www.gcbbank.com.gh

2023 ANNUAL REPORT

"70 years of providing unrivaled financial solutions towards the socio-economic development of Ghana"

SCAN TO DOWNLOAD

GCB

70TH ANNIVERSARY

PROFILE OF GCB BANK PLC

GCB Bank PLC is Ghana's first and largest indigenous bank with the vision to be the leading Bank in all our markets and the mission to provide first class banking solutions for customers and value for all stakeholders. This year, the Bank celebrates Seventy (70) years of providing unrivalled financial solutions towards the socio-economic development of Ghana.

Established in 1953 and listed on the Ghana Stock Exchange since 1996, GCB Bank expanded its branch network and ATMs to over 185 and 340 respectively in its quest to continue being the most dominant player in Ghana's banking industry.

Service Proposition

GCB prides itself as Ghana's most welcoming bank, offering timely and accessible financial support through quality service and expert solutions that encourage business and enrich people's lives.

The bank's services are structured to serve every facet of the customer's lifecycle and all types of businesses operating in diverse sectors of the economy irrespective of size. The Bank, given its unrivalled understanding of the Ghanaian economic context, has also developed unique solutions to serve the needs of Ghanaian residents abroad.

Financial Innovation and Leadership

In 2020, GCB Bank became the first Bank to launch a digital mobile money wallet when it launched the G-Money product. The digital wallet which is telco-agnostic and fully interoperable allows customers to send and receive funds from any mobile money wallet or bank account by registered users and also performs unique functions including borrowing funds, and individual and group savings. G-Money has evolved into GCB Bank's digital financial services subsidiary.

Investment Banking

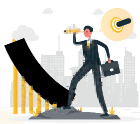
GCB Capital Ltd. (GCL) is the investment banking subsidiary of GCB Bank Ltd, the largest universal bank in Ghana.

GCL is your go-to capital raising, financial advisory and alternative/long-term assets provider for public and private corporates, financial institutions as well as Government and its Agencies.

The firm complements GCB Bank's Global Markets, Corporate Banking and Retail Banking businesses to provide cutting-edge bespoke solutions for clients across diverse industries and sectors.

Ratings

GCB Bank is currently ranked 3rd in the banking sector category and 31st in the list of 100 most prestigious companies in Ghana.



GCB Bank PLC

VISION To be the leading bank in all our markets.

MISSION Provide first class banking solutions for our customers and value for all stakeholders.

CONTENT

GCB

your bank for life

» Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 30th Annual General Meeting of Shareholders of GCB Bank PLC will be held both in-person at the Grand Arena of the Accra International Conference Centre and virtually by live streaming via https://gcbbankagm.com, the Bank's official Facebook and YouTube pages, and GTV on **Thursday, 27th June 2024 at 10:00AM** to transact the following business:

Agenda
Ordinary Business

1. To consider and adopt the Financial Statements of the Company for the year ended December 31, 2023 together with the Reports of the Directors and Auditors thereon.
2. To re-elect the following Directors retiring by rotation as per the Companies Act, 2019 (Act 992)
   a. Mrs. Lydia Essah
   b. Nana Ama Ayensua Saara III
   c. Mr. Francis Arthur-Collins
   d. Mr. Emmanuel Ray Ankrah
3. To re-elect the following Directors as per the Bank of Ghana Corporate Governance Directive, 2018
   a. Mr. Francis Arthur-Collins
   b. Mr. Osmani Ayuba
   c. Mr. Emmanuel Ray Ankrah
4. To ratify Directors' Remuneration as set out in the Accounts for the year ended December 31, 2023
5. To approve the appointment of PricewaterhouseCoopers (Ghana) Limited (PWC) as the External Auditors of the Bank for the Financial Years, 2024 to 2029
6. To authorize the Directors to fix the remuneration of the External Auditors.

NB: Voting by all members shall be done strictly via online.

DATED THIS 29TH DAY OF MAY, 2024
BY ORDER OF THE BOARD
(SGD.)
Amma Agyeman Kusi-Appouh
Company Secretary

Notes

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

A. Proxy

1. A member is entitled to attend (in-person or via online participation) and vote or may appoint a proxy to attend (in-person or via online participation) and vote on his or her behalf online. Such a proxy need not be a member of the company. For a proxy form to be valid for the purposes of the meeting, it must be completed and submitted via shareregistry@gcb.com.gh or deposited at the Share Registry, GCB Bank PLC, Head Office, High Street, Accra, not less than 48 hours before the meeting.

2. A copy of the Proxy Form can be downloaded from: https://gcbbankagm.com and may be filled and sent via email to: shareregistry@gcb.com.gh.
3. The appointment of a proxy will not prevent a member from subsequently attending and voting at the meeting. Where a member attends the meeting, the proxy appointment shall be deemed to be revoked.

B. Accessing, Participating and Voting at the AGM

1. A member entitled to attend and vote at the meeting may appoint a proxy who need not be a member of the Company to vote in his/her stead
2. To access and vote at the AGM, a confidential unique token number will be sent to shareholders by email and/or SMS to give access to the meeting platform, https://www.gcbbankagm.com from 9th June, 2024.
3. Shareholders who do not receive this token can contact the GCB Bank PLC Share Registry on: shareregistry@gcb.com.gh or call 0302-668712, 0244-338508, 0244-318079, 0244-358514 to be sent the unique token any time before the date of the AGM.
4. To gain access to the AGM platform, shareholders must visit https://www.gcbbankagm.com and input their unique token number on the portal to join in and vote electronically during the meeting.
5. Further assistance on accessing the meeting and voting electronically can be found on https://www.gcbbankagm.com
6. The AGM Proceedings would be streamed Live on GTV, Facebook and YouTube for shareholders' observation and participation.

C. Other Information

1. Annual Report and other information on the Bank's AGM would be available on the Bank's websites, https://gcbbank.com.gh and https://gcbbankagm.com
2. For further information contact:

   The Registrar

   Share Registry

   GCB Bank PLC

   High Street Accra

   Tel: 0302668712, 0244-338508, 0244-318079, 0244-358514

   Email: shareregistry@gcb.com.gh

» Corporate Information

Directors:	Mr. Daniel Kwaku Tweneboah Asirifi	- Board Chairman
	Mr. John Kofi Adomakoh	- Managing Director
	Mr. Socrates Afram	- DMD- Finance
	Mr. Emmanuel Odartey Lamptey	- DMD-Operations
	Mr. Samuel Kwame Yedu Aidoo	- Executive Director, Wholesale & Investment Banking
	Mrs. Lydia Gyamera Essah	- Non-Executive Director
	Nana Ama Ayensua Saara III	- Non-Executive Director
	Mr. Emmanuel Ray Ankrah	- Non-Executive Director
	Mr. Osmani Aludiba Ayuba	- Non-Executive Director
	Mr. Francis Arthur-Collins	- Non-Executive Director
	Alhaji Alhassan Adam Yakubu	- Non-Executive Director
	Hon. Dr. Stephen Amoah	- Non-Executive Director
	Mr. Jude Kofi Arthur	- Board Chairman, Retired on October 6, 2023

Secretary:

Ms. Amma Agyeman Kusi-Appouh
GCB Bank Building
Thorpe Road, High Street
P. O. Box 134
Accra

Auditor:

Deloitte & Touche
Chartered Accountants
The Deloitte Place, Plot No. 71
Off George Walker Bush Highway
North Dzorwulu
P.O.Box GP 453
Accra

Registrar:

Share Registry
GCB Bank PLC
Head Office, High Street
Accra

Registered office:

GCB Bank Building
Thorpe Road, High Street
P. O. Box 134, Accra
Digital Address - GA-183-1907

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» Board of Directors

1. Mr. Daniel Kwaku Tweneboah Asrifi
2. Mr. Kofi Adomako
3. Mr. Socrates Afram
4. Mr. Emmanuel Odartey Lamptey
5. Mr. Samuel Kwame Yedu Aidoo
6. Mrs. Lydia Gyamera Essah
7. Nana Ama Ayensua Saara III
8. Mr. Osmani Aludiba Ayuba
9. Mr. Francis Arthur-Collins
10. Mr. Emmanuel Ray Ankrah
11. Alhaji Alhassan Adam Yakubu
12. Hon Dr. Stephen Amoah
13. Mr. Jude Kofi Arthur (Retired)

» Directors' Profiles

Mr. Daniel Kwaku Tweneboah Asirifi
A Non-Executive Director

Simply known as Kwaku Asirifi, a product of University of Ghana's School of Administration, now known as University of Ghana Business School, graduated with a Bachelor of Science in Administration (Public Administration option) followed it up with Master's of Public Administration (MPA).

Kwaku got enrolled at the Ghana School of Law, was called to the Bar and has been a private practitioner for over two decades. After his call to the Bar, joined the Law firm of Messrs. Akufo-Addo, Prempeh and Co., where he has since 2003 been its Office Manager and now a Partner. He was appointed a Notary Public in 2019.

Mr. Asirifi, at the inception of the Ghana Stock Exchange pursued courses which gained him proficiency in its operations and was later engaged as a part time instructor.

As a Legal practitioner, Kwaku has represented many individuals, Companies, Institutions both Local and Foreign and has been involved in the resolutions of many complex legal issues. He brings to the Board a deep and clear understanding of the legal environment in which the Bank operates and the intricate corporate governance regime of the financial services industry.

He has been a member of the Legal Service Board since October 2017.

Mr. Kofi Adomakoh
Managing Director

Kofi is the Managing Director of the Bank, appointed in November 2020. He is an experienced banking professional with a distinguished career spanning over thirty (30) years in the banking industry. He also serves on the Boards of Ghana International Bank (GHIB), Pan-African Payment and Settlement System (PAPSS), Ghana Interbank Payment & Settlement Systems (GHIPSS), Governing Council member of the Ghana Stock Exchange (GSE) and the president of the Ghana Association of Banks (GAB).

Kofi served as the Director and Global Head for Project and Asset-Based Finance at the African ExportImport Bank (AFREXIMBANK) in Cairo for eleven (11) years. He led and structured transactions exceeding USD 10 billion across various sectors in multiple African countries for public and private sector clients.

He was appointed Executive Director, Corporate and Institutional Banking at Barclays Bank Ghana Limited (now ABSA Bank) between 2005 and 2009. He also held executive management roles at Ecobank Ghana Ltd between 1997 and 2005. Kofi's Banking career started at the Trust Bank Ghana Limited in 1993.

Kofi has acquired extensive executive education from prestigious institutions, including Harvard Business School and INSEAD. He also holds an Executive Master's degree in Business Administration and a Bachelor of Science in Agriculture, with a major in Economics, both from the University of Ghana.

Mr. Socrates Afram
Deputy Managing Director, Finance

Socrates is a seasoned finance professional with over 20 years' experience in the Financial Services sector. He has a breadth of experience across strategy; business performance and reporting (financial, regulatory and statutory); debt and capital raising; business combination; investment and risk management.

Prior to joining GCB Bank in February 2016, he was the Finance Director of Fidelity Bank Ghana Limited. Other positions he held at Fidelity include Head of Research and Head of Business Performance & Financial Control. He worked with UBA (Ghana) as Senior Analyst deputizing for the Financial Controller. He also worked with Export Finance Company Limited as Head of Finance & Administration and General Leasing & Finance Company Limited as Analyst for lease credit applications.

Socrates is a fellow of the Association of Chartered Certified Accountants (ACCA), He holds a Master of Business Administration (Finance) degree from the University of Ghana Business School and a Bachelor of Commerce degree from the University of Cape Coast. He is an alumnus of both the Wharton Executive Education (Advanced Management Programme), University of Pennsylvania, USA and the INSEAD Executive Education (Advanced Management Programme), Fontainebleau, France.

Mr. Emmanuel Odartey Lamptey
Deputy Managing Director, Operations

Emmanuel is a seasoned Banker with over 20 years' multinational experience, working for listed companies in corporate and retail banking, asset management, securities brokerage services, pensions, insurance and micro-finance with operations in over 30 African countries.

He started his career with KPMG, Ghana and has subsequently held other positions including Group Head, Finance at Ecobank Transnational Incorporated (Togo), Chief Financial Officer – Anglophone West Africa at Ecobank Ghana and Executive Business Manager, Office of the Group CEO - Alexander Forbes Group Holdings (South Africa). Emmanuel also held several roles at Standard Bank of South Africa Group in South Africa and Ghana.

He is a fellow of Association of Chartered Certified Accountants, United Kingdom.

He holds a Bachelor of Commerce Degree from University of Cape Coast, Ghana and is an alumnus of Harvard Business School, USA.

» Directors' Profiles (Continued)

Mr. Samuel Kwame Yedu Aidoo
Exec. Dir. Wholesale & Investment Banking

Sam has a strong focus and understanding of Sub-Saharan African markets. He has worked in Africa and the UK with origination, structuring, trading and execution experience in several African markets including but not limited to Nigeria, Ghana, Kenya, Tanzania, Uganda, Egypt, Ethiopia, and Botswana.

Sam's banking career commenced at Standard Chartered Bank, and he later transitioned to Barclays Bank, where he made a significant impact over a decade. His tenure at Barclays was marked by senior roles in the financial markets business in Ghana. Notably, he spent three years in London, managing and coordinating Barclays Capital's structured product offering into and out of Sub-Saharan African markets. In 2013, he returned to Barclays Africa, initially as the Director, Regional Head, Global Markets distribution, overseeing the North African and East African regions from Nairobi, Kenya, and later, the West African business from Lagos, Nigeria.

At GCB, Sam's role is pivotal, as he is entrusted with the strategy formulation and execution for the Wholesale and Investment banking business of the Bank. This encompasses Corporate Banking, Commercial Banking, Custody, Global Markets Treasury businesses, and the Bank's investment banking subsidiary – GCB Capital Limited. His strategic acumen and diligent management of financial resources have been instrumental in maintaining stability and resilience within the banking sector.

Sam has also been a leading member of various initiatives at the Ghana Association of Banks (GAB). In December 2023, GAB awarded Sam an honorary award in recognition of his exemplary financial stewardship, Strategic acumen, and diligent management of financial resources, which have played a crucial role in maintaining market stability and resilience within the banking sector during the Government of Ghana Domestic Debt Exchange Programme (DDEP).

Prior to joining GCB Bank, Sam worked at Fidelity Bank Ghana Ltd as the Deputy Managing Director (Wholesale Banking) with responsibility for the bank's Corporate Banking, Financial Markets and Treasury, Capital Markets businesses as well as Fidelity Bank's subsidiaries – Fidelity Asia Bank and Fidelity Securities Limited. He joined Fidelity Bank in October 2016 as Director of Treasury and Markets and was appointed Group Head of Wholesale Banking in December 2018. He also served on the Board of Fidelity Securities Limited. In his time at Fidelity Bank, Sam was instrumental in the implementation of certain landmark transactions, which include the ESLA Bond programme and the Securitization of GOG Contractor arrears, to mention a few.

Sam's leadership is marked by his strategic thinking and ability to optimize Coverage, Treasury, and Markets functions. His success in sales, trading, and risk management is a testament to his ability to craft and execute market expansion strategies and secure issuances and funding frameworks. As a natural communicator, he excels at cultivating relationships with key personnel and fostering a collaborative and productive work environment.

Mrs. Lydia Essah
A Non-Executive Director

Mrs. Essah is a Non-Executive Director of the Bank and the Chairperson of the Ethics/Governance/Compliance and Nominations Committee of the Bank. She brought to the Board a wealth of banking experience which spans over 30 years.

As a seasoned Bank Executive, she has a demonstrated record of exceeding profit targets, turning around underperforming units and driving increased revenue and market share.

Mrs. Essah possesses relevant experience including risk management, compliance and corporate governance concepts, strategy formulation and implementation that contributes to appropriate oversight of Banking activities for the benefit of its shareholders, customers, employees and other stakeholders.

Additionally, she has demonstrated over a long period of time personal integrity, structured and strategic thinking and analytical capability to guide major decisions. She has leveraged her leadership and communication skills to lead significant negotiations and dialogue with senior executives and colleague board members.

Mrs. Essah holds a master's degree from GIMPA (Ghana Institute of Management and Public Administration, MPHIL) and a bachelor's degree from the University of Ghana. She also has numerous professional development certificates and programs from both international and national levels.

Nana Ama Ayensua Saara III
A Non-Executive Director

Nana Ama Ayensua Saara III is the Omanhemaa of the Denkyira Traditional Area in the Central Region of Ghana, embodying a unique blend of traditional leadership and corporate acumen. As a Non-Executive Director of GCB Bank PLC and Chairperson of the Board HR, Remuneration & Nominations Committee, she brings strategic insight and governance expertise to the corporate realm. Additionally, she serves as CEO of the Nasaa Group of Companies and contributes her leadership to government initiatives.

Academically, Nana holds a Bachelor of Commerce from the University of Cape Coast and a Diploma in Business Studies from Takoradi Polytechnic, anchoring her professional excellence in solid education. Beyond her corporate roles, she is deeply involved in promoting traditional governance, serving on various boards and committees.

Nana's commitment to conservation is evident through her trusteeship at the Ghana Heritage and Conservation Trust, ensuring the preservation of natural treasures like Kakum National Park. She champions women's rights as President of the Paramount Queen Mothers Forum and contributes to policy-making as a member of the Review Committee for the 2008 Chieftaincy Act (Act 759). Nana also serves as a member of the Government Special Initiatives Board.

Nana is characterized by a harmonious integration of traditional stewardship, corporate leadership and community engagement. Her endeavors epitomize a steadfast dedication to advancing Ghana's cultural heritage and fostering socioeconomic development.

Mr. Francis Arthur-Collins
A Non-Executive Director

Mr. Francis Arthur-Collins is a Non-Executive Director, and the Chairman of the Board IT/ Digitalization & Procurement Committee of the Bank. He is an Information Technology Consultant whose experience in the management and implementation of Information Technology systems spans forty (40) years. He has in-depth knowledge in the deployment of IT concepts and tools for re-engineering business processes, to enhance customer service delivery, improve productivity and achieve overall business success. He drew a lot of experience from engaging in IT consultancy services by executing various IT projects both home and abroad.

Mr. Arthur-Collins is a Fellow - Ghana Institute of Information Technology; Member - BCS Chartered Institute for Information Technology, United Kingdom; Member - Institute for the Management of Information Systems, United Kingdom; Member - British Computer Society, United Kingdom; and Member - Institute of Data Processing Management, United Kingdom. He holds Master's Degree in Information Technology and Business Administration from the University of Leicester, United Kingdom; DP in Data Processing from the University of Science and Technology, Kumasi-Ghana; and Proficiency Certificate in Systems Analysis and Design from The National Computing Centre, Manchester - Awarded by the British Computer Society Information Systems Examination Board (ISEB) of the United Kingdom.

His skill-set includes professional training in Information Technology Management; Information Technology Strategic Planning & Project Management and Advanced Business Management Operations, all from the National University of Singapore - Institute of Systems Science, and Strategic Management from the Galilee International Management Institute, Israel.

Mr. Arthur-Collins worked with the Ghana Ports and Harbours Authority from 1985 to 2012, where he established the Information Technology department, and rose to the position of "Head-of-IT" with oversight responsibility for all IT systems and resources at both Tema and Takoradi Ports, a position he held until he retired from the Ghana Ports and Harbours Authority in 2012.

Mr. Emmanuel Ray Ankrah
A Non-Executive Director

Ray is a Non-Executive Director and the Chairman of the Audit Committee of the Bank. He is an experienced Chartered Accountant and Chartered Global Management Accountant with solid technical knowledge and excellent communication skills, strong analytical skills and an effective team player.

He is a member of the Institute of Chartered Accountants of Ghana and a Fellow of the Chartered Institute of Management Accountants (UK), Fellow of the British Society of Commerce. He holds a post graduate diploma in Strategic Financial Management from Kingston University in the UK.

Ray was the Board Chairman of the National Insurance Commission from 2017 to March 2021. He is currently the Deputy Chief Executive (Finance and Administration) of Ghana Cocoa Board.

Mr. Osmani Aludiba Ayuba
A Non-Executive Director

Osmani is a Non-Executive Director of the Bank. He is a Professional Accountant, a Chartered Banker and Procurement Expert. He worked in various reputable organizations including Ernst & Young Ghana, the United Nations Population Fund, Parliamentary Centre- Africa, Stanbic Bank and the Northern Development Authority. His experience covers accounting, finance, procurement and auditing. He is currently the Managing Director of Northern Electricity Distribution Company Limited (NEDCo).

He is a member of the Institute of Chartered Accountants-Ghana, a member of the Chartered Institute of Procurement & Supply and a Chartered Banker. He also holds a Master of Arts in Economic Policy Management and Bachelor of Commerce Degree from the University of Ghana and University of Cape-Coast respectively.

Alhaji Alhassan Adam Yakubu
A Non-Executive Director

Alhaji Yakubu is a Non- Executive Director and the Chairman for the Board Credit Committee of the Bank. He is an experienced Banker who commenced his career with Merchant Bank Ghana Limited in September 1991 and later joined Bank of Ghana where he worked as a supervisor of Banks. He is currently a Business Executive.

He holds MBA Finance from the University of Ghana, Legon; Certificate from the Financial Institution Analysis School of the Federal Reserve Bank, Washington DC;

B.Sc. Administration, (Banking & Finance), University of Ghana, Legon, 1990

Alhaji Yakubu also attended many executive development courses and seminars.

He has deep knowledge and experience in Financial Institution Analysis, Corporate Governance, Credit Management, Treasury and Investment Management, Internal Controls and Computer Audit.

Hon. Dr. Stephen Amoah
A Non-Executive Director

Dr. Stephen Amoah is a Financial Economist and a Member of Parliament for Nhyiaeso Constituency in the Ashanti region of Ghana.

Dr. Amoah is currently the Deputy Minister of Finance, Ghana and serves on the Board of Ghana COCOBOD and Ghana Enterprise Agency. He is a member of the Foreign Affairs Committee of Parliament. Besides, Dr. Amoah in 2022 was appointed to serve on the Board of GCB Bank Plc.

Dr. Amoah was formerly the Deputy Minister of Trade, the Chief Executive Officer of the Microfinance and Small Loans Centre, MASLOC at the Office of President of Ghana where small and medium size businesses were capitalized. Dr. Amoah was a member of the Parliamentary Service Board Sub-Committees in charge of the unit responsible for Procurement and also served as a member of the Committee tasked to manage the selection of Auditing Entity that will have the mandate to audit the Auditor General. Dr. Amoah is the Chief Executive Officer of Zintex Portfolio Services Limited, a parent company with many subsidiaries: Zintex Finance & Investment Consult, Zintex Farms, Zintex Construction and owns Zintex Pharmaceutical Services Ltd. Dr. Amoah was formerly the Deputy National Health Insurance Authority (NHIA) Coordinator and later became the Chief Financial Officer (CFO) of Kencity Group of Companies. He is a Finance & Investment Consultant.

Dr. Stephen Amoah holds a Doctor of Philosophy in Actuarial Science from Kwame Nkrumah University of Science and Technology, (KNUST) with the option of Finance and Investment. The research title for Dr. Amoah's PhD was Optimal Pricing for Risky Assets in a Competitive Market with special emphasis on Finance and Macroeconomics. Dr. Amoah hold a Master of Science Degree in Strategic Financial Management from the University Derby in the United Kingdom. Dr. Amoah has a Certificate in Entrepreneurship from MIT in the US. He has BSc. in Computer Science from KNUST.

Dr. Amoah has participated a number of International Programs: seminars and conferences in countries such as Germany, Netherlands, Italy and Portugal. In Italy, Dr. Amoah spoke on the Investment Opportunity within the Sub- Region of Africa and the Challenges Confronting the Continent. Other programs in Africa Dr. Amoah has attended were in Botswana, Niger and Djibouti.

Dr. Stephen Amoah's expertise lies in the areas of Corporate Finance and Investment: Strategic Financial Management, Mergers & Acquisitions, Budget Setting and Controls, Investment Appraisals & Business Planning, Risk Management, Strategic Management, Designing M&E Tools, Organizational Behavior, Macroeconomics, Modelling and Research & Development.

» Company Secretary

Ms. Amma Agyeman Kusi–Appouh
Secretary

Amma Agyeman Kusi-Appouh is a Lawyer of nineteen (19) years with good standing in the Republic of Ghana. She is also a member of the Electoral Committee of the Ghana Bar Association.

She also holds a Master of Business Administration from University of Ghana Business School. She attended Merton College, Morden, United Kingdom, where she obtained a Diploma in Law. She completed her tertiary education at University of Essex, Colchester, Essex, United Kingdom where she studied law and graduated with an LLB, Hons. She attended Achimota and Oda Secondary Schools in Accra and Oda respectively.

She did a Legal Practice Course (LPC) at the College of Law, Tottenham Court Road, London, United Kingdom and became a Solicitor in the England and Wales in the year 2002. She attended Ghana Law School, Makola, Accra from 2002-2004 and was called to the Ghana Bar in October, 2004.

She did her pupilage at Apem Chambers, North Ridge, Accra where she was assigned to the Litigation Department and handled contentious cases. She joined the then Ghana Commercial Bank in December, 2005 and worked at the Legal Services Department. She represented the Bank in Court, National Labour Commission, CHRAJ, EOCO and other adjudicating bodies, gave advisory services on banking, and legal transactions, in addition drafted, and reviewed legal agreements.

In May, 2018 she was transferred to the Board Secretariat of the Bank and was appointed the Company Secretary in August, 2018. Ms. Amma Kusi- Appouh continues to offer efficient and strategic support to the board, having obtained over five years rich experience in corporate secretarial and corporate governance.

She provides counsel to the Board on corporate governance matters and advocates the adoption of corporate governance best practices; renders effective support to the Chairman of the Board/ Board Committees and Directors in the discharge of their roles and responsibilities; she also facilitates effective communication of decisions and policies made by the Board/Board Committees to Management.

She ensures Board procedures, applicable rules and regulations; and that relevant laws are duly complied with. Ms. Kusi-Appouh constantly keeps herself abreast with changes in relevant laws; rules and regulations; and industry development through continuous training and regular interactions with various stakeholders.

» Executive Committee (EXCO)

Mr. Kofi Adomakoh
Managing Director

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» Executive Committee (EXCO) (Continued)

Mr. Emmanuel Odartey Lamptey
Deputy Managing Director, Operations

Emmanuel is a seasoned Banker with over 20 years' multinational experience, working for listed companies in corporate and retail banking, asset management, securities brokerage services, pensions, insurance and micro-finance with operations in over 30 African countries.

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He is a fellow of Association of Chartered Certified Accountants, United Kingdom.

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Sam has also been a leading member of various initiatives at the Ghana Association of Banks (GAB). In December 2023, GAB awarded Sam an honorary award in recognition of his exemplary financial stewardship, Strategic acumen, and diligent management of financial resources, which have played a crucial role in maintaining market stability and resilience within the banking sector during the Government of Ghana Domestic Debt Exchange Programme (DDEP).

Prior to joining GCB Bank, Sam worked at Fidelity Bank Ghana Ltd as the Deputy Managing Director (Wholesale Banking) with responsibility for the bank's Corporate Banking, Financial Markets and Treasury, Capital Markets businesses as well as Fidelity Bank's subsidiaries – Fidelity Asia Bank and Fidelity Securities Limited. He joined Fidelity Bank in October 2016 as Director of Treasury and Markets and was appointed Group Head of Wholesale Banking in December 2018. He also served on the Board of Fidelity Securities Limited. In his time at Fidelity Bank, Sam was instrumental in the implementation of certain landmark transactions, which include the ESLA Bond programme and the Securitization of GOG Contractor arrears, to mention a few.

Sam's leadership is marked by his strategic thinking and ability to optimize Coverage, Treasury, and Markets functions. His success in sales, trading, and risk management is a testament to his ability to craft and execute market expansion strategies and secure issuances and funding frameworks. As a natural communicator, he excels at cultivating relationships with key personnel and fostering a collaborative and productive work environment.

Ms. Jessie Jacintho
General Counsel

Jessie Jacintho was appointed General Counsel of GCB Bank PLC in February 2016. She is responsible for leading the Legal Services and Debt Recovery functions of the Bank. Jessie has 28 years' experience as a legal practitioner of which four years were spent working with a private law firm Naoferg Chambers.

Jessie has since August 2000 been an in-house counsel, she worked with Barclays Bank of Ghana now Absa Bank Ghana for fourteen years and was legal counsel business partner responsible for Corporate Banking, Risk Management, Treasury, Human Resources and Compliance functions.

Jessie also worked as General Counsel and Corporate Affairs Director of the First Group Limited an investment and management company for one and a half years. During the same period, she doubled as the Acting Legal Director of Universal Merchant Bank an investee company of The First Group prior to joining GCB.

Jessie has a Bachelor of Laws Degree (LLB Hons) from the University of Ghana and professional legal qualification from the Ghana School of Law. She also has an Executive MBA, Human Resource Management from the University of Ghana Business School and a certified Credit Administration Certificate from the Ghana Banking College among other professional development qualifications. She has also obtained executive education (Senior Executive Programme) from the London Business School.

Jessie is a Notary Public and a certified Insolvency Practitioner. She is a member of the Ghana Bar Association and the International Bar Association.

Mr. Theophilus Ayitey Adjin Aryee
Chief Risk Officer

Theo Aryee is a distinguished risk management professional with over two decades of extensive experience, spanning a number of specialisms and countries. His expertise encompasses Enterprise Risk Management, Corporate Credit, Retail Credit, Credit Operations, Project Finance, Credit Audit, Collections and Recoveries, Process Optimization, Coaching, Training, and General Banking Operations. He heads the Risk Management function of the bank and is focused on embedding a world-class risk framework across the bank.

Before he joined GCB, he worked with Barclays Bank PLC in Dubai, United Arab Emirates as an Associate Corporate Credit Director. In this capacity, he held credit sanctioning responsibilities across diverse product specialisms, industries, and borrower types in multiple African nations, including Kenya, Uganda, Tanzania, Zambia, Zimbabwe, Mauritius, Ghana, and Seychelles. Notably, he spearheaded the successful rollout and implementation of the Credit Skills Development program across India, The United Arab Emirates, Pakistan, and select African countries. When he worked with Barclays Bank of Ghana, now ABSA Bank Ghana, he played a number of roles in Corporate Credit, Retail Credit, Collections and Recoveries and Operations.

Theo was Chief Risk Officer in GHL Bank and worked with First National Bank where he had oversight over the consumer and home loans credit portfolios. He started his career with Ecobank Ghana Limited.

Theo holds a Master's Degree with distinction in Business Administration from the University of Central Lancashire, England, and a BSc. (Hons) in Mining Engineering from the then UST School of Mines, Ghana. He also has a certificate in Advance Commercial Lending from the IFS School of Finance, London.

» Executive Committee (EXCO) (Continued)

Mr. Eric Coffie
Chief Digital Marketing Officer

Eric Abeku Coffie, an accomplished leader with a wealth of experience in digital innovation and marketing, serves as our Chief Digital and Marketing Officer (CDMO). With a distinguished career spanning several esteemed organizations, he has consistently driven transformative initiatives, shaping the landscape of financial products and services. His strategic foresight and adept leadership have been pivotal in steering our bank toward digital excellence.

As the driving force behind our digital transformation journey, he is tasked with crafting and executing a compelling digital strategy that aligns with our institution's future vision. Through close collaboration with cross-functional teams, he spearheads the implementation of innovative digital solutions, ensuring that our offerings resonate with the evolving needs of our customers. His role extends beyond mere strategy formulation; he fosters a culture of digital innovation and catalyzes change across the organization.

His tenure as Vice President at Visa CEMEA and his leadership roles at Ecobank Transnational Inc. and Bharti Airtel B.V. underscore his expertise in driving revenue growth and market expansion. His strategic prowess in product management, relationship building, and market analysis has consistently delivered tangible results. Eric's commitment to excellence and his ability to navigate complex business landscapes make him a driving force behind our institution's digital agenda.

With a rich academic background complemented by professional certifications from esteemed institutions like London Business School, Harvard Kennedy School, and the University of Leeds Business School, he brings theoretical knowledge and practical expertise to his role. His accolades, including the British Chevening Scholarship and recognition as the Best Marketing Student (MBA), attest to his dedication to continuous learning and excellence in his field.

Eric Abeku Coffie stands as a beacon of digital innovation, steering our institution toward a future defined by unparalleled customer experiences and sustainable growth.

Nana Kwabena Yeboah
Head, Human Resources

Nana Kwabena Yeboah (MCIPD) is a generalist, Senior HR Management Professional and business leader with 22+ years progressive and wide-ranging local and multinational experience across West Africa and the Middle East.

Kwabena joined GCB Bank in July 2022, and his experience as HR Director spans oil and gas, supply chain, FMCG, agri-business, training and banking organizations in Ghana, Nigeria and the UAE. He is recognized among his HR peers and business managers as a commercially aware enabler of business performance, and a trusted advisor. He has attended several HR and leadership development courses, including the Senior Executive Programme (SEP) at the London Business School, and also contributed to national policy development as Member of the Executive Committee of the Ghana Employers Association (GEA).

Kwabena holds an MBA in General Management from the University of Hull Business School in the UK, as well as a First-Class degree in Political Science with Sociology from the University of Ghana, Legon, and is a member of and/or certified by a number of international HR professional bodies, including Chartered Membership of the CIPD in the UK, Senior Professional in HR (SPHR), US and the CIPM in Nigeria. He also serves on the faculty of the HR Certification Centre as a Facilitator for the Senior Professional in Human Resources International (SPHRi) certification courses.

He is married with three children, a staunch supporter of Accra Hearts of Oak SC, a Formula 1 car racing enthusiast, and is a Christian street theologian and apologetic.

Abel Lomotey Daitey
Chief Information Officer

Abel is an Information Technology specialist with over 20 years of experience delivering innovative IT solutions. He has worked in consultancy, trade facilitation, and the banking industries. He is a certified member of the International Information System Security Certification Consortium (ISC2).

Abel holds a BSc. Electrical and Electronics Engineering (Kwame Nkrumah University of Science & Technology), an MBA specializing in Corporate Strategy (Maastricht School of Management), a PGDip. Cloud Computing (University of Texas at Austin) and a Certificate in Senior Executive Program (London Business School).

Before joining GCB, he worked as the Senior Enterprise Architect with E-Process International SA, where he led the design of solutions and system architectures of critical systems, e.g. optimizing and migrating the Mobile App to the cloud. Previously, he worked as the Project Manager at West Blue Consulting, where he engaged a consortium of public and private organizations to deliver the Paperless Port as part of the Ghana National Single Window Project. Abel started his career in the banking industry with Merchant Bank Ghana Limited, now UMB, where he served as the Head, E-Channels and led the implementation of several digital initiatives, including Internet Banking, Card Payment Switch, ATM rollout, Cash Collection Systems among other innovation solutions.

Since joining GCB Bank, he has significantly enhanced service delivery by upgrading the core banking application, infrastructure and workflow systems. He is working assiduously to deliver the technology platform to support GCB's drive to become Ghana's preferred Digital Bank.

Mr. Linus Kumi
Head, Corporate Banking Department

Linus Kumi joined GCB Bank PLC in April 2021 from Fidelity Bank Ghana Limited, where he was Director of Multinational Corporates managing portfolios in Global and Regional Corporates, Mining, and Energy Sectors with additional responsibilities in Debt Capital Markets and Corporate Division of Fidelity Asia Bank (A wholly owned subsidiary based in Malaysia). In 2020, he was tasked in line with corporate strategy to re-establish the banks local prominence within the domestic space moving it from a 4% business contribution to a 18% by year end.

He also worked as Director, Financial Institutions with Standard Chartered Bank, Ghana, leading teams in managing Correspondence Banking relationships with local and regional banks, Public Sector and Government related businesses.

He is a seasoned corporate banking professional with over 20 years' experience in credit origination, structuring, financial institutions solutions, trade finance, sovereign and corporate relationship management across 4 different banks. He has led various teams to win and close key transactions across the industry.

He is currently responsible for the Corporate Banking business where he leads in developing and executing strategies to attract and retain corporate clients, managing and mentoring a team of bankers, and maintaining relationships with key stakeholders. Under his leadership, the corporate banking business has negotiated and closed a number of industry significant transactions.

Linus holds an MBA (Corporate Finance) from Stirling University, Scotland and a Bachelor of Science degree in Administration with majors in Banking and Finance from the University of Ghana Business School, Legon. He also holds a professional certificate in Project Appraisal and Risk Management from Fuqua Business School, Duke University, North Carolina.

» Executive Committee (EXCO) (Continued)

Mr. Benjamin Kyei Armoo
Chief Compliance Officer

Benjamin Kyei Armoo has over twenty-two (22) years' working experience which includes nineteen (19) years in Compliance. His expertise in compliance spans Regulatory Relationship Management, Business Advisory, Anti-Money Laundering/Financial Crime Management, Training, Monitoring and Testing, Board and Management Reporting. He also has experience in Credit, Internal Control, Auditing and Accounting with exposure in Retail Banking, Banking Operations, Trade Finance, Wholesale Banking and Financial Market activities.

He has led the setting up and reorganizing Compliance functions in previous employments and is currently supporting the Board and Management in strengthening the Bank's Compliance function. He is an expert in formulating and implementing Compliance, and Anti-Money Laundering, Combating the Financing of Terrorism and Proliferation of Weapons of Mass Destruction (AML/CFT & P) Programmes. He has provided instrumental support to Company Secretaries and Boards in complying with regulatory changes and Bank of Ghana directives.

Prior to joining GCB Bank PLC in July, 2022, Benjamin held Key Management Personnel and Senior Management roles comprising Head of Regulatory Advisory and Compliance at Absa Bank Ghana Limited, Anti-Money Laundering Reporting Officer and Head, Regulatory Affairs, Training and Monitoring at Fidelity Bank Ghana Limited. Other positions previously held include Regulatory Affairs and Training Manager at Fidelity Bank, Compliance and Regulatory Affairs Officer at Barclays Bank of Ghana (currently Absa), Internal Control, Compliance and Monitoring Officer at United Bank for Africa (UBA) Ghana.

He is a Certified Compliance Professional (CCP) from International Academy of Business and Financial Management (IABFM) and Certified People Manager under the Harvard Manager Mentor Blended Learning Programme. He is also registered member of the Association of Certified Anti-Money Laundering Specialist (ACAMS). He holds MSc. Accounting and Finance from the University of Northampton UK, MSc. Development Finance from the University of Ghana, and Bachelor of Education (Foundations) degree from University of Cape Coast.

Mr. Sina Kamagate
Executive Head, Retail Banking Department

Sina joined GCB Bank in 2020 with over fifteen (15) years of demonstrable experience in key areas in banking. His experiences cut across Finance, Treasury, Trade finance, External Audit and Assurance Service, Internal Audit, Internal Control amongst others.

His work life started with GCB Bank as an Intern and subsequently as National Service Person, he moved to International Commercial Bank (now FBN Ghana) and left after two (2) years to Ernst & Young Chartered Accountants where he worked in the financial services team. He left in 2013 to join Fidelity Bank and was instrumental in the implementation of a risk-based approach for the internal audit function. He left in 2014 to UMB Bank to set up the Internal Control Department which has grown to be a key department in the bank. In 2018, Sina re-joined Fidelity as he went up the corporate ladder and was appointed as the Head of Audit in charge of Head Office until April 2020. Prior to his recent appointment as the Executive Head, Retail Banking in January 2024, Sina was the Chief Internal Auditor of the Bank.

He is a Chartered Accountant (ICA), A Chartered Banker (CIB) and a Fellow of the Institute, a Chartered Information Systems Auditor (CISA) and holds distinction in ACI (Operations). He also holds Master of Research in Finance and a first-class Accounting Graduate of University of Ghana Business School. Sina is also a graduate of the Senior Executive Programme (SEP) of the London Business School.

He is a subject matter expert in Finance of International Trade, IFRS, Treasury Management, Internal Control, Auditing and Risk Management. He is a Faculty Member at the National Banking College in the Risk, Regulation and Banking Operations departments. He is a lecturer at the Chartered Institute of Bankers on part time basis in Finance of International trade. He also lectures in Risk Management, Corporate Governance and Treasury Management. He is a Council Member (Governing Board) of the Chartered Institute of Bankers and chairs the Finance Committee.

» Five Year Financial Summary

Statement of Comprehensive Income - Group

Income Statement					
Interest income	3,756,247	2,829,445	2,379,370	1,938,908	1,555,646
Interest expense	(860,515)	(721,943)	(484,527)	(430,210)	(387,194)
Net interest income	**2,895,732**	**2,107,502**	**1,894,843**	**1,508,698**	**1,168,452**
Fee and commission income	558,291	458,316	410,277	329,702	293,127
Fee and commission expense	(120,112)	(73,310)	(50,749)	(51,722)	(51,622)
Net fee and commission income	**438,179**	**385,006**	**359,528**	**277,980**	**241,505**
Net trading income	425,065	487,226	157,540	166,628	141,745
Other operating income	25,199	25,933	15,582	14,374	21,167
Operating income	**3,784,175**	**3,005,667**	**2,427,493**	**1,967,680**	**1,572,869**
Net impairment loss on financial assets	(432,954)	(2,105,259)	(324,800)	(219,647)	(75,521)
Operating expenses	(1,814,667)	(1,631,952)	(1,263,747)	(1,129,641)	(924,583)
Operating profit/(loss)	**1,536,554**	**(731,544)**	**838,946**	**618,392**	**572,765**
Share of profit of associates, net of tax	10,828	(11,915)	(6,972)	(7,566)	903
Profit/(loss) before income tax	**1,547,382**	**(743,459)**	**831,974**	**610,826**	**573,668**
Income tax expense	(384,789)	150,061	(188,836)	(135,096)	(116,978)
National fiscal stabilization levy	(76,619)	-	(40,490)	(30,341)	(28,233)
Financial sector recovery levy	(76,252)	-	(30,368)	-	-
Profit/(loss) for the year	**1,009,722**	**(593,398)**	**572,280**	**445,389**	**428,457**
Other Comprehensive Income:					
Items that will not be reclassified to profit or loss					
Remeasurements on net defined benefit liability/ asset	(52,960)	(10,097)	4,540	14,192	(16,528)
Fair value of equity instruments	6,015	17,014	284	(4,113)	(27,944)
income tax relating to items that will not be reclassified	15,865	(7,068)	629	3,977	5,288
Total items that will not be reclassified to profit or loss	**(31,080)**	**(151)**	**5,453**	**14,056**	**(39,184)**
Items that may be reclassified to profit or loss					

» Five Year Financial Summary (Continued)

Statement of Comprehensive Income - Group

Figures in thousands of Ghana Cedis	2023	2022	2021	2020	2019
Exchange differences on translating foreign operations	98,274	32,887	(8,836)	(1,211)	18,524
Fair value changes on financial assets at fair value					
through other comprehensive income	-	-	-	-	-
Share of comprehensive income of associates	4,307	(6,437)	(4,314)	401	2,321
Net gain on equity investments	-	-	14,139	-	-
Income tax relating to items that may be reclassified	-	-	-	-	-
Fair value changes on available for sale financial assets	-	-	-	-	-
Foreign currency translation difference for foreign operation	-	-	-	-	-
Total items that may be reclassified to profit or loss	102,581	26,450	989	(810)	20,845
Other comprehensive income, net of taxation	71,501	26,299	6,442	13,246	(18,339)
Total comprehensive income for the year	1,081,223	(567,099)	578,722	458,635	410,118
Basic and diluted earnings per share (in GH¢)	3.81	(2.24)	2.16	1.68	1.62

Statement of Financial Position - Group

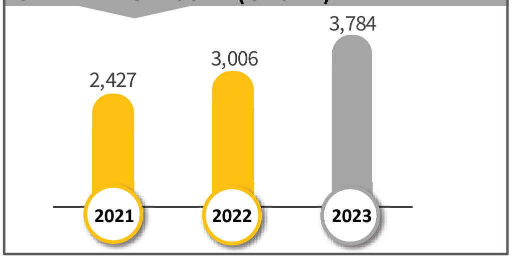
Figures in thousands of Ghana Cedis	2023	2022	2021	2020	2019
Assets					
Cash and cash equivalents	5,653,778	4,476,878	2,301,092	1,567,241	1,572,538
Non-pledged trading Assets	319,065	275,992	477,658	221,339	142,790
Derivative financial instruments	-	-	-	-	236
Investment (other than securities)	47,946	43,346	26,366	18,534	35,439
Loans and advances to customers	6,692,514	5,482,215	4,306,380	3,612,588	3,587,653
Advances to banks	382,642	229,115	201,030	200,904	209,614
Investment securities	11,873,153	8,673,601	9,765,840	8,622,846	6,025,382
Investment in associates	206,109	92,678	82,280	91,681	100,391
Investment in subsidiary	100	100	-	-	-
Deferred tax asset	863,826	758,124	238,171	158,465	95,324
Current tax asset	-	5,980	-	25,808	-
Intangible assets	76,043	123,752	168,226	191,136	201,820

Statement of Financial Position - Group

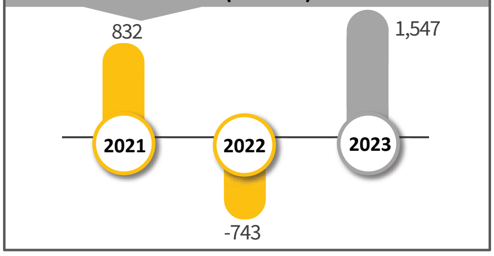
Figures in thousands of Ghana Cedis	2023	2022	2021	2020	2019
Other assets	638,280	902,983	536,552	462,701	280,555
Property, equipment and right-of-use-assets	402,204	429,654	301,332	280,654	272,342
Total assets	**27,155,660**	**21,494,418**	**18,404,927**	**15,453,897**	**12,524,084**
Liabilities					
Deposits from banks & other financial institutions	344,349	259,147	747,589	615,418	501,911
Deposits from customers	21,437,093	17,515,911	13,154,527	11,345,240	9,320,878
Borrowings	1,083,447	1,003,168	988,073	772,525	457,578
Current tax liabilities	97,316	-	56,247	-	9,017
Employee benefit obligations	186,512	129,596	113,464	113,322	118,664
Other liabilities	926,847	587,724	646,556	421,394	335,674
Total liabilities	**24,075,564**	**19,495,546**	**15,706,456**	**13,267,899**	**10,743,722**
Equity					
Stated capital	500,000	500,000	500,000	500,000	500,000
Retained earnings	1,605,322	821,937	1,547,835	1,111,387	828,873
Statutory reserve	763,818	639,555	639,555	569,971	460,096
Regulatory credit risk reserve	102,074	-	-	-	-
Fair value reserve	33,978	21,030	14,997	5,395	1,581
Other reserves	74,904	16,350	(3,916)	(755)	(10,188)
Total shareholders' equity	**3,080,096**	**1,998,872**	**2,698,471**	**2,185,998**	**1,780,362**
Total liabilities and shareholders' equity	**27,155,660**	**21,494,418**	**18,404,927**	**15,453,897**	**12,524,084**

» Financial Highlights - Group

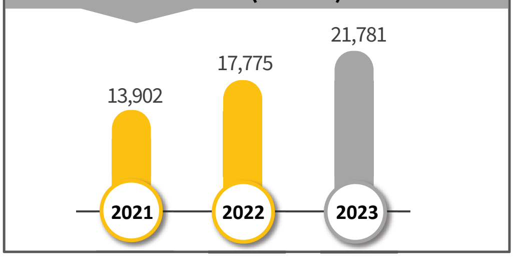
OPERATING INCOME(GHS 'M)



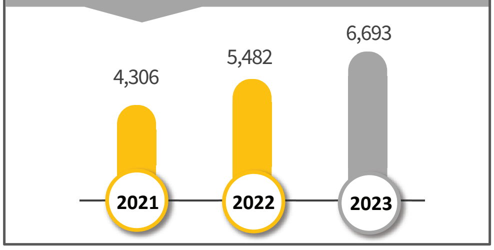
PROFIT BEFORE TAX(GHS 'M)



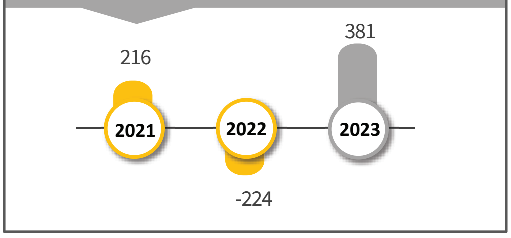
CUSTOMER DEPOSIT(GHS'M)



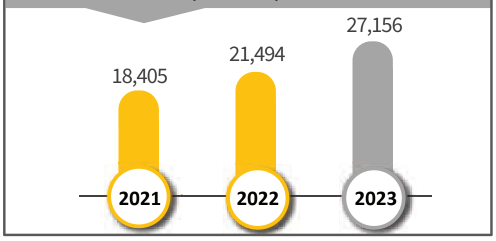
LOANS AND ADVANCES(GHS'M)



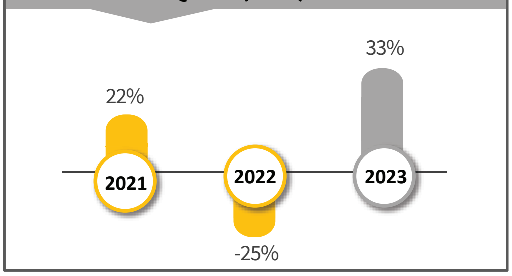
EPS (GHp)



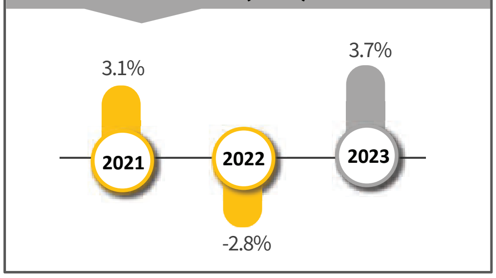
TOTAL ASSETS (GHS'M)



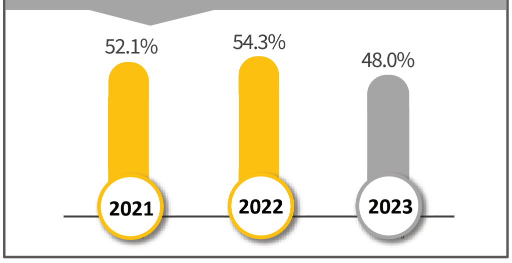
RETURN ON EQUITY(ROE)



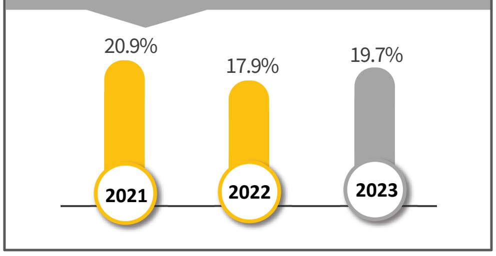
RETURN ON ASSETS(ROA)



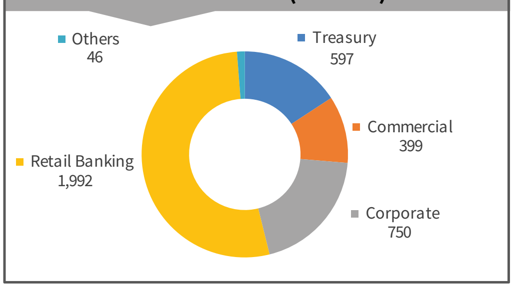
COST TO INCOME



CAPITAL ADEQUACY RATIO

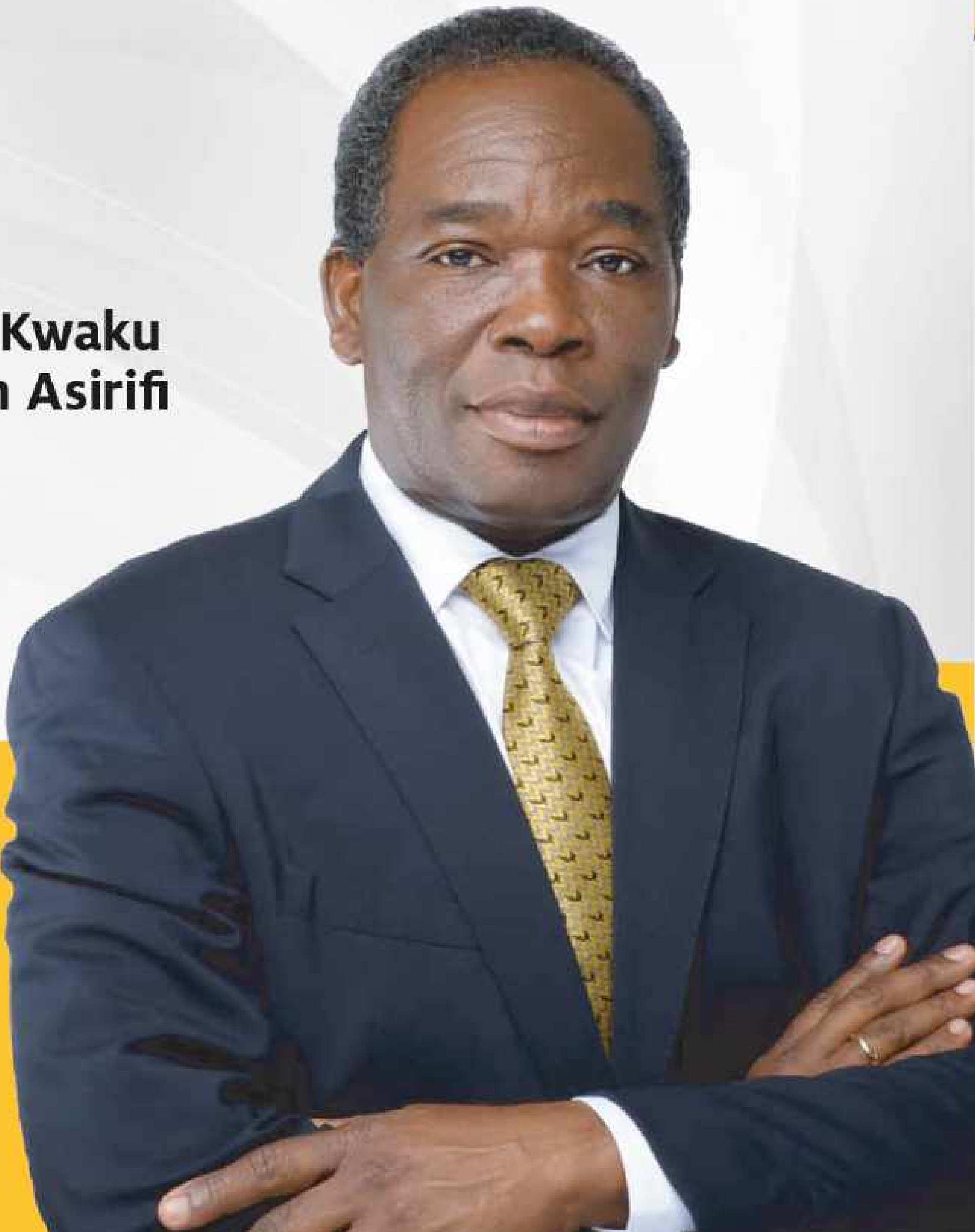


REVENUE PER SEGMENT(GHS 'M)



Mr. Daniel Kwaku Tweneboah Asirifi

Board Chairman



"As we embark on the next 70 years of our journey, I am optimistic about the future of GCB and its role in helping clients thrive, communities prosper, and our economy grow."

» Chairman's Statement

Introduction

Dear Shareholders, it is an honour and privilege to present the Annual Report and Financial Statements of your Bank and its subsidiaries for the year ended 31st December 2023. I am proud to report that GCB Bank PLC made positive strides on its priorities in 2023. The underlying financial performance is improving, we are moving forward with our risk and control agenda, focusing on businesses which can generate appropriate risk-adjusted returns. We continue to reinforce the leadership team and are on course in the implementation of our strategic objectives. While we continue to make progress in implementing our strategy, we will intensify our implementation capabilities by continued investment in our people, customer experience, transaction banking, digital transformation and strengthening strategic partnerships.

The year under review was a significant milestone in the life of your Bank. The Bank marked its 70th anniversary. Over the past seven decades, our esteemed institution has stood as a beacon of excellence and resilience in supporting individuals, small and medium enterprises, and organisations. The Bank has been at the forefront of shaping the financial landscape of Ghana and continues to leave an indelible mark on the hearts and minds of Ghanaians. The celebration of our 70th anniversary was not a mere commemoration of time elapsed but a vibrant testament to the enduring spirit and legacy of GCB Bank PLC. Throughout the festivities, we embraced the opportunity to honour our rich heritage, celebrate our achievements, and express gratitude to our forebearers and all stakeholders who have contributed to our success.

The anniversary festivities were marked by events and initiatives encapsulating the essence of GCB Bank PLC's journey, from engaging retrospectives highlighting key milestones and pivotal moments in our history to forward-looking discussions exploring the future of banking and finance in Ghana. The activities were as diverse and dynamic as the communities we serve. I appreciate all who joined us in the various activities as part of the celebrations. We look forward to your support as we continue our journey of growth, progress, and service to the nation.

Ladies and Gentlemen, I will touch briefly on the global economic environment, how it has impacted the Ghanaian economy, our operating environment and update you on our financial performance for 2023 and our strategic priorities.

Global Economic Environment

According to the International Monetary Fund (IMF), global growth, estimated at 3.2 per cent in 2023, is projected to remain at 3.2 per cent in 2024 and 2025, reflecting supportive demand developments including greater-than-expected government spending and household consumption. Advanced economies are expected to see moderate growth in 2024 and 2025, with a recovery in the Euro area from low growth in 2023 and moderate growth in the United States. With regional differences, emerging markets and developing economies are expected to experience low but stable growth through 2024 and 2025.

However, new spikes in commodity prices due to geopolitical shocks, disruptions in supply and enduring inflation, may extend periods of stringent monetary conditions and impact global growth. These developments impacted the Ghanaian economy and may continue going forward.

Ghanaian Economy & the Operating Environment

At home, 2023 saw a gradual recovery in economic activity post-Domestic Debt Exchange Programme (DDEP), though growth remains below potential. Real GDP was 2.9 per cent, driven by the services and agriculture sectors, compared to 3.1 per cent in 2022. Headline inflation sharply dropped to 23.2 per cent in December 2023 from a peak of 54.1 per cent at the end of December 2022. The decline in inflation was driven by both easing food and non-food prices. This reflects policies by the Bank of Ghana (BoG) and relative exchange rate stability. On the money market, interest rates broadly trended downwards at the short end of the yield curve. The 91-day and 182-day Treasury bill rates decreased to 29.49 per cent and 31.70 per cent respectively in December 2023, from 35.48 per cent and 36.23 per cent in the corresponding period of 2022. Similarly, the rate on the 364-day instrument decreased to 32.97 per cent in December 2023 from 36.06 per cent in December 2022. The monetary policy rate went up by 300 basis points to 30 per cent at the end of 2023 from 27 per cent in 2022.

The banking sector saw a notable development in its performance as the negative impact stemming from the domestic debt restructuring and broader macroeconomic difficulties diminished. By the close of 2023, the banking sector maintained its stability and liquidity. Essential financial health indicators demonstrated positivity, with the Capital Adequacy Ratio (adjusted for reliefs) surpassing regulatory thresholds. However, the Non-Performing Loans ratio saw an increase in 2023, attributable to widespread repayment difficulties among borrowers due to the lingering effects of the general macroeconomic challenges.

Strong Financial Performance

The Bank reported strong financial results for the year, attributable to revenue and profits on the back of strong performance from our lines of business guided by the implementation of our market dominance strategy. Total revenue grew by 26.0 per cent to GHS 3.78 billion, supported by growth in net interest income of 37 per cent. The growth in net interest income was due to balance sheet expansion and high yields on earning assets. Operating expenses increased by 12 per cent to GHS 1.81 billion. As a result, the Cost-to-Income Ratio (CIR) improved 600 basis points to 48 per cent, indicating revenue growth, expense control discipline and cost management in the face of lingering inflationary pressures and exchange rate depreciation. Pre-provision profit improved significantly from GHS 1.37 billion in the previous year to GHS 1.97 billion, reflecting an increase of 43 per cent.

Ladies and Gentlemen, for the first time in the history of the Bank we achieved a remarkable profit, crossing the threshold of One Billion Cedis in 2023, our Profit Before Tax (PBT) reached GHS 1.55 billion, marking a remarkable turnaround from a loss position of GHS 743.5 million in 2022.

Our balance sheet remained strong with total assets of GHS 27.2 billion, indicating a growth of 26 per cent compared to 2022. Customer deposits reached GHS 21.8 billion, up 23 per cent, driven by improved product offerings and increased customer confidence in the GCB brand. Our enhanced and robust digital channels and proactive engagement with customers also bolstered the growth in deposits.

This performance underscores the dedication and resilience of our management and staff which positions the Bank for continued success in the future.

Progress on our Strategic Priorities

Ladies and Gentlemen, this is the final year of implementing our four-year strategy of dominance. Last year, the Board fully engaged management to revalidate the strategy for relevance on the back of economic developments and rapidly evolving customer expectations.

Today, we remain focused on our strategic pillars of Revenue Growth and Profitability, Operational Excellence and People and Talent. We have implemented comprehensive revenue growth and cost optimisation measures to restore financial health and drive sustainable growth through innovative product development, targeted marketing initiatives and strategic partnerships.

Furthermore, we have prioritised our investments in technology and digital transformation initiatives to drive operational excellence, improve customer experience and unlock new revenue streams. On this basis, GCB Bank has reinvented digital banking in the Country with the relaunch of our revamped RECODED Mobile App in December 2023. The App was developed to provide convenience to customers while ensuring the safety of transactions and investments. By leveraging cutting-edge technology and digital solutions, we aim to enhance productivity, reduce operational costs, and position your Bank for long-term success in the digital era.

As you know, our employees are our most important resource which is central to driving our strategy and customer experience. In 2023, we engaged our staff intensively and made significant progress on our staff development programs across the various staff groups. These include our leadership development and succession planning, technical and soft skills training, staff durbars and HR clinics. As part of our employee value proposition, these strategic activities deliver some of the best benefits for our staff and promote a thriving workplace for all employees.

We believe that the strength of our balance sheet, risk management practices, customer experience and digital banking strategy will be the catalyst that will drive our financial performance over the coming years.

Going forward, we will continue to evaluate our businesses to increase risk-adjusted returns and focus our resources on the most important products and services that our customers require. Market dynamics change, the competitive environment changes, regulatory expectations evolve, and we must adjust our business accordingly.

Updates on the Capital Restoration Plan

Ladies and Gentlemen, in line with our Capital Restoration Plan, at the last Annual General Meeting (AGM), shareholders approved an equity capital raise for the Bank of up to GHS 1 billion. The Bank subsequently determined a capital size of GHS 550 million and procured the approval of the Securities and Exchange Commission (SEC) and the Ghana Stock Exchange (GSE). The Board notwithstanding the regulatory approvals to proceed with the capital raise, did further financial scenario analysis based on the 2023 financial performance, quarter one 2024 outturn and current market conditions to determine the financial health of the bank. The outcome of the forecast scenarios especially with respect to Capital Adequacy Ratio has led to a Board decision to put the capital raise on hold.

The Board believes that based on the current available information, the Bank can undertake its key strategic initiatives and investments to remain competitive and continue delivering sustainable growth and value to our shareholders without immediate capital raise. We will continue to assess the position to ensure that the Bank's capital level is sufficient to support our business objectives and drive long-term success.

Enhancing Governance

In October 2023, Mr. Jude Arthur, our Board Chairman, retired upon successfully completing his two terms as stipulated by the Corporate Governance Directive, and I had the privilege of assuming the role. We sincerely thank Mr. Arthur for his exceptional leadership. His invaluable contributions and steadfast dedication to the Bank's advancement are deeply appreciated. We extend our best wishes to him in all his future endeavours.

During the year we thoroughly reviewed the Bank's strategy and corporate plan to verify its suitability and resilience in the light of current economic challenges. Also, we assessed the impact of short-term difficulties and global megatrends on the Bank, engaging in numerous scenario planning exercises to enhance our readiness to take advantage of these significant transformative shifts and developments that profoundly impact our Bank and the industry.

The Board also pursued training programmes in digital technology advancements, Environment, Social and Governance (ESG) and Sustainable Banking principles to enhance their capacity as well as aligning their governance and strategic decision making to contemporary industry trends and evolving regulatory framework.

The Board recognises the importance of evaluation of its effectiveness including its committees. A performance evaluation programme was conducted during the year under review and it concluded that the Board continues to operate effectively. The Board will remain compliant with corporate governance directives issued by the Bank of Ghana and best practices in attaining a good corporate governance rating.

Corporate Social Responsibility (CSR)

As a trusted partner to clients and communities in Ghana, GCB Bank PLC is uniquely positioned to help put ideas into action and make progress possible toward a more inclusive, sustainable, and prosperous future. In 2023, as part of our 70th anniversary celebrations, we invested GHS 6.3 million into our communities and key social institutions as part of our CSR. At GCB, we believe that our Bank is only as strong as the collective well-being of the communities where we live and work. The targeted sectors were health, education, youth and sports.

Conclusion

Ladies and Gentlemen, after 70 years of providing unrivalled financial solutions towards the socio-economic development of Ghana, we are setting our sights on unlocking our next growth phase. With client and investor expectations changing rapidly, it is clear to us that the banks that will succeed in the future are those that take advantage of scale and innovative solutions to deliver the best value as efficiently as possible.

In this rapidly changing world, our size and scale must be underpinned by our ability to deliver differentiated client experiences. This is why we continually seek the next great opportunity to deliver new insights and innovations that will make banking smarter, simpler, and more convenient for our clients. We have been doing that and will continue to do that with the implementation of our digital transformation and customer experience strategy. As we continue to redefine what a bank can do, we are focused on investing in technologies that can deliver data-backed insights to help us make better decisions and provide bespoke products and services to our clients to build their confidence in the GCB brand.

GCB has heavily invested in technology, and we will continue to make the right investments and seek partnerships in the years ahead as that is the future of banking, especially around Artificial Intelligence (AI). With the emergence of generative AI capabilities, we will explore how to safely and securely tap into the full potential of this technology to develop the best products and services for our clients.

As we embark on the next 70 years of our journey, I am optimistic about the future of GCB and its role in helping clients thrive, communities prosper, and our economy grow. As a pillar of strength in the Ghanaian society and economy, we know this is our moment to help bring greater leadership, stability, and confidence to those we proudly serve.

I extend my profound appreciation to our shareholders for your support of the Bank. We are also grateful to our cherished customers for trusting the Bank with your business. Well done to the staff, management and Directors for your dedication and hard work that has translated into a sterling performance in 2023. I encourage all stakeholders to continue supporting this great national asset to create value for all stakeholders in 2024 and beyond.

GCB YOUR BANK FOR LIFE.

THANK YOU.

Mr. Daniel Kwaku Tweneboah Asirifi
Chairman

RECODED
GCB
70TH ANNIVERSARY
Pay ECG bills for
Prepaid and Postpaid Meters
with ease via the GCB Mobile App.
It's smooth!
Pay Bills
24/7
24/7 Accessibility
Safe and Secure
Easy Payment of Utility Bills
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Mr. Kofi Adomakoh

Managing Director

> As I look to the future, I do so with a sense of optimism and confidence. Despite economic uncertainties and rapid technological disruption, GCB Bank is well positioned to advance further its market share and viability leveraging its core strengths and effectively execute our strategy to achieve superior client experience, strong, sustainable and profitable business growth and operational excellence.

Managing Director's Review of Operations and Performance

Introduction

2023 was a year of strong performance for GCB Bank. We reported our best ever Profit Before Tax of GHS1,547.4 million in our platinum anniversary year. Our strong rebound to profit after the adverse effect of Domestic Debt Exchange Programme (DDEP) in the prior year is testament to the successful implementation of our strategy and confidence and loyalty of our large and growing client base. Our relentless focus on improving customer experience and commitment to make a positive impact to all our stakeholders will strengthen our competitive advantage, enable us deliver sustainable and improved returns and dominate the market. GCB Bank's extensive branch network complimented by a growing suite of digital solutions that offer a competitive edge in the market continues to be a cornerstone of our success.

This report sets out the Bank's progress over the past year and our strategic focus areas for 2024, aiming to continue this legacy of growth and excellence.

Review of the Operating & Economic Environment

Global growth was 3.2 percent in 2023 and projected to continue growing at the same level in 2024 and 2025 according to the International Monetary Fund (IMF). The global economy demonstrated substantial resilience on many fronts despite inflationary pressures and several other headwinds. Supply-side disruptions caused by geopolitical tensions resulted in high inflation, economic uncertainties and weaker trade. Central banks in most advanced economies embarked on a series of policy rate hikes in 2023 to combat inflation.

The timely response of US and Swiss financial authorities also helped to ensure stability in the global financial system following three major bank failures, specifically two USA banks and a global systemically important bank based in Switzerland in the first quarter of 2023.

In the domestic economy, 2023 saw a gradual recovery in economic activity but growth was below potential compared to 2022. Real GDP was 2.9 per cent, driven by the services and agriculture sectors, compared to 3.1 per cent in 2022. Headline inflation dropped sharply to 23.2 per cent in December 2023 from a peak of 54.1 per cent at the end of December 2022. The decline in inflation was driven by both easing food and non-food prices. On the money market, interest rates broadly trended downwards at the short end of the yield curve. The 91-day and 182-day Treasury bill rates decreased to 29.49 per cent and 31.70 per cent respectively in December 2023, from 35.48 per cent and 36.23 per cent in December 2022. Similarly, the rate on the 364-day instrument decreased to 32.97 per cent in December 2023 from 36.06 per cent in December 2022. The monetary policy rate went up by 300 basis points to 30 per cent at the end of 2023 from 27 per cent in 2022.

The Ghanaian Cedi achieved relative stability throughout the last three quarters of 2023 after initial volatility in January. This stability was underpinned by the improved reserve position of the country amounting to US$5.9 billion equivalent to 2.7 months of import cover on the back of inflows from the IMF's Extended Credit Facility (ECF) first tranche, domestic gold purchases, remittances and foreign exchange purchases from mining and oil companies. These factors played a crucial role amid the tightening of monetary policy by the Bank of Ghana.

Fiscal policy execution remained largely aligned with the goals of the IMF-supported Extended Credit Facility (ECF) program. The first review report of the fund indicated that performance criteria such as the primary fiscal balance, avoiding external debt payment arrears and preventing new collateralized debt by central government and public entities were on track.

Overall, the government's implementation of IMF-recommended reforms shows promising signs of economic recovery as evidenced by decreased inflation and improved fiscal and external positions. Significant progress has been made in debt restructuring, marked by the completion of the domestic debt exchange program and an agreement with Official Bilateral Creditors is expected to be signed in May 2024 paving the way for the third tranche disbursement of $360 million from the International Monetary Fund (IMF).

Operational Performance

In order to navigate well the challenges of today's banking environment characterised by economic uncertainty and technology disruption requires commitment to leadership and talent development, relentless pursuit of opportunities to accelerate revenue growth as well as commitment to operational excellence.

Diversified and high revenue growth through capital optimisation

During the year we made significant progress in our efforts to drive revenue growth, improve profitability and grow our market share. Our results for the year benefited from improved internal collaboration, enhanced relationship management and targeted marketing strategies. This helped to increase the customer base across all business segments and transaction volumes.

In our Commercial Banking segment, we have rolled out a new operating model aimed at boosting sales, improving relationship management and enhancing the overall customer experience. We have decentralised our approach to sales by setting up hubs spread across the country to ensure frequent engagement with clients and ensure our solutions are tailored to their needs. We have invested in critical capabilities including new digital offerings, training of our staff and developed product programs dedicated to this segment with the view to improve key metrics such as credit turnaround time.

Our clients can look forward to regular face to face conversations that seeks to understand their needs and provide unique and tailored solutions.

In the retail banking segment, we have made significant progress in aligning our sales resources in our branches to the business opportunities in each market area. We have streamlined accountability, responsibility and decision-making structures between sales roles and operations role within our branch network. This is to achieve increase customer engagement, improve revenues and achieve operational efficiency.

During the year, we relaunched our mobile banking App with enhanced and new to market features that enables our cherished clients to access various banking services and personal financial management tools. The relaunched mobile App received international recognition at the IBSi Global FinTech Innovation Awards 2023 which evaluates over 250 nominations from 106 banks across 49 countries. Our award-winning mobile app was developed using cutting-edge technology and its user-friendly design and comprehensive functionalities underscores management’s commitment to digital banking leadership.

We have refreshed our customer experience strategy incorporating feedback from our customers across all business segments, our staff and market research. The strategy aims to deliver experiences that surpass customer expectations and shift the mindset of our staff towards a customer-centric culture. We have prioritised a few areas that will uniquely set us apart from the competition and enable us to realise our ambition to dominate the market. Our key focus areas to deliver superior client experience are digital banking leadership, transformation of our contact centre to ensure client centricity across all touch points, improve our in-branch experience and equip our staff to become knowledgeable, skilled and trusted advisor to our clients.

We will continue to sharpen our focus on capital optimisation and strengthen our risk management and transaction banking capabilities through training of relationship managers, prioritized and targeted investments in technology and regular review of our risk management framework and where appropriate reset our risk appetite. This comprehensive approach coupled with our intensified efforts on cross-selling will enable us to achieve higher revenue growth rates especially non-funded income.

Improving Operational Excellence

In order to provide our customers with smooth and efficient interactions and service it is important that we invest in a resilient IT infrastructure to support scale, security and reliability in an environment of increasing competition from new digital players and fintech’s and cyber security risk. We have transitioned from primary VSATs to more robust fibre or radio connections, enhancing service reliability across our branches, agencies, and digital platforms. Our continuous investments in system reliability and performance has greatly improved the performance of IT systems and decreased processing times allowing us to offer enhanced customer experiences throughout all touch points.

Investment in cyber security architecture to address the escalating cyber threats in the industry is a key component of our operational resilience strategy. Noting huge incidence of cyber fraud, mandatory training programs are in place and we have intensified customer education and awareness through advertisements in media across the country. The bank continues to benefit from its membership of Forum of Incident Response and Security Teams (FIRST), a network of over 700 members from across the globe that shares information and cooperates on issues of cyber security.

Notable achievements during the year include the attainment of ISO 20000, which establishes a framework for the Bank to maintain effective IT service management practices, thereby contributing to the delivery of high-quality IT services that meet both customer and business needs. Our renewed ISO 27001 certification demonstrates our commitment to continually improving our information security management system, thus protecting critical information assets against various threats and vulnerabilities.

We have made gains in optimising processes in our back-office operations, strengthened risk management and internal control systems through training and automation. The implementation of our data management strategy is progressing well and will help increase customer retention rates, improve collections efficiency and support the development of new products.

Going forward, we will continue to streamline processes in our centralised operation centre with the view to achieve improvement in productivity and operating efficiency as well as turn-around time. We will continue to strengthen internal controls by leveraging technology and staff capacity building.

People & Talent Development

Cultivating talent and nurturing future leaders are key priorities for both Management and the Board, forming a core part of our Employee Value Proposition (EVP). We have initiated a Leadership Development Programme aimed at preparing our employees for leadership roles within the Bank.

This program assesses staff competencies and formulates comprehensive Individual Development Plans (IDPs) to elevate the skills and value of our employees. We also exposed our staff to various cross functional projects and provided both internal and external training opportunities to improve their skills. During the year, we enrolled staff from our Commercial Banking, Corporate Banking, and Risk Management departments on a Moody's certification program to boost their skills and capabilities in credit risk management. We uphold a culture of continuous learning and development, equipping our staff with the essential skills and knowledge needed to succeed in a dynamic market environment. We have invested in various online training solutions that enables staff to acquire both soft and relevant technical skills. We have made progress in female talent development in the bank. A number of our female staff participated in various local and international training programs. We enrolled a number of our staff in the Female Future Program a leadership program organised by the Ghana Employers Association. Others have benefitted from rotational assignments and participation in cross functional teams.

Additionally, we promote a sense of belonging and teamwork through various activities such as Human Resource Clinics, internal roadshows and social events. These activities are designed to strengthen bonds among employees and encourage collaboration throughout the Bank.

Together, these efforts underline our dedication to the professional growth and development of our employees, ensuring they are well-prepared to meet the changing needs of our customers and retain our best talents. This holistic approach not only enhances our team's capabilities but also ensures that GCB Bank remains a nurturing ground for professionals eager to advance their careers.

In the year ahead, we plan to conclude digitisation of key processes within our Human Resources function enabling us to generate insights and make quality data driven decisions. We will prioritise succession planning related activities for critical roles and enhance our performance management system.

Record Financial Performance

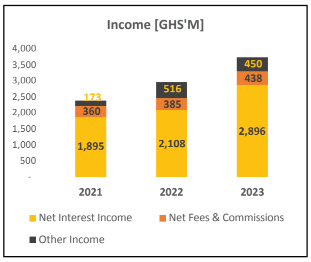
The banking sector's performance improved compared to the prior year attributable to improving economic conditions and high interest rates. The sector recovered from the Domestic Debt Exchange programme (DDEP) related losses recorded in 2022, driven by continued growth in net interest income, fees and commissions and balance sheet expansion.

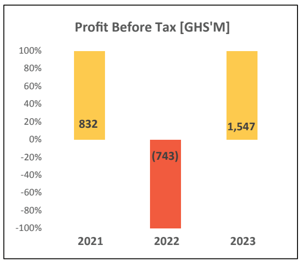
The Bank continued to achieve substantial growth in balance sheet supported by improved client experience, growing client base and transaction volumes as well as increased adoption of our digital solutions. Our continued investment in targeted and prioritised technology investments and improving employee performance culture contributed significantly to revenue and profits for the year.

GCB recorded a Profit Before Tax (PBT) of GHS 1,547.4 million in 2023, a significant rebound from a loss of GHS 743.5 million the previous year. The strong performance was driven by substantial increases in net interest income and fees and commissions. The Bank leveraged its diverse product offerings and growth in balance sheet to generate strong revenue growth.

Operating income for GCB saw significant growth, escalating from GHS 3,005.7 million in 2022 to GHS 3,784.2 million in 2023, which represents a growth rate of 26 per cent. The increase in income was broad based reflecting the Bank's well-diversified business model and capital optimisation efforts. Net interest income increased from GHS 2,107.5 million in 2022 to GHS 2,895.7 million in 2023, an increase of 37 per cent supported by balance sheet growth and higher yields on earning assets.

Net fees and commissions income rose by 14 per cent, reaching GHS 438.2 million in 2023. This increase was driven by fees from an expanded loan book, a rise in number of client and higher transaction volumes.

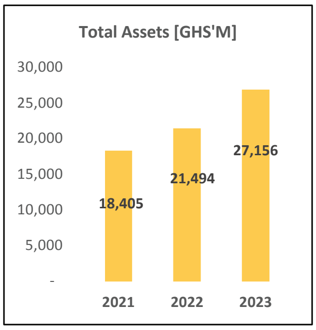


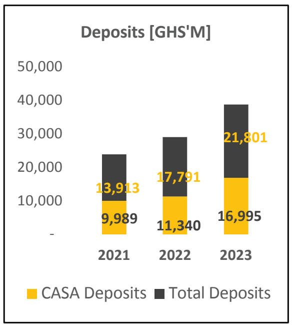


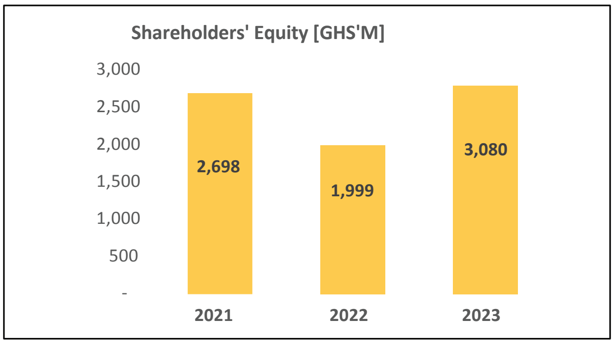
Total operating expenses, which include both personnel and other expenses, experienced a 11 per cent rise to GHS 1,814.7 billion in 2023 largely driven by ongoing inflationary pressures partially offset by continuing expense control discipline. Personnel expenses increased by 13 per cent from GHS 801.6 million in 2022 to GHS 908.2 million in 2023. Other expenses grew 12 per cent to GHS 754.5 million in 2023. The cost income ratio declined from 54 per cent in 2022 to 48 per cent in 2023.

Total impairment comprises impairment charge on government securities and impairment charge on customer loans. Total impairment charge declined by 79 per cent to GHS 432.9 million largely attributable to lower impairment charge on government securities. In the prior year corresponding period, the bank recorded an impairment charge on government securities of GHS 1,800 million on account of the Domestic Debt Exchange programme. Impairment charge on customer loans and advances for the year decreased 38 per cent from GHS 274.1 million in 2022 to GHS 199.3 million in 2023.

Total assets grew significantly by 26 per cent, climbing from GHS 21,494.4 million in 2022 to GHS 27,155.7 million in 2023. The increase was largely driven by a 22 per cent growth in loans and advances, rising from GHS 5,482.2 million to GHS 6,692.5 million, and a 36 per cent increase in investments in government securities from GHS 8,673.6 million to GHS 11,873.2 million. The Bank also recorded significant growth in customer deposits, which reached GHS 21,781.4 million, up 23 percent from the previous year. This growth in deposits was driven by new customer acquisitions, increased transaction banking activities, improved digital adoption rates and intensified sales and marketing. The establishment of the Micro and Small Enterprises (MSE) segment within the Retail Banking Department which focuses on deposit mobilization contributed to the growth in deposits.







Total Shareholders' Equity increased from GHS 1,998.9 million in 2022 to GHS 3,080.1 million in 2023 mainly stemming from profit retention.

The recovery of the Ghanaian economy presents significant opportunities for further enhancing GCB

Bank's performance. As a leading financial institution, we are well positioned to take advantage of Ghana's economic growth leveraging our core strengths combined with investments to achieve digital banking leadership and dedication to customer experience.

Update on our Capital Raising

Ladies and Gentlemen, the importance of maintaining healthy capital ratios is a key differentiator enabling us to support client transactions and make relevant capital investments to achieve sustainable returns to our shareholders.

It may be recalled that at our 29th Annual General Meeting (AGM), shareholders approved a capital plan aimed at raising additional funds to meet regulatory Capital Adequacy Ratio requirements and enhance our deal-making capacity. The DDEP resulted in a significant impairment loss on government securities and accounts for the loss reported in 2022. This adversely impacted on our capital adequacy ratio and business momentum. At the end of 2022, the capital adequacy ratio of the bank would have been below the regulatory minimum but for the regulatory reliefs granted by the Bank of Ghana. It is worth noting that prior to the DDEP the bank consistently maintained healthy capital ratios to support its operations whilst delivering competitive returns to shareholders. The economic recovery combined with the implementation of profit growth strategies has contributed to rebuilding our capital levels post DDEP.

Our capital adequacy ratio at the end of March 2024 taking into consideration the regulatory reliefs was 19.1% compared to 17.9% at the end of December 2024. The Board has therefore put on hold our mandate to raise capital due to the improvement in capital adequacy ratio, in turn, due to the improvement and retention of profits.

We will continually review emerging risk and opportunities to strengthen and/or protect our competitive advantage and make the right decisions in the interest of our esteemed shareholders.

Corporate Social Responsibility

As a socially responsible entity, it remains a priority for us to support critical sectors such as health, education and the environment. Over the past year, we dedicated GHS6.3 million to a range of impactful corporate social responsibility projects and sponsorships. Key projects funded by the bank as part of our corporate social responsibility programme include:

- Support to the victims of the Akosombo dam spillage.
- Construction of an Astro Turf in Nhyiaeso Constituency.
- Development of a classroom block for Nalerigu Junior High School.
- Office block construction for the Ghana Prisons Service.
- Classroom block for Kwaman Methodist School.
- Support for Kokrokoo Charities with the purchase of five neonatal incubators.
- Renovation of the Bishop Girls' School.
- Through these diverse initiatives and sponsorships, we strive to make a positive impact on society and drive sustainable development.

Updates on Platinum Anniversary Celebrations

GCB Bank PLC celebrated its platinum anniversary during the year and various activities nationwide were held to mark this milestone. The theme for the anniversary celebrations, '70 years of providing unrivalled solutions towards the socio-economic development of Ghana' is in line with our widely acknowledged contribution to the Ghanaian economy. Over the past seven decades we have supported individuals to achieve financial wellbeing, enabled businesses, corporate and institutional clients to meet their banking and financial needs and supported government tax and revenue collection services.

The unveiling of our 70th Anniversary logo took place at a grand durbar in Accra, signalling the launch of our Platinum anniversary celebrations. The event was graced by the Finance Minister, Hon Ken Ofori-Attah as the Guest of Honour and the 1st Deputy Governor of the Bank of Ghana, Dr Maxwell Opoku-Afari as the special guest. The celebrations continued with a Golf Tournament organized in partnership with the UK-Ghana Chamber of Commerce at the Achimota Golf Club, which saw participation from approximately 120 golfers. To promote health and wellness, three Health Walks accompanied by medical screenings were organized for staff and customers in Tamale, Kumasi, and Takoradi zones.

» Managing Director's Review of Operations and Performance (Continued)

A thought leadership forum themed "70 years of providing unparalleled financial solutions towards the socio-economic development of Ghana" was held. This program featured a panel discussion that explored GCB Bank's historical impact, future banking trends, and strategies for growth over the next seven decades. The year-long celebration culminated in a Gala and Awards Night, which honoured past Managing Directors, some deserving staff as well as customers and key shareholders for their contributions to the Bank's success.

Conclusion

As I look to the future, I do so with a sense of optimism and confidence. Despite economic uncertainties and rapid technological disruption, GCB Bank is well positioned to advance further its market share and viability leveraging its core strengths and effectively execute our strategy to achieve superior client experience, strong, sustainable and profitable business growth and operational excellence.

We will continue to leverage our respected brand and strategic partnerships and invest to capitalize on emerging opportunities that will strengthen our competitive advantages in 2024 and the years ahead.

I extend my deepest gratitude to our committed employees, whose dedication, hard work, and resilience have been fundamental to our success. I also appreciate our loyal customers, esteemed shareholders and all other stakeholders for your continued trust and confidence in GCB Bank PLC.

With the guidance of our distinguished Board members and exceptional Management team, I am confident in our Bank's continued ascent to greater achievements.

Thank You.

Kofi Adomakoh
Managing Director

The Directors are pleased to submit their report on the consolidated and separate financial statements of GCB Bank PLC for the year ended 31 December 2023.

Directors' Responsibility Statement

The Directors are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view of GCB Bank PLC, comprising the statements of financial position as at 31 December 2023, statements of profit or loss and comprehensive income for the year ended 31 December 2023, statements of changes in equity and statements of cash flows for the year and notes to the consolidated financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards (IFRS), the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). In addition, the Directors are responsible for the preparation of the Report of the Directors.

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

The Directors have made an assessment of the ability of the Bank and its subsidiaries to continue as going concerns and have no reason to believe that the businesses will not be a going concern in the year ahead.

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

Principal Activities

The Bank has a universal banking license and is registered to carry on the business of retail banking, commercial banking, corporate banking and treasury activities. It also engages in investment banking and Fintech business through its subsidiaries. The nature of the Group's business did not change during the year.

Shareholding Structure

Details of the Bank's twenty largest shareholders are disclosed in Page 179 of the Financial Statement.

The Bank's shareholding structure at the end of the year was as follows:

Shareholder	Percentage Holding
Social Security and National Insurance Trust (SSNIT)	29.9%
The Government of Ghana	21.4%
Institutions and Individuals	48.7%
Total	**100.00%**

Subsidiaries and Associates

GCB Capital Limited and G-Money Financial Service Limited, companies incorporated in Ghana to engage in investment banking and Fintech business respectively are wholly owned subsidiaries of the Bank.

The Bank holds 20% interest in Ghana International Bank PLC, a company incorporated in the United Kingdom to provide universal banking services.

The Bank holds indirect interest of 20%, 25% and 34% in Ghana Textiles Manufacturing Company, Accra Markets Limited and NCR Ghana Limited respectively through its subsidiary, GCB Capital Limited.

Ghana Textiles Manufacturing Company is a company engaged in the production and processing of textile and warehousing.

» Report of the Directors (Continued)

Accra Markets Limited is a company incorporated in Ghana whose principal business is the management of the Kaneshie Market Complex. NCR Ghana Limited is a leading technology and Omnichannel solutions company in Ghana.

Details of serving directors' other engagements at the reporting date are disclosed below:

Mr. Daniel Kwaku Tweneboah Asirifi	Bachelor of Law, Ghana School of Law Master in Public Administration (MPA), University of Ghana, Legon BSc. Administration, Public Administration, University of Ghana, Legon	Legal Services Board
Mr. John Kofi Adomakoh	Executive MBA, University of Ghana, Legon BSc. Agriculture, University of Ghana, Legon	G-Money Financial Services Ltd- Non-Executive Director (NED) Ghana International Bank PLC- NED Ghana Stock Exchange - Governing Council member Pan-African Payment and Settlement System (PAPSS), NED Ghana Interbank Payment & Settlement Systems (GHIPSS), NED President of the Ghana Association of Banks (GAB).
Mr. Socrates Afram	Fellow, Association of Chartered Certified Accountants-UK MBA Finance, University of Ghana, Legon Bachelor of Commerce, University of Cape Coast. Advanced Management Program, Wharton, University of Pennsylvania. Advanced Management Program, Insead Business School, Fontainebleau, France.	GCB Capital Limited - Non-Executive Director NCR Ghana Limited - Non-Executive Director G-Money Financial Services Ltd- Non-Executive Director
Mr. Emmanuel Odartey Lamptey	Fellow, Association of Chartered Certified Accountants-UK Bachelor of Commerce, University of Cape Coast. Advanced Management Program, Harvard Business School, Boston, USA.	GCB Capital Limited -Non-Executive Director Vivo Energy Ghana Limited - Non-Executive Director G-Money Financial Services Ltd- Non-Executive Director

Directors	Qualification	Other Engagements and Positions
Mr. Samuel Kwame Yedu Aidoo	Chartered Institute of Securities & Investment- Certificate in Investment FSA Financial Regulation Securities and Derivatives - London (Nov 2010) ACI - Certificate in FX Options (Nov 2006) South Africa MSc. International Securities, Investment Banking (June 2003) University of Reading BSc Natural Resources Management (June 2001) KNUST	GCB Capital Limited - Non-Executive Director G-Money Financial Services Ltd- Non-Executive Director
Mrs. Lydia Gyamera Essah	MPhil- Ghana Institute of Management & Public Administration (GIMPA) BA English & Literature, University of Ghana, Legon	None
Nana Ama Ayensua Saara III	Bachelor of Commerce, University of Cape Coast Diploma in Business Studies, Takoradi Polytechnic	Nasaa Company Limited - Executive Director Government Special Initiative - Non-Executive Director Member, 2008 Chieftaincy Act (Act 759) Review Committee
Mr. Emmanuel Ray Ankrah	Fellow, Chartered Institute of Management Accountants (CIMA) UK Fellow British Society of Commerce Member Institute of Chartered Accountants Ghana Post Graduate Diploma in Strategic Financial Management, Kingston University	Deputy CEO – Finance and Administration - COCOBOD
Mr. Osmani Aludiba Ayuba	Member, The Chartered Institute of Bankers, Ghana Member, Institute of Chartered Accountants Ghana Member, Chartered Institute of Procurement and Supply M.A. Economic Policy Management, University of Ghana Legon Bachelor of Commerce, University of Cape Coast Diploma in Education, University of Cape Coast.	Northern Electricity Distribution Company (NEDCO) - Executive Director Finag Company Limited

» Report of the Directors (Continued)

Directors	Qualification	Other Engagements and Positions
Mr. Francis Arthur-Collins	Fellow, Ghana Institute of Information Technology Member, Institute for the Management of Information Systems (UK) Member, British Computer Society (UK) Master's Degree in Information Technology and Business Administration (MBA-IT), University of Leicester (UK) Professional Certificate in Structured Systems Analysis and Design, National Centre for Information Technology, Manchester (UK) Diploma in. Data Processing, KNUST (formerly known as University of Science & Technology, Kumasi).	None
Alhaji Alhassan Adam Yakubu	MBA Finance, University of Ghana, Legon Certificate in Financial Institution Analysis School of the Federal Reserve Bank, Washington DC BSc. Administration, Banking & Finance, University of Ghana, Legon	None
Hon. Dr. Stephen Amoah	PhD. in Actuarial Science – KNUST MSc (Finance) – University of Derby (UK) BSc. Computer Science – KNUST	Zintex Portfolio- Executive Director Board Member – Ghana Cocoa Board Non-Executive Director Member of the Foreign Affairs Committee of Parliament Deputy Minister of Finance, Ghana Ghana Enterprise Agency – Board Member
Mr. Jude Kofi Arthur (Retired)	Fellow, The Chartered Institute of Bankers, Ghana BSc. Administration, University of Ghana, Legon	Pinnacle Group - Non-Executive Director

Financial Results

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

	2023		2022	
Figures in thousands of Ghana Cedis	Bank	Group	Bank	Group
Profit/(Loss) for the year (attributable to equity holders)	994,104	1,009,722	(555,798)	(593,398)
to which is added the balance brought forward on retained earnings of	746,039	821,937	1,434,337	1,547,835
	1,740,143	1,831,659	878,539	954,437
Out of which is transferred to the statutory reserve fund of	(124,263)	(124,263)	-	-
Out of which is transferred to the credit risk reserve of	(102,074)	(102,074)	-	-
Dividend declared and paid of	-	-	(132,500)	(132,500)
	(226,337)	(226,337)	(132,500)	(132,500)
leaving a balance to be carried forward on retained earnings of	1,513,806	1,605,322	746,039	821,937

In accordance with section 34 (1) of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930), an amount of GHS 124,262,902 (2022: Nil) was transferred to the statutory reserve fund from retained earnings bringing the cumulative balance on the statutory reserve fund at the year-end to GHS 763,817,548 (2022: GHS 639,554,645).

Dividend

The Bank of Ghana directed all banks and SDIs to desist from declaring or paying dividends for the 2023 financial year due to the impact of the domestic debt exchange on banks' financials. As a result, the directors are unable to declare dividend for the year under review.

Related Party Transaction

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

Information regarding Directors' interests in ordinary shares of the Bank is disclosed in Note 43 to the financial statements. Other than service contracts, no Director had a material interest in any contract to which any Group company was a party during the year. Related party transactions and balances are also disclosed in Note 38 to the financial statements.

Biographical Information of Directors

1.	Mr. Daniel Kwaku Tweneboah Asirifi	Lawyer	Ghanaian	1963
2.	Mr. Kofi Adomakoh	Banker	Ghanaian	1966
3.	Mr. Socrates Afram	Banker / Chartered Accountant	Ghanaian	1973
4.	Mr. Emmanuel Odartey Lamptey	Banker / Chartered Accountant	Ghanaian	1974
5.	Mr. Samuel Kwame Yedu Aidoo	Banker	Ghanaian	1975
6.	Mrs. Lydia Gyamera Essah	Banker / Management & Banking Consultant	Ghanaian	1955
7.	Nana Ama Ayensua Saara III	Business Executive / Traditional Ruler	Ghanaian	1970
8.	Mr. Osmani Aludiba Ayuba	Chartered Accountant/ Banker	Ghanaian	1971
9.	Mr. Francis Arthur-Collins	Information Technologist	Ghanaian	1956

» Report of the Directors (Continued)

No.	Name	Profession	Nationality	Born
10.	Mr. Emmanuel Ray Ankrah	Chartered Accountant	Ghanaian	1962
11.	Alhaji Alhassan Adam Yakubu	Banker / Business Executive	Ghanaian	1966
12.	Hon. Dr. Stephen Amoah	Financial & Investment Consultant	Ghanaian	1970
13.	Mr. Jude Arthur	Banker/Consultant	Ghanaian	1955

The Directors are responsible for the long-term success of the Group, determining the strategic direction of the Group and reviewing operating, financial and risk exposures of the Group. There is a formal schedule of matters reserved for the Board of Directors, including approval of the Group's annual business plan, the Group's strategy, acquisitions, disposals and capital expenditure projects above certain thresholds, all guarantees, treasury policies, the financial statements, the Group's dividend policy, transactions involving the issue or purchase of the Group's shares, borrowing powers, appointments to the Board, alterations to the Constitution, legal actions brought by or against the Group and the scope of delegation to Board committees, subsidiaries boards and management committees. Responsibility for the development of policy and strategy and operational management is delegated to the Executive Directors and a management committee, which as at the date of this report includes four (4) executive Directors and fifteen (15) senior managers.

Particulars of entries in the Interests Register during the financial year

In compliance with Section 194(6), 195(1)(a) and 196 of the Companies Act, 2019 (Act 992) the Bank has a documented framework which outlines the procedures on disclosure of conflict of interest. For the year under review the following directors disclosed their engagements with the listed institutions and therefore recused themselves from all discussions and decisions related to these institutions and their affiliates:

Mr. Ray Ankrah	COCOBOD	Dep. CEO
Hon. Dr. Stephen Amoah	COCOBOD	Board Member
Hon. Dr. Stephen Amoah	Nhyiaeso Constituency	Nyhiaeso MP
Hon. Dr. Stephen Amoah	Ghana Enterprise Authority	Board Member
Mr. Emmanuel O Lamptey	VIVO Energy Ghana	Board Member
Mr. Daniel Kwaku Tweneboah Asirifi	VIVO Energy Ghana	Shareholder

Internal Control System

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

Corporate Social Responsibility

Corporate social responsibility activities performed during the year have been disclosed in the Page 177 of the financial statements.

Auditor

The auditor, Deloitte and Touche Ghana, have served their continuous six years tenure and are therefore not eligible to continue as auditors of the bank in accordance with Section 139(5) of the Companies Act, 2019 (Act 992).

Auditor's fees

Included in the profit for the year is the agreed auditor's remuneration of GHS 2,100,000 (2022: GHS 1,610,000).

Government of Ghana Domestic Debt Exchange (DDEP)

In addition to the exchanged of the eligible bonds which was launched in 2022, there was a second phase of DDEP which affected Cocoa Bills and local USD bonds in 2023. The Cocoa bills were exchanged for five new Cocoa bonds while the local USD bonds were exchanged for two new local USD bonds.

Both the Cocoa bonds and local USD bonds were settled during the year. The DDEP phase 2 did not have significant impact on the bank. The disclosure of Impairment on Government Securities can be found in Note 25 of the financial statement.

Going Concern assessment

The Directors have reviewed the Group and Bank's budgets and cash flow forecasts and considered the Group and Bank's ability to continue as a going concern in the light of current and anticipated economic conditions after the DDEP Phase 2.

These budgets and cash flow forecasts considered the impact of the DDEP Phase 2 of the Government Domestic Debt Exchange Programme, including projections of the impact on the Group's capital, funding, and liquidity requirements.

As part of this assessment, the Directors considered the sufficiency of the Group's financial resources now and post-debt exchange. The management of the Group's financial resources, which it defines as capital, funding and liquidity, and risk capacity, is a critical enabler of the achievement of the Group's stated growth and return targets and is driven by the Group's overall risk appetite. Forecast growth in earnings and balance sheet risk weighted assets (RWA) is based on the Group's macroeconomic outlook and is evaluated against available financial resources, considering the requirements of capital providers, regulators, and rating agencies. The expected outcomes and constraints are then stress tested, and the Group sets targets through different business cycles and scenarios.

Regulatory Reliefs

The following regulatory reliefs were granted by Bank of Ghana (BoG) in 2022 for the purpose of determining Minimum Regulatory Capital remain in force.

1. Reduction of Capital Conservation Buffer from 3% to zero, effectively reducing the minimum Capital Adequacy Ratio (CAR) from 13% to 10%.
2. Derecognition losses (ECL) emanating from the Debt Exchange shall be spread equally over a period of four (4) years for the purposes of CAR computation.
3. Banks have a maximum of four (4) years to restore the minimum paid-up capital as a result of any capital shortfall arising solely from the derecognition losses
4. Increase in Tier II component of regulatory capital from 2% to 3% of Total Risk Weighted Assets (RWA)
5. Reduction of minimum Common Equity Tier 1 (CET1) capital from 6.5% to 5.5% of RWA
6. Increase in allowable portion of property revaluation gains for Tier II capital computation from 50% to 60%
7. Risk-weights attached to New Bonds to be set at 0% for CAR computation, and at 100% for Old Bonds
8. Derecognition losses arising from the Debt Exchange shall be spread equally over a period of four (4) years for the purposes of Net Own Funds computation.

Conclusion on going concern assessment

» Report of the Directors (Continued)

The Bank has conducted stress test on its capital and for that matter going concern after the Phase 2, of the DDEP, the outcome is that the Bank's Capital is above the regulatory minimum.

Based on the above, the directors are satisfied that the Group and Bank have resources to continue in business for the foreseeable future.

The directors have, at the time of approving the financial statements, a reasonable expectation that the Group and Bank have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

The Directors confirm that to the best of their knowledge:

- the financial statements, prepared in accordance with applicable laws and the International Financial Reporting Standards (IFRS), give a true and fair view of the Group and Bank's financial position, performance and cash flows; and
- the state of the Group and Bank's affairs is satisfactory.

Retirement of board chairman

Mr. Jude Arthur retired from the board on 6th October, 2023 and Mr. Daniel Kwaku Tweneboah Asirifi was appointed as the new board chairman on October 9, 2023.

Approval of consolidated and separate financial statements

The report of directors and consolidated and separate financial statements set out on pages 75 to 176, which have been prepared on the going concern basis, were approved by the Board of Directors on **26th February 2024** and were signed on its behalf by:

Mr. Daniel Kwaku Tweneboah Asirifi

Chairman

Date: 26th February 2024

Mr. Kofi Adomakoh

Managing Director

Date: 26th February 2024

» Corporate Governance Report

Dear Shareholders,

At GCB Bank PLC, we steadfastly uphold the principles of transparency, accountability, and integrity in all facets of our operations. The Bank is committed to exemplary corporate governance, which serves as the cornerstone of our organizational ethos, guiding our interactions with stakeholders and shaping our strategic decisions. In this Corporate Governance Statement, we outline our stanch dedication to maintaining robust governance frameworks that not only comply with regulatory requirements but also align with international best practices, relevant laws in Ghana, such as the Company Act 2019 (Act 992) and the Bank & Specialized Deposit Taking Institutions Act 2016 (Act 930). GCB's Corporate Governance practices are also in compliance with directives set forth by regulatory bodies, including the Bank of Ghana's Corporate Governance Directive 2018, Fit and Proper Person Directive 2019, and the Security and Exchange Commission Corporate Governance Code 2020. Furthermore, we adhere to the regulations stipulated by the Ghana Stock Exchange Listing Rules and Regulations, as well as the Mandatory Disclosure Items for Public Companies outlined by the Securities and Exchange Commission and Bank of Ghana's Corporate Governance Directive, 2022.

The Board Corporate Governance Framework (Board Charter) undergoes periodic review by the Board to ensure its ongoing relevance and effectiveness, aligning with evolving corporate governance standards, practices and emerging trends. This proactive approach enables us to meet stakeholder expectations and adapt to the dynamic operational landscape within which the Bank operates.

As a responsible financial institution, we recognize the profound impact of effective governance on our stakeholders' trust, our long-term sustainability, and the broader socio-economic landscape within which we operate. This statement encapsulates our approach to corporate governance, expounds the frameworks in place to uphold these standards, and underscores our ongoing commitment to fostering a culture of accountability and transparency at every level of our organization.

The Board Governance Structure

Shareholders

The Board

Audit Committee	Risk Committee	HR & Remuneration Committee	Credit Committee	IT/ Digitalization & Procurement Committee	Governance/ Ethic/ Compliance/ Nominations Committee

Managing Director
Reporting to the Board and executing delegated powers

Executive Committee

The Board serves as the apex decision-making authority within the Bank, offering strategic direction and counsel for our operations while representing the interests of our shareholders by fostering sustainable value creation. It shoulders the responsibility of establishing the Bank's strategic objectives and risk tolerance, thereby setting expectations for the Bank's values and desired organizational culture. With a steadfast focus on our customers, employees, communities, and environmental impact, the Board remains dedicated to enhancing long-term shareholder returns and stakeholder value.

Underpinning the Board's functions is a robust Board Charter, known as the Board Corporate Governance Framework, meticulously crafted to adhere to the Corporate Governance Directives set forth by regulators such as the Security and Exchange Commission Corporate Governance Code 2020 and the Bank of Ghana Corporate Governance Directive 2018, as well as internationally recognized best practices. This framework meticulously delineates the roles and responsibilities of the Board, ensuring clarity and accountability in governance processes.

The Board diligently ensures that the Bank's governance mechanisms remain aligned with regulatory directives and frameworks, while also harmonizing strategies with ethically driven goals and a culture of integrity. By defining clear roles and responsibilities and adeptly managing risks, the Board upholds the highest standards of governance, safeguarding the interests of all stakeholders and fortifying the Bank's long-term sustainability.

Roles and Responsibilities

Directors of GCB Bank PLC are aware of their responsibilities to the Bank as persons in charge of the governance of the institution. As the central figure in corporate governance and the highest decision-making authority, the Board shoulders a range of responsibilities, including but not limited to the following:

- Exercising entrepreneurial leadership, integrity, and sound judgment in overseeing and controlling Management.
- Ensuring that both the Board and its Committees consistently act in the best interests of the Bank.
- Evaluating and approving both the long-term and short-term strategies of the Bank, while also monitoring their execution by Management.
- Safeguarding the integrity of Annual Reports and Accounts furnished to regulators and other stakeholders.
- Overseeing the Risk Management and Internal Audit functions of the Bank.
- Facilitating the development of succession plans and leadership pipelines, as well as establishing remuneration structures for both the Board and Senior Management.
- Implementing robust management systems to identify and manage environmental and social risks, along with their associated impacts.

These responsibilities collectively underscore the Board's pivotal role in upholding governance standards, ensuring the Bank's long-term sustainability, and safeguarding the interests of all stakeholders.

The Board plays a pivotal role in shaping the strategic trajectory of the Bank while advocating for the interests of our shareholders by supervising endeavours aimed at fostering sustainable value creation. The delineation of the Board's roles and responsibilities, encompassing both matters exclusively reserved for the Board and those delegated to Management, is articulated within the comprehensive framework of the Board Corporate Governance Framework, among other documents.

Responsibilities entrusted to the Board include endorsing the risk appetite, strategic and business plans, and other significant initiatives poised to impact the Bank's risk profile significantly. Moreover, the Board exercises oversight over the implementation of the Bank's Corporate Governance framework and Internal Control Framework, periodically evaluating their adequacy in the light of material changes to the Bank's operations, encompassing alterations in size, nature, and complexity.

Additionally, the Board assumes responsibility for overseeing the selection, performance, remuneration, and succession planning of key leadership positions, including the Managing Director (MD), Executive Management, Functional Heads, and other Senior Management members. This ensures that the Board maintains confidence in the collective competency of senior management to adeptly steer the Bank's operations.

Separation of the Chairman and Managing Director Roles

In GCB, the Chairman of the Board and the Managing Director are two separate individuals with distinct responsibilities and authorities.

The Chairman of the Board typically presides over the Board of Directors, providing leadership, guidance, and strategic direction to the Board of Directors. His role often involves overseeing corporate governance, setting the board agenda, facilitating board meetings, and representing the company externally.

In the year 2023, Mr. Jude Kofi Arthur, the Board Chairman, completed his two terms of office, totaling six years, in accordance with the Bank of Ghana Corporate Governance directive 2018. Consequently, he retired from his position as Director and Chairman of the Board on October 6, 2023. In adherence to best practices and corporate governance guidelines on succession at GCB Bank PLC, the Board convened a duly scheduled meeting on September 20, 2023, where Mr. Daniel Kwaku Tweneboah Asirifi, an Independent Non-Executive Director, was unanimously nominated to succeed Mr. Jude Arthur subject to Bank of Ghana's approval. Mr. Daniel Kwaku Tweneboah Asirifi then became the Interim Board Chairman and Bank of Ghana subsequently approved his appointment on January 25, 2024.

The Chairman's responsibilities encompass, but are not limited to, the following:

- Fostering an environment of open and inclusive deliberations and debate within the Board.
- Maintaining regular, transparent, and constructive communication with the Managing Director and Management, acting as the principal conduit between the Board and Management.
- Articulating the perspectives of both the Board and the Bank to various stakeholders, including shareholders, regulators, and the wider community.
- Collaborating with the Company Secretary to fulfil the Board's informational needs, facilitating informed decision-making processes.
- Collaborating with the Managing Director and the Company Secretary to develop the Board agenda, ensuring adequate time and consideration are allocated to matters falling under the Board's purview.

Mr. John Kofi Adomakoh, the Managing Director, serves as an Executive Director on the Board of GCB Bank PLC, concurrently holding the positions of Chairman of the Executive Committee (EXCO), Board Chairman of the Bank's two subsidiaries; GCB Capital Ltd (GCL) and G-Money Financial Services Limited (GMFS). Delegated with authority by the Board, he bears accountability for formulating and executing the Bank's strategic initiatives. His multifaceted role encompasses, but is not restricted to, the following:

- Acting as the primary leader of the Executive Committee, ensuring adherence to the Bank's code of conduct, culture, and values.
- Implementing the Bank's strategic, business, and financial objectives or plans, utilizing powers delegated by the Board as appropriate.
- Assessing the ramifications of resource or capital allocation, sanctioning expenditure, or making financial decisions aligned with strategic objectives and financial standing.
- Instituting processes, policies, and systems, along with requisite controls, to proficiently manage the Bank's operations and mitigate risks.
- Ensuring the prompt preparation, presentation, adequacy, and integrity of information furnished to the Board, facilitating the Board's effective discharge of its responsibilities.
- Assuming responsibility for engaging with external stakeholders, including shareholders, government entities, regulators, and the broader community.

The delineation of authority is documented and endorsed by the Board within the Corporate Governance Framework. This reinforces independent supervision of Executive Management by the Board and serves to prevent any single individual on the Board from wielding unilateral power, influence, or authority.

Board and Management Roles

Recently, Boards have been tasked with additional oversight duties, particularly in areas such as recovery and resolution planning, capital and liquidity planning, stress testing, model validation, and approval of new products/initiatives, alongside fostering a risk-aware culture. As Boards are increasingly expected to play a more proactive role across a wide spectrum of matters, they are mindful of their distinct responsibilities vis-à-vis Management.

Board Composition

In 2023, the Board comprised of thirteen (13) Directors, until the exit of Mr. Jude Arthur on October 6, 2023, consisting of nine (9) Non-Executive Directors, among whom 30% serve as Independent Directors, in accordance with the Bank of Ghana Corporate Governance Directive 2018.

Currently, with eight (8) Non-Executive Directors and four (4) Executive Directors, our Board structure delineates distinct roles for each category of Directors, as outlined in the Board Corporate Governance Framework. The Board has a diverse array of expertise and experience, spanning Governance, Banking and Finance, Accountancy, Law, Information Technology, Marketing, Entrepreneurship, and Management. A skills matrix has been presented for the Board, ensuring a comprehensive assessment of capabilities.

Board Transition (Board Succession)

At GCB Bank PLC, we recognize the critical importance of effective board succession planning in ensuring continuity, stability, and robust governance. Our commitment to fostering a dynamic and diverse board is underscored by our proactive approach to identifying, nurturing, and appointing Directors who possess the requisite skills, experience, and expertise to guide the Bank through evolving challenges and opportunities. The Board Succession Plan encompasses the guiding principles for effective succession planning and outlines the procedures aimed at ensuring a seamless transition in the Board's succession process as incumbent Directors depart and new ones assume roles.

During the 2023 financial year, following the resignation of the Chairman, Mr. Jude Arthur, Mr. Daniel Kwaku Tweneboah Asirifi was unanimously nominated as the interim Chairman, pending endorsement from the Bank of Ghana. In preparation for his new role, a Board Leadership training program was organized by the Secretariat to equip Mr. Asirifi, boost his morale, and enhance his performance. On January 25, 2024, the Bank received a "No objection" approval for the appointment of Mr. Daniel Kwaku Tweneboah Asirifi as the Chairman of the Board of GCB Bank PLC from Bank of Ghana.

Directors of the Bank

The Board consists of highly skilled individuals with diverse experience. Together, they have the skills, qualifications, and expertise needed to effectively manage the Bank and carry out their duties.

The table below highlights the skills matrix and profiles of the Directors:

1.	Daniel Kwaku Tweneboah Asirifi Esq.	Lawyer	Non-Executive Director	23/10/1963	24/02/2022 Interim Board Chairman from 7/10/2023 BOG approval attained on 25/01/2024
2.	Mr. John Kofi Adomakoh	Banker	Executive Director	11/03/1966	15/11/2020
3.	Mr. Socrates Afram	Banker/Chartered Accountant	Executive Director	13/03/1973	24/03/2016
4.	Mr. Emmanuel Odartey Lamptey	Banker/Chartered Accountant	Executive Director	21/10/1974	20/01/2021
5.	Mr. Samuel Kwame Yedu Aidoo	Banker	Executive Director	8/11/1975	24/02/2022
6.	Mrs. Lydia Essah	Banker/Management & Banking Consultant	Non-Executive Director	15/04/1955	06/04/2017
7.	Nana Ama Ayensua Saara III	Business Executive/ Traditional Ruler	Non-Executive Director	20/10/1970	07/06/2017
8.	Mr. Osmani Aludiba Ayuba	Chartered Accountant / Banker	Non-Executive Director	30/03/1971	25/10/2017
9.	Mr. Francis Arthur-Collins	Information Technologist	Non-Executive Director	24/08/1956	25/10/2017
10.	Mr. Emmanuel Ray Ankrah	Chartered Accountant	Non-Executive Director	02/12/1962	25/10/2017
11.	Alhaji Alhassan Adam Yakubu	Banker/ Business Executive	Non-Executive Director	12/04/1966	12/07/2018
12.	Hon. Dr. Stephen Amoah	Financial & Investment Consultant/ Politician	Non-Executive Director	27/03/1970	24/02/2022
13.	Mr. Jude Kofi Arthur	Banker/Consultant	Non-Executive Director	21/01/1955	6/04/2017 Retired as Board Chairman & Non-Executive Director on 6/10/2023

Independence of Board of Directors

All directors are expected to provide their own fair and unbiased opinions during Board discussions.

Having a significant number of Non-Executive Directors on the Board increases its independence and allows it to maintain a higher level of Corporate Governance for shareholders. This structure aligns with our criteria for independence, as outlined in the Corporate Governance Framework.

Prior to appointment or election as director, each Non-Executive Director must disclose any interests that could potentially influence their impartial judgment as a Director. They are also required to promptly report any changes in circumstances that may affect these interests, including those of their immediate family members and family-owned companies. The Board carefully considers this information, including relevant financial details, when assessing a Director's independence.

Maintaining a strong sense of independence among its members is crucial for the Board, demonstrating a dedication to sound corporate governance principles. Independent Directors actively contribute to Board discussions with objectivity, ensuring that decision-making is not dominated by any individual or small group.

Board Effectiveness

The Board is thoughtfully structured to ensure that Directors bring a balanced mix of skills, experience, knowledge, and independence to GCB Bank PLC. Given the focus of GCB Bank's operations on banking and financial services, having Directors with a diverse range of industry-specific skills and experience is advantageous. Additionally, the Board benefits from the perspectives of Directors with expertise in other fields.

The GCB Board embodies effectiveness through the following characteristics:

- Comprises experienced and knowledgeable members possessing industry and market expertise crucial for guiding organizational activities.
- Demonstrates accountability to shareholders through meticulous attention to meeting attendance, adherence to Board election standards, and fulfilling time commitments.
- Implements a robust mechanism for regularly evaluating its performance and taking action on recommendations.
- Ensures that Management and Board Remuneration align with the long-term interests of the organization and shareholders, aiming to attract high-caliber Executive Directors.
- Upholds a clear separation of powers, with the Chairman leading the Board and the Managing Director leading Management.
- Maintains a diverse tenure cycle, allowing for gradual refreshment of Board Members over time.
- Embraces diversity across gender, age, ethnicity, and religion, fostering a wide spectrum of perspectives in the Boardroom, thereby promoting constructive discussions and decision-making processes.

Board Committees

The Board in 2023 had six (6) Committees including the G-Money & Electronic Payments Committee, however following the formation of G-Money Financial Services as a subsidiary of the Bank, the Committee was dissolved. To replace the 6th Committee, the Board formed the Ethics/Governance & Compliance Committee. During the reconstitution, the Nominations function of the HR Committee was handed to the Ethics/Governance & Compliance Committee. Accordingly, the 6th Committee became the Ethics/Governance/Compliance & Nominations Committee.

The Board undertook the reconstitution of its six (6) Committees to oversee the implementation of strategies, policies, and the maintenance of effective governance across various areas including business decisions, audit, risk and compliance, remuneration, Board composition, succession planning, and corporate governance. The composition of Committee memberships undergoes annual review or as deemed necessary.

To ensure proficient oversight leadership, the Board routinely receives minutes/reports from all Committee meetings during Board sessions for ratification and approval. Each Committee is equipped with written terms of reference, subject to annual review, and aligned with relevant legislation, regulations, and governance standards to ensure ongoing compliance and relevance, thereby reflecting industry changes.

The Committees' membership and roles are delineated as follows:

Audit Committee

Mr. Emmanuel Ray Ankrah (an Independent Non-Executive Director) chaired the Audit Committee. Other members included Mr. Osmani Ayuba, Alhaji Alhassan Yakubu and Mrs. Lydia Essah

The Committee's functions include, among others:

- Assessing the expertise, resources, and experience within the Bank's finance function.
- Monitoring and reviewing the integrity of the Bank's financial statements, including quarterly, bi-annual, annual reports and any emerging issue relating to financial performance in addition to examining important financial reporting matters.
- Recommending the appointment of the External Auditor and overseeing the external audit process.
- Approving Internal Audit plans, and assessing the effectiveness of the Bank's internal controls and internal audit function.
- Serving as an overseer and providing recommendations to the Board for consideration and final approval.
- Recommending the appointment of a Chief Internal Auditor.

During 2023, the Committee focused on various areas including:

a. Reviewing the 2023 Unaudited Financial Statement.

b. Assessing the Internal Audit Report for 2023.

c. Comparing the 2023 Accounts with the 2023 Budget.

d. Reviewing presentations on Audit Activities for 2023 by the Internal Audit.

e. Assessing the Internal Control & Operational Resilience.

f. Receiving updates on Recoveries and strategies to conclude the year.

g. Analyzing the Business Segment Performance, including Income Statement and Balance Sheet Extracts for:
   - Global Markets
   - Retail Banking
   - Corporate Banking
   - Commercial Banking
   - Recoveries
   - Electronic Banking Revenue

Risk Committee

Mr. Osmani Aludiba Ayuba (an Independent Non-Executive Director) chaired the Risk Committee. The other members were Mr. Ray Ankrah, Alhaji Alhassan Yakubu and Hon. Dr. Stephen Amoah.

The Committee's role is to assist and advise the Board in the governance and effective management of the Bank's risk portfolio.

The risk-related functions of the Committee include, among others, the following:

- Establishing, reviewing and recommending to the Board the Bank's overall Risk Appetite, and assessing the suitability of the strategy within the context of the Risk Appetite, considering the prevailing and potential macroeconomic and financial conditions.
- Reviewing and recommending the Bank's Risk Management Framework (comprising policies, procedures, models, and limits) for managing and mitigating risks within the approved Strategy and Risk Appetite to the Board for approval.
- Monitoring the Bank's risk exposures through:

  - Assessing the Bank's risk profile.
  - Reviewing management reports, monthly Key Performance Indicators (KPIs), and reports on any significant breaches of risk limits, to gauge the nature and extent of the Bank's risk exposures.

Similarly, the cyber security functions of the Committee entail, among others, the following:

- Establishing a secure environment within cyberspace for the bank, fostering trust and confidence in ICT systems and transactions.
- Establishing an assurance framework for designing security policies and promoting compliance with global security standards and best practices through cyber and information security assessments.
- Enhancing the integrity of ICT products and services by developing infrastructure for testing and validating their security.
- Promoting continuous assessment of cyber and information security risks.
- Fostering security awareness.
- Reviewing the state-of-the-art Security Operations Centre (SOC) of the Bank.

During 2023, the Risk Committee deliberated on the following matters:

- Risk Management's Response to the DDEP Challenges.
- Risk Ownership Matrix.
- Overview of Risk Appetite.
- Credit Risk.
- Market Risk.
- Operational Risk.
- Cyber Risk.
- Requests for Approval of Policies and frameworks, including:
  - Risk Acceptance for Micro and Small Scale Enterprises Deposit Mobilization.
  - Risk Management Framework.
  - Business Continuity Management policy.
  - Environmental Social and Governance policy.
  - Annual Reviews for Market and Liquidity Risks.

Human Resource and Remuneration Committee

The Human Resource and Remuneration Committee was chaired by Nana Ama Ayensua Saara III (a Non-Executive Director). The other members were Mrs. Lydia Essah, Mr. Francis Arthur-Collins and Alhaji Alhassan Yakubu

The functions of the Committee among others include the following:

- Establishing employment policies to align with the approved Human Resource strategy.
- Assessing and providing recommendations on the adequacy of the Bank's human resources and related policies.
- Reviewing the Bank's recruitment and termination policies, including employment contracts, compensation, pension schemes, and rewards, and making appropriate recommendations.
- Making proposals to the Board regarding staff remuneration.
- Monitoring the company's compliance with labor-related legislation and regulations.

- Overseeing the formulation of remuneration policies that align with strategic objectives and foster individual performance.
- Evaluating risks to the Bank stemming from remuneration policies and practices influencing organizational behavior.
- Regularly reviewing incentive schemes to ensure sustained contributions to shareholders' value.
- Developing strategies and policies for Board approval regarding recruitment, selection, training, motivation, development, reward, and retention of staff.
- Undertaking any other responsibilities delegated by the Board.

During 2023, the Committee deliberated on the following matters:

i. Petitions from staff regarding Disciplinary Cases

ii. Updates on cases reviewed by the Disciplinary Committee

iii. Review of Staff Date of Birth Records

iv. Review of the Terms of Reference of the committee

v. HR Status Report, covering:
   - Staff Statistics
   - Updates on HR Strategy
   - Progress in Learning & Development initiatives
   - Leadership Pipeline & Succession Plan updates
   - Resolving issues related to Job Evaluation
   - Employee Relations updates
   - Language Data Collection & Survey results

Board Credit Committee

The Board Credit Committee was chaired by Alhaji Alhassan Yakubu (a Non-Executive Director). The other members were Nana Ama Ayensua Saara III, Hon. Dr. Stephen Amoah and Mr. Osmani Ayuba

The functions of the Committee among others include the following:

Making recommendations for the Board's approval in respect of credit requests made by customers;

- Reviewing sector, single name, and product/asset class concentration exposure reports in order to manage large credit exposures, and escalate any breaches to the Board taking into account the relevant Bank of Ghana publications;
- Reviewing at least annually, limits with respect to concentration risk, and make recommendations to the Board as necessary;
- Reviewing and monitoring the large credit exposure reports received from Management, and ensure that exposures are maintained within Bank of Ghana and Board-approved limits; and
- Determining if additional Management action is required to manage or mitigate the large credit exposures risk and escalate issues to the Board where it is deemed appropriate to do so.

The Committee considered the following matters in 2023:

Credit Reports on:

i. Credit Applications for Large corporate clients
ii. Departmental Credit Updates
iii. Financing of Licensed Buying Companies (LBCs) 2023/2024 Crop Season
iv. Credit Monitoring, Recoveries and updates
v. Credit Risk Reports - Large Exposures Report
vi. Credit Risk Review - NPLs Report
vii. Legal Services Department Report
    a. Update on Recovery Cases
    b. Collateral Report and Updates
viii. Update From Risk Management Department
    a. Update on Approved Credits
    b. Review of Management credit reports

IT/Digitalization and Procurement Committee

The IT/Digitalization and Procurement Committee was chaired by Mr. Francis Arthur-Collins (an Independent Non-Executive Director). The other members were Mrs. Lydia Essah, Mr. Osmani Ayuba and Nana Ama Ayensua Saara III.

The functions of the Committee among others include the following:

- Supervising the development of GCB Bank's Procurement Policy.
- Overseeing and reviewing the tender process, ensuring appropriate probity measures are in place to uphold ethical procurement practices in compliance with the Procurement Policy.
- Developing and implementing strategic procurement objectives through a procurement strategy to ensure that major investment decisions are strategically procured for prudent and efficient outcomes through market engagement.
- Evaluating the adequacy and effectiveness of internal controls and risks related to procurement activities.
- Reviewing and monitoring procurement performance assessments and processes to identify opportunities for future improvement.
- Reviewing and approving IT strategic plans, overseeing major initiatives, and allocating resources.
- Establishing IT priorities for the Bank as a whole.

The Committee deliberated on the following matters in 2023:

i. Approval of Dell EMC Unity Storage SLA
ii. Information Technology – Situational Report on the Bank's IT Infrastructure Services
iii. Digital Transformation – Situational Report on the Bank's Digital Program
iv. Cyber Security - Situational Update on SOC Infrastructure
v. Update on Data Purging
vi. Procurement of Armored Bullion Vans for Cash in Transit (CIT) Services

vii. Update on Digital Program
viii. Information Technology – Impact of DDEP on the Bank's IT Infrastructure services, overall challenges, and Strategic Imperatives
ix. Digitalization – Impact of DDEP on the Bank's Digital Transformation program, Overall challenges, and Strategic imperatives
x. Digital Roadmap
xi. Security Operations Center Threats and Strategic Imperatives
xii. Procurement Situational Report -Prioritized Procurement Plan

Ethics/Governance/Compliance & Nomination (EGCN)

Mr. Daniel Kwaku Tweneboah Asirifi chaired the EGCN Committee prior to his election as Board Chairman. Other members of the Committee were Mrs. Lydia Essah, Mr. Francis Arthur-Collins, Mr. Ray Ankrah and Hon. Dr. Stephen Amoah.

The Committee's functions encompass, among others, the following:

- Assisting the Board in fulfilling its oversight responsibilities concerning the Company's Governance, ethics, and compliance program.
- Advising the Board and providing recommendations on the development and implementation of strategy, policies, procedures, and processes related to ethics, governance, and compliance matters, including guidance to Management on establishing a policy framework for digital product/solution development/introduction.
- Reviewing the size and composition of the Board annually, including succession planning, and recommending the appropriate skill mix, personal qualities, expertise, ability to exercise independent judgment, and diversity required for fulfilling the Board's duties.
- Advising and recommending to the Board for approval new or amendments to existing governance documents, such as the Bank's constitution, Board Charter, and Committee terms of reference.
- Assisting the Board Chairman and the Board in establishing and maintaining a performance management process for the Managing Director.
- Overseeing the Bank's procedures for detecting fraud and systems and controls for preventing bribery, while receiving reports on non-compliance in the ethical function.
- Periodically reviewing the Bank's Environmental, Social, and Governance (ESG) strategy, including its climate strategy and implementation plans, and monitoring their execution.
- Overseeing the Bank's disclosures on ESG matters, aligning with Sustainable Banking principles issued by the Bank of Ghana, in the Annual Report and Accounts.
- Supporting and advising the Board in ensuring it comprises individuals best suited to discharge Director duties and responsibilities, and that the Bank maintains appropriate corporate governance standards and practices.
- Focusing on the composition, appointments, succession, and effectiveness of the Board, including overseeing the adoption of internal policies on the assessment of Executive Committee and other key personnel suitability, subject to regulatory approval.
- Conducting at least one annual meeting where executives responsible for Human Resources, Compliance, Internal Controls, ESG, and other personnel responsible for conformity with relevant rules present.
- Regularly reviewing the Board's structure, size, and composition, considering succession planning for Directors and Senior Management, and identifying and nominating candidates to fill Board/Key Management vacancies.
- Evaluating the balance of skills, knowledge, experience, and diversity on the Board prior to any appointment.

- Reviewing the results of Board performance evaluations and assessing the leadership needs of the Bank, Executive, and Non-Executive.
- Evaluating the Chairpersons of various Committees.

The Committee deliberated on the following matters in 2023:

a. Reviewed the Terms of Reference of the Committee.
b. Assessed Compliance, AML/CFT & P, and Training Programme for 2024.
c. Discussed the Strategic Focus Areas of the Compliance Programme.
d. Reviewed and updating the Board Charter and Board Committee TORs.
e. Considered the Gender Balance Policy.
f. Discussed the Expansion of Membership for the ECG&N Committee.
g. Expanded the mandate to monitor the implementation of Board decisions.
h. Reviewed the Remuneration Policy.
i. Assessed Board Succession Planning.
j. Appointed an Investor Relations Officer.
k. Reviewed the Conflict of Interest Policy.
l. Discussed the Anti-Bribery & Anti-Corruption Policy and Code of Ethics for Board of Directors.
m. Reviewed the list of products approved by BoG.
n. Initiated the process of appointing a new external Auditor, referred to the Board Audit Committee.

The Company Secretary

The Bank's secretarial team, under the leadership of Ms. Amma A. Kusi-Appouh, Company Secretary, who brings over five (5) years of experience in corporate secretarial functions, currently provides support to the Board. Ms. Amma Kusi-Appouh, a Practicing Lawyer with two decades of experience and a member of the Ghana Bar Association, has also undergone training as a Solicitor with a Legal Practice Certificate from the United Kingdom. Additionally, she holds a Master of Business Administration from the University of Ghana Business School.

Appointed by the Board, the Company Secretary serves as an advisor on corporate governance matters, advocates for the adoption of best practices, and provides effective support to the Chairman of the Board, Board Committees, and Directors in fulfilling their roles and responsibilities. She facilitates the communication of decisions and policies made by the Board and its committees to the management, ensuring compliance with Board procedures, relevant laws, and regulations. Ms. Kusi-Appouh remains updated on changes in laws, regulations, and industry developments through continuous training and engagement with stakeholders.

Annually, the Board evaluates the Secretary's fitness and propriety in accordance with regulatory directives. The Board expressed satisfaction with Ms. Kusi-Appouh's performance and support as Company Secretary during the 2023 financial year.

Board Activities and Development

Annual Work Plan

Every year, the Board drafts an Annual Work Plan outlining scheduled meetings and events aimed at directing the Board's attention towards critical matters. This plan ensures the Board remains pragmatic and prioritizes its time effectively to thoroughly address key decisions and strategic issues. Adhering to this plan, the Board covers all necessary aspects of its work throughout the year.

In 2023, the Board set a minimum of six (6) meetings to review management progress reports and consider business proposals requiring approval. Directors were notified of these scheduled meetings at the beginning of the year. Additionally, unscheduled meetings were convened to address urgent matters needing immediate attention or decision-making.

During each scheduled meeting, the Managing Director and Deputy Managing Directors presented regular progress reports on the bank's business and financial performance. The Board also received updates on various matters including Internal Control, Risk Management, Legal, Compliance, Internal Audit, Human Resources, Sustainability, Governance.

Board Development

The Board recognizes the importance of continuous training for Directors to gain insights, enhance their skills and knowledge, and effectively fulfil their roles and responsibilities while staying updated with industry developments. While Directors are expected to pursue personal development to improve themselves, they are encouraged to participate in a minimum of two (2) training programs annually, focusing on relevant areas and considering emerging trends in the banking industry. This ensures that Directors receive appropriate training tailored to their needs.

The Bank implements an Orientation Program for newly appointed Directors, acquainting them with the Bank's operations alongside mandatory regulatory training programs. Additionally, Directors receive guidance from the Company Secretary regarding the Bank's governance framework, associated policies, and their duties as Directors.

In 2023, Directors attended and participated in the following training programs:

a. Board Capacity building
b. AML/CFT Training
c. Cybersecurity Training
d. Enhancing Board Effectiveness through Board Committees & Environment, Social and Governance training
e. Agribusiness Financing Training organized by National Banking College and GIRSAL
f. Corporate Governance Training for Directors & Principal Officers of Capital Market Operators organized by the Securities & Exchange Commission

Annual Board Certification for Directors

Purple Almond Consulting Service accredited by Bank of Ghana as an Executive Training Consultant for the certification of Banks' Directors took the Board through Annual Certification Programme in April 2023. The Board of GCB Bank PLC was duly certified in accordance with section 12(a) of Bank of Ghana Corporate Governance Directive 2018 that:

i. The Board had independently assessed and documented its Corporate Governance process and its effect and has successfully achieved it objectives.
ii. The Directors were aware of the responsibilities to the Bank as persons charged with governance.
iii. Directors have obtained certification from Purple Almond Consulting services having participated in a corporate governance programme and have completed a programme on directors' responsibilities.

As part of the certification programme, the Board went through capital planning and lessons from the domestic debt exchange programme; stress testing the financial position of the Bank and an update on the tax system in Ghana.

Board Certification Statement

The Board complied with the provisions of the Corporate Governance Directive, 2018 (CDG) in respect of certification of Board of Directors for the year 2023. The board also confirmed that it has complied with the CGD in its operations for the year ended.

Board Performance Evaluation

The Board conducts an annual review of its performance, as well as that of individual Directors. Within this evaluation process, the Board assessed the quality of its meetings and the effectiveness of the Chairman's leadership during these sessions. Additionally, the proceedings of various Committees were evaluated to enhance leadership, clarify roles and responsibilities, foster teamwork, increase accountability, facilitate better decision-making, improve communication, and streamline Board operations.

An internal performance evaluation, overseen by the Board Secretary, was conducted, and the results were submitted to the Bank of Ghana in accordance with the Corporate Governance Directive 2018. Overall, it was concluded based on the assessment that, the performance of the Board and its Committees were effective for the year under review.

Code of Ethics for the Board

In August 2023, the Board approved a Code of Ethics Policy tailored specifically for the Board.

The Code outlines the expected standards of conduct for the Board of Directors, ensuring a governance framework characterized by clarity, pragmatism, and effectiveness. It ensures that Board deliberations maintain a high level of rigor, professionalism, and transparency.

The policy comprehensively addresses various issues including:

- Professional and ethical conduct standards
- Compliance with laws, rules, and regulations
- Fair and honest dealings
- Conflict of interest management
- Outside activities and compensation
- Corporate opportunities
- Anti-bribery measures and dealings with governmental officials
- Anti-discrimination and harassment policies
- Handling of gifts and relationships with customers and suppliers
- Confidentiality of information
- Protection and appropriate utilization of company assets
- Integrity and accuracy in financial record-keeping
- Compliance reporting procedures for potential violations of legal or ethical behaviour

The Code of Ethics commits the Board to the highest standards of professional behaviour and business conduct. Guided by these principles, the Bank ensures sound decision-making processes, safeguarding its reputation. The Bank is dedicated to fostering greater accountability, transparency, and trust with customers and the wider community. The Code reflects not only the Bank's commitment but also aligns with the expectations of the community.

Board Meetings and Attendance

During 2023, the Board convened six (6) scheduled meetings along with an additional six (6) unscheduled ones.

The Board Committees possess delegated authority to convene as needed to fulfill specific additional responsibilities on behalf of the Board.

The following table presents the Attendance Schedule for Directors at both Board Meetings and Board Committee Meetings throughout the referenced year.

Name of Director	Board Meetings	Audit	Risk	Credit	IT Digitalization & Procurement	HR & Remuneration	Ethics/ Governance/ Compliance /Nominations
Mr. Daniel Kwame Tweneboah Asirifi	12/12	-	-	5/5	-	2/3	1/1
Mr. John Kofi Adomakoh	12/12	-	-	-	-	-	-
Mr. Socrates Afram	11/12	-	-	-	-	-	-
Mr. Emmanuel Odartey Lamptey	11/12	-	-	-	-	-	-
Mr. Samuel Kwame Yedu Aidoo	9/12	-	-	-	-	-	-
Mr. Emmanuel Ray Ankrah	9/12	6/6	4/5	-	-	-	2/3
Mr. Francis Arthur-Collins	12/12	-	-	-	5/5	3/3	2/3
Mr. Osmani Aludiba Ayuba	12/12	4/5	5/5	-	5/5	-	-
Mrs. Lydia Essah	12/12	6/6	-	-	5/5	3/3	1/1
Nana Ama Ayensua Saara III	9/12	-	-	5/5	5/5	3/3	-
Alhaji Alhassan Adam Yakubu	12/12	6/6	5/5	5/5	-	-	-
Hon. Dr. Stephen Amoah	9/12	1/1	5/5	4/5	-	-	2/3
Mr. Jude Arthur (Retired)	10/10	-	-	-	-	-	-

The Board Calendar (Activities for 2023)

The following were the work done in the year and activities on the annual calendar:

1. There were six (6) scheduled Board meetings where the Board had ample time for critical success factors as stated caption board mandate key-focus areas.
2. A Strategy Session was done which focused on the following areas:
   a. Macroeconomic Review & Industry Insights
   b. Review of the Corporate/Bankwide Strategy
   c. People, Culture & Performance Insight
   d. Customer Experience (CX) Strategy
   e. Update on Digital Transformation Agenda
   f. Business Growth Optimisation & Driving Customer Deposits
   g. Retail Banking Reorganisation
   h. Reorganisation of Commercial Banking
   i. Performance & Strategy of Subsidiaries; GCB Capital Ltd & G-Money Financial Services
3. In-House Board Evaluation

4. Annual Board Certification
5. AML/CFT & Cybersecurity Training
6. Two (2) Overseas Board Training Programmes
7. Training for the Board Secretary and enhancement of capacity of the Secretariat
8. Selected Training programmes for individual Directors based on their specific needs.
9. Stakeholder Consultations – The Board engaged the following stakeholders:
   - Government
   - Shareholders
   - Regulators

Remuneration Policy

The Bank implements a transparent and thorough remuneration policy, anchored in industry benchmarks. This fairly compensate the Bank's staff, executives, and the Board. These robust remuneration strategies and practices not only mirror but also foster good corporate governance principles and support sustainable, long-term value creation for employees, the Board, and shareholders. The Bank's Remuneration Policy encompasses all employees, including Senior Management, who may also be covered by collective bargaining agreements or subject to labour union negotiations, adhering to the terms and conditions outlined in such agreements.

Directors' Remuneration

The Bank's Policy on Directors' remuneration aims to attract and retain the Directors necessary to effectively guide the Bank in achieving its objectives. The determination of Non-Executive Directors' remuneration is a collective decision made by the entire Board, with the level of compensation directly linked to their respective responsibilities.

The determination of Directors' remuneration requires shareholders' approval. However, at the last Annual General Meeting (AGM) held in 2023, the Board did not seek an increase in Directors' aggregate remuneration of GHS3,850,000 . It however exceeded the budget by 11.5% i.e. GHS440,000, due to the need for some unscheduled meetings to discuss pertinent issues such as the Bank's Capital Plan, Capital Raise and the DDEP related issues. Further details regarding the remuneration of both Executive and Non-Executive Directors can be found in note 37 of the annual report.

Disclosures on Conflict of interests and Related Party transactions

The bank has a Conflict of Interest Policy in place that delineate GCB's framework and the operational systems, controls, and procedures devised by the Bank for identifying, documenting, escalating, and managing conflicts of interest. This Policy aims to safeguard the Bank, the Board of Directors, and employees from potential impropriety stemming from actual or perceived conflicts of interest, ensuring adherence to legal mandates and industry best practices.

The Corporate Governance Framework implemented by the Board is structured to detect, address, or prevent actual or potential conflicts of interest. This Framework delineates the organizational and administrative structures put in place to facilitate the identification and resolution of conflicts of interest, ensuring Directors consistently act in the Bank's best interests. Directors are required to disclose any conflicts or potential conflicts of interest concerning specific agenda items or related party transactions at the onset of each board meeting and provide a written declaration to the Company Secretary.

All instances of Directors' conflicts of interest are documented in Registers for Interests and Related Party Transactions, meticulously maintained by the Secretariat in adherence to the Bank of Ghana Corporate Governance Directive and Companies Act 2019 (Act 992).

External Directorship and Other Engagements

The Directors of GCB Bank PLC are highly experienced and knowledgeable leaders who hold additional responsibilities and serve on other Boards. To ensure that Directors can dedicate sufficient time to their oversight role within the Bank, each Director is limited to holding a maximum of five (5) directorship positions concurrently, across both financial and non-financial institutions ,in accordance with section 45 of the Bank of Ghana Corporate Governance Directive 2018 and three (3) listed Companies as per the SEC Corporate Governance Code 2020 as detailed on page 4 of the annual report.

Internal Controls System

The Bank has established an Internal Control Unit that operates within a comprehensive internal control framework, aimed at safeguarding the Bank's assets, as well as customer information and deposits. This framework is built on a system of checks and balances.

Encompassing financial, operational, compliance, legal, and information technology controls, along with risk management policies and systems, the Bank's internal controls framework ensures robust protection across various aspects of operations.

The Internal Control department collaborates closely with the first line of defence for risk control. This involves identifying and managing risks inherent in their respective business areas and ensuring compliance within the Bank's approved risk appetite and policies.

Corporate oversight and control functions, such as risk, compliance, and certain aspects of technology and finance, constitute the second line of defence. They are responsible for designing and maintaining internal control frameworks covering financial, operational, compliance, and information technology controls, as well as risk management policies and systems.

Internal Audit

The Bank's Audit & Assurance function serves as the Internal Audit arm of the Group, constituting the third line of defence. Internal Audit operates independently to provide an unbiased assessment and assurance regarding the reliability, sufficiency, and effectiveness of our internal control systems, risk management procedures, governance framework, and processes. Its primary role is to furnish the Board with independent and objective assurance.

Structured to maintain independence from management, Internal Audit, led by a Chief Internal Auditor, reports directly to the Chairman of the Audit Committee. The Audit Committee engages in regular discussions with the Chief Internal Auditor, excluding management. The Internal Auditor enjoys unrestricted access to all Bank information, personnel, assets, and records to fulfil their auditing and assurance responsibilities.

Internal Audit's duties include, among others:

- Developing a risk-based annual internal audit plan for approval by the Audit Committee, and adjusting it as necessary to reflect current and emerging risks.
- Implementing the audit plan in accordance with approved methodologies and reporting findings to management, the Audit Committee, and other relevant parties.
- Escalating to management and the Audit Committee when necessary, instances where Internal Audit believes that management has accepted a level of risk exceeding the business area's approved risk appetite. Additionally, the Internal Auditor monitors and reports on the progress made in addressing significant control and risk issues.

Succession Planning

In order to enhance our leadership and succession pipeline, the Bank has adopted a deliberate approach to the individual and collective development of senior leaders. This initiative began with a comprehensive executive talent assessment process, benchmarked against industry standards. Subsequently, the Bank implements enhanced leadership development and engagement initiatives tailored to both individual and collective needs. Furthermore, efforts have been intensified to expedite the development of next-generation leaders, resulting in an increase in the number of top talents attracted to the Bank in 2023, consequently bolstering our employer brand.

A seamless transition in leadership was evidenced by the succession of the Board Chairman during the year, as Mr. Daniel Kwaku Tweneboah Asirifi was unanimously nominated by the Board to succeed Mr. Jude Arthur, upon his retirement.

Finally, in commitment to transparency, integrity, and effective oversight, GCB Bank PLC upholds the highest standards of corporate governance, fostering trust and confidence among our stakeholders as we chart the course of responsible banking and sustainable growth.

» Environmental, Social and Governance (ESG) Report

At GCB Bank PLC, our dedication to our mission and a brighter future is unwavering. This entails prioritizing robust Environmental, Social, and Governance (ESG) practices, not only because it's morally right, but also because sustainable investment and operations enable us to deliver greater value.

Our diverse array of initiatives to integrate ESG criteria into our operational framework underscores our commitment to our customers, partners, shareholders, employees, and the communities we serve. Our perspective on ESG is that it's an ongoing process of aligning our operations and controls with our values. This is why we have developed a Board Appetite statement, supported by an approved ESG Policy, to drive our ESG objectives forward.

Our ESG management approach encompasses robust governance systems, risk management, and controls; a commitment to exceptional and transparent customer service; investment in our employees and the fostering of a diverse and inclusive workplace which endeavours to enhance the well-being of the communities we operate.

Environmental - We are committed to reducing our environmental impact by effectively managing natural resources, addressing climate-related risks, and adopting innovative energy solutions. This is evident through the bank's internal initiatives to adopt the use of renewable energies to reduce the dependencies on non-renewable energies and further taking initiatives to establish an ESG Unit to ensure sustainability is integrated into the bank's financing.

Social - We are dedicated to effectively managing our relationships with key stakeholders, including clients, employees, regulators, suppliers, and the communities we serve. Among the several initiatives initiated by the bank, we planted seven thousand (7,000) trees, donated an extra twenty thousand (20,000) seedlings to clients and institutions, and contributed Ghs100,000.00 in cash to the Ministry of Lands and Natural Resources in collaboration with the Forestry Commission for the Green Ghana project.

Governance - We are committed to upholding strong ethical business practices, fair and equitable compensation, maintaining a diversified Board of Directors, and implementing policies that align with local, international, and regulatory standards.

At GCB, governance isn't merely about compliance or a particular management style; it's an integral aspect of our public service ethos.

ESG Risk Management - Our Management Risk and Control (MRC) Committee oversees our ESG agenda at the senior management level. Structured around our key stakeholder groups, it consolidates all our significant ESG challenges into one forum.

Reporting on our ESG Responsibilities - We strive to maintain ESG reporting that we believe is appropriate for our business and beneficial for our stakeholders. Our approach is determined not only by reporting obligations but also by our desire to offer insight into what matters most to our business and stakeholders, and to share our progress in each area. This ensures that we are effectively addressing our responsibilities and communicating our ESG position and performance to relevant stakeholders.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Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of GCB Bank PLC and its subsidiary (the Group and the Bank), set out on pages 75 to 176, which comprise the consolidated and separate statements of financial position as at 31 December 2023, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, the notes to the consolidated and separate financial statements, including material accounting policy information and other explanatory disclosures.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of GCB Bank PLC as at 31 December 2023, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, with the IAS 29 directive issued by the Institute of Chartered Accountants, Ghana (ICAG), the requirements of the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit Taking-Institutions Act, 2016 (Act 930).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group and Bank in accordance with the requirements of the International Ethics Standards Board for Accountants' (IESBA), International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) and other independence requirements applicable to performing audits of financial statements in Ghana. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements that are relevant to our audit of financial statements in Ghana.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the consolidated and separate financial statements of the current period. This matter was addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. We have determined that there is a key audit matter to communicate in our report regarding the audit of the separate financial statements of the Bank for the current period.

Key Audit Matter	
Expected Credit Losses (ECL) on Loans and Advances	**How the matter was addressed in our Audit**
As at 31 December 2023, the Group's loan and advances portfolio was GHS 7.9 billion (2022: GHS 6.7 billion) with an associated impairment allowance for expected credit losses ("ECL" or "allowance for impairment") of GHS 1.2 billion (2022: GHS 1.1 billion). As described in Note 4, ECL represents a complex accounting estimate, which is based on management's evaluation of probable loan losses inherent in the loan portfolio. Expected credit losses is considered to be a key audit matter due to the level of subjective judgement applied in determining ECL. Corporate loans are an individually significant component of the loans and advances account balance, representing 52% of the net loan book. Allowance for impairment arising on corporate loans represent 88% of the ECL at 31 December 2023. The determination of related loss allowance is judgmental in nature. The areas of significant management judgement within the ECL measurement process include: • The assessment of whether an exposure has met predefined default criteria as at the reporting date (i.e., a trigger event that has caused a deterioration in credit risk and resulted in migration of the loan from Stage 2 to Stage 3); • Loss Given Default (LGD) — This is an estimate of the loss arising of default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from any collateral. Calibration of the LGD model is complex and requires management to accurately evaluate loss rates on secured and unsecured loan assets.	We performed the following procedures on the ECL for corporate loans and advances with the assistance of our credit specialists: • Updated our understanding of management's processes around the measurement of the ECL including management's modelling methodology, incorporation of assumptions and input data. • Updated our understanding of management's policies and procedures around the reliability of qualitative and quantitative information as well as the calibration of the ECL model and ECL output. • Assessed the design and implementation of the relevant financial reporting controls as well as the general and application computer controls relating to input data and delinquency (days past due), early alert monitoring, LGD and Staging. • Assessed conformity of management's ECL accounting policy in the context of IFRS 9 and regulatory directives. • Assessed the appropriateness of the ECL methodology, including any refinements against actual experience and industry practice. • Using an audit sample, agreed the input data (days past due, delinquency) to underlying audit evidence including loan systems data, inquiries from relevant Bank personnel and loan documentation. • For a sample of loans identified by management as having no indicators of significant increases in credit risk (SICR) and/or default criteria, we determined if this was reasonable by forming an independent view based on available information (generated internally by the Bank or publicly available) and respective industry and segment information on whether SICR or default indicators were present. • Assessed the impact of the Domestic Debt Exchanged on government related exposures within the loans and advances. • Assessed the Loss Given Default model for appropriate calibration of secured and unsecured loan assets, default and write off information. Based on the procedures performed, we found the judgement made by the Group and Bank reasonable and assessed the related disclosures as appropriate.

Other Information

The directors are responsible for the other information. The other information comprises the Report of the Directors, the Statement of Directors' Responsibilities, the Corporate Governance Report, the Chairman's Statement, the Report of the Audit Committee, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

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

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards, with the IAS 29 directive issued by the Institute of Chartered Accountants, Ghana (ICAG), the requirements of the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit Taking-Institutions Act, 2016 (Act 930) and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

1. We have obtained the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of the audit.
2. In our opinion:
    - proper books of account have been kept by the Group, so far as appears from our examination of those books.
    - the information and explanations given to us, were in the manner required by the Companies Act, 2019 (Act 992) and give a true and fair view of the:

a. statement of financial position of the Group at the end of the financial year, and

b. statement of profit or loss and other comprehensive income for the financial year.

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

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

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

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

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

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

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

3. We confirm that the transactions of the entity were within the powers of the Bank.

4. In our opinion, the Bank has generally complied with the provisions of the Anti-Money Laundering Act, 2008 (Act 749), as amended by the Anti-Money Laundering (Amendment) Act, 2014 (Act 874), the Anti-Terrorism Act, 2008 (Act 762) and Regulations made under these enactments.

5. The Bank has generally complied with the provisions of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

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

The engagement partner on the audit resulting in this independent auditor’s report is **Daniel Kwadwo Owusu (ICAG/P/1327).**

Deloitte & Touche

For and on behalf of Deloitte & Touche (ICAG/F/2024/129)

Chartered Accountants

The Deloitte Place, Plot No.71

Off George Walker Bush Highway

North Dzorwulu

Accra Ghana

29th February 2024

» Statements of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2023

Interest income	9	**3,731,778**	**3,756,247**	2,813,805	2,829,445
Interest expense	9	**(860,609)**	**(860,515)**	(722,006)	(721,943)
Net interest income		**2,871,169**	**2,895,732**	2,091,799	2,107,502
Fee and commission income	10	**546,828**	**558,291**	439,224	458,316
Fee and commission expense	11	**(116,862)**	**(120,112)**	(66,630)	(73,310)
Net fee and commission income		**429,966**	**438,179**	372,594	385,006
Net trading income	12	**425,065**	**425,065**	487,226	487,226
Other income	13	**11,532**	**25,199**	19,792	25,933
Operating income		**3,737,732**	**3,784,175**	2,971,411	3,005,667
Net impairment loss on loans	14	**(199,319)**	**(199,319)**	(274,051)	(274,051)
Net impairment loss on Investment securities	14	**(232,872)**	**(233,635)**	(1,814,474)	(1,831,208)
Personnel expenses	16	**(899,279)**	**(908,230)**	(796,993)	(801,593)
Depreciation and amortisation	28,29	**(139,098)**	**(151,981)**	(145,074)	(154,215)
Other expenses	15	**(742,123)**	**(754,456)**	(647,071)	(676,144)
Operating profit/(loss)		**1,525,041**	**1,536,554**	(706,252)	(731,544)
Share of profit of associates, net of tax	27	**-**	**10,828**	-	(11,915)
Profit/(Loss) before income tax		**1,525,041**	**1,547,382**	(706,252)	(743,459)
Income tax expense	17	**(530,937)**	**(537,660)**	150,454	150,061
Profit/(Loss) for the year		**994,104**	**1,009,722**	(555,798)	(593,398)
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Re-measurements on net defined benefit liability/asset	34	**(52,960)**	**(52,960)**	(10,097)	(10,097)
Fair value of equity instruments	23	**(335)**	**6,015**	497	17,014
Income tax relating to items that will not be reclassified	19	**13,324**	**15,865**	(2,648)	(7,068)
Total items that will not be reclassified to profit or loss		**(39,971)**	**(31,080)**	(12,248)	(151)
Items that may be reclassified to profit or loss:					
Exchange differences on translating foreign operations	27	**-**	**98,274**	-	32,887
Share of comprehensive income/(loss) of associates	27	**-**	**4,307**	-	(6,437)
Net gain on equity investments		**-**	**-**	-	-
Income tax relating to items that may be reclassified		**-**	**-**	-	-
Total items that may be reclassified to profit or loss		**-**	**102,581**	-	26,450

» Statements of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2023

Figures in thousands of Ghana Cedis	Note(s)	2023 Bank	2023 Group	2022 Bank	2022 Group
Other comprehensive income/loss for the year net of taxation		**(39,971)**	**71,501**	(12,248)	26,299
Total comprehensive income/(loss) for the year		**954,133**	**1,081,223**	(568,046)	(567,099)
Profit attributable to:					
Owners of the parent		**994,104**	**1,009,722**	(555,798)	(593,398)
Non-controlling interest		**-**	**-**	-	-
		994,104	**1,009,722**	(555,798)	(593,398)
Total comprehensive (income)/loss attributable to:					
Owners of the parent		**954,133**	**1,081,223**	(568,046)	(567,099)
Non-controlling interest		**-**	**-**	-	-
		954,133	**1,081,223**	(568,046)	(567,099)
Earnings per share					
Basic earnings per share (GHp)	20	**375**	**381**	(210)	(224)
Diluted earnings per share (GHp)	20	**375**	**381**	(210)	(224)

The notes on pages 85 to 176 form an integral part of these consolidated financial statements.

» Statements of Financial Position

As at 31 December 2023

Assets					
Cash and cash equivalents	21	**5,653,778**	**5,653,778**	4,476,878	4,476,878
Non-pledged trading assets	22	**319,065**	**319,065**	275,992	275,992
Investments (other than securities)	23	**3,942**	**47,946**	4,277	43,346
Loans and advances to customers	24i	**6,692,514**	**6,692,514**	5,482,215	5,482,215
Advances to banks	24ii	**382,642**	**382,642**	229,115	229,115
Investment securities	25	**11,834,925**	**11,873,153**	8,610,561	8,673,601
Investments in associates	27	**28,274**	**206,109**	28,274	92,678
Investments in subsidiary	26	**3,000**	**100**	3,000	100
Deferred tax assets	19	**864,942**	**863,826**	757,825	758,124
Current tax assets	18	**-**	**-**	6,818	5,980
Intangible assets	29	**73,418**	**76,043**	115,028	123,752
Other assets	30	**677,007**	**638,280**	938,588	902,983
Property, equipment and ROU	28	**401,138**	**402,204**	428,550	429,654
Total assets		**26,934,645**	**27,155,660**	21,357,121	21,494,418
Liabilities					
Deposits from banks & other financial institutions	31i	**344,349**	**344,349**	259,147	259,147
Deposits from customers	31ii	**21,556,858**	**21,437,093**	17,532,247	17,515,911
Borrowings	33	**1,083,447**	**1,083,447**	1,003,168	1,003,168
Current tax liabilities	18	**97,874**	**97,316**	-	-
Employee benefit obligation	34	**186,512**	**186,512**	129,596	129,596
Other liabilities	32	**864,986**	**926,847**	586,477	587,724
Total liabilities		**24,134,026**	**24,075,564**	19,510,635	19,495,546
Equity					
Stated capital	35i	**500,000**	**500,000**	500,000	500,000
Retained earnings		**1,513,806**	**1,605,322**	746,039	821,937
Statutory reserves	35ii	**763,818**	**763,818**	639,555	639,555
Credit risk reserves	35iii	**102,074**	**102,074**	-	-
Fair value reserves	35iv	**16**	**33,978**	267	21,030
Other reserves	35v	**(79,095)**	**74,904**	(39,375)	16,350
Total shareholders' equity		**2,800,619**	**3,080,096**	1,846,486	1,998,872
Total liabilities and shareholders' equity		**26,934,645**	**27,155,660**	21,357,121	21,494,418

The notes on pages 85 to 176 form an integral part of these consolidated financial statements.

The consolidated and separate financial statements and the notes on pages 85 to 176 were approved by the Board of Directors on 26 February 2024 and were signed on its behalf by:

» Statements of Financial Position

As at 31 December 2023 (continued)

Daniel Kwaku Tweneboah Asirifi Esq.
Chairman

Mr. Kofi Adomakoh
Managing Director

» Statement of Changes in Equity

For the year ended 31 December 2023

	Stated capital	Fair value reserves	Other reserves	Statutory reserves	Credit risk reserves	Total reserves	Retained earnings	Total equity
Figures in thousands of Ghana Cedis								
Bank								
Balance at 1 January 2023	500,000	267	(39,375)	639,555	-	600,447	746,039	1,846,486
Total comprehensive income, net of income tax:								
Profit for the year	-	-	-	-	-	-	994,104	994,104
Other comprehensive income, net of income tax:								
Fair value change in equity instruments	-	(251)	-	-	-	(251)	-	(251)
Re-measurement of defined benefit liability	-	-	(39,720)	-	-	(39,720)	-	(39,720)
Total other comprehensive income	-	(251)	(39,720)	-	-	(39,971)	-	(39,971)
Total comprehensive income for the year	-	(251)	(39,720)	-	-	(39,971)	994,104	954,133
Transfer to/from reserves:								
Statutory reserves	-	-	-	124,263	-	124,263	(124,263)	-
Credit risk reserves	-	-	-	-	102,074	102,074	(102,074)	-
Total Transfer to/ from reserves	-	-	-	124,263	102,074	226,337	(226,337)	-
Transactions with owners								
Dividends	-	-	-	-	-	-	-	-
Total transactions with equity holders	-	-	-	-	-	-	-	-
Balance at 31 December 2023	500,000	16	(79,095)	763,818	102,074	786,813	1,513,806	2,800,619

The notes on pages 85 to 176 form an integral part of these consolidated financial statements.

» Statement of Changes in Equity

For the year ended 31 December 2023 (continued)

	Stated capital	Fair value reserves	Other reserves	Statutory reserves	Credit risk reserves	Total reserves	Retained earnings	Total equity
Figures in thousands of Ghana Cedis								
Bank								
Balance at 1 January 2022								
Total comprehensive income, net of income tax:	500,000	(106)	(26,754)	639,555	-	612,695	1,434,337	2,547,032
Profit for the year	-	-	-	-	-	-	(555,798)	(555,798)
Other comprehensive income, net of income tax:								
Fair value change in equity instruments	-	373	-	-	-	373	-	373
Re-measurement of defined benefit liability	-	-	(12,621)	-	-	(12,621)	-	(12,621)
Total other comprehensive income	-	373	(12,621)	-	-	(12,248)	-	(12,248)
Total comprehensive income for the year	-	373	(12,621)	-	-	(12,248)	(555,798)	(568,046)
Transfer to/from reserves:								
Statutory reserves	-	-	-	-	-	-	-	-
Total Transfer to/from reserves	-	-	-	-	-	-	-	-
Transactions with owners								
Dividends	-	-	-	-	-	-	(132,500)	(132,500)
Total transactions with equity holders	-	-	-	-	-	-	(132,500)	(132,500)
Balance at 31 December 2022	500,000	267	(39,375)	639,555	-	600,447	746,039	1,846,486

The notes on pages 85 to 176 form an integral part of these consolidated financial statements.

	Stated capital	Fair value reserves	Other reserves	Statutory reserves	Credit risk reserves	Total reserves	Retained earnings	Total equity
Figures in thousands of Ghana Cedis								
Group								
Balance at 1 January 2023	500,000	21,030	16,350	639,555	-	676,935	821,937	1,998,872
Total comprehensive income, net of income tax:								
Profit for the year	-	-	-	-	-	-	1,009,722	1,009,722
Other comprehensive income, net of income tax:								
Fair value change in equity instruments, net of tax	-	8,641	-	-	-	8,641	-	8,641
Re-measurement of defined benefit liability, net of tax	-	-	(39,720)	-	-	(39,720)	-	(39,720)
Share of associate OCI	-	4,307	-	-	-	4,307	-	4,307
Net gain on equity investment	-	-	-	-	-	-	-	-
Foreign currency translation differences for foreign operations	-	-	98,274	-	-	98,274	-	98,274
Total other comprehensive income	-	12,948	58,554	-	-	71,502	-	71,502
Total comprehensive income for the year	-	12,948	58,554	-	-	71,502	1,009,722	1,081,224
Transfer to/from reserves								
Statutory reserve	-	-	-	124,263	-	124,263	(124,263)	-
Credit risk reserves	-	-	-	-	102,074	102,074	(102,074)	-
Total transfer to/ from reserves	-	-	-	124,263	102,074	226,337	(226,337)	-
Transactions with shareholders								
Dividends	-	-	-	-	-	-	-	-
Total transactions with equity holders	-	-	-	-	-	-	-	-
Balance at 31 December 2023	500,000	33,978	74,904	763,818	102,074	974,774	1,605,322	3,080,096

» Statement of Changes in Equity

For the year ended 31 December 2023 (continued)

	Stated capital	Fair value reserves	Other reserves	Statutory reserves	Credit risk reserves	Total reserves	Retained earnings	Total equity
Figures in thousands of Ghana Cedis								
Group								
Balance at 1 January 2022	500,000	14,998	(3,916)	639,555		650,637	1,547,835	2,698,472
Total comprehensive income, net of income tax:								
Profit for the year	-	-	-	-	-	-	(593,398)	(593,398)
Other comprehensive income, net of income tax:								
Fair value change in equity instruments, net of tax	-	12,469	-	-	-	12,469	-	12,469
Re-measurement of defined benefit liability, net of tax	-	-	(12,621)	-	-	(12,621)	-	(12,621)
Share of associate OCI	-	(6,437)	-	-	-	(6,437)	-	(6,437)
Net gain on equity investment	-	-	-	-	-	-	-	-
Foreign currency translation differences for foreign operations	-	-	32,887	-	-	32,887	-	32,887
Total other comprehensive income	-	6,032	20,266	-	-	26,298	-	26,298
Total comprehensive income for the year	-	6,032	20,266	-	-	26,298	(593,398)	(567,100)
Transfer to/from reserves								
Statutory reserve	-	-	-	-	-	-	-	-
Total transfer to/from reserves	-	-	-	-	-	-	-	-
Transactions with shareholders								
Dividends	-	-	-	-	-	-	(132,500)	(132,500)
Total transactions with equity holders	-	-	-	-	-	-	(132,500)	(132,500)
Balance at 31 December 2022	500,000	21,030	16,350	639,555	-	676,935	821,937	1,998,872

The notes on pages 85 to 176 form an integral part of these consolidated financial statements.

» Statements of Cash Flows

For the year ended 31 December 2023

Cash flows from operating activities					
Profit for the period		**994,104**	**1,009,722**	(555,798)	(593,398)
Adjustments for:					
Depreciation and amortisation	28/29	**139,098**	**151,981**	145,074	154,215
Net impairment loss on financial assets	14	**432,191**	**432,954**	2,088,525	2,105,259
Employee benefit expense	16	**27,572**	**27,572**	22,303	22,303
Share of loss/(profit) of associates	27	**-**	**(10,828)**	-	11,915
PPE written off	28	**224**	**224**	-	-
Intangible assets write off	29	**3,438**	**3,438**	-	-
Net interest income	9	**(2,871,169)**	**(2,895,732)**	(2,091,799)	(2,107,502)
Dividend income	13	**-**	**(12,786)**	(2,697)	(8,838)
Profit/Loss on sale of property and equipment	13	**(503)**	**(503)**	(315)	(315)
Foreign exchange (gain)/loss	12	**124,964**	**124,964**	295,815	295,815
Income tax expense	17	**530,937**	**537,660**	(150,454)	(150,061)
		(619,145)	**(631,334)**	(249,346)	(270,607)
Changes in non-pledged trading assets	22	**(43,072)**	**(43,072)**	201,666	201,666
Changes in advances to banks		**(165,758)**	**(165,758)**	(28,085)	(28,085)
Changes in loans and advances to customers		**(1,367,798)**	**(1,367,798)**	(1,415,749)	(1,415,749)
Changes in other assets		**266,365**	**264,703**	(411,325)	(366,431)
Changes in deposit from banks and other financial institutions	31	**85,202**	**85,202**	(488,442)	(488,442)
Changes in deposits from customers		**3,995,710**	**3,892,282**	4,335,312	4,330,115
Changes in borrowings		**13,586**	**13,586**	7,684	7,684
Changes in other liabilities		**235,033**	**295,831**	(57,400)	(58,832)
Employee benefit paid	34	**(23,616)**	**(23,616)**	(16,268)	(16,268)
Cash generated from /(used in) operations		**2,376,508**	**2,320,026**	1,878,047	1,895,051
Interest received		**3,514,211**	**3,540,781**	2,815,176	2,829,493
Dividend received		**-**	**12,811**	2,697	13,030
Interest paid		**(765,015)**	**(765,068)**	(683,327)	(683,327)
Net income tax paid		**(520,038)**	**(524,388)**	(433,491)	(439,187)
Net cash from operating activities		**4,605,666**	**4,584,162**	3,579,102	3,615,060
Cash flows from investing activities					
Sale of equity investments	23bi	**-**	**1,416**	-	34
Purchase of investments (subsidiary)		**-**	**-**	(2,000)	(100)
Purchase of investment securities	25	**(3,225,784)**	**(3,203,734)**	(753,121)	(773,144)
Purchase of property, equip. & right-of-use asset	28	**(61,395)**	**(61,747)**	(199,616)	(200,329)
Proceeds from the sale of property, equipment & right-of- use assets	28	**503**	**508**	358	358
Purchase of intangible assets	29	**(17,126)**	**(18,741)**	(20,622)	(37,778)

The notes on pages 85 to 176 form an integral part of these consolidated financial statements.

» Statements of Cash Flows

For the year ended 31 December 2023 (continued)

Figures in thousands of Ghana Cedis	Note(s)	2023 Bank	2023 Group	2022 Bank	2022 Group
Net cash used in investing activities		**(3,303,802)**	**(3,282,298)**	(975,001)	(1,010,959)
Cash flows from financing activities					
Dividends paid		-	-	(132,500)	(132,500)
Net cash used in financing activities		-	-	(132,500)	(132,500)
Net (decrease)/increase in cash and cash equivalents		**1,301,864**	**1,301,864**	2,471,601	2,471,601
Cash and cash equivalents at 1 January	21	**4,476,878**	**4,476,878**	2,301,092	2,301,092
Effect of Exchange rate fluctuations on cash held		**(124,964)**	**(124,964)**	(295,815)	(295,815)
Cash and cash equivalents at 31 December	21	**5,653,778**	**5,653,778**	4,476,878	4,476,878

The notes on pages 85 to 176 form an integral part of these consolidated financial statements.

1. Reporting entity

GCB Bank PLC is a public limited company incorporated and domiciled in Ghana. These consolidated financial statements as at and for the year ended 31 December 2023 comprise the Bank and its subsidiaries, (together referred to as the 'Group') and the Group's interest in associates. The separate financial statements as at and for the year ended 31 December 2023 comprise the financial statements of the Bank.

The Bank is listed on the Ghana Stock Exchange.

2. New and amended IFRS Accounting Standards that are effective for the current year

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

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

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

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

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

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

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

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

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

2.1 New and revised IFRS Accounting Standards in issue but not yet effective

At the date of authorisation of these financial statements, the group has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective [and [in some cases] had not yet been adopted by the [relevant body]]:

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

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

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

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

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

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

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

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

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

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

2.4 Amendments to IAS 1 Presentation of Financial Statements—Non-current Liabilities with Covenants

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

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

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

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

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

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

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

The term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information.

To meet the disclosure objective, an entity will be required to disclose in aggregate for its supplier finance arrangements:

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

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

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

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

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

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

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

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

3. Basis of preparation

3.1. Statement of compliance

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS as issued by the IASB"), with the IAS 29 directive issued by the institute of Chartered Accountants, Ghana (ICAG), in the manner required by the Companies Act, 2019 (Act 992), and the Banks and Specialised Deposit Taking Institutions Act, 2016 (Act 930).

3.2. Basis of measurement

The financial statements have been prepared on the historical cost basis, except for the following material items, which are measured at fair value:

- financial assets measured at fair value and,
- defined benefit obligations measured at the present value of future payments in respect of define benefits as described at note 34

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The Group's accounting policy on fair value is set out in note 7.

3.3. Functional and presentation currency

The financial statements are presented in Ghana Cedis, which is the Bank's functional currency. All financial information presented in Ghana Cedis have been rounded to the nearest thousands, except when otherwise indicated.

3.4. Presentation of financial statements

The Bank presents its statement of financial position in order of liquidity as prescribed by Bank of Ghana on its directive to banks on financial publication. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented under a note item where applicable.

Financial assets and liabilities are generally reported separately in the consolidated statement of financial position except when IFRS netting criteria are met.

4. Summary of material accounting policy information

The accounting policies set out below have been applied to all the periods presented in these financial statements and have been applied consistently by the Group entities.

4.1. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Bank and entities controlled by the Bank (its subsidiaries) up to 31 December each year. Control is achieved when the Group:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

i. Subsidiaries

The subsidiaries are investees controlled by the Group. The financial statements of the subsidiaries are included in the consolidated financial statements from the date on which control commences until the date when control ceases. The financial statements of the subsidiaries used to prepare the consolidated financial statements were prepared as of the Bank's reporting date. The subsidiaries' financial statements are prepared in accordance with Group accounting policies.

There were no non-controlling interests in subsidiaries.

ii. Transactions eliminated on consolidation

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

iii. Associates

Associates are all entities over which the Bank has significant influence but no control, generally accompanying a shareholding of between 20% and 50% of voting rights. Investment in associates are accounted for using the equity method of accounting and are initially recognised at cost.

iv. Change in ownership interest of subsidiaries

A change in ownership interest of subsidiaries, without loss of control, is accounted for as an equity transaction. The carrying amount of the Group's interests and any non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. If the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiaries, any related non controlling interests and other components of equity. Any surplus or deficit arising on the loss of control is recognised in profit or loss. Any retained interest in the former subsidiaries is recognised at fair value at the date of loss of control.

v. Separate financial statements

In the separate financial statements, investments in subsidiaries and associates are accounted for at cost less impairment. Cost also includes direct attributable costs of investment.

4.2. Foreign currency

4.2.1. Foreign currency transactions

Transactions in foreign currencies (currencies other than the entity's functional currency) are translated into the functional currency of the Group entities using exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at exchange rates ruling at that date. Non monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

Foreign exchange gains and losses arising from the translation of items recognised in other comprehensive income are presented in other comprehensive income.

4.2.2 Foreign operations

The assets and liabilities of foreign operations are translated into Ghana Cedis at the spot exchange rates at the reporting date. The income and expenses of foreign operations are translated into Ghana Cedis at the average exchange rates for the period.

Foreign currency differences arising on the translation are recognised in other comprehensive income and presented within equity.

When a foreign operation is disposed of, the cumulative amount in equity relating to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into to hedge certain foreign currency risks and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a foreign exchange translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiaries that includes a foreign operation or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in a foreign exchange translation reserve in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of subsidiaries that includes a foreign operation that does not result in the Group losing control over the subsidiaries, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

4.3 Revenue recognition

The Group recognises revenue from the following major sources:

- Interest income
- Fee and commission income
- Net trading income

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

4.3.1 Recognition of interest income

The effective interest rate method (EIR)

The Bank recognizes interest income using the effective interest rate (EIR) method for all financial assets measured at amortised cost, interest rate derivatives for which hedge accounting is applied and the related amortisation/recycling effect of hedge accounting. Interest income on interest bearing financial assets measured at FVTOCI under IFRS 9 is also recorded using the EIR method. Interest expense is also calculated using the EIR method for all financial liabilities held at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or liability or, when appropriate, a shorter period, to the gross carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the financial asset) is calculated by taking into account transaction costs and any discount or premium on the acquisition of the financial asset, as well as fees and costs that are an integral part of the EIR. The Bank recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, the EIR calculation also takes into account the effect of potentially different interest rates that may be charged at various stages of the financial asset's expected life, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

Expectations of fixed rate financial assets' or liabilities' cash flows are revised for reasons other than credit risk, and changes to future contractual cash flows are discounted at the original EIR with a consequential adjustment to the carrying amount. The difference from the previous carrying amount is booked as a positive or negative adjustment to the carrying amount of the financial asset or liability on the statement of financial position with a corresponding increase or decrease in interest revenue/expense calculated using the effective interest rate method.

For floating-rate financial instruments, periodic re-estimation of cash flows to reflect the movements in the market rates of interest also alters the effective interest rate, but when instruments were initially recognised at an amount equal to the principal, re-estimating the future interest payments does not significantly affect the carrying amount of the asset or the liability.

Interest and similar income/expense

Net interest income comprises interest income and interest expense calculated using both the effective interest method and other methods. These are disclosed separately on the face of the income statement for both interest income and interest expense to provide symmetrical and comparable information.

In its Interest income/expense calculated using the effective interest method, the Group only includes interest on those financial instruments that are set out in Note 4.4.

Interest income/expense on all trading financial assets/liabilities is recognised as a part of the fair value change in 'Net trading income'.

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

When a financial asset becomes credit-impaired (as set out in Note 4.10) and is therefore regarded as 'Stage 3', the Group suspends interest that would have accrued had the group applied the EIR. If the financial asset cures (as outlined in Note 4.10) and is no longer credit-impaired, the Bank releases suspended interest into interest income.

For purchased or originated credit-impaired (POCI) financial assets (as set out in Note 4.10), the Group calculates interest income by calculating the credit-adjusted EIR and applying that rate to the amortised cost of the financial asset. The credit-adjusted EIR is the interest rate that, at initial recognition, discounts the estimated future cash flows (including credit losses) to the amortised cost of the POCI financial asset.

4.3.2 Fee and commission income and expense

Fee and commission income and expense include fees other than those that are an integral part of EIR. The fees included in this part of the Group's consolidated statement of profit or loss include among other things fees charged for servicing a loan, non utilisation fees relating to loan commitments when it is unlikely that these will result in a specific lending arrangement and loan syndication fees.

Other fees and commission income and expenses are recognised on an accrual basis when the related services are performed. Loan commitment fees for loans that are not likely to be drawn down are deferred, together with related direct costs and recognised on a straight-line basis over the commitment period.

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

4.3.3 Net trading income

Net trading income comprises gains less losses related to foreign exchange differences on foreign currency deal transactions as well as all realised and unrealised fair value changes related to held-for-trading investment securities. The Group has elected to present the full fair value movement of trading assets and liabilities in trading income, including any related expense.

4.4 Financial instruments

4.4.1 Initial recognition

4.4.1.1 Date of recognition

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

4.4.1.2 Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments, as described in Notes 4.7. Financial instruments are initially measured at their fair value (as defined in Note 4.6), except in the case of financial assets and financial liabilities recorded at FVTPL, in which case, transaction costs are added to, or subtracted from, this amount. Trade receivables are measured at the transaction price. When the fair value of financial instruments at initial recognition differs from the transaction price, the Group accounts for the Day 1 profit or loss, as described below.

4.4.1.3 Day 1 profit or loss

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

4.5 Measurement categories of financial assets and liabilities

The Group classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms (as explained in 4.7), measured at either:

- Amortised cost
- Fair value through other comprehensive income (FVTOCI)
- Fair value through profit and loss (FVTPL)

The Group classifies and measures its derivative and trading portfolio at FVTPL, as explained in Notes 4.7.2. The Group may designate financial instruments at FVTPL, if doing so eliminates or significantly reduces measurement or recognition inconsistencies. Financial liabilities, other than loan commitments and financial guarantees, are measured at amortised cost or at FVTPL when they are held for trading.

4.6 Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

- Level 1 financial instruments – These are where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date. Details of financial instruments revalued under level 1 are shown at Note 23a.
- Level 2 financial instruments – These are where the inputs that are used for valuation are significant and are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Group will classify the instruments as Level 3. No instrument was valued under this category.
- Level 3 financial instruments – These include one or more unobservable input that is significant to the measurement as a whole. The Group periodically reviews its valuation techniques including the adopted methodologies and model calibrations. However, the base models may not fully capture all factors relevant to the valuation of the Bank's financial instruments such as credit risk (CVA), own credit (DVA) and/or funding costs (FVA). Therefore the Bank applies various techniques to estimate the credit risk associated with its financial instruments measured at fair value, which include, a portfolio-based approach that estimates the expected net exposure per counterparty over the full lifetime of the individual assets, in order to reflect the credit risk of the individual counterparties for non-collateralised financial instruments. The Bank estimates the value of its own credit from market observable data, such as secondary prices for its traded debt and the credit spread on credit default swaps and traded debts on itself. Details of financial instruments revalued under level 3 are shown at Note 23b.

The Bank evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments when necessary, based on the facts at the end of the reporting period.

4.7 Financial assets and liabilities

4.7.1 Advances to banks, Loans and advances to customers, Financial investments at amortised cost

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

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

The details of these conditions are outlined below.

4.7.1.1 Business model assessment

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

- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

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

Based on the above, the Group classifies all financial assets as either held to collect, held for trading or hold to collect and sell.

4.7.1.2 Solely payment of principal and interest (SPPI) test

As a second step of its classification process, the Group assesses the contractual terms of the financial asset to identify whether they meet the SPPI test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

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

4.7.2 Financial assets or financial liabilities held for trading

The Group classifies financial assets or financial liabilities as held for trading when they have been purchased or issued primarily for short-term profit-making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking.

Held-for-trading assets and liabilities are recorded and measured in the statement of financial position at fair value. Changes in fair value are recognised in net trading income. Interest income or expense is recorded in net trading income according to the terms of the contract, or when the right to payment has been established.

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

4.7.3 Debt instruments at FVTOCI

The Group classifies debt instruments at FVTOCI when both of the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset meet the SPPI test.

FVTOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income and foreign exchange gains and losses are recognised in profit or loss in the same manner as for financial assets measured at amortised cost as explained in Note 4.7.1. The ECL calculation for Debt instruments at FVTOCI is explained in Note 4.10.1. Where the Bank holds more than one investment in the same security, they are deemed to be disposed off on a first–in first–out basis. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit or loss.

4.7.4 Equity instruments at FVTOCI

Upon initial recognition, the Bank occasionally elects to classify irrevocably some of its equity investments as equity instruments measured at FVTOCI when they meet the definition of Equity under IAS 32 Financial Instruments. Presentation and are not held for trading. Such classification is determined on an instrument by instrument basis.

Gains and losses on these equity instruments are never recycled to profit. Dividends are recognised in profit or loss as other operating income when the right of the payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVTOCI are not subject to an impairment assessment.

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

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under IFRS 9. Management only designates an instrument at FVTPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis:

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis

Or

- The asset/liabilities are part of a group of financial asset/liabilities, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy

Or

- The liabilities contain one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited.

Financial assets and financial liabilities at FVTPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit and loss with the exception of movements in fair value of liabilities designated at FVTPL due to changes in the Group's own credit risk. Such changes in fair value are recorded in the Own Credit Reserve through OCI and do not get recycled to the profit or loss. Interest earned or incurred on instruments designated at FVTPL is accrued in interest income or interest expense, respectively, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using the contractual interest rate, as explained in Note 4.3.1. Dividend income from equity instruments measured at FVTPL is recorded in profit or loss as other operating income when the right to the payment has been established.

4.7.6 Financial guarantees, letters of credit and undrawn loan commitments

The Group issues financial guarantees, letters of credit and loan commitments.

Financial guarantees are initially recognised in the financial statements (within Provisions) at fair value, being the premium received. Subsequent to initial recognition, the Group's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the income statement and an ECL allowance.

The premium received is recognised in the income statement in Net fees and commission income on a straight-line basis over the life of the guarantee.

Undrawn loan commitments and letters of credits are commitments under which over the duration of the commitment, the Bank is required to provide a loan with pre-specified terms to the customer. Similar to financial guarantee contracts, these contracts are in the scope of the ECL requirements.

The nominal contractual value of financial guarantees, letters of credit and undrawn loan commitments, where the loan agreed to be provided is on market terms, are not recorded in the statement of financial position.

The Group occasionally issues loan commitments at below market interest rates. Such commitments are subsequently measured at the higher of the amount of the ECL allowance (as explained in Note 4.10.1) and the amount initially recognised less, when appropriate, the cumulative amount of income recognised as outlined in Note 10.

4.8 Reclassification of financial assets and liabilities

The Group does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

4.9 Derecognition of financial assets and liabilities

4.9.1 Derecognition due to substantial modification of terms and conditions

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

When assessing whether or not to derecognise a loan to a customer, amongst others, the Group considers the following factors:

- Change in currency of the loan
- Introduction of an equity feature
- Change in counterparty
- If the modification is such that the instrument would no longer meet the SPPI criterion

If the modification does not result in cash flows that are substantially different, as set out below, it does not result in de-recognition. Based on the change in cash flows discounted at the original EIR, the Group records a modification gain or loss, to the extent that an impairment loss has not already been recorded. For financial liabilities, the Group considers a modification substantial based on qualitative factors and if it results in a difference between the adjusted discounted present value and the original carrying amount of the financial liability of, or greater than, ten percent. For financial assets, this assessment is based on qualitative factors.

4.9.1.1 Modification Assessment of Government of Ghana Bonds

The Bank used the principles of IFRS 9 to assess for modification. Where the contract terms of debt instruments are modified, an assessment is performed to ascertain if the new terms are "substantially different" from the old terms i.e., if the modification is significant or not.

IFRS 9 states that in some circumstances the renegotiation or modification of the contractual cash flows of a financial asset can lead to its derecognition although there is no explicit guidance on when a modification of a financial asset leads to a derecognition.

In assessing whether there is a substantial modification the bank may, but is not required to, analogise to the guidance on the derecognition of financial liabilities (IFRIC updates, May 2012, and September 2012).

The IFRS9.3.3.2 paragraph regarding derecognition of financial liabilities from which the analogy is drawn states that, an exchange between an existing borrower and lender of debt instruments with substantially different terms or a substantial modification of the terms of an existing financial liability shall be accounted for as an extinguishment of the original financial liability

The Bank assessed the financial assets and applied its analogy to assess the exchange of the old bonds for the new bonds acquired under the Phase 2 of Debt Exchange program, which result in a substantial modification due to the following:

- A holders for cocoa bills received five new bonds in exchange for the old cocoa bills while holders for local USD bonds received two new USD bonds in exchange for the old bonds.
- All of the bondholders are to receive the same restructuring deal irrespective of the terms and conditions of their individual holdings. This indicates that the individual instruments, terms and conditions were not taken into account. The different bonds (series) were not each modified in contemplation of their respective terms and conditions but were instead replaced by a new uniform debt structure; and
- The terms and conditions of the new bonds are substantially different from those of the old bills and bonds. The changes include many different aspects, such as significant extension of the maturity date of the bonds and reduction of the coupon rates.

The bank participated in the program and exchanged GHS 1.1 billion Cocoa bills with 5 different Cocoa bonds maturing between 2024 and 2028. The bank also exchanged USD 2.9m local dollar bonds with two new 2027 and 2028 USD bonds

The exchange of cocoa bills and local dollar bonds resulted in impairment charge of GHS 57.6m and GHS 9.3m respectively. The discount rates used to fair value the assets was 15.7% for the cocoa bonds and 12% for the local dollar bonds. .Consequently, the Bank derecognized the old cocoa bills and local dollar bonds, and new bonds were recognised.

The exchange under the phase 2 did not have material impact on the bank financials.

When the modification of a financial asset results in the derecognition of the existing financial asset and the subsequent recognition of the modified financial asset, the modified asset is considered a 'new' financial asset. Accordingly, the date of the modification is treated as the date of initial recognition of that financial asset when applying the impairment requirements to the modified financial asset. This typically means measuring the loss allowance at an amount equal to 12-month.expected credit losses until there is a significant increase in credit risk.

However, in some unusual circumstances following a modification that results in derecognition of the original financial asset, there may be evidence that the modified financial asset is credit-impaired at initial recognition, and thus, the financial asset should be recognised as an originated credit-impaired financial asset.

4.9.2 De-recognition other than for substantial modification

4.9.2.1 Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Group also derecognises the financial asset if it has transferred the financial asset and the transfer qualifies for de-recognition.

The Group has transferred the financial asset if, and only if, either:

- The Group has transferred its contractual rights to receive cash flows from the financial asset

Or

- It retains the rights to the cash flows but has assumed an obligation to pay the cash flows in full without material delay to a third party under a 'pass–through' arrangement.

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

- The Group has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates;
- The Group cannot sell or pledge the original asset as security to the eventual recipients; and
- The Group has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Bank is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents, including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Group has transferred substantially all the risks and rewards of the asset

Or

- The Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

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

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

If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the continuing involvement is measured at the value the Group would be required to pay upon repurchase. In the case of a written put option on an asset that is measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

4.9.2.2 Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

4.10 Overview of the ECL principles

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

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit losses or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit losses (12m ECL) as outlined in Note 4.10.1). The Group's policies for determining if there has been a significant increase in credit risk are set out in Note 4.10.4.

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

Both LTECL and 12 months ECL are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments. The Bank's policy for grouping financial assets measured on a collective basis is explained in Note 6.

The Group policy is to perform an assessment at the end of each reporting period, whether a financial instrument's credit risk has increased significantly since initial recognition or not, by considering the change in the risk of default occurring over the remaining life of the financial instrument. This is further explained in Note 6.

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

- Stage 1: When loans are first recognised, the Bank recognises an allowance based on 12 months ECL. Stage 1 loans also include facilities where the credit risk has improved, and the loan has been reclassified from Stage 2.
- Stage 2: When a loan has shown a significant increase in credit risk since origination, the Bank records an allowance for LTECL. Stage 2 loans also include facilities, where the credit risk has improved, and the loan has been reclassified from Stage 3.
- Stage 3: Loans considered credit-impaired (as outlined in Note 4.10.5), the Group records an allowance for LTECL.
- POCI: Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognised based on a credit-adjusted EIR. The ECL allowance is only recognised or released to the extent that there is a subsequent change in the expected credit losses.

For financial assets which the Bank has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

4.10.1 Calculation of expected credit loss

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

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

- PD The *Probability of Default* is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The concept of PD is further explained in Note 6.
- EAD The *Exposure at Default* is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments. The EAD is further explained in Note 6.
- LGD The *Loss Given Default* is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral or credit enhancements that are integral to the loan and not required to be recognised separately. It is usually expressed as a percentage of the EAD. The LGD is further explained in Note 6.

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

With the exception of other revolving facilities, for which the treatment is separately set out below, the maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Bank has the legal right to call it earlier.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

Provisions for ECL for undrawn loan commitments are assessed. The calculation of ECL (including the ECL related to the undrawn element) of revolving facilities is explained below.

The mechanics of the ECL method are summarised below:

- Stage 1: The ECL is calculated as the portion of LTECL that represent ECL that result from default events on a financial instrument that are possible within 12 months after the reporting date. The Bank calculates 12-month ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR. This calculation is made for each of the three scenarios, as explained above.
- Stage 2: When a loan has shown a significant increase in credit risk since origination, the Bank records an allowance for LTECL. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.
- Stage 3: For loans considered credit-impaired (as defined in Note 4.10.5), the Bank recognises lifetime expected credit losses. The method is similar to that for Stage 2 assets, with PD set at 100%.
- POCI: POCI assets are financial assets that are credit impaired on initial recognition. The Bank only recognises the cumulative changes in lifetime ECL since initial recognition, based on a probability-weighting of the three scenarios, discounted by the credit adjusted EIR.

- Loan commitment and letters of credit: When estimating LTECL for undrawn loan commitments, the Bank estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down, based on a probability-weighting of the three scenarios. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan.
- Revolving facilities: For revolving facilities that include both a loan and an undrawn commitment, ECL is calculated and presented together with the loan. For loan commitments and letters of credit, the ECL is also recognised together with the loan.
- Financial guarantee contracts: The Bank's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the income statement, and the ECL provision. For this purpose, the Bank estimates ECL based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs. The shortfalls are discounted by the risk-adjusted interest rate relevant to the exposure. The calculation is made using a probability-weighting of the three scenarios. The ECL related to financial guarantee contracts are recognised within the loan.

4.10.2 Debt instruments measured at fair value through OCI

The ECL for debt instruments measured at FVTOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount. The accumulated loss recognised in OCI is recycled to profit and loss upon de-recognition of the assets.

Purchased or originated credit impaired financial assets (POCI)

For POCI financial assets, the Bank only recognises the cumulative changes in LTECL since initial recognition as the loss allowance.

4.10.3 Forward looking information

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

- GDP growth
- Unemployment rates
- Central Bank base rates

The inputs and models used for calculating ECL may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are material. Detailed information about these inputs and sensitivity analysis are provided in Note 6.

4.10.4 Significant increase in credit risk

The bank assesses whether there has been a significant increase in credit risk for exposures since initial recognition at each reporting date by comparing the risk of default occurring over the remaining expected life from the reporting date and the date of initial recognition. The bank assesses both the quantitative and qualitative information about the customer during this time to inform its decision on whether there has been a significant increase in credit risk. The following are some qualitative triggers used in the determination of significant increase in credit risk of financial instruments:

- A downgrade of a borrower by a recognized credit rating agency, or within a bank's internal credit rating system.
- For performing credits subject to individual monitoring and review, an internal credit assessment summary with low liquidity and profitability which could affect projected cash flow after initial recognition.
- Deterioration of relevant determinants of credit risk (more than 30 days past due on credit obligation) for an individual obligor.

- Expectation of restructuring due to financial difficulties of the borrower.
- Deterioration of macroeconomic outlook relevant to a particular borrower or group of borrowers.
- Deterioration of prospects for the sector or industries within which a borrower operates.
- Modification of terms due to reduction in borrower's cash flow resulting in concessions granted to the borrower including extension of moratorium, deferment of payment, waiver of covenants, etc.

4.10.5 Definition of Default

Per the bank's credit policy, both qualitative and quantitative criteria are used to determine financial assets which are in default. The quantitative approach basically used the number of days pass due to determine if a facility is in default. Quantitatively, default for loans and advances are considered to occur where the loan or advance is delinquent for more than 90 days.

In addition to the quantitative assessment, the bank also considers other qualitative factors to determine if a facility is in default. Qualitative assessment uses reasonable and supportable evidence that either support quantitative assessment or not. A facility may not be considered as default where there are reasonable and supportable evidence that the customer will pay even though it may have been in delinquent for over 90 days. Also, a facility may be less than 90 days pass due but if there are reasonable and supportable evidence that it is in default, it will be treated as such.

Where the Bank has reason to believe that the customer will not be able to repay the facilities and/or abide by the terms and conditions of the facilities. The following are some of the reasons why the bank may consider a facility as default:

- The key management person of the company/enterprise or customer is deceased without a succession plan in place.
- The occurrence of a natural accident without insurance cover has the tendency of disrupting the business.
- A change in business conditions which has significantly affected the financial position of a particular business.
- For incorporated institutions when the appointment of a receiver or liquidation action has commenced.
- Upon discovery that a borrower provided material misleading information to acquire credit facility from the bank.

A financial asset is considered credit impaired when it meets the bank's definition of default as outlined above.

4.11 Credit enhancements

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as cash securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on the Group's statement of financial position.

Cash flows expected from credit enhancements which are not required to be recognised separately by IFRS and which are considered integral to the contractual terms of a debt instrument subject to ECL, are included in the measurement of those ECL. On this basis, the fair value of collateral affects the calculation of ECL. Collateral is generally assessed, at a minimum, at inception and re-assessed on a quarterly basis. However, some collateral, for example, cash or securities relating to margining requirements, is valued daily.

To the extent possible, the Group uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as mortgage brokers or based on housing price indices.

Guarantees held are included in the measurement of loan ECLs when either they are specified in the contractual terms of the loan or else are integral to the loan, in that they formed part of the basis on which the loan was extended.

Guarantees that are not integral to the loan's contractual terms are accounted as separate units of accounts subject to ECL.

4.12 Collateral repossessed

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

In its normal course of business, the Group engages external agents to recover funds from the repossessed assets, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the residential properties under legal repossession processes are not recorded on the balance sheet.

4.13 Write-offs

Financial assets are written off either partially or in their entirety only when the Group has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense.

4.14 Forborne and modified loans

The Group sometimes makes concessions or modifications to the original terms of loans as a response to the borrower's financial difficulties, rather than taking possession or to otherwise enforce collection of collateral. The Group considers a loan forborne when such concessions or modifications are provided as a result of the borrower's present or expected financial difficulties and the Group would not have agreed to them if the borrower had been financially healthy. Indicators of financial difficulties include defaults on covenants, or significant concerns raised by the Credit Risk Department. Forbearance may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms. It is the Group's policy to monitor forborne loans to help ensure that future payments continue to be likely to occur. De- recognition decisions and classification between Stage 2 and Stage 3 are determined on a case-by-case basis.

If these procedures identify a loss in relation to a loan, it is disclosed and managed as an impaired Stage 3 forborne asset until it is collected or written off.

When the loan has been renegotiated or modified but not derecognised, the Group also reassesses whether there has been a significant increase in credit risk, as set out in Note 4.10.4. The Group also considers whether the assets should be classified as Stage 3. In order for the loan to be reclassified out of the forborne category, the customer has to meet all of the following criteria:

- All of its facilities have to be considered performing
- The probation period of two years has passed from the date the forborne contract was considered performing
- Regular payments of more than an insignificant amount of principal or interest have been made during at least half of the probation period
- The customer does not have any contracts that are more than 30 days past due.

If modifications are substantial, the loan is derecognised, as explained in Note 4.9.1.

4.14.1 Impairment of Government of Ghana Bonds

An asset is credit-impaired if one or more events have occurred that have a detrimental impact on the estimated future cash flows of the asset. The following are examples of such events:

- significant financial difficulty of the issuer or the borrower.
- a breach of contract - e.g., a default or past-due event.
- a lender having granted a concession to the borrower - for economic or contractual reasons relating to the borrower's financial difficulty - that the lender would not otherwise consider.
- is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.
- the disappearance of an active market for that financial asset because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

The assessments of the factors above led to the conclusion that the new bonds under both DDEP Phase 1 and 2 should be classified as originated credit impaired.

4.14.2 Initial recognition of originated credit-impaired assets

On initial recognition, originated credit-impaired assets do not carry an impairment allowance. Instead, lifetime ECLs are incorporated into the calculation of the effective interest rate. This require the bank to determine the cash shortfalls or the expected cash flows under the new terms in calculating the effective interest rate of the new bonds at initial recognition.

4.14.3 Subsequent measurement of originated credit-impaired assets

The ECLs for originated credit-impaired assets are always measured at an amount equal to lifetime ECLs. However, the amount recognised as a loss allowance for these assets is not the total amount of lifetime ECLs, but instead the changes in lifetime ECLs since initial recognition of the asset. No impairment expense or allowance is recognised if, in subsequent periods, experience and expectations about the collectability of cash flows are unchanged from expectations on initial recognition.

Favourable changes in lifetime ECLs are recognised as an impairment gain, even if the favourable changes are more than the amount, if any, previously recognised in profit or loss as impairment losses.

Refer to Note 25 for details of the impairment assessment on the government of Ghana Bonds.

4.15 Cash and cash equivalents

Cash and cash equivalents in the Group statement of financial position and cash flow statement include notes and coins on hand, balances held with Bank of Ghana, other bank balances and highly liquid financial assets with original maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value and are used by the Group in the management of its short-term liquidity.

4.16 Repurchase and reverse repurchase agreements

Securities sold under agreements to repurchase at a specified future date are not derecognised from the statement of financial position as the Group retains substantially all of the risks and rewards of ownership. The corresponding cash received is recognised in the consolidated statement of financial position as an asset with a corresponding obligation to return it, including accrued interest as a liability within cash collateral on securities lent and repurchase agreements, reflecting the transaction's economic substance as a loan to the Group. The difference between the sale and repurchase prices is treated as interest expense and is accrued over the life of agreement using the EIR. When the counterparty has the right to sell or re-pledge the securities, the Group reclassifies those securities in its statement of financial position to financial assets held for trading pledged as collateral or to financial investments available-for-sale pledged as collateral, as appropriate.

Conversely, securities under agreements to resell at a specified future date are not recognised in the statement of financial position. The consideration paid, including accrued interest, is recorded in the statement of financial position, within cash collateral on securities borrowed and reverse repurchase agreements, reflecting the transaction's economic substance as a loan by the Group. The difference between the purchase and resale prices is recorded in net interest income and is accrued over the life of the agreement using the EIR.

If securities purchased under an agreement to resell are subsequently sold to third parties, the obligation to return the securities is recorded as a short sale within financial liabilities held for trading and measured at fair value with any gains or losses included in net trading income.

4.17 Securities lending and borrowing

Securities lending and borrowing transactions are usually collateralised by securities or cash. The transfer of the securities to counterparties is only reflected on the statement of financial position if the risks and rewards of ownership are also transferred. Cash advanced or received as collateral is recorded as an asset or liability.

Securities borrowed are not recognised in the statement of financial position, unless they are then sold to third parties, in which case, the obligation to return the securities is recorded as a short sale within financial liabilities held for trading and measured at fair value with any gains or losses included in net trading income.

4.18 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

4.18.1 The Group as a lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

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

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is included in Other Liabilities in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented within Property and Equipment in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 4.21 Impairment of non-financial assets. Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “Other expenses” in profit or loss (see note 16).

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For a contract that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

4.18.2 The Group as a lessor

The Group enters into lease agreements as a lessor with respect to some of its investment properties.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term. Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases. Subsequent to initial recognition, the Group regularly reviews the estimated unguaranteed residual value and applies the impairment requirements of IFRS 9, recognising an allowance for expected credit losses on the lease receivables.

Finance lease income is calculated with reference to the gross carrying amount of the lease receivables, except for credit-impaired financial assets for which interest income is calculated with reference to their amortised cost (i.e. after a deduction of the loss allowance). When a contract includes both lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

4.19 Property and equipment

Property and equipment are tangible items that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and are expected to be used for more than one accounting period.

4.19.1 Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the assets. Right-of-use assets are presented together with property and equipment in the statement of financial position – refer to the accounting policy in Note 28.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment. When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

The 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 condition for its intended use.

Any gain or loss on disposal of an item of property and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised within other income in profit or loss.

4.19.2 Subsequent costs

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

4.19.3 Depreciation

Depreciation is the systematic allocation of the depreciable amount of an asset (i.e. the cost of the asset, or other amount substituted for cost, less its residual value) over its useful life.

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. Freehold Land is not depreciated.

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

Computers	3 years
Motor vehicles	4 years
Furniture and equipment	3-4 years
Buildings	50 years

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

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

4.19.4 Capital work-in-progress

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

4.19.5 Dual use property

Properties that are partly used for own use activities and partly for rental activities are considered dual use properties. This would result in the property being considered to be classified as part property and equipment and the other part as investment property. If a significant portion of the property is used for own use and the portion rented out cannot be sold or leased out separately under a finance lease, then the entire property is classified as property and equipment. The Group considers an own use portion above 95% of the measure as significant.

4.19.6 Derecognition

Property and equipment are derecognised upon disposal or when no future economic benefits are expected to flow to the Group from either their use or disposal, if applicable. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

4.20 Intangible assets

Intangible assets are the identifiable non-monetary assets without physical substance.

Intangible assets comprise computer software licenses and customer relationship. Intangible assets acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight line method and recognised in profit or loss over its estimated useful life, from the date that it is available for use.

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

Software	3 years
Customer Relationship	5 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

4.21 Impairment of non financial assets

The carrying amounts of the Group's non financial assets other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its cash generating unit (CGU) exceeds its recoverable amount, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and to the extent that the impairment loss is greater than the related revaluation surplus, the excess impairment loss is recognised in profit or loss.

The recoverable amount is the higher of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using pre tax discount rates that reflect current market assessments of the time value of money and risks specific to the asset.

A previously recognised impairment loss is reversed where there has been a change in circumstances or in the basis of estimation used to determine the recoverable value, but only to the extent that the asset's net carrying amount does not exceed the carrying amount of the asset that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Any increase in excess of this amount is treated as a revaluation increase.

4.22 Employment benefits

4.22.1 Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as personnel expenses in profit or loss in the period during which related services are rendered. The Group has the following defined contribution schemes:

Social Security and National Insurance Trust

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

4.22.2 Provident Fund

The Group has a Provident Fund Scheme for all employees who have completed their probation period. Employees contribute 10% of their basic salary to the Fund whilst the Group contributes 12.5%. Obligations under the plan are limited to the relevant contributions which have been recognised in the financial statements and are settled on due dates to the Fund Manager.

4.22.3 Defined benefit plans

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

The calculation of defined benefit obligations is performed annually by a Qualified Actuary using the Projected Unit Credit Method. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses is recognised immediately in other comprehensive income.

The Group determines the net interest expense (income) on the defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the defined benefit liability at the period end, taking into account any changes in the defined benefit liability during the period as a result of contributions and benefit payments.

Net interest expense and other expenses related to defined benefit plans are recognised in personnel expenses in profit or loss. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefits that relate to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The Group has the following defined benefit plans:

- Post-Retirement Medical Care

The Bank pays for post-retirement medical care of its staff.

- Pension Benefits

The Group pays monthly pension benefits to retired employees, under a closed defined benefit pension scheme. Under this scheme, beneficiaries are paid pensions equal to 60% of the net basic salaries of their serving counterparts. The scheme has been discontinued since 1985. At the reporting date, the scheme covered a closed Group of 187 (2022: 214) persons, who still receive monthly pensions. The monthly pensions are increased annually in line with adjustments to the basic salaries of their serving counterparts.

4.22.4 Long service award

Long service awards accrue to employees based on graduated periods of uninterrupted service. These awards accrue over the service life of employees. Employees in service with the Group after fifteen (15) years become eligible to receive cash payments at graduated rates when employees achieve stipulated milestones set by the Group.

4.22.5 Other long-term employee benefits

The Company's obligation in respect of long-term employee benefits is the amount of future benefits that employees have earned in return for their services in the current and prior periods. That benefit is discounted to determine its present value. Re-measurement are recognised in profit or loss in the period in which they arise.

4.22.6 Termination benefits

The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. If benefits are not expected to be wholly settled within 12 months of the reporting date, then they are discounted.

4.22.7 Short term Employment benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognised for the amount expected to be paid under short term cash bonus or profit sharing plans, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

4.23 Provisions and Contingent Liabilities

4.23.1 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of the economic benefits will be required to settle the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of expenditures expected to be required to settle obligations using pre-tax rates that reflect current market assessments of the time value of money and risks specific to the obligation. The unwinding of the discount is recognised as finance cost. The expense relating to any provision is presented in the income statement net of any reimbursement in other operating expenses. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. Detailed disclosures are provided in Note 32.

4.23.2 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 Group, 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.

4.24 Taxation

The income tax expense represents the sum of the tax currently payable and deferred tax.

4.24.1. Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Group supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity or other comprehensive income is recognised in equity or other comprehensive income respectively and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. Detailed disclosures are provided in Note 18.

4.24.2. Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

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

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

These exceptions are subsequently reclassified from OCI to the income statement together with the respective deferred loss or gain. The Group also recognises the tax consequences of payments and issuing costs, related to financial instruments that are classified as equity, directly in equity.

The Group only off-sets its deferred tax assets against liabilities when there is both a legal right to offset its current tax assets and liabilities and it is the Group's intention to settle on a net basis.

4.24.3. Levies and similar charges

The Group recognises the liability arising from levies and similar charges (such as National Stabilization Levy and Financial Sector Recovery Levy) when it becomes legally enforceable, which is on 31 December each year.

4.25 Stated capital and reserves

4.25.1 Share capital

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

4.25.2 Dividends

Dividends 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.

4.25.3 Statutory reserve

Statutory reserve is based on the requirements of section 34(1) of the Banks and Specialized Deposit-Taking Institutions Act, 2016 (Act 930). Transfers into statutory reserve are made in accordance with the relationship between the Bank's reserve fund and it's paid up capital, which determines the proportion of profits for the period that should be transferred.

(i) Where the reserve fund is less than fifty percent of the stated capital, then an amount not less than 50% of net profit for the year is transferred to the reserve fund.

(ii) Where the reserve fund is more than 50% but less than 100% of the stated capital, then an amount not less than 25% of net profit is transferred to the reserve fund.

(iii)Where the reserve is equal to or more than 100% of the stated capital, then an amount not less than 12.5% of the net profit for the year is transferred to the reserve fund.

(iv)Credit risk reserve

This is a reserve created to set aside the excess or shortfalls between amounts recognised as impairment loss on loans and advances based on provisions made for bad and doubtful loans and advances calculated in accordance with IFRS and the Central Bank's prudential guidelines. See note 35(iii)

4.26 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 by the 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.

4.27 Fiduciary assets

The Bank provides trust and other fiduciary services that result in the holding or investing of assets on behalf of its clients. Assets held in a fiduciary capacity, unless recognition criteria are met, are not reported in the financial statements, as they are not assets of the Bank.

4.28 Segment reporting

Segment results that are reported to the Group'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 Group has four reportable segments: retail banking, corporate banking, commercial banking, and treasury which are the Group's strategic operations. For each reportable segment, the Group's Managing Director reviews internal management reports on the performance of each segment.

5. Material accounting judgements and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. In the process of applying the Group's accounting policies, management has made the following judgements and assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

Existing circumstances and assumptions about future developments may change due to circumstances beyond the Group's control and are reflected in the assumptions if and when they occur.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Items with the most significant effect on the amounts recognised in the consolidated financial statements with substantial management judgement and/or estimates are collated below with respect to judgements/estimates involved.

5.1. Impairment losses on financial assets

The measurement of impairment losses under IFRS 9 across all categories of financial assets in scope requires some level of judgement. In particular, management makes its significant judgement in the assessment of significant increase in credit risk and default. As explained in note 4.10, ECL is measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 3 when its credit risk has increased significantly and has met predefined default criteria since initial recognition. The term "default" is not defined in IFRS 9. In assessing whether an asset has met the predefined default criteria, the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

5.2. Fair value of financial instruments

The fair value of financial instruments 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 another valuation technique. When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

For further details about determination of fair value, please see Note 4.6.

5.3. Provisions and other contingent liabilities

The Group operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings arising in the ordinary course of the Group's business.

When the Group can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Group records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

However, when the Group is of the opinion that disclosing these estimates on a case-by-case basis would prejudice their outcome, then the Group does not include detailed, case-specific disclosers in its financial statements.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Group takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

For further details on provisions and other contingencies, see Notes 4.23 and 36.

5.4. Employee benefit obligations

Discount rate used to determine the carrying amount of the Group's defined benefit obligation was 19.86.

The determination of the Group's defined benefit obligation depends on certain assumptions, which include selection of the discount rate. The discount rate is set by reference to market yields at the end of the reporting period on high quality corporate bonds or, where there is not an active market in high quality corporate bonds, the market yields (at the end of the reporting period) on government bonds are used. Significant assumptions are required to be made when setting the criteria for bonds to be included in the population from which the yield curve is derived. The most significant criteria considered for the selection of bonds include the currency of the bonds, quality of the bonds and the term of the bonds. These assumptions are considered to be a key source of estimation uncertainty as relatively small changes in the assumptions used may have a significant effect on the Group's financial statements within the next year. Further information on the carrying amounts of the Group's defined benefit obligation and the sensitivity of those amounts to changes in discount rate are provided in note 3

6. Financial risk management

Effective risk management is of critical importance and key to the delivery of sustainable returns for shareholders. Risk taking is an inherent part of the Group's business activities and is defined as the possibility of losing some or all of an original investment. Risk management systems and governance structures are designed to reduce earnings volatility and achieve an appropriate balance between risk and reward and increased profitability.

Current changes to regulations in the banking sector reinforce the Group's commitment to embed an enhanced risk-based culture throughout the Group. Risk policies and procedures are regularly reviewed to reflect these changes as well as best practices in the market. The Group has upgraded its risk infrastructure to enhance effective management and also to meet future regulatory demands.

Risk Management Framework

The risk management framework consists of a comprehensive set of policies, standards, procedures and processes designed to identify, measure, monitor, mitigate and report significant risk in a consistent and effective manner across the Group. Through the framework, risk is managed at enterprise-wide level, with the objective of maximizing risk-adjusted returns within the context of the Group's risk appetite.

The most important types of risk are credit risk, liquidity risk, market risk and operational risk.

- Credit risk reflects the possible inability of a customer to meet his/her repayment or delivery obligations.
- Market risk, which includes foreign currency risk, interest rate risk and equity price risk, is the risk of fluctuation in asset and commodity values caused by changes in market prices and yields.
- Liquidity risk results in the inability to accommodate maturing liability and to fund asset growth or otherwise meet contractual obligations at reasonable market rates.
- Operational risk is the potential loss resulting from inadequate or failed internal processes, systems, people, legal issues, external events and non-compliance with regulations

The Board of Directors have overall responsibility for the establishment and oversight of the Group's risk management framework. The Board's commitment to good risk management is supported by their continuing professional development in the field of risk management and their support for the implementation and continued improvement of the risk management framework within the Group.

The Board's Risk Committee is responsible for monitoring risk positions which the Group holds in the normal course of business as well as those risks that the Group may take in alignment with approved limits and controls. The Committee also reviews the adequacy of the risk management framework in relation to risks faced by the Group on an ongoing basis. The Committee is assisted in its functions by a risk management structure, which ensures consistent assessment of risk management controls and procedures.

The Board Audit Committee is responsible for reviewing the Group's accounting policies, the contents of financial reports, disclosure controls and procedures, management's approach to internal controls, the adequacy and scope of the external and internal audit functions, regulatory & financial reporting compliance, overseeing relationships with the Group's external auditors and providing assurance to the Board that executive management's control assurance process are complete and effective.

The Credit Committee is the highest management level authority on all counterparty risk exposures. It oversees control and management of all policies, processes and procedures relating to the Bank's lending function. The scope of risks covered by this Committee includes Credit Risk, Concentration Risk and Country & Cross Border Risk.

The Management risk Committee is an Executive Management Committee with responsibility for monitoring and managing the level of operational risk exposures within the Bank as well as overseeing the control and management of all policies, processes and procedures relating to the Bank's Operational Risk function.

Asset and Liability Committee (ALCO) is a Management Committee which is a decision-making body for developing policies relating to asset and liability management (ALM).

The Risk Management Department (RMD) is responsible for developing and monitoring the Group's risk management policies and procedures over specified areas on a day-to-day basis. It reports regularly to the Board on its activities through the Executive Management Committee. Policies and procedures have been established to identify and analyze risks faced by the Bank and put appropriate controls in place to monitor adherence to these policies. These are reviewed regularly to reflect changes in market conditions, products and services offered.

Functional units or divisions are accountable for executing specific aspects of the Group's activities. Authority is delegated to the Head of each functional unit by the Managing Director. The Head of each function in turn delegates responsibility to individual staff for carrying out specific tasks in accordance with delegated authorities and within the procedural disciplines of the Group.

Functions are organized in accordance with the "Three Lines of Defence" governance model. The three lines of defence are constituted as follows:

- The first line of defence consists of functional units that are responsible for actual activities of the business and are responsible for managing their own risks.
- The second line of defence consists of functional units that are responsible for monitoring activities of the first line of defence and exercising risk control. The second line functions of the Bank are Governance, Risk, Compliance and Control, Product Control and Performance Monitoring.
- The third line of defence consists of functional units that are responsible for reviewing the activities of line 1 and 2 functions at appropriate frequencies, assessing the robustness of control and mandating corrective action or improvement where necessary. Risk Assurance services are provided to the Bank by the Internal Audit function.

Risk Appetite

Risk appetite is an expression of the amount of risk the Group is willing to take in pursuit of its strategic objectives, reflecting capacity to sustain losses and continue to meet obligations arising from a range of different stress conditions.

This is used to maximize returns without exposing the Group to levels of risk above its appetite. In particular, the risk appetite framework assists in protecting financial performance and improves management's responsiveness. It also improves control and co-ordination of risk-taking across business units and identifies unused risk capacity in pursuit of profitable opportunities.

The board approved the Group's risk appetite statement which forms the basis for establishing risk parameters within which business units must operate, including policies, concentration limits and business mix.

6.1 Credit Risk Management

Credit risk is the potential for financial loss due to the failure of counterparties to meet obligations to pay the Group in accordance with agreed terms. Credit risk is the most important risk for the Group's business.

Management carefully manages its exposure to credit risk. Credit risk is attributed to both on-balance sheet financial instruments such as loans, overdrafts, cash held with other financial institutions, debt securities and other bills, investments, and acceptances and credit equivalent amounts related to off -balance sheet financial items. The Bank's approach to credit risk management preserves the independence and integrity of risk assessment, while being integrated into business management processes. Credit risk is managed through a framework that sets out policies and procedures covering the identification, measurement and management of credit risk. The goal of credit risk management is to evaluate and manage credit risk in order to further enhance a strong credit culture.

Credit Concentration Risk

Credit concentration risk is the risk of loss to the Group arising from excessive concentration of exposure to a single counterparty, industry or sector, product or geographic area. Large exposure limits have been established under the Group's credit policy in order to avoid excessive losses from any single counter-party who is unable to fulfil its payment obligations. Concentration risks are monitored on an ongoing basis and subject to annual or more frequent reviews when considered necessary.

Credit Mitigation

Potential credit losses from any given account, customer or portfolio are mitigated using a range of tools such as collateral, credit insurance and other guarantees. The reliance that can be placed on these mitigants is carefully assessed in the light of issues such as legal certainty and enforceability, market valuation and counterparty risk of the guarantor. Risk mitigation policies determine the eligibility of collateral types.

Collateral

In order to proactively respond to credit deterioration, the Group employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advanced, which is common practice. Collateral is held to mitigate credit risk exposures. Collateral types that are eligible for risk mitigation include: cash; residential, commercial and industrial property; property and equipment such as motor vehicles, plant and machinery, bank guarantees and floating charge over other assets.

The risk mitigation policy prescribes the frequency of valuation for different collateral types, based on the level of price volatility of each type of collateral and the nature of the underlying product or risk exposure. Where appropriate, collateral values are adjusted to reflect current market conditions. Longer-term finance and lending to corporate entities are generally secured; individual credit facilities are generally unsecured. In addition, in order to minimize credit losses, the Group seeks additional collateral from counterparties as soon as impairment indicators are noticed for relevant individual loans and advances.

Credit Related Commitments

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

Guarantees and standby letters of credit carry less risk than direct loans. These arrangements are collateralized by the underlying shipments of goods. The likelihood of loss amounts is far less than the entire commitment as most commitments to extend credit of this nature are contingent upon the customer maintaining specific cash in margin accounts. The Group monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

Impairment

Under IFRS 9, Banks are required to record an allowance for expected losses for all loans, investments and other debt financial assets at amortised costs, loan commitments and financial guarantee contracts. The allowance is based on the expected credit losses associated with the probability of default in the next twelve months unless there has been a significant increase in credit risk since origination, in which case, the allowance is based on the probability of default over the life of the asset.

The measurement of expected credit losses is primarily based on the product of the instrument's probability of default (PD), loss given default (LGD), and exposure at default (EAD), discounted to the reporting date using the effective interest rate;

- Probability of default (PD): This is the probability that an obligor or counterparty will default over a given period, usually one year.
- Loss given default (LGD): LGD is defined as the portion of the loan determined to be irrecoverable at the time of loan default (1 – recovery rate).
- Exposure at default (EAD): This represents the amount that is outstanding at the point of default. Its estimation includes the drawn amount and expected utilization of the undrawn commitment at default.

IFRS 9 Model

The IFRS 9 model has been built based on segmentation using business lines to reflect appropriate level of granularity based on business types.

- The Corporate model was segmented based on industry sectors which depict similar risk profile and characteristics.
- The Retail model was based on homogenous pool of cluster using product lines.
- The Investment model, mainly based on interbank placement, was also segmented into secured and unsecured products. The Treasury Bills and Government Bonds have, for the first time, been considered for Expected Credit Loss due to the GDDE program.
- The Off-Balance sheet items were modelled via Credit Conversion Factor (CCF) principle based on BoG Capital Requirement Directive. The risk factor was applied to the off-balance sheet item to arrive at the credit equivalent amount of the exposure.

Impairment of loans is recognised in three stages under IFRS 9:

Stage 1 – When a loan or investment is originated or purchased, ECLs resulting from default events that are possible within the next 12 months are recognised and a loss allowance is established. On subsequent reporting dates, 12-month ECL also applies to existing loans with no significant increase in credit risk since their initial recognition. Interest revenue is calculated on the loan's gross carrying amount.

Stage 2 – If a loan or investment's credit risk has increased significantly since initial recognition, lifetime ECLs are recognised. The calculation of interest revenue is the same as for Stage 1.

Stage 3 – If the loan or investment's credit risk increases to the point where it is considered credit-impaired, interest revenue is calculated based on the loan's amortised cost that is, the gross carrying amount less the loss allowance. Lifetime ECLs are recognised for stage 3 loans in the same way as done in Stage 2.

The ECL model incorporated forward looking information including reasonable and supportable forecasts of future economic conditions. Future cash flows and risk of default were also considered. The Bank considered three different scenarios for the model to mitigate non-linearity in the portfolio. The base, optimistic and pessimistic scenarios of macroeconomic conditions were used in estimating the probability of default. This was to ensure that the impairment estimates were not biased due to cyclicality of economic conditions.

Early Alerts

Corporate, Retail and Commercial Banking accounts are placed on early alert status when they display signs of weakness. Such accounts and portfolios are subject to a dedicated process of oversight involving Senior Risk Officers. The approach to Early Alerts monitoring includes but not limited to:

- Deterioration of the customer's financial position;
- Delays by customers in settling their obligations;
- Overdraft balances exceeding approved limits; and
- Clear indications of the customer not being able to settle commitments on due dates.

Customer payment plans are re-evaluated and remedial actions agreed and monitored until delinquency situations are resolved. Remedial actions include, but are not limited to, exposure reduction, security enhancement and movement of the account to the Loans Recovery Unit.

Write off policy

The Bank writes off loans and advances balance (and any related allowances for impairment losses) when the Bank's Credit Risk Management determines that the loans and advances are uncollectible. This determination is reached after considering information such as the occurrence of significant changes in the borrower's financial position such that the borrower can no longer discharge the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure. For smaller balance standardised loans, charge off decisions generally are based on a product specific past due status. Related and connected lending is not permitted to be written off unless with the approval of the Bank of Ghana and the Board of Directors.

Impairment (Prudential)

An account is considered delinquent when payment is not received on due date. Accounts that are overdue by more than 90 days are considered default. These accounts are closely monitored and subjected to a collection process. The process used for impairment is based on Bank of Ghana guidelines which recognise cash as a credit mitigant. Individual impairments are made for outstanding amounts depending on the number of days past due with full impairment made after 360 days. In certain situations such as bankruptcy, fraud and death, the loss recognition process is accelerated. Loans and advances less than 90 days past due are generally not considered impaired unless other information is available to indicate otherwise.

The Bank of Ghana Guideline is as set out below:

Grade Description	Number of days	Impairment (%)
Current	Less than 30 days	1
Other Loans Exceptionally Mentioned (OLEM)	30 to less than 90 days	10
Substandard	90 to less than 180	25
Doubtful	180 to less than 360 days	50
Loss	360 days and above	100

Credit quality

The Bank monitors credit risk per class of financial instrument. The table below outlines the classes identified, as well as the financial statement line item and the note that provides an analysis of the items included in the financial statement:

Class of financial instrument	Financial statement line	Note
Loans and advances to banks at amortised cost	Loans and advances to banks	24
Debt investment securities at amortised Cost	Investment securities	25
Other assets	Other assets	30
Loan commitments and financial guarantee contracts	Contingent Liabilities & Commitments	36
Loss	360 days and above	100

An analysis of the Bank's credit risk concentrations per class of financial asset is provided in the following tables. 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.

6.1.1 Financial risk management

Loans and advances to customers at amortised cost

Figures in thousands of Ghana Cedis	Dec-23	Dec-22
Retail:		
Personal loan	**2,876,549**	2,231,163
Corporate employee scheme loan	**308,174**	332,935
SME	**8,768**	9,633
Staff loan	**214,415**	210,554
Corporate:		
Agriculture, forestry & fishing	**55,509**	47,855
Commerce & finance	**1,459,704**	1,129,804
Construction	**274,284**	176,761
Electricity, gas & water	**107,274**	88,357
Manufacturing	**436,600**	366,138
Mining & quarrying	**44,163**	41,696
Services	**2,093,468**	1,872,622
Transport, storage & communication	**53,582**	58,828
Total	**7,932,490**	6,566,346
Concentration by region		
Europe	**-**	-
America	**-**	-
Middle East and Africa	**7,932,490**	6,566,346
Asia	**-**	-
Total	**7,932,490**	6,566,346
Investment		
Concentration by Type		
Sovereign	**13,792,507**	10,425,035
Banking	**385,568**	189,031
Total	**14,178,075**	10,614,066
Concentration by region		
Europe	**-**	-
Middle East and Africa	**14,129,677**	10,614,066
Total	**14,129,677**	10,614,066

An analysis of the Bank's credit risk exposure per class of financial asset, internal rating and "stage" without taking into account the effects of any collateral or other credit enhancements is provided in the following tables. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts. For loan commitments and financial guarantee contract the amounts in the table represent the amounts committed or guaranteed, respectively.

6.1.2 Financial risk management

Loans and Advances to Customers at Amortised costs On Balance sheet	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	POCI	2023 Total	2022 Total
Figures in thousands of Ghana Cedis						
Grades 1-3: Low to fair risk	5,811,555	-	-	-	5,811,555	4,920,600
Grades 4-6 Monitoring	-	515,854	-	-	515,854	293,828
Grades 7-8: Substandard	-	-	50,265	-	50,265	245,513
Grade 9: Doubtful	-	-	196,828	-	196,828	149,915
Grade 10: Impaired	-	-	1,357,988	-	1,357,988	956,490
Total gross carrying amount	5,811,555	515,854	1,605,081	-	7,932,490	6,566,346
Loss allowance	62,018	116,400	1,061,558	-	1,239,976	1,050,655

Interbank Placement	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	POCI	2023 Total	2022 Total
Grades 1-3: Low to fair risk	385,568	-	-	-	385,568	189,031
Grades 4-6 Monitoring	-	-	-	-	-	-
Grades 7-8: Substandard	-	-	-	-	-	-
Grade 9: Doubtful	-	-	-	-	-	-
Grade 10: Impaired	-	-	-	-	-	-
Total gross carrying amount	385,568	-	-	-	385,568	189,031
Loss allowance	2,926	-	-	-	2,926	2,926

Off Balance sheet	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	POCI	2023 Total	2022 Total
Grades 1-3: Low to fair risk	1,130,193	-	-	-	1,130,193	1,611,077
Grades 4-6 Monitoring	-	88,755	-	-	88,755	8,910
Grades 7-8: Substandard	-	-	23,040	-	23,040	-
Grade 9: Doubtful	-	-	-	-	-	-
Grade 10: Impaired	-	-	-	-	-	-
Total gross carrying amount	1,130,193	88,755	23,040	-	1,241,988	1,619,987
Loss allowance	22,483	9,583	11,407	-	43,473	33,475

Investment	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	POCI	2023 Total	2022 Total
Figures in thousands of Ghana Cedis						
Grades 1-3: Low to fair risk	-	-	-	-	-	-
Grades 4-6 Monitoring	-	4,917,870	-	-	4,917,870	3,696,876
Grades 7-8: Substandard	-	-	547,039	8,327,598	8,874,637	6,728,159
Grade 9: Doubtful	-	-	-	-	-	-
Grade 10: Impaired	-	-	-	-	-	-
Total gross carrying amount	-	4,917,870	547,039	8,327,598	13,792,507	10,425,035
Loss allowance	-	62,354	223,559	1,671,669	1,957,582	1,814,474

6.1.3 Financial instrument – loss allowance

This table summarises the loss allowance as of the year end by class of exposure/asset.

Class of exposure/asset	2023	2022
Loss allowance		
Loans and advances to customers at amortised cost	1,239,976	1,050,656
Debt investment securities at amortised cost	1,957,582	1,814,474
Inter bank Placements	2,926	2,926
Off balance sheet	43,473	33,475
Total	3,243,957	2,901,531

The Bank did not recognise any class of Purchased or Originally Credit Impaired (POCI) loan during the period. More information about the significant changes in the gross carrying amount of financial assets during the period that contributed to changes in the loss allowance is provided in the table below:

6.1.4 Financial instrument – loans and advances

An analysis of the Bank's loans and advances per stage is shown below:

Figures in thousands of Ghana Cedis					
Gross carrying amount as at 01/01/2023	**4,920,600**	**293,828**	**1,351,918**	**-**	**6,566,346**
Changes in the gross carrying amount:					
--Transfer to stage 1	18,242	(15,264)	(2,978)	-	-
--Transfer to stage 2	(206,778)	207,730	(952)	-	-
--Transfer to stage 3	(82,449)	(13,643)	96,092	-	-
--Changes due to modifications that did not result in derecognition	119,461	112,037	16,763	-	248,261
New financial assets originated or purchased	2,635,241	218,745	539,032	-	3,393,018
Financial assets that have been derecognised	(1,441,947)	(243,458)	(382,691)	-	(2,068,096)
Write off	-	-	-	-	-
Other changes	(150,815)	(44,121)	(12,103)	-	(207,039)
Gross carrying amount as at 31/12/2023	**5,811,555**	**515,854**	**1,605,081**	**-**	**7,932,490**
Loss allowance as at 31/12/2023	**62,018**	**116,400**	**1,061,558**	**-**	**1,239,976**

	Stage 1	Stage 2	Stage 3		
Loss allowance – Loans and Advances at Amortised Cost	**12-month ECL**	**Lifetime ECL**	**Lifetime ECL**	**POCI**	**Total**
Loss allowance as at 01/01/2023	74,911	43,730	774,464	-	893,105
Changes in the loss allowance:					
--Transfer to stage 1	8,046	(5,655)	(2,391)	-	-
--Transfer to stage 2	(6,986)	7,752	(766)	-	-
--Transfer to stage 3	(1,848)	(4,148)	5,996	-	-
--Increases due to change in credit risk	2,690	1,925	105,463	-	110,078
Decreases due to change in credit risk	(3,388)	(333)	(17,782)	-	(21,503)
Write-offs	-	-	-	-	-
Changes due to modifications that did not result in derecognition	(35)	(28)	(242)	-	(305)
New financial assets originated or purchased	20,434	101,181	438,511	-	560,126
Financial assets that have been derecognised	(31,813)	(28,087)	(242,065)	-	(301,965)
Changes in models/risk parameters	-	-	-	-	-
Foreign exchange and other movements	7	63	370	-	440
Loss allowance as at 31/12/2023	**62,018**	**116,400**	**1,061,558**	**-**	**1,239,976**

6.1.5 Financial instrument – interbank placement

An analysis of the Bank's placements per stage is shown below:

	Stage 1	Stage 2	Stage 3

Interbank Placements at Amortised Cost	12-month ECL	Lifetime ECL	Lifetime ECL	POCI	Total
Figures in thousands of Ghana Cedis					
Gross carrying amount as at 01/01/2023	189,031	-	-	-	189,031
Changes in the gross carrying amount:					
−−Transfer to stage 1	-	-	-	-	-
−−Transfer to stage 2	-	-	-	-	-
−−Transfer to stage 3	-	-	-	-	-
−−Changes due to modifications that did not result in derecognition	-	-	-	-	-
New financial assets originated or purchased	385,568	-	-	-	385,568
Financial assets that have been derecognised	(189,031)	-	-	-	(189,031)
Write off	-	-	-	-	-
Other changes	-	-	-	-	-
Gross carrying amount as at 31/12/2023	385,568	-	-	-	385,568
Loss allowance as at 31/12/2023	2,926	-	-	-	2,926

	Stage 1	Stage 2	Stage 3		
Loss allowance – Interbank placement at Amortised Cost	12-month ECL	Lifetime ECL	Lifetime ECL	POCI	Total
Loss allowance as at 01/01/2023	2,926	-	-	-	2,926
Changes in the loss allowance:					
−−Transfer to stage 1	-	-	-	-	-
−−Transfer to stage 2	-	-	-	-	-
−−Transfer to stage 3	-	-	-	-	-
−−Increases due to change in credit risk	-	-	-	-	-
Decreases due to change in credit risk	-	-	-	-	-
Write-offs	-	-	-	-	-
Changes due to modifications that did	-	-	-	-	-
not result in derecognition	-	-	-	-	-
New financial assets originated or purchased	-	-	-	-	-
Financial assets that have been derecognised		-	-	-	-
Changes in models/risk parameters	-	-	-	-	-
Foreign exchange and other movements	-	-	-	-	-
Loss allowance as at 31/12/2023	2,926	-	-	-	2,926

6.1.6 Financial instrument – off balance sheet

An analysis of the Bank's off balance sheet per stage is shown below:

	Stage 1	Stage 2	Stage 3

Off Balance Sheet	12-month ECL	Lifetime ECL	Lifetime ECL	POCI	Total
Figures in thousands of Ghana Cedis					
Gross carrying amount as at 01/01/2023	1,611,077	8,910	-	-	1,619,987
Changes in the gross carrying amount:					
--Transfer to stage 1	-	-	-	-	-
--Transfer to stage 2	-	-	-	-	-
--Transfer to stage 3	(58,815)	-	58,815	-	-
--Changes due to modifications that did not result in derecognition	-	-	-	-	-
New financial assets originated or purchased	980,019	88,755	-	-	1,068,774
Financial assets that have been derecognised	(1,393,262)	(8,910)	-	-	(1,402,172)
Write off	-	-	-	-	-
Other changes	(8,826)	-	(35,775)	-	(44,601)
Gross carrying amount as at 31/12/2023	1,130,193	88,755	23,040	-	1,241,988
Loss allowance as at 31/12/2023	22,483	9,583	11,407	-	43,473

Loss allowance – Off Balance Sheet	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	POCI	Total
Loss allowance as at 01/01/2023	32,516	960	-	-	33,476
Changes in the loss allowance:					
--Transfer to stage 2			-	-	-
--Transfer to stage 3	(417)	-	417	-	-
--Increases due to change in credit risk	732	-	4,981	-	5,713
Decreases due to change in credit risk	(697)	-	-	-	(697)
Write-offs	-	-	-	-	-
Changes due to modifications that did	-	-	-	-	-
not result in derecognition	-	-	-	-	-
New financial assets originated or purchased	19,523	9,332	5,760	-	34,615
Financial assets that have been derecognised	(29,430)	(960)	-	-	(30,390)
Changes in models/risk parameters	-	-	-	-	-
Foreign exchange and other movements	256	251	249	-	756
Loss allowance as at 31/12/2023	22,483	9,583	11,407	-	43,473

6.1.7 Financial instrument – debt investment

An analysis of the Bank's debt investment securities per stage is shown below:

Debt investment securities at Amortised Cost	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	POCI	Total
Figures in thousands of Ghana Cedis					
Gross carrying amount as at 01/01/2023		3,696,876	6,728,159	-	10,425,035
Changes in the gross carrying amount:					
‒‒Transfer to stage 1	-	-	-	-	-
‒‒Transfer to stage 2	-	-1,445,082	344,042	1,101,040	-
‒‒Transfer to stage 3	-	-	(6,728,159)	6,728,159	-
‒‒Changes due to modifications that did not result in derecognition	-				-
New financial assets originated or purchased	-	3,990,415	202,997	-	4,193,412
Financial assets that have been derecognised	-	(1,324,340)	-	-	(1,324,340)
Write off	-		-	-	-
Other changes	-	-	-	498,400	498,400
Gross carrying amount as at 31/12/2023	-	4,917,869	547,039	8,327,599	13,792,507
Loss allowance as at 31/12/2023	-	62,354	223,559	1,671,669	1,957,582

Loss allowance – Debt investment securities at amortised cost	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	POCI	Total
Loss allowance as at 01/01/2023	-	123,192	1,691,283	-	1,814,475
Changes in the loss allowance:					
‒‒Transfer to stage 1	-	-	-	-	-
‒‒Transfer to stage 2	-	(71,110)	71,110	-	-
‒‒Transfer to stage 3	-	-	(1,691,283)	1,691,283	-
‒‒Increases due to change in credit risk	-	-	77,698	67,942	145,640
Decreases due to change in credit risk	-	-	-	-	-
Write-offs	-	-	-	(89,765)	(89,765)
Changes due to modifications that did	-	-	-	-	-
not result in derecognition	-	-	-	-	-
New financial assets originated or purchased	-	46,782	41,901	2,209	90,892
Financial assets that have been derecognised	-	(36,510)	-	-	(36,510)
Changes in models/risk parameters	-	-	-	-	-
Foreign exchange and other movements	-	-	32,850	-	32,850
Loss allowance as at 31/12/2023	-	62,354	223,559	1,671,669	1,957,582

Collateral held as security and other credit enhancements

The Bank holds collateral or other credit enhancements to mitigate credit risk associated with financial assets. The Bank did not hold any financial instrument for which no loss allowance is recognised because of collateral at 31 December 2023.

Personal lending

The Bank's personal lending portfolio consists of secured and unsecured loans.

Corporate lending

The Group requests collateral and guarantees for corporate lending. The most relevant indicator of corporate customers' creditworthiness is an analysis of their financial performance, liquidity, leverage, management effectiveness and growth ratios. However, the valuation of collateral held against corporate lending is routinely updated. For credit-impaired loans, the Group obtains appraisals of collateral to inform its credit risk management actions.

The Investment securities held by the Group are sovereign bonds and corporate bonds which are not collateralized, asset backed securities are secured by financial assets.

6.2 Liquidity risk management

Liquidity risk is the risk that the Group will not be able to meet payment obligations associated with financial liabilities when they fall due and replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay depositors and fulfil commitments to lend. It is the policy of the Group to maintain adequate liquidity at all times and to be in a position to meet all obligations, repay depositors, fulfil commitments to lend and meet any other commitments as and when they fall due.

The management of liquidity risk is governed by the Bank's liquidity policy. Responsibility for the management of liquidity risk lies with the Bank's Assets and Liability Management Committee (ALCO), which is chaired by an Executive Director. ALCO is responsible for both statutory and prudential liquidity as well as compliance with regulatory requirements.

The primary objective of liquidity risk management is to provide a planning mechanism for unanticipated changes in demand or needs for liquidity created by customer behaviour or abnormal market conditions.

ALCO emphasizes the maximization and preservation of customer deposits and other funding sources. ALCO also monitors deposit rates, levels, trends and significant changes.

Liquidity is managed on a short to medium-term basis. In the short term, the focus is on ensuring that cash flow demands can be met as and when required. The focus, in the medium term, is on ensuring that the balance sheet remains structurally sound and aligned to the Bank's strategy.

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 surplus funds. Lending is normally funded by liability in the same currency.

The Bank also maintains significant levels of marketable securities to comply with prudential investment of surplus funds. ALCO oversees structural foreign currency and interest rate exposures that arise within the Bank. These responsibilities are coordinated by ALCO during monthly meetings. The Bank places low reliance on interbank funding and foreign markets.

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

Net liquid assets to deposits ratios	2023	2022
At 31 December	**72.28%**	124.00%
Average for the period	**74.37%**	123.00%
Maximum for the period	**82.45%**	147.00%
Minimum for the period	**61.06%**	98.00%

6.2.1 Maturity analysis for financial assets and liabilities

The primary objective of liquidity risk management is to provide a planning mechanism for unanticipated changes in demand or needs for liquidity created by customer behaviour or abnormal market conditions.

The amounts disclosed in the table are the undiscounted and carrying amounts, which include accrued interest for the interest bearing assets and liabilities.

Figures in thousands of Ghana Cedis						
Financial liabilities by type, Non-derivatives						
Deposits from banks	-	344,349	-	-	344,349	344,349
Deposits from customers	5,746,610	6,261,745	9,351,835	76,903	21,437,093	21,437,093
Borrowings	170,800	650,345	234,589	27,713	1,083,447	1,083,447
Other liabilities	-	51,157	461,315	-	512,472	512,472
Financial guarantee contracts	168,107	204,562	784,178	85,140	1,241,987	1,241,987
Unrecognised loan commitments	65,766	73,844	107,298	79,418	326,326	326,326
	6,151,283	7,586,002	10,939,215	269,174	24,945,674	24,945,674
Financial assets by type, Non-derivatives						
Cash and cash equivalents	5,653,778	-	-	-	5,653,778	5,653,778
Advances to banks	382,642	-	-	-	382,642	382,642
Investment securities	787,414	1,572,326	1,574,660	7,938,753	11,873,153	11,873,153
Trading assets	-	319,065	-	-	319,065	319,065
Loans and advances to customers	574,794	232,320	1,295,311	4,590,089	6,692,514	6,692,514
Investment (other equity securities)	-	-	-	47,946	47,946	47,946
Figures in thousands of Ghana Cedis						
Other asset	-	56,845	472,099	-	528,944	528,944

2023 Group	Up to 1 month	1-3 months	3- 12 months	Over 1 year	Total	Carrying Amount
Assets held for managing liquidity risk	**7,398,628**	**2,180,556**	**3,342,070**	**12,576,788**	**25,498,042**	**25,498,042**
Period liquidity gap	**1,247,345**	**(5,405,446)**	**(7,597,145)**	**12,307,614**	**552,368**	**552,368**

2022 Group	Up to 1 month	1-3 months	3-12 months	Over 1 year	Total	Carrying Amount
Financial liabilities by type, Non-derivatives						
Deposits from banks	-	259,147	-	-	259,147	259,147
Deposits from customers	3,555,320	2,538,499	4,187,808	7,234,284	17,515,911	17,515,911
Borrowings	296,358	47,537	470,273	189,000	1,003,168	1,003,168
Other liabilities	-	-	254,236	-	254,236	254,236
Financial guarantee contracts	-	-	-	877,478	877,478	877,478
Unrecognised loan commitments	90,347	184,834	402,470	145,963	823,614	823,614
	3,942,025	3,030,017	5,314,787	8,446,725	20,733,554	20,733,554
Financial assets by type, Non-derivatives						
Cash and cash equivalents	4,476,878	-	-	-	4,476,878	4,476,878
Advances to banks	40,084	-	-	189,031	229,115	229,115
Investment securities	605,662	821,714	1,367,940	5,878,285	8,673,601	8,673,601
Trading assets	38,639	74,518	154,555	8,280	275,992	275,992
Loans and advances to customers	238,811	248,120	374,740	4,620,544	5,482,215	5,482,215
Investment (other equity securities)	-	-	-	43,346	43,346	43,346
Other asset	-	-	703,708	76,472	780,180	780,180
Assets held for managing liquidity risk	5,400,074	1,144,352	2,600,943	10,815,958	19,961,327	19,961,327
Period liquidity gap	1,458,049	(1,885,665)	(2,713,844)	2,369,233	(772,227)	(772,227)

2023 Bank	Up to 1 month	1-3 months	3- 12 months	Over 1 year	Total	Carrying Amount

Figures in thousands of Ghana Cedis						
Financial liabilities by type, Non-derivatives						
Deposits from banks	-	344,349	-	-	344,349	344,349
Deposits from customers	5,487,304	6,261,745	9,730,906	76,903	21,556,858	21,556,858
Borrowings	170,800	650,345	234,589	27,713	1,083,447	1,083,447
Other liabilities	-	44,266	406,576	-	450,842	450,842
Financial guarantee contracts	168,107	204,562	784,178	85,140	1,241,987	1,241,987
Unrecognised loan commitments	65,766	73,844	107,298	79,418	326,326	326,326
	5,891,977	7,579,111	11,263,547	269,174	25,003,809	25,003,809
Financial assets by type, Non-derivatives						
Cash and cash equivalents	5,653,778	-	-	-	5,653,778	5,653,778
Advances to banks	382,642	-	-	-	382,642	382,642
Investment securities	749,949	1,572,326	1,574,660	7,937,990	11,834,925	11,834,925
Trading assets	87,636	183,110	42,491	5,828	319,065	319,065
Loans and advances to customers	574,794	232,320	1,295,311	4,590,089	6,692,514	6,692,514
Investment (other equity securities)	-	-	-	3,942	3,942	3,942
Other assets	-	51,846	515,837	-	567,683	567,683
Assets held for managing liquidity risk	7,448,799	2,039,602	3,428,299	12,537,849	25,454,549	25,454,549
Period liquidity gap	1,556,822	(5,539,509)	(7,835,248)	12,268,675	450,740	450,740

2022 Bank	Up to 1 month	1 - 3 months	3 - 12 months	Over 1 year	Total	Carrying Amount
Financial liabilities by type, Non-derivatives						
Non-derivative liabilities						
Deposits from banks	-	259,147	-	-	259,147	259,147
Deposits from customers	2,797,646	3,928,661	7,250,620	3,555,320	17,532,247	17,532,247
Borrowings	296,358	47,537	470,273	189,000	1,003,168	1,003,168
Other liabilities	-	-	254,236	-	254,236	254,236
Financial guarantee contracts	-	-	877,478	-	877,478	877,478
Unrecognised loan commitments	184,834	402,470	145,963	90,347	823,614	823,614
	3,278,838	4,637,815	8,998,570	3,834,667	20,749,890	20,749,890

	Up to 1 month	1-3 months	3 - 12 months	Over 1 year	Total	Carrying Amount

Figures in thousands of Ghana Cedis						
Financial asset by type, Non-derivative						
Non-derivative assets						
Cash and cash equivalents	4,476,878	-	-	-	4,476,878	4,476,878
Advances to banks	40,084	-	-	189,031	229,115	229,115
Investment securities	605,662	821,714	1,367,940	5,815,245	8,610,561	8,610,561
Trading assets	38,639	74,518	154,555	8,280	275,992	275,992
Loans and advances to customers	238,811	248,120	374,740	4,620,544	5,482,215	5,482,215
Investment (other equity securities)	-	-	-	4,277	4,277	4,277
Other asset	-	-	735,845	79,964	815,809	815,809
Asset held for managing liquidity risk	5,400,074	1,144,352	2,633,080	10,717,341	19,894,847	19,894,847
Period liquidity gap	2,121,236	(3,493,463)	(6,365,490)	6,882,674	(855,043)	(855,043)

The amounts in the table above have been compiled as follows:

- Non derivative financial liabilities and financial assets – undiscounted cash flows, which include estimated interest payment
- Issued financial guarantee contracts and unrecognised loan commitments – earliest possible contractual maturity. For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.

As part of the management of liquidity risk arising from financial liabilities, the Group holds liquid assets comprising cash and cash equivalents and investments in government securities which can be readily sold to meet liquidity requirements.

In the normal course of business, assets are sometimes pledged for specific purposes. The table below sets out the availability of the Group's financial assets to support future funding.

6.2.2 Maturity Analysis of assets and liabilities

Group	Available as collateral	Unencumbered other*	Total
31 Dec 2023			
Cash and cash equivalents	**5,653,778**	**-**	**5,653,778**
Loans and advances to customers	**-**	**6,692,514**	**6,692,514**
Advances to banks	**382,642**	**-**	**382,642**
Investment securities**	**10,739,550**	**-**	**10,739,550**
Trading assets	**319,065**	**-**	**319,065**
Investment (other than investment securities)	**47,946**	**-**	**47,946**
Total assets	**17,142,981**	**6,692,514**	**23,835,495**

Group	Available as collateral	Unencumbered Other*	Total
Figures in thousands of Ghana Cedis			

31 December 2022			
Cash and cash equivalents	4,476,878	-	4,476,878
Loans and advances to customers	-	5,482,215	5,482,215
Advances to banks	229,115	-	229,115
Investment securities	8,673,601	-	8,673,601
Trading assets	275,992	-	275,992
Investment (other than investment securities)	43,346	-	43,346
Total assets	13,698,932	5,482,215	19,181,147

Bank	Available as collateral	Unencumbered Other*	Total
31 Dec 2023			
Cash and cash equivalents	**5,653,778**	**-**	**5,653,778**
Loans and advances to customers	**-**	**6,692,514**	**6,692,514**
Advances to banks	**382,642**	**-**	**382,642**
Investment securities**	**10,701,322**	**-**	**10,701,322**
Trading assets	**319,065**	**-**	**319,065**
Investment (other than investment securities)	**3,942**	**-**	**3,942**
Total assets	**17,060,749**	**6,692,514**	**23,753,263**

Bank	Available as collateral	Unencumbered Other*	Total
31 Dec 2022			
Cash and cash equivalents	4,476,878	-	4,476,878
Loans and advances to customers	-	5,482,215	5,482,215
Advances to banks	229,115	-	229,115
Investment securities	8,610,561	-	8,610,561
Trading assets	275,992	-	275,992
Investment (other than investment securities)	4,277	-	4,277
Total assets	13,596,823	5,482,215	19,079,038

*Represents assets that are not restricted for use as collateral, but the Group would not consider them as readily available to secure funding in the normal course of business.

Financial assets pledged as collateral

**The Group pledged GHS 1.134b (2022: GHS 1.438b) of its investments in Government securities as collateral to Bank of Ghana, Development Bank Ghana, Cedar Provident Fund, Newmont, Ahafo Development Fund, Stanbic Tier 2 Pension. Scheme and others .The Group has not received collateral that it is permitted to sell or re-pledge in the absence of default.

6.3 Market risk

Management of Market Risk

The Group takes on exposure to market risk, which is the risk of potential loss of earnings or economic value due to adverse changes in financial market rates or prices. Market risks arise from open positions in interest rates, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads, foreign exchange rates and equity prices. The Group's exposure to market risk arises principally from customer-driven transactions and pension obligations.

Foreign Exchange Exposure

Foreign exchange or currency risk is the risk of loss that results from changes in foreign exchange rates. The Bank's exposure to foreign currency risk is limited to non-trading book and is strictly controlled by the Treasury and Risk Management units. Non-trading book refers to the assets of the Bank that are not traded or held with the intent of trading. The Group's foreign exchange exposures are principally derived from customer-driven transactions.

6.3.1 Foreign Exchange Exposure

The Group and The Bank At 31 December 2023	EUR '000	USD '000	GBP '000
Assets			
Cash and cash equivalents	**18,549**	**48,861**	**6,603**
Advances to banks	**3,001**	**24,712**	**3,501**
Loans and advances to customers	**-**	**184,936**	**-**
Investment securities	**-**	**33,849**	**1,868**
Total Assets	**21,550**	**292,358**	**11,972**
Liabilities			
Deposits due to customers	**18,639**	**274,653**	**7,502**
Total liabilities	**18,639**	**274,653**	**7,502**
Net on balance sheet position	**2,911**	**17,705**	**4,470**
Off balance sheet credit commitments	**(2,163)**	**(49,050)**	**-**
Total Exposure	**748**	**(31,345)**	**4,470**

Assets			
Cash and cash equivalents	18,270	83,146	8,661
Advances to banks	3,120		
Loans and advances to customers	-	185,196	
Investment securities		31,820	2,742
Total assets	21,390	300,162	11,403
Liabilities			
Deposits from customers	16,674	249,404	6,590
Total liabilities	16,674	249,404	6,590
Net on-balance sheet position	4,716	50,758	4,813
Off-balance sheet credit commitments	(32,465)	(116,731)	(1,218)
Total exposure	(27,749)	(65,973)	3,595

6.3.2 Foreign exchange rates

The following mid inter bank exchange rates were applied during the year:

	Average Rate		Reporting Rate	
GHS to	**2023**	2022	**2023**	2022
USD 1	**11.1579**	8.4468	**11.8800**	8.5760
EUR 1	**12.0834**	8.8216	**15.1334**	9.1457
GBP 1	**13.9221**	10.2958	**13.1264**	10.3118

6.3.3 Foreign exchange sensitivity

The following table shows the effect of a strengthening or weakening of GHS against the currencies listed below on profit or loss and equity. This sensitivity analysis indicates the potential impact on profit or loss and equity based on foreign currency exposures recorded at 31 December (See "currency risk" above). It does not represent actual or future gains or losses.

A strengthening/weakening of the GHS by the rates shown in the table against the following currencies at 31 December would have impacted 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 as 2022.

As at 31 Dec			**2023**			2022
In GHS		**Profit or loss impact:**	**Equity impact:**		Profit or loss impact:	Equity impact
	% Change	**Strengthening**	**Strengthening**	% Change	Strengthening	Strengthening
USD	**±1**	**24,526**	**24,526**	±1	13,887	13,887
EUR	**±1**	**12,766**	**12,766**	±1	3,223	3,223
GBP	**±1**	**40,518**	**40,518**	±1	612	612

A 1% weakening of the GHS against the above currencies at 31 December would have had an equal but opposite effect

6.3.4 Interest rate risk

Interest rate exposure

Interest rate risk is the risk that future cash flows or fair values of a financial instrument will fluctuate because of changes in market rates. The Group is exposed to the effects of fluctuations in the prevailing levels of market rates on both fair value and cash flow risks. Interest margins may increase as a result of such changes which may cause losses to be incurred in the event of unexpected movements.

The Asset and Liability Management ("ALM") process, managed through ALCO, is used to manage interest rate risks associated with the non-trading book. Gap analysis is used in measuring interest rate risk. It compares the values of interest rate sensitive assets and liabilities that mature or are re-priced at various time periods in the future. Subjective judgment/assumptions are made about the behaviour of assets and liabilities which do not have specific contractual maturity or re-pricing dates.

Interest rate risk evaluates potential volatility to net interest income caused by changes in market interest rates and represents the most significant market risk exposure to the Group's non-trading book. The management of interest rate risk against interest rate gap limits is supplemented by monitoring sensitivity of the Group's financial assets and liabilities to various standard and non-standard interest rate scenarios.

The Group	Up to 1	1-3	3-12	Over

At 31 December 2023	month	months	months	1 year	Total
Figures in thousands of Ghana Cedis					
Assets					
Investment securities	787,414	1,572,326	1,574,660	7,938,753	11,873,153
Non-Pledged trading assets	-	319,065	-	-	319,065
Advances to banks	382,642	-	-	-	382,642
Loans and advances to customers	574,794	232,320	1,295,311	4,590,089	6,692,514
Total financial assets	1,744,850	2,123,711	2,869,971	12,528,842	19,267,374
Liabilities					
Interest bearing deposits	3,873,580	4,263,887	3,073,168	76,903	11,287,538
Borrowings	170,800	650,345	234,589	27,713	1,083,447
Total financial liabilities	4,044,380	4,914,232	3,307,757	104,616	12,370,985
Total interest rate gap	(2,299,530)	(2,790,521)	(437,786)	12,424,226	6,896,389

2022 Group	Up to 1 month	1-3 months	3 - 12 months	Over 1 year	Total
Assets					
Investment securities	2,452,013	2,166,736	2,155,201	1,899,651	8,673,601
Trading assets	38,639	74,518	154,555	8,280	275,992
Advances to banks	40,084	-	-	189,031	229,115
Loans and advances to customers	238,811	248,120	374,740	4,620,544	5,482,215
Total financial assets	2,769,547	2,489,374	2,684,496	6,717,506	14,660,923
Liabilities					
Interest bearing deposits	1,801,108	2,283,159	573,628	4,828,789	9,486,684
Borrowings	296,358	47,537	470,273	189,000	1,003,168
Total financial liabilities	2,097,466	2,330,696	1,043,901	5,017,789	10,489,852
Total interest gap	672,081	158,678	1,640,595	1,699,717	4,171,071

6.3.4 Interest rate exposure

Bank At 31 December 2023	Up to 1 month	1-3 months	3-12 months	Over 1 year	Total
Figures in thousands of Ghana Cedis					
Assets					

Investment securities	**749,949**	**1,572,326**	**1,574,660**	**7,937,990**	**11,834,925**
Non-Pledged Trading Assets	**-**	**319,065**	**-**	**-**	**319,065**
Advances to banks	**382,642**	**-**	**-**	**-**	**382,642**
Loans and advances to customers	**574,794**	**232,320**	**1,295,311**	**4,590,089**	**6,692,514**
Total financial assets	**1,707,385**	**2,123,711**	**2,869,971**	**12,528,079**	**19,229,146**
Liabilities					
Interest bearing deposits	**3,873,580**	**4,263,887**	**3,073,168**	**76,903**	**11,287,538**
Borrowings	**170,800**	**650,345**	**234,589**	**27,713**	**1,083,447**
Total financial liabilities	**4,044,380**	**4,914,232**	**3,307,757**	**104,616**	**12,370,985**
Total interest rate gap	**(2,336,995)**	**(2,790,521)**	**(437,786)**	**12,423,463**	**6,858,161**

2022 Bank	Up to 1 month	1-3 months	3 - 12 months	Over 1 year	Total
Assets					
Investment securities	2,452,013	2,166,736	2,174,558	1,817,254	8,610,561
Trading assets	38,639	74,518	154,555	8,280	275,992
Advances to banks	40,084	-	-	189,031	229,115
Loans and advances to customers	238,811	248,120	374,740	4,620,544	5,482,215
Total financial assets	2,769,547	2,489,374	2,703,853	6,635,109	14,597,883
Liabilities					
Interest bearing deposits	1,801,108	2,283,159	573,628	4,828,789	9,486,684
Borrowings	296,358	47,537	470,273	189,000	1,003,168
Total financial liabilities	2,097,466	2,330,696	1,043,901	5,017,789	10,489,852
Total interest rate gap	672,081	158,678	1,659,952	1,617,320	4,108,031

6.3.5 Interest Rate Risk

Analysis of the Group's sensitivity to market interest

Standard scenarios that are considered on a monthly basis include a 200 basis point (bp) parallel fall or rise in market interest rates. A change of a 200 basis points in interest rates at the reporting date would have impacted equity and profit or loss by the amounts shown below:

Group	2023		2022	
Figures in thousands of Ghana Cedis	Increase	Decrease	Increase	Decrease
Interest income impact	63,082	(63,082)	143,576	(143,576)
Interest expense impact	(46,089)	46,089	(104,899)	104,899
Net impact	16,993	(16,993)	38,677	(38,677)

Bank	2023		2022	
	Increase	Decrease	Increase	Decrease
Interest income impact	63,202	(63,202)	142,973	(142,973)
Interest expense impact	(46,176)	46,176	(104,899)	104,899
Net impact	17,026	(17,026)	38,074	(38,074)

Market risk monitoring and control

The Risk Management Department (RMD) is responsible for monitoring the Bank's exposure to market risk. The analysis of impact of unlikely but plausible events by means of scenario analysis enables management to gain a better understanding of risks that the Bank is potentially exposed to under adverse conditions.

6.4 Operational risk

Operational risk is the risk of direct or indirect loss resulting from inadequate or failed internal processes, systems or human factors, or from external events. Operational risk is inherent in the Group's business activities and as with other risk types, is managed through an overall framework designed to balance strong corporate oversight with well-defined independent risk management. The Group endeavours to minimize operational losses by ensuring that effective infrastructure, controls, systems and individuals are in place throughout the organization.

Operational risk framework

To monitor, mitigate and control operational risk, the Group maintains a system of policies and has established a framework for assessing and communicating operational risks and the overall effectiveness of the internal control environment across business lines. Each major business segment is expected to implement an operational risk process consistent with the requirements of this framework. The process for operational risk management includes the following steps:

- identify and assess key operational risks;
- establish key risk indicators;
- produce comprehensive operational risk reports; and
- prioritize and ensure adequate resources to actively improve the operational risk environment and mitigate emerging risks.

The operational risk standards facilitate the effective communication and mitigation actions both within and across businesses. The Group is committed to continuously enhancing its operational risk framework to encourage a culture of effective accountability and responsibility.

6.5 Compliance and regulatory risk

Compliance and Regulatory risk include the risk of non-compliance with regulatory requirements. The Group's Compliance Department is responsible for establishing and maintaining an appropriate framework for the Group's compliance with policies and procedures. Compliance with such policies and procedures is the responsibility of all managers. However, the Compliance Unit monitors and reports on compliance to Executive Management and the

Board. The Group generally complied with regulatory requirements.

6.6 Capital management

GCB Bank is subject to regulatory capital rules as set out in Bank of Ghana's Capital Requirement Directive (CRD) which addresses capital adequacy and provide minimum capital requirement. Below are the Group's objectives for managing capital:

- Maintaining a capital base that is enough to support its business strategies.
- Complying with the minimum capital adequacy requirement set by bank of Ghana in its CRD.
- Ensuring the Group's ability to remain profitable and continue as a going concern.

Capital Structure

Under the CRD, total regulatory capital consists of two tiers of capital, Tier 1 and Tier 2. Tier 1 capital is further composed of CET1 capital and additional tier 1 capital. CET1 capital primarily includes common equity, retained earnings and statutory reserve. Goodwill, intangible assets and deferred tax assets are excluded from CET1 capital. Additional tier 1 capital includes qualifying non-cumulative irredeemable preference shares. Tier 2 capital consists of qualifying subordinated debt and a limited portion of unaudited profit.

Risk-Weighted Assets

Risk-weighted assets are calculated using the standardised approach which includes measures of credit risk, market risk and operational risk. Credit risk-weighted assets are based on pre-defined risk weighted for credit exposures. Market risk capital charges are determined by applying prescribed risk weightings to positions held as of the reporting date. Operational risk charges are based on beta factors on income from business lines.

Capital Adequacy

The Bank manages its capital position to ensure its capital is more than adequate to support its business activities and aligns with risk appetite and strategic planning. Additionally, the bank seeks to maintain safety and soundness at all times, even under adverse scenarios, take advantage of organic growth opportunities, meet obligations to counterparties and satisfy current and future regulatory capital requirements.

Capital management is integrated into our risk and governance processes, as capital is a key consideration in the development of our strategic plan, risk appetite and risk limits.

The bank conducts an Internal Capital Adequacy Assessment Process (ICAAP) periodically which is a forward-looking assessment of projected capital needs and resources, incorporating earnings, balance sheet and risk forecasts under baseline and adverse economic and market conditions. Periodic stress tests are utilized to assess the potential impacts to the bank's balance sheet, earnings, regulatory capital and liquidity under a variety of stress scenarios.

The capital management function is governed primarily by management-level committees that oversee the risks associated with capital management, namely the Bank's Asset and Liability Committee (ALCO) and executive committee.

Ghana's Domestic Debt Exchange Programme (GDDEP)

The phase 1 of the GDDEP involved voluntary exchange of notes and bonds including E.S.L.A and Daakye bonds for new bonds. This phase consist of twelve different bonds maturing between 2027 to 2038. This had a significant negative impact on the bank's capital due to credit losses on government bonds for 2022.The phase 2 covered exchange of Cocoa bills for Cocoa bonds, local dollar bonds for new Government of Ghana bonds. The cocoa bonds consist of five different bonds maturing between 2024 and 2028. The local dollar bonds consist of two bonds maturing in 2027 and 2028.

The regulatory relieves introduced by BOG to run for four years from 2022 are still in force. This was intended to help mitigate the impact of the debt exchange program on banks' capital and ensure stability in the banking industry. The reliefs are as follows:

	Without reliefs	Reliefs
Minimum capital adequacy ratio (CAR)	13%	10%
Capital Conservation Buffer	3%	-
Derecognition losses spread	-	4 years
Tier 2 capital	2%	3%
Common Equity tier 1 capital	6.50%	5.50%
Property revaluation gain for tier 2 capital	50%	60%
Risk weights to new bonds	-	-

6.6.1 Capital adequacy ratio

	2023		2022	
Figures in thousands of Ghana Cedis	Bank	Group	Bank	Group
Tier 1 Capital				
Stated capital ordinary	**500,000**	**500,000**	500,000	500,000
Statutory reserve	**763,818**	**763,818**	639,555	639,555
Retained earnings	**1,615,880**	**1,707,396**	2,014,679	2,090,577
Other Qualifying Reserves	**1,693,492**	**1,693,492**	-	-
Intangible/other assets	**(73,418)**	**(76,043)**	(115,028)	(123,752)
Deferred tax assets	**(864,942)**	**(863,826)**	(757,825)	(758,124)
Investments in capital of other Banks and financial / other institutions	**(35,216)**	**(254,155)**	(35,551)	(136,124)
Asset Impairment (Provisions and expected Losses not provided for)	**(948,819)**	**(948,819)**	-	-
Total qualifying tier 1 capital	**2,650,795**	**2,521,863**	2,245,830	2,212,132
Tier 2 Capital				
Fair value reserves	**16**	**33,978**	267	21,030
Other reserves	**(79,094)**	**74,904**	(39,375)	16,350
Total qualifying tier 2 capital	**(79,078)**	**108,882**	(39,108)	37,380
Total regulatory capital	**2,571,717**	**2,630,745**	2,206,722	2,249,512
Risk profile				
Total credit risk equivalent weighted asset (RWA)	**7,679,703**	**7,642,043**	7,834,534	7,800,033
Total operational risk equivalent weighted asset (RWA)	**5,571,494**	**5,571,494**	4,467,851	4,467,851
Total market risk equivalent weighted asset (RWA)	**139,794**	**139,794**	55,386	55,386
Total RWA	**13,390,991**	**13,353,331**	12,357,771	12,323,270

	2023		2022	
Figures in thousands of Ghana Cedis	Bank	Group	Bank	Group
Regulatory Quantitative Disclosures				
Capital Adequacy Ratio	**19.20%**	**19.70%**	17.86%	18.25%
Non-Performing Loans Ratio	**20.20%**	**20.20%**	20.59%	20.59%

Liquid Ratio	**55.08%**	**55.43%**	69.66%	70.28%
Compliance with Statutory Liquidity				
(i) Default in Statutory Liquidity	**-**	**-**	-	-
(ii) Default in Statutory Sanction	**Nil**	**Nil**	Nil	Nil

The Capital Adequacy Ratio (CAR) has been computed in accordance with the Capital Requirement Directive (CRD) by Bank of Ghana. The CRD was developed and issued by Bank of Ghana for the adoption of all banks in Ghana. It is based on the Basel II and III frameworks.

Non- performing loans

	2023	2022
Non-Performing Loans (Sub-standard to Loss)	**1,871,953**	1,351,917
NPL Ratio (Non-performing loans/ total gross loans)	**20.20%**	20.59%

6.7 Renegotiated loans which have been reclassified

Loans renegotiated and reclassified during the year amounted to GHS 248,261,900, (2022: GHS 418,067,060)

6.8 Amount of repossessed properties/collateral

No collateral was repossessed during the year, (2022: Nil)

6.9 Statutory breaches and non-compliance with other prudential requirements;

The Bank did not record a liquidity breach during the period under review.

7. Fair values of financial instruments

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Group determines fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective and require varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

(a) Valuation models

The Group measures fair values using the methods which reflects the significance of inputs used in making the measurements.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The Group uses widely recognised valuation models for determining the fair value of common and more simple financial instruments that use only observable market data and require little management judgment and estimation.

Availability of observable market prices and model inputs reduce the need for management judgment and estimation and also reduce the uncertainty associated with determining fair values. Availability of observable market prices and inputs varies depending on the products and markets and are prone to changes based on specific events and general conditions in the financial markets.

Fair Valuation of Government of Ghana Bonds

Valuation techniques

The price of bonds is typically measured using techniques that fall under the market approach and/ or the income approach.

Investments in eligible bonds have been fair valued at the end of the year due to the Ghana Domestic Debt Exchange Programme. In addition to the eligible bonds which were fair valued in 2022, the bank also exchanged its local dollar bonds and cocoa bills with new bonds. The cocoa bill was fair valued using a discount rate of 15.7% whilst a discount rate of 12% was used for the local dollar bond. The fair value loss recorded was treated as impairment expense in the statement of comprehensive income. See note 14 (i)

The modification was done by discounting the contractual cash flows of the new financial assets to their present values. The present values of the cash flows from the new instruments was compared with the carrying amounts of the old financial assets in the statement of financial position and the difference treaded as a gain or loss in the statement of comprehensive income.

The valuation approaches that may be considered include:

1. Market Approach

This valuation approach uses the prices and other relevant information generated by market transaction involving identical or comparable instruments. Under this approach, the price of the new bonds is based on either:

- the price of a bond from quoted prices on the bond market or stock exchange by a comparable issuer, or
- the price of a similar bond issued by a comparable issuer on an unquoted market.

This approach may not be appropriate to be used by the banks in valuing the new bonds because there is no principal or advantageous market for these bonds since they come to replace all Government bonds currently on the market.

2. Income Approach

This valuation technique converts future cash flows or income streams to a discounted amount. The value is determined on the basis of the value indicated by current market expectations about those future amounts, discounted to their present value. The common technique under the income approach that is used to measure the value of unquoted bonds is the discounted cash flow method (present value technique).

Under this method, the value of the bond is measured by discounting the estimated future cash flows of the bond using a rate of return that comprises the time value of money and the risks of the investment such as, credit risk, liquidity risk and other risks. This is based on assumptions that are inherently uncertain because they reflect estimates of the future rather than known amounts. Even contractual cash flows that may appear certain at first glance contain risk because of uncertainty about the ability of the counterparty to meet its contractual obligations.

For example, contractual cash flows on a bond are subject to a risk of default. A risk premium is therefore included in the fair value measurement to reflect the amount that risk-averse market participants would demand to be compensated for the uncertainty of the cash flows.

An active market is yet to develop for the new bonds thus the discounted cash flow method under the income approach would be a more suitable valuation approach for determining the fair value of the new bonds.

The two approaches to applying a discounted cash flow method:

- The discount rate adjustment technique

This technique requires discounting the contractual or promised cash flows using a risk-adjusted rate. These cash flows are conditional upon the occurrence of specified events (e.g. contractual or promised cash flows for a bond are conditional on the event of no default by the debtor). The discount rate used in the discount rate adjustment technique is derived from observed rates of return for comparable assets or liabilities that are traded in the market.

Accordingly, the contractual, promised or most likely cash flows are discounted at an observed or estimated market rate for such conditional cash flows (i.e. a market rate of return)

- The expected present value technique

This technique requires discounting either:

- Method 1- the risk-adjusted expected cashflows using a risk-free rate, or
- Method 2 - the non-risk adjusted expected cash flows using a risk-adjusted rate (this rate is different from the rate used in the discount rate adjustment technique).

This technique uses as a starting point a set of cash flows that represents the probability-weighted average of all possible future cash flows (i.e., the expected cash flows). The resulting estimate is identical to expected value, which, in statistical terms, is the weighted average of a discrete random variable's possible values with the respective probabilities as the weights. Because all possible cash flows are probability-weighted, the resulting expected cash flow is not conditional upon the occurrence of any specified event (unlike the cash flows used in the discount rate adjustment technique). In theory, the present value (i.e. the fair value) of the asset's cash flows is the same whether determined using Method 1 or Method 2. When using an expected present value technique to measure fair value, either Method 1 or Method 2 could be used. The selection of Method 1 or Method 2 will depend on facts and circumstances specific to the asset or liability being measured, the extent to which sufficient data are available and the judgements applied.

The technique observed to be commonly used by banks in Ghana for valuing government bonds is the discount rate adjustment technique whereby the contractual cashflows are discounted using yields available from the bond market.

The bank discounted the contractual cash flows of the new bond using a yield to maturity calculated from the market yields of the old bonds at date of measurement.

The yield to maturity of the old bonds is considered the appropriate discount rate since it currently reflects the risks and uncertainty associated with the Government of Ghana and it maximises the use of relevant observable inputs and minimise the use of unobservable inputs. In determining the yield to maturity, banks should consider the suitability of old bonds based on their proximity of the maturity date to the respective new bond to be priced.

b) Valuation framework

The objective of a fair value measurement is to estimate the price at which an orderly transaction to sell the asset or transfer the liability would take place between market participants at the measurement date under current market conditions. A fair value measurement requires an entity to determine all the following:

- The particular asset or liability that is the subject of measurement (consistently with the unit of account);
- The principal (or most advantageous) market for the asset or liability.
- The valuation technique(s) appropriate for the measurement, considering the availability of data with which to develop inputs that represent the assumptions that market participants would use when pricing the asset or liability and the level of the fair value hierarchy within which the inputs are categorized.

		2023 Level 1		2022 Level 1
Figures in thousands of Ghana Cedis	Bank	Group	Bank	Group
Investment in equity securities	3,942	47,946	3,873	42,345
Non-pledged trading asset	319,065	319,065	275,992	275,992
	323,007	367,011	279,865	318,337

	2023 Level 3 Bank	2023 Level 3 Group	2022 Level 3 Bank	2022 Level 3 Group
Investment in unlisted equity securities	210	43,617	404	1,001
	210	43,617	404	1,001

Bank	Level 2	Level 3	2023 Total	2022 Total
Investment securities	11,834,925	-	-	10,425,035
	11,834,925	-	-	10,425,035

Group	Level 2	Level 3	Total	Total
Investment securities	11,873,153	-	-	10,504,809
	11,873,153	-	-	10,504,809

Valuation Technique

The Income approach was used for the valuation of the unlisted equities. The Dividend Growth and the Book Value methods specifically were adopted for the purposes of the valuation.

The discounted cash flow technique was used in the valuation of the debt instruments.

Main inputs and assumptions

Level 2 and level 3 inputs were deployed in the valuation.

The following information were used:

- Dividend Income of the entities being valued.
- Beta of all shares listed on the GSE from the Bloomberg Terminal. The average beta for entities similar to the ones being valued was used to value the respective investee company.
- Market rate of return, using the GSE Composite Index as a proxy.

Sensitivity Analysis

Bank	Changes-if-discount-rates	
	+1%	-1%
Profit impact	(51,511)	55,926
	(51,511)	55,926

Group		Changes-if-discount-rates
	+1%	-1%
Loss impact	(51,511)	55,926
	(51,511)	55,926

7i. Financial instruments not measured at fair value

The carrying amount of the financial instruments not measured at fair value approximate their fair values.

7ii. Classification of financial assets and financial liabilities

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

Bank	Fair value through profit or loss	Amortised cost	Fair value through OCI	Financial liabilities	Total carrying amount
Figures in thousands of Ghana Cedis					
31 December, 2023					
Cash and cash equivalents	-	5,653,778	-	-	5,653,778
Investment securities	-	11,834,925	-	-	11,834,925
Trading Assets	319,065	-	-	-	319,065
Advances to banks	-	382,642	-	-	382,642
Loans and advances to customers	-	6,692,514	-	-	6,692,514
Investments (other than investment securities)	-	-	3,942	-	3,942
Other assets	-	567,683		-	567,683
Total assets	319,065	25,131,542	3,942	-	25,454,549
Deposits from banks & other financial institutions	-	-	-	344,349	344,349
Deposits from customers	-	-	-	21,556,858	21,556,858
Other liabilities	-	-	-	450,842	450,842
Borrowings	-	-	-	1,083,447	1,083,447
Total liabilities	-	-	-	23,435,496	23,435,496

Bank	Fair value through profit or loss	Amortised cost	Fair value through OCI	Financial liabilities	Total carrying amount
Figures in thousands of Ghana Cedis					
31 December, 2022					
Cash and cash equivalents	-	4,476,878	-	-	4,476,878

Investment securities	-	8,610,561	-	-	8,610,561
Trading assets	275,992		-	-	275,992
Advances to banks	-	229,115	-	-	229,115
Loans and advances to customers	-	5,482,215	-	-	5,482,215
Investment (other than investment securities)	-	-	4,277	-	4,277
Other assets	-	815,810	-	-	815,810
Total assets	275,992	19,614,579	4,277	-	19,894,848
Deposits from banks & other financial institutions	-	-	-	259,147	259,147
Deposits from customers	-	-	-	17,532,247	17,532,247
Other liabilities	-	-	-	254,236	254,236
Borrowings	-	-	-	1,003,168	1,003,168
Total liabilities	-	-	-	19,048,798	19,048,798

Group	Fair value through profit or loss	Amortised cost	Fair value through OCI	Financial liabilities	Total carrying amount
31 December, 2023					
Cash and cash equivalents	**-**	**5,653,778**	**-**	**-**	**5,653,778**
Investment securities	**-**	**11,873,153**	**-**	**-**	**11,873,153**
Trading Assets	**319,065**	**-**	**-**	**-**	**319,065**
Advances to banks	**-**	**382,642**	**-**	**-**	**382,642**
Loans and advances to customers	**-**	**6,692,514**	**-**	**-**	**6,692,514**
Investments (other than investment securities)	**-**	**-**	**47,946**	**-**	**47,946**
Other assets	**-**	**528,944**	**-**	**-**	**528,944**
Total assets	**319,065**	**25,131,031**	**47,946**	**-**	**25,498,042**
Deposits from banks & other financial institutions	**-**	**-**	**-**	**379,349**	**379,349**
Deposits from customers	**-**	**-**	**-**	**21,402,093**	**21,402,093**
Other liabilities	**-**	**-**	**-**	**512,572**	**512,572**
Borrowings	**-**	**-**	**-**	**1,083,447**	**1,083,447**
Total liabilities	**-**	**-**	**-**	**23,377,461**	**23,377,461**

Group	Fair value through profit or loss	Amortised cost	Fair value through OCI	Financial liabilities	Total carrying amount
Figures in thousands of Ghana Cedis					
31 December, 2022					
Cash and cash equivalents	-	4,476,878	-	-	4,476,878

Investment securities	-	8,673,601	-	-	8,673,601
Trading assets	275,992		-	-	275,992
Advances to banks	-	229,115	-	-	229,115
Loans and advances to customers	-	5,482,215	-	-	5,482,215
Investment (other than investment securities)	-	-	43,346	-	43,346
Other assets	-	780,180	-	-	780,180
Total assets	275,992	19,641,989	43,346	-	19,961,327
Deposits from banks & other financial institutions	-	-	-	259,147	259,147
Deposits from customers	-	-	-	17,515,911	17,515,911
Other liabilities	-	-	-	254,236	254,236
Borrowings	-	-	-	1,003,168	1,003,168
Total liabilities	-	-	-	19,032,462	19,032,462

8. Operating segments

a. Segment information

For performance management purposes, the Bank is organized into 4 core segments based on their products and services. These are:

- Retail Banking
- Corporate Banking
- Treasury
- Commercial Banking

The Retail Banking arm of the business concentrates mainly on individual customers and therefore provides the required platform to enhance service delivery to that segment. The coverage of this function also extends to sole proprietorships and very small and medium scale enterprises.

Corporate Banking is responsible for the top tier Business Banking customers. The function is sub categorized into Multinational Corporate, Large Local Corporate, Development Organizations and Public Sector. Depending on customer profiling, clients of this function are mostly relationship managed with a few of them managed on portfolio basis.

The Treasury function provides the expertise and platform for the centralized management of the Group's market risk exposures. The function manages the funding requirements and ensures that the Bank is well capitalized to boost investor confidence and sustain future development of the business.

The Commercial Banking arm of the business provides banking services by way of financing and raising deposit as well as providing trade services to small-scale clients.

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

Management monitors the operating results of business segments separately for the purpose of making decisions about capital allocation and for assessing performance. Segment performance is evaluated based on operating profit or loss together with the underlying balance sheet position for the reporting period. To be able to assess each of the four businesses in a fairer and consistent manner, common corporate operating expenses are allocated to segments based on an established cost sharing policy that permits a reasonable and consistent allocation of central management expenses.

31 Dec 2023	Retail	Corporate	Treasury	Commercial	Total
Figures in thousands of Ghana Cedis					
External Revenue					
Net interest income	561,441	22,878	2,296,071	(9,221)	2,871,169
Inter-segment revenue	1,236,419	433,101	(1,930,482)	260,962	-
Net fees and commission income	191,688	177,366	11,916	48,996	429,966
Net trading income	-	113,287	215,852	95,926	425,065
Other income/other revenue	2,576	3,036	3,814	2,106	11,532
Total segment revenue	1,992,124	749,668	597,171	398,769	3,737,732
Operating expenses	(963,347)	(353,494)	(201,651)	(262,008)	(1,780,500)
Other material non-cash items:					
Impairment loss on loans/advances and securities	(107,131)	(71,850)	(232,872)	(20,338)	(432,191)
Reportable segmental profit before tax	921,646	324,324	162,648	116,423	1,525,041
Reportable segment assets	3,373,462	3,193,399	12,476,977	125,653	19,169,491
Reportable segment liabilities	12,131,382	7,323,090	1,146,998	2,411,735	23,013,205

31 Dec 2022	Retail	Corporate	Treasury	Commercial	Total
External revenue					
Net interest income	347,595	71,093	1,651,722	21,389	2,091,799
Inter-segment revenue	668,968	304,610	(1,091,097)	117,519	-
Net fees and commissions	220,008	114,728	-	37,858	372,594
Net trading income	-	155,507	227,725	103,994	487,226
Other income / other revenue	8,690	3,526	3,512	4,064	19,792
Total segment revenue	1,245,261	649,464	791,862	284,824	2,971,411
Operating expenses	(839,690)	(315,196)	(182,322)	(251,930)	(1,589,138)
Other material non-cash items:					
Impairment loss on loans and advances	(37,545)	(225,406)	(1,814,474)	(11,100)	(2,088,525)
Reportable segmental profit before tax	368,026	108,862	(1,204,934)	21,794	(706,252)
Reportable segment assets	2,731,274	2,246,061	8,350,983	178,175	13,506,493
Reportable segment liabilities	9,674,848	6,538,135	596,101	1,578,412	18,387,496

c. Reconciliations of information on reportable segment

Assets

Figures in thousands of Ghana Cedis	2023	2022
Total assets for reportable entities	19,169,491	13,506,493

	2023	2022
Unallocated amounts	7,765,154	7,850,628
Total assets	26,934,645	21,357,121

ii. Liabilities

	2023	2022
Total liabilities for reportable entities	23,013,205	18,387,496
Unallocated amounts	1,120,821	1,123,139
Total liabilities	24,134,026	19,510,635

d. Geographic information

	In Ghana		Outside Ghana		Total	
	2023	2022	2023	2022	2023	2022
Revenues	3,737,732	2,971,411	-	-	3,737,732	2,971,411

	In Ghana		Outside Ghana		Total	
	2023	2022	2023	2022	2023	2022
Non-current assets						
Property, equipment and right -of- use asset	401,137	428,550	-	-	401,137	428,550
Intangible assets	73,418	115,028	-	-	73,418	115,028
Total	474,555	543,578	-	-	474,555	543,578

9. Net Interest income

	2023		2022	
	Bank	Group	Bank	Group
Cash and short term funds	77,847	90,547	54,153	54,144
Investment securities	2,298,076	2,309,845	1,724,424	1,738,749
Loans and advances to customers	1,355,855	1,355,855	1,035,228	1,036,552
Interest income	3,731,778	3,756,247	2,813,805	2,829,445
Current and savings accounts	256,587	256,640	255,270	255,270
Time and other deposits	418,434	418,434	323,630	323,630
Borrowings	185,588	185,441	143,106	143,043
Interest expense	860,609	860,515	722,006	721,943
Net Interest income	2,871,169	2,895,732	2,091,799	2,107,502

10. Fee and commission income

	2023		2022	
Figures in thousands of Ghana Cedis	Bank	Group	Bank	Group
Commission on letters of credit and guarantees	14,086	14,086	18,140	18,140

Commission on foreign services	**51,360**	**51,360**	47,837	47,837
Commission on turnover	**71,393**	**71,379**	63,249	63,230
Processing and facility fees	**74,252**	**74,252**	72,884	72,884
Other fees and commissions	**335,737**	**347,214**	237,114	256,225
	546,828	**558,291**	439,224	458,316

Other fees and commissions include earnings from payment orders, bancassurance, mobile financial services and money transfers.

11. Fee and commission expense

		2023		2022
	Bank	**Group**	Bank	Group
Direct cost of services	**116,862**	**120,112**	66,630	73,310
	116,862	**120,112**	66,630	73,310

12. Net trading income

		2023		2022
	Bank	**Group**	Bank	Group
Foreign exchange	**250,667**	**250,667**	277,541	277,541
Fixed income trading	**174,398**	**174,398**	209,685	209,685
	425,065	**425,065**	487,226	487,226

Other foreign exchange differences arising on non-trading activities are taken to other operating income/expense in the statement of profit or loss and other comprehensive income.

13. Other operating income

		2023		2022
	Bank	**Group**	Bank	Group
Dividend income	**-**	**12,786**	2697	8,838
Bad debt recoveries	**5,466**	**5,466**	-	-
Profit/(Loss) on sale of property and equipment	**503**	**503**	315	315
Rental income	**378**	**378**	377	377
Others	**5,185**	**6,066**	16,403	16,403
	11,532	**25,199**	19,792	25,933

Summary of the Impairment assessment are disclosed below:

14. Net impairment loss on financial assets

	2023	2022

Figures in thousands of Ghana Cedis	Bank	Group	Bank	Group
Impairment charge	432,191	432,954	2,088,525	2,105,259
Analysis of impairment charge				
Investment securities	232,872	233,635	1,814,474	1,831,208
Loans and advances	199,319	199,319	274,051	274,051

14i.		2023		2022
	Bank	Group	Bank	Group
Impairment charge on loans and advances	199,319	199,319	274,051	274,051
Analysis of impairment charge				
On-Balance sheet loans and advances	189,321	189,321	272,821	272,821
Off-balance sheet items	9,998	9,998	1,230	1,230

Subsequent to the Domestic Debt Exchange Program, all government securities have been considered for impairment including cocoa bills and local dollar bonds which were also exchanged in August 2023.

The debt exchange did not result in the transfer of cash to or from the government, hence there is no impact on cashflows.

15. Other expenses

		2023		2022
	Bank	Group	Bank	Group
Technology and communication	267,894	269,198	205,674	210,087
Advertising and marketing	1,433	1,433	4,100	6,748
Training	15,408	15,480	9,258	9,378
Audit fees	4,061	4,300	2,491	2,571
Donations	21,751	21,752	11,242	11,243
Utilities	43,193	43,250	32,940	32,971
Other professional fees	61,113	70,315	63,007	63,664
Rent and rates	12,623	12,623	9,691	9,691
Printing, stationery & publication	24,253	24,253	17,231	17,231
Repairs and maintenance	37,156	37,225	33,104	33,149
Security services	20,816	20,816	19,653	19,653
Travelling	10,545	10,572	6,031	6,137
Cash collection	40,433	40,433	33,829	33,829
Premium-Ghana Deposit Protection Scheme	39,956	39,956	38,494	38,494

		2023		2022
Figures in thousands of Ghana Cedis	Bank	Group	Bank	Group
Business promotion	8,035	8,049	6,184	6,275
Settlement of legal cases	11,737	11,790	8,498	8,498

Bad debt written off	-	-	4,572	4,572
Cleaning	10,286	10,310	9,072	9,098
Outsourced services	45,754	45,754	27,399	27,399
Other administrative expenses	65,676	66,947	104,601	125,456
	742,123	754,456	647,071	676,144

16. Personnel expenses

	2023		2022	
	Bank	Group	Bank	Group
Wages and salaries	326,747	332,708	282,758	286,494
Staff allowances	268,811	269,998	250,903	251,131
Performance award	127,443	128,206	112,310	112,478
Social security fund contributions	37,806	38,076	34,056	34,111
Provident fund contributions	35,006	35,256	31,429	31,481
Retirement benefit obligations	27,572	27,572	22,303	22,303
Restructuring cost	558	558	7,315	7,315
Other staff costs	71,047	71,192	52,375	52,479
Directors fees	4,289	4,664	3,544	3,801
	899,279	908,230	796,993	801,593

17. Income tax expense

	2023		2022	
Amount recognised in profit or loss	Bank	Group	Bank	Group
Current tax expense				
Corporate tax	472,226	474,812	372,093	376,960
National Fiscal Stabilisation Levy	76,252	76,619	-	-
Financial Sector Recovery Levy	76,252	76,252	-	-
	624,730	627,683	372,093	376,960
Deferred tax expense	(93,793)	(90,023)	(522,547)	(527,021)
Total income tax expense	530,937	537,660	(150,454)	(150,061)

Reconciliation of the tax expense

The tax charge on the Group and Bank's profit before tax differs from the theoretical amount that would arise using the basic tax rate as follows:.

	2023	2022

Figures in thousands of Ghana Cedis	Bank	Group	Bank	Group
Profit before tax	1,525,041	1,536,554	(706,252)	(743,459)
Corporate tax rate	25%	25%	25%	25%
National fiscal stabilisation levy rate	5%	5%	5%	5%
Financial sector recovery levy rate	5%	5%	5%	5%
Tax calculated at corporate tax rate	381,260	384,139	(176,563)	(185,865)
Deductible Income	(4,520)	(7,716)	(3,822)	(6,119)
Tax exempt income	-	2,538	-	11,869
Disallowed expenses	1,693	5,828	29,931	30,054
National Fiscal Stabilisation Levy	76,252	76,619	-	-
Financial Sector Stabilization Levy	76,252	76,252	-	-
Current income tax charge	530,937	537,660	(150,454)	(150,061)
Effective tax rate	34.75%	34.99%	22.74%	22.00%

18. Current tax assets / (liabilities)

The movement on the current account was as follows:

Group 2023	Balance at 1 January	Charge for the year	Payment	Balance at 31 December
Year of assessment				
Up to 2022	67,600	-	-	67,600
2023	-	474,813	(479,512)	(4,699)
National Fiscal Stabilization Levy	(38,051)	76,619	(21,570)	16,998
Financial Sector Recovery Levy	(35,529)	76,252	(23,306)	17,417
	(5,980)	627,684	(524,388)	97,316

Group 2022	Balance at 1 January	Charge for the year	Payment	Balance at 31 December
Year of assessment				
Up to 2021	37,385	10,799	(22,819)	25,365
2022	-	376,960	(334,725)	42,235
National Fiscal Stabilization Levy	14,397	(10,870)	(41,578)	(38,051)
Financial Sector Recovery Levy	4,536	-	(40,065)	(35,529)
Tax adjustment related to prior year	(71)	71	-	-
	56,247	376,960	(439,187)	(5,980)

Bank 2023	Balance at 1 January	Charge for the year	Payment	Balance at 31 December
Figures in thousands of Ghana Cedis				
Year of assessment				
Up to 2022	66,762	-	-	66,762

2023	-	472,226	(475,347)	(3,121)
National Fiscal Stabilization Levy	(38,051)	76,252	(21,385)	16,816
Financial Sector Recovery Levy	(35,529)	76,252	(23,306)	17,417
	(6,818)	624,730	(520,038)	97,874

Bank 2022	Balance at 1 January	Charge for the year	Payment	Balance at 31 December
Year of assessment				
Up to 2021	35,718	10,799	(22,777)	23,740
2022	-	372,093	(329,071)	43,022
National Fiscal Stabilization Levy	14,397	(10,870)	(41,578)	(38,051)
Financial Sector Recovery Levy	4,536	-	(40,065)	(35,529)
Tax adjustment related to prior year (2018 tax audit report)	(71)	71	-	-
	54,580	372,093	(433,491)	(6,818)

The tax position up to the 2022 year of assessment has been agreed with the tax authorities. Liabilities arising have been settled as of 31 December 2023.The tax position for the remaining year of assessment is yet to be agreed with the tax authorities.

19. Deferred tax (assets) / liabilities

Bank 2023	Balance at 1 Jan	Movement during the year	Balance at 31 Dec	Deferred tax assets	Deferred tax liabilities
Recognised in profit and loss					
Property and equipment	11,728	(1,131)	10,597	-	10,597
Loans and advances	(696,041)	(85,606)	(781,647)	(781,647)	-
Employee benefit obligation	(32,399)	(989)	(33,388)	(33,388)	-
Provision	(2,837)	(6,067)	(8,904)	(8,904)	-
	(719,549)	(93,793)	(813,342)	(823,939)	10,597
Recognised in OCI					
Employment benefit obligations	(9,424)	(13,240)	(22,664)	(22,664)	-
Listed equity investments	436	(35)	401	-	401
Adjustment listed equity investments	61	-	61	-	61
Fair Value-Unlisted Investment	(9)	(49)	(58)	(58)	-
	(8,936)	(13,324)	(22,260)	(22,722)	462
Recognised in Retained Earnings					
Impairment for 2017 (IFRS 9)	(29,340)	-	(29,340)	(29,340)	-
Total	(757,825)	(107,117)	(864,942)	(876,001)	11,059

Group 2023	Balance at 1 Jan	Movement during the year	Balance at 31 Dec	Deferred tax assets	Deferred tax liabilities
Figures in thousands of Ghana Cedis					
Recognised in profit and loss					

Property and equipment	**11,439**	**2,825**	**14,264**	**-**	**14,264**
Loans and advances	**(700,224)**	**(85,606)**	**(785,830)**	**(785,830)**	**-**
Employee benefit obligation	**(32,399)**	**(989)**	**(33,388)**	**(33,388)**	**-**
Provisions	**(2,837)**	**(6,067)**	**(8,904)**	**(8,904)**	**-**
Tax losses carried forward	**44**	**-**	**44**	**-**	**44**
	(723,977)	**(89,837)**	**(813,814)**	**(828,122)**	**14,308**
Recognised in OCI					
Employee Benefit obligation	**(9,424)**	**(13,240)**	**(22,664)**	**(22,664)**	**-**
Listed equity investments	**160**	**23**	**183**	**-**	**183**
Adjustment listed equity investments	**62**	**-**	**62**	**-**	**62**
Fair Value - Unlisted Investment	**4,395**	**(2,648)**	**1,747**	**-**	**1,747**
	(4,807)	**(15,865)**	**(20,672)**	**(22,664)**	**1,992**
Recognised in Retained Earnings					
Impairment for 2017 (IFRS 9)	**(29,340)**	**-**	**(29,340)**	**(29,340)**	**-**
Total	**(758,124)**	**(105,702)**	**(863,826)**	**(880,126)**	**16,300**

Bank 2022	Balance at 1 Jan	Movement during the year	Balance at 31 Dec	Deferred tax assets	Deferred tax liabilities
Recognised in profit and loss					
Property and equipment	7,480	4,248	11,728	-	11,728
Loans and advances	(173,910)	(522,131)	(696,041)	(696,041)	-
Employee benefit obligation	(28,366)	(4,033)	(32,399)	(32,399)	-
Provision	(2,207)	(630)	(2,837)	(2,837)	-
	(197,003)	(522,546)	(719,549)	(731,277)	11,728
Recognised in OCI					
Employment benefit obligations	(11,948)	2,524	(9,424)	(9,424)	-
Listed equity investments	436	-	436	-	436
Adjustment listed equity investments	(108)	169	61	61	-
Fair Value-Unlisted Investment	36	(45)	(9)	-	(9)
	(11,584)	2,648	(8,936)	(9,363)	427
Recognised in Retained Earnings					
Impairment for 2017 (IFRS 9)	(29,340)	-	(29,340)	(29,340)	-
Total	(237,927)	(519,898)	(757,825)	(769,980)	12,155

Group 2022	Balance at 1 Jan	Movement during the year	Balance at 31 Dec	Deferred tax assets	Deferred tax liabilities
Figures in thousands of Ghana Cedis					
Property and equipment	7,482	3,957	11,439	-	11,439

Loans and advances	(173,910)	(526,314)	(700,224)	(700,224)	-
Employee benefit obligation	(28,366)	(4,033)	(32,399)	(32,399)	-
Provisions	(2,207)	(630)	(2,837)	(2,837)	-
Tax losses carried forward	44	-	44	-	44
	(196,957)	(527,020)	(723,977)	(735,460)	11,483
Recognised in OCI					
Employee Benefit obligation	(11,948)	2,524	(9,424)	(9,424)	-
Listed equity investments	313	(153)	160	160	-
Adjustment listed equity investments	(107)	169	62	-	62
Fair Value - Unlisted Investment	(132)	4,527	4,395	4,395	-
	(11,874)	7,067	(4,807)	(4,869)	62
Recognised in Retained Earnings					
Impairment for 2017 (IFRS 9)	(29,340)	-	(29,340)	(29,340)	-
Total	(238,171)	(519,953)	(758,124)	(769,669)	11,545

20. Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Bank by the weighted average number of ordinary shares in issue during the year.

		2023		2022
	Bank	Group	Bank	Group
Profit attributable to equity holders	**994,104**	**1,009,721**	(555,798)	(593,398)
Weighted average number of ordinary shares (basic and diluted)	**265,000**	**265,000**	265,000	265,000
Basic earnings per share (expressed in Ghana pesewas per share)	**375**	**381**	(210)	(224)
Diluted earnings per share (expressed in Ghana pesewas per share)	**375**	**381**	(210)	(224)

21. Cash and cash equivalents

		2023		2022
	Bank	Group	Bank	Group
Cash on hand	**785,113**	**785,113**	619,614	619,614
Balance with Bank of Ghana	**4,365,197**	**4,365,197**	3,333,909	3,333,909
Items in course of collection	**124,965**	**124,965**	105,878	105,878
Accounts with other Banks	**378,503**	**378,503**	417,477	417,477
	5,653,778	**5,653,778**	4,476,878	4,476,878
Current	**5,653,778**	**5,653,778**	4,476,878	4,476,878
Non-current	**-**	**-**	-	-

An amount of GHS 3,265,471,972 was maintained with Bank of Ghana (2022:GHS 2,367,446,461) representing the mandatory cash reserve as per the weekly Banking Supervision Department (BSD1) returns for the week ending 10 January 2024 (2022: 11 January 2023). This reserve represents and complies with the mandatory minimum of 15% (2022: 10%) of the Bank's total deposits and is not available for use in the Bank's day-to-day operations. Cash on hand, items in course of collection and balances with Bank of Ghana are non-interest-bearing.

22. Non-pledged trading assets

	2023		2022	
Figures in thousands of Ghana Cedis	Bank	Group	Bank	Group
At 1 January	275,992	275,992	477,658	477,658
Additions	141,447,672	141,447,672	101,501,673	101,501,673
Disposals	(141,408,586)	(141,408,586)	(101,702,550)	(101,702,550)
Gains/losses from changes in fair value	3,987	3,987	(789)	(789)
At 31 December	319,065	319,065	275,992	275,992
Current	319,065	319,065	275,992	275,992
Non-current	-	-	-	-

23. Investments (other than securities)

	2023		2022	
	Bank	Group	Bank	Group
Listed equity instruments (note 23a)	3,732	4,329	3,872	4,469
Unlisted equity instruments (note 23bi)	210	43,617	405	38,877
	3,942	47,946	4,277	43,346

23a. Listed equity instruments

	2023		2022	
	Bank	Group	Bank	Group
At 1 January	3,872	4,469	3,196	4,902
Disposal	-	-	-	(880)
Changes in fair values	(140)	(140)	676	447
At 31 December	3,732	4,329	3,872	4,469

This represents investments in the ordinary shares of a number of listed companies.

23bi. Unlisted equity instruments

	2023		2022	
Figures in thousands of Ghana Cedis	Bank	Group	Bank	Group
At 1 January	405	38,877	584	21,464
Additions	-	-	-	846

Disposal	**-**	**(1,416)**	-	-
Changes in fair values	**(195)**	**6,156**	(179)	16,567
At 31 December	**210**	**43,617**	405	38,877

23bii. Fair values of unlisted equity instruments

	2023			2022
	Ordinary shares	Bank	Group	Ordinary shares
Fidelity Bank	**0.05%**	**210**	**210**	0.05%
Vivo Energy Limited	**9%**	**-**	**8,126**	9%
Oasis Africa Fund	**5.94%**	**-**	**30,009**	5.94%
Real Estates Investment Trust PLC	**9.13%**	**-**	**5,272**	9.13%
At 31 December	**-**	**210**	**43,617**	-

24i. Loans and advances to customers

Term loans	**7,233,893**	**7,233,893**	6,133,970	6,133,970
Overdrafts	**751,112**	**751,112**	371,907	371,907
Staff loans	**214,415**	**214,415**	210,554	210,554
Interest in suspense	**(266,930)**	**(266,930)**	(150,086)	(150,086)
Gross loans and advances	**7,932,490**	**7,932,490**	6,566,345	6,566,345
Less				
Allowance for impairment	**(1,239,976)**	**(1,239,976)**	(1,084,130)	(1,084,130)
Net loans and advances	**6,692,514**	**6,692,514**	5,482,215	5,482,215
Current	**5,801,132**	**5,801,132**	4,788,782	4,788,782
Non-current	**891,382**	**891,382**	693,433	693,433
Allowance for impairment				
Balance at 1 January	**1,084,130**	**1,084,130**	810,079	810,079
Charge for the year	**199,319**	**199,319**	274,051	274,051
Balance at 31 December*	**1,283,449**	**1,283,449**	1,084,130	1,084,130

*ECL balance for the current year include an amount of GHS 43,473,102 in respect of impairment charged on off-balance sheet items.

The fifty largest exposures represent 64% of the loans and advances at the end of the year (2022: 52%). For detailed analysis of list per stage, refer to Credit Risk disclosures.

24 ii. Advances to banks

	2023		2022	
Figures in thousands of Ghana Cedis	Bank	Group	Bank	Group

Placement with other banks	385,568	385,568	232,041	232,041
Impairment	(2,926)	(2,926)	(2,926)	(2,926)
Balance at 31 December	382,642	382,642	229,115	229,115
Current	382,642	382,642	229,115	229,115

All placement with other banks are short-term and mature less than 3 months after year-end.

For detailed analysis of list per stage, refer to Credit Risk disclosures (Note 6).

25. Investment securities

		2023		2022
	Bank	Group	Bank	Group
Short - term investments				
Stocks and bonds	938,515	938,515	3,497,830	3,497,830
Treasury bills	3,051,900	3,051,900	2,096,954	2,118,191
	3,990,415	3,990,415	5,594,784	5,616,021
Medium - term investments				
GOG bonds	1,354,330	1,354,330	-	-
Long - term investments				
GOG bonds	8,447,762	8,503,487	4,830,251	4,888,788
Impairment of investment & fair value loss	(1,957,582)	(1,975,079)	(1,814,474)	(1,831,208)
Balance at 31 December	11,834,925	11,873,153	8,610,561	8,673,601
At 1 January	8,610,561	8,673,601	9,707,421	9,765,840
Additions	31,346,539	31,404,030	11,164,174	11,186,629
Disposals	(26,603,590)	(26,670,185)	(10,446,560)	(10,447,660)
Accrued interest	438,997	440,786	-	-
Fair value loss	(1,761,433)	(1,761,433)	-	-
Interest income EIR effect	89,764	89,764	-	-
Impairment of investment	(285,913)	(303,410)	(1,814,474)	(1,831,208)
Balance at 31 December	11,834,925	11,873,153	8,610,561	8,673,601
Current	3,990,415	3,990,415	2,096,954	2,118,191
Non-current	7,844,510	7,882,738	6,513,607	6,555,410

Allowance for investment securities

		2023		2022
Figures in thousands of Ghana Cedis	Bank	Group	Bank	Group
Balance at 1 January	(1,814,474)	(1,831,208)	-	-
Fair value adjustment - DDEP	1,761,433	1,761,433	-	-
Charge for the year	(232,872)	(233,635)	(1,814,474)	(1,831,208)

Balance at 31 December	**(285,913)**	**(303,410)**	(1,814,474)	(1,831,208)

26. Investments in subsidiary

Bank

Name of company	**2023 % holding**	2022 % holding	**2023 Carrying amount**	2022 Carrying amount
GCB Capital Limited	**100**	100	**2,000**	2,000
G-Money Financial Services Limited	**100**	100	**1,000**	1,000
			3,000	3,000

Group

Name of company	**2023 % holding**	2022 % holding	**2023 Carrying amount**	2022 Carrying amount
Shelter and Habitat	**100**	100	**100**	100
			100	100

27. Investment in associates

	2023		2022	
	Bank	**Group**	Bank	Group
At 1 January	**28,274**	**92,678**	28,274	82,280
Share of profit, net of tax	**-**	**10,828**	-	(11,915)
Share of OCI	**-**	**4,307**	-	(6,437)
Dividends received from associates	**-**	**(25)**	-	(4193)
Impairment of associates	**-**	**-**	-	-
Exchange differences on translating foreign operation	**-**	**98,274**	-	32,888
Interest received from associate	**-**	**(101)**	-	(9)
Interest paid to associate	**-**	**148**	-	64
Total at 31 December	**28,274**	**206,109**	28,274	92,678

The Bank has one direct associate, Ghana International Bank (GHIB), and it considers Ghana International Bank (GHIB) as material to the Group. The Bank also holds indirect interest of 25% and 34% in Accra Markets Limited and NCR Ghana Limited respectively through its subsidiary, GCB Capital. These are accounted for using the equity method.

The country of incorporation is the same as the principal place of business for all associates. The percentage voting rights are equal to the percentage ownership for all associates.

Ghana International Bank is a strategic investment that facilitates the Group's international trade.

Summarised financial information of material associates

Summarised Statement of Profit or Loss and Other Comprehensive Income

Figures in thousands of Ghana Cedis	**2023**	2022

Revenue	**556,259**	246,714
Profit/(Loss) from continuing operations	**49,519**	(93,105)
Other comprehensive income/(loss)	**21,535**	(32,186)
Total comprehensive income	**71,054**	(125,291)
Attributable to investee's shareholders	**71,054**	(125,291)

Summarised Statement of Financial Position

	2023	2022
Assets		
Current	**11,559,436**	8,914,930
Non-current	**471,617**	364,146
Total assets	**12,031,053**	9,279,076
Liabilities		
Current	**9,347,199**	7,477,677
Non-current	**217,110**	173,692
Total liabilities	**9,564,309**	7,651,369
Net assets	**2,466,744**	1,627,707
Attributable to investee's shareholders	**2,466,744**	1,627,707
Group's interest in net assets	**493,349**	325,541
Carrying amount	**206,109**	92,678

28. Property, equipment and right-of-use assets

Bank	Leasehold land & buildings	Furniture & equipment	Motor Vehicles	Computers	Right of use assets	Capital work in progress	Total
Cost							
Balance as at 1 January 2023	**219,672**	**272,868**	**34,332**	**249,288**	**126,300**	**45,366**	**947,826**
Addition	**1,281**	**8,553**	**8,702**	**16,565**	**10,623**	**15,671**	**61,395**
Disposals	**-**	**(42)**	**(1,334)**	**(10)**	**-**	**-**	**(1,386)**
Write off	**-**	**-**	**-**	**-**	**-**	**(223)**	**(223)**
Transfers	**5,636**	**19,894**	**-**	**34,578**	**-**	**(60,108)**	**-**
Bank	Leasehold land & buildings	Furniture & equipment	Motor Vehicles	Computers	Right of use assets	Capital work in progress	Total
Figures in thousands of Ghana Cedis							
Balance at 31 December 2023	**226,589**	**301,273**	**41,700**	**300,421**	**136,923**	**706**	**1,007,612**
Accumulated depreciation							

Balance as at 1 January 2023	**39,385**	**232,472**	**17,453**	**187,771**	**42,195**	**-**	**519,276**
Charge for the year	**7,790**	**19,078**	**7,030**	**37,858**	**16,828**	**-**	**88,584**
Disposal	**-**	**(42)**	**(1,334)**	**(10)**	**-**	**-**	**(1,386)**
Balance at 31 December 2023	**47,175**	**251,508**	**23,149**	**225,619**	**59,023**	**-**	**606,474**
Net book value							
Balance as at 31 December 2023	**179,414**	**49,765**	**18,551**	**74,802**	**77,900**	**706**	**401,138**

Bank	Leasehold land & buildings	Furniture & equipment	Motor Vehicles	Computers	Right of use assets	Capital work in progress	Total
Cost							
Balance as at 1 January 2022	192,533	248,567	25,029	208,108	38,704	42,927	755,868
Addition	4,164	11,858	9,319	46,063	87,596	40,916	199,916
Disposals	-	(53)	(2,025)	(4)	-	-	(2,082)
Transfer to G -Money	-	(154)	-	(5,722)	-	-	(5,876)
Transfers	22,975	12,650	2,009	843	-	(38,477)	-
Balance at 31 December 2022	219,672	272,868	34,332	249,288	126,300	45,366	947,826
Accumulated depreciation							
Balance as at 1 January 2022	32,976	213,624	14,818	164,558	29,434	-	455,410
Charge for the year	6,409	18,979	4,617	28,714	12,761	-	71,480
Disposal	-	(53)	(1,982)	(4)	-	-	(2,039)
Transfer to G -Money	-	(78)	-	(5,497)	-	-	(5,575)
Balance at 31 December 2022	39,385	232,472	17,453	187,771	42,195	-	519,276
Net book value							
Balance as at 31 December 2022	180,287	40,396	16,879	61,517	84,105	45,366	428,550

Group	Leasehold land & buildings	Furniture & equipment	Motor Vehicles	Computers	Right of use assets	Capital work in progress	Total
Figures in thousands of Ghana Cedis							
Cost							
Balance as at 1 January 2023	**220,142**	**273,377**	**35,175**	**255,281**	**126,300**	**45,366**	**955,641**

Addition	**1,281**	**8,652**	**8,702**	**16,818**	**10,623**	**15,671**	**61,747**
Disposals	**-**	**(53)**	**(1,334)**	**(10)**	**-**	**-**	**(1,397)**
Write off	**-**	**-**	**-**	**-**		**(223)**	**(223)**
Transfers	**5,636**	**19,894**	**-**	**34,578**	**-**	**(60,108)**	**-**
Balance at 31 December 2023	**227,059**	**301,870**	**42,543**	**306,667**	**136,923**	**706**	**1,015,768**
Accumulated depreciation							
Balance as at 1 January 2023	**39,408**	**232,843**	**17,914**	**193,628**	**42,194**	**-**	**525,987**
Charge for the year	**7,799**	**19,170**	**7,174**	**37,997**	**16,829**	**-**	**88,969**
Disposals	**-**	**(48)**	**(1,334)**	**(10)**	**-**	**-**	**(1,392)**
Balance at 31 December 2023	**47,207**	**251,965**	**23,754**	**231,615**	**59,023**	**-**	**613,564**
Net book value							
Balance as at 31 December 2023	**179,852**	**49,905**	**18,789**	**75,052**	**77,900**	**706**	**402,204**

Cost							
Balance as at 1 January 2022	192,996	248,906	25,524	208,339	38,704	42,927	757,396
Addition	4,171	11,874	9,669	46,103	87,596	40,916	200,329
Disposals	-	(53)	(2,027)	(4)	-	-	(2,084)
Transfers	22,975	12,650	2,009	843	-	(38,477)	-
Balance at 31 December 2022	220,142	273,377	35,175	255,281	126,300	45,366	955,641
Accumulated depreciation							
Balance as at 1 January 2022	32,990	213,808	15,132	164,700	29,433	-	456,063
Figures in thousands of Ghana Cedis							
Charge for the year	6,418	19,088	4,764	28,932	12,761	-	71,963
Disposal	-	(53)	(1,982)	(4)	-	-	(2,039)
Write Off	-	-	-	-	-	-	-
Balance at 31 December 2022	39,408	232,843	17,914	193,628	42,194	-	525,987
Net book value							
Balance as at 31 December 2022	180,734	40,534	17,261	61,653	84,106	45,366	429,654

There was no indication of impairment of property and equipment held by the Group and the Bank at 31 December 2023 (2022:Nil). None of the property and equipment of the Group had been pledged as security for liabilities and there were no restrictions on the title of any of the Group's property and equipment at the reporting date and at the end of the previous year.

29. Intangible assets

Bank	CWIP	Software	Customer relationship	Total
Cost				
Balance at 1 January 2023	**35,118**	**345,159**	**95,306**	**475,583**
Transfer to G -Money	**(4,784)**	**-**	**-**	**(4,784)**
Write off	**(3,438)**	**-**	**-**	**(3,438)**
Additions	**16,028**	**1,098**	**-**	**17,126**
Transfers	**(34,642)**	**34,642**	**-**	**-**
Balance at 31 December 2023	**8,282**	**380,899**	**95,306**	**484,487**
Accumulated amortisation				
Balance at 1 January 2023	**-**	**265,249**	**95,306**	**360,555**
Charge for the year	**-**	**50,514**	**-**	**50,514**
Balance at 31 December 2023	**-**	**315,763**	**95,306**	**411,069**
Balance at 31 December 2023	**8,282**	**65,136**	**-**	**73,418**

Bank	CWIP	Software	Customer relationship	Total
Figures in thousands of Ghana Cedis				
Cost				
Balance at 1 January 2022	25,607	343,347	95,306	464,260
Transfer to G -Money	-	(25,714)	-	(25,714)
Additions	31,670	5,367	-	37,037
Transfers	(22,159)	22,159	-	-
Balance at 31 December 2022	35,118	345,159	95,306	475,583
Accumulated amortisation				
Balance at 1 January 2022	-	220,015	76,245	296,260
Transfer to G -Money	-	(9,299)	-	(9,299)

Charge for the year	-	54,533	19,061	73,594
Balance at 31 December 2022	-	265,249	95,306	360,555
Balance at 31 December 2022	35,118	79,910	-	115,028

Group	CWIP	Software	Customer relationship	Total
Cost				
Balance at 1 January 2023	**35,857**	**371,139**	**95,306**	**502,302**
Additions	**17,643**	**1,098**	**-**	**18,741**
Write off	**(3,438)**	**-**	**-**	**(3,438)**
Transfers	**(39,426)**	**39,426**	**-**	**-**
Balance at 31 December 2023	**10,636**	**411,663**	**95,306**	**517,605**
Accumulated amortisation				
Balance at 1 January 2022	**-**	**283,244**	**95,306**	**378,550**
Charge for the year	**-**	**63,012**	**-**	**63,012**
Balance at 31 December 2023	**-**	**346,256**	**95,306**	**441,562**
Balance at 31 December 2023	**10,636**	**65,407**	**-**	**76,043**

Group	CWIP	Software	Customer relationship	Total
Cost				
Balance at 1 January 2022	25,769	343,449	95,306	464,524
Additions	32,247	5,531	-	37,778
Transfers	(22,159)	22,159	-	-
Balance at 31 December 2022	35,857	371,139	95,306	502,302
Accumulated amortisation				
Balance at 1 January 2022	-	220,053	76,245	296,298
Charge for the year	-	63,191	19,061	82,252
Balance at 31 December 2022	-	283,244	95,306	378,550
Balance at 31 December 2022	35,857	87,895	-	123,752

Intangible assets represent licenses for computer softwares. There was no indication of impairment of intangible assets held by the Group and the Bank at the reporting date.

30. Other Assets

	2023		2022	
Figures in thousands of Ghana Cedis	Bank	Group	Bank	Group
Account receivables	**567,683**	**528,944**	815,809	780,180
Prepayments	**109,324**	**109,336**	122,779	122,803
	677,007	**638,280**	938,588	902,983

31 (i) Deposits from banks & other financial institutions

	2023		2022	
	Bank	Group	Bank	Group

Current account	**136,180**	**136,180**	95,039	95,039
Time deposits	**208,169**	**208,169**	164,108	164,108
	344,349	**344,349**	259,147	259,147
Current	**344,349**	**344,349**	259,147	259,147

31 (ii) Deposits from customers

		2023		2022
	Bank	Group	Bank	Group
Current account	**10,442,489**	**10,322,724**	8,210,499	8,194,163
Savings deposits	**8,205,711**	**8,205,711**	6,605,673	6,605,673
Time deposits	**2,908,658**	**2,908,658**	2,716,075	2,716,075
	21,556,858	**21,437,093**	17,532,247	17,515,911
Current	**21,556,858**	**21,437,093**	17,532,247	17,515,911

The twenty largest depositors made up 16.02% of total deposits at the end of the year (2022: 21.01%).

32. Other liabilities

		2023		2022
	Bank	Group	Bank	Group
Creditors	**194,230**	**253,731**	104,405	104,405
Accruals	**256,612**	**258,741**	194,090	195,118
Provisions	**42,349**	**42,515**	29,481	29,481
Others	**371,795**	**371,860**	258,501	258,720
	864,986	**926,847**	586,477	587,724
Current	**864,986**	**926,847**	586,477	587,724

32a. Provisions

Provisions are made for liabilities that the Bank believe will be payable as a result of past events. The figures for the various provisions are the best estimates management believe will be paid to settle the liabilities.

Legal: Provision for legal cases is the best estimates of claims from legal cases that the bank believes it is probable that judgement may go against the bank based on assessment by the bank legal team.

Annual General Meeting: The bank holds AGM every year in line with the requirement of the Companies Act. The provisions made for the year is Management best estimates of the cost of holding AGM in 2024.

Other Provisions: This included provision for 70th anniversary and staff related provisions such as salary increment, staff awards and staff welfare provisions. The amount for each provision is the best estimate management believe will be required to settle the liability.

32a. Movement on Provisions during the year

	Legal	AGM	Audit Fees	Others	Total Provision
Figures in thousands of Ghana Cedis					
Balance as at January 1, 2023	11,348	865	2,210	15,058	29,481
Add Charged for the year	11,737	2,501	4,061	29,290	47,589
Payments/Releases in 2023	(10,418)	(849)	(3,991)	(19,463)	(34,721)
Balance at December 31, 2023	12,667	2,517	2,280	24,885	42,349

33. Borrowings

The Group and Bank	2023	2022
At 1 January	1,003,168	988,073
Additions	8,942,858	30,581,361
Repayments	(8,947,066)	(30,576,650)
Accrued interest	84,487	10,384
	1,083,447	1,003,168
Comprising:		
Bank of Ghana	201,387	199,384
Kenstep Microfinance Limited	10,135	-
First Atlantic Bank	-	100,000
KAE Ghana Limited	6,895	6,406
C Deck Limited	6,154	-
CAL Asset Management Ltd	-	17,900
Ghana Amalgamated Trust Plc	21,798	20,000
National Investment Bank	-	100,000
Service Intergrity Savings & Loans	-	25,000
Energy Commission	28,095	22,227
Development Bank Ghana	456,876	400,000
The Group and Bank	**2023**	2022
Figures in thousands of Ghana Cedis		
Ghana Hostels Limited	-	3,000
Allianz Insurance	-	3,000
Akwapim Rural Bank Ltd	2,107	2,082
ICBC Standard Bank Plc	-	66,461
Others	350,000	37,708
	1,083,447	1,003,168

34. Employee benefit obligations

The Group and Bank	2023	2022
Post-employment defined benefit plan (a)	**184,467**	127,206
Other long-term employee benefit (b)	**2,045**	2,390
	186,512	129,596

Post employment defined and other long term benefit plan

Apart from the legally required social security scheme, the Bank contributes to the following post employment defined benefit plans and other long term employee benefit plan. These plans expose the Bank to actuarial risks, such as longevity risk, interest rate risk and market risk.

Other long term employee benefit plan

Plan A long service awards accrue to employees based on graduated periods of uninterrupted service. These awards accrue over the service life of employees. Employees in service with the Bank after fifteen (15) years become eligible to receive cash payments at graduated rates when employees achieve stipulated milestones set by the Bank. The terms of settlement of long service award is based on the achievement of every milestone.

Post employment defined benefit plan

- Plan B The Bank pays monthly pension benefits to retired employees, under a closed defined benefit pension scheme. Under this scheme, beneficiaries are paid pensions equal to 60% of the net basic salaries of their serving counterparts.
- Plan C The Bank also pays post retirement medical care for its retired staff and their dependents below 18 years of age.

Movements for the year

	2023	2022
At 1 January	**127,206**	110,779
Net expense recognised in profit or loss	**26,136**	22,642
Other comprehensive income	**52,960**	10,097
Benefit paid	**(21,835)**	(16,312)
	184,467	127,206

Figures in thousands of Ghana Cedis	2023	2022
Net expense recognised in profit or loss		
Current service cost	**1,049**	756
Interest expense / (income)	**25,087**	21,886
	26,136	22,642
Included in other comprehensive income		
Re-measurement of loss/(gain)		
Actuarial loss/(gain) arising from:		
Financial assumptions	**20,480**	1,020
Experience	**32,480**	9,077
	52,960	10,097

Benefits paid	**(21,835)**	(16,312)
Net movement	**57,261**	16,427
Balance at 31 December represented by:		
Net defined benefit liability (Plan B)	**71,206**	64,607
Net defined benefit liability (Plan C)	**113,261**	62,599
	184,467	127,206
Other long-term employee benefits		
Movement for the year		
At 1 January	**2,390**	2,685
Net expense recognised in profit or loss	**526**	652
Actuarial gains/loss recognised in profit or loss	**910**	737
Other	**(1,781)**	(1,684)
At 31 December	**2,045**	2,390
Movement for the year		
Net expense recognised in profit or loss		
Current service cost	**169**	216
Interest expense/(income)	**357**	436
	526	652
Included in profit or loss		
Re-measurement of loss/(gain)		
Actuarial loss/(gain) arising from:		
Actuarial loss/(gain) arising from:		
Financial assumptions	**117**	(294)
Experience	**793**	1,031
	910	737
Other		
Benefits paid	**(1,781)**	(1,684)

The following are the principal actuarial assumptions at the reporting date:

Figures in thousands of Ghana Cedis	2023	2022
Discount rates used	**19.86%**	21.38%
Future salary growth	**15.00%**	15.00%
Rate of inflation	**10.00%**	10.00%
Medical inflation	**13.00%**	13.00%
Future pension growth	**15.00%**	13.50%

Sensitivity analysis (Combined schemes)

Reasonably possible changes at the reporting date to any of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	2023		2022	
	Increase	Decrease	Increase	Decrease
Discount rate (2% movement)	(21,442)	28,386	(12,579)	16,105
Future pension growth (2% movement)	-	-	5,433	(4,803)
Medical inflation (2% movement)	25,690	(18,794)	12,835	(9,616)

Although the analysis does not take account of the full distribution of cash flows expected under the plans, it does provide an approximation of the sensitivity of the assumptions shown.

35. Capital and reserves

i. Stated Capital

	2023		2022	
Authorised:	Number (000)	Value	Number (000)	Value
Ordinary shares of no par value	1,500,000	-	1,500,000	-
Issued:				
Issued for cash	115,000	60,030	115,000	60,030
Transfer from Retained Earnings	86,500	438,343	86,500	438,343
Capitalisation of reserves	1,000	2	1,000	2
Transfer from other surplus	62,500	1,625	62,500	1,625
	265,000	500,000	265,000	500,000

There is no unpaid liability and no call or instalment unpaid on any share. There is no share in treasury. There was no movement on stated capital during the year.

ii. Statutory reserve fund

Statutory reserve represents cumulative amounts set aside from annual profits after tax required under the Banking Act. The proportion of net profits transferred to reserves ranges from 12.5% to 50% of net profit after tax, depending on the relationship between the balance on statutory reserves bears to paid-up capital.

iii. Regulatory Credit risk reserve

Credit risk reserve represents the cumulative balance of amounts transferred from retained earnings to meet gaps in impairment allowances based on Bank of Ghana's provisioning guidelines and IFRS.

	2023		2022	
Figures in thousands of Ghana Cedis	Bank	Group	Bank	Group
Credit risk reserves - Loans and advances				
IFRS impairment	1,239,976	1,239,976	2,901,531	2,918,265

Bank of Ghana provision	**1,342,050**	**1,342,050**	1,170,687	1,170,687
Excess of BoG provision over IFRS impairment	**102,074**	**102,074**	-	-
Total credit risk reserve	**102,074**	**102,074**	-	-

iv. Fair value reserves

The fair value reserve comprises the cumulative net change in the fair value of equity instruments until the assets are derecognised or impaired.

v. Other reserves

Other reserves represent actuarial gains and losses on pension obligations and foreign currency differences arising from the translation of the financial statements of foreign operations.

	2023		2022	
	Bank	Group	Bank	Group
At 1 January	**(39,375)**	**16,350**	(26,754)	(3,916)
Actuarial (loss)/ gain	**(52,960)**	**(52,960)**	(10,097)	(10,097)
Deferred tax on actuarial loss	**13,240**	**13,240**	(2,524)	(2,524)
Foreign currency translation differences on foreign operations	**-**	**98,274**	-	32,887
At 31 December	**(79,095)**	**74,904**	(39,375)	16,350

36. Contingent liabilities and commitments

Off balance sheet items

The Group engages in business activities involving acceptances, performance bonds and indemnities. The majority of these facilities are offset by corresponding obligations of third parties, the nominal amounts of which are not reflected in the statements of financial position.

Nature of instruments

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

Other contingent liabilities include transaction related customs and performance bonds and are generally short term commitments to third parties.

Commitments to lend to a customer in the future are made subject to certain conditions. Such commitments are either made for a fixed period or agreed maturity dates but are cancellable by the lender subject to notice requirements. Documentary credits commit the Bank to make payments to third parties on the production of documents, which are usually reimbursed immediately by customers. Customers are required to deposit cash in a margin account in respect of documentary and commercial letters of credit.

The following summarize the nominal principal amounts of contingent liabilities and commitments with off balance sheet risks.

	2003		2002	
Figures in thousands of Ghana Cedis	Bank	Group	Bank	Group
Guarantee and indemnities	**861,210**	**861,210**	882,917	882,917
Documantary and commercial letters of credit	**380,778**	**380,778**	737,070	737,070
	1.241,988	**1.241,988**	1,619,987	1,619,987
Commitments				
Loan commitments	**326.326**	**326.326**	642,920	642,920
	1,568,314	**1,568,314**	2,262,907	2,262,907

Legal proceedings

The Bank is defending a number of legal actions brought against it as at 31 December 2023. These cases have been brought against the Bank by either former employees, customers or other persons. No provision has been made in this financial statement as the Group's Management does not consider that there is any probable loss. Legal proceedings instituted against the Bank/Group as at the end of the reporting period are described below:

Plaintiff vrs GCB Bank PLC & Others

The Plaintiff, had an ongoing litigation against UT Bank in the High Court relating to ownership of 10,000 metric tons of crude oil on board the vessel Olympic Faith. The High Court during the pendency of the suit ordered the crude to be sold and USD 7m of the proceeds of the sale lodged with UT Bank in the name of the Registrar and invested at a rate of 2%. Prior to the court granting judgment in this case, the Bank of Ghana revoked the banking licence of UT Bank and appointed Receivers to handle the affairs of UT Bank.

The High Court gave judgment against UT Bank and directed GCB Bank to pay an amount of USD 7.43m. The Receivers filed an Application in the Supreme Court in the name of UT Bank (in Receivership) and quashed the ruling of the High Court, which had ordered GCB Bank to pay the said amount to the Registrar.

The High Court on 7 February 2020 delivered its ruling after the examination of the judgment debtors and ordered that GCB pays the Plaintiff the said USD 7.43m. The Bank filed an Appeal in the Court of Appeal seeking for a reversal of the ruling given by the High Court requesting the Bank to pay the USD 7.43m to the Registrar of the Court following the assumption of UT Bank.

The Court of Appeal on 31 March 2023 in a unanimous decision ruled in favour of the Bank by upholding the appeal and setting aside the High Court ruling of 7 February 2020. The Court of Appeal's judgment is in line with the Supreme Court's decision of 17 July 2018, quashing an earlier ruling of the High Court. The Supreme Court had stated that the order of the High Court dated 2 February 2018 directing GCB to pay the sum of USD 7.43m was against the provisions of section 128 (c) of the Bank's and Specialized Deposit taking Institution's Act, 2016 Act 930. The Plaintiff has since filed a notice of appeal against the Court of Appeal's decision to the Supreme Court.

Management believes that the Plaintiff's appeal to the Supreme Court will be dismissed based on the earlier decision of both the Supreme Court and the Court of Appeal that the claim by the Plaintiff should be directed to the Joint Receivers for settlement and not GCB. No date has been fixed for the hearing of the Supreme Court's Appeal.

Plaintiff vrs GCB Bank PLC & Others

This case involved a vessel and its owners, who had instituted legal action against the then UT Bank, UT Financial Services Limited and Morgan Energy Limited under charter party agreement for wrongful arrest of their vessel, with potential liabilities of USD1.64 million. The High Court in Nigeria on 4 July 2016 dismissed the case against UT Bank and two other persons, but the vessel and its owners dissatisfied with the High Court's judgment appealed to the

Court of Appeal. The appeal was pending against ex-UT Bank before the Purchase & Assumption arrangement was entered into. Following the withdrawal of UT Bank's licence in August 2017, the Appellant obtained an order to substitute GCB for UT Bank. GCB resisted this motion but the Court of Appeal of Nigeria substituted both GCB and the Joint Receivers in place of UT Bank. GCB has appealed against this interlocutory ruling substituting it to the Supreme Court of Nigeria. The case is currently pending before the Supreme Court of Nigeria. No date has been fixed for the hearing of the appeal against the substitution yet.

Meanwhile the appeal by the appellant against the decision of the High Court dismissing the case of wrongful arrest was dismissed by Court of Appeal in Nigeria on 22 April 2022. The Plaintiff further appealed to the Supreme Court in Nigeria but later filed a notice of discontinuance which is yet to be heard. The Bank is awaiting the date to be fixed by the registry of the Supreme Court for the plaintiff to formally apply for the discontinuance of the appeal against GCB.

Based on legal advice, the amount has not been provided for on the grounds that the Bank is indemnified of all liabilities that may arise outside the purchase and assumption agreement.

Plaintiff vrs GCB Bank PLC & Others

An originating summons has been filed in the Federal High Court of Nigeria by the Plaintiffs claiming jointly and severally against the UT Bank Ghana Limited, GCB Bank PLC , and UT Financial Services Limited (hereinafter referred to as "Respondents") for an order that the undertaking given by UT Bank on November 9, 2010 to pay damages for the release of a vessel which had been arrested, the respondents are liable jointly and severally for the payments of damages amounting to USD 1.08m and legal costs of USD 250,000.

At the time the said undertaking was given GCB Bank PLC was not part of the respondents. However, the plaintiffs are seeking to enforce the undertaking against GCB on the principle that GCB Bank PLC is the successor company of UT Bank Ghana Limited (under receivership) and therefore vicariously liable for the actions of UT Bank Limited.

The High Court in Nigeria dismissed the Plaintiff's case against the Bank on 19 January 2024 as the Bank was not the proper party to the suit.

Plaintiff vrs GCB Bank PLC & Others

The plaintiff claims against the Bank for rent arrears from July 2018 till date at USD 11,698 per month, that the alleging Bank vacated the property of the plaintiff in Kumasi. The plaintiff further claims for arrears of service charges at GHS 1,615 per month from March 2016 as well as USD 10,000 for property damage plus interest on all the amounts being claimed.

The Bank is of the opinion that the Plaintiff had already lodged a proof of debt with the Joint Receivers which is the right thing to do as the Bank never stepped into the shoes of the ex-Capital bank as a tenant to the said property. The Joint Receivers have now been joined to suit as Defendants.

Plaintiff vrs GCB Bank PLC & Others

The Plaintiff claims for the reliefs below being severe loss suffered and damages to its operations allegedly caused by the actions of the Bank going into execution in a judgment it obtained against the Plaintiff in a debt recovery case in 2010.

The Plaintiff is seeking the following reliefs from the defendants:

- A declaration that the 1st and 2nd Defendants knew that the destroyed machines were not the subject matter of the facility which was finally auctioned in satisfaction of the judgment debt; Recovery of the sum of sixty-three million, eight hundred and fifty two thousand United States Dollars (USD 63.85m) being the total sum of unlawful destruction and / or appropriation of Plaintiffs machines, chemicals and office equipment; Interest on the said sum at the prevailing Commercial Bank rate from February 2012 to the date of final payment; Damages for trespass against the Defendants; and Costs including legal fees and any other relief(s) that the Court deem fit.

The estimated liability to the Bank is as stated in the claim, which shall not exceed USD 64m. The Bank is confident in its defence as the figures being claimed by the Plaintiff must have to be proved with documentary evidence. The Bank had previously won in the Court of Appeal and Supreme Court all applications brought against it by the Plaintiff to set aside the execution processes.

Plaintiff vrs GCB Bank PLC & Others

Plaintiff's claim is for general damages of GHS 70m for its breach of duty of care and general damages of GHS 30m for defamation for dishonoured cheques and cost including legal fees. The Bank has filed its statement of defence. The Court has directed the Plaintiff and 4th Defendant to a broker for an amicable settlement of the case as the matters in contention are between these two persons as well as the Joint Receivers and not GCB.

Management is confident of winning this case as the issues set out for trial is a matter between another party and the 4th Defendant and the Bank not being the proper person to be sued.

37. Related parties

a. Transactions with executive directors and key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group (directly or indirectly) and comprise the Directors and Senior Management of GCB Bank PLC.

Remuneration of Executive Directors and other key management personnel

Figures in thousands of Ghana Cedis	2023	2022
Salaries and other short-term benefits	**36,115**	29,463
Post-employment benefits	**2,588**	3,531
	38,703	32,994

Remuneration of the Executive Directors during the year amounted to GHS 16.1m. (2022: GHS 13.78m).

Details of transactions and balances between the Bank and Executive Directors and other key management personnel are as follows:

Loans	2023	2022
Figures in thousands of Ghana Cedis		
Loans outstanding at 1 January	**3,848**	4,130
Net movement	**597**	(282)
Loans outstanding at 31 December	**4,445**	3,848
Interest income	**283**	207
Deposits		
Deposits at 1 January	**4,996**	1,215
Net movement during the year	**(1,817)**	3,781
Deposits at 31 December	**3,179**	4,996
Interest expense	**361**	263

Loans to executive directors and key management personnel which include housing, car and other personal loans are given under terms that are not more favourable than those given to other staff. The housing and car loans are secured by the underlying assets. All other loans are unsecured. No individual director has a loan amount more than 1% of the stated capital. The total loan amount of the directors is also less than 1% of the stated capital. No individual staff member has a loan amount more than 2% of the stated capital. All loans granted to key management personnel were performing as at December 31, 2023, with no indication of significant increase in credit risk since initial recognition.

b. Transactions with non executive directors

No loan was advanced to non executive director during the year. There were no balances outstanding on account of loans due from non executive directors at the year end.

Fees and allowances paid to non executive directors during the year amounted to GHS 4.29m (2022: GHS 3.54m).

c. Transactions and balances with subsidiaries

GCB Capital Limited/G-Money Financial Services Limited

Fixed deposit investments are placed with the Bank. The subsidiaries current account is held with the Bank. Interest accrues on these placements at normal commercial rates. Balances due to/from the subsidiaries at the year end were as follows:

Deposits	2023	2022
Current account - GCB Capital	60,263	16,337
Current account - G-Money Financial Services	59,502	-

d. Balances and transactions with associates

Balances due to/from associates at year-end were as follows:

	2023	2022
Current account balances (Foreign) - GHIB	80,909	606,203
Credit Facilities (Foreign) - GHIB	-	-
Contingent letter of credit and acceptances (Foreign) - GHIB	-	1,080

The Group entered into the following transactions with its associates:

Figures in thousands of Ghana Cedis	2023	2022
Dividend received	-	-
Interest received on current account balances (foreign)	503	45
Interest paid on current account balances (foreign)	(734)	(318)

Government of Ghana

The Government of Ghana directly holds 21.36% shares in GCB Bank PLC and 29.89% indirectly through its shareholding in SSNIT. The total of its direct and indirect shareholding is 51.25%.

38. Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the Group have adequate resources to continue in operational existence for the foreseeable future.

39. Events after the reporting period

There was no adjusting or non-adjusting event after the reporting date.

IAS 29 Hyperinflation Assessment

In 2023, Ghana's cumulative 3-year average inflation exceeded 100% which triggered the quantitative hyperinflation criteria in IAS 29. The Institute of Chartered Accountants Ghana (ICAG) performed its assessment using the various criteria in IAS29 and concluded in its directive issued in January 2024 that IAS 29 will not be applicable for the December 2023 financial reporting period since Ghana is not operating in a hyperinflationary economy. This conclusion has been applied as part of the key accounting judgements used in the preparation of these financial statements.

Amidst Ghana's current financial challenges, GCB remains unwavering in its commitment to Corporate Social Responsibility (CSR). The bank has proactively continued its CSR activities and projects, demonstrating a steadfast dedication to societal well-being.

The Bank always aligns its values with societal needs by championing initiatives in Health, Education, Community Development, and Environmental Sustainability, among others and 2023 was no exception.

Through strategic partnerships and purpose-driven CSR projects and activities in 2023, GCB invested over GH¢6.30 million, to help create a positive and lasting impact on the communities we serve.

Some of these projects include donations to the Dagbon Development Fund, supporting dam spillage victims in the Volta Region, sponsorship of the National Best Teacher Awards (National Teaching Council), and donations to the

Veterans Administration, Ghana, among others.

From community development projects to environmental sustainability efforts, GCB Bank is dedicated to making a meaningful impact beyond the financial realm.

Value added statements for the year ended 31 December 2023

Interest earned and other operating income	**4,703,671**	**4,739,603**	3,740,256	3,774,987
Direct cost of Services	**(1,719,594)**	**(1,735,083)**	(1,435,707)	(1,471,397)
Value added by banking services	**2,984,077**	**3,004,520**	2,304,549	2,303,590
Non-banking income	**11,532**	**25,199**	19,792	25,933
Share of profit/(loss) of associates	**-**	**10,828**	-	(11,915)
Impairments	**(432,191)**	**(432,954)**	(2,088,525)	(2,105,259)

Handing over ceremony of the newly built 4-unit classroom block by the Bank at Kwaman Community

Tree planting initiatives by the Bank to support Greening Ghana Day

Newly built Astro turf for the Nhyiaeso Constituency by GCB Bank

» Value Added Statement

Figures in thousands of Ghana Cedis	2023 Bank	2023 Group	2022 Bank	2022 Group
Value added	2,563,418	2,607,593	235,816	212,349
Distributed as follows:				
To Employees:				
Non-Executive Directors	4,289	4,289	3,544	3,802
Executives directors	16,096	16,795	13,789	14,965
Other employees	878,894	887,146	779,660	782,826
	899,279	908,230	796,993	801,593
To Government:				
Income tax	530,937	537,660	(150,453)	(150,061)
To providers of capital:				
Dividend to shareholders	-	-	132,500	132,500
For expansion and growth:				
Depreciation and amortisation	139,098	151,981	145,074	154,215
Retained Earnings	994,104	1,009,922	(688,298)	(725,898)
Total Distribution	2,563,418	2,607,593	235,816	212,349

Analysis of shareholding as at the year-end 2023

	No. of Shareholders	Holders %	No. of Shares	% of Holding
1 - 1,000	84,445	93	18,240,320	7
1001 - 5,000	5,916	6	12,944,159	5
5001 - 10,000	520	1	3,829,089	1
Above 10,000	395	0	229,986,432	87
	91,276	100	265,000,000	100

Directors' Shareholdings

The Director named below held the following number of shares in the Bank as at 31 December 2023:

	No. of shares	% of Holding
Samuel Yedu-Aidoo	580	0.0002
Daniel Kwaku Tweneboah Asirifi	527	0.0002

a. Analysis of shareholding as at the year-end 2023

No.	Names	No. of shares	% of Holding
1.	SOCIAL SECURITY AND NATIONAL INSURANCE TRUST	79,199,550	29.9
2.	GOVERNMENT OF GHANA C/O MINISTRY OF FINANCE	56,608,613	21.4
3.	OFORI, DANIEL	19,867,154	7.5
4.	SCGN/JPMSE LUX RE SKAGEN KON-TIKI VERDIPAPIRFOND:EVD47	7,604,968	2.9
5.	SCGN/PICTET AFRICA NON TAX 6275J PICTETMAST	5,000,128	1.9
6.	SCGN/CITIBANK KUWAIT INV AUTHORITY	4,733,256	1.8
7.	GCB STAFF PROVIDENT FUND	4,536,219	1.7
8.	SCGN/SSBTC FOR CHANGE GLBL FRONTIER MKTS , LP-CGPA , 056900600926	4,165,700	1.6
9.	KROHNE FUND	3,383,930	1.3
10.	SCGN / ENTERPRISE LIFE ASS. CO. POLICY HOLDERS	2,996,695	1.1
11.	GHANA REINSURANCE COMPANY LTD GENERAL BUSINESS	2,499,285	0.9
12.	GHANA COCOA BOARD	2,264,312	0.9
13.	ENTERPRISE TIER 2 OCCUPATIONAL PENSION SCHEME	1,799,651	0.7
14.	SCGN/'EPACK INVESTMENT FUND LIMITED TRANSACTION E I F L	1,600,000	0.6
15.	SCGN/NTGS SE LUX CL A/C RE LUDP RE: AIF CL 8%	1,599,807	0.6
16.	SCGN/SSB EATON VANCE STRUCTURED , EMERGING MARKET FUND	1,590,000	0.6
17.	SCGN/SSB EATON VANCE TAX- , MANAGED EMERGING MARKET FUND	1,474,200	0.6
18.	GES OCC PENSION - DATABANK FINANCIAL SERVICES	1,266,741	0.5
19.	TEMA OIL REFINERY (TOR) LIMITED	1,125,793	0.4
20.	AFRICAN TIGER HOLDING LIMITED	1,100,970	0.4
	Total Top 20	204,416,972	77.3
	Others	60,583,028	22.7
	Grand Total	265,000,000	100

Correspondent Banks

LONDON		
Ghana International Bank Plc	67 Cheapside, 1st Floor Regina House London EC2V 6AZ England **BIC: GHIBGB2L**	
UNITED STATES OF AMERICA		
Citibank N.A.	16th Floor, Zone Street New York, N.Y. 10043, USA **BIC: CITIUS33**	
EUROPE		
Commerzbank AG.	Kaiserstrasse 16 60261 Frankfurt AM Main Germany **BIC: COBADEFF**	
BHF Bank AG	Frankfurt AM Main Germany **BIC: BHFBDEFF**	

MTOs/Agents

UNITED KINGDOM		
UnityLink Financial Services Ltd.	The Triangle, 5-17 Hammersmith Grove London W6 0LG	Tel: 0044-20-87722160 Email: info@unitylink.com
SPAIN		
Money Exchange, S.A	P. Santa Maria de la Cabeza 12 28045 Madrid Spain	Tel: +34917617170 www.moneyspain.net Email: pnovoa@moneyexchange.net Skype: money.exchange.eur

UNITED STATES OF AMERICA		
MoneyGram International	Money Transfer MoneyGram Payment Systems Inc. 1550 Utica Avenue South Minneapolis, MN 55416 USA	Email: www.moneygram.com Tel: +17203625024
Western Union	100 Summit Avenue Montvale, New Jersey 07645 USA	Tel: +1-201-263-6384 +1-201-263-5949
RIA Money Transfer	7000 Village Drive Suite 200 Buena Park California 90621 U.S.A.	Tel: +1 5623452632
SFB Capital Systems LLC	1031 Sterling Road Suite 201, Herndon Virginia 20170 U.S.A.	Tel: + 17035996975
Transfast / MasterCard Transaction Services (US) LIC	44 Wall Street, Suite 800 New York, NY 10005 USA	

» List of Branches

BRANCH	GPS ADDRESS
A&C Mall	GA412-0880
Abeka Lapaz	GA-428-6468
Abelemkpe	GA-091-3739
Abor	VK-2263-7594
Abossey Okai	GA-263-4698
Abura Dunkwa	CA-0000-1639
Aburi	E3-003-4398
Accra New Town	GA-045-6621
Accra North	GA-100-9433
Achimota	GE-370-2646
Ada	GY-0772-3463
Adabraka	GA-102-3830
Adenta Shopping Centre	GD-039-0201
Adjiringano	GD-212-4214
Aflao	VZ-0225-8170
Agogo	AN-0005-7030
Agona Ashanti	AZ-0000-4116
Agona Swedru	CO-0000-9729
Ahinsan	AK-305-2032
Airport City	GL-116-7441
Terminal 3	GL-125-4096
Akatsi	VX-0008-5279
Akim Oda	EB-0005-8535
Akosombo	EA-0495-7471
Akropong Akwapim	E2-0003-2559
Akumadan	A6-0000-3963
Akuse	EL-1063-9249
Amasaman	GW-0023-8235
Anyinam	ET-0743-4788
Asafo Market	AK-039-1603
Asamankese	EW-0001-8055
Ashaiman	GB-029-1204

BRANCH	GPS ADDRESS
Mandela Park-Ashaiman	GB-005-9057
Assin Foso	CR-0008-0889
Axim	WN-0000-5802
Bantama	AK-059-5478
Bawku	UA-0000-1529
Bechem	B3-0000-8954
Bekwai Ashanti	AB-0003-6475
Berekum	BB-0007-6719
Bimbilla	NN-0004-7771
Bogoso	WP-004-4349
Bole	NB-00007-7386
Bolgatanga	UB-0003-2952
Boundary Road	GA-106-5454
Breman Asikuma	CB-0013-7330
Burma Camp	GL-088-0982
Cape Coast Coronation Jun	CC-001-9477
Cape Coast Main	CC-008-5753
Cape Coast University	CC-121-1279
Dadieso	WU-0007-6342
Dambai	VR-00000-4712
Damongo	N5-00004-8712
Dansoman	GA-539-0336
Dome	GE-307-1198
Donkorkrom	EP-000-9516
Dormaa-Ahenkro	BD-0003-7891
Drobo	BI-0007-8239
Duayaw-Nkwanta	B2-0002-8068
Dunkwa-On-Offin	CU-0004-6276
Dzodze	VY-0000-1830
East Legon	GA-334-6211
Effiduase Ashanti	AR-0000-3083
Ejisu	AE-0000-0241

» List of Branches (continued)

BRANCH	GPS ADDRESS
Ejura	AJ-0018-3770
Elmina	CK-0010-1794
Elubo	WJ-2710-3555
Enchi	WA-00000-5079
Goaso	BU-0005-1331
Haatso	GE-299-2057
Half Assini	WJ-0001-2730
High Street	GA-183-1907
Ho Main	VH-0002-9142
Ho Market	VH-0056-5101
Ho Polytechnic	VH-0043-4220
Hohoe	VC-0000-6172
Hwidiem	BR-0000-4631
Jasikan	VJ-0001-7272
Juaso	AA-0000-0645
Jubilee House (Suame)	AK-030-7597
Kade	EK-0021-2750
Kadjebi	VM-0000-6816
Kaneshie Industrial Area	GA-172-2421
Kaneshie Market	GA-358-5820
Kantamanto	GA-181-4054
Kasoa Main	CX-000-9076
Kasoa Market	CG-0702-0050
Kejetia	AK-019-7603
Keta	VK-0010-8786
Kete Krachi	VS–0005–1021
Kibi	EE-0005-1120
Kintampo	BK-00000-4208
Kisseman	GA-344-0742
U.s.t.(Kumasi)	AK-315-1958
Koforidua	EN-010-4324
Koforidua Central	EN-010-4424

BRANCH	GPS ADDRESS
Konongo	AN-0003-3954
Korle Bu	GA-269-1628
Kpando	VP-0005-3441
Kumasi Main	AK-064-4856
Kn Circle	GA-100-9235
Labone	GL-026-2020
Lawra	XL-0000-9934
Legon	GA-488-0208
Liberty House	GA-141-0278
Madina	GD-212-4616
Madina Zongo Junction	GM-016-5223
Mampong Akwapim	AM-0007-2880
Mampong Ashanti	AM-0007-3287
Mankessim	CM-0412-4692
Spintex-Martey Tsuru	GZ -196-0672
Mim	BU-1225-3379
Ministries	GA-107-3312
Mpraeso	EI-0000-5437
Navrongo	UK-0007-7323
New Edubiase	A3-0005-5393
New Offinso	A7-0001-6443
New Tafo	EE-1135-6593
Nima	GA-012-9063
Nkawie	AH-0000-4210
Nkawkaw	EJ-0001-0348
Nkoranza	BO-0007-0669
Nkwanta	VO-00000-2468
Nsawam	EG-039-0065
Nungua	GZ-010-2589
Obuasi	AO-028-3084
Okaishie	GA-142-7699
Osu	GA-115-6609

List of Branches (continued)

BRANCH	GPS ADDRESS
Osu Oxford Street	GA-035-6262
Peki	VK-0010-8786
Prestea	WP-2580-0759
Republic House	GA-105-1077
Ring Road West	GA-216-3530
Saboba	NX-0003-1299
Tema Safe Bond	GT-140-8152
Salaga	N4-00007-7512
Saltpond	CM-0002-6190
Sampa	BJ-003-8518
Samreboi	WY-3374-0525
Sankore	BV-2275-2415
Sefwi Wiawso	WG-0011-9940
Sekondi	WS-019-2158
Sogakope	VU-0005-8862
Somanya	EY-0000-3518
Spintex Road	GZ-142-9946
Suame Magazine	AK-030-7249
Suhum	ES-0000-6936
Sunyani Main	BS-0007-5220
Sunyani Market	BS-0008-2307
Takoradi Harbour	WS-406-1610
Takoradi Main	WS-247-7131
Takoradi Market Circle	WS-245-2138
Aboabo-Tamale	NT-0005-3831
Tamale Hospital Rd.	NT-0061-6472
Tamale Main	NT-0003-5485
Tamale Market	NT-0005-0027
Tantra Hill	GW-0845-2608
Tarkwa	WT-0005-5782
Tech Junction	AK-316-4029
Techiman Main	BT-0000-9353

BRANCH	GPS ADDRESS
Techiman Market	BT-0003-2964
Tema Community 2	GT-071-0033
Tema Fishing Harbour	GT- 105 - 4205
Tema Industrial Area	GT-070-1829
Tema Main	GT-000-7970
Tema Market	GT--007-9740
Tema Meridian House	GT-021-67-01
Tepa	AX-0000-8210
Tesano	GA-166-8117
Tetteh Quarshie Circle	GA-289-4891
Trade Fair Site	GL-035-3019
Tumu	XS-00013-0995
Twifo Praso	CT-0000-3606
Wa	XW-0006-9068
Walewale	ND-00002-4241
Weija	GS-0164-7269
Wenchi	BW-0006-4992
Winneba	CE-008-3160
Yeji	BP-00000-5390
Yendi	NY-0010-6685
Sofoline Branch	AK-170-0339
Dzorwulu	GA-156-1108
Tema Community 25	GA-0544-4625
Derby Avenue	GA-142-9561
Nalerigu	TNE-0840-0153
UDS Tamale Campus	NT-0273-5541

GCB Bank PLC

PROXY FORM

I/We ____ being a member of the above-named Company

hereby appoint ____ or failing whom, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the 30th Annual General Meeting of the Company to be held on Thursday, **June 27, 2024 at 10.00am**.

Ordinary Business *as Ordinary Resolutions*	**FOR**	**AGAINST**
1. To consider and adopt the Financial Statements of the Company for the year ended December 31, 2023, together with the Reports of the Directors and Auditors thereon.		
2. To re-elect the following Directors retiring by rotation as per the Companies Act 2019 (Act 992)		
a) Mrs. Lydia Essah		
b) Nana Ama Ayensua Saara III		
c) Mr. Francis Arthur-Collins		
d) Mr. Emmanuel Ray Ankrah		
3. To re-elect the following Directors as per the Bank of Ghana Corporate Governance Directive 2018		
a) Mr. Francis Arthur-Collins		
b) Mr. Osmani Ayuba		
c) Mr. Emmanuel Ray Ankrah		
4. To ratify Directors' Renumeration as set out in the Accounts for the year ended December 31, 2023		
5. To approve the appointment of PricewaterhouseCoopers (Ghana) Limited (PWC) as the External Auditors of the Bank for the years 2024 to 2029.		
6. To authorise the Directors to fix the renumeration of the External Auditors.		

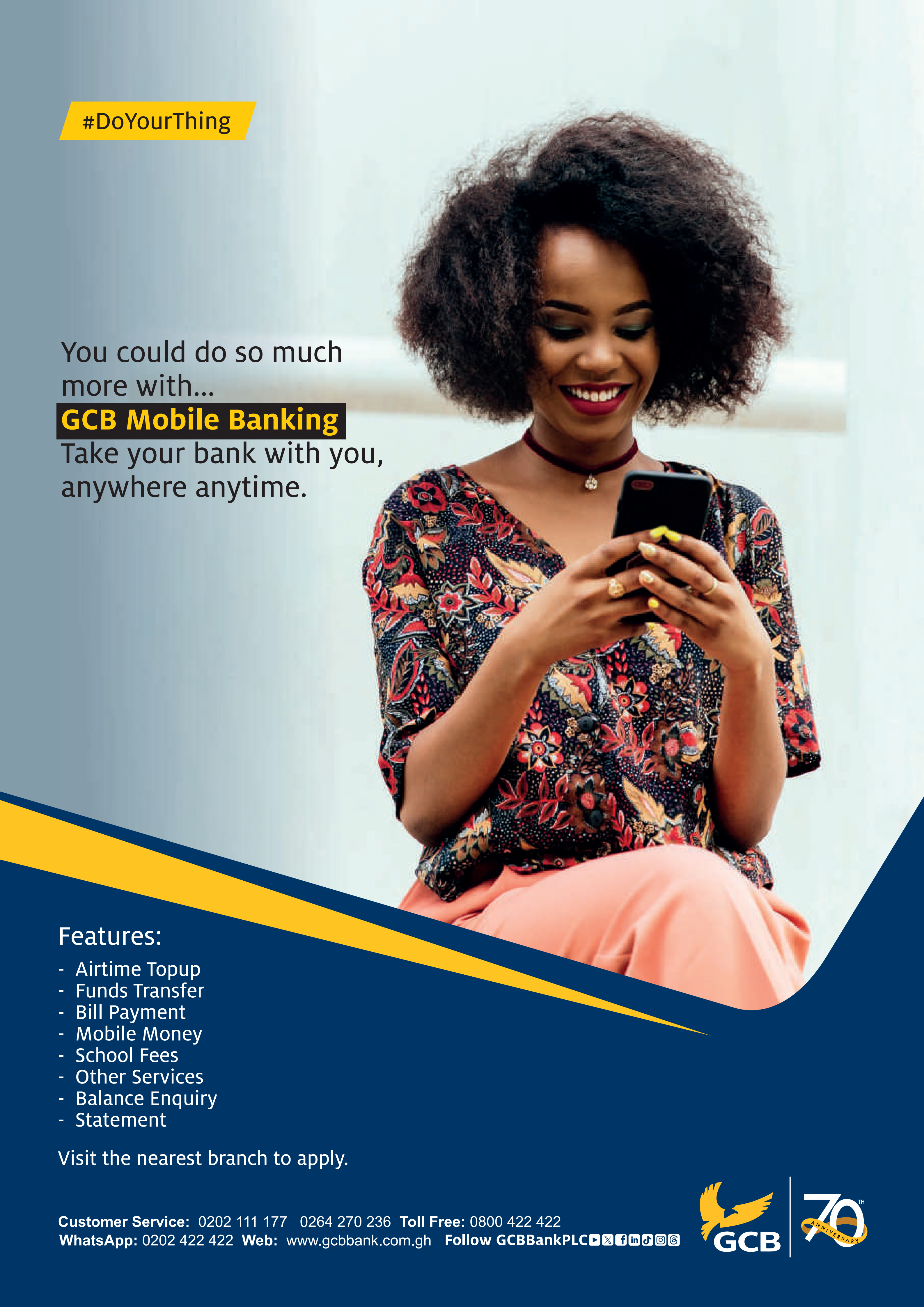
DATED THE ______ DAY OF _______________, 2024.

____

SIGNATURE

Notes:

1. Please indicate with an **"X"** in the spaces above how you wish your vote to be cast. Unless otherwise instructed, the Proxy will vote as he thinks fit.
2. If executed by a corporate body, the form should be completed by the signature of a duly authorized officer and should be accompanied by a resolution in accordance with Section 11 of Schedule 8 of the Companies Act, 2019 (Act 992).
3. To be valid, this Proxy form must be filled out, signed and lodged (together with any authority under which it is signed) with the Registrars at GCB Bank PLC, High Street, Accra not later than 10.00am on June 25, 2024.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