CalBank

2021 ANNUAL REPORT

Creating value through excellent service and sustainable growth

Forward Together

VISION

Our Vision

To be the preferred bank for customer experience and innovation.

Our Mission

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

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

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

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

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

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

MISSION

Contents

Financial Summary

FIVE-YEAR CONSOLIDATED FINANCIAL SUMMARY

in thousands of Ghana Cedis	2021	2020	2019	2018	2017
Interest income using the effective interest method	980,671	927,350	912,409	773,270	668,128
Interest expense	(511,124)	(404,479)	(394,303)	(351,641)	(317,096)
Net interest income	**469,547**	**522,871**	**518,106**	**421,629**	**351,032**
Net fees and commission income	51,852	31,505	46,597	69,543	68,063
Net trading and other operating income	224,324	134,229	31,689	28,085	43,137
Operating income	**745,723**	**688,605**	**596,392**	**519,257**	**462,232**
Operating expenses	(325,831)	(317,134)	(267,386)	(229,616)	(188,422)
Net impairment loss on financial assets	(82,375)	(86,843)	(86,066)	(66,735)	(54,947)
Profit before tax	**337,517**	**284,628**	**242,940**	**222,906**	**218,863**
Income tax expense	(114,665)	(70,825)	(69,527)	(69,690)	(65,965)
Profit after tax	**222,852**	**213,803**	**173,413**	**153,216**	**152,898**
Total assets	10,039,979	7,924,586	7,048,498	5,419,299	4,223,138
Total deposits	6,308,385	4,425,958	3,858,984	3,150,053	2,497,623
Loans and advances	2,239,520	2,400,950	2,920,026	2,422,952	1,853,674
Total shareholders' equity	1,286,682	1,132,772	974,787	779,445	672,070
Earnings per share (Ghana Cedis per share)	0.3564	0.3419	0.2772	0.2449	0.2793
Dividends per share (Ghana Cedis per share)	0.1100	0.0890	0.0480	-	-
Number of shares ('000)	626,585	626,585	626,585	626,585	548,262
Return on assets	2.2%	2.7%	2.5%	2.8%	3.6%
Return on equity	17.3%	18.9%	17.8%	19.7%	22.8%
Capital adequacy ratio	25.1%	22.3%	22.7%	16.7%	21.9%
Cost-to-income ratio	43.7%	46.1%	44.8%	44.2%	40.8%

Corporate Information

BOARD OF DIRECTORS:	Joe Rexford Mensah (Chairman) Philip Owiredu (Managing Director) Helen Nankani Nana Otuo Acheampong Rosalind Nana Emela Kainyah Kofi Osafo-Maafo Kweku Baa Korsah Ben Gustave Barth Solomon Asamoah Richard Arkutu Dr. Cynthia Ayodele Forson
COMPANY SECRETARY:	Veritas Advisors Limited Acquah Place 68 Mahogany Crescent Akufo-Addo Residential Area P.O. Box CT 9376, Cantonments. Accra Ghana
SOLICITOR:	Reindorf Chambers 61 Jones Nelson Road Adabraka P. O. Box 821 Accra Ghana
AUDITOR:	KPMG Marlin House 13 Yiyiwa Drive, Abelenkpe P O Box GP 242 Accra Ghana
REGISTRAR:	Central Securities Depository (GH) Limited 4th Floor Cedi House Liberia Road PMB CT 465, Cantonments Accra Ghana
REGISTERED OFFICE:	23 Independence Avenue P. O. Box 14596 Accra Ghana

Board of Directors' Profile

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

Mr. Philip Owiredu
(Managing Director)

Mrs. Helen Nankani
(Independent Non-Executive Director)

Nana Otuo Acheampong
(Independent Non-Executive Director)

Ms. Rosalind Kainyah MBE
(Non-Executive Director)

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

Mr. Richard Arkutu
(Independent Non-Executive Director)

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

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

Mr. Solomon Asamoah
(Independent Non-Executive Director)

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

Mr. Jojo Acquah
Company Secretary
Veritas Advisors Limited

Board of Directors' Profile (Continued)

Mr. Joe Rexford Mensah, age 67, is a corporate banker with extensive banking experience spanning over 35 years in Europe and in Ghana. He was the Chief Executive Officer of Ghana International Bank (GHIB) PLC, UK for 14 years where he was responsible for providing leadership and strategic direction and driving a performance-based culture. Under his leadership, GHIB was set on a growth trajectory to become a leading Sub-Saharan Bank in the City of London. Prior to being appointed CEO, he was the General Manager at GHIB for over 4 years. Mr. Mensah worked as Head of International Banking at the then Trust Bank Ghana and at the Agricultural Development Bank where he introduced the Western Union Service to Ghana for the first time. As Chairman, Mr. Mensah brings to the CalBank board his in-depth knowledge of the Ghanaian economy, the Ghanaian banking sector and private and public sector institutions. He holds a Master's degree in Banking and Finance and a Bachelor's degree in Business Administration. He is a Fellow of the Institute of Directors (UK).

Mr. Philip Owiredu, age 55, joined CalBank in 2004 and rose to assume the position of Managing Director in January 2020. He has overall responsibility for prosecuting the bank's strategic goals and objectives. Over his 16 years at CalBank, he has held various senior roles including Chief Financial Officer/Executive Director for 9 years. As Executive Director, Philip has had oversight responsibility for many of the key functions of the Bank, including business strategy, financial and management accounting and compliance with legal and regulatory requirements. Prior to this, he served as General Manager and also as Financial Controller of CalBank. Philip joined the Bank in 2004 from KPMG where he was responsible for managing various audit assignments. He left KPMG as a Senior Manager after 8 years. As CEO of CalBank, he brings his wealth of valuable experience and expertise in driving forward the Bank's strategy. He is a fellow of the Association of Chartered Certified Accountants (UK).

Mrs. Helen Nankani, age 75, is a Senior Economist who retired from the World Bank after 22 years. She was one of the pioneers of the World Bank's work on Privatization of Public Enterprises, and Private Sector Development. At the World Bank, she managed projects aimed at determining the economic and financial feasibility of private participation in the water sector in South Asia, the Caribbean and Brazil, where she lived for 4 years. Prior to joining the World Bank, she was a consultant at Arthur D. Little Inc., Cambridge, Massachusetts, USA and she also served at The United Nations, New York, USA. Helen was a partner at Financial Development Services, a consulting firm in Arlington, Virginia, USA. She holds a Bachelor's degree from the University of Ghana, Legon and a Postgraduate degree from Harvard University, Cambridge, Massachusetts, USA.

Nana Otuo Acheampong, age 72, is currently a Banking Consultant and a former Executive Head of the Osei Tutu II Centre for Executive Education & Research in Ghana. He was a Senior Lecturer in Finance at the University of Portsmouth in the UK for over a decade and half before returning to Ghana in 2004. He headed the Faculty of Financial Reporting & Investment Banking at the National Banking College. He led the First Module of the Bank of Ghana's Corporate Governance Certification programme for the Boards of Directors for Banks, Savings and Loans Companies, Finance Houses and Financial Holding Companies under the auspices of the National Banking College. He has extensive theoretical and practical knowledge and experience in banking, finance and management. He has led the facilitation of numerous practical training and capacity building programmes for Banks and Deposit Taking Institutions in Ghana. He holds an MSc in Accounting & Management Science from the University of Southampton & a postgraduate diploma in Management as well as an Accounting degree from University of Northumbria at Newcastle.

Ms. Rosalind Kainyah MBE, age 64, is the Founder and Managing Director of Kina Advisory Limited, UK. She is a trusted advisor to global companies on responsible business investment and partnerships in Africa, with decades of experience in corporate and environmental law, government relations, political risk management and sustainability. Rosalind was a corporate lawyer at the international law firm, Linklaters and went on to hold executive positions at De Beers and Tullow Oil PLC. She is Vice Chairperson of the Africa Gifted Foundation; Founding President of the Ghana chapter of International Women's Forum; and on the Advisory Boards of The Boardroom Africa and Invest in Africa. Rosalind has been a Non-Executive Director of the Norwegian oil company, Aker Energy and of GEMS Africa. She holds a BA from the University of Ghana and an LLM from University College, University of London, UK. She was called to the Bar of England and

Wales (Gray's Inn) in 1988 and is a member of the Chartered Institute of Arbitrators. In 2014, Rosalind was awarded an MBE for services to CSR for the benefit of youth in Africa.

Mr. Kweku Baa Korsah, age 61 is a strategy and technology consultant with rich experience in the payment systems industry across East and West Africa. He is the Managing Director of BC Payments Ltd, a Fintech in the payments industry. Prior to this, he has held a variety of leading roles in the payments and fintech space in Ghana. Notably, Mr. Korsah was the Chief Operating Officer at the Ghana Interbank Payment & Settlement Systems (GhiPSS), a wholly owned subsidiary of the Central Bank of Ghana with a mandate to implement interoperable payment system infrastructures for banks in Ghana. He has served as Chief Executive Officer of JMR Infotech Ghana. Mr. Korsah was also Managing Director for Bluechain Africa Ltd, developers of payment technology being rolled out by BC Payments Ltd in Ghana. He also worked as an Internet Marketing Consultant with WSI-Applied Technology. Prior to this, Kweku was a Partner with KPMG Ghana. He is a fellow of the Chartered Institute of Management Accountants, (FCMA), and is a Chartered Global Management Accountant (CGMA). He holds an MSc. in Business Systems Analysis and Design from City University, London, UK.

Mr. Richard Arkutu, age 49, is the co-founder and Managing Director of Sahel Health Ghana Limited, a provider of hemodialysis treatment for end-stage kidney disease and other kidney care services. Mr. Arkutu is a finance professional by background and worked with the International Finance Corporation (IFC), a member of the World Bank Group for 14 years in Infrastructure and Natural Resources Development. Prior to this, Mr. Arkutu was the Vice President of Citibank, Sub-Saharan Africa Corporate Finance and Investment Banking Department, based in Nairobi, South Africa and Lagos over a 4-yearperiod. Mr. Arkutu worked as a Senior Financial Analyst for Ashanti Goldfields Company Limited in their Corporate Finance Department for two and a half years focused on project financing of new mines. He has a Master's in Business Administration Degree from McGill University, Montreal, Quebec, Canada as well as a first degree in Business Economics from Vesalius College, Vrije Universiteit, Brussels, Belgium.

Dr. Cynthia Ayodele Forson, age 60, is currently an Associate Professor in Human Resource Management (HRM) and Organizational Behaviour and Deputy Provost at the Lancaster University, Ghana. Prior to this, she was the Head of Department, Management Leadership and Organization at Hertfordshire Business School. Cynthia's interests focus on the leadership and careers of women in organisations and is particularly interested in the experiences of African women on the continent and in the diaspora. She is lead organiser of the Women Innovator's Network for Africa (WINA), a network of women from six African countries that encourages university-industry collaboration, under Lancaster University's RECIRCULATE project. She has a Bachelor of Laws from the University of Ghana and a Master of Law (LLM) from the University of Pennsylvania, Philadelphia, USA. Dr. Forson has an MBA from the University of Hertfordshire, UK as well as a Doctor of Philosophy (PhD) from Queen Mary University of London, UK.

Mr. Ben Gustave Barth, age 47, is a seasoned, multidisciplinary finance and consulting executive with a proven track record in strategy, risk management and in structuring transactions over the last 20 years. He is currently the Managing Director for Axcero Advisors, a corporate advisory firm, which he founded. Prior to this, he was a Senior Partner (West Africa) with The Highland Group. He also previously served as the COO and VP Finance with Chester Engineers Africa Inc. Mr. Barth was the Director of Business Development at Jonah Capital Limited. He has worked in senior executive roles with the following institutions: Stanbic Bank Ghana Limited as the Regional Operations Head, Ecobank Ghana and Citibank N.A, New York, USA. He has a wealth of corporate governance experience, including NSIA Insurance, where he is the Chairman of the Board and Trust Logistics Limited where he chairs the Board Finance Committee. He has also previously served on the Board of First Atlantic Bank Limited where he chaired the Audit Committee and the Loans and Investment Committees. Mr. Barth has an MBA from the Harvard Business School, USA and a Bachelor of Science in Business Administration from the University of Ghana, Legon.

Board of Directors' Profile (Continued)

Mr. Solomon Asamoah, age 58, has over 25 years of experience in financial transactions and has led over US$4 billion in transactions across the African continent. In his current role as Chief Executive Officer of the Ghana Infrastructure Investment Fund, he oversees origination, structuring and investment into infrastructure-related projects across Ghana. Prior to this, he has held leadership positions at a number of international financial institutions including Vice President for Infrastructure, Private Sector and Regional Integration at the African Development Bank; Deputy Chief Executive and Chief Investment Officer of the Africa Finance Corporation ; Vice President for Private Sector and International Investments at the Development Bank of Southern Africa , and Special Assistant to the CEO of the International Finance Corporation and Managing Director of the World Bank. Mr. Asamoah started his career as an investment banker in the City of London with HSBC Markets. He has a Master's degree in Chemical Engineering from Imperial College in London.

Mr. Kofi Osafo-Maafo, age 52, is the Deputy Director General, Investments & Development at the Social Security & National Insurance Trust (SSNIT), Ghana's national pension fund. Kofi is a seasoned senior investment professional with over 22 years' experience in the UK investment management and investment banking Industry. He has held senior positions at Pictet Asset Management, UniCredit Bank and HSBC Global Asset Management in the UK. He brings to the CalBank board over two decades of investment banking experience across a wide range of sectors including Oil & Gas, Mining, Building & Construction and Agriculture and Chemicals, covering transactions across Europe, North America, and Global Emerging Markets including Africa. He holds an MA (International Business & Finance) from University of Reading, UK and a BSc (Economics) from Queen Mary's College, University of London, UK.

Chairman's Report

Mr. Joe Rexford Mensah

(Chairman)

Introduction

Dear Distinguished Shareholders,

On behalf of the Board of Directors, I'm honored to welcome you to the Annual General Meeting of CalBank PLC for the year ended 31st December 2021.

The Covid-19 pandemic that struck in the early months of 2020, continues to have its profound effects felt in 2021 and beyond. Globally, significant progress has since been made in managing the public health crisis with the speed in which vaccines have been developed and deployed, a testament to the remarkable contributions made by medical science. The path to recovery whilst sanguine, appears long and fraught with some uncertainty. We anticipate that the overall public health and economic effects of the pandemic will continue to be felt for some time.

The Group's response to these unprecedented challenges has been notable and we are exceedingly proud of the ways in which we supported our employees, customers, and communities by keeping all business lines and branches opened throughout the year.

The financial industry hasn't been left unscathed this year from the ripple effects caused by the pervasion of the virus. The Group nevertheless has leveraged the sheer strength of our prudent financial management and corporate governance activities to continue to deliver positive returns.

The extraordinary resilience portrayed by management and staff in the face of daunting challenges made it possible for the bank to end the year 2021 with the achievement of significant milestones set out in the 2021-2023 strategic plan. The bank recognises the pivotal role 2022 plays in the 2021-2023 strategic plan and will not relent in 2022. Management and staff are poised to work harder in 2022 to ensure the achievement of our strategic targets.

Economic Review

Ghana's economy remained resilient amid unsurmountable Covid-19 induced challenges, with overall GDP growth for 2021 expected to exceed the target of 4.4%. The good economic outlook has been contingent on improved business confidence stemming mainly from sound economic policies implemented during the COVID era, stable political environment as well as the implementation of the Covid-19 vaccine roll out plan.

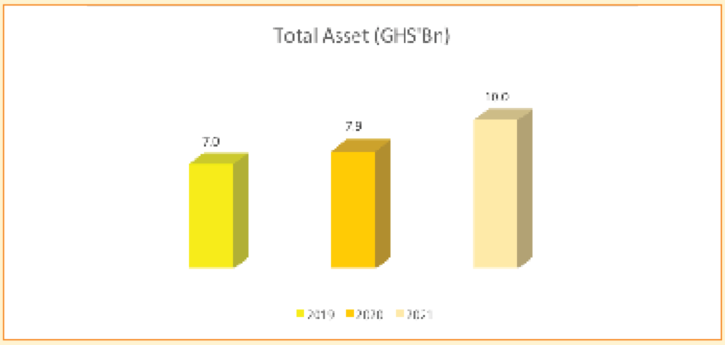
A spike in energy prices globally, combined with supply side constraints caused by the pandemic's effect on the free movement across borders resulted in an upward inflation rate of 12.6% at the end of 2021. The Bank of Ghana raised its policy interest rate by 100 basis points to 14.5% in a bid to curtail rising inflationary pressures during the course of 2021.

The 91 day Treasury bill however trended downwards to end 2021 at 12.5% from 14.1% in 2020. Due to rising import growth and weakening investor sentiment that's driven by Ghana's wide fiscal deficits and rising public debt, the Ghana Cedi lost 4.1% of its value against the United States dollar, 3.1% against the British Pound but appreciated by 3.5% against the Euro.

Financial Review

Ladies and Gentlemen, against an uncertain global recovery and despite fierce competition from both traditional and untraditional sources, CalBank continued to perform strongly. Our performance in 2021 once again demonstrates our ability to deliver substantial, sustained value for our shareholders.

The Group's profit before tax increased by 18.6% from GHS284.6 million in 2020 to GHS337.5 million in 2021. With an increase in effective tax rate, profit after tax grew by 4.2% to GHS222.85 million compared with GHS213.80 million in 2020. Similarly, the Group's total asset grew by 26.7% from GHS7.9 billion in the year 2020 to GHS10.04 billion at the end of the year 2021.



Share Price Performance

The Ghana Stock Exchange recovered from its performance in 2020 to return 43.7 % in its GSE Composite Index. The Financial Stocks Index returned 20.7% with majority of banking stocks showing appreciation in share prices. The bank's share price appreciated by 26% to end 2021 at GHS0.87 per share.

We are proud of our long track record in creating shareholder value. Over recent years, we have simultaneously increased our income, earnings per share, capital ratio and total dividends paid out.

We are optimistic of steady capital appreciation as we continue to improve upon investors' confidence through improved financial performance and consistent engagement of our shareholders.

Capitalisation

At the end of year 2021, the Group retained a strong capital position maintaining the minimum paid up capital of GHS400 million and a regulatory capital of 25.1%. The Group's capital adequacy ratio of 25.1% was above the statutory limit of 13%.

Dividend

In line with regulations of the bank, the Board is pleased to recommend a dividend per share of GHS0.14 subject to approval by the Bank of Ghana, amounting to a total pay out of GHS86.09 million with a pay-out ratio of 40% as compared to the previous average pay-out ratio of 33%. This underscores our resolve to generate superior value for you.

Corporate Governance

As a responsible bank we have a clear and robust governance in place. This is key for guaranteeing a sustainable business model over the long term. Best practices on governance are channeled to all our subsidiaries. The CalBank Board Charter establishes the framework through which our responsibilities are executed and serves as the basis for evaluating our performance.

In the year 2021, training, development and knowledge refreshment programmes have been provided for directors to ensure the proper performance of their duties. Evaluation programmes were also done for the board members to create the opportunity for us to self-reflect, analyse and formally review our performance with the objective of improving our effectiveness and seeking further efficient opportunities for the benefit of the bank.

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

We keep strengthening our corporate governance framework and will further improve its soundness and effectiveness in the coming years. This is key to successfully fulfilling our mission to become a more responsible bank and to address the many challenges we are faced with in today's digital environment.

Changes in the Board of Directors

In accordance with statutory requirements and the bank's regulations, the following Directors, Joseph Rexford Mensah, Solomon Asamoah and Rosalind Nana Emela Kainyah retire by rotation and are eligible for re election. They have consented to being re elected and your Board fully supports this.

There was no change in the structure of the Board of Directors. It has been a privilege to represent shareholders and to work with such an exceptional team across the Board. We look forward to serving you more this year to achieve and exceed all our strategic objectives.

Outlook

The unfolding local economic challenges regarding the Government's urgent need to address the fiscal deficit, revenue generation, rising inflation, interest and exchange rates in the first quarter of 2022, compounded by global economic issues around rising cost of crude oil and increase in interest rates and inflation, there are expected significant headwinds having potential impact on the banking sector.

We however expect the country to rebound from these emerging trends during the year coupled with the worst of the pandemic hopefully over due to the availability of vaccines and booster shots. I look forward to reporting a continuation of the bank's strong performance, supported by the continuous effort by management and employees to achieve and exceed the targets set for 2022.

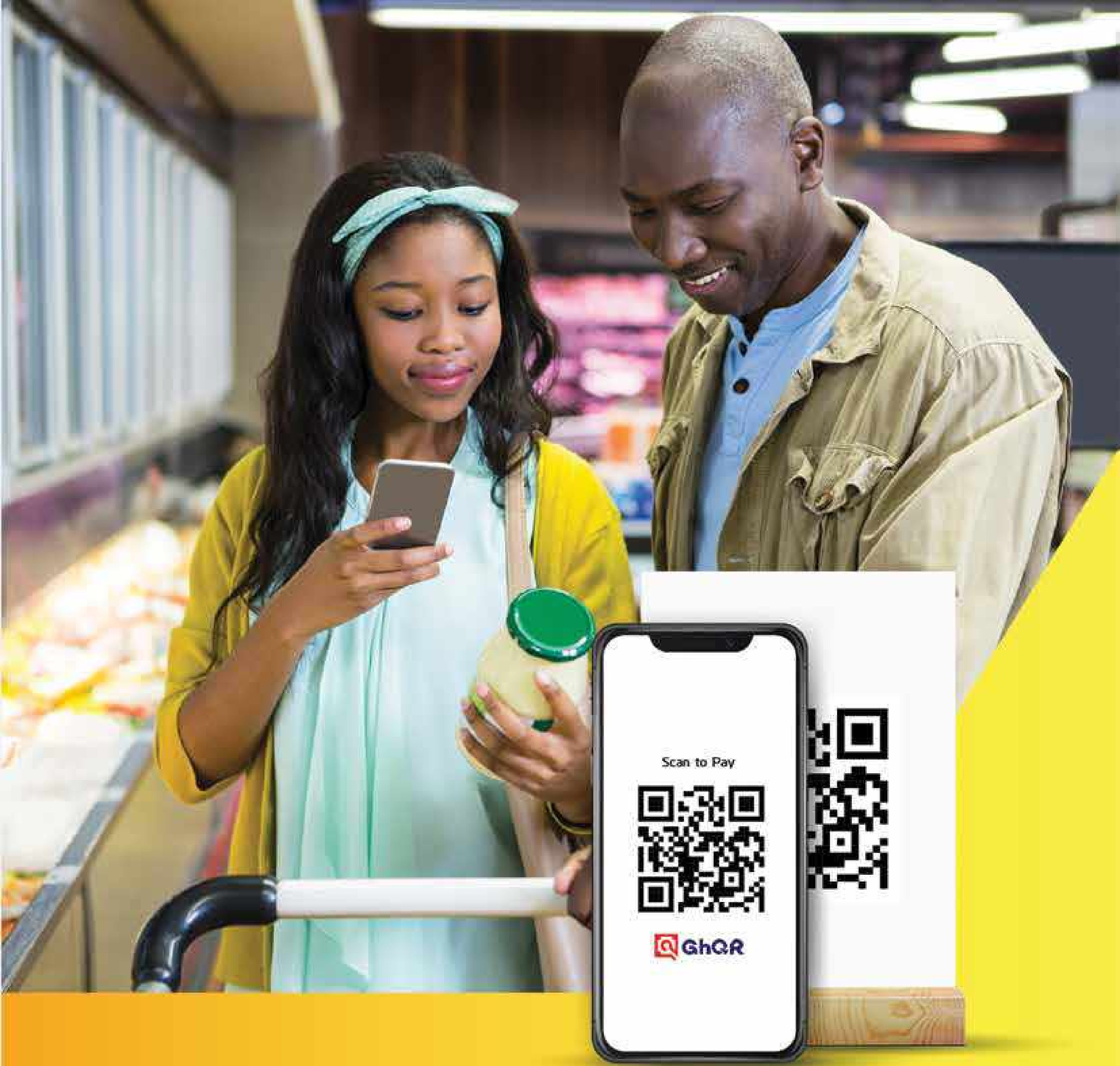
Conclusion

I take this opportunity to thank the management team and everyone in the bank for showing determination throughout 2021 in attaining our results. I also thank the board of directors for their ongoing engagement, counsel and support over the past year, through the wealth of knowledge and experience that they bring to the bank. Finally, I want to thank all shareholders and other stakeholders for the confidence that you have placed in us throughout the years. We are profoundly grateful.

We have laid down the requisite foundation as stipulated in our three-year strategic plan and have the capital, required partnerships, and the team to realise our ambitions for the long term.

We count on your continuous support to move and go forward together.

Joe Rexford Mensah
Chairman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Managing Director's Report

Mr. Philip Owiredu

(Managing Director)

Introduction

Dear shareholders, it is my pleasure to present to you my report on the Group and Bank's 2021 performance which demonstrates our resolve to churn out profitable returns for you amid a challenging environment.

The ramifications of the Covid-19 pandemic on the global economy cannot be overemphasized as nations are still struggling to contain the impact of the virus on their economies. Developed nations are facing record negative macroeconomic indicators such as hikes in inflation arising out of surges in commodity prices, supply side constraints and pandemic related supply chain disruptions. Nonetheless, the availability of vaccines and booster shots makes us optimistic of an adaptable normal world in the not-so-distant future even though rapid mutation of the virus into variants such as Delta and Omicron threaten to stall progress being made.

Ghana and many developing nations have not been left unscathed from the rampaging corrosion of economic activities caused by the Covid-19 pandemic. Erratic movements in the commodity prices such as fuel has impacted almost every facet of the economy. The economy however rallied from the contraction in 2020 and it's expected to end 2021 with a 4.4% growth in Gross Domestic Product (GDP). This was largely supported by a revamp in economic activity as well as government's roll-out of Covid-19 stimulus packages.

The country saw a 1.8% growth in exports mainly as a result of the 36% increase in oil exports arising from the 48.9% increase in oil prices from USD50.2 per barrel in 2020 to USD74.8 per barrel in 2021. Prices of the other major commodities declined over the period. While gold prices declined by 3.6% to close at US$1,790.9 per fine ounce at the end of 2021, cocoa prices fell by 3.8% to close at $2,482.0 per tonne. The 9.7% rise in total imports propelled by a moderate rise in household consumption and business activity compared with the 1.8% growth in export narrowed the balance of trade to 1.5% of GDP compared to 3% at the end of 2020. Government revenue failed to keep track with expenditure, ballooning the fiscal deficit to a projected 9.7% of GDP, exceeding the target of 9.4% of GDP.

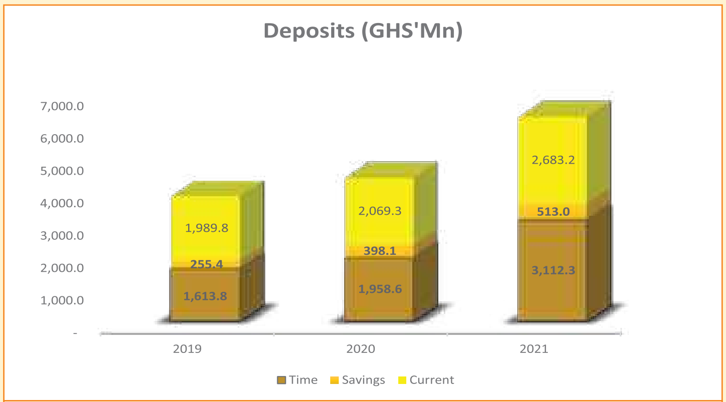
Supply side price pressures characterised by high food prices, increasing commodity prices and supply chain disruptions elevated inflation rate to end 2021 at 12.6%, missing the inflation target range of 8.0% +/- 2%. The Monetary Policy Committee (MPC) of the Bank of Ghana increased the policy rate by 100 basis point to 14.5% in a bid to halt the rising inflation rate in 2021. The Ghana Cedi was stable for most of the first half of 2021 but weakened thereafter, owing mostly to an increased demand for foreign currency spurred on by increase in imports by the 2nd half of the year. The Ghana Cedi's value depreciated by 4.1% against the United States Dollar, 3.1% against the British Pound, however it appreciated by 3.5% against the Euro.

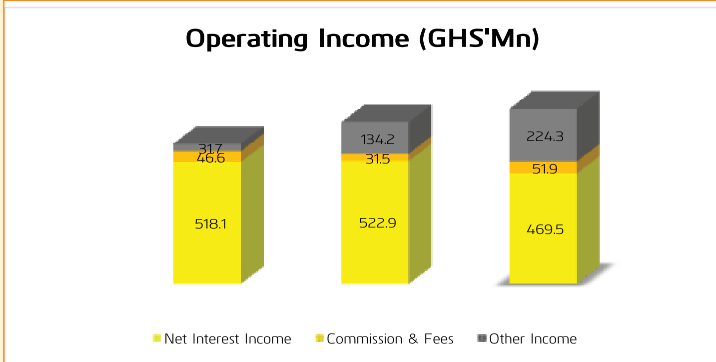
The economic indicators of Ghana in 2021 showed a turnaround from the difficult period through 2020. Real GDP growth is expected to rise to 5.9% in 2022, on the back of increased demand, relaxation of Covid-19 restrictions and the implementation of additional government policy interventions expected to revamp activities in all spheres on the Ghanaian economy.

Financial Performance

The Group continues to realise improvements in its financial performance through the execution of the various initiatives enshrined in the three-year strategy which commenced in 2021.

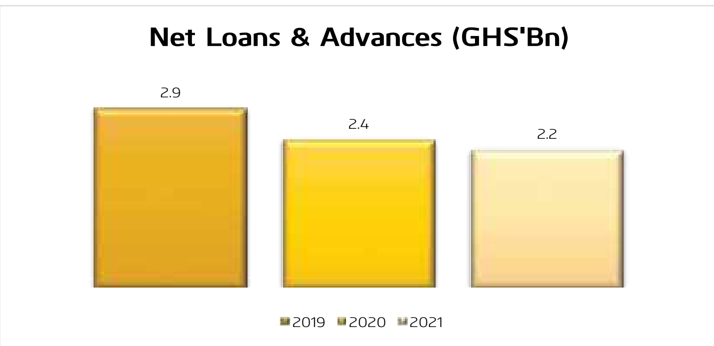
The Group's balance sheet increased by 26.7% from GHS7.9 billion to GHS10.04 billion. The growth in balance sheet is mainly attributed to our intensified efforts to grow our deposits which resulted in a 42.5% increase in total deposits from GHS4.4 billion in 2020 to GHS6.3 billion at the end of 2021. The 42.5% growth in total deposit has effectively increased the deposits proportion of our funding mix from 67.8% to 74.0% to place the bank on an opportune pedestal for significant growth.

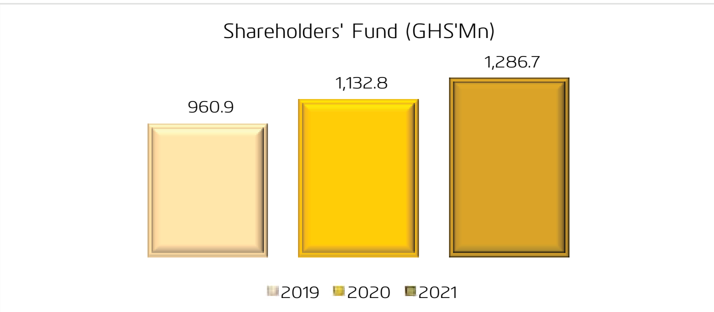




The Group's profit before tax of GHS 337.5 million was 18.6% above prior year and consequently the Group's profit after tax increased by 4.2% above prior year from GHS 213.8 million to GHS222.9 million. The muted growth in profit after tax is as a result of the imposition of the 5% financial sector clean up levy and impact of deferred tax resulting in an effective tax rate of 34% compared to 25% in 2020. An increase in operating income of 8.3% arising out of an increase in interest income, trading income, and prudent cost management accounted for the growth in the Group's profit.

During the year under review, we continued to deepen our partnerships to secure additional funding of USD53 million to finance our lending activities. This reflects our continued attraction to partners who are willing to make available funding to meet our customer needs.





Ladies and Gentlemen, we have not reneged on our desire to support our customers by adhering to the provisions of the temporary debt-service relief and interest rate reductions of those whose cashflows have been adversely affected by the Covid-19 pandemic. Even though we disbursed new facilities during the year, loan retirements by some clients and some sell-downs were significant enough to cause our net loans advances to decrease by 12.51% to GHS2.1billion from the 2020 value of GHS2.4billion. Our provision for credit losses also decreased by 11.0% from GHS239.6million in 2020 to GHS213.4 million in 2021.

There are still companies in sectors such as real estates and hospitability that are yet to fully recover from the pandemic. We continue to work with these companies by providing the necessary financing and business support to sustain their businesses. We remain resolute to working assiduously to improve the asset quality of the bank, which is reflected in the decline of our non-performing loans ratio from 13.5% in 2020 to 11.2% in 2021.

The bank is committed to maintaining a strong capital base to protect shareholder interest, enhance our capacity to serve our customers, foster investor confidence and to allow us absorb current and future risks attendant with the business of banking. This is evident in the attainment of a capital adequacy ratio of 25.1%, above the regulatory minimum of 13% as at the end of 2021.

Operational Performance

There is no gainsaying in affirming the appeal of digital banking as the preferred mode of banking compared to the traditional banking in the current digital world. CalBank PLC has ensured it has fully immersed itself in the digital revolution and we have provided and upgraded our diverse innovative digital offerings through the internet, apps, point of sale terminals and other electronic platforms. Pursuant to our strategy of increasing our physical presence to more of the unbanked populace, the bank opened four new branches in Madina, Cape Coast, Techiman and Koforidua in 2021. Additionally, we reorganised our operational structures with a focus on retail banking to ensure full optimisation of our service delivery network to create value and convenience.

During the year, we affirmed our commitment to innovation and customer centricity by developing and deploying new products such as Ecofridges, consumer scheme loans, CalBank Universal Motors auto loan and snap cash which were carefully developed to enhance customer convenience and experience. Also, in support of our customer centric agenda, we enhanced the operations of our customer experience hub with a-round-the-clock service delivery mandate to ensure superior customer service experience for our customers.

We have not been oblivious to the pertinent cyber threats that we face on the back of the evolution of digital banking. We value the need to have a robust security architecture in place to protect our customers' electronic transactions and increase their confidence when transacting on our digital platforms. The bank proactively monitors and manages the risks, constantly updates and refines programmes as threats emerge to minimise disruptions and keep systems and information protected. Investments in controls to further improve the bank's security posture continues.

We are pleased to inform you that we have successfully re-certified as Payment Card Industry Data Security Standard (PCI DSS) compliant and have been awarded the PCI DSS Version 3.2.1 Certification. This attests to the effectiveness of the bank's cybersecurity capabilities in defending the bank against potential threats to keep the financial ecosystem secure and in line with the evolving threat landscape.

We completed our Security Operations Center (SOC) during the review period. This is expected to enhance our information security posture, in accordance with the cyber and information security directive of the Bank of Ghana.

We continue to prioritise the health and safety of both customers and employees by putting in place the Covid-19 protocols (monitoring of temperature, social distancing, provision of hand sanitizers and compulsory mask mandate) at all our locations and at all service delivery points. The bank embarked on a vaccination drive for our employees and successfully oversaw the administration of all required doses of the vaccines for most of our employees. These efforts are aimed at protecting our human capital and customers on our premises.

We acknowledge the need to foster a collaborative relationship with our customers and communities by organising thought leadership webinars in the course of 2021 such as the webinar on the subject Surviving Today to Thrive Tomorrow in conjunction with IFC and investing Towards Your Retirements. These webinars were all intended at unlocking the path for our customers to achieve greater financial stability. In furtherance to the bank's goal of empowering women entrepreneurs, we organised a Business-to-Business (B2B) meetings in Turkey, Israel and Dubai aimed at providing networking and business opportunities to our clientele.

CalBank PLC picked two prestigious awards at the International Business Magazine Awards held in September 2021. The bank was recognised for Best Banking Solutions, Ghana and for having the Most Innovative Banking App in Ghana at the awards. These awards are a testament of our dedication to excellence in all that we do and also spur us on to do more in delighting our customers.

In contributing to a green planet, CalBank PLC in partnership with SUNREF has designed a special purpose financing programme to enable Ghana to seize the opportunities of going green. This partnership is expected to positively impact our customers through cost savings from improved use of energy efficient equipment and adoption of renewable energy practices aimed at reducing climate change risks.

Regulation

To further enhance the performance and effectiveness of the banking sector, the Bank of Ghana issued some directives in 2021 pursuant to the Banks and Specialized Deposit Taking Institutions Act, 2016 (Act 930). These include:

The Unclaimed Balances and Dormant Accounts Directive issued in February 2021 to establish processes and procedures for reclaim of funds by dormant account holders or their legal representatives. The guidelines also ensure funds of customers of regulated financial institutions that become dormant are adequately protected;

The Mergers and Acquisitions Directive in August 2021. This Directive is aimed at operationalising relevant sections of Act 930 pertaining to mergers and acquisitions by providing guidance on the processes and procedures for evaluating applications for mergers and acquisitions. Also, this directive has been set out to ensure that the merger or acquisition does not adversely affect competition and the stability of the financial system; and

Risk Management Directive in November 2021. This Directive requires Regulated Financial Institutions to have systems for identifying, measuring, evaluating, controlling, mitigating and reporting material risks that may affect its ability to meet its obligations to depositors and other stakeholders.

The Bank of Ghana also issued the following guidelines:
The Guidelines for Domestic Processing of Payment Card Transactions with payment cards issued in Ghana in July 2021. This guideline seeks to promote the domestic processing of payment card transactions to curb the high cost associated with the offshore processing to increase its availability and use; and

A policy brief on Dud Cheques issued in October 2021. The brief detailed out new applicable sanctions on offenders in addition to the criminality of the offence of issuance of dud cheques under section 313(A) of the Criminal Offences Act, 1960 (Act 29). The seven (7) new sanctions ranging from warnings to being banned from issuing cheques for specific time periods, to deter potential offenders.

The bank has fully complied with all the relevant directives applicable to our operations.

Corporate Social Investment

We are committed to making a difference in the lives of the people who are impacted by our business, and to creating meaningful impact every day through our work and relationships to the communities that we serve. These impactful social activities included the following:

CalBank PLC commissioned a three-unit classroom block for the Hodze-Ve Junior High School in the Volta Region. The project is poised to benefit the students in the Hodze-Ve Junior High School as well as its surrounding communities. The three-unit classroom block also includes a fully furnished computer laboratory with twenty computers to support and equip them with the required ICT skills needed to become competitive in this increasingly digital world.

We continued to support the improvement of sports in the country with a donation to the Ghana Beach Soccer Association as sponsorship of the National Beach Soccer Team preparations.

We also donated laptops for needy students of the Kwame Nkrumah University of Science and Technology.

Managing Director's Report (Continued)

These are amongst the various donations in fulfilment of our Corporate Social Investment hinged on two pillars: health and education.

Subsidiaries

Ladies and Gentlemen, our subsidiaries realised significant growth and turned out sterling financial results that has significantly impacted the Group's overall performance.

CalAsset Management Limited contributed a total of GHS9.11million to the group's profitability, representing 4.1% of the Group's profit after tax in 2021, compared to 2.8% in 2020. Funds under management by the Group increased to GHS2.01 billion from GHS1.49 million in 2020, an increase of 34.9%.

Cal Nominees Limited which manages the Bank's custody offering, increased its assets under custody by 26.92% to GHS3.3 billion from GHS2.6 billion at the end of 2021 attributable to increased volumes of business from existing and new clients.

Prospects

The year 2021 was characterised by slow economic growth globally with concomitant impact on our local economy largely arising from the continuous ravaging effect of the pandemic on individuals and businesses. Management and staff demonstrated remarkable resilience and resourcefulness as we embraced new ways of working. Scientific breakthroughs in the availability of vaccines give us an optimistic outlook that the worse impact of the pandemic is almost behind us. We therefore expect the pace of growth to improve supported by the fiscal and budgetary hurdles that have to be surmounted by government.

We enter 2022 in excellent shape and with strong growth momentum. We will remain resilient and forge ahead to expand and grow our capacity to cater for the needs of our customers and stakeholders. The bank is well poised to attain the various objectives outlined in its strategy to enhance stakeholder value and build on its digital agenda and continue to innovate.

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

May God bless us all.

Philip Owiredu
Managing Director

Paying for Government Services? No Problem!

Walk into any CalBank branch or use any of our online channels (Mobile App, Short Code *771# or CalNet) and pay with ease through the **Ghana.Gov platform.**

Services

Ghana Revenue Authority

- Customs Duty
- Personal Tax
- Corporate Tax
- Value Added Tax
- Withholding Tax
- Special Petroleum Tax (SPT)
- Other GRA Taxes

Ministry of Local Government & Rural Development

- Property Rate
- Ground Rent
- License fees
- Permit fees

Ministry of Foreign Affairs

- Passport Application Fee

Registrar General's Department

- Business Set-up Fees etc.

GSA Ghana Standards Authority

- License fees

Ghana Tourism Authority

- All tourism levies

Forward Together

Contact us toll free on **0800 500 500** or visit www.calbank.net

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CalBank

Report of the Directors to the Members of CalBank PLC

The Board of Directors has the pleasure to submit this report of the Bank and Group for the year ended 31 December 2021.

Statement of Directors' Responsibilities

The directors are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view of CalBank PLC, comprising the statements of financial position as at 31 December 2021, the statements of comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). In addition, the directors are responsible for the preparation of the report of the directors.

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

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

Statement of affairs of the Bank and Group

in thousands of Ghana Cedis	2021		2020	
	Bank	Group	Bank	Group
Total operating income	729,600	745,723	675,807	688,605
Profit before income tax	325,674	337,517	275,141	284,628
Profit after income tax	215,239	222,852	206,969	213,803
Shareholders' funds	1,257,678	1,286,682	1,111,934	1,132,772
Total liabilities	8,754,700	8,753,297	6,791,481	6,791,814
Total assets	10,012,378	10,039,979	7,903,415	7,924,586
Basic earnings per share (Ghana pesewas per share)	0.3441	0.3564	0.3304	0.3419
Diluted earnings per share (Ghana pesewas per share)	0.3441	0.3564	0.3304	0.3419
Net assets per share (GH¢)	2.01	2.05	1.77	1.81

Financial report

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

in thousands of Ghana Cedis	2021		2020	
Financial Results	**Bank**	**Group**	**Bank**	**Group**
Profit for the year ended 31 December	325,674	337,517	275,141	284,628
From which is deducted taxation of	(110,435)	(114,665)	(68,172)	(70,825)
giving a profit for the year after taxation of	**215,239**	**222,852**	**206,969**	**213,803**
to which is added balance on retained earnings brought forward (excluding amounts transferred to Regulatory Reserves) of	227,273	248,695	174,819	189,473
leaving a balance of	**442,512**	**471,547**	**381,788**	**403,276**
Revaluation gain on disposed PPE	1,710	1,710	–	–
Transfer from/(to) credit risk reserve	40,066	40,066	(40,066)	(40,066)
Transfer of emplyee benefit reserve	–	–	(6,941)	(7,091)
Transfer to regulatory statutory reserve	(53,810)	(53,810)	(51,742)	(51,742)
giving a cumulative amount available for distribution of	**430,478**	**459,513**	**283,039**	**304,377**
less dividend	(68,924)	(68,816)	(55,766)	(55,682)
leaving a balance on retained earnings carried forward of	**361,554**	**390,697**	**227,273**	**248,695**

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

Nature of Business

The nature of business of the Group is as follows:

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

Substantial Shareholders

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

Retirement and Re-Election of Directors

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

Subsidiaries

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

Report of the Directors (Continued)

Associates

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

Particulars of entries in the Interests Register during the financial year

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

Corporate social responsibility and code of ethics

A total of GHS1.05 million (2020: GHS1.08 million) was spent under the Bank and Group's social responsibility programme with key focus on education, health, financial inclusion, and others.

Capacity building of directors to discharge their duties

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

Auditor and audit fees

In accordance with Section 139(5) of the Companies Act, 2019 (Act 992), KPMG will remain in office as auditor for the Bank and Group. The audit fee for the year 2021 is GHS670,000.

Going concern

The Board of Directors have made an assessment of the Bank and Group's ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future except for CalBrokers Limited that resigned from the Ghana Stock Exchange on 13 December 2019. The Group is seeking the necessary regulatory approvals in order to wind up CalBrokers Limited. Furthermore, the Directors are not aware of any material uncertainties that may cast significant doubt upon the Bank and Group's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

Dividend

The Directors recommend the payment of a dividend of GHS0.14 (2020: GHS0.110) per share subject to approval by the Bank of Ghana, to be paid to members.

Acknowledgement

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

Approval of the report of the directors

The report of the directors of CalBank PLC, was approved by the board of directors on 25 February 2022 and signed on their behalf by:

Philip Owiredu	**Nana Otuo Acheampong**
Director	Director

Corporate Governance Report

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

CalBank Plc (the "Bank"), which is the parent company of the Group, has CalAsset Management Limited, CalBank Nominee Limited, CalTrustee Company Limited, and CalBrokers Limited (Resigned from the GSE) as subsidiaries, each subsidiary company having an independent Board of Directors.

Compliance and Regulations
Compliance with applicable legislation, regulations, standards, and codes remains an essential characteristic of the Group's culture. The Board of Directors of the Bank monitors compliance with these by means of management reports. Information on the outcomes of any significant interaction with key stakeholders such as the Bank's regulators is also provided to the Board.

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

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

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

The Bank of Ghana issued an Exposure Draft on Corporate Governance Disclosure Directive in November 2021. The bank will comply when it becomes effective.

Annual Certification
- The Board has independently assessed and documented the corporate governance process of CalBank PLC as effective and has successfully achieved its objectives.
- Directors are aware of their responsibilities to the institution as persons charged with governance.

All directors of the Bank completed their Corporate Governance Director Certification Programmes for 2021

The certification program covered the following topics;
- Operational risks for boards in financial Institutions
- Fintech development for banks

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

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

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

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

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

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

Meetings of the Board are held quarterly, with an additional meeting to consider Group strategy, additional meetings are convened if necessary. All Directors are provided with comprehensive Board meeting documentation with adequate notice prior to each scheduled meeting.

Board Members	Board Sitting	Audit Comm	Risk Comm	IT Governance, Cyber & Information Security Comm	Credit Comm	Governance & Compensation Comm	Other
Joseph Mensah	4/4	N/A	N/A	N/A	N/A	6/6	8/8
Philip Owiredu	4/4	N/A	4/4	4/4	N/A	6/6	8/8
Rosalind Nana Emela Kainyah	4/4	N/A	4/4	N/A	N/A	6/6	8/8
Nana Otuo Acheampong	4/4	5/5	N/A	N/A	6/6	6/6	8/8
Helen Nankani	4/4	5/5	4/4	N/A	N/A	N/A	8/8
Richard Arkutu	4/4	N/A	4/4	4/4	6/6	N/A	8/8
Kofi Osafo Maafo	4/4	5/5	4/4	N/A	N/A	3/6	8/8
Kweku Baa Korsah	4/4	5/5	N/A	4/4	N/A	N/A	8/8
Ben Gustave Barth	4/4	N/A	4/4	N/A	6/6	6/6	8/8
Solomon Asamoah	4/4	5/5	N/A	3/4	3/6	N/A	7/8
Cynthia Ayodele Forson	4/4	N/A	N/A	4/4	N/A	6/6	8/8

Board effectiveness review

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

As outlined in the Board Charter and in accordance with good corporate governance directive 2018, the Board has constituted committees in the areas of Audit, Risk Management, Cyber and Information Security, Credit, and Governance and Compensation, to assist with the execution of the various responsibilities of the Board.

Internal control systems

The directors have overall responsibility for the Group's internal control systems and annually reviews their effectiveness, including a review of financial, operational, compliance and risk management controls. The implementation and maintenance of the risk management and internal control systems are the responsibility of the executive directors and other senior management. The systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and to provide reasonable, but not absolute, assurance against material misstatement or loss. The directors have reviewed the effectiveness of the internal control systems, including controls related to financial, operational, and reputational risks identified by the Group as at the reporting date and no significant failings or weaknesses were identified during this review.

Changes in the Constitution of the Board

There was no new appointment to the board during the year under review. However, a third of the directors are required to retire at each Annual General Meeting and may offer themselves for re election in accordance with the Companies Act 2019 (Act 992). If recommended by the directors, the Board then proposes their re election to shareholders. The following Directors, Helen Nankani, Richard Arkutu and Ben Barth retired by rotation during the review period and were re-elected having consented to being re-elected. The term of non executive directors is governed by the Bank of Ghana directive on corporate governance, which limit the maximum period for non executive director to nine years.

Board Evaluation

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

Performance Criteria for Assessing the Effectiveness of the Board

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

- Board processes
- Board effectiveness
- Board structure
- Evaluation of Chairman
- Evaluation of Managing Director
- Evaluation of self

Report on Board Evaluation

The Board conducts a periodic self evaluation to assess itself against its objectives. The aim of the evaluation is to assist the Board in improving its effectiveness. The evaluation process affords individual Board members the opportunity to evaluate the Board as a whole, as well as their own performance, and to make recommendations for areas of improvement. The last external evaluation of the Board was conducted by the Sirdar Group, the next review is due in 2022.

The four key pillars under the evaluation exercise were: Purpose, Performance, Sustainability and Conformance.
Specific areas covered were Strategy and Direction, Organisational Culture, Effective Leadership, Stakeholder Engagement, Shareholder Returns, Risk Management and Compliance, Financial Results and Evaluation and Improvement.

Board Committees

To bolster its corporate governance, the Board has in place the following committees: Audit, Risk Management, IT Governance Cyber and Information Security, Credit, Governance and Compensation.

Audit Committee

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

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

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

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

External Auditor

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

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

During the review period, KPMG was engaged to assist the Bank to undertake an Enterprise Risk Management assessment as part of the process to enhance the Bank's existing risk culture. As part of the assignment, KPMG assisted with revising the Bank's Risk Appetite Framework which is designed to set the Bank's risk profile and forms part of implementing the Bank's strategy in relation to the Bank's risk capacity. The engagement is continuing to ensure the Bank attains the requisite maturity level as per acceptable industry standards. Total fees paid to KPMG for non-audit services in 2021 amounted to GHS 399,251.

Internal Auditor

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

The roles and responsibilities

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

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

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

Risk Management Committee

The Risk Management Committee is made up of six members with legal, finance, economics, banking and investment expertise

The Risk Management Committee membership includes five non executive directors and one executive director. The Committee is chaired by Mr. Ben Barth with the following as members, Mr. Kofi Osafo Maafo, Ms. Rosalind Kainyah, Mr. Richard Arkutu, Mrs. Helen Nankani, and Mr. Philip Owiredu as an ex officio member.

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

The Committee's core functions are:

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

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

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

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

IT Governance, Cyber and Information Security Committee

The IT Governance, Cyber and Information Security Committee has five members who are well resourced in the areas of technology, banking, legal, human resource management, and finance.

The Committee is chaired by Mr. Kweku Baa Korsah and has Mr. Solomon Asamoah, Mr. Richard Arkutu, Dr. Cynthia Forson and Mr. Philip Owiredu as members.

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

The Committee's core functions are:

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

Credit Committee

The Credit Committee is a four-member committee with extensive knowledge in banking and finance.

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

The Committee is chaired by Mr. Richard Arkutu and has Nana Otuo Acheampong, Mr. Ben Barth and Mr. Solomon Asamoah as members.

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

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

Governance and Compensation Committee

The Governance and Compensation Committee is composed of members with banking, finance, legal, human resource, and organizational behaviour management competencies.

The Committee is chaired by Ms. Rosalind Kainyah and has Nana Otuo Acheampong, Mr. Ben Barth, Dr. Cynthia Forson, Mr. Joe Mensah as members and Mr. Philip Owiredu as an ex officio member.

The objectives of the Governance and Compensation Committee is to review the appointments and compensation of the executive and senior management and make recommendations to the Board for their consideration and approval. During the year the Committee met twice and discussed the remuneration structure and recommended it for the Board's approval.

The charter of Governance and Compensation Committee vest the Committee the following responsibility in the Appointment and Reappointment of Directors:

- Coordinating the process of identifying individuals qualified to become Board members and recommending such individuals to the Board for nomination for election to the Board,
- Determine criteria, objectives and procedures for selecting Board members, including factors such as independence, diversity, age, future succession planning, integrity, skills, expertise, breadth of experience, knowledge about the Company's business and industry, and willingness to devote adequate time and effort to Board responsibilities in the context of the existing composition and needs of the Board and its committees and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment.
- Shall ensure that on appointment to the board non executive directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside board meetings.
- At the annual general meeting (AGM) of the bank each year, one third (or the number nearest one third) of the directors (excluding the Managing Director) shall retire from the Board and shall be eligible for re election by the shareholders if they have not exhausted their tenure under the Corporate Governance Directive (2018) and have not been disqualified from holding the office of director for any other reason. The directors eligible to retire at each AGM shall be the directors who have served longest in office since their appointment or last election.
- Formal motions for the reappointment of eligible directors shall be individually tabled at the annual general meeting and voted on by the shareholders. A motion for the re election of a retiring director shall be passed by an ordinary resolution of the shareholders.

Remuneration philosophy

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

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

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

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

Remuneration structure

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

Board member's remuneration is reviewed by the Governance and Compensation Committee and approved by the full Board and shareholders.

Executive director
The executive director receives a remuneration package and qualifies for long term incentives on the same basis as other employees. The components of their package are as follows:

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

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

Management
The terms and conditions of employment of managers are guided by the labour laws in Ghana and are aligned to best practice. Managerial remuneration is based on a total cost to company structure comprising of a fixed cash portion, compulsory benefits including medical aid and long service award and optional benefits. Market data is used to benchmark salary levels and benefits which are reviewed annually. For all employees, performance related payments have formed a significant proportion of total remuneration. All employees (executives, managers, and general staff) are individually rated on the basis of performance and potential and this is used to influence actual performance related remuneration.

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

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

The Group policy on the appointment of Directors remains in strict adherence to the Bank of Ghana's fit and proper person directives and, under Section 72(1) of the Company's Regulations and section 88(1) of the Company's Regulations who being eligible, offers herself for re election.

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

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

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

During the year under review, training sessions were organised for the directors to build their capacity. This included the following relevant topics:

- Whistle blowing policy
- Features of the AML system
- Benefits of the AML system to the bank
- Upgrade of the AML system and its importance
- Overview of money laundering, terrorist financing and proliferation of weapons of mass destruction
- Customer due diligence and enhanced due diligence
- Overview of data protection
- Green crime – a predicate offence of money laundering
- Green crime in financial systems
- How to detect green crime money laundering
- KYC/CDD - customer identification
- KYC/CDD - failure to provide information
- Transaction laundering and typologies
- Red flags for funnel accounts used to launder money
- Identity theft for money laundering
- What is suspicious transaction and when should it be filed
- Identifying suspicious transaction and reporting confidentiality of suspicious transactions reports

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

- Creating a strong password
- Identifying red flags in phishing emails
- How to protect mobile devices
- Social media precautions

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

Related Parties Transactions

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

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

Plan for succession

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

Conflict of Interest

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

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

Each director is required to fully disclose to the Board any (private) interest, industrial or other, which he/she may directly or indirectly hold or be related to, and which becomes the subject of Board action and shall refrain from voting on any matter relating thereto.

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

At no time during the year did any director hold a material interest in any contract of significance with the Bank or any of its subsidiary undertakings. The Group is not party to any significant agreements that would automatically take effect, alter, or terminate following a change of control of the Bank. The Bank has established a robust process requiring directors to disclose proposed outside business interests before they are entered. This enables prior assessment of any conflict or potential conflict of interest and any impact on time commitment. The Board reviews actual or potential conflicts of interest annually. Authorisations are reviewed annually by the Board to consider if they continue to be appropriate, and to revisit the terms upon which they were provided. The Board is satisfied that our processes continue to operate effectively.

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

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

Ethics and Professionalism

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

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

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

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

Material issues facing the Bank

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

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

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

Philip Owiredu
Director

Nana Otuo Acheampong
Director

Sustainability Report

GREENING FOR GOOD

With our hands now on the green plough, there is no turning back. Through years of practice and experience, we know that sustainable banking is a business imperative worth committing to. We acknowledge that it is possible to balance economic objectives with environmental and social responsibility. Evidently, the business merits outweigh the difficult learnings and challenges we experienced in the early days of our sustainability journey. However, we are rolling on with principles of accountability and transparency as we challenge ourselves to live the green culture across the Bank. We are optimistic that our little green shoots today will confirm our vision of a truly sustainably balanced business tomorrow.

CalBank is proud to announce that it will publish its first standalone Annual Sustainability Report for the year 2021. The report will cover the economic, social, environmental and governance performance reporting for 2021. We are proud of this achievement as we step into the future with confidence in our pursuit of fairness, responsibility, and transparency.

2021 saw CalBank make a giant leap into sustainable banking as we galvanised human and financial resources to take our environmental and social responsibilities to the next level. During the year, we introduced the new role of Sustainability Manager to our sustainability implementation team.

In another development, we expanded the scope of our environmental and social management beyond our clients' business activities to cover our own internal footprint. We are now revising our credit environmental and social risk policy and developing a new Sustainable Banking Framework.

We allocated significant resources to provide training and workshops for working teams, we stepped up our activities in data gathering, data analysis, environmental and social performance monitoring and reporting, and external stakeholder engagements.

Under the leadership of the Bank's Risk Department, we enlisted the expertise of external experts to develop our first ever sustainable banking strategy which includes our strategic environmental, social and governance objectives and milestones.

Internal inclusivity was critical as members of executive management, head office and branch staff worked tirelessly to realise these improvements. Finally, our Board of Directors who are ultimately accountable for sustainability systems management and performance, reviewed and approved all the ensuing documents. More details of our sustainability performance and activities will be reported in our standalone 2021 Sustainability Report.

SUSTAINABILITY LEADERSHIP AND COMMITMENT

CalBank recognizes the power and pervasiveness of adverse consequences of climate change and global warming. We acknowledge that these events may undermine food systems, physical assets, infrastructure and natural habitats and these disruptive physical impacts may give rise to risks and opportunities in the economy. CalBank can play a central role in these social and economic dynamics as economies worldwide adapt and adjust to sustain life on our planet.

We have allocated resources to address these environmental & socio-economic concerns by promoting responsible banking products, managing environmental risks and impacts, and engaging responsibly with internal and external stakeholders.

Our new sustainable banking policy was approved by the Board on February 3rd 2022 and clearly expresses the Bank's commitment to sustainability principles and practises in its business operations. The policy underpins the Bank's approach to managing environmental and social risks and opportunities. The Bank commits to integrate environmental, social, and governance considerations into its business strategy and decisions, and to leverage governance structures such as the Board of Directors and the Internal Audit Department to ensure accountability.

SUSTAINABLE BANKING STRATEGY

CalBank acknowledges that our long-term success depends on the long-term prosperity of the society we serve. We have committed to continuously adapt our products, services and activities to make a positive impact on our clients, the communities in which we operate and on our environment. We further commit to be an active player in accelerating the transformations necessary to achieve the Sustainable Development Goals (SDGs) and the Paris Climate Agreement.

Sustainability governance is led at the Board of Directors level through the Risk Management Committee and is implemented at the executive management level using dedicated policies, strategic plans, and operational procedures.

Our Sustainable Banking strategy is based on four sustainability imperatives namely:

Imperative 1	Climate Governance
Imperative 2	Green Products
Imperative 3	Sustainable Operations
Imperative 4	Risk Management

Each of these four sustainability imperatives has defined indicators and milestones for monitoring, review, and continual improvement of our sustainability performance.

ENERGY EFFICIENCY INITIATIVES

In order to improve energy efficiency, the Bank installed central temperature control devices at its new Head Office green building (EDGE Certified). The new installation improves the cooling system's efficiency, reduces the frequency and cost of repairs and prolongs the life of the cooling units.

Further energy efficiency was achieved when the lighting systems at twelve (12) branches were changed to LED lights, LED lighting systems are now installed in twenty (20) of our thirty three (33) branches.

GREEN PRODUCTS AND SERVICES

In alignment with the Sustainable Development Goals 7 ("Ensure access to affordable, reliable, sustainable and modern energy for all") and 13 ("Take urgent action to combat climate change and its impacts"), the Bank has made considerable progress in its Green Finance products initiatives by actively providing affordable financing options for Renewable Energy and Energy Efficiency projects.

Our flagship program, launched in August 2021, with Agence Francaise de Developpement (AFD) through SUNREF (Sustainable Use of Natural Resources and Energy Finance) provides funding toward private-sector investments for Renewable Energy (RE), Energy Efficiency (EE), and environmental protection. Under the SUNREF Ghana programme, AFD and the

European Union (EU), through the EU – Africa Infrastructure Trust Fund (EU-AITF), provide credit lines, technical assistance, and grants to local partner banks, who then channel the funds to finance private sector RE and EE investments. These investment projects can lead to measurable reductions in energy consumption, Green House Gas (GHG) emissions and/or use of renewable energy sources in green building projects (LEED, EDGE, BREEAM), commercial services and households. Projects with strong positive social impact, as well as small size projects which are difficult to finance can also benefit.

WASTE MANAGEMENT

The Bank has defined measurable milestones to monitor performance improvements in waste management on its premises. In November 2021, we piloted a waste segregation program at source at our Head office, where labelled waste collection bins were placed throughout the building for use by staff to separate waste into three categories: paper; plastics/bottles and organic waste, an accredited Waste Management Company has been engaged to manage all non-biodegradable portions of the waste. We will extend this program to all our branches after a successful pilot phase.

MANAGING ENVIRONMENTAL AND SOCIAL RISKS IN LENDING

For several years, the Bank has been working with our borrowing clients on ensuring sustainability of their projects. Our ESG officers are supported by our Sustainability Manager to identify, evaluate, mitigate and monitor environmental and social risks associated with our credit portfolio.

We ensure strict adherence to our internal risk management policies and procedures for evaluating the risks and impacts of projects where funding is being sought as well as adherence to applicable national regulations, the Sustainable Banking Principles of Ghana, applicable international standards such as the World Bank Environmental Framework/IFC Performance Standards on Environmental and Social Sustainability and requirements of our development finance partners.

Where projects do not comply with the applicable requirements, the necessary mitigation measures are applied which may include working with clients to address the risks identified and in some circumstances, declining to finance the project. Projects are initially screened for environmental and social compliance and risks and thereafter classified into High (A), Medium (B) or Low (C) risk categories for effective management. We work closely with clients to develop constructive management solutions and we rigorously monitor implementation of action plans. All credit facility agreements contain appropriate environmental representations, warranties, and covenants requiring that projects comply with national environmental, health, safety and social standards.

FINANCIAL INCLUSION

CalBank is committed to promoting the availability and equality of opportunities to access financial services to communities across Ghana. Whilst data shows that financial inclusion in Ghana has improved over the past decade, a considerable percentage of Ghanaians, especially women, young adults, and those in rural communities, remain, de facto, excluded from accessing financial services. CalBank recognizes this key socio economic challenge as an impediment to personal wealth creation and community prosperity. Deepening financial inclusion, therefore remains a key strategic objective for CalBank which we seek to address with an array of tailor-made products for individuals and SME's, who hitherto were excluded from accessing financial services. The Bank has been an active player in providing mobile money services, agency banking services in sub urban areas and has been purposeful in deploying new digital banking products such as E-loans, CalBank App, Pre-paid cards, CAL mobile banking (USSD) and QR codes to attract the unbanked and underbanked. These platforms provide basic financial services including account opening, cash in/cash out micro-loans etc.

PEOPLE, TALENT AND DIVERSITY

CalBank understands that its human capital and talent is the true driver of our business value. The Bank places great value on opportunities to invest in and shape its employees with personal and professional development skills to enable them lead, both now and in the future. The Bank commits to provide all employees with a serene, conducive working environment that encourages innovation and rewards excellence with fair and competitive compensation and benefits, among others.

Beyond its employees, the Bank is committed to promoting long-term prosperity of the communities in which we operate in, by facilitating inclusive economic growth and social development.

Talent Acquisition

The Bank is committed to hiring and retaining qualified and competent staff who have the potential to perform their duties and responsibilities effectively and efficiently in accordance with its mission and overall strategic objectives. The overall objective of the Bank's recruitment policy is to support the various business units to meet their strategic objectives by hiring the right persons into the right job role, at the right time. To achieve the above, the Bank is guided by the following recruitment principles:

Recruitment Quality

The Bank seeks to fill its vacancies with the best available candidates both from within and outside, based on business requirements. The Bank advertises these positions internally and externally, where appropriate, to select the most qualified candidate.

Ownership

Each recruitment assignment is "owned" by the business function which initiates the request. However, all such recruitments take place within a reasonable framework and in partnership with the People and Culture Department.

Recruitment Team

Interviews in most cases are conducted by a panel of interviewers comprising the line manager who initiated the recruitment request, Head of People and Culture, and other persons selected by Head of People and Culture. Appointment of key management staff is approved by the Board of Directors. The Bank also ensures equitable and courteous treatment for both successful and unsuccessful candidates.

Career Management and Job Levels

Career Management	Job Levels
CalBank is committed to the smooth progression of its employees to meet current and future needs of the Bank and career aspirations of employees. The Bank has two career tracks to ensure that progression of appropriately skilled and experienced employees meet current and future needs of the Bank and its employees. The two tracks are: **Specialist career track** The specialist career track provides for career progression for employees whose roles will be focused mainly on a specific area requiring deep specialist skills. Such shall have very clearly defined responsibilities and performance expectations within the defined specialist skill area/function in the Bank. **Management Career track** The Management career track provides for career progression for the Bank's employees with broad management responsibilities including allocation and management of the Bank's resources including people.	**Non Clerical** Junior level staff who perform non administrative functions such as drivers, gardeners, guesthouse stewards, messengers etc. **Clerical** Junior level staff who perform more administrative tasks such as clerks, storekeepers, receptionists, etc. **Officers** Staff who perform various operational and business support functions across branches and the departments. **Middle Managers** Senior officers who perform supervisory roles across the various branches and departments. **Senior Managers** Management staff who head the various departments. **Executive** Senior management staff who head groups and/or the Bank as a whole.

Employees Diversity by Job Level

Level	Female	Male	Total	Percentage of Women (%)
Executive Management	2	6	8	25
Senior Management	11	17	28	39
Middle Management	17	48	65	26
General Employees	364	443	807	43
Total	394	514	908	43

Gender pay gap

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

The Bank is actively working toward increasing the representation of women at executive and senior management levels, reflective of our commitment to encourage women to strive towards leadership roles in the Bank.

Staff Training and Capacity Building

CalBank is committed to the training and development of our employees. We ensure that training and development support key organizational performance objectives and adheres to high standards. Training and development in the Bank are a continuous formal process of improving individual performance and competency. Training serves as a vehicle for the transfer and development of requisite skills and aims at building up an empowered workforce. Annual training plans are developed to align with the Bank's strategy and are designed to support specific performance objectives for the year. Annual individual training plans are developed for each employee based on the Bank's training curriculum and identified individual needs. Training needs are identified based on defined organizational competencies as well as specific needs of the individuals and groups within the organization.

Individual performance appraisal provides critical input into the training need identification process.. Identification of training needs is the responsibility of line management whose input is required for the development of individual training plans. We invest in training and development at all levels, enabling us to build a strong succession pipeline of future leaders of the Bank.

COVID 19 Protocols and Support

The Bank has developed well documented guidelines for handling Covid 19 cases and has implemented measures to mitigate the spread of infection and attendant impacts on the Bank's operations. Per the Bank's protocols and in line with the national guidelines, any staff member who shows symptoms of Covid-19 infection is referred to an appropriate medical centre for review and testing. Affected persons, after testing positive, are required to isolate and undergo medical treatment until they test negative and are fit for work.

The Bank made arrangements for all staff to be vaccinated at or close to their workplace Further support and protection has been provided to all Bank staff since the onset of the COVID 19 pandemic through the following measures;

- Mandatory use of face coverings at the workplace
- Physical space between employees & customers
- Use of tele and web conferencing facilities for meetings and engagements
- Sanctions for non-compliance with the protocols
- Periodic fumigation of all Branches and Head Office;
- Periodic sensitization of staff on Covid 19
- Arrangements with laboratories to test staff for Covid 19 and obtain results in less than 24 hours.

Psychological counselling and support are offered by qualified personnel to staff who require help in dealing with the emotional challenge they may have if they test positive.

CORPORATE SOCIAL INVESTMENT

Our drive for sustainability has made us recognize that social giving is insufficient. For Corporate Social Investment to be truly effective and make meaningful impact in the lives of our communities and environment, it needs to be purposefully directed and underpinned by the driving principles of sustainability. During the year, the Bank spent GHC1,041,640 on direct social investment activities in the areas of education, health, youth and sports, women empowerment, and community infrastructure. Below are descriptions of some selected projects that the Bank implemented and donated to communities in Ghana.

Donation in support of GSS Field Officer's Manual

In line with CalBank's CSI strategy to support national policies that deliver positive socio-economic impacts, CalBank donated an amount of GHS 10,000.00 to support of the production of the field officers' manuals (FOM) for the 2021 Population and Housing Census. The Government of Ghana undertook the 2021 Population and Housing Census in June 2021across the country. CalBank donated GHS10,000.00 to support the production of a 320-page Field Officer's Manual (FOM) for census staff. The manuals served as a reference document for training over 75,000 census enumerators and Supervisors.

3-unit classroom block to Hordzo-Ve JHS

Over many years, CalBank has supported over 50 underprivileged students to gain access to quality education. In keeping with this initiative CalBank partnered, the Xornam Foundation, a local NGO, to complete and hand over a 3-unit classroom block with an ICT lab to Hordzo-Ve Junior High School, in the Ho Municipality. Hitherto pupils at the school have been studying in a dilapidated structure. The project forms part of CalBank and the Xornam Foundation's corporate social investment aimed at offering educational assistance to deprived communities

The Managing Director of CalBank, reiterated the Bank's commitment to support to reduce the level of illiteracy in the country, hence the decision to part-finance the new classroom block for the pupils. He added that, the world has advanced in the technological era, hence the need to support Ghanaian children to equip themselves with the required ICT skills to enable them to be competitive. "Today's key educational focus is Science, Technology, Engineering, and Maths, and it is CalBank's belief that this support will improve the fortune of students from this community," The Founder of the Xornam Foundation expressed her appreciation for the support and noted that they are committed to helping more deprived communities in the attainment of better education through the development of appropriate infrastructure. The Headmaster of Hodzo Ve Basic School, expressed his gratitude to the CalBank and Xornam Foundation for their kind gesture.

Before the intervention


After the Intervention

CalBank SME Clinic

CalBank , in its quest to promote thought leadership in support for SME's, partnered with Focus 1 Media to host a maiden clinic for Small and Medium-scale enterprises in the Western Region. SMEs represents most businesses in Ghana and are the backbone of the Ghanaian economy with a substantial contribution to the Country's GDP. Despite their importance and contribution to the economy, they are faced with a myriad of challenges in their business operations, including bookkeeping, taxation, loan management, insurance, and brand management. The rationale of this maiden clinic was to equip participants with skills and knowledge to address these operational challenges they are faced with.

Donation to Promote Beach Soccer

The Bank continued its long-standing support for the Ghana Football Association (GFA) in the development and promotion of Beach Soccer in Ghana. During the year, the Bank sponsored the National Beach Soccer Team preparations to the tune of GHS 262,150.

STAKEHOLDER ENGAGEMENTS

Stakeholder engagement is a key strategic objective of CalBank because it creates positive impacts on concerned individuals and groups through ensuring sound relations, delivering excellent service to customers, promoting good corporate citizenship, and enhancing corporate image. Ensuring sound stakeholder relations requires proactive management. These relationships help the Bank to develop awareness of the diverse stakeholders of the Bank, and understand their involvement and interest in the functions and operations of the Bank. In 2021 CalBank reviewed and prioritised its stakeholders for engagement, some key stakeholder engagement events held during the year are described below.

Webinar Engagements with Customers

The Bank organised three webinars for clients to drive thought leadership and strengthen customer relations, which were broadcast via Zoom, Facebook and Twitter.

As part of activities to mark the Global Money Week, the UK Ghana Chamber of Commerce (UKGCC) in partnership with CalBank and other selected organizations hosted this webinar on Financial Literacy. The Bank through the Financial Inclusion Department educated participants on key product offerings from CalBank that support the building of financial resilience for households. Additionally, participants were engaged on estate planning, financial security strategy and other valuable insights.

The theme of the second webinar engagement was retirement planning. Over 700 participants from companies, universities, and media houses took part in the session. The webinar provided a platform to discussed retirement planning ad guide participants in seeking professional advice in planning for their retirement. CalAsset Management also profiled several of their products that could help plan for one's retirement.

The final webinar sponsored was Preparing for Work while in School. This webinar sought to e enlighten students on decisions and actions they may engage in to better prepare them for the world of work. The key messages centred on common career myths or mistakes and determining suitable careers and how to package one' self of the world of work

Engaging for Bilateral Trade in the Green and Renewable Energy Space

CalBank PLC hosted a delegation from the British High Commission in Ghana and the UK-Ghana Chamber of Commerce for a briefing session to promote bilateral trade in the Green and Renewable Energy Space. In attendance were the British High Commissioner, H.E Harriet Thompson, the Managing Director of CalBank PLC and other senior members of the Bank.

Breast And Cervical Cancer Awareness and Screening Program

CalBank was invited be part of the maiden edition of the Breast and Cervical Cancer awareness and screening program organized by Ladies in Mining and Allied Professions (LiMAP). The program was jointly sponsored by the CalBank PLC, the Abosso Goldfields-Damang Mine, and the University of Mines and Technology in Tarkwa. It was attended by principal officers of the University of Mines and Technology, personnel from CalBank PLC, members of the University Community and residents of the Tarkwa township.

The participants were educated on the causes, effects and preventative measures of breast cancer, including the importance of employing early detection techniques The engagement took the form of presentations followed by a question-and-answer engagement session. The presentations and interactions were followed by breast and cervical screening sessions at the UMaT clinic.

In all a total of 160 people attended the program including 144 women. 80 women were screened for breast cancer while 44 women received cervical cancer screening.

Engagement with Ladies in Mining and Allied Professions (LiMAP)

CalBank was invited by the Ladies in Mining and Allied Professions (LiMAP) to attend the organisation's third Quarter General Meeting and used the occasion to introduce members and their affiliates of the association to various financial solutions spanning from personal banking to digital banking, key among the products was the Women's Banking product.

The facilitator discussed the subject on "Female Health and Total Wellbeing", outlining issues that females of all ages are susceptible to, and how these issues can be prevented or managed effectively. Also discussed was male related health issues.

CalBank used the opportunity to present the Bank's personal banking packages to the audience including Kiddysave, Bancassurance, Personal Loans, Mortgages, Women Banking among others.

Breakfast Meeting in Partnership with Pyxera Global

CalBank partnered Pyxera Global to organize a breakfast meeting for businesswomen at Takoradi in the Western Region of Ghana which was attended by 50 women.

Activities in the program included training and capacity-building interventions, awareness raising, and relationship building between banks and SMEs to improve women's access to finance and increase market linkages between domestic and international firms. They were also given insights into the various Bank products.

Support to Women-Owned Business

Business Trip

The Women Banking Unit of CalBank in partnership with the Turkish and Israeli Embassies, Association for Ghana Industries (AGI) and Joy FM put together a business trip to Turkey, Dubai, and Israel. This is in line with the Bank's commitment to serving and developing MSMEs, who make up the bulk of the informal sector of Ghana. The trip was to help women-owned and women-managed MSMEs build credible, direct business partnership within some of the world's largest business hubs. The event also presented an opportunity to match suppliers of products and services with potential clients, the nine day trip had seventy (70) participants. Key highlights of the trip included:

- Meeting with the Istanbul Chamber of commerce where over hundred manufactures met with the Ghanaian entrepreneurs based on their sector of operations.
- Pharmaceutical Association delegations, met with Istanbul Chemical Products Exporters Association where over seventy (70) Pharmaceutical companies (Manufacturers & Wholesalers) were in attendance to have a one-on-one discussion with the participants from Ghana to network for business transaction.
- Follow up on factory visit where participants had a pre-arranged meeting (factory visits) with companies they met during their previous business discussions.

Independent Auditor's Report
To the Members of CalBank PLC

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

Opinion

We have audited the consolidated and separate financial statements of CalBank PLC ("the Group and Bank"), which comprise the statements of financial position as at 31 December 2021, 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 significant accounting policies and other explanatory notes, as set out on pages 50 to 137.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Group and Bank as at 31 December 2021, and of its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

Basis for Opinion

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

Key Audit Matters

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

Impairment allowance on loans and advances to customers (GH¢213 million)
Refer to Note 24 to the consolidated and separate financial statements

The key audit matter

Impairment allowances represent management's best estimate of expected credit loss ('ECL') within each portfolio at the balance sheet date. The identification and the determination of allowances is inherently judgemental.

During the year impairment allowances decreased from GHS 239 million as at 31 December 2020 to GHS213 million as at 31 December 2021. The key areas where we identified significant levels of management judgement and therefore increased levels of audit focus in the Bank's implementation of IFRS 9 are:

- Economic scenarios – IFRS 9 requires the Bank to measure ECLs on a forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied to determining the economic scenarios used, particularly in the context of COVID 19, and the probability weightings applied.

How the matter was addressed in our audit

Based on our risk assessment and industry knowledge, we have examined the impairment allowance on loans and advances to customers and evaluated the methodology applied as well as the assumptions made according to the description of the key audit matter.

Our procedures included:

- Assessing and testing the design, implementation and operating effectiveness of key controls over the capture, monitoring and reporting of loans and advances to customers.
- Assessing and testing the design and operating effectiveness of controls over the Bank's loan impairment process regarding management's monitoring of loan performance.
- Using financial risk model specialists to independently assess and substantively validate the impairment models by reperforming calculations and agreeing data inputs to source documentation.

- Significant Increase in Credit Risk ('SICR') –the criteria selected to identify a significant increase in credit risk is a key area of judgement within the Bank's ECL calculation as these criteria determine whether a 12 month or lifetime provision is recorded. Increased judgement exists in the current year relating to the treatment of those customers who were granted one or more COVID 19 payment reliefs.
- ECL estimations – Inherently judgemental modelling is used to estimate ECLs which involves determining Probabilities of Default ('PD'), Loss Given Default ('LGD'), and Exposures at Default ('EAD'). The PD models used are the key drivers of the Bank's ECL results and are therefore the most significant judgemental aspect of the Bank's ECL modelling approach.
- Adjustments to the model driven ECL results are raised by management to address known impairment model limitations, model responsiveness or emerging trends relating to COVID 19. Such adjustments are inherently uncertain and significant management judgement is involved in estimating these amounts.
- Disclosure quality - the disclosures regarding the Bank's credit risks are key to understanding the key judgements and material inputs to the IFRS 9 ECL results.

Given the high degree of estimation uncertainty and significance of the balance, we considered impairment allowances on loans and advances to customers to be a key audit matter.

- Assessing whether key data inputs used in the ECL calculation are complete and accurate through testing relevant data fields and their aggregate amounts against data in the source system.
- Assessing the ongoing effectiveness of the SICR criteria through loan file reviews and independently determining the staging of the Bank's loans and advances portfolio, including determining the reasonableness of the Bank's treatment of COVID 19 payment relief to customers from a SICR perspective.
- Testing over key inputs and assumptions impacting ECL calculations to assess the reasonableness of economic forecasts, weights, and PD, LGD and EAD assumptions applied.
- Considering the adequacy of the Bank's disclosures in relation to impairment about changes in estimates occurring during the period and its sensitivity to key assumptions. In addition, we assessed whether the disclosure of the key judgements and assumptions made, including COVID 19 related disclosures, was reasonable.

Other Information

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

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

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

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Labaran Amidu (ICAG/P/1472).

KPMG

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For and on behalf of:
KPMG: (ICAG/F/2022/038)
CHARTERED ACCOUNTANTS
13 YIYIWA DRIVE, ABELENKPE
P O BOX GP 242
ACCRA

25 February 2022

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER

in thousands of Ghana Cedis		2021		2020	
	Note	**Bank**	**Group**	**Bank**	**Group**
Interest income calculated using the effective interest method	11	976,587	980,671	924,643	927,350
Interest expense	11	(511,254)	(511,124)	(404,959)	(404,479)
Net interest income		**465,333**	**469,547**	**519,684**	**522,871**
Fees and commission income	12	62,483	75,597	42,007	51,167
Fees and commission expense	12	(23,745)	(23,745)	(19,662)	(19,662)
Net fees and commission income		**38,738**	**51,852**	**22,345**	**31,505**
Net trading income	13	192,634	192,634	130,898	130,898
Net gains on derivative assets	22	26,466	26,466	731	731
Revenue		**723,171**	**740,499**	**673,658**	**686,005**
Other income	14	6,429	5,224	2,149	2,600
Operating income		**729,600**	**745,723**	**675,807**	**688,605**
Net impairment loss on financial instruments	24(c)	(82,375)	(82,375)	(86,843)	(86,843)
Personnel expenses	15	(151,110)	(153,917)	(140,344)	(142,735)
Depreciation and amortisation	28(b)	(37,721)	(37,883)	(34,435)	(34,596)
Finance cost on lease liabilities	34(b)	(4,026)	(4,026)	(4,298)	(4,298)
Other expenses	16	(128,694)	(130,005)	(134,746)	(135,505)
Total operating expenses		**(403,926)**	**(408,206)**	**(400,666)**	**(403,977)**
Profit before tax		**325,674**	**337,517**	**275,141**	**284,628**
Income tax expense	17(a)	(110,435)	(114,665)	(68,172)	(70,825)
Profit for the year and total comprehensive income		**215,239**	**222,852**	**206,969**	**213,803**
Earnings per share (Ghana cedis per share)	18				
Basic earnings per share		0.3441	0.3564	0.3304	0.3419
Diluted earnings per share		0.3441	0.3564	0.3304	0.3419

The notes on pages 55 - 137 are an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER

in thousands of Ghana Cedis		2021		2020	
	Note	**Bank**	**Group**	**Bank**	**Group**
Assets					
Cash and cash equivalents	20	1,307,694	1,307,701	1,430,243	1,430,248
Non-pledged trading assets	23	672,509	672,509	834,131	834,131
Derivative assets held for risk management	22	26,466	26,466	731	731
Investment Securities	21	4,946,980	4,974,002	2,463,005	2,482,279
Loans and advances to customers	24	2,239,520	2,239,520	2,400,950	2,400,950
Investments in Subsidiaries	25	3,538	-	2,038	-
Current tax assets	17(c)	-	-	31,245	31,851
Assets held for sale	30	121,085	121,085	104,493	104,493
Property and equipment	28	412,938	413,030	418,451	418,525
Intangible assets	29	74,062	75,076	44,813	45,960
Right-of-use assets	34	89,070	89,070	84,917	84,917
Deferred tax assets	27	28,277	28,265	36,377	36,404
Other assets	26	90,239	93,255	52,021	54,097
Total assets		**10,012,378**	**10,039,979**	**7,903,415**	**7,924,586**
Liabilities					
Total Deposits		*6,312,067*	*6,308,385*	*4,428,104*	*4,425,958*
Deposit from banks and other financial institutions	31	1,150,134	1,146,452	263,803	261,657
Deposits from customers	32	5,161,933	5,161,933	4,164,301	4,164,301
Borrowings	33	2,214,267	2,214,267	2,098,225	2,098,225
Current tax liabilities	17(c)	2,182	2,162	-	-
Lease liabilities	34	86,128	86,128	85,886	85,886
Other liabilities	35	140,056	142,355	179,266	181,745
Total liabilities		**8,754,700**	**8,753,297**	**6,791,481**	**6,791,814**
Shareholders' equity					
Stated capital	36(a)	400,000	400,000	400,000	400,000
Retained earnings	36(f)	361,554	390,697	227,273	248,695
Revaluation reserve	36(c)	102,926	102,926	104,636	104,636
Statutory reserve	36(b)	393,905	393,905	340,095	340,095
Credit risk reserve	36(d)	-	-	40,066	40,066
Other reserves	36(e)	(707)	(846)	(136)	(720)
Total shareholders' equity		**1,257,678**	**1,286,682**	**1,111,934**	**1,132,772**
Total shareholders' equity and liabilities		**10,012,378**	**10,039,979**	**7,903,415**	**7,924,586**

The financial statements were approved by the Board of Directors on 25 February 2022 and signed on their behalf by:

Philip Owiredu
Director

Nana Otuo Acheampong
Director

The notes on pages 55 - 137 are an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER

2021 Bank *in thousands of Ghana Cedis*	**Stated Capital**	**Retained Earnings**	**Revaluation Reserve**	**Statutory Reserve**	**Credit Risk Reserve**	**Other Reserves**	**Total**
Balance as at 1 January	400,000	227,273	104,636	340,095	40,066	(136)	1,111,934
Total comprehensive income							
Profit for the year	-	215,239	-	-	-	-	215,239
Transactions with equity holders of the Bank							
Shares repurchased	-	-	-	-	-	(571)	(571)
Dividends paid to equity holders	-	(68,924)	-	-	-	-	(68,924)
Other transfers							
Transfer to statutory reserve	-	(53,810)	-	53,810	-	-	-
Revaluation gain on disposed PPE	-	1,710	(1,710)	-	-	-	-
Transfer from credit risk reserve	-	40,066	-	-	(40,066)	-	-
Balance at 31 December	**400,000**	**361,554**	**102,926**	**393,905**	**-**	**(707)**	**1,257,678**

2021 Group *in thousands of Ghana Cedis*	**Stated Capital**	**Retained Earnings**	**Revaluation Reserve**	**Statutory Reserve**	**Credit Risk Reserve**	**Other Reserves**	**Total**
Balance at 1 January	400,000	248,695	104,636	340,095	40,066	(720)	1,132,772
Total comprehensive income							
Profit for the year	-	222,852	-	-	-	-	222,852
Transactions with equity holders of the Bank							
Shares repurchased	-	-	-	-	-	(571)	(571)
Dividends paid to equity holders	-	(68,816)	-	-	-	-	(68,816)
Bank's shares held by subsidiaries	-	-	-	-	-	445	445
Other transfers							
Transfer to statutory reserve	-	(53,810)	-	53,810	-	-	-
Revaluation gain on disposed PPE	-	1,710	(1,710)	-	-	-	-
Transfer from credit risk reserve	-	40,066	-	-	(40,066)	-	-
Balance at 31 December	**400,000**	**390,697**	**102,926**	**393,905**	**-**	**(846)**	**1,286,682**

The notes on pages 55 - 137 are an integral part of these financial statements.

2020 Bank *in thousands of Ghana Cedis*	**Stated Capital**	**Retained Earnings**	**Revaluation Reserve**	**Statutory Reserve**	**Credit Risk Reserve**	**Other Reserves**	**Total**
Balance as at 1 January	400,000	174,819	104,636	288,353	-	(6,941)	960,867
Total comprehensive income							
Profit for the year	-	206,969	-	-	-	-	206,969
Transactions with equity holders of the Bank							
Shares repurchased	-	-	-	-	-	(136)	(136)
Dividends paid to equity holders	-	(55,766)	-	-	-	-	(55,766)
Other transfers							
Transfer to statutory reserve	-	(51,742)	-	51,742	-	-	-
Remeasurement of employee benefit	-	(6,941)	-	-	-	6,941	-
Transfer to credit risk reserve	-	(40,066)	-	-	40,066	-	-
Balance at 31 December	**400,000**	**227,273**	**104,636**	**340,095**	**40,066**	**(136)**	**1,111,934**

2020 Group *in thousands of Ghana Cedis*	**Stated Capital**	**Retained Earnings**	**Revaluation Reserve**	**Statutory Reserve**	**Credit Risk Reserve**	**Other Reserves**	**Total**
Balance at 1 January	400,000	189,473	104,636	288,353	-	(7,675)	974,787
Total comprehensive income							
Profit for the year	-	213,803	-	-	-	-	213,803
Transactions with equity holders of the Bank							
Shares repurhased	-	-	-	-	-	(136)	(136)
Dividends paid to equity holders	-	(55,682)	-	-	-	-	(55,682)
Other transfers							
Transfer to statutory reserve	-	(51,742)	-	51,742	-	-	-
Remeasurement of employee benefit	-	(7,091)	-	-	-	7,091	-
Transfer to credit risk reserve	-	(40,066)	-	-	40,066	-	-
Balance at 31 December	**400,000**	**248,695**	**104,636**	**340,095**	**40,066**	**(720)**	**1,132,772**

The notes on pages 55 - 137 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER

in thousands of Ghana Cedis		2021		2020	
	Note	Bank	Group	Bank	Group
Cash from operating activities					
Profit for the year		**215,239**	**222,852**	**206,969**	**213,803**
Adjustments for:					
Depreciation and amortisation	28(b)	37,721	37,883	34,435	34,596
Net impairment loss on financial instruments	24(c)	82,375	82,375	86,843	86,843
Net interest income	11	(465,333)	(469,547)	(519,684)	(522,871)
Net gains on derivative assets	22	(26,466)	(26,466)	(731)	(731)
Income tax expense	17(c)	110,435	114,665	68,172	70,825
Unrealised exchange loss		79,122	79,122	78,699	78,699
Profit from disposal of property and equipment	28(c)	(1,552)	(1,552)	-	-
Finance cost on lease liabilities	34(b)	4,026	4,026	4,298	4,298
Cash generated from/(used in) operations before changes in operating assets and liabilities		**35,567**	**43,358**	**(40,999)**	**(34,538)**
Changes in:					
Loans and advances to customers		116,463	116,463	438,701	438,701
Other assets		(11,752)	(12,692)	(4,401)	(4,016)
Derivative assets		(25,735)	(25,735)	4,115	4,115
Deposit from banks and other financial institutions		886,568	885,032	93,714	99,751
Deposits from customers		970,480	970,480	481,043	481,043
Other liabilities		(39,818)	(39,998)	72,807	72,467
Asset held for sale		(16,592)	(16,592)	(160)	(160)
Cash generated from operating activities		**1,915,181**	**1,920,316**	**1,044,820**	**1,057,363**
Interest received		943,382	946,526	919,787	921,500
Interest paid		(489,116)	(488,986)	(427,791)	(427,474)
Finance charges on lease liability paid	34(d)	(4,298)	(4,298)	(4,585)	(4,585)
Income taxes paid	17(c)	(68,908)	(72,513)	(116,594)	(119,321)
Net cash flows from operating activities		**2,296,241**	**2,301,045**	**1,415,637**	**1,427,483**
Cash flows from investing activities					
Disposal / (acquisition) of trading assets		161,622	161,622	(708,359)	(708,359)
Acquisition of investment securities		(2,487,570)	(2,494,378)	(60,782)	(72,662)
Acquisition of property and equipment	28(a)	(34,364)	(34,405)	(42,223)	(42,246)
Proceeds from disposal of property and equipment	28(c)	16,491	16,491	243	243
Acquisition of intangible assets	29	(34,170)	(34,176)	(21,323)	(21,350)
Increase in equity share of subsidiary		(1,500)	-	-	-
Net cash flows used in investing activities		**(2,379,491)**	**(2,384,846)**	**(832,444)**	**(844,374)**
Cash flows from financing activities					
Dividends paid	36(g)	(68,924)	(68,816)	(55,766)	(55,682)
Proceeds from borrowings	33	7,451,365	7,451,365	3,113,570	3,113,570
Repayment of borrowings	33	(7,411,921)	(7,411,921)	(3,107,315)	(3,107,315)
Payment of lease liabilities	34(d)	(15,132)	(15,132)	(11,257)	(11,257)
Repurchase of issued shares	36(e)	(571)	(126)	(136)	(136)
Net cash flows used in financing activities		**(45,183)**	**(44,630)**	**(60,904)**	**(60,820)**
Net (decrease)/increase in cash and cash equivalents		(128,433)	(128,431)	522,289	522,289
Cash and cash equivalents at 1 January		1,430,243	1,430,248	898,290	898,295
Effect of exchange rate fluctuations on cash and cash equivalents held		5,884	5,884	9,664	9,664
Cash and cash equivalents at 31 December	20	**1,307,694**	**1,307,701**	**1,430,243**	**1,430,248**

The notes on pages 55 - 137 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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

1. REPORTING ENTITY

CalBank PLC, (the "Bank") is a Bank incorporated in Ghana. The address and registered office of the Bank can be found on page 6 of the annual report. The Bank operates with a Universal Banking license that allows it to undertake Banking and related activities. These consolidated financial statements as at and for the year ended 31 December 2021 comprise the Bank and its subsidiaries, (together referred to as the 'Group'). The separate financial statements as at and for the year ended 31 December 2021 comprise the financial statements of the Bank.

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

2. BASIS OF PREPARATION

2.1. Statement of compliance

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

2.2. Basis of measurement

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

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

2.3. Functional and presentation currency

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

2.4. Use of estimates and judgement

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

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

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

2.5. Information about significant estimation, uncertainty and critical judgements

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

2.6. Presentation of financial statements

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

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

3. CHANGES IN ACCOUNTING POLICIES

The following standards which became effective from 1 January 2021 do not have a material effect on the Bank's financial statements;

3.1 Interest rate benchmark reform (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

The Phase 2 amendments became effective on 1 January 2021. The amendments provide targeted relief for financial instruments qualifying for hedge accounting in the lead up to IBOR reform.
The Bank has no transactions that are signficantly affected by the newly effective requirements.

4. SIGNIFICANT ACCOUNTING POLICIES

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

4.1. Basis of Consolidation

4.1.1. Business combinations

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

From 1 January 2021, in determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs. The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

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

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

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

4.1.2. Subsidiaries

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

4.1.3 Loss of controls

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

4.1.4 Transactions eliminated on consolidation

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

4.1.5 Funds Management

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

4.2 Foreign Currency

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

4.3 Recognition of interest income

4.3.1 Effective interest rate

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

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

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

4.3.2 Amortised cost and gross carrying amount

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

4.3.3 Interest and similar income

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

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

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

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

4.4 Fees and commissions

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

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

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

4.5 Net trading income

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

4.6 Dividends

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

4.7 Other Operating Income

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

4.8 Income tax expense

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

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

4.8.1 Current Tax

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

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

4.8.2 Deferred Tax

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

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

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

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

4.8.3 Levies and similar charges

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

4.9 Financial Assets and Liabilities

4.9.1 Date of recognition

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

4.9.2 Initial measurement of financial instruments

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

4.9.3 Day 1 profit or loss

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

4.9.4 Classification and Measurement categories of financial assets and liabilities

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

- Amortised cost.
- Fair value through other comprehensive income (FVOCI).
- Fair Value through Profit or Loss (FVTPL).

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

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

4.9.5 Loans and advances to customers, Financial investments at amortised cost

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

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

(a) Business model assessment

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

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

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

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

(b) The SPPI test

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

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

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

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

4.9.6 Financial assets or financial liabilities held for trading

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

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

4.9.7 Equity instruments at FVOCI

Upon initial recognition, the Bank occasionally elects to classify irrevocably some of its equity investments as equity instruments at FVOCI and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments are never recycled to profit. Dividends are recognised in profit or loss as other operating income when the right of the payment has been established. Equity instruments at FVOCI are not subject to an impairment assessment.

4.9.8 Debt issued and other borrowed funds

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

4.9.9 Financial assets and financial liabilities at fair value through profit or loss

Financial assets and financial liabilities in this category are those that are held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under IFRS 9. Management only designates an instrument at FVTPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis:

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis or;
- The liabilities and assets have their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy or;
- The liabilities and assets contain one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited

Financial assets and financial liabilities at FVTPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit or loss with the exception of movements in fair value of liabilities designated at FVTPL due to changes in the Bank's own credit risk. Such changes in fair value are recorded in the fair value reserve through OCI and do not get recycled to the profit or loss. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using EIR as explained in note 4.3.1**.**

4.9.10 Financial guarantees, letters of credit and undrawn loan commitments

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

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

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

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

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

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

4.11 Derecognition of financial assets and liabilities
4.11.1 Derecognition due to substantial modification of terms and conditions The Group derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes,
unless the new loan is deemed to be POCI.

When assessing whether or not to derecognise a loan to a customer, amongst others, the Group considers the following factors:
- Change in currency of the loan
- Introduction of an equity feature
- Change in counterparty
- If the modification is such that the instrument would no longer meet the SPPI criterion

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

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

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

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

- The Group has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates
- The Group cannot sell or pledge the original asset other than as security to the eventual recipients

- The Group has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Group is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

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

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

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

(b) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability.

The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

(c) Offsetting

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

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

4.11.3 Modifications of financial assets and financial liabilities

(a) Financial assets

If the terms of a financial asset are modified, then the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised (see note4.11) and a new financial asset is recognised at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows: fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset; and other fees are included in profit or loss as part of the gain or loss on derecognition.

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

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

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

(b) Financial liabilities

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

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

4.12 Impairment of financial assets

4.12.1 Overview of the ECL principles

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

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

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

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

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

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

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

based on a creditadjusted EIR. ECLs are only recognised or released to the extent that there is a subsequent change in the expected credit losses.

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

4.12.2 The calculation of ECLs

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

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

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

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

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

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

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

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

The mechanics of the ECL method are summarised below:

- Stage 1: The 12m ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the financial statement 12 months after the reporting date. The Group calculates the 12m ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12- month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR. This calculation is made for each of the four scenarios, as explained above.
- Stage 2: When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR
- Stage 3: For loans considered credit-impaired the Group recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.
- Loan commitments and letters of credit: When estimating LTECLs for undrawn loan commitments, the Group estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down, based on a probability weighting of the three scenarios. The expected cash shortfalls are discounted at the effective interest rate or an approximation, thereof, that will be applied to the financial asset resulting from the loan commitment. ECLs are calculated and presented together with the loan. For loan commitments and letters of credit, the ECL is recognised within provisions.
- Financial guarantee contracts: The Group's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the profit or loss, and the ECL provision. For this purpose, the Group estimates ECLs based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs The shortfalls are discounted by the risk-adjusted interest rate relevant to the exposure. The calculation is made using a probability weighting of the three scenarios. The ECLs related to financial guarantee contracts are recognised within other liabilities.

4.12.3 Forward looking information

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

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

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

4.12.4 Restructured financial assets

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

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

4.13 Collateral valuation

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

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

4.14 Collateral repossessed

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

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

4.15 Write-off policy

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

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

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

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

4.16 Cash and cash equivalents

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

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

4.17 Trading assets and liabilities

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

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

4.18 Investment securities

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

FVTPL or Amortised cost.

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

Debt and/or equity investment securities mandatorily measured at FVTPL or designated as at FVTPL
These are at fair value with changes recognised immediately in profit or loss.

4.19 Property and equipment

4.19.1 Recognition and measurement
Items of Property and Equipment are measured at cost or revalued amount less accumulated depreciation and any accumulated impairment losses.

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

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

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

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

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

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

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

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

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

Depreciation methods, useful lives and residual values are reassessed at the reporting date and adjusted if appropriate..
Gains and losses on disposal of property and equipment are determined by comparing proceeds from disposal with the carrying amounts of property and equipment and are recognised in profit or loss as other income.

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

4.20 Intangible assets

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

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The estimated useful life of software is ten years.

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

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

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

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

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

4.24 Employee benefits

4.24.1 Defined contribution plans
Obligations for contributions to defined contribution pension plans are recognised as an expense in the statement of profit or loss when they are due.

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

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

4.24.2 Termination benefits

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

4.24.3 Short-term benefits

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

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

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

4.24.4 Other long-term employee benefits

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

4.24.5 Defined benefit plan

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

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

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

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

4.25 Impairment on non-financial assets

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

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

4.26 Share capital

4.26.1 Share issue costs

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

4.26.2 Dividends on ordinary shares

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

4.26.3 Treasury shares

Where the Company or any member of the Group purchases the Company's shares, the consideration paid is deducted from shareholders' equity as treasury shares. Where such shares are subsequently sold or reissued, any consideration received is credited to shareholders equity.

4.27 Segment Reporting

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

An operating segment is a component of an entity:

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

4.28 Earnings per share

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

4.29 Leases

4.29.1 The Group as a Lessee

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

4.29.2 Initial Recognition and Measurement

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

4.29.3 Subsequent Measurement

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

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

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

4.29.4 Short term Leases and Low value leases

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

4.30 Derivatives held for risk management purposes

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

4.30.1 Other non-trading derivatives

If a derivative is not held for trading, and is not designated in a qualifying hedge relationship, then all changes in its fair value are recognized immediately in profit or loss as a component of net trading income from other financial instruments at fair value through profit or loss.

5 Standards issued but not yet effective

A number of new standards, amendments to standards, interpretations and amendments are effective for annual periods beginning after 1 January 2021 and have not been applied in preparing these consolidated and separate financial statements. Those which may be relevant to the Group and Company are set out below. The Group and Company do not plan to early adopt these standards. These will be adopted in the period that they become mandatory unless otherwise indicated:

5.1 COVID-19-Related Rent Concessions (Amendments to IFRS 16)

The amendments introduce an optional practical expedient that simplifies how a lessee accounts for rent concessions that are a direct consequence of COVID-19. A lessee that applies the practical expedient is not required to assess whether eligible rent concessions are lease modifications, and accounts for them in accordance with other applicable guidance. The resulting accounting will depend on the details of the rent concession.

The practical expedient will only apply if:

- the revised consideration is substantially the same or less than the original consideration;
- the reduction in lease payments relates to payments due on or before 30 June 2021; (a subsequent amendment released in March 2021 has extended this date to 30 June 2022) and

- no other substantive changes have been made to the terms of the lease.

Lessees applying the practical expedient are required to disclose:
- that fact, if they have applied the practical expedient to all eligible rent concessions and, if not, the nature of the contracts to which they have applied the practical expedient; and
- the amount recognised in profit or loss for the reporting period arising from application of the practical expedient.

The original version of the practical expedient was, and remains, optional. However, the subsequent amendment is, in effect, not optional. This is because a lessee that chose to apply the practical expedient introduced by the 2020 amendment would have to consistently apply the extension to similar rent concessions.

The subsequent amendment is applicable retrospectively with the cumulative effect of initially applying it being recognised in opening retained earnings. The disclosure requirements of Paragraph 28(f)1 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors do not apply on initial application of the subsequent amendment. Lessees may need to reverse previous lease modification accounting if a rent concession was ineligible for the original practical expedient under the 2020 amendment but becomes eligible as a result of the extension.

The amendments are effective for periods beginning on or after 1 June 2020 (the subsequent amendment is effective on or after 1 April 2021), with earlier application permitted. A lessee applies the amendments retrospectively and recognises the cumulative effect of initially applying them in the opening retained earnings of the reporting period in which they are first applied.

The amendments are not expected to have a material impact on the Group

5.2 Onerous Contracts: Cost of Fulfilling a Contract (Amendments to IAS 37)

Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets, issued by the International Accounting Standards Board, clarify that the 'costs of fulfilling a contract' when assessing whether a contract is onerous comprise both:
- the incremental costs – e.g. direct labour and materials; and
- an allocation of other direct costs – e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract.

The amendments apply for annual reporting periods beginning on or after 1 January 2022 to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments will be recognised as an opening balance adjustment to retained earnings or other component of equity, as appropriate. The comparatives will not be restated. Earlier application is permitted.

The Group is yet to determine the impact of this standard on its financial statements.

5.3 Annual Improvements to IFRS Standards 2018-2020

IFRS 1 First-time Adoption of International Financial Reporting Standards	The amendment permits a subsidiary (as a first-time adopter of IFRS that applies IFRS later than its parent) that applies IFRS 1.D16(a) to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.
IFRS 9 Financial Instruments	The amendment clarifies that for the purpose of performing the ''10 per cent test" for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

IFRS 16 Leases	The amendment removes the illustration of payments from the lessor relating to leasehold improvements. As currently drafted, this example is not clear as to why such payments are not a lease incentive.
IAS 41 Agriculture	The amendment removes the requirement to exclude cash flows for taxation when measuring fair value, thereby aligning the fair value measurement requirements in IAS 41 with those in IFRS 13 Fair Value Measurement

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 with earlier application permitted.

The Group is yet to determine the impact of these amendments on its financial statements.

5.4 Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
The amendment prohibits deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.

Proceeds from selling items before the related item of property, plant and equipment is available for use should be recognised in profit or loss, together with the costs of producing those items. IAS 2 Inventories should be applied in identifying and measuring these production costs.

Companies will therefore need to distinguish between:

- costs associated with producing and selling items before the item of property, plant and equipment is available for use; and
- costs associated with making the item of property, plant and equipment available for its intended use.

Making this allocation of costs may require significant estimation and judgement.

The amendments apply for annual reporting periods beginning on or after 1 January 2022, with earlier application permitted. The amendments apply retrospectively, but only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the financial statements in which the company first applies the amendments.

The Group is yet to determine the impact of these amendments on its financial statements.

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

The amendment is effective for annual periods beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

The Group is yet to determine the impact of these amendments on its financial statements.

5.6 IFRS 17 Insurance Contracts (and its related amendments)

IFRS 17 supersedes IFRS 4 Insurance Contracts and aims to increase comparability and transparency about profitability. The new standard introduces a new comprehensive model ("general model") for the recognition and measurement of liabilities arising from insurance contracts. In addition, it includes a simplified approach and modifications to the general measurement model that can be applied in certain circumstances and to specific contracts, such as:

- Reinsurance contracts held;
- Direct participating contracts; and
- Investment contracts with discretionary participation features.

Under the new standard, investment components are excluded from insurance revenue and service expenses. Entities can also choose to present the effect of changes in discount rates and other financial risks in profit or loss or OCI.

The new standard includes various new disclosures and requires additional granularity in disclosures to assist users to assess the effects of insurance contracts on the entity's financial statements.

The entity is in the process of determining the impact of IFRS 17 and will provide more detailed disclosure on the impact in future financial statements.

The standard is effective for annual periods beginning on or after 1 January 2023. Early adoption is permitted only if the entity applied IFRS 9.

This standard is not applicable to the Group.

5.7 Classification of liabilities as current or non-current (Amendments to IAS 1)

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

There is limited guidance on how to determine whether a right has substance and the assessment may require management to exercise interpretive judgement.

The existing requirement to ignore management's intentions or expectations for settling a liability when determining its classification is unchanged.

The amendments are to be applied retrospectively from the effective date. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

5.8 Definition of accounting estimates (Amendments to IAS 8)

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

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

- The definition of a change in accounting estimates is replaced with a definition of accounting estimates.
- Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".
- Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.
- The Board clarified that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

- A change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognised as income or expense in the current period. The effect, if any, on future periods is recognised as income or expense in those future periods.

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

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

The Group is yet to determine the impact of these amendments on its financial statements.

5.9 Disclosure Initiative: Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
Making information in financial statements more relevant and less cluttered has been one of the key focus areas for the International Accounting Standards Board (the Board).

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

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

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

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

The Group is yet to determine the impact of these amendments on its financial statements.

5.10 Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (Amendment to IAS 12)
The amendment clarifies that the initial recognition exemption does not apply to transactions that give rise to equal and offsetting temporary differences such as leases and decommissioning obligations. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

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

The Group is yet to determine the impact of these amendments on its financial statements.

6 Events after the reporting date

Events subsequent to the statement of financial position date are reflected in the financial statements only to the extent that they relate to the year under consideration and the effect is material. There were no subsequent events at the reporting date and at 31 December 2021.

7. Financial risk management

7.1 Introduction and overview

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

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

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

7.1.1 Risk management framework

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

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

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

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

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

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

7.2 Credit risk

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

7.2.1 Management of credit risk

The Board of Directors has delegated responsibility for the day-to-day management of credit risk to the Credit Department and the overall management of credit risk to the Risk Management Department. These departments report to the Board on a quarterly basis.

These departments responsibilities includes:

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

Each business unit is required to implement Group credit policies and procedures. Each business unit reports on all credit related matters to management. 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.

The Risk Management Department monitors and manages the Group's global credit risk within the risk appetite approved by the Board and sets limits and controls within the Bank's Risk Management Policy statement. It also promotes and supports the development of good credit risk management practices.

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

7.2.2 Impaired loans and securities

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

7.2.3 Past due but not impaired

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

7.2.4 Significant increase in credit risk

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

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

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

7.2.5 Definition of default

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

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

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

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

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

7.2.6 Internal credit risk rating

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

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

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

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

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

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

The Group uses credit risk grades as a primary input into the determination of the term structure of the Probability of Default (PD) for exposures. The Bank collects performance and default information about its credit risk exposures analysed

by jurisdiction or region and by type of product and borrower as well as by credit risk grading. The information used is both internal and external depending on the portfolio assessed.
The Group analyses all data collected using statistical models and estimates the remaining lifetime PD of exposures and how these are expected to change over time. The factors taken into account in this process include macro-economic data such as GDP growth, unemployment, benchmark interest rates and house prices.

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

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

The internal risk grading scale is as follows:

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

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

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

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

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

7.2.7 Incorporation of forward-looking information

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

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

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

	2021			2020		
At 31 December	**Upside**	**Central**	**Downside**	**Upside**	**Central**	**Downside**
Scenario probability weighting	20%	50%	30%	20%	50%	30%

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

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

At 31 December 2020	Average inflation	Average USD rate	Short-term interest rate
Downside economic assumptions	Up to 25%	Up to 20%	Up to 20%
Central economic assumptions	26% - 50%	11% - 25%	21% to 50%
Upside economic assumptions	Over 50%	Over 25%	Over 50%

7.2.8 Sensitivity of ECL to future economic conditions

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

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

in thousands of cedis	2021				2020			
As at 31 December	**Upside**	**Central**	**Downside**	**Probability weighted**	**Upside**	**Central**	**Downside**	**Probability weighted**
Gross loans	2,452,920	2,452,920	2,452,920	2,452,920	2,640,612	2,640,612	2,640,612	2,640,612
Loss allowance	211,020	208,764	206,620	213,400	245,091	240,549	237,668	239,662

COVID 19 impact

The impact of COVID 19 on the Group's credit exposures was minimal. The Group is least exposed to sectors that were mostly affected by the pandemic. The bank reviewed the performances of loans and advances before and during the Covid-19 pandemic period which focused on monthly average default rate by comparing repayment obligations that were not settled within the month they were due for repayment against the total repayment obligations due for that period. It was observed that, contrary to analyst projections of increased average default rate due to the pandemic, the rate of default actually improved on a monthly basis. A forwardlooking analysis of the trend suggested that default rates were to improve. This observation affirms the fact that majority of the Group's borrowing customers operated in sectors which were not adversely affected by the covid-19 pandemic.

Given a likely positive outlook and strict risk management practice the Group does not expect to record a significant increase in credit risk and impairment. The Group is therefore likely to continue to realize further improvement in loan default rate.

However, based on the Group's recognition that the persistence of the pandemic can have an adverse impact on business confidence which can trickle down to individual obligors in the economy, the Group took a conservative approach to determining a forward looking assessment of the impact of COVID by assigning the highest weighting to the downside (worse case) scenario in its PD determination, thereby leading to increased Probability of defaults (PDs) in its ECL computation for the period. Apart from this adjustment to PDs, there were no further post model adjustments or overlays.

7.2.9 Measurement of ECL

The key inputs used for measuring ECL are:

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

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

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

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

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

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

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

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

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

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

7.2.10 Credit quality analysis

The Group monitors credit risk per class of financial instrument. The following table sets out information about the credit quality of financial assets measured at amortised cost, FVOCI debt investments and FVTPL financial assets. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts. For loan commitments and financial guarantee contracts, the amounts in the table represent the amounts committed or guaranteed, respectively.

Group and Bank
2021

	Stage 1	Stage 2	Stage 3	Total
Loans and advances to customers				
Grade A	1,909,364	187,254	-	2,096,618
Grade B	-	5,661	75,545	81,206
Grade C	-	10,768	77,557	88,325
Grade D	-	6,530	83,745	90,275
Grade E	-	-	96,496	96,496
	1,909,364	**210,213**	**333,343**	**2,452,920**
Loss allowance	(14,852)	(10,741)	(187,807)	(213,400)
Carrying amount	**1,894,512**	**199,472**	**145,536**	**2,239,520**
Loan Commitments				
Grade A 1	27,747	-	-	127,747
Loss allowance	(465)	-	-	(465)
Carrying amount	**127,282**	**-**	**-**	**127,282**
Guarantees & Indemnities				
Grade A	338,669	-	-	338,669
Loss allowance	(146)	-	-	(146)
Carrying amount	**338,523**	**-**	**-**	**338,523**
Letters of credit				
Grade A	226,767	-	-	226,767
Loss allowance	(392)	-	-	(392)
Carrying amount	**226,375**	**-**	**-**	**226,375**
Investment securities at amortised cost				
Grade A	5,044,124	-	-	5,044,124
Loss allowance	(5,156)	-	-	(5,156)
Carrying amount	**5,038,968**	**-**	**-**	**5,038,968**

Group and Bank
2020

Loans and advances to customers	Stage 1	Stage 2	Stage 3	Total
Loans and advances to customers				
Grade A	2,015,544	188,176	-	2,203,720
Grade B	-	9,344	71,092	80,436
Grade C	-	10,090	36,675	46,765
Grade D	-	1,952	151,395	153,347
Grade E	-	-	156,344	156,344
	2,015,544	**209,562**	**415,506**	**2,640,612**
Loss allowance	(14,131)	(13,985)	(211,546)	(239,662)
Carrying amount	**2,001,413**	**195,577**	**203,960**	**2,400,950**
Loan Commitments				
Grade A	91,631	-	-	91,631
Loss allowance	(282)	-	-	(282)
Carrying amount	**91,349**	**-**	**-**	**91,349**
Guarantees & Indemnities				
Grade A	156,470	-	-	156,470
Loss allowance	(68)	-	-	(68)
Carrying amount	**156,402**	**-**	**-**	**156,402**
Letters of credit				
Grade A	26,144	-	-	26,144
Loss allowance	(45)	-	-	(45)
Carrying amount	**26,099**	**-**	**-**	**26,099**
Investment securities at amortised cost				
Grade A	3,242,480	-	-	3,242,480
Loss allowance	(1,561)	-	-	(1,561)
Carrying amount	**3,240,919**	**-**	**-**	**3,240,919**

7.2.11 Amounts arising from expected credit losses (ECL)

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

Group and Bank **2021**

Loans and advances to customers at amortised cost	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January	14,131	13,985	211,546	239,662
Transfer to Stage 2	(352)	352	-	-
Transfer to Stage 3	(51,493)	(3,543)	55,036	-
Net remeasurement of loss allowance	48,466	(2,519)	53,647	99,594
New financial assets originated or purchased	7,211	2,466	5	9,682
Loans that have been derecognised	(3,111)	-	-	(3,111)
Write-offs	-	-	(132,427)	(132,427)
Balance at 31 December	**14,852**	**10,741**	**187,807**	**213,400**

Group and Bank — **2020**

Loans and advances to customers at amortised cost	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January	21,098	3,793	176,919	201,810
Transfer to Stage 2	(1,862)	1,862	-	-
Transfer to Stage 3	(681)	(1,579)	2,260	-
Net remeasurement of loss allowance	(1,312)	9,730	117,167	125,585
New financial assets originated or purchased	1,320	179	241	1,740
Loans that have been derecognised	(4,432)	-	-	(4,432)
Write-offs	-	-	(85,041)	(85,041)
Balance at 31 December	14,131	13,985	211,546	239,662

7.2.12 Loans with renegotiated terms

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

7.2.13 Allowances for impairment

An allowance is established for impairment losses that represents its estimate of incurred losses in its loan portfolio. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loan loss allowance established for groups of homogeneous assets in respect of losses that have been incurred but have not been identified on loans subject to individual assessment for impairment.

7.2.14 Write-offs

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

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

in thousands of Ghana Cedis	2021		2020	
	Bank	**Group**	**Bank**	**Group**
Balance at the beginning	384,040	384,040	336,661	336,661
Write-offs during the year	132,427	132,427	85,041	85,041
Recovery during the year	(27,994)	(27,994)	(37,662)	(37,662)
Balance at the end	**488,473**	**488,473**	**384,040**	**384,040**

7.2.15 Maximum Credit Exposure

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

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

in thousands of Ghana Cedis	2021		2020	
	Bank	**Group**	**Bank**	**Group**
Cash and cash equivalents	1,174,439	1,174,440	1,355,038	1,355,037
Non-pledged trading assets	672,509	672,509	834,131	834,131
Derivative assets held for risk management	26,466	26,466	731	731
Investment Securities	4,946,980	4,974,002	2,463,005	2,482,279
Loans and advances to customers	2,239,520	2,239,520	2,400,950	2,400,950
Other assets	90,239	93,255	52,021	54,097
	9,150,153	**9,180,192**	**7,105,876**	**7,127,225**

7.2.16 Credit collateral

The Group holds collateral against loans and advances to customers in the form of mortgage interests over property, cash, other registered securities over assets, and guarantees. Estimates of fair value are based on the value of collateral assessed at the time of borrowing, and generally are updated every three years. Collateral generally is not held over loans and advances to banks, except where the counterparty bank assigns securities in the form of treasury bills or government bonds. Collateral usually is not held against investment securities, and no such collateral was held at 31 December 2021.

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

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

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

in thousands of Ghana Cedis	2021		2020	
	Bank	**Group**	**Bank**	**Group**
Against impaired assets	336,926	336,926	591,495	591,495
Carrying amounts of the impaired assets	145,536	145,536	203,960	203,960

7.2.17 Collateral repossessed

During the year no collateral was repossessed by the bank (2020: Nil)

7.2.18 Credit risk concentration

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

in thousands of Ghana Cedis	2021		2020	
	Bank	**Group**	**Bank**	**Group**
Carrying amount of loans and advances	2,239,520	2,239,520	2,400,950	2,400,950
Concentration by sector				
Agriculture, forestry & fishing	3,585	3,585	957	957
Mining and quarrying	38,116	38,116	59,130	59,130
Manufacturing	231,078	231,078	108,785	108,785
Construction	516,972	516,972	742,606	742,606
Electricity, gas and water	129,276	129,276	167,082	167,082
Commerce and finance	312,620	312,620	487,485	487,485
Transport, storage and communications	498,302	498,302	332,856 3	32,856
Services	527,396	527,396	604,704	604,704
Miscellaneous	195,575	195,575	137,007	137,007
	2,452,920	**2,452,920**	**2,640,612**	**2,640,612**
Allowance for Impairment	(213,400)	(213,400)	(239,662)	(239,662)
Carry amount	**2,239,520**	**2,239,520**	**2,400,950**	**2,400,950**
Concentration by type of customer				
Private enterprises	1,965,260	1,965,260	2,195,388	2,195,388
Joint private & state enterprises	342,918	342,918	335,350	335,350
Individuals	144,742	144,742	109,874	109,874
	2,452,920	**2,452,920**	**2,640,612**	**2,640,612**
Allowance for Impairment	(213,400)	(213,400)	(239,662)	(239,662)
Carry amount	**2,239,520**	**2,239,520**	**2,400,950**	**2,400,950**

Investments securities

Investment securities amounting to GHS4.63 billion (2020: GHS2.23 billion) are held in Government of Ghana Treasury Bills and bonds.

Non-pledged trading securities

Trading securities amounting to GHS672.51 million (2020: GHS834.13 million) are held in Government of Ghana Treasury Bills and bonds.

Due from banks and other financial institutions

Amount due from local banks of GHS130 million (2020: GHS190 million) and foreign banks of GHS107 million (2020: GH70 million) are held with correspondent banks and financial institutions and therefore impairments on these are not considered significant. These amounts are with regulated reputable institutions. The balances with banks set out in Note 20 represent the maximum credit risk exposure of the Group by holding these placements.

7.2.19 Settlement risk

The Group's activities may give rise to risk at the time of settlement of transactions and trades. Settlement risk is the risk of loss due to the failure of a company to honour its obligations to deliver cash, securities or other assets as contractually agreed. For certain types of transactions the Group mitigates this risk by conducting settlements through a settlement/clearing agent to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations. Settlement limits form part of the credit approval / limit monitoring process described earlier.

7.3 Liquidity risk

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

7.3.1 Management of liquidity risk

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

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

7.3.2 Exposure to liquidity risk

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

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

	2021	2020
At 31 December	81.6%	72.8%
Average for the period	78.7%	64.0%
Maximum for the period	81.6%	72.8%
Minimum for the period	75.4%	58.0%

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

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

An analysis of various maturities of the Group's financial assets and liabilities is provided below.

2021				Bank					
Assets	**Carrying Amount**	**Gross Nominal Amount**	**Less Than 1 month**	**1 – 3 months**	**3 – 6 months**	**6 months to 1 year**	**1 to 3 years**	**3 – 5 years**	**More than 5 years**
Cash and Cash Equivalents	1,307,694	1,364,913	1,299,282	65,631	-	-	-	-	-
Non-Pledged Trading Assets	672,509	679,704	76,724	46,764	556,216	-	-	-	-
Derivative Assets Held for Risk Management	26,466	26,466	-	26,466	-	-	-	-	-
Investment Securities	4,946,980	7,003,250	329,264	121,508	1,909,173	695,502	1,097,525	1,156,158	1,694,120
Loans and Advances to Customers	2,239,520	3,116,790	761,743	192,300	225,127	195,037	714,506	457,671	570,406
Other Assets	14,135	14,135	-	2,827	4,241	7,067	-	-	-
Total Assets	**9,207,304**	**12,205,258**	**2,467,013**	**455,496**	**2,694,757**	**897,606**	**1,812,031**	**1,613,829**	**2,264,526**
Liabilities									
Deposits From Banks and Other Financial Institutions	1,150,134	1,207,338	279,675	875,039	36,524	15,826	274	-	-
Deposits From Customers	5,161,933	5,271,171	3,563,706	926,363	525,497	246,662	8,943	-	-
Borrowings	2,214,267	2,345,708	24,453	43,280	1,293,667	307,548	207,588	144,768	324,404
Lease Liabilities	86,128	86,128	4,821	-	214	3,590	16,560	18,805	42,138
Other Liabilities	140,056	140,056	70,031	42,015	28,010	-	-	-	-
Total Liabilities	**8,752,518**	**9,050,401**	**3,942,686**	**1,886,697**	**1,883,912**	**573,626**	**233,365**	**163,573**	**366,542**
Period liquidity gap	**-**	**-**	**(1,475,673)**	**(1,431,201)**	**810,845**	**323,980**	**1,578,666**	**1,450,256**	**1,897,984**
Cummulative liquidity gap	**-**	**-**	**(1,475,673)**	**(2,906,874)**	**(2,096,029)**	**(1,772,049)**	**(193,383)**	**1,256,873**	**3,154,857**
Contingent Liabilities	**565,437**	**565,437**	**39,258**	**232,022**	**23,099**	**160,793**	**110,265**	**-**	**-**

2021	Group								
Assets	**Carrying Amount**	**Gross Nominal Amount**	**Less Than 1 month**	**1 – 3 months**	**3 – 6 months**	**6 months to 1 year**	**1 to 3 years**	**3 – 5 years**	**More than 5 years**
Cash and Cash Equivalents	11,307,701	1,364,918	1,299,287	65,631	-	-	-	-	-
Non-Pledged Trading Assets	672,509	679,704	76,724	46,764	556,216	-	-	-	-
Derivative Assets Held for Risk Management	26,466	26,466	-	26,466	-	-	-	-	-
Investment Securities	4,974,002	7,029,821	329,649	122,621	1,909,548	697,046	1,112,248	1,163,388	1,695,321
Loans and Advances to Customers	2,239,520	3,116,790	761,743	192,300	225,127	195,037	714,506	457,671	570,406
Other Assets	17,102	18,501	-	2,827	4,241	11,433	-	-	-
Total Assets	**9,237,300**	**12,236,200**	**2,467,403**	**456,609**	**2,695,132**	**903,516**	**1,826,754**	**1,621,059**	**2,265,727**
Liabilities									
Deposits From Banks and Other Financial Institutions	1,146,452	1,203,655	275,992	875,039	36,524	15,826	274	-	-
Deposits From Customers	5,161,933	5,271,171	3,563,706	926,363	525,497	246,662	8,943	-	-
Borrowings	2,214,267	2,345,708	24,453	43,280	1,293,667	307,548	207,588	144,768	324,404
Lease Liabilities	86,128	86,128	4,821	-	214	3,590	16,560	18,805	42,138
Other Liabilities	142,355	142,354	70,031	42,018	28,012	2,293	-	-	-
Total Liabilities	**8,751,135**	**9,049,016**	**3,939,003**	**1,886,700**	**1,883,914**	**575,919**	**233,365**	**163,573**	**366,542**
Period liquidity gap	**–**	**–**	**(1,471,600)**	**(1,430,091)**	**811,218**	**327,597**	**1,593,389**	**1,457,486**	**1,899,185**
Cummulative liquidity gap	**–**	**–**	**(1,471,600)**	**(2,901,691)**	**(2,090,473)**	**(1,762,876)**	**(169,487)**	**1,287,999**	**3,187,184**
Contingent Liabilities	**565,437**	**565,437**	**39,258**	**232,022**	**23,099**	**160,793**	**110,265**	**–**	**–**

2020	Bank								
Assets	**Carrying Amount**	**Gross Nominal Amount**	**Less Than 1 month**	**1 – 3 months**	**3 – 6 months**	**6 months to 1 year**	**1 to 3 years**	**3 – 5 years**	**More than 5 years**
Cash and Cash Equivalents	1,430,243	1,213,016	1,213,016	–	–	–	–	–	–
Non-Pledged Trading Assets	834,131	1,346,301	23,648	9,365	1,313,288	–	–	–	–
Derivative Assets Held for Risk Management	731	731	–	731	–	–	–	–	–
Investment Securities	2,463,005	3,988,082	90,860	444,923	881,088	618,708	507,628	521,635	923,240
Loans and Advances to Customers	2,400,950	3,469,145	511,745	463,051	274,620	350,255	1,007,064	580,598	281,812
Other Assets	11,822	11,822	–	4,729	7,093	–	–	–	–
Total Assets	**7,140,882**	**10,029,097**	**1,839,269**	**922,799**	**2,476,089**	**968,963**	**1,514,692**	**1,102,233**	**1,205,052**
Liabilities									
Deposits From Banks and Other Financial Institutions	263,803	264,414	98,751	40,734	105,156	19,773	–	–	–
Deposits From Customers	4,164,301	4,168,655	2,891,017	675,907	426,708	173,575	1,448	–	–
Borrowings	2,098,225	2,220,485	17,291	902,763	231,150	166,406	393,871	148,277	360,727
Lease Liabilities	85,886	85,886	4,821	–	214	3,348	16,560	18,805	42,138
Other Liabilities	179,266	179,266	35,976	39,887	20,569	78,305	–	4,529	–
Total Liabilities	**6,791,481**	**6,918,706**	**3,047,856**	**1,659,291**	**783,797**	**441,407**	**411,879**	**171,611**	**402,865**
Period liquidity gap	**–**	**–**	**(1,208,587)**	**(736,492)**	**1,692,292**	**527,556**	**1,102,813**	**930,622**	**802,187**
Cummulative liquidity gap	**–**	**–**	**(1,208,587)**	**(1,945,079)**	**(252,787)**	**274,769**	**1,377,582**	**2,308,204**	**3,110,391**
Contingent Liabilities	**182,614**	**182,615**	**–**	**173,942**	**3,061**	**3,061**	**2,551**	**–**	**–**

2020	Group								
Assets	**Carrying Amount**	**Gross Nominal Amount**	**Less Than 1 month**	**1 – 3 months**	**3 – 6 months**	**6 months to 1 year**	**1 to 3 years**	**3 – 5 years**	**More than 5 years**
Cash and Cash Equivalents	1,430,248	1,213,021	1,213,021	-	-	-	-	-	-
Non-Pledged Trading Assets	834,131	1,346,301	23,648	9,365	1,313,288	-	-	-	-
Derivative Assets Held for Risk Management	731	731	-	731	-	-	-	-	-
Investment Securities	2,482,279	4,007,356	90,860	444,923	881,088	618,708	526,902	521,635	923,240
Loans and Advances to Customers	2,400,950	3,469,145	511,745	463,051	274,620	350,255	1,007,064	580,598	281,812
Other Assets	13,854	13,854	-	5,542	8,312	-	-	-	-
Total Assets	**7,162,193**	**10,050,408**	**1,839,274**	**923,612**	**2,477,308**	**968,963**	**1,533,966**	**1,102,233**	**1,205,052**
Liabilities									
Deposits From Banks and Other Financial Institutions	261,657	264,414	98,751	40,734	105,156	19,773	-	-	-
Deposits From Customers	4,164,301	4,168,655	2,891,017	675,907	426,708	173,575	1,448	-	-
Borrowings	2,098,225	2,220,485	17,291	902,763	231,150	166,406	393,871	148,277	360,727
Lease Liabilities	85,886	85,886	4,821	-	214	3,348	16,560	18,805	42,138
Other Liabilities	181,745	181,743	35,976	39,887	20,569	80,782	-	4,529	-
Total Liabilities	**6,791,814**	**6,921,183**	**3,047,856**	**1,659,291**	**783,797**	**443,884**	**411,879**	**171,611**	**402,865**
Period liquidity gap	**-**	**-**	**(1,208,582)**	**(735,679)**	**1,693,511**	**525,079**	**1,122,087**	**930,622**	**802,187**
Cummulative liquidity gap	**-**	**-**	**(1,208,582)**	**(1,944,261)**	**(250,750)**	**274,329**	**1,396,416**	**2,327,038**	**3,129,225**
Contingent Liabilities	**182,614**	**182,615**	**-**	**173,942**	**3,061**	**3,061**	**2,551**	**-**	**-**

7.3.3 Available Counterparty Liquidity

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

in thousands of Ghana Cedis	2021		2020	
Description	**Bank**	**Group**	**Bank**	**Group**
Lines for letters of credit establishment	1,614,920	1,614,920	1,653,177	1,653,177
Lines for letters of credit refinancing/ payment	1,351,373	1,351,373	1,296,045	1,296,045

7.4 Market risks

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

7.4.1 Management of market risks

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

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

7.4.2 Exposure to interest rate risk – non-trading portfolios

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

The management of interest rate risk against interest rate gap limits is supplemented by monitoring the sensitivity of the Group's financial assets and liabilities to various standard and non-standard interest rate scenarios. Standard scenarios that are considered on a monthly basis include a 100 basis point (bp) parallel fall or rise in all yield curves and a 50 bp parallel fall or rise in all yield curves. An analysis of the Group and company's sensitivity to an increase or decrease in market interest rates (assuming no asymmetrical movement in yield curves and a constant balance sheet position) is as follows:

Sensitivity of projected net interest income	**100 bp parallel increase**	**100 bp parallel decrease**	**50 bp parallel increase**	**50 bp parallel decrease**
At 31 December 2021	(36,708)	36,708	(18,354)	18,354
At 31 December 2020	(20,588)	20,588	(10,294)	10,294

7.4.3 Concentration of assets, liabilities and off balance sheet items

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

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

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

Group and Bank	2021				
Assets	US Dollars	British Pounds	Euro	Others	Total
Cash and Cash Equivalents	200,386	22,520	66,180	1,991	291,077
Loans and Advances to Customers	1,264,631	1,250	32	-	1,265,913
Other Assets	700	-	-	-	700
Total Assets	**1,465,717**	**23,770**	**66,212**	**1,991**	**1,557,690**
Liabilities					
Deposits From Customers	842,274	47,327	49,906	-	939,507
Borrowings	2,185,494	6,841	-	-	2,192,335
Other Liabilities	38,441	352	125	-	38,918
Total Liabilities	**3,066,209**	**54,520**	**50,031**	**-**	**3,170,760**
Net On-Balance Sheet Position	**(1,600,492)**	**(30,750)**	**16,181**	**1,991**	**(1,613,070)**
Off-Balance Sheet Credit Commitments	**318,797**	**1,688**	**96,425**	**-**	**416,910**
Total Exposure	**(1,281,695)**	**(29,062)**	**112,606**	**1,991**	**(1,196,160)**

Group and Bank	2020				
Assets	US Dollars	British Pounds	Euro	Others	Total
Cash and Cash Equivalents	90,661	23,614	28,274	2,381	144,930
Loans and Advances to Customers	1,303,648	-	102	-	1,303,750
Other Assets	594	-	-	-	594
Total Assets	**1,394,903**	**23,614**	**28,376**	**2,381**	**1,449,274**
Liabilities					
Deposits From Customers	539,941	17,566	22,897	-	580,404
Borrowings	2,064,594	6,435	-	-	2,071,029
Other Liabilities	28,382	51	86	-	28,519
Total Liabilities	**2,632,917**	**24,052**	**22,983**	**-**	**2,679,952**
Net On-Balance Sheet Position	(1,238,014)	(438)	5,393	2,381	(1,230,678)
Off-Balance Sheet Credit Commitments	64,337	-	156	-	64,493
Total Exposure	**(1,173,677)**	**(438)**	**5,549**	**2,381**	**(1,166,185)**

7.4.4 Currency risk

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

The table below indicates the currencies to which the Group had significant exposure at 31 December 2021 and 2020 on its monetary assets and liabilities and its forecast cash flows. The analysis calculates the effect of a reasonably possible movement of the currency rate against the cedis (all other variables being held constant) on profit or loss and equity (due to the fair value of currency sensitive non-trading monetary assets and liabilities).

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

	2021				2020			
	Exchange Rate at 31 Dec	Change in currency rate	Effect on profit before tax	Impact on equity	Exchange Rate at 31 Dec	Change in currency rate	Effect on profit before tax	Impact on equity
US Dollars	6.0061	4%	(64,020)	(48,015)	5.7602	4%	(50,673)	(38,005)
British Pounds	8.1272	3%	(922)	(692)	7.8742	8%	(33)	(25)
Euro	6.8281	(3)%	485	(364)	7.0643	14%	741	556

7.5 Operational risks

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

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

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

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

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

7.6 Climate-related risk

'Climate-related risks' are potential negative impacts on the Group arising from climate change. Climate-related risks have an impact on the principal risk categories discussed above (i.e. credit, liquidity, market and operational risks), but due to their pervasive nature have been identified and managed by the Group on an overall basis.

The Group distinguishes between physical risks and transition risks. Physical risks arise as the result of acute weather events such as hurricanes, floods and wildfires, and longer-term shifts in climate patterns, such as sustained higher temperatures, heat waves, droughts and rising sea levels. Transition risks arise as a result of measures taken to mitigate the effects of climate change and transition to a low-carbon economy – e.g. changes to laws and regulations, litigation due to failure to mitigate or adapt, and shifts in supply and demand for certain commodities, products and services due to changes in consumer behaviour and investor demand.

The Group has a Sustainable Banking Committee, which is responsible for developing group-wide policies, processes and controls to incorporate climate risks in the management of principal risk categories

7.7 Capital management – Regulatory Capital

The Group's lead regulator, the Bank of Ghana, monitors capital requirements for the Group. In implementing current capital requirements the Bank of Ghana requires the Group to maintain a minimum prescribed ratio of total capital to total risk-weighted assets of 13% (2020: 11.5%). The Bank of Ghana also requires banks to hold a minimum regulatory capital of GHS400 million.

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

Tier 1 capital, which includes ordinary share capital, retained earnings and minority interests after deductions for goodwill and intangible assets, and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes.

Tier 2 capital, which includes qualifying subordinated liabilities and the element of the fair value reserve relating to unrealised gains on equity instruments classified as available-for-sale.

The carrying amounts of investments in subsidiaries that are not included in the regulatory consolidation and investments in the capital of banks and certain other regulatory items are deducted from capital.

The Group's operations are categorised as either trading book or banking book, and risk-weighted assets are determined according to specified requirements that seek to reflect the varying levels of risk attached to assets and off-balance sheet exposures.

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognised and the Group recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

The Group and its individually regulated operations have complied with all externally imposed capital requirements throughout the period.

There have been no material changes in the Group's management of capital during the period.

The regulatory capital position at 31 December was as follows:

in thousands of Ghana Cedis	2021		2020	
	Bank	**Group**	**Bank**	**Group**
Paid up capital	400,000	400,000	400,000	400,000
Retained earnings	361,554	390,697	227,273	248,695
Statutory reserves	393,905	393,905	340,095	340,095
Other qualifying reserves	-	-	(136)	(720)
Tier 1 capital before deductions	**1,155,459**	**1,184,602**	**967,232**	**988,070**
Software	74,062	75,076	44,813	45,960
Deferred tax	28,277	28,265	36,377	36,404
Losses not provided for	-	-	40,066	40,066
Others	76,104	76,153	40,199	40,243
Total regulatory adjustments	**178,443**	**179,494**	**161,455**	**162,673**
Total tier 1 capital	**977,016**	**1,005,108**	**805,777**	**825,397**
Subordinated term debt	95,211	95,211	121,799	121,799
Property revaluation reserve (@50%)	51,463	51,463	52,318	52,318
Tier 2 capital (limited to 2% of risk weighted assets)	**86,442**	**86,850**	**80,956**	**81,402**
Total Regulatory Capital	**1,063,458**	**1,091,958**	**886,733**	**906,799**
Risk-weighted assets				
Credit risk	3,086,619	3,085,943	3,065,613	3,066,085
Operational risk	1,074,551	1,085,264	924,093	935,550
Market risk	178,426	188,787	58,118	68,479
Total risk weighted assets	**4,339,596**	**4,359,994**	**4,047,824**	**4,070,114**
Capital adequacy ratio	**24.5%**	**25.1%**	**21.9%**	**22.3%**
Summary of key ratios				
Tier 1 capital ratio	22.5%	23.1%	19.9%	20.3%
Tier 2 capital ratio	2.0%	2.0%	2.0%	2.0%
Capital adequacy ratio	24.5%	25.1%	21.9%	22.3%
Leverage ratio*	9.3%	9.5%	9.9%	10.1%
***In computing leverage ratio, total assets (off and on-balance sheet) amounted to**	**10,527,118**	**10,553,668**	**8,177,660**	**8,198,831**

7.7.1 Capital allocation

The allocation of capital between specific operations and activities is, to a large extent, driven by optimisation of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based primarily upon the regulatory capital, but in some cases the regulatory requirements do not reflect fully the varying degree of risk associated with different activities. In such cases the capital requirements may be flexed to reflect differing risk profiles, subject to the overall level of capital to support a particular operation or activity not falling below the minimum required for regulatory purposes. Although maximisation of the return on riskadjusted capital is the principal basis used in determining how capital is allocated within the Group to particular operations or activities, it is not the sole basis used for decision making. Account also is taken of synergies with other operations and activities, the availability of management and other resources, and the fit of the activity with the Group's longer term strategic objectives. The Group's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors.

	2021		2020	
	Bank	**Group**	**Bank**	**Group**
Regulatory Quantitative Disclosures				
Capital Adequacy Ratio	24.5%	25.1%	21.9%	22.3%
Non-Performing Loans Ratio	11.2%	11.2%	13.5%	13.5%
Liquid Ratio	233.3%	234.6%	216.7%	217.6%
Compliance with statutory liquidity requirement				
(i) Default in Statutory Liquidity	Nil	Nil	Nil	Nil
(ii) Default in Statutory Liquidity Sanction (GHS'000)	Nil	Nil	Nil	Nil
(iii) Other Regulatory Penalties (GHS'000)	548	548	84	84

8. Use of estimates and judgements

Management discussed with the Audit Committee the development, selection and disclosure of the Group's critical accounting policies and estimates, and the application of these policies and estimates.

These disclosures supplement the commentary on financial risk management (see note 7).

8.1 Key sources of estimation uncertainty

8.1.1 Allowances for credit losses

Assets accounted for at amortised cost are evaluated for impairment on a basis described in accounting policy note 4.

The specific counter party component of the total allowances for impairment applies to claims evaluated individually for impairment and is based upon management's best estimate of the present value of the cash flows that are expected to be received. In estimating these cash flows, management makes judgements about a counter party's financial situation and the net realisable value of any underlying collateral. Each impaired asset is assessed on its merits, and the workout strategy and estimate of cash flows considered recoverable are independently approved by the Credit Risk function.

Collectively assessed impairment allowances cover credit losses inherent in portfolios of claims with similar economic characteristics when there is objective evidence to suggest that they contain impaired claims, but the individual impaired items can not yet be identified. In assessing the need for collective loan loss allowances, management considers factors such as credit quality, portfolio size, concentrations, and economic factors. In order to estimate the required allowance, assumptions are made to define the way inherent losses are modelled and to determine the required input parameters, based on historical experience and current economic conditions.

8.1.2 Determining fair values

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described in note 10. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

8.2 Judgements

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

8.2.1 Significant increase in credit risk

Establishing the criteria for determining whether credit risk on a financial asset has increased significantly since initial recognition, determining the methodology for incorporating forward-looking information into the measurement of ECL and selection and approval of models used to measure ECL.

8.2.2 Financial asset and liability classification

The Group's accounting policies provide scope for assets and liabilities to be designated on inception into different accounting categories in certain circumstances:

In classifying financial assets or liabilities as amortised cost or at fair value through profit or loss, the Group has determined that the criteria set out in accounting policy note 4.9.4 have been met.

9. Operating segments

The group has five reportable segments. Information regarding each reportable segment is presented below. For management purposes the group is organised into five reportable segments based on products and services as follows;

- Corporate Banking: is responsible for providing loans and other credit facilities, as well as deposits and other transactions and balances to corporate clients, institutional clients and public sector entities. It also provides corporate finance services, mergers and acquisitions advice, specialised financial advice and custody services.
- Retail & Business Banking: provide loans and overdrafts as well as handles the deposits and other transactions of small and medium enterprises (SMES), individuals customers such as funds transfer, standing orders and ATM's Card services.
- Treasury: undertakes the Bank's funding and centralised risk management activities through borrowings, and investing in liquid assets such as short-term placements and government debt securities. It also trade in foreign currencies.
- Brokerage: subscribe for, underwrite, buy, hold, manage, and sell securities either on or off a stock exchange either as principals or agents. It also provides issuing house underwriting services and sponsorship to corporate clients.
- Asset Management: provide asset management, investment portfolio management, cash management, money management and other investment advisory services to institutional investors, businesses and high net worth individuals and manage mutual funds.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects is measured differently from operating profit or loss in the financial statements.

Transactions between operating segments are on an arm's length basis in a manner similar to transactions with third parties. Interest income is reported net, as management primarily relies on net interest revenue as a performance measure, not the gross income and expense.

For the purpose of segmental reporting, surplus funds or deficit per business unit is either sold to or purchased from the Bank pool based on a pool rate determined by Treasury using the Bank's cost of funds plus a margin for both local and foreign currencies.

The assets that are not allocated to any reportable segment are made up of other assets, current tax assets, deferred tax assets, property and equipment, intangible assets and cash balances held at head office. The liabilities are also made up of current tax liabilities, deferred tax liabilities, accruals and other liabilities that are not allocated to any business.

No single customer revenue is 10% or more of the total external revenue

The tables below shows an analysis of the performance of the business units of the Group

The Group has five reportable segments. Information regarding each reportable segment is presented on the next page.

31 December 2021	Corporate Banking & Project Finance	Consumer & Retail Business Banking	Treasury	CalBrokers Limited	CalAsset Management	Unallocated	Consolidated
External revenues							
Net Interest Income	165,160	(91,142)	391,315	5	4,208	-	469,546
Net Fees and Commissions	20,965	32,086	(14,313)	-	13,114	-	51,852
Net Trading Income	8,984	5,632	178,018	-	-	-	192,634
Other Operating Income	7,687	169	23,512	217	106	-	31,691
Intersegment Revenue	10,350	245,840	(256,190)	-	(1,528)	1,528	-
Total Segment Revenues	**213,146**	**192,585**	**322,342**	**222**	**15,900**	**1,528**	**745,723**
Operating Costs	(91,568)	(72,044)	(15,885)	(128)	(4,152)	(224,429)	(408,206)
Profit before tax	**121,578**	**120,541**	**306,457**	**94**	**11,748**	**(222,901)**	**337,517**
Income Tax Expense	-	-	-	(20)	(4,210)	(110,435)	(114,665)
Profit For The Period	**121,578**	**120,541**	**306,457**	**74**	**7,538**	**(333,336)**	**222,852**
Segment Assets	1,927,466	312,054	6,905,781	3,439	31,743	859,496	10,039,979
Total Assets	**1,927,466**	**312,054**	**6,905,781**	**3,439**	**31,743**	**859,496**	**10,039,979**
Segment Liabilities	2,193,498	2,354,150	3,862,932	1,475	1,023	340,219	8,753,297
Total Liabilities	**2,193,498**	**2,354,150**	**3,862,932**	**1,475**	**1,023**	**340,219**	**8,753,297**
Impairment Loss on Financial Assets	**(79,032)**	**2,646**	**(5,958)**	**-**	**-**	**(31)**	**(82,375)**
Depreciation and Amortisation	**(554)**	**(6,648)**	**(435)**	**(3)**	**(159)**	**(30,084)**	**(37,883)**
Expenditure on non-current assets	**-**	**-**	**-**	**-**	**30**	**39,009**	**39,039**

31 December 2020	Corporate Banking & Project Finance	Consumer & Retail Business Banking	Treasury	CalBrokers Limited	CalAsset Management	Unallocated	Consolidated
External revenues							
Net Interest Income	324,949	(42,181)	236,915	3	3,185	-	522,871
Net Fees and Commissions	17,610	21,955	(17,576)	-	9,516	-	31,505
Net Trading Income	7,105	2,083	121,710	-	-	-	130,898
Other Operating Income	2,407	292	178	397	57	-	3,331
Intersegment Revenue	(122,987)	169,064	(45,597)	(3)	(477)	-	-
Total Segment Revenues	**229,084**	**151,213**	**295,630**	**397**	**12,281**	**-**	**688,605**
Operating Costs	(93,438)	(78,755)	(8,235)	(82)	(3,220)	(220,247)	(403,977)
Segment Results	**135,646**	**72,458**	**287,395**	**315**	**9,061**	**(220,247)**	**284,628**
Income Tax Expense	-	-	-	(68)	(2,585)	(68,172)	(70,825)
Profit For The Period	**135,646**	**72,458**	**287,395**	**247**	**6,476**	**(288,419)**	**213,803**
Segment Assets	2,206,060	194,890	4,732,426	3,556	22,498	765,156	7,924,586
Total Assets	**2,206,060**	**194,890**	**4,732,426**	**3,556**	**22,498**	**765,156**	**7,924,586**
Segment Liabilities	1,717,798	1,494,176	3,023,771	1,671	831	553,567	6,791,814
Total Liabilities	**1,717,798**	**1,494,176**	**3,023,771**	**1,671**	**831**	**553,567**	**6,791,814**
Impairment Loss on Financial Assets	**(68,461)**	**(18,308)**	**-**	**-**	**-**	**(74)**	**(86,843)**
Depreciation and Amortisation	**(306)**	**(5,274)**	**(229)**	**(5)**	**(156)**	**(28,626)**	**(34,596)**
Expenditure on non-current assets	**-**	**-**	**-**	**-**	**60**	**63,543**	**63,603**

The Group operated in four geographical markets in Ghana. The following tables show the distribution of operating profit and assets allocated based on the location of the customers and assets respectively for the years ended 2021 and 2020.

2021	Northern	Ashanti	Western	Greater Accra	Consolidated
Interest Income	4,349	42,818	32,621	794,238	874,026
Interest Expense	(2,066)	(14,724)	(12,859)	(374,830)	(404,479)
Net Interest Income	**2,283**	**28,094**	**19,762**	**419,408**	**469,547**
Net Fees and Commissions	734	5,990	3,819	41,309	51,852
Net Trading Income	103	1,141	771	190,619	192,634
Recognised gains on derivative assets	-	-	-	26,466	26,466
Other Operating Income	1	4	12	5,207	5,224
Operating Income	**3,121**	**35,229**	**24,364**	**683,009**	**745,723**
Net Impairment Loss on Financial Assets	32	(2,439)	2,641	(82,609)	(82,375)
Personnel Expenses	(1,214)	(7,743)	(5,057)	(139,903)	(153,917)
Depreciation and Amortisation	(372)	(921)	(1,033)	(35,556)	(37,882)
Finance cost on lease liabilities	(450)	(1,876)	(1,566)	(135)	(4,027)
Other Expenses	(680)	(3,170)	(2,220)	(123,935)	(130,005)
Total Operating Expenses	**(2,684)**	**(16,149)**	**(7,235)**	**(382,138)**	**(408,206)**
Profit Before Income Tax	**437**	**19,080**	**17,129**	**300,871**	**337,517**
Income Tax Expense	-	-	-	-	(114,665)
Profit For The Period	**437**	**19,080**	**17,129**	**300,871**	**222,852**
Segment Assets	14,666	70,785	54,468	9,900,060	10,039,979
Total Assets	**14,666**	**70,785**	**54,468**	**9,900,060**	**10,039,979**
Segment Liabilities	28,263	422,444	243,158	8,059,432	8,753,297
Total Liabilities	**28,263**	**422,444**	**243,158**	**8,059,432**	**8,753,297**

2020	Northern	Ashanti	Western	Greater Accra	Consolidated
Interest income	4,798	36,650	38,116	847,786	927,350
Interest expense	(2,066)	(14,724)	(12,859)	(374,830)	(404,479)
Net interest income	**2,732**	**21,926**	**25,257**	**472,956**	**522,871**
Net fees and commissions	400	5,950	3,255	21,900	31,505
Net trading income	17	490	3,515	126,876	130,898
Recognised gains on derivative assets	-	-	-	731	731
Other operating income	-	7	91	2,502	2,600
Operating income	**3,149**	**28,373**	**32,118**	**624,965**	**688,605**
Net impairment loss on financial assets	(74)	(6,255)	(42,901)	(37,613)	(86,843)
Personnel expenses	(918)	(8,036)	(5,371)	(128,410)	(142,735)
Depreciation and amortisation	(297)	(896)	(1,001)	(32,402)	(34,596)
Finance cost on lease liabilities	(574)	(1,201)	(748)	(1,775)	(4,298)
Other expenses	(644)	(4,222)	(2,924)	(127,715)	(135,505)
Total operating expenses	**(2,507)**	**(20,610)**	**(52,945)**	**(327,915)**	**(403,977)**
Profit before income tax	**642**	**7,763**	**(20,827)**	**297,050**	**284,628**
Income tax expense	-	-	-	-	(70,825)
Profit for the period	**642**	**7,763**	**(20,827)**	**297,050**	**213,803**
Segment assets	3,332	157,699	106,115	7,657,440	7,924,586
Total assets	**3,332**	**157,699**	**106,115**	**7,657,440**	**7,924,586**
Segment liabilities	22,042	455,318	330,598	5,983,856	6,791,814
Total liabilities	**22,042**	**455,318**	**330,598**	**5,983,856**	**6,791,814**

10. Financial assets and liabilities

10.1 Accounting classifications and fair values

The table below sets out the Group's classification of each class of financial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date.

2021 Bank	Fair Value OCI	Fair Value Through Profit or Loss	Amortised cost	Total carrying amount	Fair value
Cash and cash equivalents	-	-	1,307,694	1,307,694	1,364,913
Non-pledged trading assets	-	672,509	-	672,509	672,509
Derivative assets held for risk management	-	26,466	-	26,466	26,466
Investment Securities	-	165	4,946,815	4,946,980	7,003,250
Loans and advances to customers	-	-	2,239,520	2,239,520	3,116,790
Investments in Subsidiaries	-	-	14,135	14,135	14,135
	-	**699,140**	**8,508,164**	**9,207,304**	**12,198,063**
Deposit from banks and other financial institution	-	-	1,150,134	1,150,134	1,207,338
Deposits from customers	-	-	5,161,933	5,161,933	5,271,171
Borrowings	-	-	2,214,267	2,214,267	2,345,707
Lease liabilities	-	-	86,128	86,128	86,128
Other liabilities	-	-	140,056	140,056	140,056
	-	**-**	**8,752,518**	**8,752,518**	**9,050,401**

2021 Group	Fair Value OCI	Fair Value Through Profit or Loss	Amortised cost	Total carrying amount	Fair value
Cash and cash equivalents	-	-	1,307,701	1,307,701	1,364,918
Non-pledged trading assets	-	672,509	-	672,509	672,509
Derivative assets held for risk management	-	26,466	-	26,466	26,466
Investment Securities	-	615	4,973,387	4,974,002	7,029,821
Loans and advances to customers	-	-	2,239,520	2,239,520	3,116,790
Investments in Subsidiaries	-	-	17,102	17,102	13,854
	-	**699,590**	**8,537,710**	**9,237,300**	**12,224,358**
Deposit from banks and other financial institution	-	-	1,146,452	1,146,452	1,203,655
Deposits from customers	-	-	5,161,933	5,161,933	5,271,171
Borrowings	-	-	2,214,267	2,214,267	2,345,707
Lease liabilities	-	-	86,128	86,128	86,128
Other liabilities	-	-	142,355	142,355	142,355
	-	**-**	**8,751,135**	**8,751,135**	**9,049,017**

2020 Bank	Fair Value OCI	Fair Value Through Profit or Loss	Amortised cost	Total carrying amount	Fair value
Cash and cash equivalents	-	-	1,430,243	1,430,243	1,212,974
Non-pledged trading assets	-	834,131	-	834,131	834,131
Derivative assets held for risk management	-	731	-	731	731
Investment Securities	-	171	2,462,834	2,463,005	2,676,710
Loans and advances to customers	-	-	2,400,950	2,400,950	2,651,556
Investments in Subsidiaries	-	-	11,822	11,822	11,822
	-	**835,033**	**6,305,849**	**7,140,882**	**7,387,924**
Deposit from banks and other financial institution	-	-	263,803	263,803	255,119
Deposits from customers	-	-	4,164,301	4,164,301	4,112,892
Borrowings	-	-	2,098,225	2,098,225	2,063,794
Lease liabilities	-	-	85,886	85,886	85,886
Other liabilities	-	-	179,266	179,266	179,266
	-	**-**	**6,791,481**	**6,791,481**	**6,696,957**

2020 Group	Fair Value OCI	Fair Value Through Profit or Loss	Amortised cost	Total carrying amount	Fair value
Cash and cash equivalents	-	-	1,430,248	1,430,248	1,212,974
Non-pledged trading assets	-	834,131	-	834,131	834,131
Derivative assets held for risk management	-	731	-	731	731
Investment Securities	-	609	2,481,670	2,482,279	2,695,984
Loans and advances to customers	-	-	2,400,950	2,400,950	2,651,556
Investments in Subsidiaries	-	-	13,854	13,854	13,854
	-	**835,471**	**6,326,722**	**7,162,193**	**7,409,230**
Deposit from banks and other financial institution	-	-	261,657	261,657	255,119
Deposits from customers	-	-	4,164,301	4,164,301	4,112,892
Borrowings	-	-	2,098,225	2,098,225	2,063,794
Lease liabilities	-	-	85,886	85,886	85,886
Other liabilities	-	-	181,745	181,745	181,745
	-	**-**	**6,791,814**	**6,791,814**	**6,699,436**

10.2 Fair value techniques

Fair value approximates carrying value due to the minimal credit losses and short-term nature of the financial assets and liabilities.

Financial instruments at fair value are either priced with reference to a quoted market price for that instrument or by using a valuation model. Where the fair value is calculated using a valuation model, the methodology is to calculate the expected cash flows under the terms of each specific contract and then discount these values back to a present value. The expected cash flows for each contract are determined either directly by reference to actual cash flows implicit in observable market prices or through modelling cash flows using appropriate financial-markets pricing models. Wherever possible these models use as their basis observable market prices and rates including, for example, interest rate yield curves, equities and commodities prices, option volatilities and currency rates.

The fair value for loans and advances, and other lending is estimated using discounted cash flows, applying either market rates where practicable or, where the counterparty is a bank, rates currently offered by other financial institutions for placings with similar characteristics. In certain cases the fair value approximates carrying value because the instruments are short term in nature or reprice frequently.

Fair values of deposit liabilities payable on demand (interest free, interest bearing and savings deposits) approximate to their carrying value. The fair value of all other deposits and other borrowings (including repurchase agreements and cash collateral on securities lent) is estimated using discounted cash flows, applying either market rates, where practicable, or rates currently offered by the Group for deposits of similar remaining maturities.

Fair values of short-term debt securities in issue are approximately equal to their carrying amount. Fair values of other debt securities in issue are based on quoted prices where available, or where these are unavailable, are estimated using other valuation techniques.

Fair value of derivative assets are approximately equal to the amount of the mark to market adjustment at the reporting date of forward exchange contracts.

10.3 Fair value hierarchy

The Bank measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The determination of fair values of quoted financial assets and financial liabilities in active markets are based on quoted market prices or dealer price quotations. If the market for a financial asset or financial liability is not actively traded, the Bank establishes fair value by using valuation techniques. These techniques include the use of arms' length transactions, discounted cash flow analysis, and valuation models and techniques commonly used by market participants.

The table below analyses financial instruments measured at fair value at the end of the reporting period by the level in fair value hierarchy, into which the fair value measurement is categorised.

The Level 1 was valued using the Bank of Ghana quoted bid prices, and quoted prices on the Ghana stock exchange.

The Level 2 was valued using Government of Ghana quoted market prices for similar instruments, and quoted prices on the Ghana stock exchange.

Level 3 valuation techniques are based on significant observable inputs.

Bank	2021				2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Non-pledged trading assets	672,509	-	-	672,509	834,131	-	-	834,131
Derivative assets held for risk management	-	26,466	-	26,466	-	731	-	731
Investment Securities	165	-	-	165	171	-	-	171
	672,674	**26,466**	**-**	**699,140**	**834,302**	**731**	**-**	**835,033**

Group	2021				2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Non-pledged trading assets	672,509	-	-	672,509	834,131	-	-	834,131
Derivative assets held for risk management	-	26,466	-	26,466	-	731	-	731
Investment Securities	615	-	-	615	609	-	-	609
	673,124	**26,466**	**-**	**699,590**	**834,740**	**731**	**-**	**835,471**

11. NET INTEREST INCOME

See accounting policy in Note: 4.3.

in thousands of Ghana Cedis	2021		2020	
	Bank	Group	Bank	Group
INTEREST INCOME				
Cash and cash equivalents	15,837	15,837	29,546	29,546
Loans and advances to customers	343,819	343,819	476,997	476,997
Investment securities at amortised cost	616,931	621,015	418,100	420,807
Total interest income calculated using the effective interest method	**976,587**	**980,671**	**924,643**	**927,350**
INTEREST EXPENSE				
Deposit from banks and other financial Institution	1,266	1,136	5,475	4,995
Deposit from customers	433,934	433,934	310,912	310,912
Debt securities issued	76,054	76,054	88,572	88,572
Total interest expense	**511,254**	**511,124**	**404,959**	**404,479**
NET INTEREST INCOME	**465,333**	**469,547**	**519,684**	**522,871**

There were no interest income on loans and advances to customers (2020: nil) in respect of impaired financial assets.

The net interest reported include interest income and expense, calculated using the effective interest method, that relate to the following financial assets and financial liabilities.

in thousands of Ghana Cedis	2021		2020	
	Bank	**Group**	**Bank**	**Group**
Financial assets measured at amortised cost	8,486,737	8,516,283	6,305,849	6,326,722
Total	**8,486,737**	**8,516,283**	**6,305,849**	**6,326,722**
Financial liabilities measured at amortised cost	8,504,907	8,501,225	6,526,329	6,524,183
Total	**8,504,907**	**8,501,225**	**6,526,329**	**6,524,183**

12. Net fees and commission income

See accounting policy in Note: 4.4

in thousands of Ghana Cedis	2021		2020	
	Bank	**Group**	**Bank**	**Group**
Fees and commission income				
Customer fees	11,788	11,784	9,359	9,356
Credit related fees	21,205	21,205	20,334	20,334
Corporate financing and advisory fees	6,404	19,522	2,087	11,250
Others*	23,086	23,086	10,227	10,227
Total fee and commission income	**62,483**	**75,597**	**42,007**	**51,167**
Fees and commission expense				
Interbank transaction fees	21,253	21,253	18,319	18,319
* Other fees and commission expense	2,492	2,492	1,343	1,343
Total fee and commission expense	**23,745**	**23,745**	**19,662**	**19,662**
Net fees and commission income	**38,738**	**51,852**	**22,345**	**31,505**

* The 'Other fees and commission income' comprise largely of remittance fees, swift fees and foreign transfer fees among others

13. Net trading income

See accounting policy in Note: 4.5.

in thousands of Ghana Cedis	2021		2020	
	Bank	**Group**	**Bank**	**Group**
Fixed income	249,101	249,101	171,404	171,404
Foreign exchange loss	(56,467)	(56,467)	(40,506)	(40,506)
Net trading income	**192,634**	**192,634**	**130,898**	**130,898**

14. Other income

See accounting policy in Note 4.7.

in thousands of Ghana Cedis	2021		2020	
	Bank	**Group**	**Bank**	**Group**
Profit from disposal of property and equipment	1,552	1,552	-	-
Sundry income	3,377	3,659	2,149	2,510
Dividend income	1,500	13	-	90
Other operating income	**6,429**	**5,224**	**2,149**	**2,600**

15. Personnel expenses

See accounting policy in Note: 4.24.

in thousands of Ghana Cedis	2021		2020	
	Bank	**Group**	**Bank**	**Group**
Salaries and allowances	79,588	81,200	71,839	73,178
Social security costs	4,642	4,732	3,862	3,941
Expenses related to post-employment defined benefit plans	1,955	1,955	4,529	4,529
Expenses related to long-service award scheme	1,048	1,049	1,618	1,628
Other personnel expenses	63,877	64,981	58,496	59,459
	151,110	**153,917**	**140,344**	**142,735**
Average number of employees at 31 December	861	874	838	849

Other personnel expenses includes payments for employee medical costs, temporary staff costs and other staff related costs.

Included within personal expenses for the year is a total of GHS5.3 million (2020: GHS7.8 million) relating to executive directors.

16. Other expenses

in thousands of Ghana Cedis	2021		2020	
	Bank	**Group**	**Bank**	**Group**
Software licensing and other IT cost	28,333	28,649	23,850	23,974
Auditors remuneration	600	670	420	470
Directors fees and allowances	3,724	3,969	3,079	3,305
Other expenses	96,.037	96,717	107,397	107,756
Total	**128,694**	**130,005**	**134,746**	**135,505**

Significant amounts included in other expenses includes communications, general and deposit insurance, computer cost, printing & stationery, fuel & lubricants, and outsource costs.

17. Income taxes

See accounting policy in 4.8

(a) Amounts recognised in profit or loss

in thousands of Ghana Cedis	2021		2020	
	Bank	**Group**	**Bank**	**Group**
Current tax expense				
Current year income tax expense	102,335	106,526	98,844	101,441
Deferred tax - See Note: 27	8,100	8,139	(30,672)	(30,616)
Total income tax expense	110,435	114,665	68,172	70,825

(b) Reconciliation of effective tax rate

in thousands of Ghana Cedis	2021		2020	
	Bank	**Group**	**Bank**	**Group**
Profit before tax	**325,674**	**337,517**	**275,141**	**284,628**
Corporate income tax at applicable tax rate of 25%	81,419	84,379	68,785	71,157
Non-deductible expenses	48,665	48,898	6,897	6,704
Tax exempt income	(48,091)	(48,090)	(21,260)	(21,260)
Tax incentive	(55)	(55)	(7)	(7)
Financial Sector Recovery Levy @ 5%%	12,213	12,657	-	-
National fiscal and stabilisation levy at 5%	16,284	16,876	13,757	14,231
Current year income tax expense	**110,435**	**114,665**	**68,172**	**70,825**
Effective tax rate	33.9%	34.0%	24.8%	24.9%

(c) Current tax assets/liabilities

2021 Bank	**Balance at 1 Jan**	**Charge for the year**	**Payments during the year**	**Balance at 31 Dec**
Corporate income tax				
2019	(2,771)	-	-	(2,771)
2020	(2,505)	-	-	(2,505)
2021	(21,896)	73,849	(46,266)	5,687
	(27,172)	73,849	(46,266)	411
National fiscal stabilisation levy				
2020	(507)	-	-	(507)
2021	(3,566)	16,278	(11,410)	1,302
	(4,073)	16,278	(11,410)	795
Financial sector recovery levy				
2021	-	12,208	(11,232)	976
	-	12,208	(11,232)	976
Total	**(31,245)**	**102,335**	**(68,908)**	**2,182**

2020 Bank	**Balance at 1 Jan**	**Charge for the year**	**Payments during the year**	**Balance at 31 Dec**
Corporate income tax				
2019	(1,853)	-	(918)	(2,771)
2020	(10,532)	85,087	(98,956)	(24,401)
	(12,385)	85,087	(99,874)	(27,172)
National fiscal stabilisation levy				
2019	621	-	(621)	-
2020	(1,731)	13,757	(16,099)	(4,073)
	(1,110)	13,757	(16,720)	(4,073)
Total	**(13,495)**	**98,844**	**(116,594)**	**(31,245)**

2021 Group	Balance at 1 Jan	Charge for the year	Payments during the year	Balance at 31 Dec
Corporate income tax				
2009 - 2019	(3,373)	41	372	(2,960)
2020	(2,386)	(4)	(115)	(2,505)
2021	(21,896)	77,324	(49,599)	5,829
	(27,655)	**77,361**	**(49,342)**	**364**
National fiscal stabilisation levy				
2009 - 2019	(149)	-	149	-
2020	(481)	(1)	(25)	(507)
2021	(3,566)	16,958	(12,063)	1,329
	(4,196)	**16,957**	**(11,939)**	**822**
Financial sector recovery levy				
2021	-	12,208	(11,232)	976
	-	12,208	(11,232)	976
Total	**(31,851)**	**106,526**	**(72,513)**	**2,162**

2020 Group	Balance at 1 Jan	Charge for the year	Payments during the year	Balance at 31 Dec
Corporate income tax				
2009 - 2019	(1,093)	-	-	(1,093)
2020	(3,577)	(251)	(939)	(4,767)
2021	(10,532)	87,466	(101,216)	(24,282)
	(15,202)	**87,215**	**(102,155)**	**(30,142)**
National fiscal stabilisation levy				
2009 - 2018	610	-	-	610
2020	2,352	-	(624)	1,728
2021	(1,731)	14,226	(16,542)	(4,047)
	1,231	14,226	(17,166)	(1,709)
Total	**(13,971)**	**101,441**	**(119,321)**	**(31,851)**

Liabilities up to and including 2018 for the Bank have been agreed with the tax authorities, liabilities up to and including 2009 for the subsidiaries have also been agreed. All liabilities are subject to agreement with the Ghana Revenue Authority.

18. Earnings per share

See accounting policy in Note: 4.28.

(a) Basic earnings per share

The calculation of basic EPS has been based on the following profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding.

in thousands of Ghana Cedis	2021		2020	
	Bank	**Group**	**Bank**	**Group**
Profit for the year attributable to equity holders of the Bank	215,239	222,852	206,969	213,803
Weighted average number of ordinary shares				
Issued ordinary shares at 1 January	626,585	626,585	626,585	626,585
Effect of treasury shares held by subsidiaries	-	(187)	-	(997)
Bank's own shares held in treasury	(1,039)	(1,039)	(205)	(205)
Weighted average number of ordinary shares	**625,546**	**625,359**	**626,380**	**625,383**
Basic earnings per share (GHS)	**0.3441**	**0.3564**	**0.3304**	**0.3419**

The bank did not issue additional shares during the year.

(b) Diluted earnings per share

The calculation of diluted EPS has been based on the following profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding.

in thousands of Ghana Cedis	2021		2020	
	Bank	**Group**	**Bank**	**Group**
Profit for the year attributable to equity holders of the Bank	215,239	222,852	206,969	213,803
Weighted average number of ordinary shares				
Issued ordinary shares at 1 January	626,585	626,585	626,585	626,585
Effect of treasury shares held by subsidiaries	-	(187)	-	(997)
Bank's own shares held in treasury	(1,039)	(1,039)	(205)	(205)
Weighted average number of ordinary shares	**625,546**	**625,359**	**626,380**	**625,383**
Diluted earnings per share (GHS)	**0.3441**	**0.3564**	**0.3304**	**0.3419**

19. Dividend per share

See accounting policy in Note: 4.26.2.

The directors recommend the payment of a dividend of GHS0.14 per share (2020: GHS0.11) subject to approval by the Bank of Ghana.

20. Cash and cash equivalents

See accounting policy in Note: 4.17.

in thousands of Ghana Cedis	2021		2020	
	Bank	**Group**	**Bank**	**Group**
Cash and Balances with Banks	240,187	240,194	145,243	145,248
Unrestricted Balances with Bank of Ghana	210,088	210,088	159,977	159,977
Mandatory reserve deposit with Bank of Ghana	631,207	631,207	354,248	354,248
Items in course of collection	23,251	23,251	11,526	11,526
Money market placement	130,824	130,824	540,767	540,767
Treasury bills with contractual maturities of 90 days and less	72,137	72,137	218,482	218,482
Cash and cash equivalent per statement of cash flows	**1,307,694**	**1,307,701**	**1,430,243**	**1,430,248**

At the reporting date, the Bank recorded a bank ledger balance of GHS948.2 million (2020: GHS518 million) in its statement of financial position as compared to the bank statement balance of GHS953.1 million (2020: GHS493 million) The transactions making up the difference between the bank ledger balance and the bank statement balance totalling GHS26.3 million (2020: GHS25 million) were reflected as reconciling items in the bank reconciliation statements.

21. Investment Securities

See accounting policy in Note 4.18.

in thousands of Ghana Cedis	2021		2020	
	Bank	**Group**	**Bank**	**Group**
Securities at amortised cost	4,946,815	4,973,387	2,462,834	2,481,670
Securities at FVTPL	165	615	171	609
Total	**4,946,980**	**4,974,002**	**2,463,005**	**2,482,279**
a) Securities at amortised cost				
Treasury Bills	14,554	14,554	19,951	19,951
Government Notes	2,349,153	2,349,153	472,365	472,365
Government Bonds	2,239,145	2,265,717	1,721,116	1,739,952
Corporate Bonds	343,963	343,963	249,402	249,402
	4,946,815	**4,973,387**	**2,462,834**	**2,481,670**
b) Securities at FVTPL				
Equities	165	615	171	609
	165	**615**	**171**	**609**
Current	2,101,923	2,101,923	136,749	136,749
Non-current	2,845,057	2,872,079	2,326,256	2,345,530

A total of GHS256.5 million (2020: GHS257.1 million) of Investment Securities have been used as security for interbank and short term borrowing. In the event that, the Bank fails to make good the payment as and when it falls due, the collateral will not be released back to the Bank. The pledged assets cannot be used for any other trading purpose until the payment is done and the pledged assets are released by Central Securities Depository.

22. Net gains on derivative assets

See accounting policy in Note 4.30

The Bank holds derivative financial instruments for risk management and trading purposes. The bank entered into forward exchange contracts during the year. The fair value gains of forward exchange contracts is the amount of the mark to market adjustment at the reporting date.

in thousands of Ghana Cedis	2021		2020	
	Bank	**Group**	**Bank**	**Group**
Instrument Type:				
Foreign Exchange forward and spot contracts	26,466	26,466	731	731
	26,466	**26,466**	**731**	**731**
Recognised gains on derivative assets	26,466	26,466	731	731
	26,466	**26,466**	**731**	**731**

23. Non-pledged trading assets

in thousands of Ghana Cedis	2021		2020	
	Bank	**Group**	**Bank**	**Group**
Fixed income trading portfolio	672,509	672,509	834,131	834,131
	672,509	672,509	834,131	834,131

24. Loans and advances to customers

See accounting policy in Note: 4.9.

in thousands of Ghana Cedis	2021		2020	
	Bank	**Group**	**Bank**	**Group**
(a) Analysis by portfolio				
Retail:				
Mortgage	39,993	39,993	49,705	49,705
Personal	96,267	96,267	49,820	49,820
SME	192,654	192,654	124,025	124,025
Retail Gross Loans and Advances	**328,914**	**328,914**	**223,550**	**223,550**
Corporate:				
Financial Institutions	104,001	104,001	262,508	262,508
Other secured	2,020,005	2,020,005	2,154,554	2,154,554
Corporate Gross Loans and Advances	2,124,006	2,124,006	2,417,062	2,417,062
Gross Loans and Advances	**2,452,920**	**2,452,920**	**2,640,612**	**2,640,612**
Less:				
Stage 1 and 2 Impairment - Retail	(10,409)	(10,409)	(12,212)	(12,212)
Stage 3 Impairment - Retail	(6,451)	(6,451)	(16,448)	(16,448)
Stage 1 and 2 Impairment - Corporate	(15,182)	(15,182)	(15,904)	(15,904)
Stage 3 Impairment - Corporate	(181,358)	(181,358)	(195,098)	(195,098)
Total accumulated impairment	**(213,400)**	**(213,400)**	**(239,662)**	**(239,662)**
Carrying Amount	**2,239,520**	**2,239,520**	**2,400,950**	**2,400,950**
(b) Analysis by type				
Overdrafts	596,010	596,010	403,936	403,936
Term Loans	1,856,910	1,856,910	2,236,676	2,236,676
Gross Loans and Advances	**2,452,920**	**2,452,920**	**2,640,612**	**2,640,612**
Less:				
Stage 1 and 2 Impairment	(25,591)	(25,591)	(28,116)	(28,116)
Stage 3 Impairment	(187,809)	(187,809)	(211,546)	(211,546)
Carrying Amount	**2,239,520**	**2,239,520**	**2,400,950**	**2,400,950**
Current	1,060,115	1,060,115	630,184	630,184
Non-current	1,179,405	1,179,405	1,770,766	1,770,766

in thousands of Ghana Cedis	2021		2020	
	Bank	**Group**	**Bank**	**Group**
(c) Allowances for impairment				
Movement in impairment loss allowance on loans and advances				
Balance at 1 January	239,662	239,662	201,810	201,810
Impairment losses recognised on loans and advances	106,166	106,166	122,893	122,893
Amounts written off during the year	(132,427)	(132,427)	(85,041)	(85,041)
Balance at 31 December	**213,401**	**213,401**	**239,662**	**239,662**
Credit Loss Expense				
Impairment losses recognised on loans and advances	106,166	106,166	122,893	122,893
Impairment charge on off-balance sheet exposures	608	608	51	51
Impairment charge on corporate bonds	3,595	3,595	1,561	1,561
Amounts recovered previously written off	(27,994)	(27,994)	(37,662)	(37,662)
Net charge to the income statement	**82,375**	**82,375**	**86,843**	**86,843**
Loan ratios				
Impairment charge to gross loans	3.4%	3.4%	3.3%	3.3%
Loan loss provision ratio	8.7%	8.7%	9.1%	9.1%
Gross non-performing loan ratio	11.2%	11.2%	13.5%	13.5%
50 largest exposures to total exposure	81.3%	81.3%	86.0%	86.0%

Total non-performing loans amounted to GHS275.1 million (2020: GHS356.5 million)

25. Investments in Subsidiaries

(a) The Principal Subsidiaries are:

2021	Nature of business	Country of incorporation	Amounts Invested	Percentage interest
CalBrokers Limited (CBL)	Security Brokerage	Ghana	1,500	100
CalAsset Management Company Limited (CAMCOL)	Fund Management	Ghana	2,018	100
CalTrustee Company Limited (CTCL)	Trustee	Ghana	10	100
CalBank Nominees Limited (CBNL)	Custodial Service	Ghana	10	100
			3,538	

2020	Nature of business	Country of incorporation	Amounts Invested	Percentage interest
CalBrokers Limited (CBL)	Security Brokerage	Ghana	1,500	100
CalAsset Management Company Limited (CAMCOL)	Fund Management	Ghana	518	100
CalTrustee Company Limited (CTCL)	Trustee	Ghana	10	100
CalBank Nominees Limited (CBNL)	Custodial Service	Ghana	10	100
			2,038	

in thousands of Ghana Cedis	2021		2020	
	Bank	**Group**	**Bank**	**Group**
Investments in subsidiaries are measured at cost and comprise:				
Investments in Subsidiaries	3,538	-	2,038	-

(b) Summary of Subsidiary Financial Statements

2021	CBL	CAML	CBNL	CTCL
Operating income	222	17,428	-	-
Operating expenses	(128)	(4,150)	-	-
Income Tax and National Fiscal Stabilization Levy	(20)	(4,211)	-	-
Profit /(Loss) for the year	**74**	**9,067**	**-**	**-**
Total Assets	3,439	31,743	10	10
Total Liabilities	1,475	1,023	-	-
Total Shareholder's Equity	**1,964**	**30,720**	**10**	**10**
Total Cash Inflows	1,370	510,509	-	-
Total Cash Outflows	(427)	(502,588)	-	-
Net Cash Inflow	**943**	**7,921**	**-**	**-**

2020	CBL	CAML	CBNL	CTCL
Operating income	397	12,281	-	-
Operating expenses	(82)	(3,220)	-	-
Income Tax and National Fiscal Stabilization Levy	(68)	(2,750)	-	-
Profit /(Loss) for the year	**247**	**6,311**	**-**	**-**
Total Assets	3,556	22,498	10	10
Total Liabilities	1,671	831	-	-
Total Shareholder's Equity	**1,885**	**21,667**	**10**	**10**
Total Cash Inflows	693	414,828	-	-
Total Cash Outflows	(760)	(408,741)	-	-
Net Cash Inflow	**(67)**	**6,087**	**-**	**-**

26. Other assets

in thousands of Ghana Cedis	2021		2020	
	Bank	**Group**	**Bank**	**Group**
Prepayments	76,104	76,153	40,199	40,243
Sundry Debtors	14,135	17,102	11,822	13,854
	90,239	**93,255**	**52,021**	**54,097**
Current	90,239	93,255	52,021	54,097
Non-current	-	-	-	-

27. Deferred tax assets/liabilities

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

Bank 2021	Balance at 1 January	Recognised in profit or loss	Recognised in OCI	Balance at 31 December	Deferred tax assets	Deferred tax liabilities
Property and equipment	6,196	4,959	-	11,155	-	11,155
Other employee benefit liabilities	(3,834)	(546)	-	(4,380)	(4,380)	-
Impairment allowance	(59,916)	5,023	-	(54,893)	(54,893)	-
Leases	(4,799)	(1,336)	-	(6,135)	(6,135)	-
Revaluation reserve on property and equipment	29,557	-	-	29,557	-	29,557
Provision for claims and litigation	(3,581)	-	-	(3,581)	(3,581)	-
	(36,377)	8,100	-	(28,277)	(68,989)	40,712

Group 2021	Balance at 1 January	Recognised in profit or loss	Recognised in OCI	Balance at 31 December	Deferred tax assets	Deferred tax liabilities
Property and equipment	6,169	4,998	-	11,167	-	11,167
Other employee benefit liabilities	(3,834)	(546)	-	(4,380)	(4,380)	-
Impairment allowance	(59,916)	5,023	-	(54,893)	(54,893)	-
Leases	(4,799)	(1,336)	-	(6,135)	(6,135)	-
Fair value gain/loss on other employee						
Revaluation reserve on property and equipment	29,557	-	-	29,557	-	29,557
Provision for claims and litigation	(3,581)	-	-	(3,581)	(3,581)	-
	(36,404)	**8,139**	**-**	**(28,265)**	**(68,989)**	**40,724**

Bank 2020	Balance at 1 January	Recognised in profit or loss	Recognised in OCI	Balance at 31 December	Deferred tax assets	Deferred tax liabilities
Property and equipment	17,303	(11,107)	-	6,196	-	6,196
Other employee benefit liabilities	(2,760)	(1,074)	-	(3,834)	(3,834)	-
Leave provision	(28)	28	-	-	-	-
Impairment allowance	(50,538)	(9,378)	-	(59,916)	(59,916)	-
Leases	(416)	(4,383)	-	(4,799)	(4,799)	-
Gain on derivative asset	1,029	(1,029)	-	-	-	-
Fair value gain/loss on other employee benefit liabilities	148	(148)	-	-	-	-
Revaluation reserve on property and equipment	29,557	-	-	29,557	-	29,557
Provision for claims and litigation	-	(3,581)	-	(3,581)	(3,581)	-
	(5,705)	**(30,672)**	**-**	**(36,377)**	**(72,130)**	**35,753**

Group 2020	Balance at 1 January	Recognised in profit or loss	Recognised in OCI	Balance at 31 December	Deferred tax assets	Deferred tax liabilities
Property and equipment	17,220	(11,051)	-	6,169	-	6,169
Other employee benefit liabilities	(2,760)	(1,074)	-	(3,834)	(3,834)	-
Leave provision	(28)	28	-	-	-	-
Impairment allowance	(50,538)	(9,378)	-	(59,916)	(59,916)	-
Leases	(416)	(4,383)	-	(4,799)	(4,799)	-
Gain on derivative asset	1,029	(1,029)	-	-	-	-
Fair value gain/loss on other employee benefit liabilities	148	(148)	-	-	-	-
Revaluation reserve on property and equipment	29,557	-	-	29,557	-	29,557
Provision for claims and litigation	-	(3,581)	-	(3,581)	(3,581)	-
	(5,788)	**(30,616)**	**-**	**(36,404)**	**(72,130)**	**35,726**

28. Property and equipment

See accounting policy in Note: 4.19

(a) Reconciliation of carrying amount

Bank 2021	Bank Premises	Furniture, Fixtures & Equipment	Motor Vehicles	Work in Progress	Total
Cost					
Balance at 1 January	307,338	127,143	10,348	49,862	494,691
Additions	862	7,348	1,095	29,703	39,008
Disposals	(14,939)	-	(368)	-	(15,307)
Transfers	4,662	15,728	-	(25,034)	(4,644)
Balance at 31 December	**297,923**	**150,219**	**11,075**	**54,531**	**513,748**
Accumulated depreciation					
Balance at 1 January 1	1,949	58,284	6,007	-	76,240
Depreciation for the year	6,049	17,594	1,295	-	24,938
Disposals	-	-	(368)	-	(368)
Balance at 31 December	**17,998**	**75,878**	**6,934**	**-**	**100,810**
Carrying amounts					
Balance at 31 December	**279,925**	**74,341**	**4,141**	**54,531**	**412,938**

Group 2021	Bank Premises	Furniture, Fixtures & Equipment	Motor Vehicles	Work in Progress	Total
Cost					
Balance at 1 January	307,338	128,084	10,348	49,862	495,632
Additions	862	7,389	1,095	29,703	39,049
Disposals	(14,939)	-	(368)	-	(15,307)
Transfers	4,662	15,728	-	(25,034)	(4,644)
Balance at 31 December	**297,923**	**151,201**	**11,075**	**54,531**	**514,730**
Accumulated depreciation					
Balance at 1 January	11,949	59,150	6,008	-	77,107
Depreciation for the year	6,049	17,617	1,295	-	24,961
Disposals	-	-	(368)	-	(368)
Balance at 31 December	**17,998**	**76,767**	**6,935**	**-**	**101,700**
Carrying amounts					
Balance at 31 December	**279,925**	**74,434**	**4,140**	**54,531**	**413,030**

Bank 2020	Bank Premises	Furniture, Fixtures & Equipment	Motor Vehicles	Work in Progress	Total
Cost					
Balance at 1 January	298,982	99,350	9,374	149,549	557,255
Additions	8,356	27,793	1,428	4,646	42,223
Disposals	-	-	(454)	-	(454)
Transfers	-	-	-	(104,333)	(104,333)
Balance at 31 December	**307,338**	**127,143**	**10,348**	**49,862**	**494,691**
Accumulated depreciation					
Balance at 1 January	6,047	42,113	4,929	-	53,089
Depreciation for the year	5,902	16,171	1,289	-	23,362
Disposals	-	-	(211)	-	(211)
Balance at 31 December	**11,949**	**58,284**	**6,007**	**-**	**76,240**
Carrying amounts					
Balance at 31 December	**295,389**	**68,859**	**4,341**	**49,862**	**418,451**

Group 2020	Bank Premises	Furniture, Fixtures & Equipment	Motor Vehicles	Work in Progress	Total
Cost					
Balance at 1 January	298,982	100,268	9,374	149,549	558,173
Additions	8,356	27,816	1,428	4,646	42,246
Disposals	-	-	(454)	-	(454)
Transfers	-	-	-	(104,333)	(104,333)
Balance at 31 December	**307,338**	**128,084**	**10,348**	**49,862**	**495,632**
Accumulated depreciation					
Balance at 1 January	6,047	42,954	4,930	-	53,931
Depreciation for the year	5,902	16,196	1,289	-	23,387
Disposals	-	-	(211)	-	(211)
Balance at 31 December	**11,949**	**59,150**	**6,008**	**-**	**77,107**
Carrying amounts					
Balance at 31 December	**295,389**	**68,934**	**4,340**	**49,862**	**418,525**

There was no indication of impairment of property and equipment held by the Bank at 31 December 2021 (2020: Nil). None of the property, plant and equipment of the Bank had been pledged as security for liabilities and there were no restrictions on the title of any of the Bank's property and equipment at the reporting date and at the end of the previous year. There were no capitalised borrowing costs related to the acquisition of property and equipment during the year (2020: Nil)

Fair value hierarchy

The Group's leasehold Land and Buildings are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value measurements of the Group's leasehold land and buildings as at 31 December 2019 was performed by Apex Property Surveying Consult Limited who are external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The independent valuers provide the fair values of the Group's leasehold land and buildings every three years.

The fair value measurements for all of the leasehold land and buildings have been categorised as Level 2 fair value measurements. Valuation techniques The fair value of the leasehold land and buildings was determined using the depreciated replacement cost method which determines the construction cost of the building on the basis that the subject property is a unique building and therefore does not have similar properties in the area for comparison. The comparative method was also used to gather information on the prevailing land values in the area and making room for adjustments, taking into consideration the subject properties and their access to road network and amenities such as electricity and water.

Bank	**2021**				**2020**			
	Level 1	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Bank Premises	-	279,925	-	279,925	-	295,389	-	295,389
	-	279,925	-	279,925	-	295,389	-	295,389

Group	**2021**				**2020**			
	Level 1	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Bank Premises	-	279,925	-	279,925	-	295,389	-	295,389
	-	279,925	-	279,925	-	295,389	-	295,389

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

The historic cost of the revalued leasehold land and buildings amounts to GHS177.0 million (2020 GHS190.8 million)

(b) Depreciation and amortisation

in thousands of Ghana Cedis	**2021**		**2020**	
	Bank	**Group**	**Bank**	**Group**
Property and equipment *See Note: 28(a)*	24,938	24,961	23,362	23,387
Depreciation on right-of-use assets *See Note: 34(a)*	7,862	7,862	7,030	7,030
Intangible assets *(Note 29)*	4,921	5,060	4,043	4,179
	37,721	37,883	34,435	34,596

(c) Profit on disposal of property and equipment

in thousands of Ghana Cedis	**2021**		**2020**	
	Bank	**Group**	**Bank**	**Group**
Cost	15,307	15,307	454	454
Accumulated depreciation	(368)	(368)	(211)	(211)
Carrying amount	**14,939**	**14,939**	**243**	**243**
Proceeds from disposal	16,491	16,491	243	243
Profit on disposal	**1,552**	**1,552**	**-**	**-**

29. Intangible assets

See accounting policy in Note: 4.20.

2021	Software	Work in Progress	Bank Total	Software	Work in Progress	Group Total
Cost						
Balance at 1 January	47,335	11,404	58,739	48,720	11,404	60,124
Additions	4,819	29,351	34,170	4,825	29,351	34,176
Transfers	5,009	(5,009)	-	5,009	(5,009)	-
Balance at 31 December	**57,163**	**35,746**	**92,909**	**58,554**	**35,746**	**94,300**
Accumulated amortisation						
Balance at 1 January	**13,926**	**–**	**13,926**	**14,164**	**–**	**14,164**
Amortisation for the year	4,921	-	4,921	5,060	-	5,060
Balance at 31 December	**18,847**	**–**	**18,847**	**19,224**	**–**	**19,224**
Carrying amount						
Balance at 31 December	**38,316**	**35,746**	**74,062**	**39,330**	**35,746**	**75,076**

2020	Software	Work in Progress	Bank Total	Software	Work in Progress	Group Total
Cost						
Balance at 1 January	32,888	4,528	37,416	34,246	4,528	38,774
Additions	14,447	6,876	21,323	14,474	6,876	21,350
Balance at 31 December	**47,335**	**11,404**	**58,739**	**48,720**	**11,404**	**60,124**
Accumulated amortisation						
Balance at 1 January	9,883	-	9,883	9,985	-	9,985
Amortisation for the year	4,043	-	4,043	4,179	-	4,179
Balance at 31 December	**13,926**	**–**	**13,926**	**14,164**	**–**	**14,164**
Carrying amount						
Balance at 31 December	**33,409**	**11,404**	**44,813**	**34,556**	**11,404**	**45,960**

Intangible assets represent licenses for computer software. There was no indication of impairment of intangible assets held by the Bank at reporting date and at the end of the previous year. There were no capitalised borrowing costs related to the acquisition of intangible assets during the year (2020: Nil).

30 Assets held for sale

See accounting policy in Note 4.21.

The bank is committed to selling assets classified as assets held for sale. Efforts to sell these assets are ongoing and a sale is expected in 2022. The assets are presented at their fair value less cost to sell. During the year, assets valued at GHS16.6 million were added to assets held for sale.

in thousands of Ghana Cedis	2021		2020	
	Bank	**Group**	**Bank**	**Group**
Assets held for sale	121,085	121,085	104,493	104,493
	121,085	121,085	104,493	104,493

Fair value hierarchy and valuation techniques

Assets held for sale are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated impairment losses. The process used to determine the fair value hierarchy and valuation techniques used to determine the fair value of assets held for sale are the same as those used for the Group's leasehold land and buildings stated in note 28.

Bank	2021				2020			
	Level 1	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets held for sale	-	121,085	-	121,085	-	104,493	-	104,493
	-	121,085	-	121,085	-	104,493	-	104,493

Group	2021				2020			
	Level 1	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets held for sale	-	121,085	-	121,085	-	104,493	-	104,493
	-	121,085	-	121,085	-	104,493	-	104,493

31. Deposit from banks and other financial institution

See accounting policy in Note: 4.22.

in thousands of Ghana Cedis	2021		2020	
	Bank	**Group**	**Bank**	**Group**
Time deposit	1,063,725	1,063,261	208,969	208,949
Current account	86,409	83,191	54,834	52,708
	1,150,134	**1,146,452**	**263,803**	**261,657**
Current	1,063,359	1,063,359	243,437	241,294
Non-current	86,775	83,093	20,366	20,363

32. Deposits from customers

See accounting policy in Note: 4.22.

in thousands of Ghana Cedis	2021		2020	
	Bank	**Group**	**Bank**	**Group**
Analysis by product				
Current account	2,683,153	2,683,153	2,069,254	2,069,254
Time deposit	1,965,809	1,965,809	1,696,931	1,696,931
Savings deposit	512,971	512,971	398,116	398,116
	5,161,933	**5,161,933**	**4,164,301**	**4,164,301**
Analysis by portfolio				
Retail				
Current account	881,756	881,756	406,635	406,635
Time deposit	960,360	960,360	699,208	699,208
Savings deposit	512,034	512,034	388,333	388,333
	2,354,150	**2,354,150**	**1,494,176**	**1,494,176**
Corporate				
Current account	1,801,397	1,801,397	1,662,619	1,662,619
Time deposit	1,005,449	1,005,449	997,722	997,722
Savings deposit	937	937	9,783	9,783
	2,807,783	**2,807,783**	**2,670,124**	**2,670,124**
Total deposits	**5,161,933**	**5,161,933**	**4,164,300**	**4,164,300**
Analysis by type				
Individuals and other private enterprises	4,973,286	4,973,286	4,016,471	4,016,471
Public enterprises	188,647	188,647	147,830	147,830
	5,161,933	**5,161,933**	**4,164,301**	**4,164,301**
Current	2,718,730	2,718,730	3,769,162	3,769,162
Non-current	2,443,203	2,443,203	395,139	395,139

Twenty largest depositors to total deposit ratio is 46% (2020: 38%).

33. Borrowings

See accounting policy in Note: 4.22.

in thousands of Ghana Cedis	2021		2020	
	Bank	**Group**	**Bank**	**Group**
Long-term borrowings				
Agence Francaise De Development	-	-	40,321	40,321
CitiBank New York	-	-	31,966	31,966
Ghana Export - Import Bank	21,932	21,932	27,197	27,197
International Finance Corporation	-	-	72,003	72,003
Overseas Private Investment Company (OPIC)	502,837	502,837	549,227	549,227
PROPACO	-	-	13,308	13,308
Total	**524,769**	**524,769**	**734,022**	**734,022**
Short-term borrowing				
Africa Trade Finance	772,200	772,200	609,363	609,363
Agence Francaise De Development	42,496	42,496	-	-
CitiBank New York	19,991	19,991	15,961	15,961
Finnfund	-	-	35,212	35,212
GIB London	150,264	150,264	115,938	115,938
International Finance Corporation	75,219	75,219	93,654	93,654
London Forfaiting Company	120,695	120,695	-	-
Norfund	-	-	23,656	23,656
PROPACO	45,232	45,232	75,691	75,691
SSNIT	10,350	10,350	9,700	9,700
Standard Chartered Bank Mauritius	301,262	301,262	232,006	232,006
Overseas Private Investment Company (OPIC)	56,578	56,578	26,792	26,792
The OPEC Fund for International Development (OFID)	-	-	4,431	4,431
Total	**1,594,287**	**1,594,287**	**1,242,404**	**1,242,404**
Surbordinated term borrowings				
PROPACO	95,211	95,211	121,799	121,799
Total	**95,211**	**95,211**	**121,799**	**121,799**
Carrying amount	**2,214,267**	**2,214,267**	**2,098,225**	**2,098,225**
Current	1,632,578	1,632,578	911,558	911,558
Non-current	581,689	581,689	1,186,667	1,186,667
Reconciliation of borrowing per statement of cash flows				
At 1 January	2,098,225	2,098,225	2,028,126	2,028,126
Proceeds from borrorwings	7,451,365	7,451,365	3,113,570	3,113,570
Interest expense	76,054	76,054	88,572	88,572
Principal repayment	(7,411,921)	(7,411,921)	(3,107,315)	(3,107,315)
Interest payment	(80,831)	(80,831)	(97,584)	(97,584)
Foreign exchange loss	81,375	81,375	72,856	72,856
At 31 December	**2,214,267**	**2,214,267**	**2,098,225**	**2,098,225**

No collateral was provided for the borrowings.

33 Borrowings (Continued)

Africa Trade Finance – This is a facility granted by Africa Trade Finance for trade finance activities. Interest is at a rate of 6 months Libor plus 2.8% margin per annum and matures in 2022

Agence Francaise De Development – This is a facility granted by Agence Francaise De Development to support the Sustainable Use of Natural Resources and Energy Financing (SUNREF) project. Interest is at a rate of 6 months Libor plus 2.05% per annum and matures in 2022.

CitiBank New York – This is a trade finance line of credit granted in 2019 to be exclusively used to finance eligible SME transactions. Interest is set at 3 months Libor, plus 2.8% per annum maturing in 2022.

Ghana Export – Import Bank – These are various facilities granted by the Ghana Export and Import Bank to be extended to customers in the export sector. Interest is at a rate of 2.5% per annum.

GHIB London – This is a facility granted for on-lending to the private sector and general corporate purposes. Interest is at a rate of 3 months US Libor plus 2.7% per annum maturing in 2022

International Finance Corporation – This facility was granted in 2018 to be used to finance SME transactions. Interest rate is 6 months Libor plus up to 4.75% per annum maturing in 2022.

Overseas Private Investment Company (OPIC) – This is a facility granted by OPIC for on-lending to SME's. Interest is at weekly US treasury bill rate plus 3.7% per annum and matures in 2031.

PROPACO (Subordinated Term Loan) – This is a Tier 2 facility granted by Proparco. Interest is at a rate of 6 months Libor plus 5.8% per annum maturing in 2024.

PROPACO – This is a facility granted for on-lending to the private sector expiring in 2022. Interest is at a rate of 6 months US Libor plus 4.4% per annum.

SSNIT – These are several short-term facilities with maturity periods of up to one year. The weighted average interest rate on these facilities is 3.0% per annum.

Standard Chartered Bank Mauritius – This facility is granted by Standard Chartered Bank ACCR for trade financing activities. Interest rate is 6 months Libor plus a margin of 1.8% per annum maturing in 2022.

London Forfaiting Company – These are various facilities granted by London Forfaiting Company Ltd for trade financing activities. Interest is at a rate of 6 months US Libor plus 2.75% per annum maturing in 2022.

Breach of loan covenant

The facilities from CitiBank New York and Overseas Private Investment Company (OPIC), contained a covenant stating that the amount of gross non-performing loans must be no more than ten per cent (10%) of the total customer loans and advances (excluding deposits with other banks).

The Group exceeded its non-performing loan ratio as at 31 December 2021 as it recorded a ratio of eleven point two percent (11.2%). However, the Group is going through the process to seek a waiver for the breach whiles the necessary steps to cure the breach is also ongoing concurrently.

34. Lease liabilities

See accounting policy in Note: 4.29.

Leases as lessee

The Bank leases a number of branch and office premises. These leases typically run for a period of five (5) years, usually with an option to renew the lease after that date. Payments are renogotiated as and when to reflect market rentals. The Bank has elected not to recognise right-of-use assets and lease liabilities for short-term and/or leases of low-value items. Previously, these leases were classified as operating leases under IAS 17.

Extension options

Some leases of office premises contain extension options exercisable by the Group up to one year before the end of the noncancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control. The Group exercised all extension option available in arriving at its lease liabilites.

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

in thousands of Ghana Cedis	**2021**		**2020**	
	Bank	**Group**	**Bank**	**Group**
(a) Right-of-use assets				
Balance at 1 January	84,917	84,917	87,236	87,236
Additional right-of-use asset recognised in current year	12,752	12,752	-	-
Remeasurement of right-of-use assets	(737)	(737)	4,711	4,711
Depreciation on right-of-use assets	(7,862)	(7,862)	(7,030)	(7,030)
Balance at 31 December	**89,070**	**89,070**	**84,917**	**84,917**
(b) Lease liabilities				
Balance at 1 January	85,886	85,886	77,212	77,212
Additional lease liability recognised in current year	12,752	12,752	-	-
Remeasurement of lease liability	(737)	(737)	4,711	4,711
Finance cost on lease liability	4,026	4,026	4,298	4,298
Losses from currency translation	3,631	3,631	15,507	15,507
Total lease payments	(19,430)	(19,430)	(15,842)	(15,842)
Balance at 31 December	**86,128**	**86,128**	**85,886**	**85,886**
(c) Low value assets and short term leases				
Expenses relating to low-value assets charged to profit or loss as part of other expenses	1,905	1,905	3,062	3,062
(d) Amounts recognised in statement of cash flows				
Lease liability finance charges paid	4,298	4,298	4,585	4,585
Lease liability principal repayments	15,132	15,132	11,257	11,257
Total cash outflow for leases	**19,430**	**19,430**	**15,842**	**15,842**

35. Other liabilities

in thousands of Ghana Cedis	2021		2020	
	Bank	**Group**	**Bank**	**Group**
Creditors	61,240	62,313	86,185	87,378
Accruals	30,876	30,861	48,409	48,425
Recognised liability for employee benefits (note 33a)	17,521	17,560	15,337 1	5,376
Other liabilities	30,419	31,621	29,335	30,566
	140,056	**142,355**	**179,266**	**181,745**
(a) Movement in the liability for employee benefits				
Liability for employee benefit at 1 January	15,337	15,376	10,446	10,474
Benefits paid	(819)	(819)	(1,256)	(1,256)
Expense charged to profit or loss (note 35b)	3,003	3,003	6,147	6,158
Liability for employee benefit at 31 December	**17,521**	**17,560**	**15,337**	**15,376**
(b) Expenses recognised in profit or loss				
Experience gains and losses	(55)	(76)	619	609
Net actuarial losses/profits recognised during the year	(133)	(136)	-	-
Current service costs	2,753	2,768	5,210	5,224
Interest on obligation	438	447	318	325
	3,003	**3,003**	**6,147**	**6,158**
Amounts related to executive directors included in expenses recognised in profit or loss	**1,955**	**1,955**	**4,529**	**4,529**
Actuarial assumptions				
Principal assumptions at the reporting date (expressed in weighted averages)				
Discount rate at 31 December	20.8%	20.8%	20.0%	20.0%
Future salary increases	13.0%	13.0%	15.0%	15.0%
Mortality loading	10.0%	10.0%	10.0%	10.0%
Inflation rate	11.0%	11.0%	9.0%	9.0%

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

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

2021	Main Basis	Discount rate (-2%)	Discount rate (+2%)	Salary scale (-2%)	Salary scale (+2%)	Mortality (10%)
Actuarial Liability	17,560	17,828	17,309	17,122	17,878	17,559
Percentage Change	-	2%	(1)%	(2)%	2%	-%

2020	Main Basis	Discount rate (-2%)	Discount rate (+2%)	Salary scale (-2%)	Salary scale (+2%)	Mortality (10%)
Actuarial Liability	15,376	15,976	16,008	14,773	16,008	15,384
Percentage Change	-	4%	4%	(4)%	4%	-%

Other liabilities

The Groups long term employee benefit is valued every year. The valuation of the Group's long term employee benefit as at the year end 2021 was performed by Messrs Stallion Consultants Limited and signed by its Executive Chairman Mr. Charles Osei-Akoto, (ASA, MAAA). Stallion Consultants Limited has the appropriate qualification and experience in the fair value measurement of defined benefit.

36. Capital and reserves

See accounting policy in Note: 4.26.

a. Stated Capital

	2021		2020	
	Number ('000)	Value	Number ('000)	Value
Authorised:				
Ordinary shares of no par value	2,000,000	-	2,000,000	-
Issued:				
For cash	414,871	93,305	414,871	93,305
Transfer from Retained Earnings	-	306,695	-	306,695
Bonus issue	211,714	-	211,714	-
	626,585	**400,000**	**626,585**	**400,000**

There is no call or installment unpaid on any share.

At 31 December 2021 the authorised share capital comprised 2 billion ordinary shares (2020: 2 billion) of no par value. All issued shares are fully paid for.

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

A total of 834,029 shares (2020: 204,700 shares) were purchased from shareholders during the year. In May 2020 shareholders approved the purchase by the Bank of up to 5% of the issued shares of CalBank PLC. The mandate expired in May 2021.

(b) Statutory reserve

in thousands of Ghana Cedis	2021		2020	
	Bank	**Group**	**Bank**	**Group**
Balance at 1 January	340,095	340,095	288,353	288,353
Transfer from Retained Earnings	53,810	53,810	51,742	51,742
Balance at 31 December	**393,905**	**393,905**	**340,095**	**340,095**

Statutory reserve represents the cumulative amounts set aside from annual net profit after tax as required by Section 34 of the Banks and Specialised Deposit Taking Institution Act 2016 (Act 930). The proportion of net profits transferred to this reserve ranges from 12.5% to 50% of net profit after tax depending on the ratio of existing statutory reserve fund to paid-up capital.

(c) Revaluation reserve

in thousands of Ghana Cedis	2021		2020	
	Bank	**Group**	**Bank**	**Group**
Balance at 1 January	104,636	104,636	104,636	104,636
Release on sale of PPE	(1,710)	(1,710)	-	-
Balance at 31 December	**102,926**	**102,926**	**104,636**	**104,636**

This refers to the effects from the fair value measurement after deduction of deferred taxes on unrealised surplus/gains on Property, Plant and Equipment. These unrealised gains or losses are not recognised in profit or loss until the asset has been sold/matured or impaired. Deferred tax on revaluation of the Bank's leasehold land and buildings is recognised directly in Other Comprehensive Income (OCI). The revaluation reserve is not a distributable reserve.

(d) Credit risk reserve

in thousands of Ghana Cedis	2021		2020	
	Bank	**Group**	**Bank**	**Group**
Specific Provision on Loans and Advances	153,081	153,081	242,560	242,560
General Provision on Loans and Advances	28,171	28,171	21,421	21,421
Provision required by Bank of Ghana	**181,252**	**181,252**	**263,981**	**263,981**
Amount provided per IFRS	(213,401)	(213,401)	(239,662)	(239,662)
Changes due to currency translation	13,235 1	3,235	15,747	15,747
Credit Risk Reserve	**-**	**-**	**40,066**	**40,066**

The regulatory credit risk reserve is a non-distributable reserve prescribed by Bank of Ghana to account for differences between impairment loss on financial assets per IFRS and the specific and general impairment loss on loans and advances and contingent liabilities per the Central Bank's prudential guidelines.

(e) Other reserves

in thousands of Ghana Cedis	2021		2020	
	Bank	**Group**	**Bank**	**Group**
1. Fair value reserve – other long-term employee benefit				
Balance 1 January	-	-	(6,941)	(7,091)
Experience gains/losses on other long-term employee benefit	-	-	-	-
Remeasurement of other long term employee benefit	-	-	6,941	7,091
Balance at 31 December	**-**	**-**	**-**	**-**

The fair value reserve for other long-term employee benefit comprises the cumulative net change in experience gains and losses arising from the valuation of other long-term employee benefit liabilities.

in thousands of Ghana Cedis	2021		2020	
	Bank	**Group**	**Bank**	**Group**
2. Share deals account				
Balance 1 January	(136)	(136)	-	-
Shares repurchased	(571)	(571)	(136)	(136)
Balance at 31 December	**(707)**	**(707)**	**(136)**	**(136)**

Share deals account is made up of a total of 1,038,729 shares purchased from shareholders.

in thousands of Ghana Cedis	2021		2020	
	Bank	**Group**	**Bank**	**Group**
3. Treasury Shares				
Balance 1 January	-	(584)	-	(584)
Net Changes in Bank's shares held by subsidiary	-	445	-	-
Balance at 31 December	**-**	**(139)**	**-**	**(584)**

Treasury shares are shares held by the subsidiaries of the Bank as part of their trading portfolio. The subsidiaries at the end of the period held as part of their trading stock 187,105 (2020: 996,865) CalBank PLC shares.

in thousands of Ghana Cedis	2021		2020	
	Bank	**Group**	**Bank**	**Group**
Total Other Reserves	**(707)**	**(846)**	**(136)**	**(720)**

(f) Retained earnings

This represents the residual of cumulative annual profits that are available for distribution to shareholders.

(g) Dividends

The amount below was recognised as distribution to equity holders of the Bank during the year ended 31 December.

in thousands of Ghana Cedis	2021		2020	
	Bank	**Group**	**Bank**	**Group**
Dividend declared	68,924	68,816	55,766	55,682
Dividend paid	(68,924)	(68,816)	(55,766)	(55,682)
Balance at 31 December	–	–	–	–

At the reporting date, the Directors recommend the payment of a dividend of GHS0.14 per share (2020: GHS0.11 per share) subject to approval by the Bank of Ghana. The dividends have not been recognised as liabilities.

Net assets per share is based on 626,585,000 (2020: 626,585,000) ordinary shares at the statement of financial position date.

37. Contingencies and commitments

See accounting policy in Note: 4.9.10.

(a) Letters of credit, guarantees and indemnities

In common with banks, the group conducts business involving acceptances, guarantees, performance bonds and indemnities. The majority of these facilities are offset by corresponding obligations of third parties. The group also holds certain securities in its own name on behalf of customers. The values of these securities are not recognised in the consolidated balance sheet.

Letters of credit commit the group to make payments to third parties, on production of documents, which are subsequently reimbursed by customers.

Guarantees are generally written by a bank to support performance by a customer to third parties. The group will only be required to meet these obligations in the event of customer's default.

Contingencies and commitments not provided for in the financial statements as at 31 December 2021 in respect of the above amounted to GHS693.2 million (2020: GHS274.2 million) , as detailed below:

in thousands of Ghana Cedis	2021		2020	
	Bank	**Group**	**Bank**	**Group**
Undrawn loans and overdrafts	127,747	127,747	91,631	91,631
Letters of credit	226,767	226,767	26,144	26,144
Guarantees and indemnities	338,669	338,669	156,470	156,470
	693,183	**693,183**	**274,245**	**274,245**

The amount of unsecured contingencies and commitments in respect of these at 31 December 2021 was nil (2020: nil).

(b) Commitments for capital expenditure

There were no commitments to capital expenditures in relation to property and equipment as at 31 December 2021 (2020: nil).

(c) Claims and litigation

At the year end, there were some legal cases pending against the Group and the Bank. Should judgment go in favour of the plaintiffs, likely claims against the Group and the Bank have been estimated at GHS59.9 million (2020: GHS68.5 million). No provisions have been made in the financial statements in respect of these amounts.

(d) Assets under management and custody

The group provides custody, trustee, investment management and advisory services to third parties, which involves the group making allocation and purchase and sale decisions in relation to a wide range of financial instruments. Those assets that are held in a fiduciary capacity are not included in these financial statements.

Assets managed by the Group on behalf of clients amounted to GHS2.01 billion (2020: GHS1.49 billion).

Assets under custody amounted to GHS3.34 billion (2020:GHS2.57 billion).

38. Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial and operational decisions, or one other party controls both. The definition includes members of the Board, key management personnel and the close members of their family.

(a) Subsidiaries

Details of principal subsidiaries are shown in Note 25.
Included in deposits is GHS3.7 million (2020: GHS2.1 million) due to our subsidiary companies. Interest paid on deposits from subsidiaries during the year amounted to GHS0.13 million (2020: GHS0.48 million).

(b) Transactions with directors and key management personnel

Key Management Personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of CalBank PLC (directly or indirectly) and comprise the Directors and Officers of CalBank PLC.

In the ordinary course of business, the Group makes loans to companies where a Director or other member of Key Management Personnel (or any connected person) is also a Director or other member Key Management Personnel (or any connected person) of CalBank PLC. These loans are made on substantially the same criteria and terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons and did not involve more than the normal risk of collectibility or present other unfavourable features.

Details of transactions between directors and other key management personnel (and their connected persons) and the Bank are as follows:

	2021	2020
Loans and advances to directors and their associates		
Balance at 1 January	673	27
Loans advanced during the year	-	815
Loan repayments during the year	(196)	(169)
Loans outstanding at 31 December	**477**	**673**
Loans and advances to employees		
Balance at 1 January	32,821	31,446
Loans advanced during the year	12,440	6,351
Loan repayments during the year	(9,258)	(4,976)
Loans outstanding at 31 December	**36,003**	**32,821**

Included in loans and advances to employees is a total amount of GHS4.57 million of loans relating to key management personnel.
There were no loans and advances granted to companies in which Directors have an interests at the end of the year. (2020: nil)
No specific provisions have been recognised in respect of loans to Directors or other members of Key Management Personnel or any connected person.

Interest rates charged on loans to staff are at rates below that would be charged in an arm's length transaction. The loans are secured with the assets financed.

(c) Remuneration of Directors and other Key Management Personnel

The following information is presented in accordance with IAS 24 'Related Party Disclosure', which requires disclosure of the employee benefits of directors and other key management personnel. In line with section 132 of the Companies Act, 2019 (Act 992), the following are the individual and aggregate amounts of the directors' emoluments:

in thousands of Ghana Cedis	2021		2020	
	Bank	**Group**	**Bank**	**Group**
Non-executive directors				
Annual fees	962	1,071	908	1,107
Sitting allowances	2,762	2,898	2,171	2,198
	3,724	**3,969**	**3,079**	**3,305**
Executive directors				
Basic salaries	2,120	2,321	2,117	2,289
Social security contributions	276	302	275	297
Defined benefit obligaion	1,955	1,955	4,529	4,529
Others allowances	401	702	480	699
	4,752	**5,280**	**7,401**	**7,814**
Other key management personnel				
Basic salaries	3,896	3,896	2,476	2,476
Social security contributions	506	506	322	322
Others allowances	2,252	2,252	628	628
	6,654	**6,654**	**3,426**	**3,426**

(d) Employee termination benefits

The Bank has contract with key employees that entitles them to terminal benefits of three months salary for every year served.

39. DIRECTORS' SHAREHOLDINGS

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

	2021		2020	
	No. of Shares	**Percentage shareholding**	**No. of Shares**	**Percentage shareholding**
Philip Owiredu	1,429,246	0.23	1,404,246	0.22
Nana Otuo Acheampong	114	-	114	-
Total	**1,429,360**	**0.23**	**1,404,360**	**0.22**

40. ANALYSIS OF SHAREHOLDING AS AT THE YEAR END 2021

	No. of Shareholders	Holders %	No. of Shares	% of Holding
1 - 1,000	16,394	71.27	8,515,993	1.36
1001 - 5,000	5,183	22.53	9,324,086	1.49
5001 - 10,000	565	2.46	3,749,524	0.60
10,001 - 20,000	344	1.50	4,677,784	0.75
20,001 - 30,000	143	0.62	3,468,351	0.55
30,001 - 40,000	57	0.25	2,015,667	0.32
40,001 - 50,000	34	0.15	1,543,396	0.25
Over 50,001	282	1.23	593,289,826	94.69
	23,002	**100.00**	**626,584,627**	**100.00**

ANALYSIS OF SHAREHOLDING AS AT THE YEAR END 2020

	No. of Shareholders	Holders %	No. of Shares	% of Holding
1 - 1,000	16,375	71.30	8,529,669	1.36
1001 - 5,000	5,188	22.59	9,289,220	1.48
5001 - 10,000	566	2.46	3,756,619	0.60
10,001 - 20,000	342	1.49	4,628,756	0.74
20,001 - 30,000	139	0.61	3,387,814	0.54
30,001 - 40,000	66	0.29	2,343,496	0.37
40,001 - 50,000	33	0.14	1,475,701	0.24
Over 50,001	258	1.12	593,173,352	94.67
	22,967	**100.00**	**626,584,627**	**100.00**

41. Twenty largest shareholders

Shareholder		
Social Security and National Insurance Trust	207,929,351	33.18
Arise B. V.	173,520,791	27.69
SCGN/Citibank New York Re Allan Gray Africa, Ex - Sa Equity Fund Limited	19,220,126	3.07
SCGN/Citibank Kuwait Inv Authority	18,400,000	2.94
Adu Jnr, Frank Brako	16,928,544	2.70
Mr Daniel Ofori	15,377,194	2.45
Ofori, Daniel	9,135,449	1.46
SCGN / Enterprise Life Ass. Co. Policy Holders	8,023,807	1.28
GES OCC Pension - Databank Financial Services	7,111,111	1.13
SCGN/Jpmorgan Bk Lux Sa Re Robeco Afrika Fonds N.V, 056898600288	6,218,358	0.99
SCGN/SSB Eaton Vance Tax-, Managed Emerging Market Fund	4,191,902	0.67
Krohne Fund,	4,155,452	0.66
Gentrust Sankofa Master Trust Scheme	4,085,714	0.65
Ansah, Benjamin Fosu	4,038,915	0.64
Enterprise Tier 2 Occupational Pension Scheme	4,019,326	0.64
SCGN/SCB DIFC A/C Financial Brokerage Group A/C		
African Lions Fund Ltd 133849700039	3,934,600	0.63
Hosi, Senyo Kwasi	3,195,714	0.51
HFCN/ EDC Ghana Balanced Fund Limited	2,999,971	0.48
ZBGC/Axis Pension Plan, ZBGC/Axis Pension Plan	2,834,250	0.45
SCGN/Caceis Bank Lux Branch / TCM Inv. Funds Luxe., 056890300012	2,617,143	0.42
Top 20 shareholders	**517,937,718**	**82.64**
Others	108,646,909	17.36
Grand Total	**626,584,627**	**100.00**

42. Value added statements for the year ended 31 December

in thousands of Ghana Cedis	2021		2020	
	Bank	**Group**	**Bank**	**Group**
Interest earned and other operating income	1,264,599	1,280,592	1,100,428	1,112,746
Direct cost of services	(663,995)	(664,931)	(560,586)	(560,639)
Value added by banking services	**600,604**	**615,661**	**539,842**	**552,107**
Impairments	(82,375)	(82,375)	(86,843)	(86,843)
Value added	**518,229**	**533,286**	**452,999**	**465,264**
Distributed as follows:	**518,229**	**533,286**	**452,999**	**465,264**
To Employees				
Non Executive Directors	(3,724)	(3,969)	(3,079)	(3,305)
Executive directors	(4,752)	(5,280)	(7,401)	(7,814)
Other employees	(146,358)	(148,637)	(132,943)	(134,921)
To Government				
Income tax	(110,435)	(114,665)	(68,172)	(70,825)
To providers of capital				
Dividends to shareholders	(68,924)	(68,816)	(55,766)	(55,682)
To expansion and growth				
Depreciation	(24,938)	(24,961)	(23,362)	(23,387)
Amortisation	(12,783)	(12,922)	(11,073)	(11,209)
Retained earnings	**146,315**	**154,036**	**151,203**	**158,121**

43. Social responsibility

Amounts spent on fulfilling social responsibility obligations amounted to GHS1.05 million :(2020: GHS1.08 million).

Notes

Notes

Notes

Our Branches

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

- **Bono East Region**
  Techiman Branch

- **Central Region**
  Cape Coast Branch

- **Eastern Region**
  Koforidua Branch

- **Greater Accra Region**
  Achimota Branch
  Airport City Branch
  Dansoman Branch
  Derby Avenue Branch
  East Legon Branch
  Graphic Road Branch
  Independence Avenue Branch
  Kwame Nkrumah Avenue. Branch
  Labone Branch
  Legon Branch
  Madina
  Osu Branch
  Ring Road Central Branch
  Spintex Road Branch
  Tema Community Branch
  Tema Community 25 Branch
  Tema Main Branch
  Weija Branch

- **Northern Region**
  Tamale Branch

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

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