASSETS

18(i). Investment securities (continued)

Current	**3,043,125,687**	3,438,609,914
Non–current	**2,566,371,753**	2,077,457,115

18(ii). Impairment allowance on investment securities

	2024	2023
At 1 January	218,725,966	540,683,543
Impairment reversal through P&L	(152,635,569)	(321,957,577)
Impairment write off against receivable	(47,575,795)	
At 31 December	**18,514,602**	**218,725,966**

18(iii). Modification loss on investment securities

	2024	**2023**
Modification loss on investment securities	342,971,930	410,431,226

18 (iv). Non-pledged trading assets

Hold-to-sell portfolio

	2024	2023
Treasury bills and government bonds	**158,697,223**	60,897,297
	158,697,223	60,897,297
Maturing over 90 days from purchase	**158,697,223**	60,897,297
Current	**158,697,223**	60,897,297

Movement in non-pledged trading assets:

At 1 January	**60,897,297**	142,756,276
Purchase of securities	**828,480,247**	127,314,270
Sale of securities	**(732,234,852)**	(205,762,403)
Fair value changes (MTM)	**1,554,532**	(3,410,846)
At 31 December	**158,697,223**	60,897,297

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

18. INVESTMENT SECURITIES & TRADING ASSETS - *Continued*

18(vi). Reconciliation of gross carrying amount

a. Investment securities at amortised cost

2024					
	Stage 1	**Stage 2**	**Stage 3**	**POCI**	**Total**
	GH¢'000	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**
Balance at 1 January	3,238,759	-	704,938	1,791,096	5,734,793
New financial assets originated or purchased/		-		991,744	991,744
Effect of exchange rate fluctuations		-		-	-
Derecognition of financial asset	(393,587)	-	(704,938)	-	(1,098,525)
Balance at 31 December	**2,845,172**	**-**	**-**	**2,782,840**	**5,628,012**
Loss allowance	(18,515)	-	-	-	(18,515)
Carrying amount at 31 December	**2,826,657**	**-**	**-**	**2,782,840**	**5,609,497**

2023					
	Stage 1	**Stage 2**	**Stage 3**	**POCI**	**Total**
	GH¢'000	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**
Balance at 1 January	171,990	-	2,659,483	-	2,831,473
New financial assets originated or purchased	3,001,482	-		1,791,096	4,792,578
Effect of exchange rate fluctuations	65,287	-		-	65,287
Derecognition of financial asset		-	(1,954,545)	-	(1,954,545)
Balance at 31 December	**3,238,759**	**-**	**704,938**	**1,791,096**	**5,734,793**
Loss allowance	(18,515)	-	(200,211)	-	(218,726)
Carrying amount at 31 December	**3,220,244**	**-**	**504,727**	**1,791,096**	**5,516,067**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

INVESTMENT SECURITIES & TRADING ASSETS

18(vi). Reconciliation of gross carrying amount-Continued

b. Investment securities at FVOCI

There were no investment securities at FVOCI for current year, thus no disclosure table is provided for current year (2024).

	2023				
	Stage 1	**Stage 2**	**Stage 3**	**POCI**	**Total**
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Balance at 1 January			3,702		**3,702**
New financial assets originated or purchased					
Derecognition of financial asset			(3,702)		**(3,702)**
Balance at 31 December	-	-	-		-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

19. PROPERTY AND EQUIPMENT AND RIGHT-OF-USE ASSETS

	Land, Build. & Leasehold Improvement/ Right-of-use asset	Furniture and equipment	Computer and accessories	Motor vehicle	Capital work in progress	Total
Cost						
2024						
At 1 January	131,591,083	46,118,821	37,268,104	32,798,861	16,040,515	263,817,384
Modification	(6,426,054)					(6,426,054)
Additions	1,949,005	5,454,129	4,479,776	8,211,128	140,673,862	160,767,900
Disposal	(84,517)	(918,874)	(55,955)	(1,350,607)	-	(2,409,953)
Transfers	6,058,859	1,787,731	364,121	4,494,734	(12,705,445)	-
Reclassification	(17,406)	17,406	-	-	-	-
Expensed	-	-	-	-	(10,475)	(10,475)
At 31 December 2024	**133,070,970**	**52,459,213**	**42,056,046**	**44,154,116**	**143,998,457**	**415,738,802**
2023						
At 1 January	122,033,385	34,900,192	33,544,299	26,521,275	21,525,008	238,524,159
Additions	-	3,591,512	3,380,430	6,852,848	14,721,744	28,546,534
Disposal	(487,322)	(19,364)	-	(2,343,012)	-	(2,849,698)
Transfers	10,045,020	7,646,481	343,375	1,767,750	(19,802,626)	-
Expensed	-	-	-	-	(403,611)	(403,611)
At 31 December 2023	**131,591,083**	**46,118,821**	**37,268,104**	**32,798,861**	**16,040,515**	**263,817,384**

**Modification in the table above is as a result of Ownership of a building for the Airport branch against a property that was previously being leased*

Accumulated Depreciation

At 31 December 2024

At 1 January	42,746,959	30,307,985	28,007,791	18,685,005	-	119,747,740
Reclassification	(5,947)	5,947				-
Charge for the year	7,095,513	5,279,982	6,314,028	7,421,329	-	26,110,852
Released on disposal	(38,028)	(903,521)	(25,180)	(1,350,607)	-	(2,317,336)
At 31 December 2024	**49,798,497**	**34,690,393**	**34,296,639**	**24,755,727**	**-**	**143,541,256**
At 1 January	35,813,558	26,207,390	22,231,056	15,609,796	-	99,861,800
Charge for the year	6,933,401	4,118,820	5,776,735	4,865,215	-	21,694,171
Released on disposal	-	(18,225)	-	(1,790,005)	-	(1,808,231)
At 31 December 2023	**42,746,959**	**30,307,985**	**28,007,791**	**18,685,006**	**-**	**119,747,740**
Carrying amount						
At 31 December 2024	**83,272,473**	**17,768,820**	**7,759,407**	**19,398,389**	**143,998,457**	**272,197,546**
At 31 December 2023	88,844,124	15,810,836	9,260,313	14,113,856	16,040,515	144,069,644

As at 31 December 2024, property and equipment includes right-of-use assets of GH¢ 21.03M related to leased properties that do not meet the definition of investment property (see note 29i for details). Also included are assets of GH¢ 56.31M that have been fully depreciated but still hold economic value to the bank

19.1 PROCEEDS FROM DISPOSAL OF PROPERTY AND EQUIPMENT

	2024	2023
Cost of disposed asset	**2,409,953**	2,849,698
Accumulated depreciation	**(2,317,336)**	(1,808,231)
Net book value of disposed asset	**92,617**	1,041,467
Profit from disposal of asset	**105,188**	499,254
Net book value of disposed asset	**92,617**	1,041,467
Proceeds from disposal of asset	**197,805**	1,540,721

No items of property and equipment has been pledged as security for loan or have any restriction of use both at 31 December 2024 and 31 December 2023. There were no impairments on property and equipment in both current year and prior year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

20. INTANGIBLE ASSETS

	Purchased software	Developed software	Capital Work in progress	Total
Cost				
Year ended 31 December 2024				
At 1 January	15,566,790	53,421	994,747	16,614,958
Additions	1,115,512	-		1,115,512
Transfers	806,297		(806,297)	-
At 31 December 2024	**17,488,599**	**53,421**	**188,450**	**17,730,470**
Year ended 31 December 2023				
At 1 January	13,742,205	53,421	994,747	14,790,373
Additions	1,824,585	-		1,824,585
Transfers	-		-	-
At 31 December 2023	**15,566,790**	**53,421**	**994,747**	**16,614,958**
Amortisation				
Year ended 31 December 2024				
At 1 January	11,375,457	53,421	-	11,428,878
Amortisation for the year	1,715,006	-	-	1,715,006
At 31 December 2024	**13,090,463**	**53,421**	-	**13,143,884**
Year ended 31 December 2023				
At 1 January	9,755,855	53,421	-	9,809,276
Amortisation for the year	1,619,602	-	-	1,619,602
At 31 December 2023	**11,375,457**	**53,421**	-	**11,428,878**
Carrying amount				
At 31 December 2024	**4,398,136**	-	**188,450**	**4,586,586**
At 31 December 2023	**4,191,333**	-	**994,747**	**5,186,080**

***As at 31 December 2024, Intangible assets includes assets of GH¢ 10.01M that have been fully amortized but still hold economic value to the bank*

No items of intangible has been pledged as security for loan or have any restriction of use both at 31 December 2024 and 31 December 2023.

There are no Capital commitments in respect of intangible assets as at December 2024(2023: Nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

21. DEPRECIATION AND AMORTISATION

The depreciation and amortisation charged to the year is as follows:

	2024	2023
Property and equipment (Note 19)	**26,110,852**	21,694,171
Intangible assets (Note 20)	**1,715,006**	1,619,602
	27,825,858	23,313,773

22. DEFERRED INCOME TAX

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

	At 1 January	Recognised in profit or loss	Recognised in OCI	At 31 December	Deferred tax assets	Deferred tax liabilities
Year ended 31 December 2024						
Property, equipment and software	5,092,560	(520,667)	-	4,571,893	-	4,571,893
Leases	(1,382,108)	515,683	-	(866,425)	(866,425)	-
Loans and advances	(10,340,164)	2,746,961	-	(7,593,203)	(7,593,203)	-
Investment securities	(157,289,348)	(35,690,091)	-	(192,979,440)	(192,979,440)	-
Bank balance	(2,751,442)	30	-	(2,751,412)	(2,751,413)	-
	(166,670,502)	**(32,948,085)**	-	**(199,618,587)**	**(204,190,480)**	**4,571,893**
Year ended 31 December 2023						
Property, equipment and software	5,442,421	(349,861)	-	5,092,560	-	5,092,560
Leases	(1,345,379)	(36,729)	-	(1,382,108)	(1,382,108)	-
Loans and advances	(4,527,530)	(5,812,634)	-	(10,340,164)	(10,340,164)	-
Investment securities	(135,170,886)	(22,118,462)	-	(157,289,348)	(157,289,348)	-
Bank balance	(1,411,408)	(1,340,034)	-	(2,751,442)	(2,751,442)	-
FVOCI instruments (OCI)	(408,420)		408,420	-	-	
	(137,421,203)	**(29,657,720)**	408,420	**(166,670,502)**	**(171,763,062)**	**5,092,560**

23. OTHER ASSETS

	2024	2023
E-Cash Accounts	**464,005,022**	234,505,044
Prepaid expenses	**34,423,443**	15,304,404
Stationery and stocks	**12,746,049**	5,373,256
Others*	**89,544,781**	22,394,392
	600,719,295	277,577,096
Current	**600,719,295**	277,577,096

** These comprise mainly of e-cash balances which are held in a control account. These balances are short term in nature and settlement is within a month. Impairment was assessed on financial component of other assets and deemed immaterial.*

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

24. DEPOSITS FROM CUSTOMERS

	2024	2023
By type of deposit		
Current and call account	**7,726,650,583**	5,697,374,348
Savings account	**1,355,998,204**	899,123,407
Cash collateral	**1,939,806,341**	1,186,769,250
Term deposit	**1,718,668,989**	1,228,298,904
	12,741,124,117	9,011,565,909
Current	**12,741,124,117**	9,011,565,909
Non-current	**-**	-

The twenty largest depositors constitute 46.32% (2023: 40.06%) of total deposit.

	2024	2023
By type of customer		
Financial institutions	**2,027,350,024**	1,639,864,342
Individuals and other private enterprises	**9,589,296,071**	6,431,634,488
Public enterprises	**1,124,478,022**	940,067,079
	12,741,124,117	9,011,565,909

25. OTHER LIABILITIES

	2024	2023
Bankers' draft	**5,557,208**	4,991,318
Lease liability (refer to note 29iv)	**39,420,700**	52,306,998
Others*	**85,177,407**	91,828,721
	130,155,315	149,127,037
Current	**90,734,615**	96,820,039
Non-current	**39,420,700**	52,306,998

** 'Others' largely relate to accounts payables (SSNIT, PAYE, ATM Acquirer Balance, E-zwich Account and other Product related payables). These are normally cleared as and when due with no overdue balance.*

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

26. STATED CAPITAL

The authorised shares of the Bank are 15,000,000,000 equity shares of no par value of which 14,171,890,279 equity shares have been issued as follows:

	No. of shares	Proceeds
Issued and fully paid		
Issued for cash consideration	14,102,398,589	402,910,076
Issued for consideration other than cash	69,491,690	1,985,400
Stated Capital in Account	14,171,890,279	404,895,476

The equity 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 equity shares rank equally with regard to the Bank's residual assets.

There are no calls or instalments unpaid. There are no treasury shares (2023: Nil).

Number of shareholders
The company's shareholders at 31 December 2024 and 31 December 2023 are as follows:

Number of Equity shares	Shareholding	Percentage %
Guaranty Trust Bank (Nigeria) Limited	13,933,838,405	98.32%
Alhaji Yusif Ibrahim	238,051,874	1.68%
	14,171,890,279	100.00%

27. OTHER RESERVES

i. Credit risk reserve

Credit risk reserve represents the amounts set aside in respect of the excess impairment provision determined in accordance with of Bank of Ghana prudential guidelines over the total impairment provision recognised under the International Financial Reporting Standards framework. The movement is included in the statement of changes in equity.

Credit Risk Reserve Reconciliation
The below shows a reconciliation of IFRS 9 provision and Bank of Ghana provision.

Impairment	Bank		
GHS	IFRS 9	BoG	Credit Risk Reserve
Opening Balance	41,360,660	88,047,836	46,687,176
Movement	(10,987,848)	(24,281,025)	(13,293,177)
Closing Balance Dec 2024	30,372,812	63,766,811	33,393,999

ii. Statutory reserve fund

Statutory reserve fund represents transfer from net profit for the year to reserve in accordance with requirements of Section 34 of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). The movement is included in the statement of changes in equity.

iii. Retained Earnings

Retained earnings represents the free and undistributed accumulated reserves of the Bank available for distribution to shareholders in future periods. The movement is included in the statement of changes in equity.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

iv. Other reserves

These comprise any other reserve other than those indicated above. In the case of the Bank, it consists of Revaluation reserves from FVOCI assets as shown below

	2024	2023
Opening Balance	-	(1,225,261)
Movement	-	1,225,261
Closing Balance	-	-

28. DIVIDENDS

At the next shareholders meeting on the financial performance for the year ended 31 December 2024, dividend of GH¢ 464,838,001 (2023: GH¢ 312,811,280) will be tabled for shareholders' consideration and approval subject to regulator's approval.

Below is the analysis of distributable profit for the comparative years:

	2024	**2023**
Profit after tax	744,022,337	725,786,449
transfer to Statutory reserve fund	(93,002,792)	(181,446,612)
transfer from/ (to) Credit risk reserve	13,293,177	(20,453,783)
Dividends paid for prior year	(312,811,280)	-
Retained Earnings at January 1	996,999,417	473,113,364
Total distributable profit	**1,348,500,859**	**996,999,417**

Dividend per share for the year as has been proposed is GHS 0.0328 (2023: GHS 0.0221)

29. LEASES

The Bank leases its premises and other facilities. The leases typically run for a period ranging from 1 to 50 years, with an option to renew the lease after the date. Lease payments are increased over a term agreed in the contract to reflect the market rentals. Short term leases refer to leases with lease terms less than a year and include siting of ATM's and other low value items

Information about leases for which the Bank is a lessee is presented below.

i. Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property and equipment.

In Ghana Cedis	**Land and Building**	
	2024	**2023**
Balance at 1 January	30,173,064	35,686,912
Depreciation charge for the year	(4,565,910)	(4,925,654)
Modifications to right-of-use assets	(6,426,054)	(588,194)
Additions to right-of-use assets	1,858,072	-
Balance at 31 December	**21,039,172**	**30,173,064**

(ii) Amounts recognised in profit or loss (in GH¢):

	2024	**2023**
Finance charges	3,865,520	3,926,680
Depreciation	4,565,910	4,925,654
Expenses relating to short term leases	1,515,458	1,545,061
Expenses relating to low-value assets, excluding short-term leases of low-value assets	604,111	739,422

(iii) Amounts recognised in statement of cash flows (in GH¢):

	2024	**2023**
Lease liability finance charges paid	1,948,870	1,805,758
Principal portion of lease liability paid	12,459,473	3,950,708
Total cash outflow for leases	**14,408,343**	**5,756,466**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

29. LEASES (CONTINUED)

(iv) Reconciliation, in respect of lease liability, of opening amounts to closing amounts are detailed below:

	2024 GH¢	2023 GH¢
Balance at 1 January	52,306,998	43,896,661
Modifications to leases	(13,490,304)	(588,194)
New leases	1,858,154	-
Finance charge	3,865,520	3,926,680
Payments of principal portion of lease liability	(12,459,473)	(3,950,708)
Payment of finance charges portion	(1,948,870)	(1,805,758)
Foreign currency transactional loss	9,288,675	10,828,317
Balance at 31 December	**39,420,700**	**52,306,998**

(iv) Extension options

Some leases of office premises contain extension options exercisable by the Bank up to one year before the end of the non-cancellable contract period. Where practicable, the Bank seeks to include extension options in new leases to provide operational flexibility.

The Bank has no estimated potential future lease payments from exercise of extension options (2023: GHS 725,000)

(v) Lease commitments

The Bank had no lease commitments as at 31 December 2024 and the prior year.

30. CONTINGENCIES

i. Claims and Litigation

The Bank has pending legal suits in respect of claims arising in the ordinary course of business as at 31 December 2024. It is anticipated that significant liabilities amounting to GH¢ 9,704,139 will arise from the claims and litigation against the bank at 31 December 2024 (2023: GH¢10,070,760).

Given the subjectivity and uncertainty of determining the probability and number of losses, the Bank takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents.

ii. Contingent liabilities and commitments

In common with other banks, the Bank conducts business involving acceptances, performance bonds and indemnities. The majority of these facilities are offset by corresponding obligations of third parties. Contingent liabilities and commitments comprise acceptances, guarantees and letters of credit.

Nature of instruments

An acceptance is an undertaking by a bank 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.

Guarantees and letters of credit are given as security to support the performance of a customer to third parties. As the Bank will only be required to meet these obligations in the event of the customer's default, the cash requirements of these instruments are expected to be considerably below their nominal amounts.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

ii. Contingent liabilities and commitments (continued)

Nature of instruments (continued)
Documentary credits commit the Bank to make payments to third parties, on production of documents, which are usually reimbursed immediately by customers.

30. CONTINGENCIES

Other contingent liabilities include transaction related to performance bonds and are, generally, short-term commitments to third parties which are not directly dependent on the customer's creditworthiness.

The following table summarises the amount of contingent liabilities and commitments with off-balance sheet risk.

	2024	2023
Contingent liabilities:		
Bonds and guarantees	**104,708,014**	**119,172,248**
Commitments:		
Clean line facilities for letters of credit	**441,087**	**26,310,353**
Undrawn commitment	**-**	**-**

iii. Commitments for capital expenditure

The Bank's commitments for capital expenditure as at 31 December 2024 amounts to GH¢6,634,794 (2023: GH¢951,773) and these relate to maintenance of property and equipment. Contractual commitments for Capital Work in Progress (CWIP) amount to GH¢ 52,813,496 (2023: GH¢4,714,197)

31. RELATED PARTIES

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial and operational decisions, or one other party controls both. The ultimate controlling party is Guaranty Trust Holding Company; the parent company of Guaranty Trust Bank (Nigeria) Limited, a bank licensed in the Federal Republic of Nigeria. All transactions except loans to staff and key management personnel are at arm's length.

a. i. Parent company transactions
As at 31 December 2024, the Bank had GH¢1,776,194 (2023: GH¢1,426,413) balances due from the Parent Company and they relate to general remittance for school fees paid by foreign students and other general remittance. This amount is payable on demand.

ii. Fellow subsidiaries' transactions

The Bank had nostro balance of GH¢ 11.80M (2023: GH¢ 18.46M) and had GH¢ 385.21M placement (2023: Nil) and are used mainly for corresponding banking transactions. There was no interest expense on these deposits with no related impairment allowance as at December 31 2024 and 2023 respectively. This amount is payable on demand

b. *i.* Related entities of shareholders

Related entities of the minority shareholder had loan balances amounting to GH¢ 1,867,785 with GH¢ nil related impairment allowance as at December 31 2024 (2023: GH¢14,157,750 and 5,745,092 respectively) and corresponding interest income of GH¢ 653,725 (2023: GH¢1,500,263). There were no letters of credits outstanding at 31 December 2024 (2023: nil) for related entities. There were no bonds and guarantees outstanding. There were no undrawn loan commitments (2023: Nil). Deposit balances for the related entities were GH¢110,575 at 31 December 2024 (2023: GH¢691,369). There was interest expense of GH¢1,786 on these deposits (2023: GH¢2,267). The loans are payable within one year and the deposits are payable on demand.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

ii. Related entities of directors

Related entities of a director had GHS 1,867,785 loan balances with nil related impairment allowance as at December 31 2024 (2023: Nil) and GHS 653,725 corresponding interest income (2023: Nil). There were no letters of credits outstanding at 31 December 2024 (2023: nil) for related entities. There were no bonds and guarantees outstanding. There were no undrawn loan commitments (2023: nil). Deposit balances for the related entities were GHS 110,575 at 31 December 2024 (2023: GH¢1,230,747). Interest expense on these deposits amounted to GHS 1,786 (2023: GHS16,578). The deposits are payable on demand.

c. Transactions with key management personnel and disclosures

The Bank's key management personnel, and persons connected with them, are also considered to be related parties for disclosure purposes. The definition of key management includes the close members of family of key personnel and any entity over which key management exercise control. The key management personnel have been identified as the executive and non-executive directors of the bank. Close members of family are those family members who may be expected to influence or be influenced by that individual in their dealings with the Bank. The loans to key management personnel are at staff rate offered by the bank and payable within one to ten years. The loans are fair valued, and the necessary adjustment passed to staff cost.

(i) Directors and Key management personnel transaction

Directors and Key management personnel transaction comprise the following:

	2024	2023
Secured loans	2,757,562	2,184,153
Impairment – ECL not credit-impaired	-	(22,205)
Net loans to directors and key management personnel	2,757,562	2,161,948
Interest income on loans to directors and key management personnel	695.290	63,999
Deposits balances	6,623,586	1,138,343
Interest expense on deposits from directors and key management personnel	2,299	9,509

(ii) Key management personnel compensation

The compensation paid to key management for employee services is shown below:

	2024	2023
Salaries (short term benefits)	6,557,595	5,100,703
Other short-term benefits	3,769,730	2,707,744
Social Security Fund	793,750	558,176
Provident Fund	643,581	452,575
	11,764,656	8,819,198

32. REGULATORY NON-COMPLIANCE

The Bank was penalised to the tune of GH¢ 12,791,400 by the regulator for breach of regulations during the period ended 31 December 2024 (2023: Nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in Ghana Cedis otherwise in thousands of Ghana Cedis in the respective notes)

33. VALUE ADDED STATEMENT

	2024	2023
Interest and other operating income	**2,479,966,147**	1,919,460,973
Direct cost of services	**(976,590,908)**	(573,462,864)
Value added by banking services	**1,503,375,239**	1,345,998,109
Non-banking income	**106,358**	2,132,936
Impairments	**(185,804,941)**	(115,363,809)
Value added	**1,317,676,656**	1,232,767,236
Distributed as follows:		
To employees:-		
Directors (without executives)	**3,821,281**	2,686,016
Executive directors	**2,534,360**	2,259,295
Other employees	**112,104,127**	86,009,711
To government:		
Income tax	**427,368,693**	392,711,992
To providers of capital		
Dividends to shareholders	**312,811,280**	-
To expansion and growth		
Depreciation	**26,110,852**	21,694,171
Amortisation	**1,715,006**	1,619,602
Income surplus	**431,211,057**	725,786,449

APPENDIX I

FIVE-YEAR FINANCIAL HIGHLIGHT

	2024	2023	2022	2021	2020
Statement of Comprehensive income (GH¢'m)					
Revenue (Net Earnings)	1,716	1,520	967	647	536
Profit before tax	1171	1,118	191	477	385
Profit after tax	744	726	115	315	269
Dividend paid	313		-	-	10150
Statement of financial position (GH¢'m)					
Loans and advances	2,574	1,790	2,026	1,648	1,058
Customer deposits	12,741	9,012	5,630	3,725	2,995
Total assets	15,366	11,224	7,133	5,035	4,081
Shareholders' equity	2,494	2,063	1,336	1,220	1,007
Ratios					
Dividend per share in pesewas	0.0328	0.0221	-	0.0070	0.0035
Earnings per share in pesewas	0.0525	0.0512	0.0081	0.0223	0.0190
ROAE (%) *	51%	66%	15%	44%	43%
ROAA (%) **	9%	12%	3%	11%	10%

*ROAE - Return on Average Equity, computed as current year PBT divided by the average of total equity for the two most current years.

*ROAA - Return on Average Assets, computed as current year PBT divided by the average of total assets for the two most current years.

APPENDIX II

EXTRACT OF THE CODE OF PROFESSIONAL CONDUCT

Standards, policies and procedures are described in the Code of Professional Conduct document and must be understood and observed by each employee of Guaranty Trust Bank (Ghana) Ltd to the extent that they are applicable to his /her situation.

Employees of GT Bank are required to strive to maintain the highest standards of ethical conduct and integrity in all aspects of their professional life. By virtue of the obligations which their unique employment as Bankers imposes upon them, they are subject to standards of professional conduct which transcends the law.

The Code of Conduct stipulates the organisation's values, and the minimum standards of good practices required of employees in their dealings within the Bank and with external parties maintaining relationships with the organisation. Employees of the Bank is required to aspire at all times to be excellent role models for the society. Staff are therefore required not to violate the laws of the land and/or the rules regulating the organisation's business.

Whenever the company's attention is drawn to any inadvertent violation of the law by its code of conduct, the necessary amendments will be made immediately. Where employees are uncertain about the applicability of any part of the standards to their particular situation, they shall consult the Bank's Company Secretary for guidance.