standard chartered

Annual Report 2021

The bank for the new economy

People | Ideas | Technology | Trade

Here for good

We are the bank for the new economy – of people and ideas, of technology and trade

We have built a strong foundation in the world's most dynamic markets, serving the people and businesses that drive growth. We are at the frontline of today's biggest challenges and are taking a stand on key issues such as climate change, economic participation and globalisation. Our collaborative approach to innovation and drive to be diverse and inclusive means we can do more, better and faster.

Our Purpose is to drive commerce and prosperity through our unique diversity, and our heritage and values are expressed in our brand promise, Here for good.

Stakeholders

Throughout this report, we use these icons to represent the different stakeholder groups for whom we create value.

Clients | Regulators & governments | Investors | Suppliers | Communities | Employees

Contents

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NOTICE AND AGENDA

Notice is hereby given that the 52nd Annual General Meeting of Standard Chartered Bank Ghana PLC will be held at the **National Theatre**, opposite the Efua Sutherland Children's Park, Accra on **Thursday 2nd June 2022** at 11.00am for the ordinary business of the Company.

Agenda

ORDINARY BUSINESS

1. To receive and consider the Annual Report and the Audited Financial Statements for the year ended 31st December, 2021 together with the report of the directors and auditors thereon
2. To declare a dividend, subject to regulatory approval
3. To re-elect directors
4. To approve directors' remuneration
5. To authorize the Directors to fix the remuneration of the auditors

SPECIAL BUSINESS

6. To consider and if thought fit, pass the following resolutions as recommended by the directors, which will be proposed as Special Resolutions:
   a. That Section 110 of the Company's registered Constitution be amended to read as follows:
      "The Directors shall be not less than five (5) nor more than thirteen (13), the majority of whom shall be non-executive and ordinarily resident in Ghana."
   b. That Section 114 of the Company's registered Constitution be amended to read as follows:
      "The shareholding qualification for Directors may be fixed by the Company in general meeting, and unless and until so fixed no qualification shall be required. Where a qualification is fixed, the qualification shall be obtained within two (2) months of appointment or such shorter period fixed by this Constitution. Failure to obtain the qualification shall result in the vacation of the office of the Director concerned."
   c. That Section 119 of the Company's registered Constitution be amended to read as follows:
      "A Director of the Company may be or become a Director or officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested as shareholder or otherwise, subject to the Bank of Ghana Fit and Proper Persons Directive of 2019 and Section 59 of the Banks and Specialised Deposit Taking Institutions Act. No Director shall be accountable to the Company for any remuneration or other benefits received by him as a Director or officer of, or from his interest in, such other company unless the Company so directs."
   d. That Section 135 of the Company's registered Constitution be amended to read as follows:
      "The Directors may meet together at least four (4) times per each financial year with each director attending at least 50% of the Board Meetings for the dispatch of business, adjourn and otherwise regulate their meetings, as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes, the Chairman shall have a second or casting vote. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors. It shall not be necessary to give notice of a meeting of Directors to any Director for the time being absent from Ghana."
   e. That Section 165 (1) of the Company's registered Constitution be amended to read as follows:
      "If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, and the Corporate Insolvency and Restructuring Act, 2020 (Act 1015), divide amongst the members in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. Any winding up or liquidation process shall comply with Sections 138 and 139 of the Banks and Specialised Deposit Taking Institutions Act."

Dated this 28th day of April, 2022
BY ORDER OF THE BOARD

SIGNED
ANGELA NAA SAKUA OKAI
(COMPANY SECRETARY)

Note: A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of him/her. Such a proxy need not be a member of the Company. A form of proxy is attached. (Please see page 162 of the report).A copy of the Annual Report and the Proxy Form can be viewed/downloaded from the Standard Chartered Bank Ghana PLC website www.sc.com/gh. The Proxy Form may be filled and sent via email to shareregistry@gcb.com.gh or deposited at the registered office of the Registrars of the Company, GCB Bank Ltd., Head Office, No.2 Thorpe Road, P. O. Box 134, Accra to arrive no later than 48 hours before the appointed time for the meeting.

Explanatory notes on the special resolutions

The notes below provide an explanation to the proposed resolutions set out in item 6 (a-e) of the Notice and Agenda of the Annual General Meeting. These resolutions require 75% of the votes to be cast in favour. The resolutions are proposed to enable the Company to comply with the provisions of the Banks and Specialised Deposit Taking Institutions Act, 2016 (Act 930), the Bank of Ghana Corporate Governance Directive 2018 and the Bank of Ghana Fit and Proper Persons Directive 2019. Below are the sections in the Company's registered Constitution for which amendments are proposed:

(a) Section 110
The Directors shall be not less than five (5) nor more than thirteen (13) in number.
The amended Section is to read as follows:
The Directors shall be not less than five (5) nor more than thirteen (13), the majority of whom shall be non-executive and ordinarily resident in Ghana

(b) Section 114
The shareholding qualification for Directors may be fixed by the Company in general meeting, and unless and until so fixed no qualification shall be required.
The amended Section is to read as follows:
The shareholding qualification for Directors may be fixed by the Company in general meeting, and unless and until so fixed no qualification shall be required. Where a qualification is fixed, the qualification shall be obtained within two (2) months of appointment or such shorter period fixed by this Constitution. Failure to obtain the qualification shall result in the vacation of the office of the Director concerned.

(c) Section 119
A Director of the Company may be or become a Director or officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested as shareholder or otherwise, and no such Director shall be accountable to the Company for any remuneration or other benefits received by him as a Director or officer of, or from his interest in, such other company unless the Company so directs.
The amended Section is to read as follows:
A Director of the Company may be or become a Director or officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested as shareholder or otherwise, subject to the Bank of Ghana Fit and Proper Persons Directive of 2019 and Section 59 of the Banks and Specialised Deposit Taking Institutions Act 2016 (Act 930). No Director shall be accountable to the Company for any remuneration or other benefits received by him as a Director or officer of, or from his interest in, such other company unless the Company so directs.

(d) Section 135
The Directors may meet together at least once every six (6) months in a year for the dispatch of business, adjourn, and otherwise regulate their meetings, as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes, the Chairman shall have a second or casting vote. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors. It shall not be necessary to give notice of a meeting of Directors to any Director for the time being absent from Ghana.
The amended Section is to read as follows:
The Directors may meet together at least four (4) times per each financial year with each director attending at least 50% of the Board Meetings for the dispatch of business, adjourn, and otherwise regulate their meetings, as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes, the Chairman shall have a second or casting vote. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors. It shall not be necessary to give notice of a meeting of Directors to any Director for the time being absent from Ghana.

(e) Section 165 (1)
If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act or by the Corporate Insolvency and Restructuring Act, 2020 (Act 1015), divide amongst the members in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
The amended Section is to read as follows:
If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, and the Corporate Insolvency and Restructuring Act, 2020 (Act 1015), divide amongst the members in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. Any winding up process shall comply with Sections 138 and 139 of the Banks and Specialised Deposit Taking Institutions Act.

Confidence in our Purpose and strategy

Despite external challenges, we have continued to make good progress against the strategy we set out in 2019.

As highlighted in last year's report, we refreshed our 2019 strategy into four strategic priorities and three enablers focused on our aim to become a leader in global finance. In light of the pandemic, we have reviewed our strategy and are confident that it remains as relevant as ever and will enable us to realise our ambitions.

We measure our progress against key performance indicators (KPIs), a selection of which are below, as well as client KPIs, some of which can be found on pages 25 to 28. Our KPIs include non-financial measures reflecting our commitment to sustainable social and economic development across our business, operations and communities.

Urgent climate change, stark inequality and unfair aspects of globalisation impact everyone and the planet. We are setting long-term ambitions to play our part in tackling these issues.

Together with the people and businesses we serve, we can be central to the transition to a fair, sustainable future. This is why we have committed to three Stands: Accelerating Zero, Lifting Participation and Resetting Globalisation. To learn more about our Stands, see pages 23 and 24.

Financial KPIs

Capital adequacy ratio

33.4%
↑850bps 2021

24.9%
2020

Return on equity

26.6%
↓600bps 2021

32.6%
2020

Leverage ratio

11.6%
↑490bps 2021

6.7%
2020

Other financial measures

Operating income

GH¢1,070.3m
↑5% 2021

GH¢1,022.7m
2020

Profit before tax

GH¢694.5m
↑3% 2021

GH¢675.4m
2020

Earnings per share

GH¢3.23
↓9% 2021

GH¢3.54
2020

Who we are and what we do

Standard Chartered Bank Ghana PLC is Ghana's premier bank drawing its history from the Bank of British West Africa established in 1896. We are a member of a leading international banking group with presence in 59 markets worldwide. Our heritage and values are expressed in our brand promise, Here for good. Our operations reflect our Purpose, which is to drive commerce and prosperity through our unique diversity.

Our client segments

1.

Corporate, Commercial and Institutional Banking

Corporate, Commercial and Institutional Banking supports clients with their transaction banking, financial markets, corporate finance and borrowing needs.

Operating income

GH¢752.0m

2.

Consumer, Private and Business Banking

Consumer, Private and Business Banking serves individuals and small businesses, with a focus on the affluent, emerging affluent and mass retail.

Operating income

GH¢318.3m

Guiding and supporting our businesses

Functions

Our client-facing businesses are supported by our functions, which work together to ensure the Bank's operations run smoothly and consistently

Human Resources

Enables business performance through recruiting, developing and engaging colleagues.

Legal

Enables sustainable business and protects the Bank from legal-related risk.

Technology & Innovation

Responsible for the Bank's operations, systems development and technology infrastructure.

Risk

Responsible for the sustainability of our business through good management of risk across the Bank and ensuring that business is conducted in line with regulatory expectations.

Operations

Responsible for all client operations, end-to-end, and ensures the needs of our clients are at the centre of our operational framework. The function's strategy is supported by consistent performance metrics, standards and practices that are aligned to client outcomes.

Finance

Comprises support functions: Finance, Supply Chain Management and Property.The leaders of these functions report to the Chief Financial Officer.

Corporate Affairs, & Brand and Marketing

Manages the Bank's communications and engagement with stakeholders in order to protect and promote the Bank's reputation, brand and services.

Internal Audit

An independent function whose primary role is to help the Board and Executive Management to protect the assets, reputation and sustainability of the Bank.

Conduct, Financial Crime and Compliance

Enables sustainable business by delivering the right outcomes for our clients and our business by driving the highest standards in conduct, fighting financial crime and compliance.

Chairman's statement

Resilience supporting sustainable growth

Distinguished Shareholders, it is my honour and pleasure to present to you the Standard Chartered Bank Ghana PLC Annual Report and Financial Statements for the year ended 31 December 2021.

2021 was another year of extraordinary global turbulence with the emergence of new COVID-19 variants further prolonging the recovery efforts, resulting in a continued state of uncertainty across the globe.

As a business, we have had to adapt to the constantly changing landscape. We continued to invest in the future of the Bank especially in our innovation and technological capabilities and skills to meet the challenges of the new working environment. In order to address the evolving needs of our clients and take advantage of technological advances, we are developing a workforce that is future ready and co-creating an inclusive and innovative culture with our employees. We have also developed sizeable transformative business development opportunities through co-creation and partnerships.

Throughout this period our colleagues have continued to remain focused on protecting the interests of shareholders, while ensuring the wellbeing of colleagues and supporting our customers, clients and communities. Despite the difficult circumstances over the last couple of years,

Dr. Emmanuel Oteng Kumah
Chairman

our colleagues have shown resilience and dedication and I am extremely proud of how we have come out of 2021.

Our financial performance

Later in this report, our Chief Executive, Mrs. Mansa Nettey will provide more details on our financial performance as we navigated the second year of the pandemic. Overall, our financial results show evidence of a strong underlying business resilience in the face of uncertainty and a bank that is tracking very well against its medium term financial and social targets. The Bank remains profitable, highly liquid and well capitalised with Capital Adequacy Ratio of 33.4 per cent. We also posted strong return metrics during the period under review. Return on equity is 26.6 per cent with Earnings per share at GH¢3.23. As you are all aware, your bank is regarded by peers as a reference point for excellence.

Dividend

The Bank's continuous commitment to create shareholder value remains central to all long term strategic decisions. On the back of this year's performance, the Board is recommending a dividend payout of GH¢2.57 per ordinary share for the 2021 financial year compared to GH¢1.74 paid out in 2020 representing a 48 per cent increase. This is subject to regulatory approval.

We are delivering against our strategic priorities

While the pandemic brought about considerable challenges, with a resultant impact on our rate of growth, our focus remains on executing at pace. I am pleased to report we are making progress on all 4 pillars of our strategic priorities namely, Network, Affluent, Mass Retail and Sustainability.

We continue to leverage on 125 years of experience and expertise in Ghana as well as our unparallelled international network to support our clients. Our **Network** and **Affluent** businesses remain key for us.

We are transforming our ability to onboard, serve and exceed the expectations of our **Mass Retail** customers. Through our broad-based digitisation efforts and investments, we are providing a seamless banking experience for our clients.

Sustainability is a moral imperative and a tremendous opportunity. Our Sustainable Finance capabilities continue to make a difference where it matters the most and we continue to play a pivotal role in helping Ghana to achieve the United Nations Sustainable Development Goals.

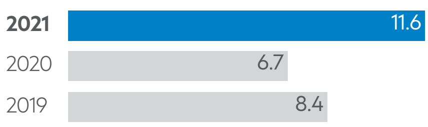
We continue to enhance our governance and culture

While the Board has been unable to meet employees in person, we have remained engaged virtually. Members of the Board attended a number of subsidiary board and committee meetings and took part in the Bank's 125th

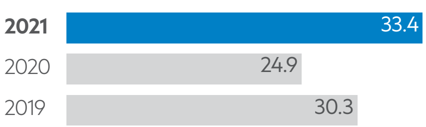
Financial KPIs

Return on equity %

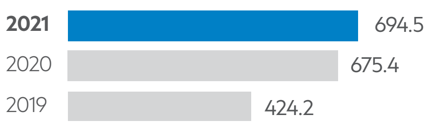
Leverage ratio %



Capital adequacy ratio %



Profit before tax GH¢'million



Chairman's statement continued

anniversary celebrations. We also engaged staff virtually on a number of topics including Ghana's economic outlook.

The Board hopes to re-engage more colleagues in person during 2022.

We recently announced several changes to our Board Committee composition, details of which can be found in the Directors' report on pages 57 to 70. During the year under review Mr. Kweku Nimfah-Essuman and Mrs. Harriet-Ann Omobolanle Adesola both stepped down from the Board.

We are taking ambitious Stands as we mark the Bank's 125th anniversary

2021 marked the Bank's 125th anniversary in Ghana. A significant milestone for the Bank which began its operations in 1896 and has since been at the forefront of financial development in the country. For the last twelve and a half decades, we have put our capital behind opportunities to support the socio-economic development of Ghana, serving the people and businesses which drive economic growth. As we celebrate this milestone anniversary, we are committed to lead with our purpose to drive commerce and prosperity through our unique diversity – without people being left behind, without the planet being negatively impacted, and without creating divisions that diminish our sense of community.

In line with our brand promise, Here for good, we will continue to shape our business to drive both our success and that of all our stakeholders for the future.

We are taking a set of Stands to help solve some of the world's most critical problems – lifting economic participation, helping to reduce carbon emissions, and supporting a fairer model for globalisation as well as addressing societal challenges. We believe these long-term ambitions will stretch and motivate the Bank to deliver our strategy faster and better. These stands are:

Accelarating Zero - As the world strives to achieve net zero carbon emissions by 2050, we are playing our part in facilitating this transition. We aim to reduce emissions, catalyse finance and partnerships, and accelerate new solutions. We are providing advisory services and financing that our clients need to complete their own journeys.

Lifting Participation - Inequality, along with gaps in economic inclusion, means that many young people, women, and small businesses struggle to gain access to the financial system to save for their futures and grow their businesses. We believe in making financing available to the very people who can make a difference. Through partnerships and technology, we will expand the reach and scale of financial services.

Resetting Globalisation - Globalisation has lifted millions out of poverty, but too many people have been left behind. Division and inequality have grown, along with negative impacts on our planet. As a leading trade bank, we strive to connect the capital, expertise and ideas needed to drive new standards especially through supply chains and create innovative solutions for more equitable and sustainable growth.

Rallying together for our communities

We continue to rally together for our communities, reaching more than 16,000 young people in 2021 through Futuremakers by Standard Chartered, our global initiative to tackle inequality through education, employability, and entrepreneurship. Our Futuremakers programmes include:

Women in Technology Incubator - We completed the first cycle of our Women in Tech Incubator Programme which supports female-led entrepreneurial teams with business management training, mentoring and seed funding. In 2021, 15 female-led businesses went through the Incubator of which the top five were awarded the cedi equivalent of USD 10,000 each to scale up their businesses. We launched Cohort 2 at the end of the year and have currently enrolled 20 female owned businesses.

Goal – Our global education programme for girls and young women, teaching life skills through sport reached 1,700 young girls in 2021. So far, since its launch five years ago we have reached over 6,000 girls in the Greater Accra and Eastern regions.

Youth to Work – Funded by the Standard Chartered Foundation, our Youth to Work programme creates opportunities to support young people to become job-ready. Additionally, it is geared towards strengthening SME ecosystems that lead to greater employment and job creation potential for young people. 43 young graduates were trained in key business, leadership, and professional management skills with 40 SMEs receiving improved business performance and a further 1,000 young people benefitted from entrepreneurship and/or employment training workshops.

Our **Youth Employability Skills programme** was introduced as part of the economic recovery post the pandemic. The programme is aimed at employability and entrepreneurship skills training, mentorship and access to financial services to help young people better their lives. We reached over 11,000 young people in 2021 and are extending the opportunity to a further 20,000 people in 2022 with funding from the Standard Chartered Foundation.

The **Girls Vocational Skills programme** also introduced as part of COVID-19 economic recovery, provided vocational skills training to 30 young girls in underserved communities in the Accra Metropolis District to enable them earn a living.

During the year, we rolled out other initiatives to mark our 125th anniversary. These include:

- Girls' employability skills project, training 1,250 girls and young women across 4 Regions; Greater Accra, Northern Region, Ashanti Region and Western Region to improve their access to effective, sustainable, affordable, eco-friendly and safe menstruation products during the pandemic.
- Capacity building for 125 MSMEs on good corporate governance and digital skills.

In the course of the year we also reached out to support communities in need. In the aftermath of the Keta Tidal Wave disaster, we rallied to meet the physiological and safety needs of 200 affected families in the Anlo District.

In spite of the pandemic, our colleagues volunteered their time and skills virtually and in person to support our communities, delivering financial skills training to young people and small businesses and in tree planting exercises to protect our environment. Employees contributed a total of 248 volunteering days in 2021.

All these achievements, and more, speak to the heart and spirit of who we are. They are a testament to our valued behaviours of being Better Together, endeavouring to Do the Right Thing, and putting our best foot forward to Never Settle.

These behaviours along with the resilience and adaptability of our colleagues, remain critical for us and rooted in our culture of excellence: which is client-centric, diverse and inclusive. We will build on them to deliver on our aspirations to be a truly high-performing organisation.

Outlook 2022

We approach 2022 with cautious optimism. Whilst uncertainties persist in relation to COVID-19 and the unpredictable and complicated geopolitical landscape, our Ghanaian economy is also experiencing massive economic challenges with accelerating interest rates, rapid depreciation of the local currency, rising inflation and cost of living including energy costs, and mounting public sector debt burdens. By all accounts, this is a tough environment to operate, let alone succeed. But we are undaunted and do see potential opportunities as the economy rebounds albeit gingerly and unpredictably. As we have demonstrated over the past few years, we will find a way to push forward and succeed because that is who we are - never settle. The Board will continue to oversee the task of striking the right balance between the opportunities and risks that we see. With all the actions we have outlined in the various reports, I am confident that we will continue to drive consistent, profitable and sustainable growth and create long-term and sustainable value for our stakeholders.

Farewell

Dear shareholders, it is my duty to inform you that in line with the Bank of Ghana corporate governance guidelines, I have to step down from the Board at the end of October this year. Therefore, this is my last year of serving as Board Chairman for your bank. I wish to thank you all for your support and cooperation and trust that you will extend the same to my eventual successor.

Thank you again for your attention.

Dr. Emmanuel Oteng Kumah

Chairman

25 February 2022

Supporting female-owned businesses

We are committed to supporting female-led entrepreneurial teams with business management training, mentoring and seed funding through our Women in Technology Incubator Programme.

Equipping young people with entrepreneurial skills

The Youth to Work programme seeks to position and equip young people with skills to create opportunities for employment.

Chief Executive's review

We are making good progress on our strategic priorities

The protracted impact of the COVID-19 pandemic continued to be felt by businesses into 2021 and ours was no exception. Despite the challenging environment, our teams remained resilient, putting our clients first and offering relevant solutions to meet their rapidly changing needs.

Our efforts yielded a revenue of GH¢1.07 billion in 2021. Whilst this represents a modest 5 per cent growth over 2020, it shows a consistent five-year trend of profitable and sustainable growth at a compounded annual growth rate (CAGR) of 12 per cent. This growth trend gives us confidence that we are making good progress on our strategic priorities and are on track to achieve our medium to long-term objectives.

The broad-based revenue growth resulted in all business segments recording positive year-on-year growth. Corporate, Commercial, & Institutional Banking (CCIB) continued to be the highest revenue contributor with 70 per cent whilst Consumer, Private & Business Banking (CPBB) contributed 30 per cent.

Operating costs increased from GH¢288 million to GH¢382 million driven by a reversal of Group support service charges that suppressed 2020 costs, investments in 2021 to ensure seamless work-from-home arrangement, and the impact of inflation on general operating costs. This resulted in a profit before tax of GH¢695 million, a modest 3 per cent growth over 2020.

Mansa Nettey
Chief Executive

Loan Impairment eased from a provision of GH¢ 59 million in 2020 to a recovery of GH¢6 million in 2021 bolstered by provision releases on some legacy assets.

Our Balance Sheet remained healthy and grew significantly by 26 per cent: from GH¢8.0 billion in 2020 to GH¢10.1 billion in 2021. It is sufficiently diversified to support our continuous generation of attractive returns.

Confidence in our purpose and strategy

Having operated in Ghana for over 125 years, we have a deep knowledge of the market and an understanding of the drivers of the real economy, providing us with key insights which enable us effectively partner our clients to achieve their ambitions. By combining our local expertise and unparalleled international network, we offer our clients superior tailored propositions. We also connect local companies, institutions and individuals to global opportunities in some of the world's fastest growing markets and facilitate the flow of capital to where it is needed most, driving trade and investment. This is intrinsically linked to our Purpose - to drive commerce and prosperity through our unique diversity which infuses everything we do, connecting our strategy with opportunities to drive growth and deliver our societal ambitions.

To help us deliver our Purpose we are executing on our key strategic priorities (network, affluent, mass retail and sustainability) at pace. I am pleased to report that these priorities together with the corresponding enablers (people & culture, new ways of working and innovation) which we set out in 2019, remain as relevant now as they were before the pandemic. More importantly, we are making great progress in achieving them.

- **Network** – Our network remains one of our key competitive advantages and we continue to leverage it to drive growth in Trade corridors and offer financial markets solutions for our clients. During the year under review, backed by our network, we facilitated a number of Export Credit Agency (ECA) backed facilities to support the provision of critical infrastructure projects in the country such as:
  - Emergency bridge construction - the design and supply of 89 steel rapid-response emergency bridges and in-country installation training across Ghana.
  - Tamale's road network - funding for the asphalt overlay of 100km of feeder roads in Tamale, Walewale, Nalerigu, Gambaga, Damongo and Yendi.
  - Shama District Hospital - the construction and equipping of the hospital in Shama,
  - La General Hospital - the restoration and equipping of the hospital which was established to provide healthcare to the general public in and around Accra.

Our Bank facilitated the first ever social loan of 280 million Euros in Ghana to develop a section of a vital highway - the Eastern Corridor, to transform the country's transport infrastructure. Standard Chartered Bank's financing will fund a particular intersection of the road which includes two flyovers and interchanges, 11 pedestrian bridges and three mixed bridges on dual carriageway which stretches from the Ashaiman roundabout to the Akosombo Junction; a distance of 63.6 km. When completed the road will bolster trade; providing shorter access to the Tema port and link regions within Ghana and our neighbouring countries.

We also prioritised financing and providing ecosystem support to our global subsidiaries and commercial banking clients across the productive sectors of the economy as they navigated economic challenges resulting from the pandemic. We pursued greater digital platform penetration and utilisation in partnership with our local FinTech partners to enable our client's bank conveniently and with more certainty.

Our aspiration to leverage our global footprint and platform capabilities to drive cross border business and support for small and medium enterprises (SMEs) saw a boost with SC Ventures, our global business unit set up to promote innovation, invest in disruptive financial technology, and explore alternative business models in collaboration with other Banks, FinTechs and Telcos, committing to the localization in Ghana, of the SOLV Business to Business (B2B) Marketplace, currently operational in India and Kenya.

SOLV will offer an open and inclusive trade ecosystem across the entire value chain – from facilitating connections and negotiations with verified suppliers and buyers, door-step pick-up and delivery of goods, to timely and easy access to finance, as well as simplified business support functions.

We will continue to support indigenous companies to help optimize the opportunities around sub-regional, regional and inter-continental trade initiatives such as the Africa Continental Free Trade Area (AfCFTA).

- **Affluent:** We witnessed a 31 per cent growth in our affluent segment driven by significant growth in wealth management. We launched SC Digiadvisory - our 24/7 digital access to an investment advisor, relationship manager and insurance specialist for tailored wealth management solutions offered remotely. We continue to organise interactive webinars and in-person financial seminars where clients can connect with and hear from experts on a variety

Chief Executive's review
continued

of topics including children's education, market outlook, etc. We see opportunities to accelerate this growth through innovation, further digitisation and partnerships. In 2021, we were once again awarded Ghana's Number 1 Wealth Management Bank by the Global Business Outlook.

- **Mass retail:** Our evolution to a digital-first model is well underway. We continue to expand our digital touch points; our aim is to deliver everyday banking solutions to our clients by integrating our services into their digital lives. New digital solutions, strategic partnerships, and advanced analytics are instrumental to our business, enabling us to better understand and serve clients in a meaningful way. Through client feedback, we continuously upgrade our SC Mobile App with additional features to make banking even more seamless for users. In 2021, we were adjudged Digital Bank of the Year and Mobile App of the year 2021 at the Ghana Information Technology & Telecom Awards (GITTA) 2021 for the second year in a row.
- **Sustainability:** As a bank, we are also focused on providing sustainable financing and thought leadership through our sustainability agenda. Anchored in our Sustainability Aspirations which provide tangible targets for sustainable business outcomes; we ensure our actions are aligned to the United Nations Sustainable Development Goals (SDGs). Globally we have rolled out a transition finance framework to support our clients to align their businesses and operations as we tackle climate emergency and transition towards a net-zero economy. Additionally, we are creating sustainable finance products to support sustainable development as well as providing Environmental, Social, and Governance (ESG) focused investment options to help our clients deepen their support for sustainability.

Underpinning the delivery of our strategic priorities are 4 critical enablers, all of which we have made significant progress on.

- **People and Culture:** We continue to invest in our people to build future-ready skills, provide them with a differentiated experience and strengthen our culture of innovation and inclusion. In November 2021, we rolled out a new hybrid working model: Future Workplace Now, designed to give our staff more flexibility around the way they work while enhancing productivity and increasing work life balance. 71 per cent of our staff signed on to the initiative. We are also providing the tools managers need to lead in this new work environment. Throughout the year, we provided opportunities for our staff to reskill and upskill, preparing them for future roles that are aligned with the Bank's aspirations. Since the onset of COVID-19, we have also focused on the wellbeing of our people supporting them with a variety of tools and mechanisms to enhance individual resilience, productivity, and performance.
- **New Ways of working:** Our focus is to deliver easy, everyday banking solutions to our clients in a simple and cost-effective way, with a great customer experience. Achieving this requires us to remain client-focused, optimize our operating rhythm in organisational agility, and continuously empower our people to improve the way we work. Some of the specific initiatives we undertook were service-oriented training for our people using client feedback to strengthen our ability to meet their needs. Deploying our agile working practices have also enabled us to increase our speed of decision-making and enhance delivery to meet client needs faster.
- **Innovation:** We have a three-pronged innovation approach to transform the Bank, to pivot toward new income streams. Our innovation committees including the Innovation Board and the Digital Pacesetters continue to find opportunities to leverage partnerships to co-create, drive scale and extend our reach.

Thought Leadership
We actively engage with all our stakeholders including clients, government, regulators, and trade associations to share insights and support the development of best practice. In 2021, we engaged on a broad range of topics and themes such as recovery from COVID-19, international trade, sustainable finance, data, cyber security, digital adoption and innovation. As part of or 125th anniversary, and in furtherance of our drive to

bring digitisation to the fore, we engaged our key stakeholders at two landmark events:

- In collaboration with the Ministry of Finance and our Global Research team, we organised an economic forum in July 2021 under the theme, "Positioning Ghana as a Regional hub for financial services post COVID-19", to highlight the work being done to achieve this goal. Several policy makers, regulators and industry participants shared relevant perspectives at the forum.
- Later in November, we collaborated with the Bank of Ghana, The Monetary Authority of Singapore (MAS), and SC Ventures (Innovation, ventures and fintech investment unit of Standard Chartered), to provide a platform to showcase Ghana's digital infrastructure and the great strides the country has made on the national digitalisation journey. This inaugural event, dubbed Standard Chartered Digital Banking, Innovation and Fintech Festival was organized around the theme "Shaping the next phase of Ghana's financial technology landscape for the 21st Century". It provided an opportunity to engage experts and innovators in the FinTech ecosystem on future tech capabilities in the banking sector. We aim to make the festival an annual national event.

Conduct, Financial Crime and Compliance

Good conduct is critical to delivering positive outcomes for our clients and stakeholders. In 2021, we maintained our focus on the identification and management of Conduct risk within our business. Our Group Code of Conduct (the Code) remains the primary tool through which we set our conduct expectations. The Code supports all our policies, setting out minimum standards and reinforcing our valued and expected behaviours. It also outlines a decision-making framework to help colleagues make good decisions. To reinforce our shared commitment to the highest possible standards of Conduct, each year we ask our colleagues to reconsider what the Code means to them through a refresher e-learning, and recommit to it.

Similarly, effective Financial Crime Compliance (FCC) remained a focus throughout the year. Our ambition is to tackle some of today's most damaging crimes by making the financial system a hostile environment for criminals and terrorists. Our Conduct, Financial Crime ,and Compliance (CFCC) team, sets our financial crime risk management framework. We have invested significantly to ensure our employees are properly equipped to combat financial crime. In 2021, colleagues completed financial crime e-learnings which cover ABC, AML, sanctions and fraud topics. We also held targeted client engagement programmes and communication to drive increased awareness among stakeholders.

Summary and Outlook

In 2022, we will build on the second half growth momentum of 2021, our strong underlying business performance, and the great strides made against our strategic priorities. While we expect the business environment to remain challenging due to macro-economic instability, geo-political challenges and post pandemic effects, we will capitalise on the lessons learnt from previous economic cycles to help us balance the impact of the economic risk on our portfolio while pursuing sustainable growth opportunities in line with our core competencies, around sustainable finance, digitisation, trade and wealth management. We will continue to maintain a robust balance sheet even as we roll out additional innovations to provide our clients with seamless, digital-first banking services.

Conclusion

The last few years have been very challenging and on behalf of my colleagues, the Management Team, and the Board, I would like to thank our shareholders, industry, community stakeholders, and regulators for their immense support during this ongoing period of uncertainty.

I would like to highlight the remarkable efforts of our colleagues – in particular their resilience and commitment to delivering seamless service to our clients and the communities we serve.

I believe that as we remain laser focused on the delivery of our business strategy, we will maintain our upward growth trajectory and continue to create and return value to our shareholders.

Mansa Nettey

Chief Executive

25 February 2022

Management Team

1. **Mansa Nettey**
   Chief Executive & Managing Director
2. **Sheikh Jobe**
   Executive Director & Chief Operating Officer
3. **Xorse Godzi**
   Head Client Coverage, Corporate, Commercial and Institutional Banking
4. **Yvonne Fosua Gyebi**
   Head, Consumer, Private and Business Banking
5. **Albert Larweh Asante**
   Acting Chief Financial Officer
6. **Kwame Asante**
   Head, Transaction Banking
7. **Dr. Setor Quashigah**
   Head, Affluent & Wealth Management
8. **Asiedua Addae**
   Head, Corporate Affairs, Brand and Marketing
9. **Harry Dankyi**
   Head, Audit
10. **Gifty Fordwuo**
    Head, Human Resources
11. **Adoteye Anum**
    Head, Financial Markets
12. **Alikem Adadevoh**
    Head, Legal
13. **Kwabena Koranteng**
    Chief Risk Officer
14. **Angela Naa Sakua Okai**
    Company Secretary
15. **Michael Oseku-Afful**
    Head, Conduct, Financial Crime and Compliance
16. **Sam Kwaku Peprah**
    Business Planning Manager

Accelerating Zero: Protecting our environment

As part of our 125th anniversary activities, our colleagues planted 1,250 trees through our employee volunteering programme.

The Standard Chartered Digital Banking, Innovation and FinTech Festival

As part of activities marking Standard Chartered's 125th anniversary milestone in Ghana, the Bank provided a platform to showcase Ghana's digital infrastructure and the great strides the country has made on the national digitalisation journey at the premier Standard Chartered Digital Banking, Innovation and Fintech Festival.

Organised in collaboration with the Bank of Ghana and SC Ventures, the event, themed "Shaping the next phase of Ghana's Financial Technology Landscape for the 21st Century" featured key public sector leaders from Ghana and Singapore, including the Bank of Ghana and the Monetary Authority of Singapore.

The first of its kind in Ghana, this hybrid event held on 3rd & 4th November 2021, provided a unique and unmissable engagement opportunity for local and international players in the FinTech ecosystem, seasoned experts and practical FinTech innovators. There was also an in person and virtual exhibition (Lab-crawl) showcasing financial technology of the future.

The inaugural session was opened by H.E. Alhaji Dr. Mahamudu Bawumia, Vice President of the Republic of Ghana on 3rd November, 2021.

His Excellency Alhaji Dr. Mahamudu Bawumia -
Vice President, Republic of Ghana delivering the keynote address.

Dr. Emmanuel Kumah - Board Chairman, Standard Chartered Bank Ghana PLC.

Team SC Ventures at their exhibition stand.

Mrs. Mansa Nettey - Chief Executive, Standard Chartered Bank Ghana PLC.

Dr. Ernest Addison - Governor of the Bank of Ghana.

Hon. Ken Ofori-Atta - Minister of Finance, Republic of Ghana.

Sunil Kaushal sharing his views on how Standard Chartered is accelerating digital transformation across Africa. He was interviewed by Asiedua Addae, Head, Corporate Affairs, Brand and Marketing Standard Chartered Bank Ghana PLC.

Alex Manson shared his views on how Standard Chartered innovating to support client needs is taking center stage in banking and the financial service ecosystem. He was interviewed by Sam Peprah, Business Planning Manager, CEO Office, Standard Chartered Bank Ghana PLC.

Sampson Akligoh – Acting Director of the Financial Sector Division, Ministry of Finance.

Dr. Maxwell Opoku-Afari – 1st Deputy Governor, Bank of Ghana.

Lamin Manjang - CEO, Nigeria and West Africa, Standard Chartered Bank PLC.

Ebenezer Twum Asante – Vice President, West and Central Africa Region, MTN Group.

Hon. Ama Pomaa Boateng - Deputy Minister, Communications and Digitalisation, Republic of Ghana.

Group photo with His Excellency Alhaji Dr. Mahamudu Bawumia, Vice President of Ghana, Hon. Ken Ofori-Atta, Minister of Finance, Republic of Ghana, and Dr. Ernest Addison, Governor of the Bank of Ghana.

Market environment

Trends in 2021

- GDP is expected to grow to 4.4 per cent in 2021 as a result of post-COVID-19 normalization. However, this is still below Ghana's pre-COVID-19 average growth rate of c. 6.0 per cent.
- Fiscal deficit projections for 2021 was 12.1 per cent of GDP due to constraints in revenue generation.
- Foreign exchange reserves were generally strong, recording an all-time high figure of $11.4bn (5.2 months of import cover) in September before declining to $9.7bn (4.4 months of import cover) in December.
- After trending in single digits for most of the year including a near 8-year low of 7.5 per cent in May, annual inflation peaked at 12.6 per cent in December 2021.
- Monetary policy rate dropped by 100bps to 13.5 per cent at the start of 2021 and remained stable until November, when it was revised upwards to 14.5 per cent given the inflation outlook.

Outlook for 2022

- Real GDP is expected to grow by 5.0 per cent in 2022 as the economy continues to open up post-COVID-19 challenges.
- Low offshore investor appetite for Local Currency bonds, secondary market sales by investors and demand for Foreign Exchange (FX) from Corporates could create pressure on the Cedi. We expect the Bank of Ghana (BoG) to continue supporting the market through the FX forward auctions.
- We expect a wider Current Account (C/A) deficit of 3.5 per cent of GDP in 2022
- Fiscal deficit is projected to reach 7.5 per cent in 2022 including energy and financial sector bailout spending.
- The 2022 budget has a planned spending increase of c. 23 per cent over the previous year. Capital expenditure is projected at 12 per cent of spending. With interest payments equaling 53 per cent of 2021's projected domestic revenue. Cutbacks on capital expenditure may be necessary if revenue falls short of expectations.
- Ghana's external debt service obligations in 2022 (c. $ 2.7bn) are manageable with gross forex reserves of $ 9.7bn end of 2021. However, worsening foreign investor sentiment towards local currency debt markets could exert greater pressure on the foreign exchange rate and make it more difficult for Ghana to replenish its FX reserves.
- Ghana is likely to tap into the domestic and global syndicated loan markets in order to meet its second half of 2022 financing needs.
- Headline inflation is expected to remain above the Central Bank's 6-10 per cent target band in 2022, given expectations of higher oil prices and the pass-through effect from currency weakness.

Medium and Long-term View

- Overall, Real GDP is projected to grow at an average rate of 5.6 per cent in the medium term.
- The fiscal deficit is projected to drop to 5.5 per cent in 2023 and further narrow to 4.5 per cent in 2024 below the Fiscal Responsibility Act (FRA) threshold of 5 per cent of GDP.
- The Bank of Ghana expects inflation to return to levels consistent with the 6-10 per cent target band in 2023.
- Restoring external market access will be key to Ghana's medium-term growth prospects.

Disclaimer: The market environment report has been produced in collaboration with our Global Research team. The forecasts reflect its projections, and not necessarily those of the Board.

Conveniently pay for Government Services through our Straight2Bank online platform

We have integrated our platforms with GHANA.GOV, the digital revenue collection service from the Government of Ghana. This solution allows our clients to make payments to a variety of government agencies using the Straight2Bank online platform, or through our branches.

Pay all taxes and custom duties, Passport application fees, Tourism levies, Greater Accra MMDAs New Business Operating Permits, Public Procurement Authority fees, National Information Technology Agency fees, Data Protection Commission fees and more.

For a full list of government ministries and agencies, visit: www.ghana.gov.gh

Ghana.GOV

standard chartered

Business model

We help international companies connect across our global network and help individuals and local businesses grow their wealth.

Our business

Corporate, Commercial & Institutional Banking

We support companies across the world, from small and medium-sized enterprises to large corporates and institutions, both digitally and in person.

Consumer, Private and Business Banking (CPBB)

We support small businesses and individuals, from Mass Retail clients to affluent and high-net-worth individuals, both digitally and in person.

Products and services

Financial Markets

- Investment
- Risk management
- Debt Capital Markets
- Financing and Securities Services

Corporate Finance

- Structured and project financing
- Strategic advice

Transaction Banking

- Cash management
- Trade finance products

Wealth Management

- Investments
- Portfolio management
- Insurance & advice
- Planning services

Retail Products

- Deposits
- Savings
- Credit cards
- Personal loans

How we generate returns

We earn net interest on the margin for loans & deposit products with clients. We also earn fees on our services & products. We earn trading income from providing risk management in financial markets.

Income

- Net interest income
- Fee income
- Trading income

Profits

- Income gained from providing our products & services minus expenses & impairments

Return on equity

- Profit generated relative to equity invested

What makes us different

Our Purpose is to drive commerce and prosperity through our unique diversity – this is underpinned by our brand promise, Here for good. Our Stands - aimed at tackling the world's biggest issues - Accelerating Zero, Lifting Participation and Resetting Globalisation challenge us to use our unique position to help.

Client focus

Our clients are our business. We build long-term relationships through trusted advice, expertise and best-in-class capabilities.

Distinct proposition

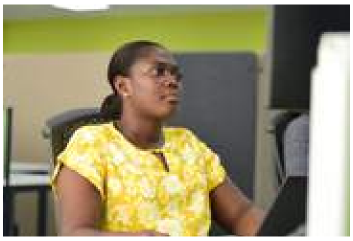
Our understanding of our markets and our extensive international network allow us to offer a tailored proposition to our clients, combining global expertise and local knowledge.

Robust risk management

We are here for the long term. Effective risk management allows us to grow a sustainable business.

Sustainable and responsible business

We are committed to sustainable social and economic development across our business, operations and communities.



How we are shaping our future

We are continuously looking for ways to improve our business model to accelerate returns

In January 2021, we further streamlined our Corporate, Commercial and Institutional Banking (CCIB) segment, integrating our Corporate Finance and Financial Markets businesses. The integration will create a simplified origination and distribution engine driving balance sheet velocity and an improved client offering.

In addition, we remain focused on productivity. In 2021, we have digitalised businesses, driving process improvements through automation and simplification, optimised target operating models, reduced property space and changed the way we work, to achieve productivity improvements and cost reduction.

We continue to seek further opportunities to generate productivity saves to remain competitive against peers.

Business model continued

The sources of value we rely on

We aim to use our resources in a sustainable way, to achieve the goals of our strategy

How we are enhancing our resources

Human capital

Diversity differentiates us. Delivering our Purpose and Stands rests on how we continue to invest in our people, the employee experience we further enhance and the culture we strengthen.

- We are upskilling colleagues by providing courses to build the future skills that we need – including analytics, data, digital, cyber security and sustainable finance.
- We continue to create a work environment that supports resilience, innovation and inclusion, with ongoing focus on mental, physical, social and financial wellbeing. This includes rolling out hybrid working.

Strong brand

We are Ghana's premier bank established in 1896 and a member of a leading international group. We have been at the forefront of financial market development in Ghana.

- In 2021, we became a digital-first brand, reflecting the innovation driving our business forward. Our refreshed identity is modern and agile, demonstrating our commitment to staying relevant to our clients' evolving needs.
- We have been successful in leveraging our brand an insights to support business growth.

International network

Being part of an international group with presence in over 59 markets we connect companies, institutions, and individuals to and in the world's most dynamic regions.

- We continue to invest in transforming our core business into a leading digital-first and data-driven platform, positioning us to deliver superior client experiences, access new high-growth segments, grow wallet with existing clients and create new business model opportunities.
- Our network remains one of our key competitive advantages and we continue to leverage our network to drive growth in Trade corridors and Financial Markets solutions for our clients.

Local expertise

We have a deep knowledge of our markets and an understanding of the drivers of the real economy, offering us insights that help our clients achieve their ambitions.

- We continue to support small and medium businesses (SMEs), providing them with much-needed funding to restart and grow their businesses.

Technology

We possess leading technological capabilities to enable best-in-class customer experience, operations and risk management

- We adopt next-generation technologies to better serve our customers, improve efficiencies and deliver new business opportunities.

Valued behaviours

Our valued behaviours ensure that we do things differently in order for us to succeed. Only then will we realise our potential and truly be Here for good.



Never settle

- Continuously improve and innovate
- Simplify
- Learn from your successes and failures

Better together

- See more in others
- "How can I help?"
- Build for the long term

Do the right thing

- Live with integrity
- Think client
- Be brave, be the change

We are a member of an international banking group with presence in 59 markets and serve clients in a further 83


Our stands

The severe impacts of climate change, stark inequality and unfair aspects of globalisation impact everyone on the planet. We are taking a stand, setting long-term ambitions for our role on these issues where they matter most. This works in unison with our strategy, stretching our thinking, our action and our leadership to accelerate our growth.

Left
Dr. Emmanuel Oteng Kumah
Chairman
Right
Mansa Nettey
Chief Executive

- We have defined three 'stands' – which is our name for long-term ambitions on societal challenges
- These are not separate from our strategy. They are integral to delivering and accelerating our strategy, because they will stretch our thinking, our action and our leadership
- We will use our unique abilities to connect the capital, people and ideas needed to address the significant socio-economic challenges and opportunities of our time
- Each of these stands will impact how we engage with our clients and define the future of our societies
- We already have significant progress to show in each area. And we will be setting long-term goals as we deliver nearterm change
- This is not philanthropy: we will drive scalable, sustainable commercial growth and transform our franchise. You will see us increasingly active in these areas

Accelerating Zero

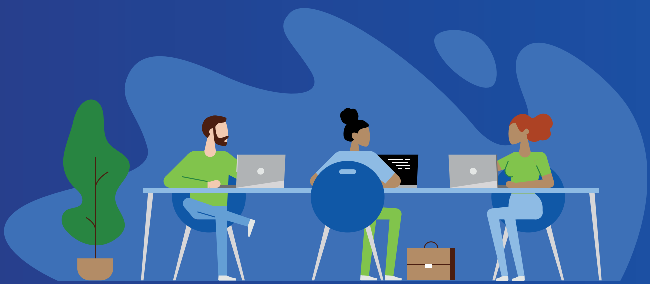
We're helping communities reduce carbon emissions as fast as possible, without slowing development, putting the world on a sustainable path to net zero by 2050. We stand for a rapid, just transition to net zero where it matters most. Our plan to achieve net zero targets has three aims: reduce emissions, catalyse finance and partnerships, and accelerate new solutions.

- The world needs to reach net zero by 2050 or face a climate catastrophe with increasing extreme weather events and climate-induced migration
- We have a unique role to play in facilitating a just transition to net zero carbon where it matters most.
- We aim to reduce the emissions associated with our financing activities to net zero by 2050, with 2030 interim targets in our most carbon-intensive sectors.
- We aim to catalyse finance and partnerships to scale impact, capital and climate solutions to where they are needed most, including a plan to globally mobilise $300 billion in green and transition finance between 2021 and 2030
- We aim to accelerate new solutions to support a just transition in our markets, including a new dedicated Global Transition Acceleration Team to support clients in high-emitting sectors, and launch sustainable products
- We aim to reach net zero carbon emissions from our own operations by 2025

Stand up to climate change

Lifting Participation

We're determined to improve the lives of 1 billion people globally and their communities by unleashing the financial potential of women and small businesses in our core markets.



- Inequality, along with gaps in economic inclusion in our communities, means that many young people, women and small businesses struggle to gain access to the financial system to save for their futures and grow their businesses. We want to democratise wealth management and make it easily accessible to the mass segment at a low cost
- Through partnerships and technology, we can expand the reach and scale of financial services – driving accessible banking at scale and connecting clients to opportunities that promote access to finance and economic inclusion. By developing new digital business models, we're able to grow our business while unleashing opportunity for millions more people

Stand up for equal access to financial support for women and small businesses

Resetting Globalisation

It's our goal to support 500,000 companies globally to improve working and environmental standards and give everyone the chance to participate in the world economy, so growth becomes fairer and more balanced. We stand for a new model of globalisation based on transparency, inclusion and dialogue.

Globalisation has lifted millions out of poverty, but too many people have been left behind, and division and inequality have grown, along with negative impacts on our planet.

We believe in the potential of globalisation to enable economic growth and increase participation in the world economy – but in its current form, it must be reimagined to ensure that it best serves all people, everywhere.

We advocate a new, more inclusive model of globalisation based on transparency and fairness, building trust, and promoting the exchange of views and innovation to solve the world's toughest problems.

As a leading trade bank, we can connect the capital, expertise and ideas needed to drive new standards and create innovative solutions for more equitable and sustainable growth.

Specifically, we aim to:

- Increase transparency across supply chains to enable consumer choice and drive responsible trade
- Bring enhanced levels of security, tracking and confidence to financial activity
- Provide access to the best and most innovative solutions to both private and public sector
- Make global trade more equitable by improving access to finance for smaller suppliers that often lack adequate financing

We stand for a new model of globalisation based on transparency, inclusion and dialogue

Corporate, Commercial and Institutional Banking

KPIs

Profit before taxation

GH¢566m

2021

GH¢554m

2020

Return on assets

6%

2021

8%

2020

Total assets

GH¢9,342m

2021

GH¢7,364m

2020

Capital Lite as a share of total income

2021	41%
2020	37%
2019	27%

Aim: Reshape the income mix towards capital-lite income.

Analysis: Share of capital-lite income increased from 37 per cent in 2020 to 41 per cent in 2021. We remain focused on cash rich sectors, non-borrowing clients and FX cross-sell opportunities to identify new businesses to expand the Bank's revenue streams.

Digital penetration

2021	87%
2020	85%
2019	76%

Aim: Provide needed convenience, flexibility and value desired by our clients and drive efficiency through our innovative platform solution

Analysis: Digital adoption continued to grow year-on-year with the proportion of Corporate, Commercial and Institutional Banking clients on digital platforms growing from 85 per cent in 2020 to 87 per cent in 2021.

Providing affordable basic infrastructure through Social Loan

In June 2021, as part of our efforts to drive sustainable finance that supports the UN SDG's Standard Chartered acted as the Sole Lead Arranger, Original Lender, Structuring Bank and Agent for the total financing package of EUR 78 million financing to the Ministry of Finance for the purpose of designing, constructing and equipping the new Eastern Regional Hospital at Koforidua in Ghana.

Segment overview

Corporate, Commercial & Institutional Banking (CCIB) supports clients with their unique transaction banking, corporate finance, financial markets and borrowing needs anchored on our innovative technology platforms. We provide solutions to over 600 clients across the various sectors of the economy. These clients are segmented into (i) Global Subsidiaries comprising multinational and regional corporates, (ii) Local Corporates engaged in productive sectors of the economy and poised for further growth both within and outside of Ghana (iii) Financial Institutions comprising banks, non-bank financial institutions, development organisations, the sovereign and public sector companies.

We are committed to sustainable finance, delivering on our ambition to increase support and funding for financial products and services that have a positive impact on our communities and the environment and support sustainable economic growth.

Strategic Objectives

Our priority towards our clients remains being their preferred partner in providing sustainable bespoke solutions to meet their financing needs and cos-creating solutions with them. We continue to use our global network, deep experience in industries and segments, innovative platform solutions among others, in our drive to be the leader and partner of choice to our clients.

Our value proposition to clients will continue to evolve with our clients' needs while taking into consideration external events and trends. Our offerings will support clients in the management of key challenges their businesses face. Highlights of our business priorities include:

- Structure financial solutions to drive balance sheet growth and increase our wallet share of clients' business and the market. Churn both new and existing assets to increase balance sheet efficiency and better mitigate risks.
- Aspire to be a lead bank across our portfolio in the provision of transaction banking platform, structuring of debt & risk management solutions and thought leadership.
- Leverage on our network capabilities across our global footprints to extend the reach of our clients and enable them benefit from our extensive capabilities and experience across the Group.
- Drive the development agenda of industrialisation through manufacturing with our Transaction Banking proposition and provide efficient solutions across our clients via ecosystem banking.

- Continue to drive our corridor value proposition especially around AFCTA and across key markets – mainly China, India, Europe, and the America's trade with Ghana.

Financial & Performance Highlights

- Corporate, Commercial & Institutional Banking (CCIB) segment closed 2021 with revenues of GH¢ 752 million, an improvement of 4 per cent on the GH¢ 725 million recorded in 2020. However, this was below our internal expectations as a result of slower than expected growth in loans and advances
- Our returns metrics remain robust with a cost to income ratio of 26 per cent for the segment.
- Our balance sheet remains liquid and robust with adequate capital to support clients. We continue to attract sticky liabilities growing our balances by 42 per cent over the period. We did this through embedding digitisation and improving the count of electronically initiated transactions from 88 per cent to 94 per cent.
- We executed the first Ghana Cedi reverse repo trade with a leading Regional Bank. This is a historic milestone, not just for the Ghana Franchise, but also for the overall Ghana repo market; it marked the first ever repo trade between two interbank counterparties in Ghana.

Progress against Strategic Objectives

We continue to pursue our key strategic objectives post the challenges brought about by the Covid-19 pandemic. We see signs of a rebound in the economy across many of the productive sectors and we look forward to our ties with the major clients in these sectors. We also remain vigilant given the emerging fiscal and macro-economic challenges in the country and the wider geo-political risks and supply chain disruptions.

Our continued efforts to drive the adoption of e-platforms have resulted in many clients using our Straight2Bank (S2B) platform for all payments. With the integration of Ghana.GOV and our online platform, we have recognised an increase in client usage, and we hope to see further deepening.

We continue to deepen the range of collections and payments capabilities for our clients by rolling out a Ghana.Gov and GHQR. In addition, we will be launching S2B Pay, our aggregated online payment gateway service to assist our CCIB merchant clients with their online collections (C2B/ B2B) requirements.

Having a well-oiled ecosystem business proposal has become extremely relevant to serving our clients now and into the future. We continue to focus on providing an integrated solution across the value chain of our clients.

We co-create with our clients to ultimately pursue business opportunities towards sustainable goals. This was pursued aggressively in 2021 and we will continue to maximise the potential in co-creation.

We are also at the forefront of thought leadership and further deepening of our local markets. The Bank of Ghana recently introduced Repo guidelines under GMRA, to reduce credit and liquidity risks in the interbank market, which has traditionally operated on a pledge against collateral model. With the Bank of Ghana's push towards standardisation and opening up of repo funding markets, Standard Chartered Bank Ghana PLC worked intensely with local regulators to support the passing of new laws which facilitated netting under a GMRA master agreement, and actively partnered interbank counterparties to adopt repo as a financing mechanism.

Outlook for 2022

We continue to see strong headwinds in the fiscal and macroeconomics environment; therefore, we will closely monitor and be cautious in our approach to credit transactions. While we look to grow the asset book for the year 2022, we must do so with circumspection , and we will remain committed to going after the right client relationships and transactions.

On the Local Corporate front, we seek to deepen our wallet share of existing clients while taking over suitable and revenue generative clients from our competition. Our focus remains clients operating within the productive sectors of the economy.

We would support opportunities that are in line with Ghana's evolving economy and leverage our unique position as a global bank to continue to play a key role in the provision of financial services within our risk appetite to grow our business.

We will continue to deepen the range of collections and payments capabilities for our clients by rolling out a Ghana.Gov and GHQR. In addition, we will be launching S2B Pay, our aggregated online payment gateway service to assist our CCIB Merchant clients with their online collection (C2B/ B2B) requirements.

We are developing the scope of our co-creation initiatives with clients, redefining our product capabilities and best practice to deliver bespoke end-to-end solutioning.

The Corporate, Commercial & Institutional Banking business is well positioned for further growth in 2022. Nonetheless, we would like to highlight that 2022 has headwinds which may pose a risk to our performance. While this remains a key challenge, we believe opportunities in line with Ghana's evolving economy places us in a unique position as a global bank to continue playing the financial intermediation role, within our risk appetite to grow our business.

Consumer, Private and Business Banking

KPIs

Profit before taxation

GH¢128m
2021

GH¢121m
2020

Return on assets

16%
2021

18%
2020

Total assets

GH¢778m
2021

GH¢668m
2020

Retail Digital Banking Adoption

53,423 digitally active clients, ↑ 22 per cent year-on-year

2021	53,423
2020	43,903
2019	37,289

Aim: Continue to invest in digital capabilities and partnerships to enhance and reinvent banking experience for our clients.

Analysis: Total active digital clients went up by 22 per cent in 2021 to 53,423 clients. We will continue to offer clients seamless banking and access to information on banking and financial trends through our digital platforms.

Priority and Business Banking Focus

Income of GH¢166 million, ↑ 15 per cent year-on-year

2021	GH¢ 166m
2020	GH¢ 144m
2019	GH¢ 129m

Aim: Reshape the income mix - Increase the proportion of income from Priority and Business Banking clients reflecting the strategic shift in client mix towards affluent and emerging affluent clients.

Analysis: The share of CPBB income from Priority and Business Banking clients increased to GH¢166 million in 2021, representing a 15 per cent increase from 2020.

Leading with Digital

We actively innovate to meet evolving needs of our clients and provide superior client experience.

Security on SC Mobile is constantly enhanced to combat any potential cyber-attacks across the digital spectrum.

We introduced 2-Factor Authentications, and real time fraud monitoring, to ensure security on SC Mobile remains best in class.

We deployed new functionalities on SC Mobile including Online purchase of Mutual Funds, request for new debit cards, card limit usage and management, temporary blocking and unblocking of debit cards.

Our digital revolution is defining the trends of the current era and reshaping the industry.

Segment overview

Consumer, Private and Business Banking (CPBB) serves more than 200,000 individuals and small businesses, with focus on affluent, emerging affluent and mass retail. We represent a third of the Bank's income. We provide digital banking services with a human touch to our clients; with services spanning across deposits, payments, financing products and Wealth Management. Our Wealth Management proposition is a differentiator, and we offer a range of investment, credit, and wealth planning products to grow and protect the wealth of our individual and business clients. We also support our clients with their business banking transaction and financing needs.

We are closely integrated with other client segments; for example, we offer employee banking services to our Corporate, Commercial and Institutional Banking clients. We continue to lead in the Digital Banking space and our digital platforms provide clients the ultimate control over their financial and non-financial interactions with the Bank anytime and anywhere.

We strive to improve productivity and client experience through digitisation, operational excellence, cost efficiencies and simplifying processes in our chosen segments.

Strategic Objectives

Our priorities for the segment are as follows:

- Accelerate growth of our affluent and wealth business. We continue to be innovative in our product offers whilst offering personalised services in our managed segments to drive business growth.
- Mass Market acquisition and digitization. Our digital platforms allow us to drive financial inclusion by enabling clients within our communities to access financial services and connect them to the broader economy.
- Optimize our network to improve efficiency. We remain focused on building an increasingly more efficient business. Efficiency for us derives from accelerating towards all things digital for client acquisitions whiles ensuring our channels of distribution are right-sized.
- We are committed to continuously improving our clients' experience through an enhanced end-to-end digital offering with intuitive platforms, best-in-class products and services responding to the change in digital habits of clients in our markets.
- We will continue to build the right culture around risk, conduct and compliance. We will continue to build a business that assures stakeholders of the safety of the incomes the business generates.

Financial & Performance Highlights

- Total income grew by 7 per cent from GH¢298 million in 2020 to GH¢318 million in 2021. Growth was primarily driven by "capital lite" products although all parts of the business contributed positively.
- Underlying Operating Profit grew by 6 per cent from GH¢121 million to GH¢128 million benefitting from lower impairment and strong revenue growth from Wealth Management.
- Good balance sheet momentum with Assets up by 16 per cent and 13 per cent growth in Liabilities.
- Loan Impairment was much better (67 per cent) than the previous year mainly due to lower gross charge offs and increased recoveries.

Progress against Strategic Objectives

- Share of income from Affluent clients increased from 28 per cent in 2020 to 34 per cent in 2021 as a result of strong growth in Wealth Management and an increase in number of clients.
- Digital Adoption and Digital Servicing improved by 22 per cent and 35 per cent respectively with over 53,000 clients actively using SC Mobile and online banking platform.
- Increased convenience and efficiency with more than 95 per cent of clients on-boarding being done digitally, 82 per cent of service requests coming through digital and 65 per cent of investment transactions being booked through SC Mobile.

Outlook for 2022

The economy in 2021 was recovering from curtailed economic activities due to the impact of COVID-19. Nonetheless, the investments and changes made over the last couple of years have taken shape and placed us on a growth trajectory. We are satisfied that we further strengthened the trust our clients have in us by providing them with leading solutions to meet their financial needs.

We have had a solid start to 2022 despite the continued uncertainty in the macro-economic environment. CPBB remains strong and profitable and we are rightly positioned to deliver our strategic priorities as we pivot towards a digital main bank. We will continue to build a diversified and robust balance sheet and provide superior wealth solutions that have become crucial in helping our clients manage their personal wealth. Our primary focus will be mass market acquisition, accelerate growth of our affluent and wealth business, optimize our network to maximize efficiency and rollout innovative and best in class product offerings to meet the ever-changing needs of our clients.

Chief Financial Officer's review

Albert Larweh Asante
Acting Chief Financial Officer

" As a Bank, we will continue to ensure returns on capital remains very strong for our shareholders"

Summary of financial performance

The Bank posted a moderate performance in 2021 against the backdrop of a challenging external environment. Top-line progress was lower than expected despite a build-up in the momentum of the balance sheet. Non-repeat of an extraordinary income of GH¢69 million in the prior year primarily accounted for the single-digit headline income growth. That said, both top-line performance, especially a strong build-up in relative Net interest income in the second half and overall underlying profit are indicators of good momentum to build on.

The quality of our asset book was apparent as the ravaging effects of COVID-19 did not adversely impact credit impairment provisioning. The profit or loss statement showed a net impairment recovery for 2021 despite elevated credit risk in the industry. This was made possible by the actions taken over the years to improve the quality of our asset book and recover loans previously written-off.

Overall, operating profit grew at a modest 3 per cent, lower than our expectation for the year. Our underlying operating profit growth was, however, much stronger.

Notwithstanding the muted performance, the Bank maintained a highly liquid and adequately capitalised balance sheet which is well positioned to seize opportunities within the market.

Highlights of the performance are as follows:

- **Operating income** grew by 5 per cent from GH¢1.02 billion to GH¢1.07 billion
- **Net interest income** increased by a percentage point from GH¢641 million to GH¢646 million explained by one-off income in the prior year although volumes grew in a compressed margin environment.
- **Non-funded income** improved by 11 per cent from GH¢382 million to GH¢424 million due to build-up in trading income, arrangement fees, cards fees and remittances.
- **Operating expenses** increased by 33 per cent from GH¢288 million to GH¢382 million due to non-repeat of provision release for Global Business Services costs which suppressed 2020 costs, investments to ensure seamless work-from-home arrangement and the impact of inflation on general operating costs. The current year also had some restructuring costs booked.
- **Loan impairment** eased from a provision of GH¢59 million in 2020 to a recovery of GH¢6 million in 2021 aided primarily by provision release on legacy non-performing assets.

- **Profit before tax** subsequently ended at GH¢695 million, up 3 per cent year-on-year.
- Despite the 3 per cent growth in Operating profit, Profit after tax (PAT) dropped by 9 per cent from GH¢478 million to GH¢437 million due to the introduction of the Financial Sector Recovery Levy of 5 per cent on profits.
- The Bank continued to create decent value for shareholders as various return metrics ended on a strong note for the year.
- **Return on equity** was 26.6 per cent compared to prior year of 32.6 per cent on the back of lower Profit after tax caused by increased taxation and operating cost.
- **Return on net own funds** was also 28.7 per cent compared to 35.3 per cent recorded in 2020.
- Earnings per share (EPS) was at GH¢3.23 against GH¢3.54 recorded for prior year.

Balance Sheet

The Bank's balance sheet remained capitalised, liquid and diversified.

- Net customer loans grew from GH¢1.70 billion to GH¢1.89 billion reflecting an 11 per cent year-on-year growth mainly on account of new foreign currency loans booked. Gross loans also increased from GH¢1.88 billion in the prior year to GH¢2.04 billion in December 2021.
- Loans and advances to banks increased from GH¢15 million to GH¢241 million.
- Customer deposits of GH¢7.55 billion was 31 per cent higher than prior year, enabled by consistent growth in retail deposits, surge in deposits from Custody clients and build-up for Transaction Banking clients on the back of the execution of deposit drive initiatives.
- The advances-to-deposits ratio decreased from 29.5 per cent at year-end 2020 to 25.0 per cent due to faster growth in deposits compared to loans.
- Overall balance sheet size also expanded by 26 per cent over the year to GH¢10.12 billion.
- Total risk-weighted assets (RWA) increased by 8 per cent from GH¢4.03 billion in 2020 to GH¢4.34 billion.
  - Credit RWA increased by 4 per cent from GH¢2.59 billion to GH¢2.71 billion.
  - Market RWA dropped by 26 per cent from GH¢36.1 million to GH¢26.7 million.
  - Operational RWA also increased by 15 per cent from GH¢1.40 billion to GH¢1.61 billion.
- Return on Risk-Weighted Assets (PAT basis) ended at 10.1 per cent, 180 basis points down year-on-year as PAT dropped in the period.
- All capital and liquidity metrics fell within regulatory thresholds.
  - Capital adequacy ratio of 33.4 per cent was 850 basis points higher than it was on 31 December 2020 and well above the regulatory minimum of 11.5 per cent.
  - Liquidity ratio also improved from 65.7 per cent in 2020 to 71.1 per cent in 2021.

Outlook

While the headline performance for 2021 is lower than what we expected, underlying performance was much stronger and pick up in Net interest income in the second half reflects the work Management has been doing to build-up the core income base. It is anticipated that these actions will yield the necessary results in 2022.

We also expect our performance in 2022 to be bolstered by a renewed business momentum as the economy recovers from the devastating effects of COVID-19. This will be in addition to upsides from a rising interest rate environment.

As a Bank, we will continue to ensure returns to capital remains very strong for our shareholders. Most of our profitability, efficiency, capital, liquidity and other metrics have been within thresholds throughout the year and we will ensure they continue to be very competitive within the industry. Management is also convinced that our refreshed strategy will be a strong anchor to deliver competitive returns to shareholders.

Finally, our robust risk management framework will facilitate the management of key risks faced by the balance sheet as we take advantage of opportunities to grow the business and create value for all stakeholders.

Albert Larweh Asante

Acting Chief Financial Officer

25 February 2022

Stakeholders and responsibilities

Our stakeholders

- Clients
- Regulators and government
- Suppliers
- Employees
- Communities

Clients

Listening and responding to stakeholder priorities and concerns are critical to achieving our Purpose and delivering on our brand promise, Here for good. We strive to maintain open and constructive relationships with a wide range of stakeholders including regulators, lawmakers, clients, investors, civil society and community groups.

In 2021, our engagement took many forms: including one-to-one sessions using online channels and calls, virtual roundtables, written responses and targeted surveys. These conversations, and insights help inform our business strategy and enable us to operate as a responsible and sustainable business.

Stakeholder feedback is communicated internally to senior management through the relevant fora and governing committees.

How we create value

We want to deliver easy, everyday banking solutions to our clients in a simple and cost-effective way. We enable individuals to achieve their ambitions, grow and protect their wealth by offering them more efficient and secured banking channels. We help businesses to trade, transact, invest and expand.

How we serve and engage

Our clients are at the heart of everything we do as a bank, and we take seriously our responsibility to support their everyday financial needs. By building and fostering long-term relationships with our clients, we can serve them better, deepen our relationship, uphold our reputation and attract new customers to grow our business.

To help our clients navigate the challenges created by pandemic, we intensified our efforts, transitioning from face-to-face interactions to virtual interactions, enhancement of digital platforms and a fully operational Client Contact Centre.

Throughout 2021, we also maintained our sharp focus on improving client experience across the bank. Training is provided to frontline staff across our branches and contact centres to identify and handle clients' complaints in a swift manner. For individual clients, we consider each client's financial needs and personal circumstances to assist us in offering suitable product recommendations. Clients are also provided with clear and simple documentation that outlines key product features and risks prior to execution of a transaction.

We have continued our strong momentum in digitising our Consumer, Private and Business Banking by enhancing the capabilities of our digital platform to bring more convenience to our clients. We refined and simplified our processes by digitalizing some of our in-branch services. The digitalization efforts have enabled us reduce paper requests and improved turnaround time for processing. Our efforts were duly recognised as we retained our position as Ghana's Digital Bank of the Year.

Going forward, we will continue to strengthen our digital transformation and innovation capabilities to enhance client experience, improve efficiency, grow market share, disrupt and build a future-proof retail bank.

Their interests

- Differentiated product and service offerings
- Digitally enabled and totally secure platforms
- Memorable experiences
- Sustainable finance

Regulators and Government

Through the Bank's Governmental Regulatory Relationship Plan (GRRP), we engage public and regulatory authorities and other relevant stakeholders to deepen such relationships. These engagements promote a sound financial system which is mutually beneficial to the bank and the public authorities.

In 2021, the key themes which shaped the bank's engagements included the following:

- Covid-19 Economic Recovery
- AML/Fraud/Cyber Security issues
- Corporate Governance (for CCIB clients)
- Positioning of Standard Chartered as a digital bank

Consequently, the bank undertook the following activities, among others in 2021:

1. The Financial Markets Forum which was aimed at supporting the Government's objective of positioning Ghana as a regional financial hub post COVID-19
2. The Standard Chartered Digital Banking, Innovation and Fintech Festival also supported the Government of Ghana's initiative in shaping Ghana's financial technology landscape for the 21st century.

There were other engagements aimed at obtaining regulatory support for the Bank's endeavours and clarity on relevant laws and regulations in order to ensure effective adherence to all regulatory requirements by the Bank.

In 2022, the Bank's engagement will centre on the following themes/platforms:

- Economic sessions: supporting clients to navigate current challenges and access Investor Fora and African Continental Free Trade opportunities – AfCFTA
- Digital Main Bank - The Standard Chartered Digital Banking, Innovation and Fintech Festival
- AML/FCC
- Corporate Governance for small businesses: (MSMEs)
- Sustainability for economic inclusion, Net zero.

Conduct, Financial Crime and Compliance

Our bank aims at delivering the right outcomes for its clients, the communities within which we operate and the Bank; by working together with internal and external stakeholders to achieve the highest standards in the fight against financial crime, compliance and conduct. This aim enables sustainable business.

Managing Compliance Risk

This is defined as the potential for penalties or loss to the bank; or for an adverse impact to our clients, stakeholders; or to the integrity of the markets which we operate in through a failure on our part to comply with laws or regulations.

Our bank has no appetite whatsoever for breaches in laws and regulations even though we recognise that such breach incidents cannot be entirely avoided.

To manage the Compliance Risk, the Head of Conduct Financial Crime and Conduct (CFCC) supports the senior management of the bank on regulatory and compliance matters by providing interpretation and advice on regulatory requirements and their impact on the bank. The Head of CFCC also ensures the implementation of the Standards/ Policies for the management of compliance risks and the programme for monitoring Compliance Risk.

The CFCC function is the second line function that provides oversight and challenge of the first-line risk management activities that relate to compliance risk within the bank. Through a combination of the Standards and Policies, Risk Assessment, Control Monitoring and Assurance activities, the Compliance Risk Framework Owner ensures that all policies are operating as expected to mitigate all compliance risks.

Below are a few initiatives undertaken by the CFCC function in 2021 to ensure the effective management of Compliance Risks:

- The Compliance Risk Sub types were reduced from 23 to 8. These changes are intended to simplify the implementation of the Compliance Risk Type Framework (CRTF) and support further downstream efficiencies such as the consolidation of policy and standards.
- The CPBB CFCC Advisory function transferred certain Client Due Diligence (CDD) advisory activities to the 1st Line of Defence. CFCC will however maintain oversight responsibility for the PEPs and Sensitive Client review process.

Fighting Financial Crime

Financial Crime Risk is defined as the potential for legal or regulatory penalties, material financial loss or reputational damage resulting from the failure to comply with applicable laws and regulations relating to international sanctions, anti-money laundering, anti-bribery and corruption and fraud.

The bank has no appetite for breaches in respect of

Engaging stakeholders continued

laws and regulations related to Financial Crime. The Bank, however, recognises that while such breach incidents are unwanted, they cannot be entirely avoided.

Given the negative effects of financial crime on the global financial system, the Bank aims to tackle financial crime by ensuring that the Bank's platforms are not used by unscrupulous persons to perpetrate crimes such as money laundering, terrorist financing, fraud, tax evasion among others.

Our Conduct, Financial Crime and Compliance (CFCC) team is responsible for implementing the Bank's financial crime risk management framework that enables the Bank to guard against financial crime by applying core controls such as client due-diligence, screening and monitoring of clients and their transactions. In addition, our Anti-Bribery and Corruption (ABC) controls aim at preventing colleagues and third parties working on our behalf, from engaging in bribery and corruption. This framework also ensures that all legal and regulatory obligations in respect of financial crime are adhered to by the Bank.

There are also Governance Committees such as the Country Financial Crime Risk Committee (CFCRC) which provides oversight of the effectiveness of the Bank's controls and assurance mechanisms designed to fight financial crime.

In 2021, the Financial Crime team participated in the Master Class Workshop as part of the Bank's Employee Volunteering programme for selected young entrepreneurs by presenting on the Bank's Anti Bribery and Corruption framework and highlighted the need for the young entrepreneurs to deal with credible counterparties when doing business. The team also engaged all vendors and suppliers highlighting the Bank's zero tolerance policy with respect to financial crime.

The CFCC team also supported the Bank's Financial Crime Surveillance Operations (FCSO) transformation which involved a move of some operational activities from FCC to the Bank's Operations Department. The main purpose of this transformation was to enable the FCC team to focus on its core mandate of performing its second-line role of mitigating Financial Crime Risks by advising, reviewing, training and supporting first-line activities.

Driving Good Conduct

Standard Chartered Bank strives to uphold the highest standards of conduct. While we acknowledge that incidents of misconduct cannot be entirely avoided, the Bank has no appetite for wilful or negligent misconduct.

Good conduct is essential for the delivery of positive outcomes for our clients, the markets we operate in and our other stakeholders. The Bank's Code of Conduct (the Code) continues to be the primary document that guides the conduct of all staff within the Bank. The Code reinforces the bank's values and expected behaviours. It also guides staff to make the right decisions through its decision-making framework.

As a way of demonstrating the highest possible standards of conduct, Bank staff are asked to recommit to the Code by undertaking a refresher e-learning every year. In 2021, nearly all our staff recommitted to the Bank's Code of Conduct. Additionally, Conduct Risk became an integral part of the Bank's Enterprise Risk Management Framework (ERMF). This in practical terms means that good conduct underpins every activity undertaken by the Bank and shows the high value the bank places on positive conduct.

To ensure good conduct always and to reinforce the Bank's Here for Good brand promise, the Bank has put in place a secure and independent avenue that allows concerns regarding misconduct to be raised within the bank. This is what is referred to as the bank's Speak Up programme. This programme allows staff of the bank, contractors, suppliers and members of the public to raise concerns such as breaches of regulatory requirements and bank policy or standards and behaviours that does not treat colleagues or customers fairly, behaviour that negatively impacts the reputation of the Bank, without fear of reprisals.

The Bank's conduct plan, which is a consolidation of potential conduct risks within the businesses and functions of the Bank and how they can be mitigated, is also another means of ensuring good conduct outcomes. In 2021, the Bank achieved 95 per cent implementation rate of the conduct action plans and an 85 per cent country score on the Conduct Risk Assessment. Secondly, all staff of the Bank attend a conduct training organized by the CFCC function.

These activities coupled with a clear tone from the top – especially from the Board, the CEO and the rest of the country management team, drive good conduct within the Bank.

Suppliers

We engage diverse suppliers to provide efficient and sustainable goods and services for our business.

How we serve and engage

We follow a comprehensive and transparent vendor selection process, guided by our Supplier Charter, which sets out our expectations in relation to ethics, human rights, diversity and inclusion (D&I), and environmental performance. Our suppliers must recommit to the charter annually, and performance monitoring is built into our contracts, procurement practices and standards.

In 2021, we made tangible progress against our supply chain sustainability agenda and began to integrate environmental and social risks into our Third-Party Risk management framework.

As part of pursuing our Stands, we introduced our Business Banking clients who are diverse (women-owned) to WEConnect International, a platform that connects buyers to women-owned businesses across the world.

On the Sustainability front, the Bank's plastic waste is always segregated and passed on to a recycling supplier. Standard Chartered Bank Ghana PLC has supplier D&I objectives to act on and accelerate progress and impact our supplier diversity targets in our market procurement categories and processes. Key employees and stakeholders have been trained internally to build capability to deliver our supplier D&I goals.

- In 2022, supply chain sustainability will continue to be a primary focus as we roll out initiatives to address and control social risk and further reduce carbon emissions within our own operations and supply chain.

Their interests

- Sustainability and diversity
- Open, transparent, and consistent tendering process
- Accurate and on-time payments.

Employees

How we create value

We recognise that we have a unique workforce made up of over 60 per cent millennials, and we see this as a significant source of value in driving engagement around performance and productivity. We also recognise that our clients' needs are evolving with advances in technology, and so we continue to lead the way in developing a workforce that is future-ready and co-create with our employees a desirable organisational culture- one that is performance oriented, inclusive and innovative and emphasises conduct and sustainability.

How we serve and engage

By engaging employees and fostering a positive experience for them, we can better serve our clients and deliver on our Purpose and Stands. An inclusive culture enables us to unlock innovation, make better decisions, deliver our business strategy, live our valued behaviours and embody our brand promise: Here for good.

Listening to employees

Periodic feedback from employee surveys helps us identify and close gaps between colleagues' expectations and their experiences. In addition to our annual survey, in 2021 we started deploying continuous listening mechanisms that capture colleagues sentiments more frequently and during moments that count like onboarding a new employee, at the point of exiting the Bank, as well as how new mothers who resume from maternity leave are welcomed back into the work environment.

This year, our annual employee survey, My Voice survey, was conducted in June and July, with a participation rate of 93 per cent.

Our key measures of employee satisfaction dropped in 2021, including the employee engagement index and the employee net promoter score (which measures how likely employees are to recommend working for the Bank). Employee engagement had significantly improved in 2020 as people had rallied to address the challenges created by the pandemic, but the prolonged nature of the crisis has seen many of these positive emotions balance out again. We remain encouraged that 98 per cent of employees feel committed to doing what is required to help

Engaging stakeholders continued

Employees continued

the Bank succeed, 93 per cent feel proud about working for the Bank and 85 per cent say that they intend to stay with the Bank.

Investments in people leader capability and the way in which our people leaders have responded to the pandemic has also translated into a 2-point increase in our manager NPS score in the 2021 My Voice survey. Building leadership capability continues to be important as the demands on our people leaders increase.

The survey re-confirmed the importance of growth and career opportunities for our employees. We introduced Talent Marketplace, a virtual Marketplace underpinned by digital technology and machine learning that helps 'match' skills, experience and aspirations with different types of project opportunities within the Group and provides visibility and mentoring opportunities for employees. This led to 7 cross border moves of colleagues into the Standard Chartered Bank Network.

Based on lessons learnt from the pandemic (in particular the need to focus on employee productivity and not presenteeism) as well as feedback on employees' preferences on how they would want to work into the future, the Bank implemented a hybrid working model in 2021 known as Future Workplace Now (FWN). This provided options and combinations to structure the location and pattern of work (days and hours) in a way that suits the employee's role and personal life, whilst meeting our client's need and the business objectives. It is worthy of note that we have 72 per cent of our employees who have agreed with their people leaders to work flexibly, and we see this as a huge step towards being more inclusive of the diverse needs of our workforce and supporting their wellbeing.

We have built employee capacity to adapt to this New Ways of Working (nWoW) and equipped staff with relevant tools to succeed in a hybrid work environment, including 'water cooler' moments, creating physical spaces that enhance collaboration, and creating fun moments that encourages connectedness and social networking.

Colleagues Wellbeing

A key consideration for us in 2021 was developing a sustainable, Fit For Future approach that is focused on motivating and retaining diverse talent, building resilience, and supporting our colleagues' wellbeing and productivity. In this regard, we introduced wellbeing resources and health–oriented tools such as a Mental Health App called **Unmind,** upgraded our Employee Assistance Programme to support the emotional and psychological health of employees, and trained **Mental First Aiders** to provide on-the-moment support to colleagues in urgent need to speak to someone and later direct them to the appropriate professional support.

During the pandemic, we collaborated with key stakeholders to keep our people safe through robust sensitization and vaccination programmes. The sensitization sessions focused on safety precautions and demystifying vaccination myths, and these contributed to the personal safety of colleagues and their families. The Bank, through the Ghana Association of Bankers (GAB), initiated voluntary vaccination of staff and a large number of employees and their family members took advantage of this. We also provided virtual medical consultation, and prescription delivery to the doorstep of our employees. All these measures were put in place to protect staff and their families against the Covid-19 pandemic and helped reduce the impact on productivity and disruption to client service.

Developing skills of future strategic value

The needs for our clients continue to evolve; and the world of work has also seen a rapid change. There is therefore the need to upskill and reskill our employees to make them fit to meet our clients' needs as well as be relevant within the work environment. We are, therefore, focused on building a culture of continuous learning, empowering employees to grow, and follow their aspirations and embrace the skills needed for the future.

In 2021, we did this through role-based programmes which was delivered through both face to face and virtual means. We also encouraged our colleagues to take up self-directed learning through our diSCover learning platform, which provides a huge opportunity for employees to upskill themselves.

We created opportunities for key millennial talent to develop and engage with the Executive Committee of the Bank through our reverse mentoring programme which allows for knowledge sharing on issues around technology,

Employees continued

approach to strategy implementation and leadership style. We see its impact in mindset shift for both parties and an opportunity to look at issues from each other's perspective. We intend to expand it to cover more people as we develop future skills for all categories of employees.

Building capability for our people leaders as a way of ensuring that we have future ready leaders was equally an area of focus in 2021. Our leadership Masterclasses themed 'Leading Across Generations' and 'New Ways of Leadership' was designed to create awareness and outline strategies to foster a healthy climate that ensures collaboration across the three generations we currently have at the workplace. It was also aimed at exploring key issues on how leaders can drive engagement and create psychological safety at the workplace, as well as effectively lead the workforce of the future.

Creating a culture of inclusion and innovation

As an organisation, we believe in creating an environment that allows our employees to feel comfortable in expressing their diversity at the workplace.

In line with this, we rolled out an inclusion programme dubbed' When are All Included' to create more awareness around diversity and Inclusion.

Our commitment to diversity and inclusion (D&I) is also supported by 3 employee resource groups (ERGs) that help provide learning, development and networking opportunities, and align to our focus areas of gender, ethnicity and nationality, generations, disability and wellbeing.

Our gender diversity remains an area of focus, with senior female diversity representation at 41.2 per cent as at the end of 2021. We will continue with our women mentorship programme and leverage on the Group's IGNITE Coaching programme, which develops our existing female talent in preparation for future roles.

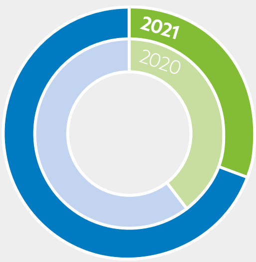
In line with encouraging innovation across the Bank, we continued to drive our Change Agent Programme across three main themes: Client Experience, Culture and Millennial leadership. The programme has helped identify areas of change, introduced catalysts for transformation, encouraged new ways of working and enabled execution of our business strategy.

Female representation

Board

Female
28.6%
(2020:33.3%)

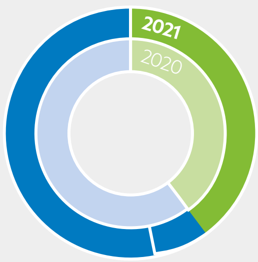
Female
2
Board members
7



Management Team

Female
46.7%
(2020:46.7%)

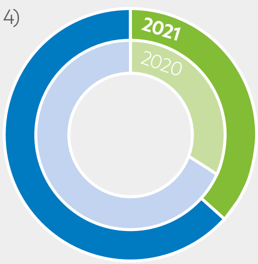
Female
7
Mgt. Team
15



Senior leadership
(Managing directors and band 4)

Female
41.2 %
(2020:35.0%)

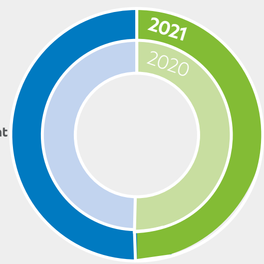
Female
7
Senior Leadership
17



Female staff

Female
49.5%
(2020:49.6%)

Female
361
Total Head count
730



Engaging stakeholders continued

Inclusive Communities

We aim to create more inclusive economies by sharing our skills and expertise and developing community programmes that transform lives.

We continue to support our communities through Futuremakers by Standard Chartered, our global initiative to tackle youth economic inclusion and enable the next generation to learn, earn and grow. Our approach is to empower young women, youth and girls from low-income communities – particularly those with visual impairments through community programmes focused on education, employability and entrepreneurship. Our four priority community programmes are Goal, Women in Technology Incubator, Youth Employability Skills and Youth to Work.

In 2021, despite the burden of the COVID–19 pandemic, we maintained our commitment to transforming lives in our communities. Our Futuremakers programmes reached more than 16,000 young people through a blended approach, using digital delivery methods and face-to-face interaction.

Goal, our Futuremakers girls' empowerment programme, designed to tackle negative gender and social norms reached 1,700 girls through a multi-channel approach: a combination of traditional face-to-face sessions and a digital curriculum delivered through phone messaging, radio and online platforms.

We completed the first cycle of our flagship Futuremakers entrepreneurship programme, Women in Tech Incubator, which supports female-led entrepreneurial teams with business management training, mentoring and seed funding. 15 female businesses went through the Incubator and the top five were awarded the cedi equivalent of USD 10,000 each to scale up their businesses.

Through additional funding allocated from the Standard Chartered Foundation to support the COVID-19 economic recovery, this year we scaled-up our livelihood programmes. Our Futuremakers employability skills programme reached more than 12,000 young people and our youth entrepreneurship initiative, Youth to Work, which creates opportunities to support young people to become job-ready, equipped over 1,000 people with entrepreneurship skills. We also rolled out a special education programme aimed at providing hybrid learning for children in the Central Region. More than 1,500 teachers participated in this project and we reached over 8,000 children.

Additionally, during our 125th anniversary celebrations, we organised a series of programmes aligned with our Futuremakers initiatives to support young people and small businesses.

- We rolled out a Girls employability skills project across 4 regions: Greater Accra, Northern Region, Ashanti Region and Western Region. The objective was to improve girls' access to effective, sustainable, affordable, eco-friendly and safe menstruation products; by equipping them with capabilities to independently produce reusable sanitary kits, and further educating them on the right way to clean and care for themselves. In all 1,250 girls and women benefitted from this programme.
- We also held a training workshop focused on improving corporate governance and digital skills of 125 MSMEs.

Futuremakers draws on the Bank's unique skills and expertise, and those of our employees, to support young people. We encourage all employees to get involved and share their skills through employee volunteering, delivering financial education and fundraising. Despite COVID-19 restrictions limiting face-to-face volunteering, 27 per cent of employees volunteered, contributing more than 248 volunteering days. Volunteering activities included provision of financial literacy to 1,000 girls in vocational and tertiary institutions. Colleagues also engaged in speed mentoring, coaching and delivering master classes respectively to participants in our Futuremakers and Women in Technology Incubator programmes.

In 2021, colleagues continued with our tree planting initiative at the Ramsar ecological site in Accra planting 1,250 trees bringing the total number of trees planted over the last 5 years to over 5,000.

As part of our community programmes, we provide support for communities impacted by disasters. Following the Tidal wave disaster in Keta in November 2021, which displaced several households in the Anlo district, we reached out to the victims through our Tidal Wave Disaster Response Initiative. We provided essential relief items: food package, mattresses, soap, and mosquito nets, along with counselling support to two hundred (200) families.

2022

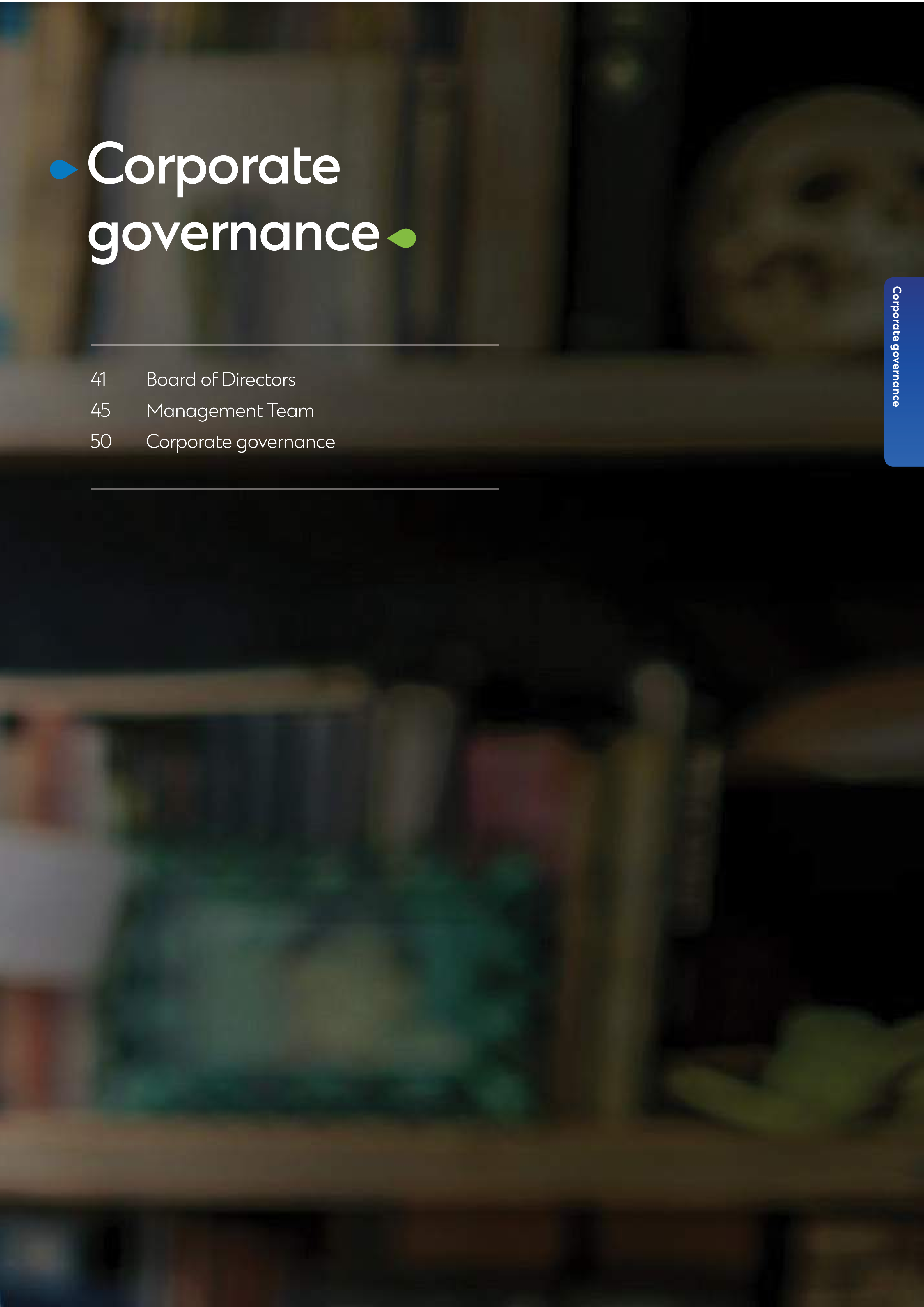
In 2022, we will continue to expand the reach and impact of our Futuremakers programme; realign our community aspirations to reflect the growth of Futuremakers, launch new partnerships to increase employee volunteering and commemorate the fifth anniversary of the Goal programme.

Equipping young people with employability skills

With support from the Standard Chartered Foundation, we provide young people with relevant skills and economic opportunities for sustainable and measurable impact.

Corporate information

Board of Directors	Dr. Emmanuel Oteng Kumah	Chairman
	Mansa Nettey	Chief Executive / Managing Director
	Sheikh Jobe	Chief Operating Officer / Executive Director
	Professor Akua Kuenyehia	Independent Non-Executive Director
	Ebenezer Twum Asante	Independent Non-Executive Director
	Kwabena Nifa Aning	Independent Non-Executive Director
	George Akello	Non-Executive Director
	Kweku Nimfah-Essuman	Chief Financial Officer / Executive Director (Resigned on 30 September 2021)
	Harriet-Ann Omobolanle	Non-Executive Director (Resigned on 8 September 2021)
Secretary	Angela Naa Sakua Okai Standard Chartered Bank Ghana PLC 87 Independence Avenue P. O. Box 768 Accra	
Auditor	KPMG Chartered Accountants Marlin House 13 Yiyiwa Drive, Abelenkpe P. O. Box GP 242 Accra	
Solicitor	Bentsi-Enchill Letsa & Ankomah #4 Momotse Avenue Adabraka, Accra P. O. Box GP 1632 Accra	
Registrar	Share Registry Department GCB Bank PLC Thorpe Road John Evans Atta Mills High Street P. O. Box 134 Accra	
Registered Office	Standard Chartered Bank Building 87 Independence Avenue P. O. Box 768 Accra	



Corporate governance

Board of Directors

Committee key

- Committee Chair shown in green
- (A) Board Audit Committee
- (Ri) Board Risk Committee
- (C) Cyber & Information Security Committee
- (N) Nomination Committee

Dr Emmanuel O. Kumah (66)

Chairman

Appointed: October 2013.

Experience: Dr. Kumah is a seasoned banker, economist and consultant with significant international banking and development finance experience. He has the rare privilege of being a career triathlete having worked in senior leadership positions across private, public and non-governmental sectors.

Career: Dr. Kumah began his career as an international economist at the International Monetary Fund (IMF) in Washington DC. Prior to that he worked at the GATT (precursor to WTO) as a statistical officer. At the request of the Ghana government, Dr. Kumah was seconded to the Central Bank for 5 years. After initially serving as Coordinator and Advisor of the Research Department, he rose to become Senior Advisor at the Bank of Ghana in 1997. During his tenure, Dr. Kumah provided key macroeconomic advice to the Government of Ghana. He later rejoined the IMF where he would have an exceptional 25 year career serving as Division Chief, IMF Resident Representative in Djibouti and Deputy Division Chief at the Balance of Payments and External Debt Division. Dr. Kumah joined the Board of Standard Chartered Bank Ghana Limited in and was appointed Chairman in 2020. A great believer in education, he has lectured in many tertiary institutions locally and abroad, contributed scholarly articles and published books on international finance and banking.

External appointments: Dr. Kumah is currently the Chairman of KEDSS Consulting an economic and financial consulting company

(N)

Mansa Nettey (55)

Chief Executive & Managing Director

Appointed: March 2017

Experience: Mansa is an innovative leader with a breadth of corporate and investment banking, sustainable corporate governance, and risk management experience. Her passion for making an impact, and belief that purpose is central to success continues to transform organisational culture and shape the next generation of talent.

Career: Mansa joined Standard Chartered in 1998, having previously worked with a global financial consulting and advisory firm, and practiced as a Pharmacist. Until her appointment as the first female Chief Executive of the Bank in its 125-year history, Mansa held various senior positions including serving as a Non-Executive Director of the Board of Standard Chartered Bank Nigeria Limited, Head of Financial Markets for West Africa, and Co-Head for the Wholesale Banking business in Ghana.

Mansa is widely credited with contributing to the development of the financial markets in Ghana and several other West African markets and advancing Ghana's digital economy and financial inclusion agenda.

External Appointments: Mansa is the current President of the Ghana Association of Banks and also serves on Charities and Boards including the Leukaemia Project Foundation, the Ghana Petroleum Funds Investment Advisory Council, Zen Petroleum, and the Ghana Interbank Payment and Settlement Systems Limited.

Judge Professor (Mrs) Akua Kuenyehia (74)
Independent Non-Executive Director

Appointed: July 2017

Experience: A highly decorated Professor, judge and author of international renown, Her Excellency Judge Professor (Mrs) Akua Kuenyehia has five decades of academic and legal experience across Africa and Europe.

Career: Prof. Akua Kuenyehia enrolled in the Faculty of Law at the University of Ghana in 1972 and later become its first female Professor of Law and Dean. In 2013, the Faculty Building which she is credited with envisioning and successfully sourcing funds for was named in joint honour of her and Ghana's 10th President, Professor John Atta Mills.

Professor Kuenyehia was elected an inaugural judge of the International Criminal Court (ICC) in 2003 and served as First Vice President for 6 years. Thereafter she was appointed judge of the Appeals Division of the Court for another 6 years, retiring in 2015 after serving the maximum 12-year term.

In addition to several publications and research papers, Professor Kuenyehia co-authored "Women and Law in Sub Saharan Africa" with Professor Cynthia Bowman of Cornell University.

Judge Professor Kuenyehia is an honorary fellow of Somerville College Oxford, her alma mater and the recipient of the Order of the Star of Ghana, the highest award conferred by the Government on a citizen.

External Appointments: Judge Professor Kuenyehia is a Member of the Crimes Against Humanity Initiative Advisory Council.

A Ri C N

Mr Kwabena Nifa Aning (54)
Independent Non-Executive Director

Appointed: December 2019

Experience: Kwabena has over 25 years of international finance experience with particular focus on accounting, business planning, project management and corporate governance across several mining, agribusiness and financial service value chains.

Career: Beginning in commerce in the UK, Kwabena transitioned into industry: first as a Cost Controller with Marriot Hotels and later on as a Management Accountant at CSO Valuations, a De Beers Group Company, from 1995 to 2002. After a stint with DTC limited, he returned to assume a Senior Management role for De Beers, UK with responsibility for their business planning and strategic finance projects. Subsequent to that, he provided critical functional leadership during his tenure at African Minerals; overseeing various business process improvements including SAP Implementation. In 2012 Kwabena was appointed Regional Controller, Africa at Boart Longyear. He later joined Bunge Loders Croklaan Industries (a subsidiary of a US listed global food manufacturing company) in 2019, and until recently headed their West African finance operations.

Kwabena is also the CEO and Lead Managing Consultant for Kamoni Consult which provides advisory and technical support to SMEs across industry.

External Appointments: None

A Ri C N

Corporate governance

Sheikh Jobe (54)

Executive Director & Chief Operating Officer

Appointed: December 2019

Experience: Sheikh has extensive in–country, regional and global experience across technology, operations, risk management, compliance, audit and branch banking.

Career: Prior to joining Standard Chartered, Sheikh spent 5 years in the National Audit Office of The Gambia. From 1994 to 2002, he worked in a variety of roles in West Africa. He became Chief Information Officer in Standard Chartered Bank Nigeria in 2002 and later, Global Head – Lending GTO, Wholesale banking from 2007 to 2012. During this period, he led the global roll-out of the Bank's Advanced Commercial Banking System which is currently in use across the Group. Sheikh was appointed Regional Chief Information Officer for Africa in 2014. During his tenure he provided strong leadership and support to the Information Technology & Operation teams and helped maintain the Bank's operational and technology infrastructure on the continent.

Sheikh Jobe is currently the Chief Operating Officer of Standard Chartered Bank Ghana PLC, with oversight of the West Africa Cluster.

External Appointments: Sheikh is the Founder and President of Mboutou Trust Fund for Education and Development.

Ebenezer Twum Asante (53)

Independent Non-Executive Director

Appointed: May 2019

Experience: Ebenezer has significant General Management & Corporate leadership experience across FMCG, Fintech and Mobile Telecommunications sectors.

Career: Ebenezer began his career as a Management trainee with Unilever in 1995. He quickly progressed into key senior management roles in Sales & Brand and Category management. He would go on to become Customer Development Director in Ghana and later the Managing Director of Unilever Zambia.

Ebenezer joined MTN Ghana in 2008 as a Sales and Distribution Executive and became CEO of the Rwandan business in 2013 where he led a business turnaround. He was appointed CEO of MTN Ghana in 2015. His tenure was marked not only by consistent, profitable and sustainable business growth, but also visionary and transformative leadership, best exemplified by the scaling up of the disruptive Fintech platform: mobile money (MoMo) services which has revolutionised payment services and improved financial inclusion. Ebenezer is currently the Senior Vice President of MTN Group Markets, comprising 18 countries. Prior to this, Ebenezer was the Southern, and East Africa and Ghana (SEAGHA) Regional Vice President (2017) and later West and Central Africa Vice President.

External Appointments: Ebenezer serves as a Non-Executive Director on the boards of MTN Ghana, Cote D'Ivoire, and Cameroon.

A Ri C

Mr. George Akello (60)
Non-Executive Director

Appointed: October 2020

Experience: George has over 20 years of audit, credit and risk management experience mainly in East Africa, with exposure to selected markets in Middle East and South Asia.

Career: George, a certified public accountant, began his career with Ernst & Young. He is currently the Chief Credit Officer, CPBB for Africa Middle East and Europe. In this role George is responsible for overseeing the credit risk management and the implementation of the Bank's associated policies in Africa, Middle East and Pakistan (including Jersey and Falklands). He previously combined this responsibility with the role of Chief Risk Officer, East Africa. George is a member of the Africa & Middle East Risk Committee and the Standard Global CPBB Risk Leadership Team.

External Appointments: George is a Non-Executive Director on the Board of Standard Chartered Bank Tanzania.

Ri

Angela Naa Sakua Okai (48)
Company Secretary

Appointed: April 2014

Experience: Angela is a lawyer and Corporate Governance practitioner. She has functional oversight experience in the sub-region and frontline banking experience in Ghana.

Career: Beginning in 1997, Angela worked in various capacities within the Bank's branch network. She transitioned into the Compliance Officer role in 2008 and later became Legal Counsel for the Corporate and Institutional Clients Segment in 2010. Angela was appointed Company Secretary in 2014 – the first female to hold this position in the Bank's 125 year history in Ghana. In this role Angela has oversight responsibilities for Subsidiary Governance in West Africa (excluding Nigeria), and provides leadership support to Cameroon, Cote D'Ivoire, Gambia and Sierra Leone, to ensure that the Group's subsidiary governance standards are fully implemented

Angela is a member of the Ghana Bar Association, the Commonwealth Lawyers Association, an alumna of the 2010 Fortune- U.S. Department of State Global Women's Mentoring Partnership and a Graduate Member of the Chartered Governance Institute, UK and Ireland.

Management Team

Mansa Nettey
Chief Executive & Managing Director

Sheikh Jobe
Executive Director & Chief Operating Officer

Angela Naa Sakua Okai
Company Secretary

Xorse Godzi
Head Client Coverage Corporate, Commercial & Institutional Banking (CCIB)

Appointed: Xorse was Country Head Commercial Banking from 2018 until the merger of the Commercial Banking and Global Banking segments in 2020, he assumed leadership of the newly created Client Coverage, Corporate, Commercial & Institutional Banking (CCIB).

Career: A career banker, Xorse has worked in various roles across the Standard Chartered Group over the last 20 years. Some of these include: Director, Global Corporates London; Head, Commodity Traders and Agribusiness Africa based in Johannesburg and Country Head, Global Banking Ghana. He has diverse experience in client coverage having worked in a number of the Bank's footprint markets across Africa and Europe.

Education: He holds a B.Sc Admin (Accounting) and is an affiliate of Association of Chartered Certified Accountants (ACCA)

Yvonne Fosua Gyebi
Head Consumer, Private and Business Banking

Appointed: Yvonne was appointed Head Consumer, Private and Business Banking in December 2019.

Career: Prior to her most recent appointment, Yvonne was the Value Centre General Manager for Retail Distribution, Priority and Digital Banking. During this period, she deployed strategies to improve balance sheet growth and worked closely with the Regional and Country Digital Banking teams to implement the bank's digital strategy – which included mobile client acquisition. The bank is well positioned to become a Digital first Retail bank, and this transformative shift, under Yvonne's leadership, has been duly recognised in the form of numerous national and global industry awards.

Yvonne has held a number of senior roles in the bank including: General Manager Small & Medium Enterprises (SME) and Country Head of Commercial Banking. She joined Standard Chartered in 2012 after 7 years at Ecobank Ghana.

Education: Yvonne holds an MBA in Finance & Information Systems from the A.B Freeman School of Business, Tulane University, United States and a Bachelor's degree from the Kwame Nkrumah University of Science and Technology, Kumasi.

Albert Larweh Asante
Acting Chief Financial Officer

Appointed: Albert has been acting in the Chief Financial Officer role since October 2021. He is responsible for providing functional leadership for Finance and governance oversight for the Supply Chain and Property functions.

Career: Albert joined Standard Chartered Bank Ghana PLC in 2006 and has held various senior roles including: Head, Wholesale Banking Business Finance, Ghana; Financial Controller and Chief Financial Officer for Standard Chartered Bank Angola S.A. He was an Executive Director of the Bank in Angola and acted as CEO for nearly a year. Until his recent appointment, he was the Cluster Head of Finance for Corporate, Commercial & Institutional Banking, West Africa with oversight responsibility for Nigeria, Ghana, Cameroon, Cote d'Ivoire, Gambia and Sierra Leone.

Education: Albert is a Fellow of the Institute of Chartered Accountants, Ghana; a CFA Charterholder, holds an MBA from the University of Warwick, United Kingdom and a Bachelor of Science in Administration (Accounting) from the University of Ghana, Legon.

Kwame Asante
Head, Transaction Banking

Appointed: Kwame was appointed Head, Transaction Banking in November 2015 and is responsible for leading the Transaction Banking product agenda for our Commercial, Corporate and Institutional clients.

Career: Kwame has extensive experience working across Africa Region in his 15-year career with the bank. Prior to his current role, Kwame was responsible for leading the Transaction Banking business for commercial clients segment across Africa. Some of the other senior roles he has held over the period include: Interim Head of Corporate Sales, Transaction Banking, Southern Africa; Country Head of Transaction Banking, Botswana and Director of Transaction Banking Sales, Ghana.

Kwame has expertise in corporate banking including, structured trade and value chain finance, corporate treasury solutions and leveraging innovation and digitization through partnerships to optimize client's internal work flows, balance sheet and revenue.

Education: Kwame holds a Master's degree from the University of Leicester, United Kingdom and a Bachelor's degree in Agric. Economics from the Kwame Nkrumah University of Science & Technology.

Dr. Setor Quashigah
Head, Affluent & Wealth Management

Appointed: Dr Setor Quashigah was appointed Head, Affluent & Wealth Management in November 2015.

Career: Setor is an experienced banker and leadership coach with a reputation for developing superior talent. Over the course of her 20 year career with the bank, she has held a number of senior roles including: Head of Direct Banking, Head of Proximity and Remote Banking and General Manager for Preferred and Priority Banking.

In her current role, Setor is responsible for delivering world class wealth products and solutions. She has successfully built a team of high performing Relationship Managers and best in class Advisors who have contributed to the success of the overall Consumer, Private and Business Banking Segment.

Education: Setor has a Doctorate in Business Leadership from the Swiss Business School; holds an MBA from the University of Leicester, United Kingdom and is a certified Wealth Manager from INSEAD, France.

Asiedua Addae
Head, Corporate Affairs, Brand and Marketing

Appointed: Asiedua was appointed Head, Corporate Affairs, Brand and Marketing in November 2015.

Career: Asiedua is a seasoned Marketing & Communications expert with considerable experience managing global brands and consumer segments across geographies. She joined Standard Charted Bank Ghana PLC in 2012 as Head of Marketing for the Consumer Banking Business. She later assumed additional responsibility as Head of Brand and Marketing for the Bank.

Prior to joining the bank, Asiedua worked with Unilever, Ghana and North America and L'Oréal, West Africa. She has leveraged relevant brand platforms to drive impactful community programmes which empower women and the youth. More recently she has been instrumental in leading the bank's digital agenda efforts through leveraging consumer insights to fuel growth, amplifying successful digital transformation stories and executing relevant thought leadership events.

Education: Asiedua is a graduate of the University of Ghana, Legon and has an MBA (Marketing) from Fordham University in New York.

Harry Dankyi
Head, Audit

Appointed: Harry was appointed Head, Audit in November 2015.

Career: Harry is a Chartered Accountant with over 25 years of experience spanning finance, risk, compliance and assurance. He has developed a track record of leading and managing complex audits across markets. Prior to his current role, Harry was Head of Compliance and Assurance, responsible for driving both Group and local compliance policies. Harry joined Standard Chartered Bank Ghana PLC in 2002 from the public utility company, The Volta River Authority (VRA) where he was a Financial Accountant.

Education: Harry holds an MBA in Finance and a B.Sc. in Administration (Accounting Option) from the University of Ghana. He is a Fellow of the Association of Chartered Certified Accountants (ACCA) and a Certified Fraud Examiner (CFE).

Gifty Fordwuo
Head, Human Resources

Appointed: Gifty was appointed Head, Human Resources in December 2016.

Career: Gifty joined Standard Chartered Bank Ghana PLC as a Graduate trainee 25 years ago.

She has since had a rewarding career with the bank; deepening her domain expertise in Human Resources and gaining relevant frontline banking experience in-country.

Prior to her appointment as Head, Human Resources (HR), Gifty was the Senior HR Business Partner to the Retail Banking Business in Ghana. She had previously worked as the HR Lead with the business in Mauritius. Other leadership roles Gifty has held in the bank- most of which have been in the Retail Banking Business - include: Head of Deposits and Transactional Products, Senior Manager for Branch Banking, Branch Manager and Business Manager for Direct Banking.

Education: Gifty is a Member of the Chartered Institute of Personnel and Development in the United Kingdom. She holds a Post Graduate Degree in Human Resources and a Bachelor of Arts (Sociology) Degree both from the University of Ghana, Legon.

Adoteye Anum
Head, Financial Markets

Appointed: Adoteye was appointed Head, Financial Markets in May 2017.

Career: Adoteye was previously Head of Treasury Markets until May 2017 when he assumed additional responsibility of managing the Financial Markets for Ghana, Cameroon, Gambia and Sierra Leone.

Adoteye has 30 years of banking experience majority of which have been with Standard Chartered Bank across West and Central Africa. Some of the senior roles he has held within the Group include Head of Global Markets in Uganda and Sierra Leone from 2007 to 2008.

Before rejoining Standard Chartered Bank Ghana PLC in 2015, Adoteye worked in a number of senior roles at Ecobank Transnational Incorporated and Treasury Warehouse where he provided advisory services on treasury management, balance sheet, ALCO framework and ALM management.

Education: Adoteye holds an EMBA in Finance from CEIBS ; BSc Admin (Marketing) from Central University College, Ghana and holds an ACI Dealing Certificate

Alikem Adadevoh
Head, Legal

Appointed: Alikem joined Standard Chartered Bank Ghana PLC as Head, Legal in January 2017. She is responsible for leading the Legal team in Standard Chartered Bank Ghana PLC.

Career: Alikem has over 25 years of experience as a Legal Practitioner of which 12 were spent working with the private law firm Fugar and Company. She also has diverse and extensive experience in corporate and commercial law practice and worked with the African Development Bank (AfDB) in Cote D'Ivoire and Tunisia. Alikem also spent six years in the mining industry where she was the Legal and Compliance Manager of Golden Star Resources Limited, a Canadian mining company, based in Denver, Colorado, USA with key mining operations in Ghana. Prior to joining Standard Chartered Bank, she worked as the Director, Legal Services of The First Group (Ghana) Limited, an investment and management services company.

Education: Alikem has a Master of Laws (LLM) Degree in International Banking and Finance Law from the University of London.

Kwabena Koranteng
Chief Risk Officer

Appointed: Kwabena joined Standard Chartered Bank in December 2018 as the Chief Risk Officer. He is responsible for managing the independent risk management function within the Bank.

Career: Before joining Standard Chartered Bank Ghana PLC, Kwabena was the Head of Wholesale Credit Sanctioning for Barclays Bank Ghana (now ABSA). A career banker with over 20 years frontline experience, Kwabena's expertise is in holistic risk management with focus on Credit Risk, Operational Risk, Market Risk, Financial Crime, Fraud Strategy and Business Restructuring. His successful corporate career involved working in a number of senior positions across the continent including: Senior Credit Officer, Barclays Africa Group and Head of Risk with Barclays Bank, Seychelles where he had responsibility for the Credit, Market and Operational Risk and Fraud Strategy.

Education: Kwabena holds an MBA in Business Administration from the University of Leicester, United Kingdom and a Bachelors in Science, Business Administration from the University of Ghana, Legon.

Michael Oseku-Afful
Head, Conduct, Financial Crime and Compliance

Appointed: Michael was appointed Head, Conduct and Financial Crime Compliance in January 2020.

Career: Michael joined Standard Chartered in 2006 as a Credit Documentation Officer within the Credit Risk Control function and rose to become Head of the Credit Documentation Unit.

He later joined the Compliance team as Head of Legal and Compliance for Retail Banking. Prior to his

current role, he was the Head of Compliance for Corporate and Commercial Banking.

Michael is a Lawyer by profession, having been called to the Ghana Bar in 2010.

Education: Michael holds an LLB Degree from City University, London, a BA (Hons.) degree from the University of Ghana as well as a post graduate Diploma in Compliance (ICA) awarded by the University of Manchester, England. He also holds an Advanced Certificate in Marketing awarded by the Chartered Institute of Marketing, UK.

Sam Kwaku Peprah
Business Planning Manager

Appointed: Sam was appointed Business Planning Manager in December 2015. He supports the Chief Executive in the formulation and execution of business strategy and monitoring of key performance indicators.

Career: Sam joined Standard Chartered in 2010 through the bank's graduate training programme (Wholesale Banking International Graduate Programme). He was subsequently appointed Business Planning Manager for the Transaction Banking business for West Africa in 2012 and Product Sales Manager for Global Corporate clients, Ghana in 2014. Before joining the bank, Sam held various Sales and Consulting roles with Fidelity Investments in Massachusetts, and Deloitte Touche Tomahatsu in New York, United States.

Sam has significant experience in developing the next generation of global-oriented talent and leaders, technology and innovation strategy, business optimization and efficiency and effective governance and risk standards.

Education: Sam has an MPA in Finance and Fiscal Policy from Cornell University, United States, a Bachelor of Arts degree from the University of Ghana, and a Bachelor of Laws degree from Mountcrest University College, Ghana.

Corporate governance

Standard Chartered Bank Ghana PLC ("the Company") is a key player in the banking industry in Ghana. The Company has consistently practised high standards of corporate governance in order to contribute to the promotion of an environment where such standards are upheld and practiced by all industry players. The Company recognises that exemplary governance is key to sustaining the viability of the Company in the long term and is also at the heart of its commitment to be "Here for Good".

Code of Conduct

The Company has committed resources to ensure that business is conducted in an ethical manner; in compliance with all legal and regulatory requirements. The Company maintains a Code of Conduct, the key principles of which underpin the conduct of all employees in their dealings with one another, clients, suppliers and other stakeholders. The Board is ultimately responsible for ensuring adherence to the Code of Conduct. The Code has been made available to all staff and directors and is reviewed annually. Staff and directors are required to recommit to the Code on an annual basis. The last such review and recommitment was in September/October 2021. Staff who breach the code will be subject to disciplinary proceedings.

The Board

The Board is the ultimate decision making body for all material matters within the Company. It is responsible for providing leadership, setting the strategic direction of the Company and monitoring Management to ensure effective execution of such strategy. The Board's mandate is set out in its Charter and in the Schedule of Matters reserved for the Board. Key amongst this mandate are the approval, reviewing and tracking of the Company's strategy and financial performance, approving any changes to capital, ensuring a sound system of internal controls and risk management, delegation and monitoring of authorities for expenditure and other significant commitments. The Schedule of Matters reserved for the Board and the Board Charter are reviewed by the Board annually. The last review was in October 2021.

The Board discharges some of its responsibilities directly and delegates other functions to its Committees. The Board also delegates authority for the operational management of the Company's business to the Chief Executive and Managing Director for further delegation by her in respect of matters which are necessary for the day to day running of the Company. The Board holds the Chief Executive and Managing Director accountable for the effective discharge of her delegated responsibilities.

The Board is diverse, with a good mix of experience and skills. The areas of expertise and age of the directors are as follows:

Name	Status	Expertise	Age
Dr. Emmanuel Oteng Kumah	Chairman (Independent Director)	Economist	66
Mrs. Mansa Nettey	Executive Director	Banking/Financial Services	55
Professor Akua Kuenyehia	Independent Director	Lawyer	74
Mr. Kwabena Nifa Aning	Independent Director	Chartered Management Accountant	54
Mr. Ebenezer Twum Asante	Independent Director	Commercial/Economist	53
George Akello	Non Executive Director	Chartered Accountant	60
Sheikh Jobe	Executive	Banking/Financial Services	54

The Board has a total of 7 members; 5 non-executive directors (4 of whom, including the Chair are independent); and 2 executive directors. There is a very cordial working relationship between executive and non-executive directors, characterised by a healthy level of challenge and debate. Non-executive directors also have access to Management and staff at all levels.

Corporate governance continued

Two directors, Mr. Kweku Nimfah-Essuman (Executive Director/CFO) and Mrs. Harriet-Ann Omobolanle Adesola (Non-Executive Director), resigned during the course of the year. The Board is currently taking steps to have them replaced.

Two directors, Professor Akua Kuenyehia and Mr. Ebenezer Twum-Asante, both Independent Non-Executive Directors would be retiring at the 52nd AGM of the Bank and would be up for re-election.

The composition of the Board complies with Section 3 sub paragraphs 2, 5 and 7 of the Securities and Exchange Commission's Corporate Governance code for listed companies (SEC Code).

Roles of the Board Chair and Chief Executive Officer

The roles of the Board Chair and the Chief Executive Officer are kept separate. Except for direction and guidance on general policy, the Board has delegated the conduct of the day-to-day business to the Chief Executive Officer and the Executive Committee.

Independent Non-Executive Directors

Most of the non-executive directors are independent and free of any business relationship or other circumstances that could materially interfere with the exercise of objective or independent judgment. In determining their independence, the Board has considered the criteria set out in the Bank of Ghana Corporate Governance Directive, 2018 ("the Directive"); the SEC Code and the contribution and conduct of directors at Board meetings, including how they demonstrate independent judgement. Directors are required to declare, on an ongoing basis, any interests that may give rise to a potential or perceived conflict of interest. The Board is made aware of the other commitments of the individual non-executive directors and is satisfied that largely, these do not conflict with their duties and time commitments as directors of the Company. Independent non-executive directors comprise 57 per cent of the board's composition, well within the regulatory requirement of at least 30 per cent.

Independent Non-executive directors are appointed in line with the Company's registered constitution, for an initial term of three years with an option for renewal for a further two terms, subject to affirmation of one's independence after the first two terms.

Succession Plan

The Company has in place a succession plan for the directors which is updated regularly and a plan to maintain a balance of critical skills on the board of directors.

Professional Development and Training Activities

The Company has a very comprehensive and tailored induction process for new directors. The process covers the Company's business operations, the risk and compliance functions as well as the legal, regulatory and other personal obligations and duties of a director of a listed company. Besides the induction programme, the company has put in place a needs-based continuous development programme specifically designed for individual Directors and Board Committees, in line with the annual Board training plan.

The directors are kept updated on all regulations and laws that are enacted which may affect the operations of the Company; and are also advised of the legal, regulatory and other obligations of a director of a listed company on an ongoing basis. The directors have access to independent professional advice to enable them to discharge their duties.

In 2021, the Board focused on ensuring that each director had completed Bank of Ghana's mandatory Corporate Governance Certification programme which was conducted by the National Banking College. The certification programme comprised three modules which relate to the following areas: Operational Resilience in the Dynamic COVID-19 environment, Market Conduct and Discipline; and Digital Financial Services. As at 31st March 2022 all directors had completed all three modules.

Other areas of training for the Board during the year included ESG and Sustainable Financing, Emerging Technologies, New Ways of Working/ Future Ready Workforce and Culture, and an annual refresher training on Anti-Money Laundering and Combating the financing of Terrorism (AML/CTF). Most of these trainings were conducted virtually due to the COVID-19 pandemic.

Performance Evaluation Process

A performance evaluation of the Board is conducted on an annual basis. A separate in-house performance evaluation of the Board on AML/CFT issues is conducted and the results submitted to the Bank of Ghana in June and December each year before the end of the quarter following the evaluation period.

In line with the Bank of Ghana Corporate Governance Directive, an independent evaluation of the board is conducted every two years. The last independent performance evaluation was conducted in 2019 by PwC, and the report submitted to the Bank of Ghana. The 2020 evaluation was conducted in house and the results submitted to the Bank of Ghana. In 2021, Flexcorp Consult was engaged to facilitate the 2021 Board Effectiveness review.

In carrying out the external board evaluation Flexcorp Consult adopted the following process:

(a) Desktop reviews of the governance framework of Standard Chartered Bank Ghana PLC;

(b) Interviewing the board members and key executive management staff to ascertain how the role of the board has impacted the overall objectives of Standard Chartered Bank Ghana PLC;

(c) Obtaining a 360-degree feedback by getting the board members to respond to a pack of questionnaires; and

(d) Discussions with independent assurance providers to corroborate information obtained from the Board.

The general observation from the review was that the Company has a well organised and performing board that operates within the framework of very elaborate and effective governance structures. Members were deemed as very enthusiastic, hardworking and committed to achieving the purpose of the Bank.

The Board is deemed to a large extent as effective in carrying out its duties and responsibilities in the governance of the Bank. There is an appreciable level of skills diversity on the board and individual directors bring their expertise and experience to bear in the functioning of the board. There is also a shared sense of purpose and cohesion among the directors, and success is attributed to the board as a team and not individual directors. In essence, the evaluation noted a culture of openness, honesty, respect, reliability and recognition of performance on the board.

The evaluation identified a few areas which when improved, would enhance the board's ability to achieve the overall objective of the company. Action plans will be formulated to address the identified areas. Once the action plans are agreed, the detailed report and action plans would be submitted to the Bank of Ghana.

Board meetings and attendance

The Board meets at least four times a year and has a special strategy session annually. A rolling agenda of matters to be discussed is approved in the prior year and maintained. There is a process in place to ensure that directors receive reports in a timely manner to enable them to ask appropriate questions and make informed decisions.

Beside the formal meetings, the directors are engaged informally throughout the year. This creates an environment that encourages challenge, consultation, information sharing, innovative thinking and openness in communication. The directors are encouraged to interact with the Company's staff and senior staff from the Company's Group offices and to also broaden their understanding and knowledge of the Company's operations through their annual branch visits.

Due to the COVID-19 pandemic and Government's restrictions on public gatherings and travel, most of the board meetings were held virtually. The onsite branch visits were also held virtually.

Corporate governance continued

The following table shows the number of Board meetings held during the year and the attendance by the directors:

Number of Board meetings held in 2021

	Scheduled meetings 4	Other meetings 1	Remarks
Dr. Emmanuel Oteng Kumah	4/4	1/1	
Mrs. Mansa Nettey	4/4	1/1	
Mr. Kweku Nimfah-Essuman	3/4	0/1	Resigned on 30th September 2021
Professor Akua Kuenyehia	4/4	1/1	
Mrs. Harriet-Ann Omobolanle Adesola	3/4	0/1	Resigned on 8th September 2021
Ebenezer Twum Asante	4/4	1/1	
Mr. Kwabena Nifa Aning	4/4	1/1	
Mr. Sheikh Jobe	4/4	1/1	
Mr. George Akello	4/4	1/1	

- One other meeting was held to discuss and approve the Bank's strategy.

Board Committees

The Board has four Committees with specific delegated authorities. These are the Board Audit Committee, the Board Risk Committee, the Board Cyber and Information Security Committee and the Board Nomination Committee.

The respective Chairpersons present their reports to the Board at each scheduled Board meeting. The functions of the various committees, membership and attendance can be found on pages 65 to 70 of this Report. The Board Nomination Committee was established in October 2021 and therefore did not hold any meeting in the year.

Remuneration Structure

The Company applies the principles outlined in the Standard Chartered Bank Group Remuneration policy when determining the remuneration of directors. Non-Executive directors receive fixed fees, determined in line with market practice. Remuneration for independent non-executive directors is reviewed every two years to ensure they are appropriate and competitive. These are then approved by shareholders.

The independent non-executive directors are paid annual fees and a sitting allowance for meetings attended. Information on the aggregate amount of emoluments and fees paid to directors is disclosed in Note 13 (b) of the financial statements.

Executive directors' remuneration is based on the reward, support and benefits arrangements the Company has for all staff and is approved by a committee of independent directors.

Conflicts of interest

The Bank has a comprehensive policy on Conflicts of Interest. Staff as well as directors are required to abide by it. Directors are made aware of their obligation to avoid conflicts of interest at the induction and through ongoing training. There is a robust process which requires Directors to disclose outside business interest before they are entered into. The provisions on conflict of interest are embodied in the Directors' letters of appointment and Induction Handbook and is also a legal requirement under the Companies Act 2019, Act 992. A conflicts of interest register is in place to keep record of any conflicts which are disclosed.

External Directorships and Other Business Interests

Details of the Directors' external directorships and other business interests can be found in their biographies on pages 41 to 44 of the Annual Report. Per the Banks and Specialised Deposit Taking Institutions Act, 2016, Act 930 and the Directive, directors cannot hold more than five (5) directorship positions at a time in both financial and non-financial companies (including offshore engagements). Under the SEC Code, directors cannot also hold directorships in more than three (3) listed companies. All directors have disclosed their external directorships and other professional interests to the Board, as required by Act 930 and are in compliance with the Act, the Directive and the SEC Code.

Before committing to an additional role, directors are required to confirm that no conflicts will arise. They must also provide the necessary assurance that the appointment will not adversely impact their ability to continue to fulfil their role as directors of the Bank.

Internal controls

The Board is committed to managing risk and to controlling the Bank's business and financial activities in a manner which enables it to maximise profitable business opportunities, manage and ensure compliance with applicable laws and regulations and enhance resilience to external events. The Bank has a process in place to ensure that any changes in legislation are captured and monitored effectively. A comprehensive gap analysis is conducted by the relevant parties once the laws are in place.

The Compliance Department ensures that the business and functional units put in place controls to ensure compliance with the various laws and regulations. The effectiveness of the Bank's internal control system is reviewed regularly by the Board through an Enterprise Risk Management framework and the Internal Audit function.

Internal Audit

The Internal Audit function monitors compliance with policies and standards and the effectiveness of internal control structures of the Bank through its programme of business audits. The work of the Internal Audit function is focused on the areas of greatest risk as determined by a risk-based assessment methodology. The Internal Audit function reports to the Board Audit Committee and the Committee approves its annual plan of work.

Chief Risk Officer

The Bank has an independent risk management function headed by a Chief Risk Officer who is an independent senior executive with distinct responsibility for the risk management function and the execution of the Enterprise Risk Management framework across the entire organisation. The Chief Risk Officer reports directly to the Chief Executive Officer and indirectly to the Board Risk Committee.

Related Party Transactions

The Bank 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.

Relations with shareholders

The Board recognises the importance of good communications with all shareholders. The Annual General Meeting (AGM) as well as the published annual report is used as an opportunity to communicate with all shareholders. The Company always gives shareholders the 21 days' notice of the AGM as provided for in the Bank's Act 2019 (Act 992) and shareholders are encouraged to ask questions and appoint proxies to represent them where they are unable to attend. Adhoc shareholder requests for information are handled on an ongoing basis and on the floor of the AGM. Shareholders are encouraged to visit www.sc.com/gh for general information on the Company as well as annual reports. In upholding and protecting shareholders' rights, the Board recognises that every shareholder has a right to participate and vote at the general shareholders meeting. The Board has engaged the services of a professional Registrar, GCB Bank Plc to allow for quick resolution of all shareholder queries and smooth transfer of shares.

Corporate governance continued

Whistle Blowing policy

All employees are encouraged to report breaches of the Code of Conduct and any other irregularities of a general, operational and financial nature in the Company to the directors or designated official through the "Speak Up" portal. All "Speak Up" cases are investigated and appropriate actions taken.

Annual Certification of Compliance with Bank of Ghana Corporate Governance Directive 2018
In compliance with paragraph 12 of the Bank of Ghana Corporate Governance Directive 2018 the Board of Directors of Standard Chartered Bank Ghana PLC hereby certifies that it has complied with the provisions of the Directive. The Board further certifies that: -

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

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

General statement of compliance
The Board of Directors hereby confirm that the Bank has complied with the following Directives, Codes of Corporate Governance and Listing Rules:

a. Bank of Ghana Corporate Governance Directive 2018

b. Bank of Ghana Fit and Proper Persons Directive 2019

c. Securities and Exchange Corporate Governance Code for Listed Companies 2020

d. The Listing Rules of the Ghana Stock Exchange

Report of the directors

Report of the directors to the members of Standard Chartered Bank Ghana PLC

Directors' responsibility statement
The Directors have pleasure in submitting their reports and the financial statements of the Bank for the year ended 31 December 2021.

The Directors are responsible for preparing the financial statements of the Bank in accordance with applicable laws and regulations.

The Companies Act, 2019 (Act 992) requires the Directors to prepare Bank financial statements for each financial year.

The Directors are responsible for the preparation of financial statements that give a true and fair view of Standard Chartered Bank Ghana PLC. The statement comprises the financial position as at 31 December 2021, the statements of comprehensive income, changes in equity and cash flows for the just ended year, 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 as required by the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit–Taking Institutions Act, 2016 (Act 930).

Under Act 992 the Directors must not approve the financial statements unless they are satisfied that they give a true and fair reflection of the state of affairs of the Bank, including its profit or loss position for that period. In preparing the Bank's financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable, relevant and reliable
- State whether they have been prepared in accordance with International Financial Reporting Standards and in a manner required by the Companies Act, 2019 (Act 992)
- Assess the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- Use the going concern basis of accounting unless they either intend to liquidate the Bank or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Bank's transactions, disclose with reasonable accuracy at any time, the financial position of the Bank and enable them to ensure that its financial statements comply with Act 992. They are also responsible for other internal control as they agree is necessary to enable the preparation of financial statements. The prepared financial statements should be free from material misstatement, whether due to fraud or error, and should have general responsibility for taking steps that are reasonably open to them to safeguard the assets of the Bank and to prevent and detect fraud and other irregularities.

On behalf of the Board, the Audit Committee has reviewed the annual report and the process by which the Bank believes that the annual report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the performance of the Bank. Following its review, the Audit Committee has advised the Board that such a statement can be made in the annual report.

Nature of business
The Bank is licensed by the Bank of Ghana under the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) to carry out universal banking business in Ghana. There was no change in the nature of the Bank's business during the year. The financial statements and the notes thereon as shown from pages 79 to 160 provide the business performance and position for the year ended 31 December 2021.

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).

Related party transactions
Information regarding directors' interests in ordinary shares of the Bank and remuneration is disclosed in notes 34 and 13 (b) to the financial statements. Remuneration of Independent Non-Executive Directors are approved by shareholders.

The Board and its Committees
The Board is accountable for the long-term success of the Bank and is responsible for ensuring leadership, approving the strategy, and ensuring that the Bank is suitably resourced to achieve its strategic aspirations. In doing so, the Board considers its responsibilities to, and the impact of its decisions on its stakeholders including shareholders, employees, customers, suppliers, the environment and the communities the Bank operates in.

The Board also delegates certain responsibilities to its Committees to ensure its independent oversight. In addition, the Board also delegates authority for the operational management of the Bank to the Managing Director/Chief Executive and the Executive Committee in respect of matters which are necessary for the day to day running and management of the Bank.

The Board remains very diverse with a distinctive mixture of backgrounds, experiences, and skills with a mixture of Executive and Non-Executive directors. Risk and governance, shareholder and stakeholder relationships, strategy and budget, financial performance oversight, business development and people were some of the key activities the Board focused its time on in 2021; as it provided guidance to Management in steering the Bank through the financial sector clean up.

The Board met regularly throughout the year. In addition to substantial strategy discussions held at each meeting, the Board held an off-site strategy session in November 2021 at which it had a systematic and comprehensive discussion around the strategy and direction of the Bank.

During the year, Mr. Kweku Nimfah-Essuman and Mrs. Harriet-Ann Omobolanle Adesola resigned. Suitable candidates have been identified to replace them.

Ongoing development plans

Continuous development of our Board of directors is crucial to maintaining a highly engaged, well-informed, and effective Board. During the year, all directors received a combination of mandatory learning and training, internal and external briefings, presentations from guest speakers, and papers on a range of topics to ensure the Directors are well-informed and that the Board remains highly effective. The Directors' ongoing training in 2021 took the form of formal refresher sessions and informal meetings, covering a variety of topics throughout the year. Most of these sessions were held virtually as a result of the prevailing pandemic situation.

Schedule of Board meeting held in 2021

Board members	Standard	Ad-hoc	Remarks
Emmanuel Oteng Kumah	4/4	1/1	
Mansa Nettey	4/4	1/1	
Kweku Nimfah-Essuman	3/4	0/1	Resigned on 30 September 2021
Harriet-Ann Omobolanle Adesola	3/4	0/1	Resigned on 8 September 2021
Professor (Mrs.) Akua Kuenyehia	4/4	1/1	
Ebenezer Twum Asante	4/4	1/1	
Sheikh Jobe	4/4	1/1	
Kwabena Nifa Aning	4/4	1/1	
George Akello	4/4	1/1	

At the time of approval of the 2021 Annual Report on 25 February 2022, the Board was made up of seven (7) Directors: two (2) Executive Directors and five (5) Non-Executive Directors (out of which 4 are independent). The list and their various committee representation are as stated below:

Board members	SCBG PLC Board	Board Audit Committee	Board Risk Committee	Board Nominations Committee	Cyber & Information Security Committee
Dr. Emmanuel Oteng Kumah (Chairperson)	Yes	No	No	Yes	No
Mansa Nettey	Yes	No	No	No	No
Professor (Mrs.) Akua Kuenyehia	Yes	Yes	Yes	Yes	Yes
Ebenezer Twum Asante	Yes	Yes	Yes	No	Yes
Sheikh Jobe	Yes	No	No	No	No
Kwabena Nifa Aning	Yes	Yes	Yes	Yes	Yes
George Akello	Yes	No	Yes	No	No

Board roles and key responsibilities

Chairman

The Chairman is responsible for leading the Board and its overall effectiveness and governance, promoting high standards of integrity and ensuring effective communication between the Board, Management, shareholders and other stakeholders.

Managing Director (MD)/Chief Executive (CE)

The MD/CE is responsible for managing all aspects of the Bank's businesses, developing the strategy in conjunction with the businesses, the Chairman and the Board and leading its implementation.

Non-Executive Directors (NEDs)

NEDs provide an independent perspective, constructively challenge, and monitor the performance and delivery of the strategy within the risk and controls set by the Board.

Board Committees

The Board made a conscious decision to delegate a broader range of issues to the Board committees, namely Audit and Risk. The linkages between the Committees and the Board are critical for the smooth running of the Bank.

The Board duly received the minutes and updates from each of the Committees meetings throughout the reporting period.

The Bank has effective mechanisms in place to ensure that there are no gaps or unnecessary duplication across Committee.

Audit Committee

The Committee has exercised its authority delegated by the Board for ensuring the integrity of the Bank's published financial information by discussing and challenging the judgements made by management and the assumptions and estimates on which they are based. The Committee has exercised judgement in deciding which of the issues are considered in the financial statements as being significant and this report sets out the material matters that were considered in these deliberations.

In addition to discharging its responsibilities as set out in its Terms of Reference in accordance with the requirements of the Corporate Governance Directive, the Committee spent a significant amount of time discussing the root causes of control weaknesses and regulatory breaches and the resulting remediation and mitigating actions taken by management.

The Committee reviewed and discussed the work undertaken by the Internal Audit function against a backdrop of significant programmes to understand and fully challenge areas where Internal Audit has been focusing on and how it maximises and productivity of internal resources. It also discussed resourcing and plan for the Internal Audit function.

Committee composition in 2021

Committee members	Scheduled meetings (4)
Kwabena Nifa Aning (Chairperson)	4/4
Professor (Mrs.) Akua Kuenyehia	4/4
Ebenezer Twum Asante	4/4

Other attendees at Committee meetings in 2021 included: Chief Financial Officer, Head of Internal Audit, Chief Risk Officer, Head of Conduct Financial Crime Compliance (CFCC), Operational Risk Officer and Company Secretary.

Committee responsibilities

The Committee's role is to review, on behalf of the Board, the Bank's financial controls. It is also responsible for oversight and advice to the Board on matters relating to financial reporting and exercised oversight of the work undertaken by Compliance, Internal Audit and the Bank's statutory auditor, KPMG. This is to ensure that the interest of shareholders is properly protected in relation to financial reporting and internal control is fundamental to the Committee's role.

Risk Committee

The Committee's role is to exercise oversight on behalf of the Board on wide risks facing the Bank and to provide assurance to the Board that the overall framework for complying with the Risk Management Principles and the Board's approved Risk Appetite is operating effectively.

The Committee recognises that good risk management is not static but responds to internal and external pressures and is intrinsically linked to strategy. The Committee has discharged its responsibilities through receiving a combination of routine and regulatory reporting, requesting reports on specific matters from Management and ensuring that the management information to the Committee is not just data but also provides analysis and enables the Committee to have deeper discussions.

The Committee continued to review the Bank's loan portfolio to ensure that the quality is improved. The Committee continually sought and received assurance that Management actively manages the loan portfolio particularly given the unpredictable nature of the external environment.

Through its work, the Committee has considered and challenged whether there are any gaps in risk coverage and sought and received assurance concerning the mitigating action being taken to address any such gaps. The Committee has examined the effectiveness of the Bank's risk management and how risk management has responded to internal and external pressures.

The Bank manages its dominant risks through the overarching Enterprise Risk Management Framework ("Framework") which sets out the principles and standards across the entire organisation. The Framework highlights the objectives, policies and processes for managing the principal risk types taking into consideration local regulations and directives. The full implementation and adoption of the framework over the last three years have contributed to the year-on-year stable risk environment. The Framework provides a robust strategy and forms the backbone for the strong corporate governance standards leading to decreasing defaults in prudential requirements across all the principal risks areas.

It also discussed the progress that has been made on embedding a stronger risk culture in the Bank.

Committee composition in 2021

Risk Committee members	Scheduled meetings (4)
Professor Akua Kuenyehia (Chairperson)	4/4
Ebenezer Twum Asante	4/4
Kwabena Nifa Aning	4/4
George Akello	4/4

Other attendees at Committee meetings in 2021 included: Chief Financial Officer, Head of Internal Audit, Chief Risk Officer, Operational Risk Officer, Company Secretary, Head of Credit for Consumer, Private and Business Banking Credit, Head of Consumer, Private and Business Banking (CPBB) and Head of Commercial, Corporate and Institutional Banking (CCIB), Senior Credit Managers, Head of Legal and Head of Financial Crime Compliance.

Committee responsibilities:
The Committee is responsible for the oversight and review of prudential risk. The committee's responsibilities also include reviewing the appropriateness and effectiveness of the Bank's risk management systems, considering the implications of material regulatory change proposals, reviewing reports on principal risks to the Bank's business and ensuring effective due diligence on material acquisitions and disposals.

Cyber and Information Security
Given the high profile cyber security breaches and the rising level of cyber threats across the industry, the Board committee was established to focus on the steps being taken by the Bank to improve its defences, create stronger control frameworks and improve intelligence sharing.

The Committee exercises oversight on behalf of the Board of the cyber and information security risks faced by the Bank and to make recommendations to the Board on the Bank's overall cyber and information security risk appetite. Additionally, the Committee provides an independent review and critique of:

1. The cyber and information security risk management strategy of the Bank
2. The risk-taking decisions of the Bank covering all aspects of cyber and information security.

Committee composition in 2021

Committee members	Scheduled meetings 4	Remarks
Ebenezer Twum Asante (Chairperson)	4/4	
Harriette-Ann Omobolanle Adesola	3/4	Resigned on 8 September 2021
Professor (Mrs.) Akua Kuenyehia	4/4	
Kwabena Nifa Aning	4/4	

Only members of the Committee are entitled to attend Committee meetings. Other individuals such as any director of the Board, Chief Risk Officer, Chief Operating Officer, Chief Information Security Officer or any member of the country senior management team may be invited to attend all or part of any meeting by invitation from the Committee Chairman.

Nomination Committee
The Committee was established by the Board in October 2021 and is responsible for keeping the composition of the Board and its Committees under review. The Committee is set up to lead the process for Board and Key Management appointments and make recommendations to the Board. In addition, the Committee ensures plans are in place for orderly succession to both the Board and Key Management positions and oversees the development of a diverse pipeline for succession.

Committee composition in 2021

Committee members	Scheduled meetings
Prof. Akua Kuenyehia (Chairperson)	0
Dr. Emmanuel Oteng Kumah	0
Kwabena Nifa Aning	0

No meeting was held in 2021

Report of the directors continued

Only members of the Committee are entitled to attend Committee meetings. Other individuals such as the Chief Executive Officer, Head of Human Resources and other relevant persons may be invited to attend all or part of any meeting by invitation from the Committee Chairman.

Interaction with Management

On an annual basis, the Committee members meet individually with our statutory auditor, KPMG, Chief Financial Officer, Head of Internal Audit, Head of Conduct, Financial Crime and Compliance (CFCC), Chief Information Security Officer and Chief Risk Officer. These meetings allow the Committee members to freely discuss matters relating to the auditor's remit of the various offices and their function.

Directors' securities transactions

The Directors' beneficiary interest in the ordinary shares of the Bank as at 31 December 2021 is as shown in note 34 of the financial statements:

Going concern

The Bank's Management has assessed its ability to continue as a going concern having regard of the business impact of COVID-19 and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, Management is not aware of any threats that may cast significant doubt upon the Bank's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

Viability statement

The Directors are required to issue a viability statement regarding the Bank, explaining their assessment of the prospects of the Bank over an appropriate period of time and state whether they have reasonable expectation that the Bank will be able to continue in operation and meet its liabilities as they fall due.

The Directors are to also disclose the period for which they have made the assessment and the reason they consider that period to be appropriate.

In considering the viability of the Bank, the Directors have assessed the key factors, including the current and anticipated impact of COVID-19 on the Bank's business model and strategic plan, future performance, capital adequacy, solvency and liquidity taking into account the emerging risks as well as the principal risks.

The viability assessment covers a period of three years, which the Directors consider appropriate as it is within both the Bank's strategic planning horizon and the basis upon which its regulatory capital stress tests are undertaken and is representative of the continuous level of regulatory change affecting the financial services industry. The Directors will continue to monitor and consider the appropriateness of this period.

The Directors have reviewed the Corporate Plan, the output of the Bank's formalised process of budgeting and strategic planning. For the 2021 Corporate Plan, the forward-looking cash flows and balances include the longer-term impact of COVID-19, specifically with regard to expected credit loss and the impact of global lower interest rates on revenues. The Corporate Plan is evaluated and approved each year by the Board with confirmation from the Chief Risk Officer that the Plan is aligned with the Enterprise Risk Management Framework and Risk Appetite Statement and considers the Bank's future projections of profitability, cash flows, capital requirements and resources, liquidity ratios and other key financial and regulatory ratios over the period. The Board has reviewed the ongoing performance management process of the Bank by comparing the statutory results to the budgets and Corporate Plan.

The Bank performs enterprise-wide stress tests to explore the resilience of the Bank to shocks to its balance sheet and business model.

To assess the Bank's balance sheet vulnerabilities and capital and liquidity adequacy, severe but plausible macro-financial scenarios explore shocks that trigger one or more of:

- Local economy slowdowns via financial and other linkages.
- Material and persistent declines in commodity prices.
- Financial market turbulence, including a generalised sharp fall in risky asset prices.

This year, the primary focus has been on the evolving macro financial stress caused by the response of the government, businesses, and individuals to COVID-19, to ensure that the Bank has sufficient capital to withstand this shock. Under this range of scenarios, the results of these stress tests demonstrate that the Bank has sufficient capital and liquidity to continue as a going concern and meet regulatory minimum capital and liquidity requirements.

The Board Risk Committee ("BRC") exercises oversight on behalf of the Board of the key risks of the Bank and makes recommendations to the Board on the Bank's Risk Appetite Statement. These risks include, amongst others; credit, traded, capital and liquidity, operational and technology, reputational and sustainability, compliance, information and cyber security model risks.

The BRC receives regular reports that inform it of the Bank's key risks as well as updates on the macroeconomic environment, geo-political outlook, market developments, and regulatory updates in relation to capital, liquidity and risk.

Based on the information received, the Directors considered the emerging risks as well as the principal risks in their assessment of the Bank's viability; how these impact the risk profile, performance and viability of the Bank and any specific mitigating or remedial actions necessary.

Having considered all the factors outlined above, the Directors confirm that they have a reasonable expectation that the Bank will be able to continue in operation and meet its liabilities as they fall due over the period of the assessment up to 31 December 2025.

Parent company
The Bank is a subsidiary of Standard Chartered Holdings (Africa) B.V., a company incorporated in The Netherlands.

Area of operation
The Bank comprises a network of 21 branches and Head Office as at the time of signing this account.

Subsidiaries
The Bank maintains a special purpose legal entity, Standard Chartered Ghana Nominee Limited, to warehouse assets held in trust on behalf of custody clients in the conduct of its fiduciary activities. The assets and income due to such clients arising thereon are not the bona fide property of the Bank. These assets have not been included either in the books of the Bank or its subsidiary company.

Standard Chartered Wealth Management Limited (SCWML) is a wholly owned subsidiary of Standard Chartered Bank Ghana PLC, established to distribute mutual funds, sell investment and wealth management products and to provide advisory services.

SCWML has been capitalised with GH¢1,000,000 and is in the process of obtaining the final regulatory approval.

Refer to note 22b of the financial statements for the necessary disclosures on this nominee company and wealth management company.

The subsidiary's financial statements have not been consolidated with that of the parent as the Directors are of the opinion that it is insignificant and would present no real value to the members. No balances have been transferred from the income statement of the subsidiary to the retained earnings of the Bank.

Disclosure of information to auditor
As far as the Directors are aware, there is no relevant audit information of which the Bank's statutory auditor, KPMG, is unaware. The Directors have taken all reasonable steps to ascertain any relevant audit information and ensured that the Bank's statutory auditor is aware of such information.

Auditor
The Audit Committee has the responsibility delegated from the Board of Directors for making recommendations on the appointment, reappointment, removal and remuneration of the external auditor. Messrs KPMG has been the auditor of the Bank commencing with the financial statements for the year ended 31 December 2018. A non-audit service relating to the certification of unpaid technology transfer fees by the Bank to Global Business Services Private Limited (GBS) in accordance with the GIPC regulations for the period 1 February 2016 to 30 April 2021 was undertaken by the external auditor. This was audit related assurance work which did not conflict with KPMG's role as external auditor. The work did not involve any accounting judgements.

The approved fee for the 2021 audit is GH¢630,000 (2020: GH¢600,000).

Sufficiency of public float
As at the date of this report, the Bank has maintained the prescribed public float governing the listing of securities on the Ghana Stock Exchange based on the information publicly available to the Bank and within the knowledge of the Directors.

Political donations
No political donations were made in the year ended 31 December 2021 (2020: Nil).

Business performance

- Operating income increased by 5 per cent from GH¢1,022.7 million to GH¢1,070.3 million.
- Profit before tax increased to GH¢694.5 million from GH¢675.4 million recorded in 2020, representing a 3 per cent increase.
- Earnings per share decreased to GH¢3.23 from GH¢3.54 per share in 2020.
- Overall balance sheet grew by 26 per cent to GH¢10.12 billion from GH¢8.03 billion in 2020.

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

Report of the directors continued

Minimum paid-up capital
The Bank's paid-up capital complies with the regulatory minimum paid-up capital requirement of GH¢400 million.

Reserve fund
In accordance with Section 34(1)(b) of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) a cumulative amount of GH¢568.2 million (2020: GH¢513.6 million) has been set aside in a Reserve fund from the Income surplus. The cumulative balance includes the amount set aside from the net profit for the year.

Dividend
Based on the Bank's performance and subject to the approval from the Bank of Ghana, Directors will recommend an ordinary share dividend of GH¢ 2.57 (2020: GH¢1.74) per share amounting to GH¢ 346,278,760 (2020: GH¢232,703,000).

Unclaimed dividend account
In accordance with the Companies Act, 2019 (Act 992) any unclaimed dividend for a period of three months will be transferred to an interest-bearing account. The unclaimed dividend together with the accrued interest thereon will be transferred to the Registrar within a further period of twelve months. The unclaimed dividend amounts to GH¢23,511,827.

Responsibility statement of the directors in respect of the annual report and financial statements
We confirm that to the best of our knowledge:

- The financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Bank and the undertakings as a whole.
- We consider the annual report and financial statements, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Bank's position and performance, business model and strategy.

Corporate Social Responsibility
A total of GH¢1,403,923 (2020: GH¢ 2,055,485) was spent under the Bank's social responsibility programme with key focus on education, health, financial inclusion and others.

Approval of the Report of the Directors
The Report of the Directors of the Bank were approved by the Board of Directors and authorised for issue on 25 February 2022 and signed on its behalf by:

Dr. Emmanuel Oteng Kumah	**Mansa Nettey**	**Sheikh Jobe**
Chairman	**Executive Director**	**Executive Director**

Empowering Girls

We are committed to empowering girls to tackle negative gender and social norms and equipping them with knowledge and skills they need to be economic leaders in their families, communities and societies through Goal - our Futuremakers programme for girls.

Board Audit Committee

Dear Shareholder,

I am pleased to present the Audit Committee's report for the year ended 31 December 2021.

The report sets out the focus and activities of the Audit Committee over the course of the year and is presented in compliance with the disclosure requirements set out in the Securities and Exchange Commission's corporate governance code for listed companies.

The primary role of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities in areas such as the integrity of financial reporting, the adequacy of the internal controls and risk management framework as well as consideration of compliance and regulatory matters. The committee is also responsible for assessing the quality of the audit performed by, and the independence and objectivity of the external auditor, KPMG. Additionally, the committee oversees the work and quality of the internal audit function. During the year ended 31 December 2021, the committee has ensured that it has had oversight of all these areas. The committee also received reports on internal audits and control reviews as well as corrective actions taken by Management to address control weaknesses and other areas of weaknesses identified.

Role of the Audit Committee

The Committee is governed by a Terms of Reference, a copy of the which is available on the Company's website. The Terms of Reference was last amended effective October 2021. Key elements of the committee's role and work carried out are set out in this report.

Composition of the Audit committee

Members of the committee are independent non-executive directors. The membership of the Audit Committee, together with attendance at meetings, is set forth below. The committee held four (4) meetings during the year. The Chief Financial Officer, Head of Internal Audit, Chief Risk Officer, Head of Conduct, Financial Crime Compliance (CFCC), Operational Risk Officer and the external auditor regularly attend meetings of the committee. The Audit Committee met privately with the following: Head of Internal Audit, Head of Compliance, Chief Financial Officer and the external auditor during the year. The committee met with the external auditor twice.

The Committee members have detailed and relevant experience and bring an independent mindset to their role. The Board is satisfied that the Chair of the Committee has recent and relevant financial experience and that the other Committee members also have the depth of experience required for the role.

Committee composition in 2021

Kwabena Nifa Aning (Chairperson)	4/4
Professor (Mrs.) Akua Kuenyehia	4/4
Ebenezer Twum Asante	4/4

Main responsibilities of the Committee

Main responsibilities of the Committee

The Committee is responsible for oversight and advice to the Board on matters relating to financial reporting. The Committee's role is to review on behalf of the Board, the Bank's internal controls and internal financial controls. The Committee has exercised oversight of the work undertaken by the Conduct, Financial Crime & Compliance (CFCC) function, Internal Audit and the Company's Statutory Auditor, KPMG. The Committee reports to the Board on its key areas of focus following each Committee meeting.

Highlights for 2021

In 2021, the Committee discharged its mandate as set out in its Terms of Reference as follows:

- closely monitored audit findings and the actions thereon from the external and internal auditors;
- continued to robustly monitor the controls in place for management of capital and liquidity positions, especially in line with the regulatory requirements;
- reviewed and recommended to the Board to approve the financial statements of the Company for each quarter
- satisfied itself that the Company's accounting policies and practices were appropriate;
- monitored the integrity of the published financial statements, reviewing the significant financial judgments and accounting issues;
- ensured action and follow up on all compliance monitoring reports;

- provided oversight of the work undertaken by the statutory auditor

The committee would focus on ensuring the integrity of the Company's financial reporting in 2022.

The following page provides insight into the activities of the Committee for the year 2021

Activities of the Audit Committee

Financial Reporting

- Satisfied itself that the Company's accounting policies and practices are appropriate
- Reviewed the clarity and completeness of the disclosures made within the published financial statements
- Monitored the integrity of the Company's published financial statements and formal announcements relating to its financial performance, reviewing the significant financial judgements and accounting issues

External auditor

Provided oversight of the work undertaken by KPMG as the Company's statutory auditor. In particular, the Committee:

- reviewed and discussed the risks identified by KPMG's audit planning, seeking and receiving assurance that these risks had been addressed properly in the audit strategy
- satisfied itself that KPMG has allocated sufficient and suitably experienced resources to address these risks and reviewed the findings from the audit work undertaken
- reviewed and monitored the cost effectiveness of the audit taking into consideration any relevant professional and regulatory requirements and recommended approval of the audit fee by the Board
- discussed KPMG's audit planning report
- evaluated the external auditor's effectiveness and independence and on the basis of this evaluation, the Audit Committee confirms that the auditor was independent, appropriately qualified and acted with due care. KPMG has been the external Auditor for the Company since 2008. The Company is required to have a mandatory audit tender after 6 years of appointing the current auditor. The Audit Committee considers the relationship with the auditors to be working well and remains satisfied with their effectiveness and the quality of audit work, their geographical and professional capabilities.

Non -Audit Services

The Committee:

- considers and approves all instructions to the Company's external auditor to carry out non-audit work while taking into account relevant ethical guidance.
- A non-audit service relating to the certification of unpaid technology transfer fees by the Bank to Global Business Services Private Limited (GBS) in accordance with the GIPC regulations for the period 1st February 2016 to 30th April 2021 was undertaken by the external auditor. This was audit related assurance work which did not conflict with KPMG's role as external auditor. The work did not involve any accounting judgements.

Internal audit

The Committee:

- reviewed the adequacy of resourcing and proposed work plans for the Internal Audit function and is satisfied that these are appropriate
- assessed the role and effectiveness of the Internal Audit function, reviewed and monitored progress against the 2021 Audit Plan and the review and monitoring of post-audit actions. Changes to the Audit Plan, in particular COVID-19-related changes, and people changes, were also discussed by the Committee.
- reviewed and approved Internal Audit's 2022 Audit Plan
- reviewed and approved the refreshed Internal Audit Charter

The Committee is satisfied with the independence of the Internal Audit function.

Compliance, Financial Crime and Conduct (CFCC)

In 2021, the Committee was updated on and discussed:

- key supervisory areas of focus, regulatory updates and forward-looking themes and the status of outstanding regulatory requests
- the importance of continuing to strengthen the Company's risk and compliance culture
- In conjunction with the Board Risk Committee, the Committee discussed the CFCC Financial Crime Surveillance Operations (FCSO) Transformation
- Conduct, with a focus on work-from-home (WFH) arrangements and the risk and control environment in place in response to COVID-19
- In conjunction with the Board Risk committee, reviewed and recommended to the Board, the approval of the Conduct plan

As a result of the Committee's work in 2021, assurance has been provided to the Board on the quality and appropriateness of the Company's financial reporting; and on internal audit, compliance and regulatory matters, to continue to safeguard the interests of the Company's broader stakeholders.

Kwabena Nifa Aning

Chair of the Audit Committee

Board Risk Committee

Dear Shareholder,

I am pleased to present the Risk Committee's report for the year ended 31 December 2021.

The committee was very active and held a series of meetings at which the Bank's principal risks and other related issues were discussed. The report, therefore, sets out the focus and activities of the committee over the course of the year and is presented in compliance with the disclosure requirements set out in the Securities and Exchange Commission's corporate governance code for listed companies.

The Bank's approach to risk and risk management together with details on the principal risks are captured under the Bank's Enterprise Risk Management Framework. For the better part of the year the Bank operated within the risk parameters approved by the Board.

Composition of the Risk committee
Members of the committee are non-executive directors, with a majority being independent. The membership of the Risk Committee, together with attendance at meetings, is set forth below. Members of the committee are knowledgeable in risk management, finance, accounting, economics and law.

The committee held four (4) meetings during the year. The Chief Risk Officer, Head of Internal Audit, Chief Financial Officer, Head of Conduct, Financial Crime Compliance (CFCC), Operational Risk Officer, Head of Legal and the Business Heads are invitees and regularly attend meetings of the committee. The Risk Committee met privately with the Chief Risk Officer during the year.

Due to the COVID-19 pandemic, most meetings were held virtually and members were able to fully participate.

Committee composition in 2021

Committee members	Scheduled meetings (4)
Professor Akua Kuenyehia (Chairperson)	4/4
Kwabena Nifa Aning	4/4
Ebenezer Twum Asante	4/4
George Akello	4/4

Role of the Risk Committee
The purpose of the committee is to assist the Board in its oversight of the key risks faced by the Bank and to make recommendations to the Board on the Bank's overall risk appetite. Additionally, to provide an independent review and critique of:

1. The risk management policies and procedures of the Bank
2. The concentration of the risk portfolios
3. The risk-taking decisions of the Bank covering all aspects of risk exposures including credit, market, liquidity, operational and country risks.

The Committee is governed by a Terms of Reference, a copy of which is available on the Bank's website. The Terms of Reference was last amended effective October 2021. In accordance with its Terms of Reference, the Committee provides an independent overview of the effectiveness of the internal operational and risk management systems.

Main responsibilities of the Committee
The Committee is responsible for exercising oversight, on behalf of the Board, of the key risks of the Bank. It reviews the Bank's Risk Appetite Statement and Enterprise Risk Management Framework (ERMF) and makes recommendations to the Board. Its responsibilities also include reviewing the appropriateness and effectiveness of the Bank's risk management systems, considering the implications of material regulatory change proposals and reviewing reports on principal risks. The Committee reports to the Board on its key areas of focus following each Committee meeting.

Highlights of 2021
The Committee held four meetings in the year and the areas of focus were:

- enhanced focus on emerging risks including capital, liquidity and market risk;
- focus on heightened risks arising from COVID-19

pandemic, particularly fraud risk, credit risks and conduct

- comprehensive review of the Bank's risk appetite;
- Focus on heightened risk arising from the macro-economic environment
- monitored the Bank's capital adequacy and liquidity positions; and
- monitored measures implemented to strengthen the balance sheet to maintain adequate capital and liquidity, considering the COVID-19 pandemic
- Financial crime compliance, particularly at the time of Ghana's classification as a High Risk Third Country

Another key area of focus arising from the COVID-19 pandemic was the risk associated with work-from-home and the Bank's transition to a hybrid working model. The Bank conducted COVID-19 Risk and Control Environment assessment which was presented to the committee and the Board. The controls put in place to mitigate these risks were assessed by the Committee, with regular reporting at committee meetings.

The following pages provides insight into the activities of the Committee for the year 2021.

Activities of the Risk Committee

Risk Appetite

- Reviewed and challenged the formulation of the Bank's Risk Appetite Statement, in order to assure that it is effective in setting appropriate boundaries in respect of each Principal Risk Type.
- Considered and recommended the Bank's Risk Appetite to the Board for approval.
- Tracked a broad range of risk metrics that are reported to the Committee periodically.
- Monitored the Bank's risk profile and its consistency with its risk appetite

Enterprise Risk Management Framework (ERMF)

The ERMF sets out the principles and standards for risk management within the Bank. The Committee reviewed proposed material changes to the ERMF, arising from the 2020 annual review, and recommended these changes to the Board for approval. At the beginning of the year the Board, at the recommendation of the Risk Committee, approved a change in the Enterprise Risk Management Framework (ERMF), merging Reputational risk and Sustainability risk as one Principal Risk type. Operational and Technological risk was also merged as one Principal risk type, with Conduct Risk and Country Risk also being elevated as an integral part of the ERMF.

Principal Risk Types

The Bank's Principal Risk Types are reported on at each scheduled Committee meeting, through a Risk Information report, which is presented by the Chief Risk Officer. Principal risks are formally defined in the Bank's ERMF and are risks inherent in the Bank's strategy and business model. The ERMF provides a structure for monitoring and controlling these risks through the Board-approved Risk Appetite. The Committee reviewed the approach by which each Principal Risk Type is controlled.

Stress Testing

The objective of stress testing is to support the Bank in assessing that it:

- does not have a portfolio with excessive risk concentration that could produce unacceptably high losses under severe but plausible scenarios
- has sufficient financial resources to withstand severe but plausible scenarios
- has the financial flexibility to respond to extreme but plausible scenarios
- understands the key business model risks and considers what kind of event might crystallise those risks even if extreme with a low likelihood of occurring and identifies, as required, actions to mitigate the likelihood or impact as required

Stress tests were conducted on a regular basis and the outcomes reported to the committee.

Regulatory Development

The committee noted the publication of Bank of Ghana's Risk Management Directive which became effective in November 2021. Steps would be taken by the Bank to ensure full compliance with the Directive in 2022.

Emerging risks and focus for 2022

As part of its responsibilities, the committee's meetings and discussions also focused on emerging and forward-looking risks facing the Bank. Regulatory risk, third party vendor risk, fraud risk and ICS risks were identified as some of the emerging risks which the Committee would focus on in 2022.

Professor Akua Kuenyehia
Chair of the Risk Committee

Board Cyber and Information Security Committee

Dear Shareholder,

I am pleased to present the Board Cyber and Information Security Risk Committee's report for the year ended 31 December 2021.

The committee was very active and held a series of meetings at which cyber and information security risks faced by the Bank were discussed. Due to the COVID-19 pandemic, geo-political developments, Government's Digital initiatives and the Bank's strategy hinged on digitalisation, cyber security matters and business resilience became of paramount importance and the committee spent a substantial amount of time deliberating on these matters.

This report therefore sets out the focus and activities of the committee over the course of the year and is presented in compliance with the disclosure requirements set out in the Securities and Exchange Commission's corporate governance code for listed companies.

Composition of the Cyber and Information Security committee
Members of the committee are independent non-executive directors. The membership of the Committee, together with their attendance at meetings, is set forth below. Members of the committee have the requisite experience and knowledge to deliver on the mandate of the Committee.

The committee held four (4) meetings during the year. The Chief Risk Officer, Chief Information Security Officer, Chief Operations Officer, Head of Internal Audit and the Chief Financial Officer, are invitees and regularly attend meetings of the committee. The Committee met privately with the Chief Information Security Officer during the year.

Due to the COVID-19 pandemic most meetings were held virtually and members were able to fully participate.

Committee composition in 2021

Committee members	Scheduled meetings (4)
Ebenezer Twum Asante (Chairperson)	4/4
Professor (Mrs.) Akua Kuenyehia	4/4
Kwabena Nifa Aning	4/4

Role of the Cyber & Information Security Risk Committee
The purpose of the Committee is to exercise oversight on behalf of the Board of key cyber and information security risks faced by the Bank and to make recommendations to the Board on the Bank's overall cyber and information security risk appetite. Additionally, the Committee provides an independent review and critique of:

1. The cyber and information security risk management strategy of the Bank.
2. The risk-taking decisions of the Bank covering all aspects of cyber and information security.

The Committee is governed by a Terms of Reference, a copy of which is available on the Bank's website. The Terms of Reference was last amended effective October 2021.

Main responsibilities of the Committee
The Committee's mandate is to oversee the technology and cyber security risk management framework of the Bank and ensure the following objectives are achieved:

- the Bank's overall approach to information security supports high standards of governance;
- information security assurance framework is aligned to the Bank of Ghana's Cyber Security Directive and other relevant laws and regulations;
- effective measures are in place for the identification, management, control and monitoring of all risks e.g. operational, information systems, legal and compliance, and preserving the integrity of customers' information;
- reputational impact from risks relating to IT is anticipated, managed and mitigated, and that all major reputational risks are reported through the appropriate channels to the Board of Directors; and
- adequate business resilience arrangements for disaster recovery and business continuity are in place.

- support inter-institutional collaboration on cyber and information security defence and cooperation with law enforcement authorities on cyber and information security matters.

The Committee reports to the Board on its key areas of focus following each Committee meeting.

Highlights of 2021

The Committee held four meetings in the year with attention given to the following:

- received reports on the Bank's Information and Technology response to and provided oversight over implementation of action plans to ensure effective support of the shift from working in the office to working from home as a result of the effects of the COVID-19 pandemic;
- closely monitored the heightened information and cyber security risk and provided oversight on the responses implemented to mitigate the risks;
- reviewed reports on key Cyber and Information Security surveillance at the global and domestic levels.
- considered and reviewed information and cyber security threat intelligence while ensuring proactive measures are taken to mitigate against the risks arising from these;
- monitored cyber security incidences affecting the Bank;
- received reports and provided oversight over implementation of action plans to ensure compliance with the Bank of Ghana Cyber Security Directive
- closely monitored action plans to ensure the Bank obtained its PCI-DSS certification

The following provides insight into the activities of the Committee for the year 2021

Activities of the Cyber & Information Security Committee

Cyber & Information Security risk management strategy

a. reviewed reports and recommendations regarding the Bank's cyber and information security risk management strategy and made recommendations to the Board;

b. considered reports on the current and prospective cyber security environment including assessments from authoritative sources and took these into account when assessing the strategy; and

c. monitored the Bank's cyber and information security profile and its consistency with the Business/Group strategy.

Cyber & Information Security risk management framework

a. reviewed the overall cyber and information security risk management framework including the principles by which cyber and information security risk is managed;

b. considered and kept under review the Bank's capability for identifying and managing trends in cyber and information security risk issues which may not be covered by existing cyber and security risk management framework arrangements at any given time;

c. reviewed the approach by which cyber and information security risk is controlled;

d. reviewed the Bank's cyber and information security risk measurement systems;

e. reviewed reports on the Bank's management of cyber and information security risk, including adherence to Bank policies and standards, local regulations and the maintenance of a supportive culture; and

f. received notification of any material cyber security incidents and proposed action.

Business Resilience

a. conducted an annual review of the Bank's cyber security breach response and crisis management plan.

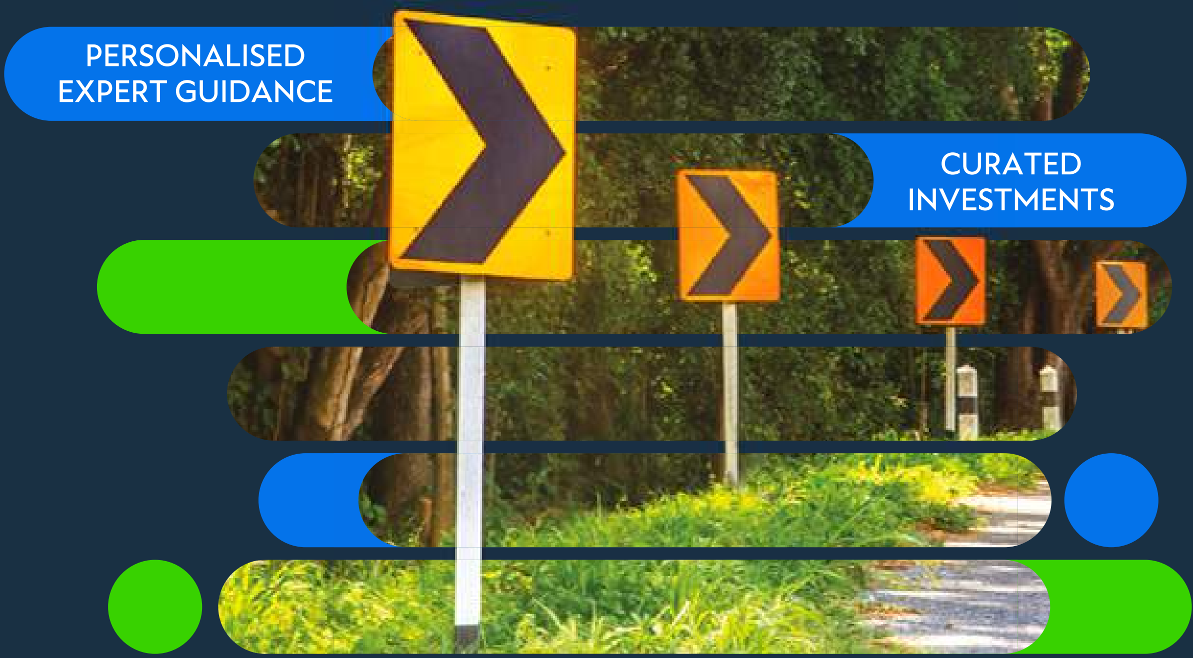
b. conducted an annual review of the work plans for cyber and information security, business continuity and disaster recovery, and recommended same to the Board for approval.

Regulatory compliance

Reviewed the Bank's action plans towards full compliance with the Bank of Ghana Cyber Security Directive.

Ebenezer Twum Asante

Chair of the Cyber and Information Security Committee


PERSONALISED
EXPERT GUIDANCE
CURATED
INVESTMENTS

Independent Auditor's Report

Independent Auditor's Report to the members of Standard Chartered Bank Ghana PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Standard Chartered Bank PLC ("the Bank"), which comprises the statement of financial position 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 79 to 160.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the 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 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 enough 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of loans and advances to customers GH¢ 150 million
Refer to Note 21b to the financial statements

The key audit matter	*How the matter was addressed in our audit*
Loans and advances to customers amounted to GH¢ 2,037 million at 31 December 2021 (GH¢ 1,879 million at 31 December 2020), and the total impairment allowance account for the Bank amounted to GH¢ 150 million at 31 December 2021 (GH¢ 184 million at 31 December 2020). The Bank is required to recognise expected credit losses (ECL) on financial instruments which involves significant judgement and estimates to be made by the Bank. The carrying value of financial instruments within the scope of IFRS 9 ECL may be materially misstated if judgements or estimates made by the Bank are inappropriate. In 2020, the global COVID-19 pandemic has also significantly impacted businesses of customers and this could consequently impact the performance of credit portfolios.	Based on our risk assessment and industry knowledge, we have examined the impairment allowances for loans and advances to customers and evaluated the methodology applied as well as the assumptions made according to the description of the key audit matter. Our procedures included the following: • Assessing and testing the design, implementation and operating effectiveness of key controls over the capture, monitoring and reporting of loans and advances to customers. • Assessing and testing the design and operating effectiveness of controls over the Bank's loan impairment process regarding management's review process over impairment calculations. • Assessing the completeness and accuracy of key data inputs used in the ECL calculation through testing a sample of relevant data fields and their aggregate amounts against data in the source system considered the impact of COVID-19.

The key audit matter	*How the matter was addressed in our audit*
The effect of these matters is that, as part of our risk assessment, we determined that the value of ECL has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole. Measurement of impairment under IFRS 9 is deemed a key audit matter because impairment is based on an expected credit loss model, which the Bank estimates on both an individual and a collective basis. This calculation entails a considerable level of judgement as this is a significant and complex estimate. The Bank's ECL model includes certain judgements and assumptions such as: • the credit grades allocated to the counterparties; • the probability of a loan becoming past due and subsequently defaulting (probability of default 'PD'); • the determination of the Bank's definition of default; • the magnitude of the likely loss if there is default (loss given default 'LGD'); • the expected exposure in the event of a default (exposure at default 'EAD'); • the criteria for assessing significant increase in credit risk (SICR); • the rate of recovery on the loans that are past due and in default; • the identification of impaired assets and the estimation of impairment, including the estimation of future cash flows, market values and estimated time and cost to sell collateral; and • the incorporation of forward-looking information related to the expected outlook on the country's inflation rates, central bank interest rates, exchange rates and the gross domestic product used in determining the expected credit losses in the loans and advances portfolios.	• Assessing and testing the effectiveness of the SICR thresholds employed by the Bank across material retail and corporate portfolios. • Assessing the appropriateness of the Bank's methodology for determining the base case economic scenario for material macroeconomic variables to determine whether these have sufficiently considered the impact of COVID-19, and to challenge the base case forecast against market information. • Assessing individual exposures: We selected a sample (based on quantitative thresholds) of larger clients where impairment indicators had been identified by the Bank focusing on industries which were severely affected by COVID-19. We obtained the Bank's assessment of the recoverability of these exposures and challenged whether individual impairment allowance, or lack of, were appropriate. • Using a KPMG specialist to independently assess and substantively validate the impairment models by re-performing calculations for certain aspects of material models. • Assessing the appropriateness of overlays (qualitative adjustments) to model-driven ECL by taking into account the judgements and estimates the Bank has made through the ECL calculation process (including macroeconomic forecasts). • Assessing the adequacy of the Bank's disclosures in relation to impairment about changes in estimates occurring during the period and its sensitivity to key assumptions. In addition, we assessed whether the disclosure of the key judgements and assumptions made were appropriate.

Independent Auditor's Report continued

Other Information

The Directors are responsible for the other information. The other information comprises the Report of the Directors as required by the Companies Act, 2019 (Act 992) and Corporate Information which we obtained prior to the date of this auditor's report and the Statement on Corporate Governance, Strategic Report, Audit Committee Report, Risk committee Report, Remuneration Committee report, Nominating Committee report and Supplementary information which is expected to be made available to us after that date but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and 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 based on these financial statements.

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

- Identify and assess the risks of material misstatement of the 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 to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the

related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 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 statements of financial position and profit or loss and other comprehensive income are in agreement with the accounting records and returns.

– We are independent of the Bank under audit pursuant to Section 143 of the Companies Act, 2019 (Act 992).

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

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

– The Bank's transactions were within its powers and the Bank generally complied with the relevant provisions of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

– The Bank has generally complied with the provisions of the Anti-Money Laundering Act, 2020 (Act 1044) Anti-Terrorism Act, 2008 (Act 762) and all relevant Amendments and Regulations governing the Acts.

KPMG

FOR AND ON BEHALF OF:
KPMG: (ICAG/F/2022/038)
CHARTERED ACCOUNTANTS
13 YIYIWA DRIVE, ABELENKPE
P O BOX GP 242
ACCRA

28 February 2022

Financial statements

Statement of comprehensive income

For the year ended 31 December 2021

	Notes	2021 GH¢'000	2020 GH¢'000
Interest income calculated using the effective interest method	8	**819,932**	795,374
Interest expense	8	**(173,575)**	(154,856)
Net interest income	8	**646,357**	640,518
Fees and commission income	9	**170,024**	153,045
Fees and commission expense	9	**(14,179)**	(13,606)
Net fee and commission income		**155,845**	139,439
Net trading income	10	**268,504**	246,622
Net loss from other financial instruments carried at fair value through profit/loss	11	**(378)**	(6,331)
Other income		**-**	2,488
Operating income		**1,070,328**	1,022,736
Net impairment gain/(loss) on financial asset	12	**5,892**	(59,284)
Operating income net of impairment charges		**1,076,220**	963,452
Personnel expenses	13a	**(245,459)**	(209,281)
Depreciation and amortisation	23b	**(34,608)**	(32,808)
Other expenses	14	**(101,656)**	(45,973)
Total operating expenses		**(381,723)**	(288,062)
Profit before income tax		**694,497**	675,390
Income tax expense	15(i)	**(196,366)**	(163,325)
National Fiscal Stabilization Levy	15(i)	**(34,725)**	(33,769)
Financial Sector Clean up Levy	15(i)	**(26,472)**	-
Total tax and levy		**(257,563)**	(197,094)
Profit for the year		**436,934**	478,296
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Debt instruments at fair value through other comprehensive income; Net changes in fair value		**(26,335)**	33,484
Reclassified to profit or loss		**229**	-
Total comprehensive income for the year		**410,828**	511,780
Basic earnings per share (Ghana Cedi per share)	16(i)	**3.23**	3.54
Diluted earnings per share (Ghana Cedi per share)	16(i)	**3.23**	3.54

The notes on pages 83 to 160 are an integral part of these financial statements.

Statement of financial position

At 31 December 2021

	Notes	2021 GH¢'000	2020 GH¢'000
Assets			
Cash and cash equivalents	18	**3,203,097**	2,724,718
Derivative assets held for risk management	19a	**10,143**	5,675
Trading assets non- pledged	20	**361,964**	406,254
Loans to other banks	21a	**241,254**	15,000
Loans and advances to customers	21b(i)	**1,886,799**	1,695,213
Investment securities	22a	**3,761,388**	2,419,537
Current tax assets	15(ii)	**31,649**	60,857
Property and equipment	23a	**242,067**	258,440
Equity investments	22b(i)	**1,001**	1
Other assets	25	**381,214**	445,979
Total assets		**10,120,576**	8,031,674
Liabilities			
Derivative liabilities held for risk management	19b	**9,249**	161
Deposits from banks	26	**79,690**	84,980
Deposits from customers	27	**7,554,457**	5,751,627
Borrowings	28	**240,244**	86,403
Provisions	29b	**86,228**	69,060
Deferred tax liabilities	24	**11,623**	9,978
Other liabilities	29a	**495,803**	562,661
Total liabilities		**8,477,294**	6,564,870
Shareholders' funds			
Stated capital	31(i)	**400,000**	400,000
Income surplus	31(ii)	**553,412**	440,014
Reserve fund	31(iii)	**568,228**	513,611
Credit risk reserve	31(iv)	**144,087**	109,518
Other reserves	31(v)	**(22,445)**	3,661
Total shareholders' funds		**1,643,282**	1,466,804
Total liabilities and shareholders' funds		**10,120,576**	8,031,674
Net assets value per share (Ghana Cedis per share)	37	**12.13**	10.82

Approval of financial statements

These financial statements were approved by the Board of Directors on 25 February 2022 and signed on its behalf by

Mansa Nettey
Director

Sheikh Jobe
Director

The notes on pages 83 to 160 are an integral part of these financial statements

Statement of changes in equity

For the year ended 31 December 2021

2021	Note	Stated capital GH¢ '000	Income surplus GH¢ '000	Reserve fund GH¢ '000	Credit risk reserve GH¢ '000	Other reserves GH¢ '000	Total Shareholders' Funds GH¢ '000
Balance at 1 January 2021		**400,000**	**440,014**	**513,611**	**109,518**	**3,661**	**1,466,804**
Total Comprehensive income							**-**
Profit for the year			**436,934**				**436,934**
Other comprehensive income							**-**
Debt instruments at fair value through other comprehensive income-Net changes in fair value						**(26,335)**	**(26,335)**
Debt investments at FVOCI – reclassified to profit or loss						**229**	**229**
Total Comprehensive income		**-**	**436,934**			**(26,106)**	**410,828**
Transfers:							
Transfer to credit risk reserve			**(34,569)**		**34,569**	**-**	**-**
Transfer to reserve funds			**(54,617)**	**54,617**			
Total Transfers		**-**	**(89,186)**	**54,617**	**34,569**	**-**	**-**
Transactions with owners of the bank							
Dividends	**32**	**-**	**(234,350)**	**-**	**-**	**-**	**(234,350)**
Total Transactions with owners of the bank							
Balance at 31 December 2021		**400,000**	**553,412**	**568,228**	**144,087**	**(22,445)**	**1,643,282**

2020	Note	Stated capital GH¢ '000	Income surplus GH¢ '000	Reserve fund GH¢ '000	Credit risk reserve GH¢ '000	Other reserves GH¢ '000	Total Shareholders' Funds GH¢ '000
Balance at 1 January 2020		400,000	317,043	370,122	109,518	(29,823)	1,166,860
Total Comprehensive income							
Profit for the year		-	478,296	-	-	-	478,296
Other comprehensive income							
Debt instruments at fair value through other comprehensive income-Net changes in fair value		-	-	-	-	33,484	33,484
Total comprehensive income		-	478,296	-	-	33,484	511,780
Transfers:							
Transfer to credit risk reserve		-	-	-	-	-	-
Transfer to reserve funds		-	(143,489)	143,489	-	-	-
Total transfers			(143,489)	143,489	-	-	-
Transactions with owners of the bank							
Dividends	32	-	(211,836)	-	-	-	(211,836)
Total Transactions with owners of the bank							
Balance at 31 December 2020		400,000	440,014	513,611	109,518	3,661	1,466,804

The notes on pages 83 to 160 are an integral part of these financial statements.

Statement of cash flows

For the year ended 31 December 2021

	Notes	2021 GH¢'000	2020 GH¢'000
Cash flows from operating activities			
Profit before tax		**694,497**	675,390
Adjustments for:			
Depreciation	23b	**34,608**	32,808
Impairment on financial assets	12	**(5,892)**	59,284
Lease interest expense	30iii	**18,856**	17,667
Net interest income	8	**(646,357)**	(640,518)
Other income		**-**	(2,488)
Unrealised exchange gain/loss on trading		**(102,614)**	(86,260)
Effect of exchange		**176,041**	191,685
		169,139	247,568
Change in trading assets		**44,290**	(154,253)
Change in derivative assets held for risk management		**(4,468)**	8,159
Change in other assets		**85,827**	(165,540)
Change in loans to other banks		**(226,254)**	101,208
Change in loans and advances to customers		**(191,586)**	(75,453)
Change in derivative liabilities held for risk management		**9,088**	(5,221)
Change in deposits from banks		**(5,290)**	85,987
Change in deposits from customers		**1,802,830**	332,323
Change in borrowings		**153,841**	(190,282)
Change in other liabilities and provisions		**45,388**	45,553
		1,882,805	230,049
Interest received		**786,418**	767,365
Interest paid		**(191,118)**	(152,397)
Income tax paid	15(ii)	**(247,826)**	(208,123)
Net cash from operating activities		**2,230,279**	636,894
Cash flows from investing activities			
Purchase of investment securities		**(5,949,210)**	(2,490,223)
Sale/redemption of investment securities		**4,633,465**	2,420,071
Purchase of property and equipment	23a	**(4,702)**	(12,015)
Net cash used in investing activities		**(1,320,447)**	(82,167)
Cash flows from financing activities			
Dividend paid	32	**(234,350)**	(211,836)
Lease principal repayment		**(21,062)**	(15,308)
		(255,412)	(227,144)
Net cash used in financing activities			
Net increase in cash and cash equivalents		**654,420**	327,583
Effect of exchange fluctuation on cash held		**(176,041)**	(191,685)
Cash and cash equivalents at 1 January		**2,724,718**	2,588,820
Cash and cash equivalents at 31 December	18	**3,203,097**	2,724,718

The notes on pages 83 to 160 are an integral part of these financial statements.

Financial statements

Notes to the financial statements

For the year ended 31 December 2021

1. Reporting entity

Standard Chartered Bank Ghana PLC is a Bank incorporated in Ghana. The Bank operates with a Universal Banking license that allows it to undertake banking and related activities. Its registered office is Standard Chartered Bank Building situated at No. 87 Independence Avenue, Accra. The financial statements comprise the separate financial statements of the Bank as at and for the year ended 31 December 2021.

The Bank is listed on the Ghana Stock Exchange.

2. Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations as issued by the International Accounting Standards Board (IASB) and in a 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 preparation

Basis of measurement

The financial statements are prepared using the historical cost basis except for the following assets and liabilities that are measured at their fair value: derivative financial instruments, financial instruments at fair value through profit or loss and debt instruments classified as fair value through other comprehensive income.

Functional and presentation currency

The financial statements are presented in Ghana Cedis which is the Bank's functional currency. All values are rounded to the nearest thousand GH¢ except otherwise indicated.

2.3 Use of judgements and estimates

COVID-19 considerations

Paragraph 125 of IAS 1 requires disclosure about the assumptions that a Bank makes about the future and other sources of estimation uncertainty at the reporting date that have a significant risk of resulting in a material adjustment within the next financial year. COVID-19 is to significantly impact such assumptions. During the pandemic, the Bank has started facing significant disruption to business operations and economic activity, particularly where there has been implementation of stringent measures to contain or reduce the spread of the virus, with cascading impacts on both upstream and downstream supply chains; a more volatile capital, commodity and foreign exchange markets; and disrupted business relations with companies that operate in the non-essential sectors as determined by the Central Government.

The above economic and business impacts will have significant and pervasive financial reporting implications on financial statements resulting in increased complexity, subjectivity and uncertainty which will impact the recognition, measurement, presentation and disclosure in the financial statements including but not limited to increased estimation uncertainty and changes to estimation techniques and assumptions for measuring ECL, measuring fair values of financial instruments, and recognising deferred tax assets. No impairment has been recognised on non-financial assets specifically property and equipment as there has been no indicators of impairment such as market value decline, obsolescence or physical damage, worse economic performance than expected among others. Management has therefore assessed that the assets useful life, depreciation method or residual value as earlier determined remains the same.

In preparing these financial statements, Management made judgements, estimates and assumptions that affect the application of the Bank's accounting policies and the reported amounts. Actual results may sometimes differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

(a) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in 4.4.2 – establishing the criteria for determining whether credit risk on the 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.

(b) Assumptions and estimation uncertainties

Information about assumptions and estimating uncertainties that have the most significant risk of resulting in a material adjustment in the year ended 31 December 2021 is included in note 4.4.2-impairment of financial instruments: determination of inputs into the ECL measurement model, including determination of stage 3 individually assessed impairment, recoverable cash flows and incorporation of forward-looking information and note 7.2 – measurement of fair value of financial instruments with significant unobservable units.

3.Accounting policies

3.1 New standards effective from 1 January 2021

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

a. 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; 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 amendments are effective for periods beginning on or after 1 June 2020, 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. It is not expected that this will impact the Bank significantly.

b. Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

IBOR reform will generally result in a change in the basis for determining the contractual cash flows of that financial asset or financial liability. As a practical expedient, a company will apply paragraph B5.4.5 of IFRS 9 to account for a change in the basis for determining the contractual cash flows of a financial asset or financial liability that is required by IBOR reform – i.e. update the effective interest rate of the financial asset or financial liability. For this purpose, a change is required by IBOR reform if the following conditions are met.

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

If there are other changes to the basis for determining the contractual cash flows, then a company first applies the practical expedient to the changes required by IBOR reform and then other applicable requirements of IFRS 9.

3.Accounting policies continued

3.1 New standards effective from 1 January 2021 continued

Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) continued

An insurer applying IAS 39 will also apply amendments similar to the above. The amendments are applied for annual periods beginning on or after 1 January 2021 with earlier application permitted. It is not expected that this will impact the Bank significantly.

3.2 New and amended standards issued not yet adopted by the Bank

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2021 and have not been applied in preparing these financial statements. Those which may be relevant to the Bank are set out below. The Bank does not plan to early adopt these Standards. The Bank is yet to assess the impact of the standards on the financial statements.

a. 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.

b. 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.

c. 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.

d. 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.

e. 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.

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

The amendments are to be applied retrospectively from the effective date.

f. 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.

3. Accounting policies continued

f. Definition of accounting estimates (Amendments to IAS 8) continued

- The Board clarified that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.
- A change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognised as income or expense in the current period. The effect, if any, on future periods is recognised as income or expense in those future periods.

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

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

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

g. Disclosure Initiative: Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)

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

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

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

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

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

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

h. Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (Amendment to IAS 12)

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

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

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

i. COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)

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

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

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

The 2021 amendments are effective for annual reporting periods beginning on or after 1 April 2021. Lessees are permitted to apply it early, including in financial statements not authorised for issue. The 2021 amendments are applied retrospectively with the cumulative effect of initially applying it being recognised in opening retained earnings.

3.3 Interest income and expense

a. Effective interest rate

Interest income and expense are recognised in the 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 bank estimates future cash flows considering all contractual terms of the financial instrument, but not expected credit loss (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 included incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

b. Amortised cost and gross carrying amount

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between 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.

c. Calculation of interest income and expense

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

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

3. Accounting policies continued

3.3 Interest income and expense continued

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

d. Presentation

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

- interest on financial assets measured at amortised cost;
- interest on debt instruments measured at FVOCI;

Interest expense presented in the statement of comprehensive income comprise interest on financial liabilities measured at amortised cost.

Interest income and expense on all trading assets and liabilities are incidental to the Bank's trading operations and are presented together with all other changes in the fair value of trading assets and liabilities in net trading income.

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

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

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

a. Transaction Banking

The Bank recognises fee income associated with transactional trade and cash management at the point in time the service is provided. The Bank recognises income associated with trade contingent risk exposures (such as letters of credit and guarantees) over the period in which the service is provided. Payment of fees is usually received at the same time the service is provided. In some cases, letters of credit and guarantees issued by the Bank have annual upfront premiums, which are amortised on a straight-line basis to fee income over the year.

b. Financial Markets and Corporate Finance

The Bank recognises fee income at the point in time the service is provided. Fee income is recognised for a significant non-lending service when the transaction has been completed and the terms of the contract with the customer entitle the Bank to the fee. Fees are usually received shortly after the service is provided.

Syndication fees are recognised when the syndication is complete. Fees are generally received before completion of the syndication, or within 12 months of the transaction date. Securities services include custody services, fund accounting and administration, and broker clearing. Fees are recognised over the period the custody or fund management services are provided, or as and when broker services are requested.

c. Wealth Management

Upfront consideration on bancassurance agreements is amortised straight-line over the contractual term. Commissions for bancassurance activities are recorded as they are earned through sales of third-party insurance products to customers. These commissions are received within a short time frame of the commission being earned. Target-linked fees are accrued based on a percentage of the target achieved, provided it is assessed as highly probable that the target will be met. Cash payment is received at a contractually specified date after achievement of a target has been confirmed. Upfront and trailing commissions for managed investment placements are recorded as they are confirmed. Income from these activities is relatively even throughout the period, and cash is usually received within a short time frame after the commission is earned.

d. Retail Products

The Bank recognises most income at the point in time the Bank is entitled to the fee, since most services are provided at the time of the customer's request. Credit card annual fees are recognised at the time the fee is received since, in most of our retail markets, there are contractual circumstances under which fees are waived, so income recognition is constrained until the uncertainties associated with the annual fee are resolved. The Bank defers the fair value of reward points on its credit card reward programmes, and recognises income and costs associated with fulfilling the reward at the time of redemption.

3.5 Net trading income

Net trading income comprises gains less losses related to trading assets and liabilities, and includes all fair value changes, interest, and foreign exchange differences.

3.6 Net income from other financial instruments at FVTPL

Net income from other financial instruments at FVTPL relates to non-trading derivatives held for risk management purposes that do not form part of qualifying hedging relationships and financial assets held at FVTPL. The line item includes fair value changes, interest, and foreign exchange differences.

3.7 Foreign currency transaction

Transactions in foreign currencies are translated into the functional currency of the Bank at the average exchange rate at the date of the transactions. The transaction rates used are the average of the buying and selling of the underlying inter-bank foreign exchange rate as quoted by the Bank of Ghana (BoG). 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 statement of comprehensive income. Non-monetary assets and liabilities are translated at historical exchange rates if held at historical cost or exchange rates at the date the fair value was determined if held at fair value, and the resulting foreign exchange gains and losses are generally recognised in statement of comprehensive income.

3.8 Leases

At inception of a contract, the Bank 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 in exchange for consideration.

Bank acting as a lessee

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

The Bank recognises a right-of-use asset and a lease liability at the commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before commencement date, plus any initial direct costs attributable to the lease contract.

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

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

The Bank determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

3. Accounting policies continued

3.8 Leases continued

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

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

The lease liability is measured at amortised cost using the effective interest method. A re-measurement of the lease liability and right-of-use asset is required under the following circumstances:

(a) change in future lease payments arising from a change in an index or rate,

(b) if there is a change in the Bank's estimate of the amount expected to be payable under a residual value guarantee,

(c) if the Bank changes its assessment of whether it will exercise a purchase, extension, or termination option or if there is a revised in substance fixed lease payment.

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

Short term leases and leases of low-value assets

The Bank has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Bank recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The Bank presents interest on lease liability in other expenses in the statement of comprehensive income.

3.9 Financial instruments

3.9.1 Recognition and initial measurement

The Bank initially recognises cash and cash equivalents, loans and advances to customers, loans and advances to banks, investment securities, other assets, deposits from bank, deposits from customers and other liabilities on the date on which they are originated. All other financial instruments (including regular way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Bank becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. The fair value of a financial instrument at initial recognition is generally its transaction price.

On initial recognition, a financial asset is classified as measured at: amortised cost, Fair value through other comprehensive income (FVOCI) or Fair value through profit or loss.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are Solely Payment of Principal and Interest (SPPI) on the principal amount outstanding.

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

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

All other financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

In addition, on initial recognition, the Bank may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment - financial assets

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

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

ii. How the performance of the portfolio is evaluated and reported to the Bank's management;

iii. The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

iv. How managers of the business are compensated e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected;

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

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

3.9.2 Classification and subsequent measurement

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

Financial Assets

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

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

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

The Bank holds a portfolio of long-term fixed rate loans for which the Bank has the option to propose a revision of the interest rate at periodic reset dates. These reset rights are limited to the market rate at the time of revision. The right to reset the rates of the loans based on the revision in market rates is part of the contractually agreed terms on inception of the loan agreement; therefore, the borrowers are obligated to comply with the reset rates without any option of repayment of the loans at par at any reset date. The Bank has determined that the contractual cash flows of these loans are solely payments of principal and interest because the option varies with the interest rate in a way that is considered a consideration for the time value of money, credit risk, other basic lending risks and costs associated with the principal amount outstanding.

3. Accounting policies continued

3.9.2 Classification and subsequent measurement continued

Reclassifications

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

a. Amortised cost

Financial assets at amortised cost comprise cash and cash equivalents, loans to other Banks, loans and advances to customers, other assets and other investments.

They are initially recognised at fair value plus incremental direct transaction costs and are subsequently measured at amortised cost using the effective interest method less any impairment losses. Interest income determined using the effective interest method, foreign exchange gains and losses and impairment are reported in profit or loss. Any gain or loss on derecognition is recognised in statement of comprehensive income.

b. Fair value through other comprehensive income (FVOCI)

i. Debt Instruments

The debt instrument is initially recognised at fair value plus direct transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment gains or losses, interest revenue and foreign exchange gains and losses are recognised in profit or loss. Upon disposal or derecognition, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss.

Interest income from these financial assets is determined using the effective interest method and recognised in the profit or loss as 'Interest income calculated using the effective interest method'.

The measurement of credit impairment is based on the three-stage expected credit loss model as applied to financial assets at amortised cost.

c. Fair value through profit or loss (FVTPL)

The gain or loss arising from changes in fair value of a debt investment that is subsequently measured at fair value through the profit or loss and is not part of a hedging relationship is included directly in statement of comprehensive income and reported as 'Net gains/(losses) in financial instruments classified as FVTPL' in the period in which it arises. Interest income from these financial assets is recognised in profit or loss as 'net income or loss financial asset at fair value through profit or loss.

d. Other financial liabilities

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

When the Bank sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (sale-and-repurchase agreement), the arrangement is accounted for as a deposit, and the underlying asset continues to be recognised in the Bank's financial statements.

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

Other financial liabilities are initially measured at fair value minus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest method.

3.9.3 Derecognition

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

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

Any cumulative gain or loss recognised in OCI in respect of equity investment securities designated as at FVOCI is not recognised in profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Bank is recognised as a separate asset or liability.

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

Financial liabilities are derecognised when the contractual obligations are discharged, cancelled, or expire.

3.9.4 Fair value measurement

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market is accessible by the Bank.

The fair value of an asset or a liability is measured using the assumptions that market participants would use, when pricing the asset or liability, assuming that market participants act in their economic best interest.

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.

For complex instruments such as swaps, the Bank uses proprietary models, which are usually developed from recognised valuation models. Some or all of the inputs into these models may be derived from market prices or rates or are estimates based on assumptions.

The value produced by a model or other valuation technique may be adjusted to allow for a number of factors as appropriate, because valuation techniques cannot appropriately reflect all factors market participants take into account when entering into a transaction. Management believes that these valuation adjustments are necessary and appropriate to fairly measure financial instruments carried at fair value on the statement of financial position.

3.9.5 Offsetting

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, and only when, the Bank has a legally enforceable right to set off the amounts and intends either to settle 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 by the accounting standards, or for gains and losses arising from a group of similar transactions such as in the Bank's trading activity.

3.9.6 Modification

Financial assets

If the terms of a financial asset are modified, then the Bank evaluates whether the cash flows of the modified asset are substantially different.

3. Accounting policies continued

3.9.6 Modification continued

If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised, and a new financial asset is recognised at fair value 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 Bank plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place (see below for write-off policy). This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

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

Any costs or fees incurred, and fees received as part of the modification adjust the gross carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses.

Financial liabilities

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

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

3.9.7 a. Identification and measurement of impairment

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

- financial assets that are debt instruments;
- financial guarantee contracts issued; and
- loan commitments issued.

No impairment loss is recognised on equity investments.

The Bank's expected credit loss (ECL) calculations are outputs of complex models with a number of underlying assumptions. The significant judgements and estimates in determining expected credit loss include:

The Bank's criteria for assessing if there has been a significant increase in credit risk; and development of expected credit loss models, including the choice of inputs relating to macroeconomic variables.

The calculation of credit-impairment provisions also involves expert credit judgement to be applied by the credit risk management team based upon counterparty information they receive from various sources including relationship managers and on external market information.

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

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments (other than lease receivables) on which credit risk has not increased significantly since their initial recognition.

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which a 12-month ECL is recognised are referred to as 'Stage 1 financial instruments.

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

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

b. Expected credit losses

Expected credit losses are determined for all financial debt instruments that are classified at amortised cost or fair value through other of comprehensive income, undrawn commitments and financial guarantee contracts issued.

An expected credit loss represents the present value of expected cash shortfalls over the residual term of a financial asset, undrawn commitment or financial guarantee.

A cash shortfall is the difference between the cash flows that are due in accordance with the contractual terms of the instrument and the cash flows that the bank expects to receive over the contractual life of the instrument.

Measurement

Expected credit losses are computed as unbiased, probability weighted amounts which are determined by evaluating a range of reasonably possible outcomes, the time value of money, and considering all reasonable and supportable information including that which is forward looking. They are measured as follows:

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

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

  - financial assets other than purchased or originated credit impaired (POCI) financial assets): the original effective interest rate or an approximation thereof;
  - POCI assets: a credit-adjusted effective interest rate;
  - undrawn loan commitments: the effective interest rate, or an approximation thereof, that will be applied to the financial asset resulting from the loan commitment; and
  - financial guarantee contracts issued: the rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows.

3. **Accounting policies** continued

3.9.7 **Identification and measurement of impairment** continued

For material portfolios, the estimate of expected cash shortfalls is determined by multiplying the probability of default (PD) with the loss given default (LGD) with the expected exposure at the time of default (EAD). There may be multiple default events over the lifetime of an instrument. Further details on the components of PD, LGD and EAD are disclosed in the credit risk section. For less material Retail Banking loan portfolios, the Bank has adopted simplified approaches based on historical roll rates or loss rates.

Forward-looking economic assumptions are incorporated into the ECL Computation where relevant and where they influence credit risk, such as GDP growth rates, interest rates, house price indices and commodity prices among others. These assumptions are incorporated using the Bank's most likely forecast for a range of macroeconomic assumptions. These forecasts are determined using all reasonable and supportable information, which includes both internally developed forecasts and those available externally, and are consistent with those used for budgeting, forecasting and capital planning.

To account for the potential non-linearity in credit losses, multiple forward-looking scenarios are incorporated into the range of reasonably possible outcomes for all material portfolios. For example, where there is a greater risk of downside credit losses than upside gains, multiple forward-looking economic scenarios are incorporated into the range of reasonably possible outcomes, both in respect of determining the PD (and where relevant, the LGD and EAD) and in determining the overall expected credit loss amounts. These scenarios are determined using a Monte Carlo approach centred around the bank's most likely forecast of macroeconomic assumptions.

The period over which cash shortfalls are determined is generally limited to the maximum contractual period for which the Bank is exposed to credit risk. However, for certain revolving credit facilities, which include credit cards or overdrafts, the Bank's exposure to credit risk is not limited to the contractual period. For these instruments, the Bank estimates an appropriate life based on the period that the Bank is exposed to credit risk, which includes the effect of credit risk management actions such as the withdrawal of undrawn facilities.

For credit-impaired financial instruments, the estimate of cash shortfalls may require the use of expert credit judgement. As a practical expedient, the Bank may also measure credit impairment on the basis of an instrument's fair value using an observable market price.

The estimate of expected cash shortfalls on a collateralised financial instrument reflects the amount and timing of cash flows that are expected from foreclosure on the collateral less the costs of obtaining and selling the collateral, regardless of whether foreclosure is deemed probable.

Cash flows from unfunded credit enhancements held are included within the measurement of expected credit losses if they are part of, or integral to, the contractual terms of the instrument (this includes financial guarantees, unfunded risk participations and other non-derivative credit insurance). Although non-integral credit enhancements do not impact the measurement of expected credit losses, a reimbursement asset is recognised to the extent of the expected credit losses recorded.

Cash shortfalls are discounted using the effective interest rate on the financial instrument as calculated at initial recognition or if the instrument has a variable interest rate, the current effective interest rate determined under the contract.

Recognition

12 months expected credit losses (Stage 1)

Expected credit losses are recognised at the time of initial recognition of a financial instrument and represent the lifetime cash shortfalls arising from possible default events up to 12 months into the future from the reporting date. Expected credit losses continue to be determined on this basis until there is either a significant increase in the credit risk of an instrument or the instrument becomes credit- impaired. If an instrument is no longer considered to exhibit a significant increase in credit risk, expected credit losses will revert to being determined on a 12-month basis.

Significant increase in credit risk (Stage 2)

If a financial asset experiences a significant increase in credit risk (SICR) since initial recognition, an expected credit loss provision is recognised for default events that may occur over the lifetime of the asset.

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 such as lending placed on non-purely precautionary early alert and observed changes in external indicators such as external credit rating, 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 always be considered to have experienced a significant increase in credit risk. For less material portfolios where a loss rate or roll rate approach is applied to compute expected credit loss, significant increase in credit risk is primarily based on 30 days past due.

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.

The Bank compares the residual lifetime PD at the statement of financial position date to the residual lifetime PD that was expected at the time of origination for the same point in the term structure and determine whether both the absolute and relative change between the two exceeds predetermined thresholds. To the extent that the differences between the measures of default outlined exceed the defined thresholds, the instrument is considered to have experienced a significant increase in credit risk.

Qualitative factors assessed include those linked to current credit risk management processes, such as lending placed on non-purely precautionary early alert (and subject to closer monitoring).

A non-purely precautionary early alert account is one which exhibits risk or potential weaknesses of a material nature requiring closer monitoring, supervision, or attention by management. Weaknesses in such a borrower's account, if left uncorrected, could result in deterioration of repayment prospects and the likelihood of being downgraded. Indicators could include a rapid erosion of position within the industry, concerns over management's ability to manage operations, weak/deteriorating operating results, liquidity strain and overdue balances among other factors.

Credit impaired (or defaulted) exposures (Stage 3)

Financial assets that are credit impaired (or in default) represent those that are at least 90 days past due in respect of principal and/or interest. Financial assets are also considered to be credit impaired where the obligors are unlikely to pay on the occurrence of one or more observable events that have a detrimental impact on the estimated future cash flows of the financial asset. It may not be possible to identify a single discrete event but instead the combined effect of several events may cause financial assets to become credit impaired.

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

- Significant financial difficulty of the issuer or borrower;
- Breach of contract such as default or a past due event;
- For economic or contractual reasons relating to the borrower's financial difficulty, the lenders of the borrower have granted the borrower concessions that lenders would not otherwise consider. This would include forbearance actions;
- Pending or actual bankruptcy or other financial reorganisation to avoid or delay discharge of the borrower's obligation/s;
- The disappearance of an active market for the applicable financial asset due to financial difficulties of the borrower; and
- Purchase or origination of a financial asset at a deep discount that reflects incurred credit losses.

Loss provisions against credit impaired financial assets are determined based on an assessment of the recoverable cash flows under a range of scenarios, including the realisation of any collateral held where appropriate. The loss provisions held represent the difference between the present value of the cash flows expected to be recovered, discounted at the instrument's original effective interest rate, and the gross carrying value of the instrument prior to any credit impairment. The Bank's definition of default is aligned with definition of default as set out in IFRS 9.

3. Accounting policies continued

3.9.7 Identification and measurement of impairment continued

Expert credit judgement

For Corporate, Commercial and Institutional, borrowers are graded by credit risk management on a credit grading (CG or Grade) scale from CG1 to CG14. Once a borrower starts to exhibit credit deterioration, it will move along the credit grading scale in the performing book and when it is classified as CG12 the credit assessment and oversight of the loan will normally be performed by Group Special Assets Management (GSAM).

Borrowers graded CG12 exhibit well-defined weaknesses in areas such as management and/or performance but there is no current expectation of a loss of principal or interest. Where the impairment assessment indicates that there will be a loss of principal on a loan, the borrower is graded a CG14 while borrowers of other credit impaired loans are graded CG13. Instruments graded CG13 or CG14 are regarded as non-performing loans, i.e. Stage 3 or credit impaired exposures.

For individually significant financial assets within Stage 3, Group Special Asset Management (GSAM) will consider all judgements that have an impact on the expected future cash flows of the asset. These include: the business prospects, industry and geo-political climate of the customer, quality of realisable value of collateral against impaired assets, the Bank's legal position relative to other claimants and any renegotiation/ forbearance/ modification options. The difference between the loan carrying amount and the discounted expected future cash flows will result in the stage 3 credit impairment amount. The future cash flow calculation involves significant judgements and estimates.

As new information becomes available and further negotiations/forbearance measures are taken the estimates of the future cash flows will be revised and will have an impact on the future cash flow analysis.

For financial assets which are not individually significant, such as the Consumer, Private and Business Banking portfolio or small business loans, which comprise many homogenous loans that share similar characteristics, statistical estimates and techniques are used, as well as credit scoring analysis.

Consumer, Private and Business Banking clients are considered credit impaired and written-off where they are 90 days past due. Consumer, Private and Business Banking products are also considered credit impaired if the borrower files for bankruptcy or other forbearance programme, the borrower is deceased, or the business is closed in the case of a small business, or if the borrower surrenders the collateral, or there is an identified fraud on the account.

Additionally, if the account is unsecured and the borrower has other credit accounts with the bank that are considered credit impaired, the account may also be credit impaired.

Techniques used to compute impairment amounts use models which analyse historical repayment and default rates over a time horizon. Where various models are used, judgement is required to analyse the available information provided and select the appropriate model or combination of models to use.

Expert credit judgement is also applied to determine whether any post-model adjustments are required for credit risk elements which are not captured by the models.

Write-offs of credit impaired instruments and reversal of impairment

To the extent a financial debt instrument is considered irrecoverable, the applicable portion of the gross carrying value is written off against the related loan provision. A financial debt instrument is considered irrecoverable when the Bank 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. Such loans are written off after all the necessary procedures have been completed, it is decided that there is no realistic probability of recovery and, the amount of the loss has been determined. Subsequent recoveries of amounts previously written-off decrease the amount of the provision for loan impairment in the statement of comprehensive income. The amount of the reversal is recognised in profit or loss. All credit facility write-off shall require the endorsement by the Board of Directors and the Central Bank. Financial assets that are written-off could still be subject to enforcement activities in order to comply with the Bank's procedures for recovery of amounts due.

If, in a subsequent period, the amount of the credit impairment loss decreases, and the decrease can be related objectively to an event occurring after the credit impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised credit impairment loss is reversed by adjusting the provision account.

Improvement in credit risk

A period may elapse from the point at which instruments enter lifetime expected credit losses (stage 2 or stage 3) and are reclassified back to 12 month expected credit losses (stage 1). For financial assets that are credit-impaired (stage 3), a transfer to stage 2 or stage 1 is only permitted where the instrument is no longer considered to be credit-impaired.

An instrument will no longer be considered credit-impaired when there is no shortfall of cash flows compared to the original contractual terms.

For financial assets within stage 2, these can only be transferred to stage 1 when they are no longer considered to have experienced a significant increase in credit risk.

Where significant increase in credit risk was determined using quantitative measures, the instruments will automatically transfer back to stage 1 when the original PD based transfer criteria are no longer met. Where instruments were transferred to stage 2 due to an assessment of qualitative factors, the issues that led to the reclassification must be cured before the instruments can be reclassified to stage 1. This includes instances where management actions led to instruments being classified as stage 2, requiring that action to be resolved before loans are reclassified to stage 1. A customer needs to demonstrate consistently good payment behaviour over a regulatory maximum of six (6) months before the exposure is no longer considered to be credit-impaired or in default or the PD is considered to have decreased such that the loss allowance reverts to being measured at an amount equal to 12-month ECL.

Restructured financial asset

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.

Presentation of allowance for ECL in the statement of financial position

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

- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- loan commitments and financial guarantee contracts: generally, as a provision and recognised in other liabilities;
- where a financial instrument includes both a drawn and an undrawn component, and the Bank cannot identify the ECL on the loan commitment component separately from those on the drawn component: The Bank presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision and recognised in other liabilities; and
- debt instruments measured at FVOCI: No loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is charged to profit or loss and is recognised in other comprehensive income.

3.10 Cash and cash equivalents

Cash and cash equivalents presented in the statement of financial position comprise cash on hand, balances with bank of Ghana and other banks adjusted for reconciling items and highly liquid investments with maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3. Accounting policies continued

3.11 Investment securities

This comprises investments in short-term Government securities and medium-term investments in Government and other securities such as treasury bills and bonds and other investments. Investment securities are categorised as debt securities at FVOCI, and carried in the statement of financial position at fair value.

3.12 Trading assets and liabilities

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

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

3.13 Loans and advances

This is made up of loans and advances to customers and banks. These are initially measured at fair value plus incremental direct transaction costs and subsequently at their amortised cost using effective interest method in the statement of financial position, i.e. gross receivable less impairment allowance.

3.14 Derivative assets and liabilities

The Bank uses derivatives to manage its exposure to foreign currency, interest rate, equity market and credit risks. The instruments used principally include interest rate swaps, cross-currency swaps, forward contracts, interest rate futures, interest rate options, credit swaps and equity swaps. Derivatives held for risk management purposes include all derivative assets and liabilities that are not classified as trading assets or liabilities. All derivatives are measured at fair value in the statement of financial position.

3.15 Property and equipment

3.15.1 Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and any 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 its 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 and equipment have different useful lives, they are accounted for as separate items (major components).

3.15.2 Subsequent costs

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

3.15.3 Work-in-progress

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

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

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

3.15.4 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:

Land and Buildings	-	50 years
Leasehold improvements	-	life of lease up to 50 years
Computer and motor vehicles	-	3 - 5 years
Furniture and equipment	-	5 - 10 years

Depreciation methods, useful lives and residual values are reassessed at the reporting date and prospectively adjusted if appropriate, at the end of each reporting period.

Property and equipment are derecognised on disposal or when no future economic benefits are expected from its use.

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 the profit or loss as other income.

3.16 Taxation

Tax expense comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax comprises the expected tax payable or receivable on taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

This is measured using tax rates enacted or substantively enacted at the statement of financial position date.

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

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

Deferred tax is measured at tax rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences.

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.

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

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

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

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.

3. Accounting policies continued

3.17 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.

3.18 Dividend

Dividend payable is recognised as a liability in the period in which they are declared. Dividend on ordinary shares are recognised in the period in which they are approved by the shareholders. Dividend proposed which is yet to be approved by shareholders, is disclosed by way of notes.

3.19 Provisions and contingencies

Provision

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

Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. If the likelihood of an outflow of resources is remote, the possible obligation is neither a provision nor a contingent liability and no disclosure is made.

3.20 Financial guarantee and loan commitments

Financial guarantee contracts are contracts that require the Bank to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Loan commitments are firm commitments to provide credit under pre-specified terms and conditions.

Liabilities arising from financial guarantees or commitments to provide a loan at below-market interest rates are initially recognised at fair value and amortised over the life of the guarantee or commitment. 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. Liabilities arising from financial guarantees and loan commitments are included within other liabilities.

3.21 Employee benefits

3.21.1 Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in personnel expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

a. Social Security

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

b. Provident Fund

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

3.21.2 Retired staff medical plan

The Bank has a scheme to pay the medical cost of some retired staff and their spouses from the date of retirement till death. Under the scheme, the Bank pays the medical cost of eligible persons with a cost cap of GH¢2,921 per person per annum. The Bank has taken an insurance policy to cover the scheme. The Bank does not have any legal or constructive obligation to cover any loss on the policy. The obligation of the Bank is limited to the annual insurance premiums payable. The premiums paid under the policy are recognised as an expense in personnel expenses.

3.21.3 Termination benefits

Termination benefits are recognised as an expense when the Bank 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 Bank 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.

3.21.4 Short-term benefits

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

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

3.21.5 Share-based payments

A share-based payment can either be cash-settled share-based payment or equity-settled share based payment.

Cash-settled share based payment refers to a share-based payment transaction in which the entity acquires goods or services by incurring a liability to transfer cash or other assets to the supplier of those goods or services for amounts that are based on the price (or value) of the entity's shares or other equity instruments of the entity.

Equity-settled share-based payment transaction in which the entity receives goods or services as consideration for equity instruments of the entity (including shares or share options).

The grant date-fair value of equity-settled share-based payment arrangements granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

3.22 Impairment of non-financial assets

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

An impairment loss is recognised if the carrying amount of an asset 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. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessment of the time value of money and risks specific to the asset. Impairment losses are recognised in the statement of comprehensive income.

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 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.

3. Accounting policies continued

3.23 Stated capital

3.23.1 Ordinary share capital

Ordinary issued shares are classified as shareholders' funds. The Bank's share capital is not redeemable by holders in the normal course of business and bears an entitlement to distributions that is non-cumulative and at the discretion of the Directors. Accordingly, they are presented as a component of issued capital within equity. Proceeds from issue of ordinary shares are classified as shareholders' funds. Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

3.23.2 Preference share capital

The Bank's non-redeemable preference shares are classified as equity, because they bear discretionary dividends, do not contain any obligations to deliver cash or other financial assets and do not require settlement in a variable number of the Bank's equity instruments. Discretionary dividends thereon are recognised as equity distributions on approval by the Bank's shareholders.

3.23.3 Earnings per share

The Bank 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 after adjustments for preference dividends 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 Bank's Basic and diluted EPS are essentially the same.

3.23.4 Net asset value per share

The Bank presents net asset value per share (NAPS) data for its ordinary shares. NAPS is calculated by dividing the net assets attributable to ordinary shareholders of the Bank after adjustments for preference shares by the weighted average number of ordinary shares outstanding during the period.

3.24 Segment reporting

Segment results that are reported to the Bank's Managing Director (being the chief operating decision maker) 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 property and equipment), head office expenses and tax assets and liabilities.

The Bank has two reportable segments: Consumer, Private and Business Banking and Corporate, Commercial and Institutional which are the Bank's strategic operations. For each reportable segment, the Bank's Managing Director reviews internal management reports on the performance of each segment.

4. Financial risk management

4.1 Introduction and overview

The management of risk lies at the heart of the Bank's business. One of the main risks we incur arises from extending credit to customers through our trading and lending operations. Beyond credit risk, we are also exposed to a range of other risk types such as country cross-border, market, liquidity, operational, pension, reputational and other risks that are inherent to our strategy and product range.

4.2 Risk management framework

Ultimate responsibility for setting our risk appetite and for the effective management of risk rests with the Board. Acting within an authority delegated by the Board, the Board Risk Committee (BRC), whose membership is comprised exclusively of non-executive directors of the Board, has responsibility for oversight and review of prudential risks to credit, market, and liquidity, operational and reputational. It reviews the country's overall risk appetite and makes recommendations thereon to the Board.

Its responsibilities also include reviewing the appropriateness and effectiveness of the Bank's risk management systems and controls, considering the implications of material regulatory change proposals, ensuring effective due diligence on monitoring the activities of the Bank Executive Risk Committee (RiskCo) and Asset and Liability Committee (ALCO).

The BRC receives quarterly reports on risk management, including portfolio trends, policies and standards, liquidity and capital adequacy, and is authorised to investigate or seek any information relating to an activity within its terms of reference.

The Executive Risk Committee (RiskCo) is responsible for the management of all risks other than ALCO. RiskCo is responsible for the establishment of, and compliance with, policies relating to credit risk, market risk, operational risk, and reputational risk. The RiskCo also defines our overall risk management framework. RiskCo oversees committee such as Country Operational Risk Committee, Group Special Asset Management, Early Alert (Corporate, Commercial and Institutional Banking (CCIB), Consumer, Private and Business Banking (CPBB) and Credit Approval Committee.

ALCO is responsible for the management of capital and the establishment of, and compliance with, policies relating to statement of financial position management, including management of liquidity, capital adequacy and structural foreign exchange and interest rate risk.

The committee governance structure ensures that risk-taking authority and risk management policies are cascaded down through to the appropriate functional, divisional, and country-level committees. Information regarding material risk issues and compliance with policies and standards is communicated to the functional committees and country-level sub-committees.

Roles and responsibilities for risk management are defined under a Three Lines of Defence model. Each line of defence describes a specific set of responsibilities for risk management and control.

The first line of defence is that all employees are required to ensure the effective management of risks within the scope of their direct organisational responsibilities. Business and function governance heads are accountable for risk management in their respective businesses and functions.

The second line of defence comprises the Risk Control Owners, supported by their respective control functions. Risk Control Owners are responsible for ensuring that the risks within the scope of their responsibilities remain within appetite. The scope of a Risk Control Owner's responsibilities is defined by a given Risk Type and the risk management processes that relate to that Risk Type. These responsibilities cut across and are not constrained by functional and business boundaries.

The third line of defence is the independent assurance provided by the Country's Internal Audit function. Its role is defined and overseen by the Audit Committee. The findings from the country audits are reported to management and governance bodies – accountable line managers, relevant oversight function or committee and committees of the Board. The country's internal audit provides independent assurance of the effectiveness of management's control of its own business activities (the first line) and of the processes maintained by the Risk Control Functions (the second line). As a result, Internal Audit provides assurance that the overall system of control effectiveness is working as required within the Risk Management Framework.

Credit risk

Credit risk is the potential for loss due to the failure of counterparty to meet its obligations to pay the bank in accordance with agreed terms. Credit exposures may arise from both the banking and trading books. Credit risk is managed through a framework that sets out policies and procedures covering the measurement and management of credit risk. There is a clear segregation of duties between transaction originators in the businesses and approvers in the Risk function. All credit exposure limits are approved within a defined credit approval authority framework.

COVID-19 relief measures

COVID-19 payment-related relief measures were in place during 2020 and 2021, particularly focused on Consumer, Private and Business Banking customers and some Local Corporate Customers. These measures have now expired for the various customers. These schemes are directed by the Central Bank of Ghana. Measures include principal and/or interest moratoria and term extensions and are generally available to eligible borrowers (those that are current or less than 30 days past due, and other conditions as directed regulator. For Consumer, Private and Business Banking markets, the initial period of relief provided was between 1 and 6 months.

COVID-19 related tenor extensions have also been made available to Corporate, Commercial and Institutional Banking clients, primarily for periods between 3 to 9 months, if they are expected to return to normal payments within 12 months.

Assessment for expected credit losses

COVID-19 payment reliefs that are generally available to clients as a whole and are not borrower-specific in nature have not, on their own, resulted in an automatic change in stage (that is, individual customers are not considered to have experienced a significant increase in credit risk or an improvement in credit

4. Financial risk management continued

4.2 Risk management framework continued

risk) nor have they been considered to be forborne. A customer's stage and past due status reflects their status immediately prior to the granting of the relief, with past due amounts assessed based on the new terms as set out in the temporary payment reliefs. If a customer requires additional support after the expiry of generally available payment reliefs, these will be considered at a borrower level, after taking into account their individual circumstances. Depending on the type of subsequent support provided, these customers may be classified within stage 2 or stage 3. Where client level government guarantees are in place, these do not affect staging but are taken into account when determining the level of credit impairment.

Impact from temporary changes to loan contractual terms

The granting of COVID-19 payment-related relief measures may cause a time value of money loss for the Bank, where interest is not permitted to be compounded (that is, interest charged on interest) or where interest is not permitted to be charged or accrued during the relief period. As set out above, such reliefs do not impact a customer's stage and are not considered to be forborne even though a time value of money loss arises. As the relief periods are relatively short-term in nature, and a small percentage of the total loans outstanding, this has not resulted in a material impact for the Bank.

Impact of COVID-19 on ECL model

The impacts of Covid-19 are incorporated into ECL through the models as part of the forward looking macroeconomic forecasts and incorporation of multiple economic scenarios. Accordingly, we have not yet seen a significant increase in the level of stage 3 loans relating to COVID-19 up to 31 December 2021.

Credit monitoring

We regularly monitor credit exposures, portfolio performance, and external trends that may impact risk management outcomes. Internal risk management reports are presented to risk committees, containing information on key environmental, political and economic trends across major portfolios; portfolio delinquency and loan impairment performance; including credit grade migration.

4.3 Problem credit management and provisioning

4.3.1 Corporate, Commercial, and Institutional Banking

Credit risk mitigation

Potential credit losses from any given account, customer or portfolio are mitigated using a range of tools such as collateral, netting agreements, credit insurance, and other guarantees. The reliance that can be placed on these mitigants is carefully assessed in light of issues such as legal certainty and enforceability, market valuation correlation and counterparty risk of the guarantor. Risk mitigation policies determine the eligibility of collateral types.

Traded products

Credit risk from traded products is managed within the overall credit risk appetite for corporates and financial institutions. The credit risk exposure from traded products is derived from the positive mark-to-market value of the underlying instruments, and an additional component to cater for potential market movements.

Non-performing loans

A non-performing is any loan that is individually impaired (which represents those loans against which individual impairment provisions have been raised) and past due by 90 days or more and excludes:

- Loans renegotiated before 90 days past due and on which no default in interest payments or loss of principal is expected.
- Loans renegotiated at or after 90 days past due, but on which there has been no default in interest or principal payments for more than 180 days since renegotiation, and against which no loss of principal is expected.

The loan loss provisions are established to recognise expected credit losses on specific loan assets or within a portfolio of loans and receivables. Individually impaired loans are those loans against which individual impairment provisions have been raised.

Estimating the amount and timing of future recoveries involves significant judgment and considers the level of arrears as well as the assessment of matters such as future economic conditions, court processes and the value of collateral, for which there may not be a readily accessible market.

The total amount of the Bank's impairment allowances is inherently uncertain being sensitive to changes in economic and credit conditions. It is possible that actual events over the next year differ from the assumptions built into the model resulting in material adjustments to the carrying amount of loans and advances.

The Bank of Ghana (BoG) prudential guidelines prescribe the following principles for calculating impairment allowance.

- 1 per cent of the aggregate outstanding balance of all current advances.
- 5 per cent of the aggregate net unsecured balance of all OLEMs,
- 25 per cent of the aggregate net unsecured balance of all sub-standard advances;
- 50 per cent of the aggregate net unsecured balance of all doubtful advances;
- 100 per cent of the aggregate net unsecured balance of all loss advances.

	Category	**% Provision**	**No. of Days of Delinquency**
1	Current	1	0 - less than 30
2	Olem	5	30 - less than 90
3	Substandard	25	90 - less than 180
4	Doubtful	50	180 - less than 360
5	Loss	100	360 and above

Any difference between the impairment allowance per IFRS and that calculated per BoG guidelines is reported in our statement of financial position under Credit Risk Reserve.

4.3.2 Consumer, Private and Business Banking

In Retail Business, where there are large numbers of small value loans, a primary indicator of potential impairment is delinquency. A loan is considered delinquent (past due) when the counterparty has failed to make a principal or interest payment when contractually due.

However, not all delinquent loans (particularly those in the early stage of delinquency) will be impaired. For delinquency reporting purposes we follow industry standards, measuring delinquency as of 1, 30, 60, 90, 120 and 150 days past due. Accounts that are the definition of default as stated above continues to apply. All Financial assets that are credit impaired (or in default) represent those that are at least 90 days past due in respect of principal and/or interest.

Provisioning within Retail Business reflects the fact that the product portfolios consist of many comparatively small exposures.

For the main unsecured products and loans secured, the entire outstanding amount is generally written-off at 150 days past due. Unsecured consumer finance loans are written off at 90 days past due. For secured loans individual impairment provisions (IIPs) are generally raised at either 150 days (Mortgages) or 90 days (Wealth Management) past due.

The provisions are based on the estimated present values of future cash flows, in particular those resulting from the realisation of security. Following such realisation any remaining loan will be written-off. The days past due used to trigger write-offs and IIPs are broadly driven by past experience, which shows that once an account reaches the relevant number of days past due, the probability of recovery (other than by realising security where appropriate) is low. For all products there are certain situations where the individual impairment provisioning or write-off process is accelerated, such as in cases involving bankruptcy, customer fraud and death. Write-off and IIPs are accelerated for all restructured accounts to 90 days past due (unsecured and automobile finance) and 120 days past due (secured) respectively.

4. Financial risk management continued

4.4 Analysis of credit concentration risk

Loans and advances

The concentration of loans and advances by business segment and customer types are disclosed in Note 21(b).

Investments securities

Investment securities amounting to GH¢3.76 billion (2020: GH¢2.42 billion) are held in Government of Ghana Treasury Bills and Bonds.

Non-pledged trading assets

Non-pledged trading assets amounting to GH¢361.9 million (2020: GH¢406.2 million) are held in Government of Ghana Treasury Bills and Bonds.

Loans and advances to banks

Amount due from banks of GH¢241.3 million (2020: GH¢15.0 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 amounts due from banks and other financial institutions set out in Note 21a represent the maximum credit risk exposure of the Bank by holding these placements.

4.4.1 Maximum credit exposure

At 31 December 2021, 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 for non-derivative off-balance sheet transactions, their contractual nominal amounts.

Loans to other banks	**241,254**	15,000
Placements with other banks	**-**	-
Loans and advances to customers	**1,886,799**	1,695,213
Commitments and Guarantees	**1,025,633**	1,157,973
Investment securities	**3,761,388**	2,419,537
Other assets (financial assets)	**347,438**	386,128
	7,262,512	5,673,851

i. Credit quality analysis

The following table sets out information about the credit quality of financial assets measured at amortised cost and FVOCI debt investments. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts. For loan commitments and financial guarantee contracts, the amounts in the table represent the amounts committed or guaranteed, respectively. Explanation of the terms “Stage 1”, “Stage 2” and “Stage 3” is included in Note 3.9.7.

Loans and advances to banks at amortised cost				
Grade 1–6				
Gross carrying amount	**241,256**	**-**	**-**	**241,256**
Loss allowance	**(2)**	**-**	**-**	**(2)**
Carrying amount	**241,254**	**-**	**-**	**241,254**
Loans and advances to customers at amortised cost				
Grade 1–6 Normal (current)	**1,257,317**	**407,844**	**73,432**	**1,738,593**
Grade 7–9 Watchlist (OLEM)	**21,097**	**16,347**	**-**	**37,444**
Grade 10 Impaired (substandard)	**7**	**15,216**	**-**	**15,223**

	2021			
	Stage 1 GH¢'000	**Stage 2 GH¢'000**	**Stage 3 GH¢'000**	**Total GH¢'000**
Grade 11 Impaired (doubtful)	**-**	**-**	**22,555**	**22,555**
Grade 12-14 Impaired (loss)	**-**	**-**	**223,361**	**223,361**
Gross carrying amount	**1,278,421**	**439,407**	**319,348**	**2,037,176**
Loss allowance	**(13,471)**	**(25,991)**	**(110,915)**	**(150,377)**
Carrying amount	**1,264,950**	**413,416**	**208,433**	**1,886,799**

	2020			
	Stage 1 GH¢'000	Stage 2 GH¢'000	Stage 3 GH¢'000	Total GH¢'000
Loans and advances to banks at amortised cost				
Grade 1–6	15,000	-	-	15,000
Gross carrying amount	15,000	-	-	15,000
Loss allowance	-	-	-	-
Carrying amount	15,000	-	-	15,000
Loans and advances to customers at amortised cost				
Grade 1–6 Normal (current)	1,388,608	122,859	-	1,511,467
Grade 7–9 Watchlist (OLEM)	2,368	39,082	-	41,450
Grade 10 Impaired (substandard)	7,482	35,996	-	43,478
Grade 11 Impaired (doubtful)	-	-	49,158	49,158
Grade 12-14 Impaired (loss)	-	15	234,206	234,221
Gross carrying amount	1,398,458	197,952	283,364	1,879,774
Loss allowance	(7,129)	(10,494)	(166,939)	(184,562)
Carrying amount	1,391,329	187,458	116,425	1,695,212

Commitments and guarantees

To meet the financial needs of customers, the Bank enters various irrevocable commitments and contingent liabilities. Even though these obligations may not be recognised on the statement of financial position, they do contain credit risk and are, therefore, part of the overall risk of the Bank.

The table below shows the Bank's maximum credit risk exposure for commitments and guarantees. The maximum exposure to credit risk relating to a financial guarantee is the maximum amount the Bank would have to pay if the guarantee is called upon. The maximum exposure to credit risk relating to a loan commitment is the full amount of the commitment.

4. Financial risk management continued

4.4 Analysis of credit concentration risk continued

4.4 (i) Credit quality analysis continued

	2021 GH¢'000	2020 GH¢'000
Guarantees	**945,186**	1,026,704
Letters of credit	**85,348**	168,089
	1,030,534	1,194,793
Margins against contingents	**(4,901)**	(36,820)
	1,025,633	1,157,973

	2021			
	Stage 1 GH¢'000	**Stage 2 GH¢'000**	**Stage 3 GH¢'000**	**Total GH¢'000**
Letters of credit, undrawn commitments and guarantees				
Grades 1-6	**1,025,633**	-	-	**1,025,633**
Gross carrying amount	**1,025,633**	-	-	**1,025,633**
Loss allowance	**(893)**	-	-	**(893)**
Carrying amount	**1,024,740**	-	-	**1,024,740**

	2020			
	Stage 1 GH¢'000	Stage 2 GH¢'000	Stage 3 GH¢'000	Total GH¢'000
Letters of credit, undrawn commitments and guarantees				
Grades 1-6	1,157,973	-	-	1,157,973
Gross carrying amount	1,157,973	-	-	1,157,973
Loss allowance	(2,133)	-	-	(2,133)
Carrying amount	1,155,840	-	-	1,155,840

Cash and cash equivalents

The Bank held Cash and Cash equivalents of GH¢3.2 billion at 31 December 2021 (2020: GH¢ 2.7 billion). The cash and cash equivalents are held with the central bank and financial institution counterparties which have strong credit quality. None of these balances were impaired at the year end and at 31 December 2021 (2020: Nil).

Investment securities at FVOCI

The Bank held investment securities of GH¢ 3.8 billion at 31 December 2021 (2020: GH¢ 2.4 billion).

	2021			
	Stage 1 GH¢'000	**Stage 2 GH¢'000**	**Stage 3 GH¢'000**	**Total GH¢'000**
Investment Securities				
Grades 1-6	**1,552,284**	**2,209,104**	**-**	**3,761,388**
Gross carrying amount	**1,552,284**	**2,209,104**	**-**	**3,761,388**
Carrying amount – fair value	**1,552,284**	**2,209,104**	**-**	**3,761,388**
Loss allowance	**-**	**(22,706)**	**-**	**(22,706)**

	2020			
	Stage 1 GH¢'000	Stage 2 GH¢'000	Stage 3 GH¢'000	Total GH¢'000
Investment Securities				
Grades 1-6	49,847	2,369,690	-	2,419,537
Gross carrying amount	49,847	2,369,690	-	2,419,537
Carrying amount – fair value	49,847	2,369,690	-	2,419,537
Loss allowance	-	(33,484)	-	(33,484)

Non-pledged trading assets

The following table sets out the maximum credit exposure of trading debt securities measured at FVTPL.

	2021 GH¢'000	2020 GH¢'000
Gross carrying amount	**361,964**	406,254
Loss allowance	**-**	-
Carrying amount	**361,964**	406,254

At 31 December 2021, the maximum exposure to credit risk of the non-pledged trading assets are their carrying amount of GH¢362 million (2020: GH¢ 406 million)

	2021			
	Stage 1 GH¢'000	**Stage 2 GH¢'000**	**Stage 3 GH¢'000**	**Total GH¢'000**
Other assets				
Grades 1-6	**347,438**	**-**	**-**	**347,438**
Gross carrying amount	**347,438**	**-**	**-**	**347,438**
Loss allowance	**-**	**-**	**-**	**-**
Carrying amount	**347,438**	**-**	**-**	**347,438**

	2020			
	Stage 1 GH¢'000	Stage 2 GH¢'000	Stage 3 GH¢'000	Total GH¢'000
Other assets				
Grades 1-6	386,128	-	-	386,128
Gross carrying amount	386,128	-	-	386,128
Loss allowance	-	-	-	-
Carrying amount	386,128	-	-	386,128

4. Financial risk management continued

4.4 Analysis of credit concentration risk continued

4.4(i) Credit quality analysis continued

Derivative assets and liabilities

The following table shows an analysis of counterparty credit exposures arising from derivative transactions. Derivative transactions of the Bank are generally fully collateralised by cash.

			Over-the-counter/exchange traded			
	Total		Financial Institution		Others	
	Notional amount GH¢'000	Fair value GH¢'000	Notional amount GH¢'000	Fair value GH¢'000	Notional amount GH¢'000	Fair value GH¢'000
2021						
Derivative assets	**122,623**	**10,143**	**15,874**	**1,118**	**106,749**	**9,025**
Derivative liabilities	**72,744**	**9,249**	**17,606**	**967**	**55,138**	**8,282**
2020						
Derivative assets	399,485	5,675	348,898	4,478	50,587	1,197
Derivative liabilities	611,511	161	611,511	28	-	133

Collateral held and other credit enhancements

The Bank holds collateral and other credit enhancements against certain types of its credit exposures. The table below sets out the principal types of collateral held against different types of financial assets.

Type of exposure

	Percentage of exposure that is subject to collateral requirement		Principal type of collateral held
	December 2021	December 2020	
Loans and advances to customers			
Corporate term loans and overdraft	**100%**	100%	Legal mortgages over commercial and residential properties; debentures and floating charges
Personal loans	**0%**	0%	
Staff loans	**62%**	66%	Residential properties
Balances with other Banks	**0%**	0%	
Loans to Banks	**0%**	0%	

Collateral on impaired exposures

The general creditworthiness of a corporate customer tends to be the most relevant indicator of credit quality of a loan extended to it. However, collateral provides additional security and the Bank generally requests that corporate borrowers provide it. The Bank may take collateral in the form of a first charge over real estate, floating over all corporate assets and other liens and guarantees. Because of the Bank's focus on corporate customers' creditworthiness, the Bank does not routinely update the valuation of collateral held against all loans to corporate customers. Valuation of collateral is performed at the time of borrowing and generally are not updated except when a loan is individually assessed as impaired. Valuation of collaterals is updated in a three-year cycle for loans whose credit risk has deteriorated significantly and are being monitored more closely. There were no financial assets for which the Bank has not recognised a loss allowance because of collateral. Collateral is not normally held for loans and advances to banks, except when securities are held as part of reverse repurchase and securities borrowing activity. Collateral is not usually held against investment securities, and no such collateral was held at 31 December 2021. Collateral values of impaired loans are at cash flows of the forced sale values less estimated costs of sale and relevant haircut as discounted to present values.

For impaired loans, the Bank obtains appraisals of collaterals because the current values of the collaterals are an input to the impairment measurement.

An estimate of the fair value of collateral and other credit enhancements held against loans and advances to customers and Banks is shown below:

ii. Collateral held and other credit enhancements, and their financial effect

	Loans & advances to customers		Loans to banks	
	2021 GH¢'000	2020 GH¢'000	**2021 GH¢'000**	2020 GH¢'000
Against individually impaired				
Carrying amount	**208,433**	116,425	**-**	-
Collateral held (Property)	**6,891,524**	5,321,117	**-**	-
Against past due but not impaired				
Carrying amount	**1,678,366**	1,578,787	**-**	-
Collateral held (Property)	**4,892,761**	7,688,738	**-**	-

iii. Loans and advances renegotiated

Restructuring activities include extended payment arrangements, approved external management plans, modification, and deferral of payments. Restructuring policies and practices are based on indicators or criteria which, in the judgment of management, indicate that payment will most likely continue.

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

Loans and advances to customers

	2021 GH¢'000	2020 GH¢'000
Carrying amount of financial assets that continue to be impaired after restructuring (included in non-performing loans)	**503,566**	513,220

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

	2021 GH¢'000	2020 GH¢'000
Financial assets modified during the period		
Amortised costs before modification	**23,908**	-
Net modification loss	**-**	-

4. Financial risk management continued

4.4 Analysis of credit concentration risk continued

4.4 (iii) Loans and advances renegotiated continued

The Bank restructured the terms of loans of some of its customers. Quantitatively, these modifications (mainly restructuring of terms) resulted in a modification loss which was assessed as immaterial and therefore not recognised in the financial statement for the year ended 31 December 2021. There were no financial assets for which the loss allowance was measured at an amount equal to lifetime expected credit losses and subsequently changed during the reporting period to an amount equal to 12-month expected credit losses as a result of the modification of the gross carrying amount at the end of the reporting period.

iv. Assets obtained by taking possession of collateral

The Bank's policy is to pursue timely realisation of the collateral in an orderly manner. The Bank does not generally use the non-cash collateral for its own operations. Repossessed items are expected to be sold within one year of repossession. Repossessed items are not recognised in the Bank's books. Proceeds from their sale are used to reduce related outstanding indebtedness.

The Bank did not hold any financial and non-financial assets resulting from taking possession of collaterals held as security against loans and advances at the reporting date (2020: Nil).

v. Offsetting financial assets and financial liabilities

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

4.4.2 ECL analysis

Inputs, assumptions, and techniques used for estimating impairment

IFRS 9 expected credit loss models have been developed for the Corporate, Commercial & Institutional Banking businesses on a global basis, in line with their respective portfolios. However, for some of the key countries, country-specific models have also been developed. The calibration of forward-looking information is assessed at a region level to take into account local macro-economic conditions.

Significant increase in credit risk

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Bank considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Bank's historical experience and expert credit assessment and including forward-looking information.

The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing:

- the remaining lifetime probability of default (PD) as at the reporting date; with
- the remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure (adjusted where relevant for changes in prepayment expectations).

The Bank uses three criteria for determining whether there has been a significant increase in credit risk:

- quantitative test based on movement in PD;
- qualitative indicators; and
- a backstop of 30 days past due.

Credit risk grades

The Bank allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of default and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of borrower.

Credit risk grades are defined and calibrated such that the risk of default occurring increases exponentially as the credit risk deteriorates so, for example, the difference in risk of default between credit risk grades 6 and 7 is smaller than the difference between credit risk grades 11 and 12.

Each exposure is allocated to a credit risk grade on initial recognition based on available information about the borrower. Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk grade. The monitoring typically involves use of the following data.

Corporate and retail exposures

– Information obtained during periodic review of customer files – e.g. audited financial statements, management accounts, budgets and projections. Examples of areas of focus are gross profit margins, financial leverage ratios, debt service coverage, compliance with covenants, quality of management, senior management changes
– Actual and expected significant changes in the political, regulatory, and technological environment of the borrower or in its business activities
– Internally collected data on customer behaviour
– Payment record – this includes overdue status as well as a range of variables about payment ratios
– Utilisation of the granted limit
– Requests for and granting of forbearance
– Existing and forecast changes in business, financial and economic conditions

Generating the term structure of PD

Credit risk grades are a primary input into the determination of the term structure of PD for exposures. The Bank collects performance and default information about its credit risk exposures analysed by type of product and borrower as well as by credit risk grading. For some portfolios, information purchased from external credit reference agencies is also used.

The Bank employs statistical models to analyse the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time.

Determining whether credit risk has increased significantly

The Bank assesses whether credit risk has increased significantly since initial recognition at each reporting date. Determining whether an increase in credit risk is significant depends on the characteristics of the financial instrument and the borrower, and the geographical region. What is considered significant differs for different types of lending, particularly between corporate and retail.

As a general indicator, credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Bank's quantitative modelling:

- the remaining lifetime PD is determined to have increased by more than a stated threshold of the corresponding amount estimated on initial recognition; or,
- if the absolute change is annualised, lifetime PD since initial recognition is greater than a stated threshold of basis points.

In addition, irrespective of the relative increase since initial recognition, credit risk of an exposure is deemed not to have increased significantly if its credit risk grade is grade 7.

The credit risk may also be deemed to have increased significantly since initial recognition based on qualitative factors linked to the Bank's credit risk management processes that may not otherwise be fully reflected in its quantitative analysis on a timely basis. This will be the case for exposures that meet certain heightened risk criteria, such as placement on a watch list. Such qualitative factors are based on its expert judgment and relevant historical experiences. As a backstop, the Bank considers that a significant increase in credit risk occurs no later than when an asset is 30 days past due. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower.

If there is evidence that there is no longer a significant increase in credit risk relative to initial recognition, then the loss allowance on an instrument returns to being measured as 12-month ECL. Some qualitative indicators of an increase in credit risk, such as delinquency or forbearance, may be indicative of an increased risk of default that persists after the indicator itself has ceased to exist. In these cases, the Bank determines a probation period during which the financial asset is required to demonstrate good behaviour to provide evidence that its credit risk has declined sufficiently. When contractual terms of a loan have been modified, evidence that the criteria for recognising lifetime ECL are no longer met includes a history of up-to-date payment performance against the modified contractual terms.

4. Financial risk management continued

4.4.2 ECL analysis continued

The Bank monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- the criteria can identify significant increases in credit risk before an exposure is in default;
- the criteria do not align with the point in time when an asset becomes 30 days past due;
- the average time between the identification of a significant increase in credit risk and default appears reasonable;
- exposures are not generally transferred directly from 12-month ECL measurement to credit- impaired; and
- there is no unwarranted volatility in loss allowance from transfers between 12-month PD (Stage 1) and lifetime PD (Stage 2).

Definition of default

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

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

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

- qualitative: e.g. breaches of covenant;
- quantitative: e.g. overdue status and non-payment on another obligation of the same issuer to the Bank; 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.

The definition of default largely aligns with that applied by the Bank for regulatory capital purposes.

Incorporation of forward-looking information

The evolving economic environment is a key determinant of the ability of a bank's clients to meet their obligations as they fall due. It is a fundamental principle of IFRS 9 that the provisions banks hold against potential future Credit risk losses should depend not just on the health of the economy today but should also take into account potential changes to the economic environment. For example, if a bank was to anticipate a sharp slowdown in the world economy over the coming year, it should hold more provisions today to absorb the credit losses likely to occur in the near future. To capture the effect of changes to the economic environment, the PDs and LGDs used to calculate expected credit loss, incorporate forward-looking information in the form of forecasts of the values of economic variables and asset prices that are likely to have an effect on the repayment ability of the Bank's clients.

The 'Base Forecast' of the economic variables and asset prices is based on management's view on the five-year outlook, supported by projections from the Standard Chartered Group's in-house research team and outputs from a third-party model that project specific economic variables and asset prices. The research team takes consensus views into consideration and senior management review projections for some core country variables against consensus when forming their view of the outlook. For the period beyond five years, management utilises the in-house research view and outputs and third-party model outputs which allow for a reversion to long-term growth rates or norms. All projections are updated on a quarterly basis.

To assess the range of possible outcomes, the Bank simulates a set of 50 scenarios around the Base Forecast and calculates the expected credit loss under each of them and assigns an equal weight of 2 per cent to each of the scenario outcomes. These scenarios are generated by a Monte Carlo simulation, which considers the degree of uncertainty (or volatility) around economic outcomes and how these outcomes have tended to move in relation to one another (or correlation).

The Bank has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

The Bank has identified various MEVs as those relevant for ECL. Exposures to retailers' portfolios include CPI, GDP growth, unemployment rates, interest rates, household income, household debts, residential property prices. For exposures to corporate portfolios, the drivers also include GDP growth, interest rates, corporate sector indebtedness, foreign exchange rates, corporate profits and equity index. Key amongst these are foreign exchange rates and CPI.

Sensitivity of expected credit loss calculation to macroeconomic variables

The ECL calculation relies on multiple variables and is inherently non-linear and portfolio-dependent, which implies that no single analysis can fully demonstrate the sensitivity of the ECL to changes in the macroeconomic variables. The Bank has conducted a series of analyses with the aim of identifying the macroeconomic variables which might have the greatest impact on the overall ECL.

	2021			2020		
At 31 December	**Upside**	**Base**	**Downside**	Upside	Base	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.

	2021			2020		
At 31 December	**Upside**	**Base**	**Downside**	Upside	Base	Downside
Consumer Price Index	**12.1%**	**12.6%**	**13.1%**	10%	10.4%	10.8%
Foreign exchange rate	**5.77**	**6.01**	**6.25**	5.13	5.76	5.99

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

	2021			2020		
At 31 December	**Upside GH¢'000**	**Base GH¢'000**	**Downside GH¢'000**	Upside GH¢'000	Base GH¢'000	Downside GH¢'000
Gross loan balance	**2,037,176**	**2,037,176**	**2,037,176**	1,879,775	1,879,775	1,879,775
Loss allowance on loans and advances	**144,362**	**150,377**	**156,392**	177,180	184,562	191,944

ECL Measurement

The key inputs into the measurement of ECL are the term structure of the following variables:

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

ECL for exposures in Stage 1 is calculated by multiplying the 12-month PD by LGD and EAD. Lifetime ECL is calculated by multiplying the lifetime PD by LGD and EAD.

The methodology of estimating PDs is discussed above under the heading 'Generating the term structure of PD'.

LGD is the magnitude of the likely loss if there is a default. The Bank estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset.

4. Financial risk management continued

4.4.2 ECL analysis continued

EAD represents the expected exposure in the event of a default. The Bank derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract and arising from amortisation. The EAD of a financial asset is its gross carrying amount at the time of default. For lending commitments, the EADs are potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts. For financial guarantees, the EAD represents the amount of the guaranteed exposure when the financial guarantee becomes payable. For some financial assets, EAD is determined by modelling the range of possible exposure outcomes at various points in time using scenario and statistical techniques.

As described above, and subject to using a maximum of a 12-month PD for Stage 1 financial assets, the Bank measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for credit risk management purposes, the Bank considers a longer period. The maximum contractual period extends to the date at which the Bank has the right to require repayment of an advance or terminate a loan commitment or guarantee.

Amounts arising from expected credit losses (ECL)

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument.

	2021			
	Stage 1 GH¢'000	**Stage 2 GH¢'000**	**Stage 3 GH¢'000**	**Total GH¢'000**
Loans and advances to customers at amortised cost				
Balance at 1 January	**7,129**	**10,494**	**166,939**	**184,562**
Transfer to 12 - Month ECL	**8,779**	**(8,779)**	**-**	**-**
Transfer to Lifetime Not Credit Impaired	**4,986**	**23,236**	**(28,222)**	**-**
Transfer to Lifetime ECL credit Impaired	**-**	**-**	**-**	**-**
Net remeasurement of loss allowance	**(2,437)**	**1,040**	**(20,249)**	**(21,646)**
Write-off and Charge off	**-**	**-**	**(12,539)**	**(12,539)**
Balance at 31 December	**18,457**	**25,991**	**105,929**	**150,377**

	2020			
	Stage 1 GH¢'000	Stage 2 GH¢'000	Stage 3 GH¢'000	Total GH¢'000
Loans and advances to customers at amortised cost				
Balance at 1 January	18,440	3,760	117,150	139,350
Transfer to 12 - Month ECL	355	(355)	-	-
Transfer to Lifetime Not Credit Impaired	(1,118)	1,145	(27)	-
Transfer to Lifetime ECL credit Impaired	-	(391)	391	-
Net remeasurement of loss allowance	(10,548)	6,335	49,425	45,212
Balance at 31 December	7,129	10,494	166,939	184,562

	2021			
	Stage 1 GH¢'000	**Stage 2 GH¢'000**	**Stage 3 GH¢'000**	**Total GH¢'000**
Letters of credit, undrawn commitments and guarantees				
Balance at 1 January	**2,049**	**-**	**-**	**2,049**
Net remeasurement of loss allowance	**6,521**	**-**	**-**	**6,521**
Balance at 31 December	**8,570**	**-**	**-**	**8,570**

	2020			
	Stage 1 GH¢'000	Stage 2 GH¢'000	Stage 3 GH¢'000	Total GH¢'000
Letters of credit, undrawn commitments and guarantees				
Balance at 1 January	5,191	-	-	5,191
Net remeasurement of loss allowance	(3,142)	-	-	(3,142)
Balance at 31 December	2,049	-	-	2,049

	2021			
	Stage 1 GH¢'000	**Stage 2 GH¢'000**	**Stage 3 GH¢'000**	**Total GH¢'000**
Investment securities				
Balance at 1 January	**14,200**	**-**	**-**	**14,200**
Net remeasurement of loss allowance	**8,506**	**-**	**-**	**8,506**
Balance at 31 December	**22,706**	**-**	**-**	**22,706**

	2020			
	Stage 1 GH¢'000	Stage 2 GH¢'000	Stage 3 GH¢'000	Total GH¢'000
Investment securities				
Balance at 1 January	14,419	-	-	14,419
Net remeasurement of loss allowance	(219)	-	-	(219)
Balance at 31 December	14,200	-	-	14,200

4. Financial risk management continued

4.4.2 ECL analysis continued

The following table provides a reconciliation between:

- amounts shown in the above tables reconciling opening and closing balances of loss allowance per class of financial instruments; and
- the net impairment gain/(loss) on financial asset line item in the statement of comprehensive income.

2021	Loans and advances to banks at amortised cost GH¢'000	Loans and advances to customers at amortised cost GH¢'000	Investment securities at FVOCI GH¢'000	Letters of credit, undrawn commitments and guarantees GH¢'000	Total GH¢'000
Net remeasurement of loss allowance	(6)	(21,646)	8,506	6,521	(6,627)
Charge-off	-	16,889	-	-	16,889
Recoveries of amounts previously written off	-	(16,154)	-	-	(16,154)
Amounts recognised in profit or loss	(6)	(20,911)	8,506	6,521	(5,892)

2020	Loans and advances to banks at amortised cost GH¢'000	Loans and advances to customers at amortised cost GH¢'000	Investment securities at FVOCI GH¢'000	Letters of credit, undrawn commitments and guarantees GH¢'000	Total GH¢'000
Net remeasurement of loss allowance	1	45,212	(219)	(3,142)	41,852
Charge-off	-	34,485	-	-	34,485
Recoveries of amounts previously written-off	-	(17,053)	-	-	(17,053)
Amounts recognised in profit or loss	1	62,644	(219)	(3,142)	59,284

Charge-off loans are retail loans that are past due 90 days and above and have been written-off in line with the Bank's credit risk policy.

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

	2021		
	Impact: increase/ (decrease)		
	Stage 1 GH¢'000	Stage 2 GH¢'000	Stage 3 GH¢'000
Loans and advances to customers at amortised cost			
Write-off of banking exposures that have been in the regulatory "loss" category for more than 2 years	**-**	**-**	**(12,539)**
Improved credit outlook on some key accounts within the portfolio	**-**	**(8,779)**	**(28,222)**

	2020		
	Impact: increase/ (decrease)		
	Stage 1 GH¢'000	Stage 2 GH¢'000	Stage 3 GH¢'000
Loans and advances to customers at amortised cost			
Write-off of banking exposures that have been in the regulatory "loss" category for more than 2 years	-	-	-

At 31 December the Bank had requested approval from Bank of Ghana to write-off non-performing loans totalling GH¢344 million (2020: GH¢366 million). These balances are still subject to enforcement activity.

4.5 Liquidity risk

The Bank defines liquidity risk as the risk that the Bank will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

It is always the policy of the Bank to maintain adequate liquidity and for all currencies. Hence the Bank aims to be able to meet all obligations, to repay depositors, to fulfil commitments to lend and to meet any other commitments.

Liquidity risk management is governed by the Bank's Asset and Liability Management Committee (ALCO), which is chaired by the Chief Executive Officer. ALCO is responsible for both statutory and prudential liquidity. These responsibilities include the provision of authorities, policies and procedures.

ALCO has primary responsibility for compliance with regulations and Bank policy and maintaining a liquidity crisis contingency plan.

A substantial portion of the Bank's assets are funded by customer deposits made up of current and savings accounts and other deposits. These customer deposits, which are widely diversified by type and maturity, represent a stable source of funds. Lending is normally funded by liabilities in the same currency.

The Bank also maintains significant levels of marketable securities either for compliance with local statutory requirements or as prudential investments of surplus funds.

ALCO oversees the structural foreign exchange and interest rate exposures that arise within the Bank. These responsibilities are managed through the provision of authorities, policies and procedures that are co-ordinated by ALCO. Compliance with Bank ratios is also monitored by ALCO.

Refer to Note (35) for key ratios of the bank.

COVID-19 considerations

IFRS 7 requires disclosure of quantitative data about liquidity risk arising from financial instruments. In 2020, the Bank of Ghana reduced the cash reserve requirement from 10 per cent to 8 per cent. The Bank managed its liquid assets accordingly to stay within regulatory liquidity limits.

4.6 Maturities of assets and liabilities

The table below presents the cash flows payable by the Bank under non-derivative financial liabilities and assets held for managing liquidity risk by remaining contractual maturities at the date of the statement of financial position. The amounts disclosed in the table are the contractual undiscounted cash flow.

4. Financial risk management continued

4.6 Maturities of assets and liabilities continued

The Net liquidity gap is the difference between the total assets and total liabilities for the various time brackets, while the cumulative gap is sum of the net difference of the net liquidity gap over the time brackets.

	2021				
	0-3 months GH¢'000	3-6 months GH¢'000	6-12 months GH¢'000	over 1 year GH¢'000	Total GH¢'000
Assets					
Cash and cash equivalents	3,203,097	-	-	-	3,203,097
Trading asset (non-pledge)	-	208,033	27,532	126,399	361,964
Loans to other banks	61,071	-	90,092	90,091	241,254
Loans and advances to customers	279,732	226,152	11,521	1,369,394	1,886,799
Investment securities	1,228,422	735,366	-	1,797,600	3,761,388
Other assets	183,649	148,444	14,839	506	347,438
Total asset	4,955,971	1,317,995	143,984	3,383,990	9,801,940
Liabilities					
Deposits from banks	79,676	14	-	-	79,690
Deposits from customers	7,224,779	74,313	210,601	44,764	7,554,457
Borrowings	150,152	-	-	90,092	240,244
Other liabilities	66,890	167,709	-	-	234,599
Lease liability	-	-	-	263,438	263,438
Total liabilities	7,521,497	242,036	210,601	398,294	8,372,428
Net liquidity gap	(2,565,526)	1,075,959	(66,617)	2,985,696	1,429,512
Cumulative gap	(2,565,526)	(1,489,567)	(1,556,184)	1,429,512	-

	2020				
	0-3 months GH¢'000	3-6 months GH¢'000	6-12 months GH¢'000	over 1 year GH¢'000	Total GH¢'000
Assets					
Cash and cash equivalents	2,724,718	-	-	-	2,724,718
Trading asset (non-pledge)	30,346	23,277	61,177	291,454	406,254
Loans to other banks	15,000	-	-	-	15,000
Loans and advances to customers	431,861	25,151	17,580	1,220,621	1,695,213
Investment securities	904,314	18,000	412,623	1,084,600	2,419,537
Equity investment	-	-	-	1	1
Other assets	441,797	-	-	-	441,797
Total asset	4,548,036	66,428	491,380	2,596,676	7,702,520

	2020				
	0-3 months GH¢'000	3-6 months GH¢'000	6-12 months GH¢'000	over 1 year GH¢'000	Total GH¢'000
Liabilities					
Deposits from banks	84,980	-	-	-	84,980
Deposits from customers	5,565,424	83,488	102,415	300	5,751,627
Borrowings	86,403	-	-	-	86,403
Other liabilities	309,490	-	-	-	309,490
Lease liability	-	-	-	253,171	253,171
Total liabilities	6,073,196	83,488	102,415	253,471	6,485,671
Net liquidity gap	(1,498,261)	(17,060)	388,965	2,343,205	1,216,849
Cumulative gap	(1,498,261)	(1,515,321)	(1,126,356)	1,216,849	-

The table below shows the contractual expiry by maturity of the Bank's contingent liabilities and commitments. For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.

	2021				
	On demand GH¢'000	**Less than 3 months GH¢'000**	**3 to 12 months GH¢'000**	**Over 12 months GH¢'000**	**Total GH¢'000**
Financial guarantees	**91,992**	**61,761**	**747,396**	**44,037**	**945,186**
Letters of credit	**25,563**	**43,155**	**16,630**	**-**	**85,348**
Total	**117,555**	**104,916**	**764,026**	**44,037**	**1,030,534**

	2020				
	On demand GH¢'000	Less than 3 months GH¢'000	3 to 12 Months GH¢'000	Over 12 months GH¢'000	Total GH¢'000
Financial guarantees	97,780	44,451	460,881	423,593	1,026,705
Letters of credit	25	148,370	19,694	-	168,089
Total	97,805	192,821	480,575	423,593	1,194,794

	2021				
	On demand GH¢'000	**Less than 3 months GH¢'000**	**3 to 12 months GH¢'000**	**Over12 months GH¢'000**	**Total GH¢'000**
Undrawn loan commitments	**949,064**	**1,453,431**	**-**	**-**	**2,402,495**
	2020				
Undrawn loan commitments	303,189	1,487,512	-	-	1,790,701

4. Financial risk management continued

i. Assets held for managing liquidity risk

The Bank holds a diversified portfolio of cash and high quality highly return securities to support payment obligations and contingent funding in a stressed market environment. The Bank's assets held for managing liquidity risk comprise:

- Cash and balances with the Bank of Ghana;
- Government bonds and other securities that are readily acceptable in repurchase agreements with the Bank of Ghana; and
- Secondary sources of liquidity in the form of highly liquid instruments in the Bank is trading portfolios.

ii. Derivative assets and liabilities

The Bank's derivatives that will be settled on a gross basis is the forward foreign exchange contracts. The table below analyses the Bank's derivative financial assets and liabilities that will be settled on a gross basis into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. Contractual maturities are assessed to be essential for an understanding of all derivatives. Some of the Bank's derivatives are subject to collateral requirements. Cash flows for those derivatives could occur earlier than the contractual maturity. The amounts disclosed in the table are the contractual undiscounted cash flows:

31 December 2021	**On demand GH¢'000**	**Not more than three months GH¢'000**	**Over 3 months but not more than 1 year GH¢'000**	**Over 1 year but not more than 5 years GH¢'000**	**Over 5 years GH¢'000**	**Total GH¢'000**
Interest rate and currency swap						
Inflow	-	**2,061,336**	-	-	-	**2,061,336**
Outflow	-	**(2,043,293)**	**(9,864)**	-	-	**(2,053,157)**
Inflow/ (outflow)	-	**18,043**	**(9,864)**	-	-	**8,179**

31 December 2020	On demand GH¢'000	Not more than three months GH¢'000	Over 3 months but not more than 1 year GH¢'000	Over 1 year but not more than 5 years GH¢'000	Over 5 years GH¢'000	Total GH¢'000
Interest rate and currency swap						
Inflow	-	202,665	1,969	-	-	204,634
Outflow	-	(206,365)	(2,027)	(1,394)	-	(209,786)
Inflow/ (outflow)	-	(3,700)	(58)	(1,394)	-	(5,152)

The amounts in the table above have been compiled as follows.

Type of financial instrument	**Basis on which amounts are compiled**
Non-derivative financial liabilities and financial assets	Undiscounted cash flows, which include estimated interest payments.
Issued financial guarantee contracts, and unrecognised loan commitments	Earliest possible contractual maturity. For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.

Type of financial instrument	Basis on which amounts are compiled
Derivative financial liabilities and financial assets held for risk management purposes	Contractual undiscounted cash flows. The amounts shown are the gross nominal inflows and outflows for derivatives that have simultaneous gross settlement (e.g. forward exchange contracts and currency swaps) and the net amounts for derivatives that are net settled.

iii. Exposure to liquidity risk

The key measure used by the bank for managing liquidity risk is the ratio of net liquid assets to deposits from customers. For this purpose net liquid assets are considered as including cash and cash equivalents and investment grade debt securities for which there is an active and liquid market less any deposits from banks, debt securities issued, other borrowings and commitments maturing within the next month. Details of the reported bank (liquid ratio) ratio of net liquid assets to deposits and customers at the reporting date were as follows:

	2021	2020
Weekly liquidity position		
At 31 December	**71%**	66%
Compliance with regulatory requirements		
a. Default in statutory liquidity GH¢ Sanction	**-**	-
b. Default in statutory liquidity (number of defaults) Sanction	**-**	-

4.7 Market Risks

i. Management of Market Risk

The Bank recognises market risk as the exposure created by potential changes in market prices and rates, such as interest rates, equity prices and foreign exchange rates. The Bank is exposed to market risk arising principally from customer driven transactions.

Market risk is governed by the Bank's Market Risk unit which is supervised by ALCO, and which agrees policies, procedures and levels of risk appetite in terms of Value at Risk ("VaR"). The unit provides market risk oversight and guidance on policy setting. Policies cover both the trading and non-trading books of the Bank. The non-trading book is defined as the Banking book. Limits are proposed by the businesses within the terms of agreed policy.

The unit also approves the limits within delegated authorities and monitors exposures against these limits. Additional limits are placed on specific instruments and currency concentrations where appropriate. Sensitivity measures are used in addition to VaR as risk management tools.

VaR models are back tested against actual results to ensure pre-determined levels of accuracy are maintained. The Bank's Market Risk unit complements the VaR measurement by regularly stress testing market risk exposures to highlight potential risks that may arise from extreme market events that are rare but plausible. Stress testing is an integral part of the market risk management framework and considers both historical market events and forward-looking scenarios. Ad-hoc scenarios are also prepared reflecting specific market conditions. A consistent stress testing methodology is applied to trading and non-trading books.

Stress scenarios are regularly updated to reflect changes in risk profile and economic events. The unit has responsibility for reviewing stress exposures and, where necessary, enforcing reductions in overall market risk exposure. It also considers stress testing results as part of its supervision of risk appetite. The stress test methodology assumes that management action would be limited during a stress event, reflecting the decrease in liquidity that often occurs. Contingency plans are in place and can be relied on in place of any liquidity crisis. The Bank also has a liquidity crisis management committee which also monitors the application of its policies.

4. Financial risk management continued

4.7 Market Risks continued

COVID-19 considerations

IFRS 7 requires disclosure of quantitative data about market risk arising from financial instruments. The Bank's market risk increased slightly as an outcome of various management steps taken in response to COVID-19 economic interventions and interruptions. The Bank held a lot of long duration bonds with higher yields to offset the effect of general decrease in yield, thus increasing interest rate risk. Additionally, the Bank held high net positions in foreign currency to benefit from currency appreciations, which subsequently increased the Bank's market risk arising from foreign exchange exposure.

ii. Foreign Exchange Exposure

The Bank's foreign exchange exposures comprise trading and non-trading foreign currency translation exposures. Foreign exchange exposures are principally derived from customer driven transactions. Concentration of Ghana cedi equivalent of foreign currency denominated assets and liabilities and off statement of financial position items are disclosed below:

	2021				
	USD GH¢'000	GBP GH¢'000	EUR GH¢'000	Others GH¢'000	Total GH¢'000
Assets					
Cash and cash equivalents	1,047,095	157,725	68,318	4,111	1,277,249
Derivative assets held for risk management	17,430	2,498	18,113	-	38,041
Loans to other banks	166,256	-	-	-	166,256
Advances to customers	651,604	1,046	29,068	-	681,718
Investment securities	370,892	-	-	-	370,892
Other assets	212,963	-	11,331	90	224,384
Total assets	**2,466,240**	**161,269**	**126,830**	**4,201**	**2,758,540**
Liabilities					
Deposits from banks	36,149	-	-	2	36,151
Deposits from customers	1,865,508	156,643	94,917	-	2,117,068
Borrowings	240,244	-	-	-	240,244
Derivative liabilities	40,284	1,637	18,055	1,801	61,777
Other liabilities	462,358	2,813	13,874	296	479,341
Total liabilities	**2,644,543**	**161,093**	**126,846**	**2,099**	**2,934,581**
Net-on statement of financial position	(178,303)	176	(16)	2,102	(176,041)
Off-statement of financial position credit and commitments	756,233	1,237	238,379	34,684	1,030,533

	2020				
	USD GH¢'000	GBP GH¢'000	EUR GH¢'000	Others GH¢'000	Total GH¢'000
Assets					
Cash and cash equivalents	1,338,791	72,703	78,188	2,536	1,492,218
Derivative assets held for risk management	6,967	327	2,272	576	10,142
Loans to other banks	-	-	-	-	-
Advances to customers	486,093	640	48,198	-	534,931
Investment securities	49,966	-	-	-	49,966
Other assets	252,231	159	10,544	90	263,024
Total assets	2,134,048	73,829	139,202	3,202	2,350,281
Liabilities					
Deposits from banks	93	-	-	338	431
Deposits from customers	1,787,211	71,367	118,575	57	1,977,210
Borrowings	86,403	-	-	-	86,403
Derivative liabilities	8,214	45	2,175	2,303	12,737
Other liabilities	443,810	2,315	18,453	506	465,084
Total liabilities	2,325,731	73,727	139,203	3,204	2,541,865
Net on statement of financial position	(191,683)	102	(1)	(2)	(191,584)
Off-statement of financial position credit and commitments	822,989	-	359,616	1,035	1,183,640

4.8 Sensitivity Analysis

A 5 per cent strengthening of the cedi against the following currencies at 31 December 2021 would have an impact on equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2020.

Sensitivity analysis

Effect in cedis

31 December 2021	Profit/(loss) GH¢'000	Equity net of tax GH¢'000
USD	**6,318**	**4,738**
GBP	**51**	**39**
EUR	**180**	**134**
Others	**-**	**-**

4. Financial risk management continued

4.8 Sensitivity Analysis continued

31 December 2020	Profit/(loss) GH¢'000	Equity net of tax GH¢'000
USD	2,774	2,081
GBP	31	23
EUR	289	217
Others	-	-

A best-case scenario 5 per cent weakening of the Ghana cedi against the above currencies at 31 December 2021 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

i. Interest Rate Exposure

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 repricing bands. ALCO is the monitoring body for compliance with these limits and is assisted by the Bank's Market Risk unit in its day-to-day monitoring activities.

Exposure to interest rate risk – Non-trading portfolios

The following is a summary of the Bank's interest rate gap position on non-trading portfolios. The interest rate repricing gap table analyses the full-term structure of interest rate mismatches within the Bank's balance sheet based on either (i) the next repricing date or the maturity date if floating rate or (ii) the maturity date if fixed rate.

2021	**Note**	**Carrying amount GH¢'000**	**Less than 3 months GH¢'000**	**3–6 months GH¢'000**	**6–12 months GH¢'000**	**Over 1 year GH¢'000**
Cash and cash equivalents	**18**	**3,203,097**	**3,203,097**	**-**	**-**	**-**
Loans and advances to banks	**21a**	**241,254**	**61,071**	**-**	**90,092**	**90,091**
Loans and advances to customers	**21b(i)**	**1,886,799**	**279,732**	**226,152**	**11,521**	**1,369,394**
Investment securities	**22a**	**3,761,388**	**1,228,422**	**735,366**	**-**	**1,797,600**
Deposits from banks	**26**	**79,690**	**79,676**	**14**	**-**	**-**
Deposits from customers	**27**	**7,554,457**	**7,224,779**	**74,313**	**210,601**	**44,764**

2020	Note	Carrying amount GH¢'000	Less than 3 months GH¢'000	3–6 months GH¢'000	6–12 months GH¢'000	Over 1 year GH¢'000
Cash and cash equivalents	18	2,724,718	2,724,718	-	-	-
Loans and advances to banks	21a	15,000	15,000	-	-	-
Loans and advances to customers	21b(i)	1,695,213	431,861	25,151	17,580	1,220,621
Investment securities	22a	2,419,537	904,314	18,000	412,623	1,084,600
Deposits from banks	26	84,980	84,980	-	-	-
Deposits from customers	27	5,751,627	5,312,253	83,488	102,415	253,471

The management of interest rate risk against interest rate gap limits is supplemented by monitoring the sensitivity of the Bank's financial assets and liabilities to various standard and non-standard interest rate scenarios. Standard scenarios that are considered monthly include a 100 basis point (bps) parallel fall or rise in market interest rates.

A change of a 100 basis points in interest rates at the reporting date would have impacted equity and profit or loss by the amounts shown below:

31 Dec 21	**100 bps Increase GH¢'000**	**100 bps Decrease GH¢'000**
Interest income impact	**53,999**	**(53,999)**
Interest expense impact	**(28,339)**	**28,339**
Net impact	**25,660**	**(25,660)**

31 Dec 20	100 bps Increase GH¢'000	100 bps Decrease GH¢'000
Interest income impact	48,113	(48,113)
Interest expense impact	(58,365)	58,365
Net impact	(10,252)	10,252

4.9 Operational risk

Operational risk is the risk of direct or indirect loss due to an event or action resulting from the failure of internal processes, people and systems, or from external events. The Bank seeks to ensure that key operational risks are managed in a timely and effective manner through a framework of policies, procedures, and tools to identify, assess, monitor, control and report such risks.

The Bank's Country Non-Financial Risk Committee (CNFRC) has been established to supervise and direct the management of operational risks across the Bank. CNFRC is also responsible for ensuring adequate and appropriate policies, and procedures are in place for the identification, assessment, monitoring, control and reporting of operational risks.

The CNFRC is responsible for establishing and maintaining the overall operational risk framework and for monitoring the Bank's key operational risk exposures. This committee is supported by Corporate, Commercial and Institutional Banking (CCIB) and Consumer, Private and Business Banking (CPBB) Operational Risk units. These units are responsible for ensuring compliance with policies and procedures in the business, monitoring key operational risk exposures, and the provisions of guidance to the respective business areas on operational risk.

4.10 Compliance and regulatory risk

Compliance and Regulatory risk include the risk of non-compliance with regulatory requirements. The Bank's compliance and Regulatory Risk function is responsible for establishing and maintaining an appropriate framework of the Bank's compliance policies and procedures. Compliance with such policies and procedures is the responsibility of all managers.

4.11 Capital Management

i. Regulatory capital

The Bank's regulator, the Bank of Ghana sets and monitors capital requirements for the Bank as a whole. In implementing current capital requirements, the Bank of Ghana requires the Bank to maintain a prescribed ratio of total capital to total risk-weighted assets.

The Bank of Ghana requires each bank to maintain a ratio of total regulatory capital to the risk weighted asset of at least 10 per cent, with an additional capital conservation buffer of 3 per cent reduced to 1.5 per cent as a result of COVID-19 relief measures by BoG. The Bank of Ghana can also prescribe additional capital buffers based on their view of the entity. However, no such buffer has been required of the Bank.

4. Financial risk management continued

4.11 Capital Management continued

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

- Tier 1 capital, which includes ordinary share capital, income surplus/retained earnings, statutory reserve 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.

  The bank did not have any tier 2 capital during the period under review.

Various limits are applied to elements of the capital base. Qualifying tier 2 capital cannot exceed tier 1 capital; and qualifying term subordinated loan capital may not exceed 50 per cent of tier 1 capital. Other deductions from capital include the carrying amounts of investments in subsidiaries that are not included in the regulatory consolidation, investments in the capital of banks and certain other regulatory items.

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

The Bank and its individually regulated operations have complied with all externally imposed capital requirements throughout the period. There have been no material changes in the Bank's management of capital during the period.

The Bank's regulatory capital position at 31 December was as follows:

	Notes	2021 GH¢'000	2020 GH¢'000
Tier 1 capital			
Ordinary share paid-up capital	31(i)	**390,910**	390,910
Income surplus	31(ii)	**553,412**	440,014
Reserve fund	31(iii)	**568,228**	370,122
		1,512,550	1,201,046
Regulatory Adjustment		**(70,424)**	(208,688)
Total Tier 1 Capital		**1,442,126**	992,358
Preference Shares	31(i)	**9,091**	9,091
Total regulatory Capital		**1,451,217**	1,001,450
Risk-weighted assets			
Credit risk		**2,706,128**	2,591,480
Market risk		**26,721**	36,101
Operational risk		**1,609,245**	1,397,837
Total risk-weighted assets		**4,342,094**	4,025,418
Total regulatory capital expressed as a per centage of total risk-weighted assets		**33.42%**	24.88%

ii 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.

The process of allocating capital to specific operations and activities is undertaken independently of those responsible for the operation and is subject to review by the Bank's ALCO.

Although maximisation of the return on risk-adjusted capital is the principal basis used in determining how capital is allocated within the Bank's particular operations or activities, it is not the sole basis used for decision making. Consideration also is made of synergies with other operations and activities, the availability of management and other resources, and the capability of the activity with the Bank's longer-term strategic objectives. The Bank's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors.

5. Contingencies and commitments

	2021 GH¢'000	2020 GH¢'000
i. Contingent liabilities		
***Pending legal suits**	**927**	912

* There are several legal proceedings outstanding against the Bank as at 31 December 2021. Provisions have been recognised for those cases where it is probable the Bank will be unsuccessful in its defence and the potential liabilities can be reliably estimated. There were contingent liabilities amounting to GH¢927,000 with respect to legal cases for the year (2020: GH¢ 912,000).

ii. Commitments for capital expenditure

There was no commitment for significant capital expenditure at the statement of financial position date (2020: Nil).

iii. Unsecured commitments

	2021 GH¢'000	2020 GH¢'000
This relates to commitments for trade letters of credit and guarantees. (Net of margin deposits)	**1,025,633**	1,157,973

6. Segmental Reporting

The Bank has two main business segments: Consumer, Private and Business Banking (CPBB) and Corporate, Commercial and Institutional Banking(CCIB). These segments offer varying products and services and are managed separately based on the Bank's management and internal reporting structure.

i. Consumer, Private and Business Banking (CPBB)

Consumer, Private and Business Banking serves the banking needs of Personal, Priority and International and Business banking clients, offering a full suite of innovative products and services to meet their borrowing, wealth management and transactional needs.

A client-focused approach enables a deeper understanding of clients' evolving needs and provision of customised financial solutions.

6. Segmental Reporting continued

ii. Corporate, Commercial and Institutional Banking (CCIB)

Corporate, Commercial and Institutional Banking focuses on driving origination by building core banking relationships with clients across the full range of their product needs and helping mid-sized local companies grow, especially as they expand across borders. This group of clients is already a key contributor to trade and investment in our footprint markets today and presents a large and growing opportunity. The Standard Chartered Bank Ghana Plc network is fundamental to our strategy, structured to provide clients with Global expertise delivered through local support.

Some of the Bank's support function costs uses standardised basis to allocate costs to the business segments on a reasonable basis.

	2021		
Operating Segments	**Corporate, Commercial and Institutional Banking GH¢ '000**	**Consumer, Private and Business Banking GH¢ '000**	**Total GH¢ '000**
Net interest income	**446,132**	**200,225**	**646,357**
Net fee and commission income	**67,269**	**88,576**	**155,845**
Net trading income and income from financial instruments carried at FVTPL	**238,627**	**29,499**	**268,126**
Total segment revenue	**752,028**	**318,300**	**1,070,328**
Net impairment loss	**12,689**	**(6,797)**	**5,892**
Segment operating expenses	**(198,497)**	**(183,226)**	**(381,723)**
Profit before tax	**566,220**	**128,277**	**694,497**
Segment assets	**9,342,181**	**778,395**	**10,120,576**
Segment liabilities	**5,882,362**	**2,594,932**	**8,477,294**

	2020		
Operating Segments	Corporate, Commercial and Institutional Banking GH¢ '000	Consumer, Private and Business Banking GH¢ '000	Total GH¢ '000
Net interest income	453,380	187,138	640,518
Net fee and commission income	57,519	78,077	135,596
Net trading income and income from financial instruments carried at FVTPL	213,785	32,837	246,622
Total segment revenue	724,684	298,052	1,022,736
Net impairment loss	(38,568)	(20,716)	(59,284)
Segment operating expenses	(132,075)	(155,987)	(288,062)
Profit before tax	554,041	121,349	675,390

Operating Segments	2020 Corporate, Commercial and Institutional Banking GH¢ '000	Consumer, Private and Business Banking GH¢ '000	Total GH¢ '000
Segment assets	7,363,523	668,151	8,031,674
Segment liabilities	4,273,981	2,290,889	6,564,870

Interest income is reported net as management primarily relies on net interest revenue as a performance measure, not the gross income and expense.

No revenue from transactions with a single external customer or counterparty amounted to 10 per cent or more of the Bank's total revenue in 2021.

No operating segments have been aggregated in arriving at the reportable segment of the Bank.

The executive management committee monitors operating results of its business units separately for the purpose of decision making about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss.

Transfer prices between operating segments are on arm's length basis in a manner like transactions with third parties.

Segment revenue above represents revenue generated from external customers. There were no inter–segments sales in the current year (2020: nil)

The accounting policies of the reportable segments are the same as the Bank's accounting policies.

For the purposes of monitoring segment performance and allocating resources between segments:

- All assets are allocated to reportable segments
- All liabilities are allocated to reportable segments

iv. Reconciliations of information on reportable segments to the amounts reported in the financial statements

	2021 GH¢'000	2020 GH¢'000
i. Revenues		
Total revenue from reportable segments	**1,070,328**	1,022,736
Unallocated amounts	**-**	-
Elimination of intersegment revenue	**-**	-
Total revenue per statement of comprehensive income	**1,070,328**	1,022,736
ii. Profit before tax		
Total profit or loss for reportable segments	**694,497**	675,390
Unallocated amounts	**-**	-
Total profit before tax per statement of comprehensive income	**694,497**	675,390

Financial statements

6. Segmental Reporting continued

	2021 GH¢'000	2020 GH¢'000
iii. Assets		
Total assets for reportable segments	**10,120,576**	8,031,674
Other unallocated amounts	**-**	-
Total assets per statement of financial position	**10,120,576**	8,031,674
iv. Liabilities		
Total liabilities for reportable segments	**8,477,294**	6,564,870
Other unallocated amounts	**-**	-
Total liabilities per statement of financial position	**8,477,294**	6,564,870

7.0 Financial assets and liabilities

7.1 The Bank's classification of its principal financial assets and liabilities are summarised below:

The table below provides reconciliation between the items in the statement of financial position and the classification of financial instrument.

31 December 2021	Fair Value through OCI GH¢ '000	Amortised cost GH¢ '000	Fair Value through P/L GH¢ '000	Total carrying amount GH¢ '000
Cash and cash equivalents	-	3,203,097	-	3,203,097
Derivative assets	-	-	10,143	10,143
Trading assets (non- pledged)	-	-	361,964	361,964
Loans to other banks	-	241,254	-	241,254
Loans and advances to customers	-	1,886,799	-	1,886,799
Investment securities	3,761,388	-	-	3,761,388
Other assets	-	347,483	-	347,483
Assets	3,761,388	5,678,633	372,107	9,812,128
Deposits from customers	-	7,554,457	-	7,554,457
Deposits from banks	-	79,690	-	79,690
Derivative liabilities	-	-	9,249	9,249
Borrowings	-	240,244	-	240,244
Other liabilities	-	462,027	-	462,027
Liabilities	-	8,336,418	9,249	8,345,667

31 December 2020	Fair Value through OCI GH¢ '000	Amortised cost GH¢ '000	Fair Value through P/L GH¢ '000	Total carrying amount GH¢ '000
Cash and cash equivalents	-	2,724,718	-	2,724,718
Derivative assets	-	-	5,675	5,675
Trading assets (non- pledged)	-	-	406,254	406,254
Loans to other banks	-	15,000	-	15,000
Loans and advances to customers	-	1,695,213	-	1,695,213
Investment securities	2,419,537	-	-	2,419,537
Other assets	-	441,797	-	441,797
Assets	2,419,537	4,876,728	411,929	7,708,194
Deposits from customers	-	5,751,627	-	5,751,627
Deposits from banks	-	84,980	-	84,980
Derivative liabilities	-	-	161	161
Borrowings	-	86,403	-	86,403
Other liabilities	-	562,661	-	562,661
Liabilities	-	6,485,671	161	6,485,832

7.2 Fair value categorisation of financial instruments

COVID-19 considerations

The COVID-19 coronavirus pandemic has significantly affected financial markets and may impact valuation techniques used by banks and classification of financial instruments in the fair value hierarchy. Given the impact of the increase in economic uncertainty on forecasting cash flows and other unobservable inputs used in valuation techniques (e.g. certain risk-adjusted discount rates), the Bank has provided additional sensitivity disclosures – together with disclosure of the key assumptions and judgements made by management – to enable users to understand how fair value has been determined. These disclosures are required under both IFRS 13 Fair Value Measurement and IAS 1 Presentation of Financial Statements. IFRS 13 also contains specific disclosure requirements when amounts are transferred into Level 3 of the fair value hierarchy, including sensitivity disclosures.

i. Valuation principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. Valuation techniques used include discounted cash flow analysis and pricing models and where appropriate, comparison with instruments that have characteristics similar to those of instruments held by the Bank.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained below.

The Valuation Control function is responsible for independent price verification, oversight of fair value and appropriate value adjustments and escalation of valuation issues. Independent price verification is the process of determining that the valuations incorporated into the financial statements are validated independent of the business area responsible for the product.

The Valuation Control function has oversight of the fair value adjustments to ensure that the financial instruments are priced to exit. These are key controls in ensuring the material accuracy of the valuations incorporated in the financial statements. The market data used for price verification may include data sourced from recent trade data involving third parties such as Bank of Ghana, Bloomberg, Reuters, brokers and consensus pricing providers.

7.0 Financial assets and liabilities continued

7.2 Fair value categorisation of financial instruments continued

Valuation Control performs a semi-annual review of the suitability of the market data used for price testing. Price verification uses independently sourced data that is deemed most representative of the market the instruments trade in. To determine the quality of the market data inputs, factors such as independence, relevance, reliability, availability of multiple data sources and methodology employed by the pricing provider are taken into consideration.

ii. Valuation governance

The Bank's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. All new product initiatives (including their valuation methodologies) are subject to approvals by various functions of the Bank including the risk and finance functions. The responsibility of ongoing measurement resides with the business and product line divisions.

Once submitted, fair value estimates are also reviewed and challenged by the Risk and Finance functions. The independent price verification process for financial reporting is ultimately the responsibility of the independent price verification team within Finance.

(a) Financial instruments measured at fair value – fair value hierarchy

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.

	2021			
	Level 1 GH¢'000	Level 2 GH¢'000	Level 3 GH¢'000	Total GH¢'000
Trading assets (Non-pledged)	**361,964**	**-**	**-**	**361,964**
Derivative assets (Foreign exchange contracts)	**-**	**10,143**	**-**	**10,143**
Investment securities	**3,761,388**	**-**	**-**	**3,761,388**
Total at 31 December 2021	**4,123,352**	**10,143**	**-**	**4,133,495**

	2020			
	Level 1 GH¢'000	Level 2 GH¢'000	Level 3 GH¢'000	Total GH¢'000
Trading assets (Non-Pledged)	406,254	-	-	406,254
Derivative assets (Foreign exchange contracts)	-	5,675	-	5,675
Investment securities	2,419,537	-	-	2,419,537
Total at 31 December 2020	2,825,791	5,675	-	2,831,466

iii. Trading assets (non- pledged)

These instruments are generally highly liquid and traded in active markets resulting in a Level 1 classification.

iv. Derivative - Foreign exchange contracts

Foreign exchange contracts include open spot contracts, foreign exchange forward and swap contracts and over the- counter foreign exchange options. These instruments are valued by either observable foreign exchange rates, observable or calculated forward points and option valuation models. The Bank classifies foreign exchange contracts as Level 2 financial instruments when no unobservable inputs are used for their valuation or the unobservable inputs used are not significant to the measurement (as a whole).

(b) Financial instruments not measured at fair value

The following table sets out the fair values of financial instruments not measured at fair value in the statement of financial position, analysed by reference to levels in the fair value hierarchy into which each fair value measurement is categorized:

31 December 2021	Level 1 GH¢'000	Level 2 GH¢'000	Level 3 GH¢'000	Total fair value GH¢'000	Carrying amount GH¢'000
Assets					
Cash and cash equivalents	-	**3,203,097**	-	**3,203,097**	**3,203,097**
Loans to other banks	-	-	**241,254**	**241,254**	**241,254**
Loans and advances to customers	-	-	**1,886,799**	**1,886,799**	**1,886,799**
Other assets	**-**	**-**	**381,214**	**381,214**	**381,214**
	-	**3,203,097**	**2,509,267**	**5,712,364**	**5,712,364**
Liabilities					
Customer deposits	-	**7,554,457**	-	**7,554,457**	**7,554,457**
Deposits from banks	-	**79,690**	-	**79,690**	**79,690**
Borrowings	-	-	**240,244**	**240,244**	**240,244**
Other liabilities	**-**	**-**	**495,803**	**495,803**	**495,803**
	-	**7,634,147**	**736,047**	**8,370,194**	**8,370,194**

31 December 2020	Level 1 GH¢'000	Level 2 GH¢'000	Level 3 GH¢'000	Total fair value GH¢'000	Carrying amount GH¢'000
Assets					
Cash and cash equivalents	-	2,724,718	-	2,724,718	2,724,718
Loans to other banks	-	-	15,000	15,000	15,000
Loans and advances to customers	-	-	1,695,213	1,695,213	1,695,213
Other assets	-	-	385,122	385,122	385,122
	-	2,724,718	2,095,335	4,820,053	4,820,053
Liabilities					
Customer deposits	-	5,751,627	-	5,751,627	5,751,627
Deposits from banks	-	84,980	-	84,980	84,980
Borrowings	-	-	86,403	86,403	86,403
Other liabilities	-	-	562,661	562,661	562,661
	-	5,836,607	649,064	6,485,671	6,485,671

Where applicable, the fair value of loans and advances to customers is based on observable market transactions. Where observable market transactions are not available, fair value is estimated using valuation models such as discounted cash flow techniques which represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine the fair value. For collateral-dependent impaired loans, the fair value is measured based on the value of the underlying collaterals.

The fair value of advances to and from Banks is based on discounted cash flow techniques applying the rates of similar maturities and terms.

The fair value of term deposits by customers is estimated using discounted cash flow techniques, applying the rates that are offered for deposits of similar maturities and terms. The fair value of deposits payable on demand is the amount payable at the reporting date.

Fair values of borrowings are estimated using discounted cash flow techniques, applying rates that are offered for borrowings of similar maturities and terms.

8. Net Interest income

	2021 GH¢'000	2020 GH¢'000
Interest income calculated using the effective interest method		
Cash and cash equivalents	**1,294**	24,217
Loans and advance to customers	**292,563**	373,029
Investment Securities	**526,075**	398,128
Total interest income	**819,932**	795,374
Interest expense		
Deposits from bank	**(50,407)**	(65,558)
Deposits from customers	**(123,168)**	(89,298)
Total Interest expense	**(173,575)**	(154,856)
Net Interest Income	**646,357**	640,518

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

	2021 GH¢'000	2020 GH¢'000
Financial assets measured at amortised cost	**293,858**	397,246
Financial assets measured at FVOCI	**526,074**	398,128
Total	**819,932**	795,374
Financial liabilities measured at amortised cost	**173,575**	154,856

9. Net fees and commissions income

	2021 GH¢'000	2020 GH¢'000
Fees and commissions income		
Consumer, Private and Business Banking customer fees	**99,871**	78,887
Corporate, Commercial and Institutional Banking credit related fees	**70,153**	74,158
Total fee and commission incomes	**170,024**	153,045
Fees and commission expense		
Brokerage	**332**	(1)
Visa interchange fees	**(14,511)**	(13,605)
Total fee and commission expense	**(14,179)**	(13,606)
Net fees and commissions income	**155,845**	139,439

The fees and commissions presented include income of GH¢ 170 million (2020: GH¢ 153 million) and expense of GH¢ 14 million (2020: GH¢ 13 million) related to financial assets and financial liabilities not measured at FVTPL. These figures excluded amounts incorporated in determining the effective interest rate on such financial assets and financial liabilities.

Commission received on fixed income and portfolio fees included fees earned by the Bank on trust and fiduciary activities in which the Bank holds or invests assets on behalf of its customers. Commission received on fixed income of GH¢36 million (2020: GH¢27 million) is presented as part of consumer, private and business banking customer fees. Portfolio fees of GH¢22 million (2020: GH¢19 million) is presented as part of Consumer, Private and Business Banking credit related fees.

10. Net trading income

	2021 GH¢'000	2020 GH¢'000
Fixed income (debt instruments)	**172,061**	111,779
Foreign exchange	**96,358**	117,914
Other	**85**	16,929
Net trading income	**268,504**	246,622

11. Net loss from other financial instruments carried at fair value through P/L

	2021 GH¢'000	2020 GH¢'000
OTC structured derivatives	**(378)**	(6,331)

12. Net impairment (gain)/ loss on financial assets

	2021 GH¢'000	2020 GH¢'000
Impairment charge on financial assets	**(6,627)**	41,852
Charge-off	**16,889**	34,485
Recovery	**(16,154)**	(17,053)
	(5,892)	59,284

13(a) Personnel costs

	2021 GH¢'000	2020 GH¢'000
Wages, salaries, bonus and allowances	**182,061**	153,394
Social security costs	**15,899**	14,389
Provident Fund	**12,144**	9,611
Other staff costs	**27,638**	24,631
Training	**545**	681
Directors' emolument (13b)	**7,172**	6,575
	245,459	209,281

The average number of persons employed by the Bank during the year was 730 (2020: 811).

13(b) Particulars of Directors' emoluments

In line with section 185 of the Companies Act, 2019 (Act 992), the following are the aggregate of the Directors' emoluments:

	2021 GH¢'000	2020 GH¢'000
Salaries, allowances, and benefits in kind	**5,542**	4,650
Pension contributions	**637**	352
Bonuses paid or payable	**994**	1,573
	7,173	6,575

14. Other expenses

	2021 GH¢'000	2020 GH¢'000
Advertising and marketing	**8,761**	7,713
Premises and equipment	**10,503**	4,854
Legal and consultancy fees	**7,699**	3,045
Utilities and office supplies	**20,199**	8,159
Professional fees	**1,181**	3,685
Postage and telephone	**4,180**	6,999
Subscription	**860**	5,512
Losses and insurance	**622**	463
Fines and penalties*	**(10,497)**	14,319
VAT/GST	**13,057**	11,370
Auditors' remuneration	**630**	600
Donations and sponsorship	**1,404**	2,055
Redundancy cost	**9,312**	7,887
Lease finance cost	**18,856**	17,667
Management service reversal**	**(1,438)**	(54,077)
Lease expense	**650**	670
Others***	**15,677**	5,053
Total	**101,656**	45,973

*In 2020, the bank accrued for some potential fines resulting from a breach in regulatory guidelines. A review of the potential breach and further engagement with stakeholders did not result in a fine. The accrual was therefore reversed.

**During the year the Bank released provision of GH¢1.4 million (2020: GH¢ 54 million) in respect of recharges payable to Standard Chartered Bank Group for technological service agreement that was subject to regulatory approval. This was occasioned by additional information on the regulatory approval that was made available to the Bank in 2020.

*** Included in others for the current year is an amount of GH¢10 million relating to withholding taxes that were levied on the Bank as a result of a tax audit performed by the GRA during the period.

15. Taxation

i. Income tax expense

	Notes	2021 GH¢'000	2020 GH¢'000
Income tax expense for the year		**196,366**	163,325
Corporate tax charge for the year		**171,643**	176,737
Changes in estimates relating to prior years		**23,078**	-
Current tax		**194,721**	176,737
Deferred Tax	24	**1,645**	(13,412)
Income tax expense		**196,366**	163,325

National Fiscal Stabilisation Levy	2021 GH¢'000	2020 GH¢'000
Charge for the year (5 per cent of profit before tax)	**34,725**	33,769

Financial Sector Clean up levy	2021 GH¢'000	2020 GH¢'000
Charge for the year (5 per cent of profit before tax)	**26,472**	-

ii. Taxation payable

	2021				
Current tax	**Balance at 1/1/2021 GH¢'000**	**Payment during the year GH¢'000**	**Charge for the year GH¢'000**	**Adjustment GH¢'000**	**Balance at 31/12/21 GH¢'000**
Corporate Tax	**(50,571)**	**(187,824)**	**194,721**	**-**	**(43,674)**
National Fiscal Stabilisation Levy	**(10,286)**	**(37,852)**	**34,725**	**-**	**(13,413)**
Financial Sector Clean up Levy	**-**	**(22,150)**	**26,472**	**-**	**4,322**
Tax credit refunded	**-**	**-**	**-**	**21,116**	**21,116**
	(60,857)	**(247,826)**	**255,918**	**21,116**	**(31,649)**

	2020				
Current tax	Balance at 1/1/2020 GH¢'000	Payment during the year GH¢'000	Charge for the year GH¢'000	Adjustment GH¢'000	Balance at 31/12/20 GH¢'000
Corporate Tax	(52,853)	(174,455)	176,737	-	(50,571)
National Fiscal Stabilisation Levy	(10,387)	(33,668)	33,769	-	(10,286)
	(63,240)	(208,123)	210,506	-	(60,857)

15. Taxation continued

iii. Reconciliation of Effective Tax Rate

Analysis of tax charge in the year:

The charge for taxation based upon the profit for the year comprises:

	2021 GH¢'000	2020 GH¢'000
Profit before tax	**694,497**	675,390
Tax at 25 per cent (2020:25 per cent)	**173,624**	168,847
National Fiscal Stabilization Levy	**34,725**	33,769
Financial Sector Clean up Levy	**26,472**	-
Prior -Year Adjustment	**23,078**	-
Non-deductible expenses	**(336)**	5,522
Tax charge	**257,563**	197,094
Effective tax rate	**37.1%**	29.2%

Tax liabilities up to 2019 have been agreed with the Ghana Revenue Authority. The 2020 and 2021 liabilities are subject to agreement with the Ghana Revenue Authority. National Fiscal Stabilisation Levy is a levy introduced by the Government as a charge on profit before tax effective July 2013. This is at the rate of 5 per cent on the profit before tax.

The Financial Sector recovery levy was introduced in April 2021 at rate of 5 per cent of banks' profit before tax.

16. Earnings per share

i. Basic and diluted earnings per share

The calculation of basic and diluted earnings per share of GH¢3.23 (2020: GH¢3.54) was based on the profit attributable to ordinary shareholders of GH¢ 435.3 million (2020: GH¢ 476.6 million) and a weighted average number of ordinary shares outstanding of 134.8 million (2020: 134.8 million). Diluted earnings per share was calculated after adjusting for the effects of all dilutive potential ordinary shares.

Profit attributable to ordinary shareholders

	2021 GH¢ '000	2020 GH¢ '000
Net profit for the period (after tax)	**436,934**	478,296
Preference share dividend proposed	**(1,469)**	(1,647)
Profit attributable to equity holders	**435,465**	476,649

	2021 '000	2020 '000
Weighted average number of ordinary shares at 31 December	**134,758**	134,758
Basic earnings per share	**3.23**	3.54
Diluted earnings per share	**3.23**	3.54

17. Dividend per share

The Directors are recommending an ordinary share dividend of **GH¢2.57** per share (2020: GH¢1.74 per share) subject to approval by the Bank of Ghana and the shareholders.

	2021 GH¢ '000	2020 GH¢ '000
Net profit for the period (after tax)	**436,934**	478,296
Less Preference share dividend	**(1,469)**	(1,647)
Deferred Tax credit	**-**	(13,412)
Transfer to Reserve fund	**(54,617)**	(143,489)
Credit Risk Reserve	**(34,569)**	-
Income Surplus	**-**	(85,398)
Profit attributable to equity holders	**346,279**	234,350

	2021 '000	2020 '000
Weighted average number of ordinary shares at 31 December	**134,758**	134,758

Payment of dividends is subject to withholding tax at the rate of 8 per cent for residents and 7.5 per cent for non-resident shareholders in countries with Double Taxation Agreement (DTA) with Ghana.

18. Cash and cash equivalents

	2021 GH¢ '000	2020 GH¢ '000
Cash and balances with banks	**307,963**	436,800
Unrestricted balances with Bank of Ghana	**1,815,692**	2,122,973
Mandatory reserve deposit with Bank of Ghana	**1,079,442**	164,945
Money Market Placements	**-**	-
	3,203,097	2,724,718

At the reporting date, the Bank recorded a bank ledger balance of GH¢ 3.2 billion (2020: GH¢ 2.7 billion) in its statement of financial position as compared to the Bank statement balance of GH¢ 3.0 billion (2020: GH¢ 2.6 billion). The transactions making up the difference between the Bank ledger balance and the Bank statement balance totalling GH¢ 224 million (2020: GH¢ 110 million) were reflected as reconciling items in the Bank reconciliation statements

19. Derivatives

19.a Derivatives assets held for risk management

For risk management purposes, the bank entered foreign exchange rate swaps and interest rate swaps (IRS). The following describes the fair value of derivatives held for risk management purposes. The Bank's approach to managing market risk including interest rate risk and foreign currency risk is discussed in note 4(iii).

	2021 GH¢ '000	2020 GH¢ '000
Foreign exchange swap	**9,944**	3,758
Interest rate swap	**199**	1,917
OTC Structured derivatives	**10,143**	5,675

19. Derivatives continued

19.b Derivatives liabilities held for risk management

	2021 GH¢ '000	2020 GH¢ '000
Foreign exchange swap	9,046	28
Interest rate swap	203	133
OTC Structured derivatives	9,249	161

20. Trading assets (non-pledged)

	2021 GH¢ '000	2020 GH¢ '000
Government securities	361,964	406,254

21. Loans to other banks and customers

21.a Loans to other banks

	2021 GH¢ '000	2020 GH¢ '000
Loans to banks	241,254	15,000

21.b Loans and advances

i. Analysis by Type

The table below constitutes loans and advances (including credit bills negotiated) to customers and staff.

	2021			2020		
	Gross amount GH¢'000	Impairment allowance GH¢'000	Carrying amount GH¢'000	Gross amount GH¢'000	Impairment allowance GH¢'000	Carrying amount GH¢'000
Retail customers						
Mortgage lending	119,212	(818)	118,394	112,383	(610)	111,774
Personal loans	677,199	(18,416)	658,783	568,240	(12,412)	555,829
Corporate customers						
Term loan	1,088,953	(122,223)	966,730	1,135,816	(114,282)	1,021,532
Trade	151,812	(8,920)	142,892	63,336	(57,258)	6,078
Total	2,037,176	(150,377)	1,886,799	1,879,775	(184,562)	1,695,213

ii.a Total impairment on loans and advances to customers

	2021 GH¢ '000	2020 GH¢ '000
Impairment at 1 January	184,562	139,350
Net remeasurement of loss allowance	(21,646)	45,212
Impairment release for assets written-off	(12,539)	-
At 31 December	150,377	184,562

ii.b Reconciliation between BOG and IFRS

	2021 GH¢ '000	2020 GH¢ '000
BOG Provisions	**294,464**	294,080
Excess of BOG over IFRS provisions – credit risk reserve	**(144,087)**	(109,518)
IFRS Provisions	**150,377**	184,562

iii. Analysis by industry classification

	2021 GH¢ '000	2020 GH¢ '000
Agriculture, forestry, and fishing	**83**	82
Mining and quarrying	**7,778**	7,047
Manufacturing	**505,281**	333,460
Construction	**129,465**	46,255
Electricity, gas, and water	**-**	-
Commerce and finance	**319,097**	395,305
Transport, storage, and communication	**129,465**	154,367
Services	**168,830**	204,035
Miscellaneous	**194,162**	164,713
Individuals	**583,015**	574,511
Gross loans and advances	**2,037,176**	1,879,775
Impairment allowance	**(150,377)**	(184,562)
Net carrying amount of loans and advances	**1,886,799**	1,695,213

iv. Types of collateral held

	2021 GH¢ '000	2020 GH¢ '000
Asset Based	**2,194,080**	3,437,688
Cash	**139,683**	224,274
Guarantees	**6,028,344**	5,823,665
Insurance/protection	**473,698**	1,019,719
Property	**2,948,480**	2,504,509
	11,784,285	13,009,855

v. Assets held as collateral

This comprises the following:

	2021 GH¢ '000	2020 GH¢ '000
Against impaired assets	**6,891,524**	5,321,117
Against performing assets	**4,892,761**	7,688,738
	11,784,285	13,009,855

22a. Investment securities

	2021 GH¢ '000	2020 GH¢ '000
Treasury bills	**1,552,284**	49,847
Debt securities	**2,209,104**	2,369,690
Total	**3,761,388**	2,419,537

Investment securities as presented on the Statement of cash flows

	2021 GH¢ '000	2020 GH¢ '000
Opening balance	**2,419,537**	2,349,385
Purchase of government securities	**5,949,210**	2,490,223
Sale of government securities	**(4,633,465)**	(2,386,587)
Fair value gains/loss of investments at FVOCI	**26,335**	(33,484)
Debt investments at FVOCI – reclassified to profit or loss	**(229)**	-
Total	**3,761,388**	2,419,537

	2021 GH¢ '000	2020 GH¢ '000
Current portion	**1,963,788**	1,334,937
Non-current portion	**1,797,600**	1,084,600
Total	**3,761,388**	2,419,537

Investment securities comprise of Government Treasury bills and bonds classified as Fair value through other comprehensive income.

The Bank did not pledge any of its investments in Government securities as collateral to a financial institution (2020: GH¢50.2 million). The Bank has not received collateral that it is permitted to sell or re-pledge in the absence of default. In the event that, the entity fails to make good the payment as and when it falls due, the collateral will not be released back to the entity. The pledged assets could not be used for any other trading until the payment is done and the pledged assets are released by Central Securities Depository.

22b(i) Equity investment

	2021 GH¢ '000	2020 GH¢ '000
Investment in Subsidiaries	**1,001**	1

Investment in subsidiaries represents the Bank's equity interest in Standard Chartered Ghana Nominees PLC, which is a wholly owned subsidiary incorporated in Ghana that was specifically set-up to warehouse assets held in trust on behalf of custody clients in the conduct of its fiduciary activities. The assets and income due to such clients arising thereon are not the bona fide property of the Bank and have not been included in either the books of the Bank or the subsidiary company.

The Bank has invested in a subsidiary Standard Chartered Wealth Management Limited, to sell investment products and provide advisory services to clients.

The results of the Standard Chartered Nominee PLC is insignificant, while Standard Chartered Wealth Management Limited is pending regulatory approval.

(ii) Fiduciary Activities

The Bank commonly acts as trustee and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefits plans and other institutions.

	2021 GH¢ '000	2020 GH¢ '000
The total assets under the Bank's management which wholly relates to investments in Ghana	**26,312,870**	25,175,554

23. Property and equipment

23a Property and equipment

	2021						
	Land and building GH¢'000	**Furniture and equipment GH¢'000**	**Computer GH¢'000**	**Motor vehicle GH¢'000**	**Capital work in progress GH¢'000**	**Right of use assets GH¢'000**	**Total GH¢'000**
Gross value	**50,505**	**16,785**	**32,425**	**16**	**2,030**	**243,714**	**345,475**
At 1 January 2021							
Additions**	**1,268**	**1,879**	**1,555**	**-**	**-**	**13,569**	**18,271**
Write-offs	**(10,181)**	**(2,833)**	**(5,768)**	**-**	**1,546**	**(1,581)**	**(18,817)**
At 31 December 2021	**41,592**	**15,831**	**28,212**	**16**	**3,576**	**255,702**	**344,929**
Depreciation							
At 1 January 2021	**20,108**	**9,039**	**18,711**	**16**	**-**	**39,162**	**87,036**
Charges for the year	**2,433**	**3,009**	**7,590**	**-**	**-**	**21,576**	**34,608**
Write-offs	**(10,181)**	**(2,833)**	**(5,768)**	**-**	**-**	**-**	**(18,782)**
At 31 December 2021	**12,360**	**9,215**	**20,533**	**16**	**-**	**60,738**	**102,862**
Net book value	**29,232**	**6,616**	**7,679**	**0**	**3,576**	**194,964**	**242,067**

	2020						
	Land and building GH¢'000	Furniture and equipment GH¢'000	Computer GH¢'000	Motor vehicle GH¢'000	Capital work in progress GH¢'000	Right of use assets GH¢'000	Total GH¢'000
Gross value	45,422	15,218	27,689	16	15,866	236,250	340,461
At 1 January 2020							
Additions**	5,083	1,567	5,373	-	-	7,464	19,487
Write-offs	-	-	(637)	-	(13,836)	-	(14,473)
At 31 December 2020	50,505	16,785	32,425	16	2,030	243,714	345,475
Depreciation							
At 1 January 2020	17,689	5,964	11,560	16	-	19,636	54,865
Charges for the year	2,419	3,075	7,788	-	-	19,526	32,808
Write-offs	-	-	(637)	-	-	-	(637)
At 31 December 2020	20,108	9,039	18,711	16	-	39,162	87,036
Net book value	30,397	7,746	13,714	-	2,030	204,552	258,440

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23. Property and equipment continued

23a Property and equipment continued

**Additions from Right-of-use constitutes non-cash movement and therefore has not been considered in the additions to property and equipment in the statement of cashflows.

There was no indication of impairment of property and equipment held by the Bank at 31 December 2021 (2020: Nil). None of the property 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.

23b. Depreciation

	2021 GH¢ '000	2020 GH¢ '000
Depreciation	**34,608**	32,808

24. Deferred taxation

	Notes	2021 GH¢ '000	2020 GH¢ '000
Balance at 1 January		**9,978**	23,390
Charge to profit or loss	15	**1,645**	(13,412)
Balance at 31 December		**11,623**	9,978

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	2021				
	Balance at 1/1 GH¢'000	Recognised in profit or loss GH¢'000	Balance at 31/12 GH¢'000	Deferred tax assets GH¢'000	Deferred tax liabilities GH¢'000
Property and equipment	**(3,349)**	**681**	**(2,668)**	**(2,668)**	**-**
Impairment provision	**13,191**	**1,472**	**14,663**	**-**	**14,663**
Holiday pay	**(503)**	**(32)**	**(535)**	**(535)**	**-**
Leases	**639**	**(476)**	**163**	**-**	**163**
	9,978	**1,645**	**11,623**	**(3,203)**	**14,826**

	2020				
	Balance at 1/1 GH¢'000	Recognised in profit or loss GH¢'000	Balance at 31/12 GH¢'000	Deferred tax assets GH¢'000	Deferred tax liablities GH¢'000
Property and equipment	(4,223)	874	(3,349)	(3,349)	-
Impairment provision	27,373	(14,182)	13,191	-	13,191
Holiday pay	(399)	(104)	(503)	(503)	-
Leases	639	-	639	-	639
	23,390	(13,412)	9,978	(3,852)	13,830

25. Other assets

	2021 GH¢ '000	2020 GH¢ '000
Accounts receivable and prepayments	**83,095**	122,409
LC Acceptance	**164,520**	136,925
Accrued interest receivable	**133,513**	126,794
Impersonal accounts	**86**	59,851
	381,214	445,979

26. Deposits from banks

	2021 GH¢ '000	2020 GH¢ '000
Balances from financial entities	**79,690**	84,980

27. Deposit from customers

Analysis by type and product

	2021 GH¢ '000	2020 GH¢ '000
Current accounts	**5,178,980**	3,881,454
Time deposit	**255,560**	230,188
Savings deposit	**1,341,199**	1,194,500
Call deposit	**778,718**	445,485
Total	**7,554,457**	5,751,627

28. Borrowings

	2021 GH¢ '000	2020 GH¢ '000
Balances due to other Standard Chartered Bank associated entity	**240,244**	86,403

Borrowings constitute of USD denominated facilities with Standard Chartered Bank associated entities with the following terms:

- An overnight borrowing with an interest rate of 0.15 per cent per annum.
- A three-year rolling facility with interest rate of 0.49 per cent.

29. Other liabilities and provisions

29a. Other liabilities

	2021 GH¢ '000	2020 GH¢ '000
Accrued interest payable	**19,779**	21,394
Other creditors and accruals	**75,506**	176,021
Impairment on financial guarantee and commitments	**8,570**	2,049
LC acceptance	**164,520**	136,925
Lease liability	**227,428**	226,272
	495,803	562,661

29. Other liabilities and provisions continued

29b. Provisions

	Staff related GH¢'000	Others GH¢'000	Total GH¢'000
Balance at 1 January	**33,347**	**35,713**	**69,060**
Charged to profit or loss	**8,266**	**8,902**	**17,168**
Utilised during the year	**-**	**-**	**-**
Balance at 31 December	**41,613**	**44,615**	**86,228**

Staff related

This relates to provisions for staff bonus and other staff costs. Provisions recognised management's best estimate of performance outcomes for the year end but subject to actual reported performance. This provision is expected to be settled during the year ending 2022.

Others

This relates to provisions for legal cases (fraud related, and other customer cases brought against the bank) and other incidental business costs.

Provision for legal cases is the best estimate of claims from legal actions brought against the Bank for which the Bank has assessed that it is probable judgement may go against the Bank. Provision for incidental business cost relates to business expenses for which the timing and amount is uncertain. These provisions are expected to be settled within one to five years depending on the timing of resolution of related cases.

30. Leases

a. Leases as a lessee (IFRS 16)

The Bank leases a number of branches, ATM site and office premises. The leases typically run for two years or more, with an option to renew the lease after that date. For some leases, payments are renegotiated periodically to reflect market rentals. Some leases provide for additional rent changes that are based on changes in local price indices.

The Bank also leases IT equipment with contract terms of one to three years. These leases are short-term and /or leases of low value items. The Bank has elected not to recognise right-of-use assets and lease liabilities for these leases.

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

i. Right-of-use asset

Right-of-use assets related to leased branches, ATM space and offices which do not meet the definition of investment property are presented as property and equipment (see Note 23a)

	Branch, ATM space and operating premises	
	2021 GH¢'000	2020 GH¢'000
Balance at 1 January	**204,552**	216,614
Additions	**13,569**	7,464
Write-off	**(1,581)**	-
Depreciation charge for the year	**(21,576)**	(19,526)
Balance at 31 December	**194,964**	204,552

ii. At 31 December 2021, the future minimum lease payments under non-cancellable leases were payable as follows:

Maturity analysis- Contractual undiscounted cash flows	**2021 GH¢ '000**	2020 GH¢ '000
Less than one year	**-**	-
Between one and five years	**33,250**	39,946
More than five years	**230,188**	213,225
Total undiscounted lease liability	**263,438**	253,171

iii. Amounts recognised in profit or loss:

Leases under IFRS 16	**2021 GH¢ '000**	2020 GH¢ '000
Interest expense on leases	**18,856**	17,667
Expenses relating to leases of low-value assets	**654**	670
Depreciation charge for the year	**21,576**	19,526

iv. Amounts recognised in cash flows:

	2021 GH¢ '000	2020 GH¢ '000
Total cash outflow for leases	**40,569**	26,951

v. Movement in lease liability:

	2021 GH¢ '000	2020 GH¢ '000
Balance at 1/1	**226,272**	227,822
Additions	**11,988**	7,464
Interest expense	**18,856**	17,667
Payment	**(29,688)**	(26,681)
Balance at 31/12	**227,428**	226,272

vi. Extension options

Some leases of office premises contain extension options exercisable by the Bank up to one year before the end of the non-cancellable contract period. Where practicable, the Bank seeks to include extension options in new leases to provide operational flexibility. The extension options held exercisable by both the Bank and the lessors. The Bank assesses at commencement date whether it is reasonably certain to exercise the extension options. Subsequently, the lease term is re-assessed on at least an annual basis, considering contractually available lease extension options. The Bank has considered the effect of lease extension option in determining the lease liability at year end.

31. Capital and reserves

(i) Stated capital

	2021		2020	
	No of Shares '000	Proceeds GH¢000	No of Shares '000	Proceeds GH¢000
a. Ordinary shares				
Authorised				
No. of ordinary shares of no-par value	**250,000**	**-**	250,000	-
Issued and fully paid				
Issued for cash consideration	**5,655**	**48,001**	5,655	48,001
Transferred from income surplus account	**109,852**	**64,540**	109,852	64,540
Recapitalisation from income surplus	**19,251**	**278,369**	19,251	278,369
	134,758	**390,910**	134,758	390,910
b. Preference Shares				
Issued and fully paid				
No. of preference shares	**17,489**	**9,091**	17,489	9,091
Total share capital	**-**	**400,000**	-	400,000

There is no share in treasury and no call or instalment unpaid on any share.

a. Ordinary shares

Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Bank. All rights attached to the Bank's shares held by the Bank are suspended until those shares are reissued.

b. Non-redeemable preference shares

Holders of these shares receive a non-cumulative dividend at the Bank's discretion, or whenever dividends to ordinary shareholders are declared. They do not have the right to participate in any additional dividends declared for ordinary shareholders. These shares do not have voting rights.

(ii) Income surplus

This represents the residual of cumulative annual profits that are available for distribution to shareholders.

	2021 GH¢ '000	2020 GH¢ '000
Balance at 1 January	**440,014**	317,043
Profit for the year	**436,934**	478,296
Transfer from/to reserve fund	**(54,617)**	(143,489)
Dividend declared	**(234,350)**	(211,836)
Transfer from/to credit risk reserves	**(34,569)**	-
Balance at 31 December	**553,412**	440,014

(iii) Reserve fund

This represents amounts set aside as a non-distributable reserve from annual profits in accordance with section 34 (1)(b) of the Banks and Specialised Deposit Taking Institutions Act, 2016 (Act 930) and guidelines from the Bank of Ghana. A cumulative amount of GH¢568.2 million (2020: GH¢513.6 million) has been set aside in a Reserve Fund from each year's profit. The cumulative balance includes an amount set aside from the retained earnings during the year.

	2021 GH¢ '000	2020 GH¢ '000
Balance at 1 January	**513,611**	370,122
Transfers from income surplus during the year	**54,617**	143,489
Balance at 31 December	**568,228**	513,611

(iv) Credit risk reserve

This represents amounts set aside from the retained earnings account to meet Bank of Ghana's requirement for loan loss allowance for loans and advances and off-balance sheet items where Bank of Ghana's provision is higher than the requirement under the International Financial Reporting Standards (IFRS).

	2021 GH¢ '000	2020 GH¢ '000
BOG Provisions	**294,464**	294,080
IFRS Provisions	**(150,377)**	(184,562)
	144,087	109,518
Transfer to credit risk reserve	**34,569**	-
Balance at 1 January	**109,518**	109,518
Balance at 31 December	**144,087**	109,518

v) Other reserves

This comprises the cumulative net change in the fair value of debt securities measured at FVOCI until the assets are derecognised or reclassified. This amount is increased by the amount of loss allowance.

	2021 GH¢ '000	2020 GH¢ '000
Balance at 1 January	**3,661**	(29,823)
Debt instruments at fair value through other comprehensive income-Net changes in fair value	**(26,335)**	33,484
Debt investments at FVOCI – reclassified to profit or loss	**229**	-
Balance at 31 December	**(22,445)**	3,661

32. Dividend paid

	2021 GH¢ '000	2020 GH¢ '000
Ordinary dividend	**232,700**	210,189
Preference dividend	**1,650**	1,647
Payments during the year	**234,350**	211,836
Dividend per share (Ghana cedis per share)		
Ordinary share	**1.74**	1.56
Preference share	**0.09**	0.09

33. Related party transactions

(i) Parent and ultimate controlling party

The Bank is a subsidiary of Standard Chartered Holdings (Africa) B.V and its ultimate parent company is Standard Chartered PLC.

Transactions with parent company include dividend and share based payment. There were no outstanding balances in respect of dividend at year end and prior year. Share based payment of GH¢1.3 million (2020: GH¢1.5 million) was payable for the year to the Holding company in respect of value of equity settled share-based payments allocated to employees of the Bank on a group arrangement basis.

(ii) Key management compensation

IAS 24 "Related party disclosures" requires the following information for key management compensation. Key management personnel have been identified as the management team, executive and non-executive directors of the bank.

	2021 GH¢ '000	2020 GH¢ '000
Short term	17,204	23,622
Post-employment (SSNIT/Provident Fund and other)	2,438	1,182
	19,642	24,804

(iii) Transactions with Key Management and Directors

The following are loan balances and deposits due from related parties:

	2021 GH¢ '000	2020 GH¢ '000
Loans	7,777	8,101
Deposits	2,814	5,495

Interest rates charged on balances outstanding from related parties are a quarter of the rates that would be charged in an arm's length transaction. The interest charged on balances outstanding at 31 December 2021 from related parties amounted to GH¢ 35,630 (2020: GH¢ 33,350). The interest paid on balances outstanding at 31 December 2021 to related parties amounted to GH¢ 5,398 (2020: GH¢ 25,071). The mortgages and secured loans granted are secured over property of the respective borrowers. Other balances are not secured and no guarantees have been obtained.

As at 31 December 2021, the balances with key management personnel are allocated to Stage 1 of the ECL model and have a loss allowance of GH¢ 39,070 (2020: GH¢ 43,947). During 2021 GH¢ 22,299. impairment loss was recognised in profit or loss in respect of these balances (2020: GH¢4,550).

The movement of the key management and directors accounts is as follows:

	2021 GH¢ '000	2020 GH¢ '000
Balance at 1 January	8,101	5,499
Loans advanced during the year	2,972	4,119
Loans repayments	(3,296)	(1,517)
Balance at 31 December	7,777	8,101

Interest earned on key management and directors loans during the year amounted to GH¢ 396,203 (2020: GH¢309,000).

(iv) Associated companies

	2021 GH¢ '000	2020 GH¢ '000
Nostro account balances	**267,453**	267,453
Due from group entities	**72,001**	74,910
	339,454	342,363

Nostro account balances are current account balances with Standard Chartered Bank affiliate banks that are available on demand.

Amounts due from group entities are in respect of intra-group recharges that are receivable on demand based on invoices. Outstanding amounts are settled in cash.

Amounts due to associated companies at the reporting date were as follows:

	2021 GH¢ '000	2020 GH¢ '000
Borrowing	**240,244**	86,403
Other amounts due to group entities	**116,015**	68,922
	356,259	155,325

Borrowings represent balances with Standard Chartered Bank affiliate Banks. Detail of tenure and interest rate are disclosed in note 28.

Other amounts due from group entities are in respect of intra-group recharges that are receivable on demand based on invoices. Outstanding amounts are settled in cash.

vi) Share based payments

Included in staff cost is an amount of GH¢1.2 million (2020:GH¢1.5 million) payable for the year to the Holding company in respect of value of equity settled share-based payments allocated to employees of the Bank on a group arrangement basis.

For equity settled options the Bank is required to measure the fair value of the shares granted at the date the options were granted. This fair value is determined using option-pricing models and does not change once determined. The fair value is amortised to Profit or Loss over the vesting period (and in certain circumstances over the period in which services were provided to earn that award), with a corresponding credit to equity.

The inputs used in the measurement of the fair values at grant date of the equity settled options plans were as follows

	Key management personnel	
	2021	2020
Fair value at grant date (GBP)	**1.11**	0.69
Share price at grant date (GBP)	**4.37**	3.52
Exercise price (GBP)	**3.67**	4.14
Vesting period (years)	**3-7**	3-7
Expected volatility (%)	**31.5**	31.8
Expected option life (years)	**3.33**	3.33
Expected dividend yield (%)	**3.4**	4.2
Risk-free interest rate (%)	**0.42**	(0.07)

(vii) Financial guarantees

Guarantees of the Bank that have been counter guaranteed (Back-to-Back) by other Standard Chartered Bank offices for the period was Nil (2020: Nil).

34. Directors' shareholding

The Bank's Director Ebenezer Twum Asante held 614 shares in the Bank as at 31 December 2021 (2020: 614).

35. Regulatory disclosures

(i) Key loans ratio

a. Percentage of non-performing loans ("substandard to loss") to total loans/advances portfolio (gross) Bank of Ghana (BoG) 23.59 per cent, (2020: 23.11 per cent).

b. Loan loss provision ratio was 10.90 per cent (2020: 10.19 per cent).

c. Non-Performing loan ratio excluding loss category with respect to Bank of Ghana prudential guidelines was 2.56 per cent (2020: 7.21 per cent)

d. Ratio of fifty (50) largest exposures (gross funded and non-funded) to total exposures was 51.85 per cent (2020: 62.25 per cent).

e. Loan to deposit ratio 24.97 per cent (2020: 29.47 per cent)

(ii) Capital adequacy ratio

The capital adequacy ratio has been disclosed at note 4.12

(iii) Liquidity ratio

The liquidity ratio as at 31st December 2021 was calculated at approximately 71 per cent (2020: 66 per cent). Liquidity ratio is calculated as liquid assets over volatile liabilities where liquid assets are cash and bank balances, bills purchased/ discounted up to one year and investments up to one year and volatile liabilities are customer and bank deposits.

(iv) Regulatory breaches

Penalty for regulatory breach was GH¢3,000 (2020: GH¢169,800) was recorded during the period under review. The breach relates to the bank's late submission of National Pensions Regulatory Authority renewal application.

(v) Year end rates used for foreign exchange translations

		Rate	
Currency		**2021**	2020
USD	**US Dollar**	**6.0061**	5.7602
EUR	**Euro**	**6.8281**	7.0643
GBP	**Pound Sterling**	**8.1272**	7.8742

37. Net asset value per share

The calculation of net asset value per share GH¢ 12.13 (2020: GH¢10.82) at 31 December 2021 was based on the net assets attributable to ordinary shareholders of GH¢ 1,634 million (2020: GH¢ 1,457 million) and a weighted average number of ordinary shares outstanding of 134.8 million (2020: 134.8 million)

Net assets attributable to ordinary shareholders

	2021 GH¢ '000	2020 GH¢ '000
Net assets	**1,643,282**	1,466,804
Less Preference shares	**(9,091)**	(9,091)
Net assets attributable to equity holders	**1,634,191**	1,457,713

	2021 '000	2020 '000
Weighted average number of ordinary shares at 31 December	**134,758**	134,758
Net asset value per share (Ghana cedis per share)	**12.13**	10.82

37(a) Number of shares in issue

Number of shareholders

The Bank had ordinary and preference shareholders as at 31 December 2021 distributed as follows:

(i) Ordinary shares

Range of shares	Number of shareholders	Holding	Percentage
1 - 1,000	3,716	1,235,514	0.92
1,001 - 5,000	1,554	3,440,884	2.55
5,001 - 10,000	276	1,840,494	1.37
Over 10,000	207	128,246,575	95.16
	5,753	**134,763,467**	**100.00**

(ii) Preference shares

1-1,000	771	278,599	1.59
1,001 – 5000	146	317,679	1.82
5001 - 10,000	20	167,017	0.95
Above 10,000	27	16,725,171	95.64
	964	**17,488,466**	**100.00**

37(b) 20 largest ordinary and preference shareholders

(i) 20 largest ordinary shareholders

Name of shareholder	Number of shares held	(%) Holding
Standard Chartered Holdings(Africa) B.v.	93,544,612	69.42
Social Security and National Insurance Trust	19,605,509	14.55
SCGN/SSB & Trust as Cust for Kimberlite Frontier	2,335,084	1.73
STD Noms/Trust Accnt/ Cs Ag - Singapore	1,166,667	0.87
STD Noms/Bnymsanv Re Bnymsanvfft Re Oddo Kil	748,969	0.56
SCGN/SSB & Trust as Cust for Conrad N Hilton	620,629	0.46
STD Noms/ Bnym Re Vanderbilt University	617,685	0.46
SCGN / Enterprise Life Ass. Co. Policy Holders	599,783	0.45
Ghana Union Assurance Co. Ltd	507,248	0.38
SCGN/'Epack Investment Fund Limited Transaction E I F L	426,901	0.32
Council of University of Ghana Endowment Fund	422,730	0.31
Anim-Addo, Kojo	331,025	0.25
EDC/Teachers Equity Fund	323,764	0.24
Teachers Fund	311,010	0.23
SCGN/CITIBANK Kuwait Inv Authority	298,628	0.22
HFCN/ EDC Ghana Balanced Fund Limited	272,106	0.20
SCGN/SSB Eaton Vance Ta Managed Emerging Market Fun	210,466	0.16
SCGN/SSB Eaton Vance Structured Emerging Market Fund	205,500	0.15
University Of Science & Technology	173,250	0.13
SSNIT Informal Sector Fund	149,100	0.11
	122,870,666	**91.20**

Financial statements

37(b)

(ii) Details of 20 largest preference shareholders

Name of shareholder	Number of shares held	(%) Holding
STD Chartered Holdings (Africa) Bv	15,220,598	87.03
Glymin, Barton Kwaku	463,737	2.65
SSNIT SOS Fund	307,692	1.76
Anim-Addo, Kojo	128,089	0.73
Ghana Union Assurance Co. Ltd	99,351	0.57
Siblings, Francis Kudjawu and Six Other	68,775	0.39
Ophelia, Akosah-Bempah F	54,150	0.31
Mr. Akosah- Bempah Kwaku	40,654	0.23
Sowa, Nii Kwaku	30,000	0.17
STD Noms/Trust Accnt/Cs Sec(Us) Llc/Afr Opt Fd L.p	29,366	0.17
Aryee, Estate Of Late Edward Clifford	25,000	0.14
Boye, Ebenezer Magnus	25,000	0.14
E3a Holdings Company Ltd	20,661	0.12
Minkah, Anthony	20,268	0.12
Mr, Nyako John Percival Awuku	20,000	0.11
Yankson, Edem	20,000	0.11
Mr., Safo-Kwakye Eddie	20,000	0.11
NTHC Securities Limited	19,231	0.11
HFCN/ GLICO Pensions Re: Fidelity Securities	19,231	0.11
Aruna, Nelson	19,230	0.11
	16,651,033	**95.19**

38. Value added statements

	2021		2020	
Description	**GH¢'000**	**(%)**	GH¢'000	(%)
Revenue (operating income)	**1,070,328**	**-**	1,022,736	-
Other expenses	**(136,225)**	**13%**	(45,303)	4%
Impairments	**5,892**	**(1%)**	(59,284)	6%
Value Add:	**939,995**	**-**	918,149	-
Distributed as follows:				
To employees				
Staff cost (excluding directors)	**238,287**	**22%**	202,706	20%
Directors	**7,172**	**1%**	6,575	1%
To Government				
Tax	**257,563**	**24%**	210,506	21%
To providers of capital				
Reserve fund	**54,617**	**5%**	143,489	14%
Preference dividend	**1,469**	**0%**	1,647	0%
Ordinary dividend	**232,881**	**22%**	234,350	23%
To expansion and growth				
Lease expenses	**-**	**-**	670	0%
Depreciation and amortisation	**34,608**	**4%**	32,808	3%
Income surplus	**113,398**	**11%**	85,398	8%
Total	**-**	**100%**	-	100%

Supplementary financial information

Five-year summary

	2021	2020	2019	2018	2017
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Interest income	**819,932**	795,374	749,703	612,784	587,093
Interest expense	**(173,575)**	(154,856)	(154,974)	(123,970)	(116,256)
Net interest income	**646,357**	640,518	594,729	488,814	470,837
Fees and commission income	**155,845**	139,439	102,904	98,589	85,216
Other operating income	**268,127**	242,779	155,399	125,518	120,718
Non-interest income	**423,972**	382,218	258,303	224,107	205,934
Operating income	**1,070,328**	1,022,736	853,032	712,921	676,771
Operating expenses	**(381,723)**	(288,062)	(328,961)	(286,292)	(244,982)
Impairment charges	**5,892**	(59,284)	(99,868)	(100,758)	(9,511)
Profit before taxation	**694,497**	675,390	424,203	325,871	422,278
Taxation	**(257,563)**	(197,094)	(142,347)	(115,217)	(138,680)
Profit for the year	**436,934**	478,296	281,856	210,654	283,598
Total statutory and other transfers	**(89,186)**	(143,489)	(53,335)	(42,388)	(61,101)
Retained profit/available for distribution	**347,749**	334,807	228,521	168,266	222,497
Networth	**1,643,282**	1,466,804	1,166,860	1,047,819	920,756
Net own funds	**1,521,640**	1,353,625	1,087,165	911,211	726,077
Investments	**4,123,352**	2,825,791	2,515,126	1,719,978	1,300,022
Total assets	**10,120,576**	8,031,674	7,618,622	5,961,495	4,776,984
Total liabilities	**8,477,294**	6,564,870	6,451,762	4,913,676	3,856,228
Loans & advances	**2,128,053**	1,710,213	1,886,874	1,446,695	1,385,696
Deposits	**7,634,147**	5,836,607	5,590,271	4,346,676	3,486,250
Information on ordinary shares	**GH¢**	GH¢	GH¢	GH¢	GH¢
Earnings per share	**3.23**	3.54	2.08	1.54	2.09
Proposed final dividend per share	**2.57**	1.74	1.56	1.04	-
Key ratios					
Returns on assets (PAT/Assets)	**4%**	6%	4%	4%	6%
Return on equity (PAT/ Equity)	**27%**	33%	25%	21%	34%
Capital adequacy ratio	**33%**	25%	30%	29%	26%
Cost/income ratio	**36%**	28%	39%	40%	36%

Form of Proxy

I..
(Block Capitals Please)

of

....

being Member/Members of **STANDARD CHARTERED BANK GHANA PLC** hereby appoint

....

or failing him the duly appointed Chairman of the Meeting, as my/our Proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at the National Theatre, opposite the Efua Sutherland Children's Park, Accra **at 11.00 am on the 2nd day of June 2022** and at every adjournment thereof.

Please indicate with an X in the spaces below how you wish your votes to be cast.

	ORDINARY RESOLUTION	FOR	AGAINST
1.	Declaration of Dividend		
2.	Re-election of the following directors • Professor Akua Kuenyehia • Ebenezer Twum-Asante		
3.	Approving remuneration of Directors		
4.	Authorising Directors to fix remuneration of the Auditor		
	SPECIAL RESOLUTION		
5(a).	Approving amendment to Section 110 of the Company's registered Constitution to read as follows "The Directors shall be not less than five (5) nor more than thirteen (13), the majority of whom shall be non-executive and ordinarily resident in Ghana."		
5(b).	Approving amendment to Section 114 of the Company's registered Constitution to read as follows "The shareholding qualification for Directors may be fixed by the Company in general meeting, and unless and until so fixed no qualification shall be required. Where a qualification is fixed, the qualification shall be obtained within two (2) months of appointment or such shorter period fixed by this Constitution. Failure to obtain the qualification shall result in the vacation of the office of the Director concerned."		
5(c).	Approving amendment to Section 119 of the Company's registered Constitution to read as follows ""A Director of the Company may be or become a Director or officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested as shareholder or otherwise, subject to the Bank of Ghana Fit and Proper Persons Directive of 2019 and Section 59 of the Banks and Specialised Deposit Taking Institutions Act. No Director shall be accountable to the Company for any remuneration or other benefits received by him as a Director or officer of, or from his interest in, such other company unless the Company so directs."		
5(d).	Approving amendment to Section 135 of the Company's registered Constitution to read as follows "The Directors may meet together at least four (4) times per each financial year with each director attending at least 50% of the Board Meetings for the dispatch of business, adjourn and otherwise regulate their meetings, as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes, the Chairman shall have a second or casting vote. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors. It shall not be necessary to give notice of a meeting of Directors to any Director for the time being absent from Ghana."		
5(e).	Approving amendment to Section 165(1) of the Company's registered Constitution to read as follows "If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, and the Corporate Insolvency and Restructuring Act, 2020 (Act 1015), divide amongst the members in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. Any winding up or liquidation process shall comply with Sections 138 and 139 of the Banks and Specialised Deposit Taking Institutions Act."		

Signed the .... day of ....2022. Signature ....

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IMPORTANT: Before posting the Form of Proxy above, please tear off this part and retain it – see over. If you wish to insert in the blank space on the form the name of any person, whether a Member of the company or not, who will attend the meeting and vote on your behalf, you may do so; if you do not insert a name, the Chairman of the Meeting will vote on your behalf. If this Form is returned without any indication as to how the person appointed a proxy shall vote, he will exercise his discretion as to how he votes or whether he abstains from voting. To be valid, this Form must be completed and sent via email to **shareregistry@gcb.com.gh** or deposited at the registered office of the Company or the Registrars of the Company at GCB Bank Limited, Head Office, No. 2 Thorpe Road, P.O. Box 134, Accra **not less than 48 hours before the time fixed** for holding the Meeting or adjourned Meeting.

Shareholders are urged to submit their current email addresses and telephone numbers to have these updated. The email addresses, telephone numbers and other records are to be submitted to the Company's Registrar, **GCB Bank Ltd., at their Head Office, No.2 Thorpe Road, P.O. Box 134, Accra** or on their email address **shareregistry@gcb.com.gh** as soon as possible.

This Form is only to be completed if you will NOT attend the Meeting

FIRST FOLD HERE

PLEASE
AFFIX
STAMP
HERE

SECOND FOLD HERE

The Company Secretary
Standard Chartered Bank Ghana Plc
Head Office
P. O. Box 768
Accra

THIRD FOLD HERE

CUT HERE

CUT HERE

IMPORTANT: A person attending the meeting should not produce this form

Head Office
Standard Chartered Bank Ghana PLC.
Standard Chartered Bank Building
No. 87 Independence Avenue
Accra, Ghana

telephone: +233 (0)302 610750
facsimile: +233 (0)302 667751

Digital Annual Report
sc.com/gh/about-us/investor-relations

Registrar Information

GCB Bank PLC.
Share Registry Department, Head Office
Thorpe Road
Accra, Ghana