agricultural development bank

...truly agric and more

2019 ANNUAL REPORT

AND FINANCIAL STATEMENTS

adb

agricultural development bank

...truly agric and more

2019

ANNUAL REPORT

AND FINANCIAL STATEMENTS

5 more reasons to say thank you

Outstanding Contribution to the Economy

Premium Quality Ghanaian Bank

Best CEO State Owned Banks

Best Cocoa Financing Institution 2019

Ghana Club 100

VISION & CORE VALUES

Vision

To be the people's bank, harnessing the transformational power of agribusiness for wealth creation.

Core Values

Trust - It is the currency that makes it possible for us to work together, build integrity and earn the right to be the people's bank.

Innovation - We will embrace our responsibility solve problems and consistently add value to our customers.

Proactiveness - By putting ourselves in the customers shoes we will be timely in honouring our service promise.

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AGRICULTURAL DEVELOPMENT BANK LIMITED
NOTICE OF 33RD AGM

NOTICE IS HEREBY GIVEN THAT the 33rd Annual General Meeting of Agricultural Development Bank Limited will be held virtually and streamed live to shareholders on https://agricbankagm.com from the 4th Floor, Accra Financial Centre, Ridge, Accra at 11.00am on Wednesday August 12, 2020 to transact the following business:

AGENDA

Ordinary Business

1. To receive and consider the financial statements and reports of Directors and Auditors for the year ended 31st December 2019;
2. To elect Mr. Evron Rothschild Hughes as a Director.
3. To re-elect the following Directors retiring by rotation:
    - Alex Bernasko;
    - George Kwabena Abankwah-Yeboah;
    - Hon. Mrs. Abena Osei-Asare.
4. To approve the remuneration of Directors.
5. To authorise the Directors to determine the remuneration of the Auditors for the financial year ending December 31, 2020.

Special Business

6. Name Change: That Clause 1 of the Constitution be amended to change the name of the company from “Agricultural Development Bank Limited” to “Agricultural Development Bank Public Limited Company” (or using the abbreviated suffix, “Agricultural Development Bank PLC”) in order to comply with Section 21 (1)(b) and 21(15) of the Companies Act, 2019 (Act 992);
7. General Amendments to the Constitution of the Company: To authorise the Directors to effect amendments to the company’s Constitution so as to bring it in compliance and harmony with the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930);
8. Amendment of the Constitution to incorporate Virtual Meetings: To amend Clause 62 of the Constitution of the company to permit Directors to hold general meetings by virtual or hybrid means as and when they deem it necessary to do so.
9. Service of notices, reports and financial statement etc: To amend Clause 62 of the Constitution of the company to incorporate service of notices, reports and financial statement etc. to members and Directors through one or more of the following means:
    a. To a member or Director personally; or
    b. Sending it through the post addressed to the member or Director at the registered address of the member or director; or
    c. Leaving it for the member or Director with a person apparently over the age of sixteen years at that address, or
    d. Sending it to the member or Director through electronic means; or
    e. Publishing the full electronic version of the notice, report or financial statement on the Company’s website and informing members and debenture holders of same,

Dated this 20th day of July, 2020
BY ORDER OF THE BOARD
SGD.
GODWYLL ANSAH
COMPANY SECRETARY

NOTES:

1. Due to the corona virus pandemic and consequent restrictions on public gatherings pursuant to the Imposition of Restrictions Act, 2020 (Act 1012) and other regulations, attendance and participation by members or their proxies in the meeting shall be by virtual means (i.e. through an electronic platform with audio-visual capacity which provides members or their proxies reasonable and fair opportunities to participate and engage with the directors and auditors);
2. A member who is unable to attend the General Meeting is entitled to appoint a proxy to attend and vote on his/her/its behalf. A proxy need not be a member of the company;
3. A proxy form can be downloaded from www.agricbank.com and may be filled and sent via email to info@csd.com.gh or deposited at the Company’s

Registrar, Central Securities Depository on 4th Floor, Cedi House, Liberia Road, Accra, or posted to the Registrar at PMB CT 465 Cantonment, Accra to arrive at any time during working not less than forty-eight hours prior to the commencement of the meeting.

4. All relevant documents in connection with the meeting are available to shareholders from the date of this notice on the Company's website (www.agricbank.com).
5. Members are encouraged to submit their questions ahead of the AGM via mail to info@csd.com.gh

Accessing and Voting at the Virtual AGM

A unique token number will be sent to shareholders by email and /or SMS from August 3rd, 2020 to give them access to the meeting. Shareholders who do not receive the token can contact the CSD on: **info@csd.com.gh** or call 0302 906576 / 0303 972254 any time after August 7, 2020 but before the date of the AGM to be sent the unique token.

To gain access to the Virtual AGM, shareholders must visit : **https://agricbankagm.com** and input their unique token number on Wednesday, August 12, 2020. For shareholders who do not submit proxy forms to the Registrar of the Company prior to the meeting, they may vote electronically during the Virtual AGM again using their unique token number. Further assistance on accessing the meeting and voting electronically can be found on **https://agricbankagm.com**

For further information, please contact The Registrar:

Central Securities Depository (CSD) Ghana Limited,
4th floor, Cedi House, Accra
Tel:(233) 0302 906576/0303 972254
Email: info@csd.com.gh

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Alex Bernasko || **Chairman**

Dr. John Kofi Mensah || **Managing Director**

Mr. George Kwabena Abankwah Yeboah || **Non - Executive Director**

Mrs. Mary Abla Kessie || **Non - Executive Director**

Prof. Peter Quartey || **Non - Executive Director**

Mrs. Abena Osei-Asare || **Non - Executive Director**

Mr. Kwesi Korboe || **Non - Executive Director**

Hon Dr. Mark Assibey-Yeboah || **Non - Executive Director**

COMPANY SECRETARY

Mr. Godwyll Ansah
Accra Financial Centre
3rd Ambassadorial Development Area
P. O. Box 4191
Accra

REGISTERED OFFICE

Accra Financial Centre
3rd Ambassadorial Development Area
P. O. Box 4191
Accra

AUDITORS

Ernst & Young
Chartered Accountants
G15, White Avenue
Airport Residential Area
P. O. Box KA 16009,
Airport
Accra, Ghana

Board of DIRECTORS

Profile

Name	Nationality	Age	Position	Other Directorships Held
Alex Bernasko	Ghanaian	69	Board Chairman	
Mary Abla Kessie	Ghanaian	65	Non-Executive Director	• Family Health Medical School • Auto Mall Limited
Prof. Peter Quartey	Ghanaian	51	Non-Executive Director	• Startrite Montessori School • Institute of Statistical • Social and Economic Research
Abena Osei-Asare	Ghanaian	41	Non-Executive Director	• Social Security and National Insurance Trust • National Health Insurance Board • Integrated Aluminium Development Corporation
Kwesi Korboe	Ghanaian	57	Non-Executive Director	• GIRSAL Limited • GF Safari Limited • Genesis Vegetables Limited • Agri Commercial Services Ltd.
George Kwabena Abankwah-Yeboah	Ghanaian	59	Non-Executive Director	• Sharp Pharmaceuticals Ltd United • Perfumery and Pharmaceuticals Co. Ltd. • Gulf Consolidated Limited • Kyauto Ghana Limited • Dieu Donne Consult Limited • Ghana College of Nurses & Midwives
Hon. Dr. Mark Assibey-Yeboah	Ghanaian	46	Non-Executive Director	
Dr. John Kofi Mensah	Ghanaian	58	Managing Director	• Ghana International Bank Plc • Enyan Denkyira Rural Bank • GET Fund • Venture Capital Trust Fund

Biographical Information of Directors

The Board consists of a Non-Executive Chairman, six (6) other Non-Executive Directors and one (1) Managing Director. The Non-Executive Directors are independent of management and free from management constraints that could interfere with the exercise of their objective and independent judgments. The Directors collectively possess strong functional knowledge, expertise, and experience to make valuable contributions to the Bank.

Alex Bernasko – Board Chairman

Independent and Non-Executive Director

Mr. Bernasko was appointed the Chairman of the Board in August 2017. He is 69 years old. He is a Legal Practitioner and Notary Public. He has served on several Boards including the Export Development and Investment Fund (EDIF) and Ghana Tourist Development Company. His work experience includes Head of Legal Department of the Bank of Ghana, former Secretary to the Bank of Ghana and then Advisor and member of the Bank's top management.

He holds a BA (Hons) Social Sciences from KNUST, Qualifying Certificate in Law from the University of Ghana, Legon and Barrister-at-Law from the Ghana School of Law. He also holds certificates for courses attended in several institutions including the Royal Institute of Public Administration U.K., International Development Lawyers Institute, Italy and the International Monetary Fund, U.S.A. He is a member of the Ghana Bar Association, International Bar Association and the Institute of Directors, Ghana.

Mary Abla Kessie

Independent and Non-Executive Director

Mary Abla Kessie was appointed to the Board of the Bank in August 2018. She is 65 years old. She is a lawyer, a Notary Public, a certified Director and Corporate Governance expert. Mary previously served on the Boards of British Telecom Global Services, and Kosmos Energy LLC. She has a wealth of knowledge and experience in the Banking and Financial Services sector and held several positions during her banking career.

She holds a Bachelor of Laws Degree from the University of Ghana and a Barrister at Law from the Ghana School of Law. She is a member of the Ghana Bar Association and the Institute of Directors, Ghana.

Prof. Peter Quartey

Independent and Non-Executive Director

Prof. Peter Quartey was appointed to the Board of the Bank in August 2018. He is 51 years old. He holds a PhD in Development Economics from the University of Manchester (UK). He is currently the Director of institute of Statistical, Social and Economic Research at the University of Ghana, Legon. He is the immediate past Head of the Department of Economics and a former Director of Economic Policy Management at the University of Ghana, Legon. He is the vice Management Board Chairman of the Hunger Project (Ghana) and the Executive Director of Startrite Montessori School Ltd. He has previously served on a number of boards including: the University of Ghana Credit Union, National Population Council Board, Academic Board, Finance Board and the University of Ghana Strategy Committee.

Prof. Quartey has also provided consultancy services to various institutions including NEPAD, World Bank, African Development Bank, the African Economic Research Consortium and USAID. He has several publications to his credit.

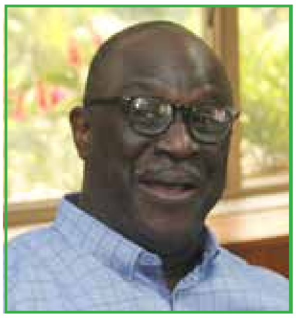
Abena Osei-Asare

Non-Executive Director

Mrs. Abena Osei-Asare was appointed to the board of the Bank in August 2018. She is a Chartered Accountant by profession and holds a Master of Science degree in Development Finance and a first degree in Economics with Geography all from the University of Ghana. She has served as a Member of Parliament (MP) since January 7, 2013 representing the people of Atiwa East in the Eastern Region. She is also the Deputy Finance Minister. In the House of Parliament, she serves as a Board Member of the Parliamentary Service Board and also serves on the following Committees of Parliament;

- Finance Committee: from January, 2017 till her nomination as Deputy Finance Minister
- Employment, Social Welfare and State Enterprises: from January 2013 till date;·
- Public Accounts Committee: from January 2013 till January 2017;·
- Standing Orders Committee from 2019 till date

Prior to entering Parliament, Hon Abena Osei–Asare worked as the Assistant Director in charge of Facilities and Finance for the New York University in Ghana and as Customer Team Leader and Dealer with Barclays Bank Ghana Limited. She also serves on Social Security and National Insurance Trust (SSNIT), National Health Insurance Authority(NHIA) and Ghana Integrated Aluminium Development Corporation. She runs an NGO, The Waterbrooke Foundation which offers support to people in need.



Kwesi Korboe

Non-Executive Director

Mr. Kwesi Korboe was appointed to the board of the Bank in August 2018. He is 57 years old. He is an Agribusiness Specialist, Management Consultant, Economist, Policy and Investment Analyst.He is the Chief Executive Officer of Ghana Incentive-Based Risk-Sharing System for Agricultural Lending (GIRSAL). He also provides advisory and technical support to the Ministry of Food and Agriculture on behalf of USAID. He has worked and held senior and executive roles on numerous agricultural projects funded and supported by USAID, the World Bank, AfDB, DfID, MCC, and FAO.He holds a BSc (Hons in Agriculture), Post Graduate Diploma (Agric Administration) and an MA (Economic Policy Management) all from the University of Ghana, Legon.

George Kwabena Abankwah-Yeboah

Non-Executive Director

Mr. Abankwah-Yeboah was appointed to the board of the Bank in August 2017. He is 59 years old. He is the Chief Executive Officer of Sharp Pharmaceuticals Limited. He is currently a director of United Perfumery and Pharmaceuticals Limited, Accra Technical University, and Gulf Construction Limited. He has previously served on several boards including CSRI STEPRI, Koforidua Technical University, and the Association of Ghana Industries. He holds a Bachelor of Pharmacy (Hons) from KNUST, MBA (Finance) and an LLB (Hons) from the University of Ghana, Legon.

Hon. Dr. Mark Assibey-Yeboah

Non-Executive Director

Dr. Mark Assibey-Yeboah was appointed to the board of the Bank in August 2018. He is 46 years old. He is the Member of Parliament for New Juaben South and Chairman of the Finance Committee of the Parliament of Ghana. He previously worked as a Senior Economist at the Bank of Ghana. He holds a BSc (Hons) Agricultural Economics from KNUST, and an MS (Agricultural and Resource Economics) from the University of Delaware, USA. He also holds an MA and a Ph.D. both in Economics from the University of Tennessee, USA.

John Kofi Mensah

Managing Director

Dr. John Kofi Mensah is the Managing Director of the Bank. He was appointed Managing Director of the Bank on August 1, 2017. He is 58 years. Dr. John Kofi Mensah is a renowned Economist and Banker with 29 years of experience in different sectors of banking ranging from start-up and delinquent banks operations, credit and treasury management of universal banks. Prior to his appointment, he held various roles at the Bank for Housing and Construction, Securities Discount Company (SDC), International Commercial Bank (Now FBN Bank), Unibank, First Capital Bank and also served as board member at Cocoa Processing Company, Ghana Telecom University and Family Fountain Assets & Securities Limited

He holds a Doctorate in Business Administration (Finance) from the University of Zurich, Switzerland. He holds an MSc (Banking and Finance), Cum Laude from Finafrica in Milan, Italy and a BA (Economics & Statistics) from the University of Ghana-Legon.

Biographical information of Directors

Age Category	Number of Directors
41 – 50 years	2
51 – 60 years	4
Above 60 years	2

Commitment to Corporate Governance
The key guiding principles of the Bank's governance practices are:

i. Good corporate governance for enhanced shareholder value.

ii. Clearly defined respective roles of Shareholders, Board of Directors and Management in the governance architecture.

iii. The Board of Directors should have majority of its membership as either Independent or Non-Executive Directors, an Independent Director may be broadly defined as a Non-Executive Director who has the ability to exercise objective, independent judgment after fair consideration of relevant information and views without undue influence from management or from inappropriate external parties or interests. These principles have been articulated in a number of corporate documents, including the Bank's Constitution and the Board Charter.

iv. There is a Board Charter which spells out the functions and powers of the Board and Board Sub-Committees. There are also various policies which define the role of the Board and the Managing Director with regard to certain specific matters including staff hiring and discipline.

Key MANAGEMENT PERSONNEL

Dr. John Kofi Mensah

Managing Director

Dr. John Kofi Mensah was appointed Managing Director of the Bank on August 1, 2017. Dr. Mensah is an Economist and Banker with over 25 years of experience in different sectors of banking ranging from start-up and delinquent banks operations to credit and foreign/Treasury management of Universal Banks. He previously worked at the International Commercial Bank (now FBN Bank) invarious capacities including that of General Manager/Deputy CEO. He has also previously worked at UniBank as General Manager, and later Deputy Managing Director. He was the CEO of the erstwhile First Capital Plus Savings & Loans from April 2011 till July 2015. He currently serves on the Board of Ghana International Bank Plc, UK. Dr. Mensah has previously served as Chairman of Family Fountain Assets & Securities Limited, and a Director of Enyan Denkyira Rural Bank and Cocoa Processing Company Limited. He holds a Doctorate in Business Administration (Finance) from SMC University of Zurich, Switzerland, an MSc (Banking and Finance), Cum Laude from Finafrica in Milan, Italy and a BA (Economics & Statistics) from the University of Ghana. He is also a fellow of the Institute of Professional Financial Managers (FIPFM), UK.

Alhassan Yakubu-Tali

Deputy Managing Director

Mr. Alhassan Yakubu-Tali was appointed Deputy Managing Director of the Agricultural Development Bank(ADB) Limited on August 15, 2017.

He is a seasoned Investment Banker with 15 years of international experience spanning many multinational banks including, HSBC, Lehman Brothers Investment Bank, Bank of Tokyo and Fimat International Bank. He holds an MBA (Marketing) from the City University, Bellevue, USA (Frankfurt Campus); B.S. (Business Administration), also from the City University, Bellevue, USA (Frankfurt Campus); Diploma 2 (Business Administration) from West London College, London and Diploma 1 (Business Administration) from West London College, London.

A married man, Alhassan is a polyglot and is fluent in German, English, Hausa and Dagbani.

Edward Ian Armah-Mensah

General Manager, Business Banking

Mr. Edward Ian Armah-Mensah joined ADB as Executive Head, Corporate Banking in 2010. He has also served as Chief Commercial Officer of the Bank, Group Head, Corporate Banking and is currently the General Manager, Business Banking. He has over 23 years' experience holding senior roles in the Ghanaian banking industry and over this period he has successfully led and set up Corporate Banking and Non-Bank structures from greenfields.

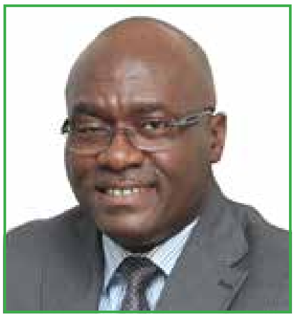
He has an extensive experience in Corporate Finance with specialty in Deal Origination, Debt Restructuring, Trade Syndication, Trade/Cash Management andAsset Finance. He has deep and varied cross industry experience with Stanbic Bank (Ghana) Limited, Barclays Bank (Ghana) Limited and NDK Financial. Services Edward holds an Executive Master's in Business Administration (Finance Option) and a Bachelor of Science in Business Administration bothfrom the University of Ghana Business School.

Samuel Dako

Chief Audit Executive

Mr. Samuel Dako has has over twenty-five years' managerial experience in the Banking Sector. He joinedthe Bank as a Finance Officer and has served in various capacities including Financial Controller, Head of Financial Reporting and Strategy, Manager Research and Corporate Planning and Branch Operations Manager. He also has relevant managerial experience in Branch Banking, Risk Management and Internal Audit & Assurance. Samuel is a Non-Executive Director of Akuapem Rural Bank.

He also serves on the Audit Committee of a couple of Public Institutions.He is a Chartered Accountant and a member of the Institute of Chartered Accountants Ghana, Merit Award. He holds MBA Finance from the University of Leicester UK, Bachelor-of-Laws Degree from GIMPA, BL (Cand.)and Post Graduate Diploma in Management Information Systems, GIMPA. He is a Certified ISO 27001Lead Implementer and Auditor.



Leon Bannerman–Williams

Chief Finance Officer

Mr. Leon Bannerman–Williams was appointed Chief Finance Officer (CFO) of the AgriculturalDevelopment Bank (ADB) Limited on 5th February, 2019. Mr. Bannerman-Williams is an experienced Chartered Accountant. He began his career at the Controller and Accountant General's Department in1989 and joined the Agricultural Development Bank in 1997 as a Finance Officer. He served in several capacities including, Branch Operations Officer from September 1999 to October 2005, for Koforidua, Ring Road Central and Cedi House Branches respectively and was appointed the Branch Manager forthe Tema Main Branch in 2005. In 2007 he was transferred to the Head Office as the Financial Controller where he successfully led the team in the processes towards the Bank's first adoption of the International Financial Reporting Standards (IFRS).

In 2010, Mr. Bannerman-Williams joined the Credit Risk Department as the Credit Portfolio Manager, a role that involved high level credit portfolio analytics for Executive Management and later was appointed as the Head of Monitoring and Recoveries Department in 2015. He is a qualified accountant and holds Executive Master of Business Administration (Finance) degree from the University of Ghana Business School. Mr. Bannerman-Williams is a Fellow of the Association of Chartered Certified Accountants (UK) and also a Member ofthe Institute of Chartered Accountants (Ghana).

Enoch Benjamin Donkoh

General Manager, Operations

Mr. Enoch Donkoh was appointed was appointed in April 2019. He has a career in banking spanningmore than twenty years beginning at the Agricultural Development Bank (ADB) where he was with the Accounts and later Foreign Operations Departments. He joined the Bank of Ghana (BOG) Banking Supervision Division for seven years and gained experiences in Internal Control Practices, Risk Management and also best Banking Practices.

With his experience at BOG he moved to work with acouple of Savings and Loans Companies namely Pro-credit Savings and Loans Company as Head of Finance, Express Savings and Loans Limited as General Manager/Managing Director, Global Access Savings and Loans as an Executive Head and later Executive Director. He also worked as the Head of Operations at the Micro Finance and Small Loans Centre (MASLOC). Enoch Benjamin Donkoh is amember of the Institute of Chartered Accountants, Ghana (1999), holds a Bachelor of Science in Administration (Accounting) from University of Ghana and an MBA (Finance) from Central University College.

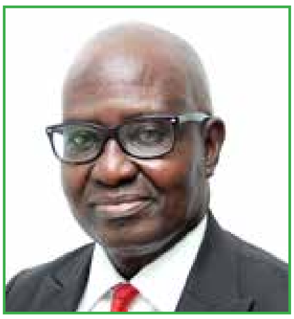
Da-Costa Asiedu Owusu-Duodu

Chief Risk Officer

Mr. Da-Costa Asiedu Owusu-Duodu was appointed as Chief Risk Officer of the Bank on March 1,2019. He has previously worked with the Bank in 1997 as a Credit Risk Officer in the Loans and Advances Department of the Bank and later joined Techno Serve Incorporated as a Microfinance Specialist, under the Trade and Investment Reform Programme executed in collaboration with theUnited States Agency for International Development (USAID).

Mr. Owusu-Duodu has an in-depth knowledge and experience in the banking industry, in the areas of credit origination, project finance, syndication, debt restructuring and re-organization of distressed companies, across Agricultural Development Bank, CAL Bank and Universal Merchant Bank. With over 22 years' experience in banking and a proven track record of success in the maintenance of high asset quality, he brings awealth of expertise to a well-established banking brand.

He holds a Master of Philosophy (MPhil) degree in Agri-Business Administration from the University of Ghana, Legon, and also a Bachelor's Degree (B.Sc.) in Agricultural Economics from the same university.



Maxwell Amoakohene

General Counsel

Mr. Maxwell Amoakohene joined the bank in 1994 as a Legal Officer and rose through the ranks to become Principal Counsel of the bank in 2010. He was appointed General Counsel in January 2015. He holds a Bachelor of Arts Degree in Law from the University of Ghana and a Professional Law Certificate from the Ghana School of Law. He further holds a Masters of Business in Administrationfrom the same University with bias for Human Resource Management.

Bridget Kaminta Lekanong Nuotuo

Treasurer

Ms. Bridget Lekanong Nuotuo Kaminta joined ADB as Treasury Sales Manager in 2011 and has beenthe Treasurer of the Bank since December March 2016. She has over 15 years' banking experience 13years of which has been in treasury management. Bridget begun her banking career from Barclays Bank (Ghana) Limited where she was a Senior Dealer in charge of Retail and also held variouspositions in Retail Banking.

Bridget holds an Executive Master's in Business Administration (EMBA–Finance Option) from the University of Ghana Business School and a Bachelor of Commerce degree from the University of Cape Coast. She is also a Chartered Banker and a member of the International Financial Markets (ACI certified).

Godwyll Ansah

Company Secretary

Mr. Godwyll Ansah was appointed the Company Secretary on 1st April, 2019. He is a seasoned legal practitioner with over 18 years' experience in legal and banking practice ranging from Legal Compliance, Anti-Money Laundering , Board Secretariat and Bad Debt Recovery.

He worked at Bankof Africa Ghana Limited from December 2006 to March 2019 having held several positions including Head of Compliance, Head of Legal and Company Secretary. He also worked with Société General (Ghana) and Stanbic Bank Ghana Limited. Mr. Ansah holds a Master of Law (LLM) and Bachelor ofArts Degree (Law and Economics) both from the University of Ghana, Legon. He also attended the Ghana School of Law from 1999 to 2001 and was called to the Ghana Bar in October 2001.

He is amember of the Ghana Bar Association.

Prosper Morgan Dodor

Head, Internal Control

Mr. Prosper Morgan Dodor is a seasoned banker with over 25 years' industry expertise in the area ofInternal Control, Trade Finance, Cash Management, Operations, Internal Audit and Credit Assurance.He is currently the Head of the Internal Control and Due Diligence Department at the Agricultural Development Bank (ADB), ensuring that standardisation of processes and policies are in line with best practice.

Prosper Morgan Dodor holds a Bachelor of Science (B.Sc.) Degree in Business Administration (Accounting option) and an MBA in Finance from the University of Ghana, Legon. He is a Member ofthe Institute of Chartered Accountants (ICA) (Ghana) and Chartered Institute of Bankers (CIB, Ghana).

Dr. Fred Safo-Kantanka

Head, Compliance

Dr. Fred Safo-Kantanka holds a Doctorate degree in Business Management from the Atlantic International University, USA, a Master of Science Degree (MSc.) in Financial Management from the Middlesex University in UK, and a Bachelor's Degree in Economics and Geography from the Kwame Nkrumah University of Science & Technology. He has over 26 years' progressive working experience in Compliance, Internal Audit and Assurance, including Risk Based Audit by providing standardized framework and guidelines for the identification, monitoring, controlling, measuring and Audit reporting.

He has significant experience in Risk Management, Credit Management, Banking Operations,Purchasing and Procurement Management. Prior to joining ADB, Fred worked in various capacities in a UK firm from 1995 to 2006, and served in various roles, including Stock Controller through to SupplyChain Management.

Papa Arko Ayiah

Anti-Money Laundering Reporting Officer

Papa Arko Ayiah is the Anti-Money Laundering Reporting Officer of the Agricultural Development Bank Limited. He has nineteen years of banking experience, all in the employ of our Bank. He joined ADB in 2000 as an Officer Trainee with the Treasury Department and was on various schedules including Money Market Dealing. He also worked in the Communications Unit of the bank as a Senior Communications Officer.

Papa is a Certified Anti-Money Laundering Specialist and a member of the prestigious Association of Certified Anti-Money Laundering Specialists (ACAMS), USA.He holds a Master of Laws in Alternative Dispute Resolution from the Faculty of Law, University of Ghana, a Bachelor of Laws from the Faculty of Law, Mountcrest University College (affiliated with KNUST), a Master of Arts in Human Resource Management from University of Cape Coast, and a Bachelor of Educational Psychology also from University of Cape Coast.

Kwame Asiedu Attrams

General Manager, Agribusiness

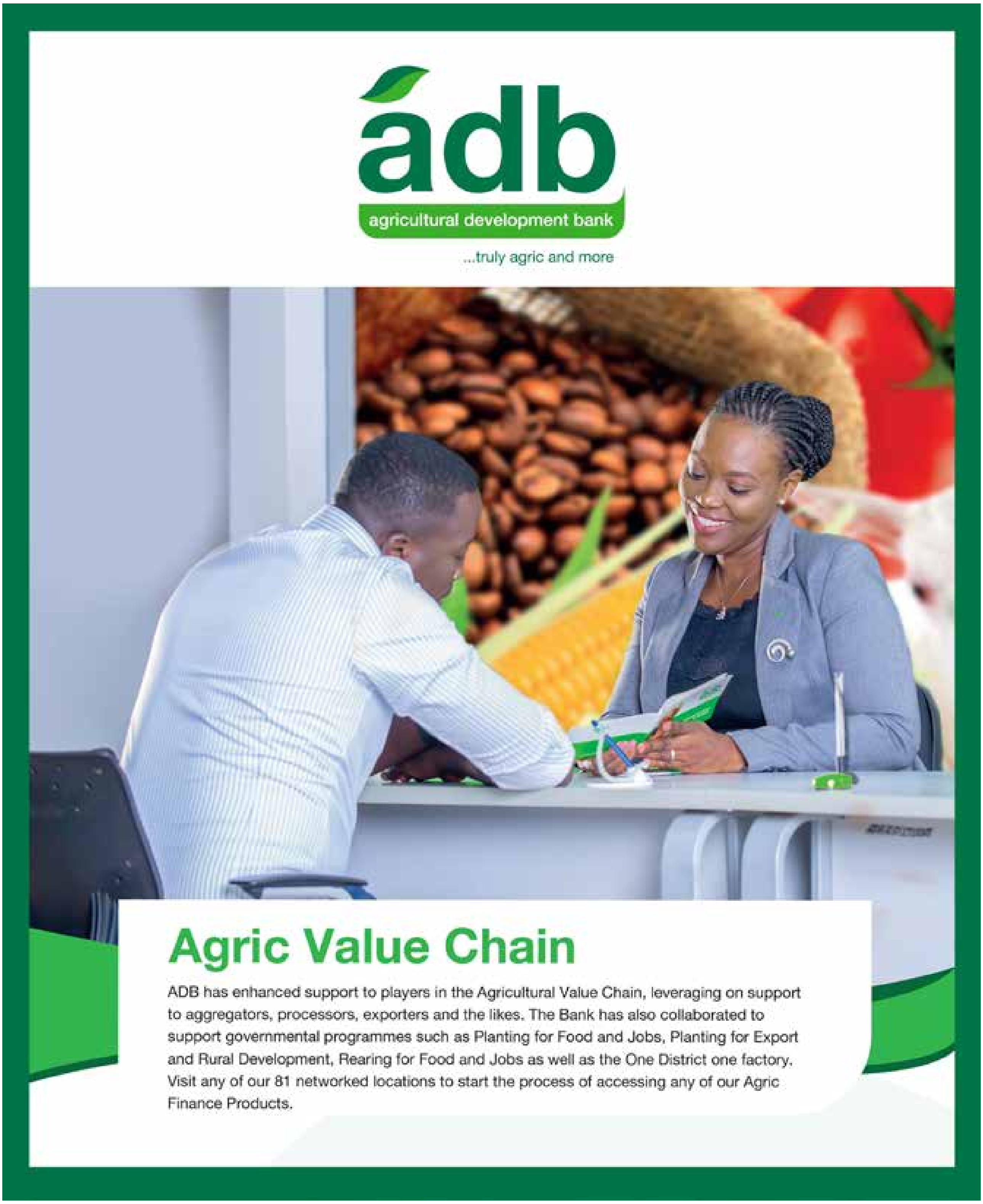
Kwame Asiedu Attrams assumed the role of General Manager for Agribusiness on 1st August 2019; he is a professional agriculturist with vast experience in the agricultural and financial sector. He has over 15 years' experience in the Banking sector having joined the Agricultural Development Bank in 2004 as a Credit Officer and later a Relationship Manager at the Agricultural Finance Department. As a Credit Officer in charge of Poultry and Livestock Projects he managed the Bank's Broiler Outgrower program, also in his role as a Relationship Manager amongst several functions he was responsible for the efficient and effective management of Agricultural accounts. He was also responsible for the coordination, monitoring and evaluation of MIDA funded projects for the Bank. He represented the Bank on several Committees and Boards of Ministries, Departments and Agencies.

Mr. Attrams joined Access Bank Plc, Ghana in 2017 as the Head of Agro Allied Unit and helped set up the Agribusiness Unit of the Bank and also developed the agricultural finance strategy and products for the Bank. He has had other prior working experiences at Afariwaa Farms and Livestock Products Limited as Production Manager and Nutritionist; the Institute of Economic Affairs as a Legislative Research Assistant attached to the Parliament of Ghana and the University of Ghana as a Teaching Assistant in the Faculty of Agriculture. Mr. Attrams holds a first degree in Agriculture (Animal Science) and an MPhil in Animal Science (Nutrition) all from the University of Ghana and several other certificates from internationally recognized institutions such as the Kansas State University, USA and Galilee College, Israel. He is an old student of Prempeh College. A married man and devout Christian.

Jonas Kwabena Safo Baah

Head, Human Resources

Mr. Jonas Kwabena Safo Baah was appointed as the Head, Human Resources, on 1st July, 2019. He has considerable experience in Human Resources Management spanning over twenty (20) years'experience in Ghana, fifteen (15) of which have been in the Banking industry. He has very good knowledge of the Human Resources functional areas especially, in the strategic areas of Performance,Talent and Succession Management. He has cross industry experience having worked with First Atlantic Bank Limited, Standard Chartered Bank (Ghana) Limited, Ecobank (Ghana) Limited and The Trust Bank (TTB) Limited. He also worked at The Capital Group Limited and GCAA. He holds a Master of Business Administration (Human Resources Management option) and Bachelor of Arts (Political Science) degrees from the University of Ghana, Legon and Bachelor of Laws (LLB) from GIMPA.



Message From The BOARD CHAIRMAN

Mr. Alex Bernasko

INTRODUCTION

Dear Shareholders, It is my singular pleasure to present to you the report of the Board of Directors for the year 2019. The 2019 financial year was a year of consolidation in many respects for the Agricultural Development Bank Limited. The Board focused on completing the Bank of Ghana minimum recapitalization requirements, improving financial performance, improving cyber security and corporate governance, in order bring the Bank in compliance with the relevant Bank of Ghana directives on corporate governance and cyber security.

ECONOMIC REVIEW

The year 2019 experienced an expansion in the economy particularly in the first quarter with a recorded GDP rate of 6.7%, much of the growth (6.0%) being non-oil based. The services sector showed much recovery from its performance in 2018 (1.2%) by posting a first quarter growth of 7.2%.

Regardless of revenue shortfalls, the government did not relent in its fiscal consolidation efforts culminating in a 2019 half year fiscal deficit on cash basis of 3.3% of GDP beyond the targeted 2.9% of GDP.

Private sector credit growth was stronger buoyed by the well-capitalized banking sector as a result of the financial sector cleanup.Inflation continued to be in single digits in the first six months of 2019; gradually rising from 9% in January to 9.5% in April 2019 mainly driven by low food inflation but reducing to 7.90% by close of 2019.

The Ghana cedi came under considerable pressure in the first quarter of 2019, due to high demand, as importers sought to restock their supplies but, in the second quarter, the domestic currency market became relatively calmer. The Ghana cedi cumulatively depreciated by 14.8% in the year to December 2019.

The Bank of Ghana through the Monetary Policy Committee maintained the policy rate at 16% which in turn influenced stability in the yields on the treasury securities.

REGULATORY REVIEW

The Bank complied with various financial sector reforms introduced by the Bank of Ghana towards the end of 2018 and a few in 2019 . Notable among Bank of Ghana's directives which we implemented were the following:

i. Cyber and Information Security Directive (October 2018)

ii. Corporate Governance Directive (December 2018);

iii. Fit & Proper Persons Directive (July 2019);

There were also, the passage of the Payment Systems and Services Bill and the Companies Bill into Acts of Parliament in 2019.

The additional regulations were welcome as they were intended to make the industry more robust. The implementation and compliance with some of the directives, notably, the Cyber and Information Security Directive, required considerable investment and thus, increased cost of operations.

FINANCIAL PERFORMANCE

Esteemed shareholders, amidst heightening competition in the industry, dwindling margins, increasing cost of operations and increasing regulatory requirements, I am pleased to note that, year on year the Bank was more profitable, posting a profit after tax of GHS14.8million compared to GHS5.9million in 2018 occasioning a return on equity and return on assets of 1.87% and 0.32% as against 0.92% and 0.16% in that order respectively.

Indeed, apart from the cost to income ratio which increased over the period due mainly to lower than expected revenue generation, most of our performance and liquidity indicators pointed in a positive direction.

The size of our balance sheet experienced an appreciable growth over the year from GHS3.5billion in 2018 to GHS4.6billion in 2019 (27%) bolstered in part by our improved holdings in investment securities in line with our strategic objectives, just as we saw an expansion of 37% in net loan assets from GHS1.1billion in 2018 to GHS1.5billion in 2019 yet a marked reduction in the NPL ratio and a 31.2% growth in deposits from GHS2.5billion in 2018 to GHS3.4billion in 2019.

By the end of 2019, the capital adequacy ratio and the Basel Committee inspired capital requirement directive were 16.5% and 14.5% respectively, both above the minimum regulatory limit.

The reviewed strategic plan which spans the period 2020 to 2022 provides, among other things, the guidance to influence the Bank's current operating model and the changes that will ensure its sustainability and growth. KPIs and metrics for their measurement are being developed into effective dashboards for monitoring and evaluation.

CAPITALIZATION

In April 2019, the Bank completed the formal processes of the renounceable rights issue commenced in December 2018. The exercise increased the capital of the Bank by an additional GHS146.60million. Also, a subordinated debt of GHS150million was converted to equity.

In December 2019, the much awaited capital injection from Ghana Amalgamated Trust Plc finally materialized.The Bank completed the private placement of ordinary shares of the Bank with Ghana Amalgamated Trust Plc which brought in additional equity of GHS127million.

The completion of the above-mentioned crucial capitalization milestones has enabled the Bank to successfully meet the Bank of Ghana's new minimum capital requirement of at least GHS400 million.At the end of year, the Bank had achieved a stronger capital position with a minimum paid-up capital of GHS400 million as required by regulation and a capital adequacy ratio of 16.45%, well above the statutory minimum limit of 13%.

CORPORATE GOVERNANCE

In line with the requirements of the Bank of Ghana's corporate governance directives, the directors of the Bank undertook a corporate governance certification programme facilitated by the National Banking College. The certification programme focused on corporate governance in perspective, regulatory response to corporate governance challenges in banks and financial institutions, the balance sheet framework for Boards of Directors and risk management, prudential requirements and reporting. The Board also held an exclusive session facilitated by KPMG on IFRS and Basel II & III implementation. These training sessions brought to the fore, contemporary regulatory requirements for the industry as well as its challenges. They also equipped directors to adequately respond and deal with the identified requirements and challenges.

The Board also revised the Board Charter and considered a new Conflict of Interest Policy and Ethics Charter for the Board. The Board undertook a robust self-evaluation during the year under review. The Board would continue to strive to comply and fulfil all regulatory requirements in relation to corporate governance.

DIVIDENDS

Bank has made modest profits after tax since the 2017 financial year. Indeed, the financial performance is steadily improving and getting better. Members should note however that as at the end of December 31, 2016, the Bank had a negative income surplus of GHS188.8million. Regulation requires the Bank to completely write-off accumulated operating losses from its normal operations before it may declare dividends. The Board is thus constrained from recommending the declaration of dividends until the accumulated negative income surplus has been completely written off.

WAY FORWARD

The coming year portends immense challenges to our business as COVID -19 does not seem to be abating soon. If there is a lesson to learn for the future from this pandemic, it is one of uncertainty and unpredictability. The future obviously belongs to those who are able to best adapt to the changes as they emerge and bounce back on its growth trajectory.

We at ADB know this so well and have therefore triggered our response mechanisms into action. We have developed strategies from different scenarios that aim at containing the effects of the pandemic on our business and we want to reassure you that ADB will adapt so well.

Our focus on recovery of non-performing loans will not waver. Indeed, we have instituted measures to strengthen our loan monitoring and collection. Credit risk management has been strengthened and we continue to intensify our retail deposit mobilisation drive while we exploit all the opportunities that digitalization of its financial services offer.

We want to urge all our stakeholders to deepen our partnerships so we move ADB to its deserving heights.

CONCLUSION

The future looks quite bright in spite of the challenges to our operations by COVID-19 and I remain confident the Bank will adapt and innovate in order to aggressively grow its business to create value for our shareholders and customers.

I wish to express my sincere gratitude to all of you, our esteemed shareholders for your immense support which has re-positioned the Agricultural Development Bank on a path of sustainable growth and a position to deliver on its core mandate. I similarly express my gratitude to colleague Board members, management and staff for their hard work. I finally want to thank our valued customers and all counter-parties, especially, the Ministry of Finance and the Ministry of Agriculture.

Message From The MANAGING DIRECTOR

Dr. John Kofi Mensah

INTRODUCTION

Dear Shareholders, 2019 was in essence a year of stable and meaningful progress as we inched gradually but surely towards our goals. We have not relented in our quest to make ADB one of the the best performing banks in Ghana.

I am pleased to present the results of the Bank's performance for the year 2019. I Our performance in 2019 was an improvement on 2018 and I take this opportunity to thank all of you; shareholders, stakeholders, customers, management and staff for the support which immensely contributed to our steady financial growth.

The year 2019 also represented a very significant period for the Bank especially after the completion of the Banking Sector reforms and also the full implementation of regulatory demands including IFRS 16. In the course of the year, we had to take several decisive strategic measures in the areas of Agriculture, SME and our digital offerings so as to enable us re-gain customer confidence and trust.

We achieved modest business growth and the acceleration of our retail strategy helped in improving our deposit mobilization drive. We also made good strides in enhancing balance sheet efficiency, de-risking our loan portfolio whilst leveraging innovation and technology amid intensified cyber security.In 2019 the Bank initiated the process of getting the necessary approval and certification from the Green Climate Fund, this we hope to complete by the end of 2021.

PERFORMANCE REVIEW

The Bank made a profit after tax of GHS14.8million in 2019 as against GHS5.9milion in 2018 representing an increase of nearly 151%. This is a significant jump coming just after the full implementation of the banking sector and other regulatory reforms by the Bank of Ghana.

We showed some good gains in the headline interest margin which improved from 55.4% in the preceding year to 61.1% in 2019 responding to the retail deposit mobilisation drive to reduce cost of deposits. In the process, customer deposits increased by 31.2% from GHS2.6billion in 2018 to GHS3.4billion in 2019 largely resulting in 27% balance sheet growth and accounting for the 28% increase in gross loans from GHS1.5billion in 2018 to GHS1.9billion with the attendant improvement in the NPL ratio.

I am delighted to announce to you that we received GHS127million from Ghana Amalgamated Trust (GAT) towards our recapitalisation efforts in line with regulation and we experienced Shareholders' Fund growing by GHS153.68million from GHS639.7million in 2018 to GHS793.4million in 2019 representing 24%.

Cost of operations continued to escalate across board amid increased regulation and the implementation of cybersecurity protocols. However, management is well composed to ensure it is held in check.

Our drive to improve income from non-funded sources especially E-Business was well on course as a lot of investment was made into the development of new products which would be rolled out in 2020.

AGRI-BUSINESS

The Bank maintained its focus on Agribusiness by instituting measures to attain its goal of increasing the share of agriculture in the total loan portfolio of the Bank to 50% by 2022 from 28% in 2017. The following measures were set in motion in order to achieve this goal:

- The Bank in the year 2019 initiated the process of being accredited to the Green Climate Fund, an international financial mechanism under the United Nations Framework Convention on Climate Change (UNFCCC). The accreditation would enable the Bank low interest rates access from UNFCCC funds.
- There was renewed collaboration with government mainly through the Ministry of Food and Agriculture, enhancing support towards the implementation of valuable projects and programmes. The Bank continued to collaborate with government to implement programmes such as Planting for Food and Jobs (PFJ), Rearing for Food and Jobs (RFJ), planting for Export and Rural Development (PERD) as well as the One District One Factory Initiative (1D1F).
- Following the Bank's commitment of about GHS100 million to support the purchase of fertilizers and certified seeds under the Planting for Food and Jobs Campaign, the Bank in 2019 supported the National Food Buffer Stock Company Ltd with an amount of GHS70.0 million to purchase grains produced under the Planting for Food and Jobs. This support provided market for farm produce and thus encouraged farmers to produce under the 2020 programme.
- The establishment of a strategic business support Unit to assist the two departments under the Agribusiness Division and to coordinate the enhanced collaboration between the Bank and MDAs in the agricultural and allied sectors improved the collaboration.
- In the year under review, the Bank increased credit support towards the production and processing of oil palm with the aim of reducing the import of crude palm oil into the country.
- The Bank in 2019 built a reliable pipeline of agricultural value chain projects which will form the bedrock for our 2020 agricultural value chain financing. Pipelines have been built in the areas of poultry value chain (mainly broilers), rice value chain as well as maize and soya bean value chain. The Bank would in 2020 implement the broiler value chain scheme with the aim of revitalising the broiler industry and increasing broiler production to serve as substitute for the huge volumes of poultry imported into the country annually. Production of maize and soya beans would also be enhanced to provide reliable feed sources for the broiler scheme. Rice farmers would be supported to produce paddy to supply to millers who will be supported by the Bank to purchase the paddy and mill for sale.

E-BUSINESS PRODUCTS & SERVICES

The Bank's agenda of being a major player in the digital banking space was on course with the promotion of a cash lite policy, financial inclusion and the digitilization of our products and services. We have upgraded and introduced new E-business products to our array of products. Through these enhancement customers have more channels for seamless business-to business, business-to person, and person-to-person payments. Through our simple, secure and easy-to-use USSD service *767# that requires no internet connection, low-income earners and the unbanked have access to basic banking services using their mobile phones.

The Bank enhanced its E-business products with the introduction of new products like the VISA Contactless Cards and completion of POS Project and the E-Commerce platform.

In 2020, the Bank will complete the migration from Magnetic Stripe Cards to a much more secured EMV Chip and Pin Card as part of our proprietary cards and ensure the enhancement of our Mobile App and USSD.

The Bank is in the process of obtaining the necessary regulatory approval for the acquiring and issuance of Mastercard. With the current positive outlook, we are also in talks with other merchants and service providers like Zeepay, Airlines, Bolt, Netflix, Jumia etc to partner us in providing quality service to customers.

CORPORATE SOCIAL RESPONSIBILITY

Our Corporate Social Responsibility continued with the sponsorship of several activities in the areas of agriculture, health, culture, economic and other social programs. The Bank continued with its flagship support to the National Best Farmer Celebration by awarding the National Best Farmer with the cedi equivalent of USD100,000.

The Bank was a sponsor of the Ghana Economic Forum (GEF) which brings together captains of industry and provoked discussions and debate among leaders on key issues affecting the Ghanaian economy and offer solutions to enhance the country's economic development plans. The forum remains the foremost creative force for engaging the country's top business leaders in collaborative activities to shape the country's economic agenda.

ADB sponsored the Heads of States Award which helps young people to discover their potential– to find their purpose, passion and place in the world.

The Bank also supported the Ghana Journalists Association Awards, various traditional and religious festivals in the country e.g. Homowo, Dambai, Ramadan festivals.

We remain committed in ensuring that our communities benefit from our presence and as we strive to better the lives of the people who live in those communities. The Bank continued with the ''meet the community series" that ensured key management personnel had a more personal encounter with people within our host communities.

AWARDS

In the year under review, the hard work and commitment of management and staff ably guided by the Board won the Bank several awards and recognition during, some of these awards being; Best Bank in Cocoa Financing; Premium Quality Ghanaian Bank; Outstanding Contribution to the Economy and also a Member of the distinguished Ghana Club 100.

OUR 2020 STRATEGIC FOCUS

The COVID-19 Pandemic has introduced new dynamics to competition in the banking sector and elsewhere. Regardless, we remain resolute to carry through our reviewed strategic plan (2020 – 2022). We are strictly adhering to all the safety protocols spelt out by the Ghana Health Service to protect our staff and customers alike and indeed all our partners from the perilous Corona virus.

We have conducted an assessment of the likely impact of the COVID-19 pandemic on the Bank's business and we believe that it will be a very challenging 2020. We are however optimistic that, we will be able to pull through the many risks by enhancing monitoring and formulating policies to mitigate the associated risks.

In 2020 our focus will be:

- To optimize our digitization process
- Position the Bank as the Bank of Choice especially for Agribusiness
- Improve our deposit mobilization drive and customer experience
- Introduce new Consumer Finance products for customers

CONCLUSION

I wish to express my profound gratitude to you, our shareholders, the Board and management for their wonderful support during the year under review. Specifically, kindly permit me to state that management recognizes the Bank's very strong and professional Board that continues to give productive direction. I also express my heartfelt appreciation to the employees of the Bank for their hard work, and to all stakeholders of the Bank for the services rendered that has culminated in our moderate gains. My sincerest gratitude to our cherished customers for doing business with us and I wish to let them know it is their loyalty and business that has kept us in business.

Directors' RESPONSIBILITY STATEMENT

The directors are responsible for the preparation of financial statements that give a true and fair view of Agricultural Development Bank Limited (ADB), comprising the Statement of Financial Position as at 31 December 2019, and the Statements of Profit or Loss and Other Comprehensive Income, Changes In Equity and Cash Flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit–Taking Institutions Act, 2016 (Act 930). In addition, the directors are responsible for the preparation of the report of the directors.

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

The directors have assessed the ability of the Bank to continue as a going concern and have no reason to believe that the business will not be a going concern in the year ahead.

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

Limits on investment by banks or specialized deposit-taking institutions in respect of non-subsidiary institutions.

The Bank holds equity investments in the following institutions:

Institution	% Holding
Ghana International Bank Limited	9%
Agridev Real Estates Limited	10%
Metro Mass Transportation Ltd	16%
Activity Venture Finance Company	20%

As at the reporting date, the value of investment in Ghana International Bank Limited was GHS 79,381,000 which represents 13% (thirteen percent) of the net of own funds of the Bank (GHS 625,634,000). This holding is in breach of section 73(1) of the Banks and Specialised Deposit-taking Institutions Act, 2016 (Act, 930), which state that "Bank or Specialised Deposit-taking Institution shall not invest or hold investments in the share capital of a body corporate other than a subsidiary of the bank or specialized deposit-taking institution if the amount of investment exceeds ten percent of the net own funds of the bank or specialized deposit-taking institution."

Also, all the Bank's investments in non-subsidiary institutions are in breach of section 73(3) which states that "Bank or Specialised Deposit-taking Institution shall not invest or hold investments in the share capital of a body corporate other than a subsidiary of the bank or specialized deposit-taking institution that represents more than five percent interest in the body corporate".

However, Management has engaged the necessary processes to divest these investments accordingly. Management has assessed the financial implication of the non-compliance and conclude that it is not material to the financial statements taken as a whole.

Corporate Social Responsibility

Amounts spent on corporate social responsibility amounted to GH¢2,115,044 (2018:GH¢1,513,373). These included best farmer sponsorship, donations to schools and others of national interest.

Financial STATEMENTS REVIEW

The financial results of the Bank for the year ended 31 December 2019 are set out in the attached financial results, highlights of which are as follows:

	2019	2018
	GH¢'000	GH¢'000
Profit after tax (attributable to equity holders) to which is added the balance brought forward	14,823	5,908
On retained earnings	(294,086)	(189,429)
	(279,263)	(183,521)
Out of which is transferred to:		
The statutory reserve in accordance with section 34 of the Banking Act.	(7,412)	(2,954)
Transaction cost related to Right issue	(12,487)	-
Transfer from/(to) credit risk reserve	9,813	(149,375)
Deferred tax asset resulting from IFRS 9 opening balance adjustment	-	1,764
Leaving a balance to be carried forward of	**(289,349)**	**(294,086)**

Impact of COVID-19

Management has assessed the impact of the COVID - 19 pandemic on the going concern status of the Bank in the foreseeable future and has concluded that the use of going concern is proper and that the Bank will be able to recover its assets and discharge its liabilities at least in the next 12 months. Management has noted however, that COVID – 19 poses a risk to strategy as well as to its operations and is therefore closely monitoring and formulating policies to mitigate risk as appropriate.

The Bank being a commercial bank, does business with various customers who trade and interact with counter parties across the world who may be affected by the coronavirus.

Funding and Liquidity

The Corona virus pandemic is expected to impact liquidity risk, exchange rate risk and interest rate risk faced by the Bank. The trend of capital flows from emerging markets is expected to exert pressure on the local currency as well as reduce foreign currency liquidity in the economy. The Bank has a robust liquidity management framework and contingency funding plan that builds in adequate buffers to support liquidity run-off in a stress scenario. The liquidity ratio of the Bank as at 31 December 2019 was 144.98% and projects that it will remain above the internal limit of 40% and the regulatory limit during the crisis period. Also, the Bank's foreign currency open positions are expected to remain within tolerable limits in line with its risk appetite.

Five-year FINANCIAL HIGHLIGHTS

	2019	2018	2017	2016	2015
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Total assets	4,577,659	3,597,395	3,545,143	3,035,493	2,134,147
Loans and advances to customers (net)	1,468,653	1,068,814	1,139,356	1,005,302	1,088,071
Deposits from customers	3,392,209	2,586,265	2,541,010	2,147,450	1,513,509
Shareholders' equity	793,384	639,711	479,013	454,778	332,893
Profit/(Loss)before tax	17,884	34,057	47,339	(105,714)	(100,197)
Profit/(Loss) after tax	14,823	5,908	26,510	(70,026)	(78,975)
Dividend per share (Ghana pesewas)	-	-	-	-	-
Earnings per share (Ghana pesewas):					
Basic	6	3	11	(166)	(316)
Diluted	4	3	11	(166)	(316)
Return on equity (%)	1.87	0.92	6	(18)	(23)
Return on assets (%)	0.32	0.16	1	(3)	(4)
Number of staff	1,489	1,195	1,179	1,197	1,235
Number of branches and agencies	82	82	78	78	78

The Bank recorded profit after tax of GH¢ 14,823,000 (2018: GH¢ 5,907,607) for the year under review and there was transfer to the Statutory Reserve from Retained earnings during the year GH¢ 7,412,000 (2018: GH¢2,953,804). The cumulative balance on the Statutory Reserve Fund at the year-end was GH¢108,512,000 (2018: GH¢101,099,832).

Dividend

The directors do not recommend the payment of dividend.
The directors consider the state of the Bank's affairs to be satisfactory.

Nature of Business

The Bank is registered to carry on the business of Universal Banking.The Bank's principal activities comprise corporate banking and retail banking. There was no change in the nature of business of the company during the year.

The objective of the Bank is to provide unique Universal Banking products and services with emphasis on agriculture to both the local and international clients.

Shareholding

The Bank is listed on the Ghana Stock Exchange. The Bank's shareholding structure at the end of the year was as follows:

	Shareholder Names	No. of shares held	% Holding
1	FINANCIAL INVESTMENT TRUST (FIT)	176,064,267	67.27%
2	GOVERNMENT OF GHANA (GoG)	74,579,327	28.50%
3	ESOP	5,983,828	2.29%
4	DOE, OSCAR YAO O. Y. D.	2,631,681	1.01%
5	COFIE, MARK BLEWUNYO KODJO M. B. K. C.	2,100,629	0.80%
6	NANA, SOGLO ALLOH IV	54,800	0.02%
7	PARACELSUS PHARMACY & MARKETING CONSULTANCY LTD, P. P. M. C. L.	50,000	0.02%
8	BONDZI-SIMPSON, LESLIE	26,600	0.01%
	SUBTOTAL of TOP 8	261,491,132	99.91%
	Others	230,351	0.09%
	TOTAL	**261,721,483**	**100.00%**

Related Party Transactions

Information regarding directors' interests in ordinary shares of the Bank and remuneration is disclosed in Note 41 to the financial statements as well as those related to associated company. Other than their contracts as directors, no director had a material interest in any contract to which the Bank was a party during the year. Related party transactions and balances are also disclosed in Note 41 to the financial statements. Related party transactions which are credit related starts with the Credit Committee. On presentation to the Board, the affected directors disclose their interest and recuse themselves for the deliberations. The approval is subsequently given and balances are also disclosed in Note 41 to the financial statements.

Auditor

The auditors, Ernst and Young, have indicate their willingness to continue in office in accordance with Section 139(5) of the Companies Act, 2019 (Act 992) as well as Sections 81(4) and 81(5) of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). Amount of audit fee payable as at 31 December 2019 was GHS 108,000.

The Board of DIRECTORS

The Board is responsible for setting the institution's strategic direction, leading and controlling the institution and monitoring activities of Executive Management.

As at 31 December 2019, the Board of Directors of Agricultural Development Bank Limited consisted of eight (8) members made up of an independent Non-executive Chairman, two (2) other Independent Non-Executive Directors, four (4) Non-executive Directors, and one (1) Executive Director.

These board members have wide experience and in-depth knowledge in management, industry and the financial and capital markets, which enable them to make informed decisions and valuable contributions to the Bank's progress.

The Board has delegated various aspects of its work to the Risk and Credit, Audit, IT, Research & Strategy and Human Resource and Governance Board Sub-Committees.

Board Risk and Credit Committee

The role of the committee includes:

i. Assisting Management in the recognition of risks and also to ensure that the Board is made aware of inherent and emerging risks and to review all risks to which the Bank is exposed, assess from time to time their relative importance and evaluate whether the resources and controls designed to manage each risk are proportionate to the quantum of risk involved.

ii. It reviews and approves the credit risk strategy and credit risk policies of the Bank. It assists Management in evaluating the overall credit risks faced by the Bank and sets an acceptable risk appetite and tolerance the Bank is willing to engage and the level of profitability the Bank expects to achieve for booking the various credits. The management of Credit Risk largely encompasses activities relating to loans and advances, albeit that credit risks exists throughout the other activities of the Bank both on and off balance sheet. These activities include acceptances, inter-bank transactions, trade financing, foreign exchange transactions, futures, swaps, options and guarantees etc.;

iii. It reviews operational and market risks faced by the Bank and the management of such risks;

iv. It ensure the establishment in the Bank of a compliance culture including Anti-Money Laundering and Combating the Financing of Terrorism ("AML/CFT") risk management culture and promote the adoption of an appropriate ethical and compliance standards in the conduct of the business of the Bank.

v. The review of risks with a frequency that it judges to be proportionate to their materiality to the Bank paying particular attention to new risks arising from changes in the Bank's business strategy and those arising from the wider current commercial, economic and political environment. The Committee reviews the comprehensiveness of record of risks from time to time and updates it where appropriate.

vi. The consideration prior to implementation of all new products, significant changes in the balance of the business of the Bank or scale of its operations in any area. The consideration of all proposed changes to key systems and operational controls, management structure and key responsibilities of the senior management team.

vii. Assisting management in the recognition of risks and also to ensure that the Board is made aware of changes.

viii. In the risk profile arising from:
- Asset quality concentration
- Counterparty limits
- Currency, maturity and interest rate mismatches
- The external environment, including country risk for any country where the Bank has a significant exposure
- Business strategy and competition
- Operational risk, including vulnerability to fraud, human resources and business continuity
- Legal, compliance and reputational risk

ix. The committee annually reviews its terms of reference and modus operandi and makes recommendations for changes that it considers appropriate to the Board.

The composition of the Committee is as follows:

Name of Director	***Position***
Hon. Mrs. Abena Osei-Asare	Chairperson
Mr. Kwesi Korboe	Member
Hon. Dr. Mark Assibey-Yeboah	Member
Professor Peter Quartey	Member

Board Audit Committee

The role of the committee includes:

i. Providing oversight for the financial reporting process including the establishment of accounting policies and practices by the Bank;

ii. Providing oversight for Internal and external audit functions;

iii. Reviewing and approving the audit scope, depth, coverage and frequency and overall effectiveness;

iv. Review and monitor the external auditors' independence and objectivity, taking into consideration relevant professional and regulatory requirements;

v. Review coordination between the internal audit function and external auditors;

vi. Receiving key audit reports and ensuring that Executive Management is taking necessary corrective actions in a timely manner to address control deviations and weaknesses, non-compliance with policies, laws and regulations;

v. Providing a linkage between the Board and the Bank of Ghana, reviewing inspection reports, reviewing guidelines and circulars and ensuring compliance;

vi. Annually recommending to the Board and Annual General Meeting (AGM), the appointment of the External Auditor, the audit fee and to advise the Board on any questions of resignation or dismissal of the External Auditors.

vii. To keep under review the Bank's policy on non-audit services provided by the External Auditors and recommend this to the Board having due regard to ensuring that the provision of such services does not impair the External Auditor's independence or objectivity.

The composition of the Committee is as follows:

Name of Director	***Position***
Mr. George K. Abankwah-Yeboah	Chairperson
Professor Peter Quartey	Member
Hon. Dr. Mark Assibey-Yeboah	Member
Mrs. Mary Abla Kessie	Member

IT, Research and Strategy Sub-Committee:

The role of the committee includes:

i. Providing leadership in the implementation of IT policy strategy for the entire Bank that will lead to effective use of IT to drive the Bank's business;

ii. Reviewing and recommending for full Board approval all IT Policies recommended by the Management;

iii. Overseeing the deployment of new and cost-effective IT solutions with a view to monitoring enhancing product quality, customer service delivery and reviewing their risk exposures to the Bank;

iv. Reviewing any significant IT incidents that have occurred and monitor trends in repeat incidences;

v. Recommending for the approval of the full Board, any sourcing/introduction of new IT solutions in the Bank with a view to determining their sustainability for the Bank's business;

vi. Reviewing the formulation and monitoring of the implementation of approved Strategic Plan of the Bank;

vii. Clearly determining for full Board approval, the annual Key Performance Indicators for Executive Management based on the approved Strategic Plan;

viii. Proposing for full Board approval, the reward for Executive Management upon attainment of approved performance targets and Key Performance Indicators;

ix. Advising the Board, in accordance with the approved Strategic Plan, in the allocation of resources of the Bank on a rational basis for sound commercial reasons;

Name of Director	***Position***
Professor Peter Quartey	Chairperson
Mr. Kwesi Korboe	Member
Hon. Dr. Mark Assibey-Yeboah	Member
Mr. George K. Abankwah-Yeboah	Member

Board Human Resource and Governance Committee

The role of the committee includes:

i. Reviewing and making recommendations to the Board with respect to the size and composition of the Board, including reviewing Board succession plans;

ii. Assisting the Board as required in relation to the performance evaluation of the Board, its Committees and individual Directors;

iii. Making recommendation to the Board on the appointment of the Managing Director, other Executives and Key Management Personnel;

iv. Reviewing and making recommendations on the remuneration strategy and packages of the Managing Director and other Key Management Personnel;

v. Reviewing reports on Senior Staff grievance and discipline and making recommendations to the Board.

vi. Considering and recommending to the Board an overall employment, compensation, performance management, retention andseverance policy and philosophy for the Bank that is aligned with the Bank's medium- and long-term business strategy.

vii. Having a strategic oversight of matters relating to the development of the Bank's human resources with the main objective of attracting and retaining a competitive human resources base for the Bank The composition of the Committee is as follows:

Name of Director	***Position***
Hon. Dr. Mark Assibey-Yeboah	Chairman
Mr. Kwesi Korboe	Member
Mrs. Mary Abla Kessie	Member
Mr. George Kwabena Abankwah-Yeboah	Member

Schedule of attendance at Board and Committee Meetings

The Board met Twenty-two (22) times during the year and the Board Sub-Committees, cumulatively, met thirty one (31) times.

Below is the schedule of attendance at Board and Board Sun-Committee meetings during the year.*Board (B), Audit Committee (AC), Risk and Credit Committee (RCC), Human Resource and Governance Committee (HRGC), IT, Research and Strategy (ITRS), N/A as used above implies 'Not applicable' that is, the Director in question was not a member of the stated committee and hence could not have been expected to attend the Committee meeting.

Director	B	AC	CRC	HRGC	ITRS	AGE
Mr. Alex Bernasko	22	N/A	N/A	N/A	N/A	69
Dr. John Kofi Mensah	21	9	7	5	7	58
Mr. George Kwabena Abankwah Yeboah	19	10	N/A	5	7	59
Hon. Dr. Mark Assibey-Yeboah	14	7	6	6	N/A	46
Hon. Mrs. Abena Osei-Asare	10	N/A	7	N/A	4	41
Prof. Peter Quartey	21	10	7	N/A	8	51
Mr. Kwesi Korboe	20	N/A	7	6	8	57
Mrs. Mary Abla Kessie	20	9	N/A	5	N/A	65

Board Balance and Independence

The composition of the Board of Directors and its Sub-Committees is regularly reviewed to ensure that the balance and mix of skills, independence, knowledge and experience is maintained. The Board Chairman and two other Directors are Independent Directors as defined by the Bank of Ghana's Corporate Governance Directive. Besides, seven (7) out of the eight (8) Directors of the Bank are non-Executive Directors. The Board of Directors has confirmed the continuing independence and objective judgment of the non-Executive Directors.

Code of Conduct, Ethics Charter and Conflict of Interest Policies

The Board has approved Ethics Charter and Conflict of Interest policy that regulate the conduct of Directors. There is also, an approved Code of Conduct that regulate the Conduct of all employees. Management has communicated the principles in the Bank's Code of Conduct to its employees to provide guidance in the discharge of their duties. The above-mentioned policies set the standards of professionalism and integrity required for the Bank's operations, which cover compliance with applicable laws, conflict of interest, environmental issues, reliability of financial reporting, bribery and strict adherence to laid down principles, so as to eliminate the potential for illegal practices.

Anti-Money Laundering and Anti-Terrorism

The Bank also has an established anti-money laundering and anti-terrorism function in place in compliance with requirements of Ghana's Anti-Money Laundering Act 2008 and Anti-Terrorism Act 2008, Act 762. These include due diligence for opening new accounts, customer identification, monitoring of high-risk accounts, record keeping and training and sensitisation of staff on money laundering, which assist in reducing regulatory and reputational risks to its business.

Internal Control Systems

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

Directors' performance evaluation

A formal evaluation of the performance and effectiveness of the Board of Directors ("the Board), its Sub-committees have been conducted. The evaluation entailed comprehensive written survey questionnaires. The results of the evaluation have been shared with all members of the Board.

Professional Development and Training

On appointment to the Board, directors are provided with a full, formal and tailored programme of induction, to familiarise them with the Bank's business, the risks and strategic challenges it faces, and the economic, competitive, legal and regulatory environment in which the company operates. Under the auspices of the National Banking College, the directors underwent a corporate governance certification programme which covered Corporate Governance in Perspective, Regulatory Response to Corporate Governance – Challenges in Banks and Financial Institutions, Balance Sheet Framework for Board of Directors and Risk Management, Prudential Requirements and Reporting. These trainings, together with the other training provided during the year, ensured that directors continually updated their skills, their knowledge and familiarity with the company's businesses, and their awareness of sector, risk, regulatory, legal, financial and other developments to enable them to fulfil effectively their role on the Board and committees of the Board.

Conflicts of interest

The Bank has established appropriate conflicts authorization procedures, whereby actual or potential conflicts are regularly reviewed and authorizations sought as appropriate. During the year, no such conflicts arose and no such authorizations were sought.

Approval of the financial statementsThe financial statements of Agricultural Development Bank Limited, as identified in the first paragraph, were approved by the Board of Directors on March 27 2020.

Independent AUDITOR'S REPORT

EY

Building a better working world

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AGRICULTURAL DEVELOPMENT BANK LIMITED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of the Agricultural Development Bank Limited (the Bank), which comprise the statement of financial position as at 31 December 2019, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2019, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and also in the manner required by the provisions 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 Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and other independence requirements applicable to performing audits of Agricultural Development Bank Limited. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, and in accordance with other ethical requirements applicable to performing the audit of Agricultural Development Bank Limited. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Key Audit Matter	How the Matter was Addressed in the Audit
Allowance for expected credit losses on loans and advances to customers	
IFRS 9 introduced a forward-looking Expected Credit Loss (ECL) model. The ECL model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. The amount of ECL's recognized as a loss allowance or provision depends on the extent of credit deterioration since the initial recognition. The recognition of impairment could be done on a 12-month expected credit losses or Lifetime expected credit losses. Impairment computations under IFRS 9 therefore involves the use of models that take into account: • The probability-weighted outcome. • Reasonable and supportable information that is available without undue cost or Loan loss provision is a key area of judgement for management. Significant judgements in the determination of the Bank's Expected Credit Loss includes: • Use of assumptions in determining ECL modelling parameters. • Portfolio segmentation for ECL computation • Determination of a significant increase credit risk and • Determination of associations between macroeconomic scenarios.The use of different models and assumptions can significantly affect the level of allowance for expected credit losses on loans and advances to customers. Due to the significance of such loans which account for about 60% of total assets of the bank, and the significant use of judgements, the assessment of the allowance for expected credit losses is a key audit matter. A total amount of GH¢16,497,000 has been recorded in the statement of profit or loss and other comprehensive income for the year as a credit loss. The total impairment provision held as at 31 December 2019 in accordance with IFRS 9 impairment rules was GH¢448,122,000. Further disclosures relating to these amounts and the Bank's accounting policies regarding estimating these ECLs have been disclosed in note 5.4, note 18, 19 and note 20 respectively of these financial statements.	We have obtained an understanding of the Bank's implementation process of IFRS 9, including understanding of the changes to the Bank's IT systems, processes and controls. Additionally, we obtained an understanding of the credit risk modelling methodology.We validated and tested the ECL model of the Bank by assessing the data integrity and the internal controls around the model. We have also performed, among others, the following substantive audit procedures: • Reviewed the accounting policies and framework methodology developed by the Bank in order to assess its compliance with IFRS 9; • Verified sampled underlying contracts of financial assets to determine the appropriateness of management's classification and measurement of these instruments in the ECL model • Reviewed and tested the methodology developed to calculate loan loss provision under IFRS 9, concentrating on aspects such as factors for determining a 'significant increase in credit risk', staging of loans, testing specific models related to Probability of Default (PD), Loss Given Default (LGD), Exposure at Default (EAD) • Tested the accuracy and completeness of data used in modelling the risk parameter, • Recalculating the ECL, • Reviewed forward looking information / multiple economic scenario elements • For stage 3 exposures, we tested the reasonableness of the assumptions underlying the impairment identification and quantification including forecasts of future cash flows, valuation of underlying collateral, estimated period of realisation for collaterals, etc. • We have also analysed information relating to the allowance for expected credit losses on loans and advances to customers disclosed in the notes to the financial statements of the Bank.

Other Information

The directors are responsible for the other information. The other information comprises corporate information (Directors, Officials and Registered Office), report of the Directors and statement of directors' responsibilities. Other information does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

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

Responsibilities of the directors for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the bank to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Bank's audit. We remain solely responsible for our audit opinion.

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

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

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

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

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

- In our opinion, proper books of account have been kept by the Bank, so far as appears from our examination of those books;

- Proper returns adequate for the purpose of our audit have been received from branches not visited by us; and

- The statement of financial position, the statement of profit and loss and the statement of comprehensive income are in agreement with the books of account and returns.

- In our opinion, to the best of our information and according to the explanations given to us, the accounts give the information required under the Act, in the manner so required and give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss for the financial year then ended.

- We are independent of the Bank pursuant to section 143 of the companies Act, 2019 (Act 992).

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

- The accounts give a true and fair view of the statement of affairs of the Bank and the results of operations for the year under review;

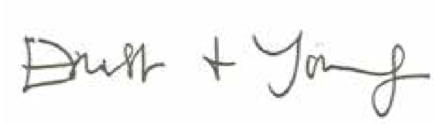
- We were able to obtain all the information and explanations required for the efficient performance of our duties;

- The transactions of the Bank are generally within the powers of the Bank;

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

The Bank has generally complied with the provisions of the Anti-Money Laundering Act, 2008 (Act 749), the Anti-Terrorism Act, 2008 (Act 762) and regulations made under these enactments;

The engagement partner on the audit resulting in this independent auditor's report is Victor Gborglah (ICAG/P/1151).



Chartered Accountants
Accra, Ghana

Statement of PROFIT OR LOSS

For The Year Ended 31 Dec. 2019

	Note	2019	2018
		GH¢'000	GH¢'000
Interest income	7	491,211	478,702
Interest expense	8	(191,115)	(213,351)
Net interest income		300,096	265,351
Fees and commission income	9	73,946	75,464
Fees and commission expense	9	(14,913)	(8,310)
Net fees and commission income		59,033	67,154
Net trading income	10	50,382	45,704
Other operating income	11	17,516	9,268
Operating Income		427,026	387,477
Impairment loss on financial assets	12	(15,614)	(10,190)
Personnel expenses	13	(206,711)	(181,232)
Other operating expenses	14	(133,545)	(139,278)
Depreciation and amortization	15	(53,272)	(22,720)
Profit before tax		17,884	34,057
Income tax expense	23	(3,061)	(28,149)
Profit after tax		**14,823**	**5,908**

The notes on pages 37 to 119 form an integral part of these financial statements.

Statement of COMPREHENSIVE INCOME For The Year Ended 31 Dec. 2019

	Note	2019	2018
		GH¢'000	GH¢'000
Profit after tax		**14,823**	**5,908**
Other comprehensive income, net of tax of Items that will not be reclassified to profit or loss:			
Fair value through Other Comprehensive Income	38(ii)	4,737	3,084
Other comprehensive income for the year		4,737	3,084
Total comprehensive income for the year		**19,560**	**8,992**
Earnings per share			
Basic earnings per share (in Ghana pesewas)	16	5.7	2.56
Diluted earnings per share (in Ghana pesewas)	16	4.3	2.56

The notes on pages 37 to 119 form an integral part of these financial statements.

Statement of FINANCIAL POSITION
For The Year Ended 31 Dec. 2019

		2019	2018
Assets	Note	GH¢'000	GH¢'000
Cash and bank balances	17	927,086	652,828
Due from other banks	18	271,895	359,338
Investment securities	19	1,522,828	1,189,749
Loans and advances to customers	20	1,468,653	1,068,814
Investment (other than securities)	21	102,322	95,861
Investment in associate companies	22	-	-
Corporate tax assets	23	5,634	3,401
Intangible assets	24	20,798	28,466
Other assets	25	67,379	45,830
Property and equipment	26	95,766	98,846
Right of use assets	26.1	36,408	-
Deferred tax assets	23	58,890	54,262
Total Assets		4,577,659	3,597,395
Liabilities			
Borrowed funds	28	277,618	274,322
Deposits from customers	29	3,392,209	2,586,265
Other liabilities	30	80,243	97,097
Lease Liability (IFRS 16)	31	34,205	-
		3,784,275	2,957,684
Equity			
Stated capital	32	421,700	275,100
Deposit for shares	33	277,000	277,000
Retained earnings	34	(289,349)	(294,086)
Revaluation reserve	35	57,531	57,531
Statutory reserve	36	108,512	101,100
Credit risk reserve	37	157,827	167,640
Fair value through OCI	38	60,163	55,426
Shareholders' funds		793,384	639,711
Total liabilities and Shareholders' Funds		4,577,659	3,597,395

The notes on pages 37 to 119 form an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 27 March 2020

Statement of CHANGES IN EQUITY For The Year Ended 31 Dec. 2019

In thousands of GH¢	Stated Capital	Deposit for Shares	Credit Risk Reserve	Statutory Reserve	Revaluation Reserve	Other Reserves	Retained Earnings	Total
Balance at 1 January 2019	**275,100**	**277,000**	**167,640**	**101,100**	**57,531**	**55,426**	**(294,086)**	**639,711**
Additional Capital	-	-	-	-	-	-	-	-
Right Issue	146,600	-	-	-	-	-	-	146,600
Profit for the year	-	-	-	-	-	-	14,823	14,823
Transaction costs related to Right Issue	-	-	-	-	-	-	(12,487)	(12,487)
	-	-	-	-	-	-	-	-
Other Comprehensive Income net of tax	-	-	-	-	-	-	-	-
Net Change in fair value of Equity Investments	-	-	-	-	-	4,737	-	4,737
Transfer from retained earnings to statutory reserve	-	-	-	7,412	-	-	(7,412)	-
Transfer (from) credit risk reserve	-	-	(9,813)	-	-	-	9,813	-
Balance at 31 December 2019	**421,700**	**277,000**	**157,827**	**108,512**	**57,531**	**60,163**	**(289,349)**	**793,384**

The notes on pages 37 to 119 form an integral part of these financial statements.

Statement of CHANGES IN EQUITY For The Year Ended 31 Dec. 2019

	Stated Capital	Deposit for Shares	Credit Risk Reserve	Statutory Reserve	Revaluation Reserve	Fair Value Reserve	Retained Earnings	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Balance at 1 January 2018	275,100		185,323	98,146	57,531	52,342	(189,429)	479,013
Impact of IFRS 9 (Note 50)	-	-	(167,058)	-	-	-	41,764	(125,294)
Restated opening balance under IFRS 9	275,100		18,265	98,146	57,531	52,342	(147,665)	353,719
Deposit for shares		277,000						277,000
Total Comprehensive income, net of income tax								
Profit for the year	-	-	-	-	-	-	5,908	5,908
Other Comprehensive income, net of income tax:					-	-	-	
Net change in fair value of equity investment	-	-	-	-	-	3,084	-	3,084
Total Other Comprehensive income	-	-	-	-	-	3,084	-	3,084
Transfers from retained earnings to statutory reserve	-	-	-	2,954	-	-	(2,954)	-
Transfer to credit risk reserve	-	-	149,375	-	-	-	(149,375)	-
Balance at 31 December 2018	275,100	277,000	167,640	101,100	57,531	55,426	(294,086)	639,711

The notes on pages 37 to 119 form an integral part of these financial statements.

Statement of CASH FLOWS
For The Year Ended 31 Dec. 2019

	Note	2019	2018
		GH¢'000	GH¢'000
Cash flows from operating activities			
Profit before tax		17,884	34,056
Adjustment for non-cash items	48.1	(202,210)	(232,136)
(Loss) before working capital changes		(184,326)	(198,081)
Changes in operating assets and liabilities		345,052	20,081
Interest Income received		467,108	502,166
Interest expense paid		(188,006)	(215,037)
Dividend Income		1,302	2,678
Taxes paid (NFSL)	23.2	(1,703)	(1,507)
Income Tax Paid	23.2	(9,796)	(9,796)
Tax refund		-	4,040
Net cash generated from operating activities		429,631	104,545
Cash flows from investing activities			
Purchase of property and equipment		(10,924)	(7,113)
Purchase / Redemption of medium- and long-term government securities		(98,334)	(459,970)
Proceeds from the sale of property and equipment	26	395	186
Purchase of intangible assets	24	(35)	(1,851)
Purchase of Shares from S.W.I.F.T	21	(145)	-
Net cash used in investing activities		(109,043)	(468,748)
Cash flows from financing activities			
Payments in borrowed funds		(150,474)	(1,011,971)
Payments of principal portion of lease liability	31	(31,180)	-
Receipts in borrowed funds		153,664	947,317
Proceeds from Right Issue of shares	32	146,600	127,000
Transaction costs related to Right Issue		(12,487)	-
Net cash generated from financing activities		106,123	62,346
Increase in cash and cash equivalents		426,711	(301,857)
Cash and cash equivalents at 1 January		1,463,647	1,768,927
Effect of exchange rate fluctuation on cash held		(4,850)	(3,422)
Cash and cash equivalents at 31 December	27	1,885,508	1,463,647

The notes on pages 37 to 119 form an integral part of these financial statements.

Notes to the FINANCIAL STATEMENTS (CONTINUED) 31 December 2019

1. REPORTING ENTITY

Agricultural Development Bank Limited (ADB) is a financial institution incorporated in Ghana. The registered office and address of the Bank is Accra Financial Centre, 3rd Ambassadorial Development Area. The Bank is primarily involved in corporate banking, investment banking and retail banking. These financial statements are for an individual entity.

The Bank is listed on the Ghana Stock Exchange.

2. BASIS OF ACCOUNTING AND CHANGES IN ACCOUNTING POLICIES

a. Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act 2019, (Act 992), and the Banks and Specialised Deposit–Taking Institutions Act, 2016 (Act 930).

b. Changes in Accounting Policies and Disclosures

2.1. New and amended standards and interpretations

In these financial statements, the company has applied IFRS 16 Leases for the first time.

2.1.1 IFRS 16-Leases

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact for leases where the company is the lessor.

The company adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Company elected to use the transition practical expedient not to reassess whether a contract is or contains a lease at 1 January 2019.

Instead, the Company applied the standard only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application.

The Company has lease contracts for the office building. Before the adoption of IFRS 16, the company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. Refer to Note f for the accounting policy prior to 1 January 2019.

Upon adoption of IFRS 16, the company applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to Note g for the accounting policy beginning 1 January 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Company.

- Leases previously accounted for as operating leases

The Company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of the lease liabilities as at 1 January 2019 can be reconciled to the operating lease commitments as of 31 December 2018, as follows:

Assets	Amount
Operating lease commitments as at 31 December 2018	89,950
Weighted average incremental borrowing rate as at 1 January 2019	20.16%
Discounted operating lease commitments as at 1 January 2019	57,248
Add:	
Lease payments relating to renewal periods not included in operating leasecommitments as at 31 December 2018	-
Lease liabilities as at 1 January 2019	57,248

Incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Company also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

  The following are the principal accounting policies adopted by the company in the preparation of these financial statements. These accounting policies have been applied consistently in dealing with items that are considered to be material to the Company's.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Except for the changes explained above, the Bank has consistently applied the following accounting policies to all periods presented in these financial statements.

Set out below is an index of the significant accounting policies, the details of which are available on the pages that follow.

a. Foreign currency transaction

b. Interest income and expense

c. Fee and commission

d. Net trading income

e. Dividend income

f. Leases

g. Income tax

h. Financial assets and financial liabilities

i. Fair value measurement

j. Cash and cash equivalents

k. Investment securities

l. Property and equipment

m. Intangible assets

n. Impairment of non-financial assets

o. Deposits and due to other banks

p. Provisions

q. Financial guarantees and loan commitments

r. Fiduciary activities

s. Employee benefits

t. Stated capital and reserves

u. Earnings per share

v. Investment in associates

w. Operating segments

a. Foreign Currency Transaction

Transactions in foreign currencies are translated into the functional currency using exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are re-translated at closing inter-bank mid rates ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated at exchange rates ruling at the dates of initial recognition. Non-monetary items denominated in a foreign currency that are measured at fair value are translated at exchange rates ruling at the date when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from re-translation at year-end exchange rates of foreign currency denominated monetary assets and liabilities are recognized in profit or loss, except for differences on translation of equity investments in respect of which an election has been made to present subsequent changes in fair value and differences arising on translation of equity investments in other comprehensive income.

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

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

b. *Interest Income and Expense*

Interest income and expense for all interest-bearing financial instruments are recognised within 'interest income' and 'interest expense' in profit or loss using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument, including prepayment options, but does not consider future credit losses.

The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

c. *Fees and Commissions*

Fee and commission income and expense that are integral to the effective interest rate on afinancial asset or financial liability are included in the effective interest rate . Other fee and commission income – including account servicing fees, investment management fees, sales commission, placement fees and syndication fees – is recognised as the related services are performed. If a loan commitment is not expected to result in the draw-down of a loan, then the related loan commitment fee is recognised on a straight-line basis over the commitment period. A contract with a customer that results in a recognised financial instrument in the Bank's financial statements may be partially in the scope of IFRS 9 and partially in the scope of IFRS 15. If this is the case, then the Bank first applies IFRS 9 to separate and measure the part of the contract that is in the scope of IFRS 9 and then applies IFRS 15 to the residual. Other fee and commission expenses relate mainly to transaction and service fees, which are expensed as the services are received.

d. *Net Trading Income*

Net trading income comprises gains less losses relating to trading assets and liabilities, including realised and unrealised fair value changes, interest and foreign exchange differences.

e. *Dividend Income*

Dividend income is recognized in profit or loss when the Bank's right to payment income is established.

f. *Leases*

Leases (Policy applicable as of 1 Jan. 2019)
The Company 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.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets
The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Assets held under other leases

are classified as operating leases and are not recognized in the Bank's statement of financial position.

Lease liabilities
At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (less any lease incentives receivable), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

Leases (Policy applicable before 1 Jan. 2019)

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

Leases that do not transfer to the company substantially all of the risks and benefits incidental to ownership of the leased items are operating leases. Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term. Contingent rental payable is recognised as an expense in the period in which they it is incurred.

g. Income Tax

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized in equity or OCI.

Current tax is the expected tax on tax payable on taxable income for the period, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when reversed, based on laws that have been enacted or substantively enacted by the reporting date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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

h. Financial Assets and Financial Liabilities

i. Recognition

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

ii. Classification

Financial assets
The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at FVPL, 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 Bank accounts for the Day 1 profit or loss.

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

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

- how the performance of the portfolio is evaluated and reported to the Bank's management;the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Bank's stated objective for managing the financial assets is achieved and how cash flows are realised.

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

On initial recognition of an equity investment that is not held for trading, the Bank may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis. All other financial assets are classified as measured at FVTPL. In addition, on initial recognition, the Bank may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. Changes in fair value are recognized on net basis through OCI

i. Fair Value Measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Bank has access at that date. The fair value of a liability reflects its non-performance risk. When one is available, the Bank measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted price in an active market, then the Bank uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction. The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received.

If the Bank determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out. If an asset or a liability measured at fair value has a bid price and an ask price, then the Bank measures assets and long positions at a bid price and liabilities and short positions at an ask price.

j. Cash and Cash Equivalents

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

For the purposes of the statement of cash flows, cash equivalents include short term liquid investments which are readily convertible into known amounts of cash and which were within three months of maturity when acquired.

k. Investment Securities

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

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

- debt and equity investment securities mandatorily measured at FVTPL or designated as at FVTPL; these are at fair value with changes recognised immediately in profit or loss;
- debt securities measured at FVOCI; and
- equity investment securities designated as at FVOCI the following, which are recognised in profit or loss in the same manner as for financial assets measured at amortised cost:
- interest revenue using the effective interest method;
- ECL and reversals; and foreign exchange gains and losses.

When debt security measured at FVOCI is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. The Bank elects to present in OCI changes in the fair value of certain investments in equity instruments that are not held for trading. The election is made on an instrument-by-instrument basis on initial recognition and is irrevocable.

Gains and losses on such equity instruments are never reclassified to profit or loss and no impairment is recognised in profit or loss. Dividends are recognised in profit or loss unless they clearly represent a recovery of part of the cost of the investment, in which case they are recognised in OCI. Cumulative gains and losses recognised in OCI are transferred to retained earnings on disposal of an investment.

l. Property and equipment

i. Recognition and Measurement

Items of property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses or as professionally revalued from time to time less accumulated depreciation. Cost includes expenditure that are directly attributable to the acquisition of the asset. The cost of self -constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs.

Land and building are measured at fair value. Changes in fair value are recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus. Revaluation are performed on a regular basis. Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

Purchased intangible that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Increases in the carrying amount arising on revaluation are credited to a revaluation surplus. Decreases that offset previous increases of the same asset are charged against the revaluation surplus. All other decreases are charged to OCI.

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 gain or loss on disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount of the item of property and equipment and is recognised in other income/other expenses in profit or loss.

ii. Subsequent Costs

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

iii. Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of the asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in profit or loss on a straight-line basis over its expected useful lives of each part of an item or property and equipment, since this most closely reflects the expected pattern consumption of the future economic benefits embodied in the asset. Land is not depreciated.

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

Buildings	20 years
Motor vehicles	4 years
Furniture and equipment	5 years
Computers	5 years
Leasehold Improvement	lower of the useful life and the lease tenor

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

m. *Intangible Assets*

Computer intangible

Intangible assets comprise computer intangible. Intangible acquired by the Bank is measured at cost less accumulated amortization and any accumulated impairment losses.

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

Intangible is amortized on a straight-line basis and recognized in profit or loss over its estimated useful life, from the date that it is available for use. The estimated useful life of intangible for the current and comparative periods is five years.

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

n. *Impairment of Non-Financial Assets*

The carrying amounts of the Bank's non-financial assets other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset that generates cash flows that are largely independent from other assets. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

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

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

The carrying amounts of the Bank's non-financial assets other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset that generates cash flows that are largely independent from other assets. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

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

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

o. *Deposits and Bborrowed Funds*

Deposits and borrowings from other banks are the Bank's sources of debt funding. The Bank classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instrument.

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

p. *Provisions*

Provisions are recognised when the Bank has a present legal or constructive obligation as a result of past events that can be reliably estimated and it is probable that an outflow of resources will be required to settle the obligation. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations which are likely to result in an outflow to settle related classes of obligations as a whole, a provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

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. An increase in the provision due to passage of time is recognised as an interest expense.

q. *Financial Guarantee and Loan Commitments*

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to financial institutions and other bodies on behalf of customers to secure loans and overdrafts.

Financial guarantees are initially recognised at the fair value and amortised over the life of financial guarantee. The financial guarantee is subsequently carried at the higher of the amortised amount and the present value of any expected payments, when payment becomes probable.

r. *Fiduciary Activities*

The Bank acts as trustees and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. These assets and income arising thereon are excluded from these financial statements, as they are not assets of the Bank.

s. *Employee Benefits*

Retirement Benefit Cost

The Bank contributes to the statutory Social Security & National Insurance Trust (SSNIT). This is a defined contribution scheme registered under the National Social Security Act. The Bank's obligations under the scheme are limited to specific contributions legislated from time to time and are currently limited to a maximum of 13% of an employee's basic salary per month. The Bank also operates a defined contribution benefit scheme for its employees.

The assets of this scheme are held by the treasury department of the Bank. The scheme is funded by contributions from both the employees and employer. Benefits are paid to retiring staff in accordance with the scheme rules. The Bank's obligations to staff retirement benefit schemes are charged to the profit or loss in the year to which they relate.

Provision for Employee Entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave accrued at the year end.

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

Long Service Awards

The bank has other long-term employee benefits scheme in the form a long service award for its employees. These are long service awards which accrue to employees based on graduated periods of uninterrupted service. These awards accrue over the service life of employees. Employees leaving the service of the bank after 5 years through retirement (both voluntary and compulsory) or resignation become eligible for these awards based on their current entitlement at the time of retirement or resignation based on their length of service. The bank has no further obligation after the staff exits the bank.

t. *Stated Capital and Reserves*

i. Share capital

The Bank classifies capital and equity instruments in accordance with the contractual terms of the instrument. The Bank's share capital is not redeemable by holders in the normal course of business and bears an entitlement to distributions that is non-cumulative and at the discretion of the Directors. Accordingly, they are presented as a component of issued capital within equity.

ii. Share Issue Costs

Incremental costs directly attributable to the issue of an equity instrument are deducted from equity.

iii. Dividend on Ordinary Shares

Dividends on ordinary shares are recognized 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.

iv. Statutory Reserves

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

v. Credit Risk Reserves

This is a reserve created to set aside the excess or shortfalls between amounts recognized 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.

u. Earnings Per Share

The Bank presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the year.

v. Investment in Associates (equity –accounted investees)

Associates are those entities in which the Bank has significant influence but not control or joint control, over the financial and operating policies. Interests in associates are accounted for using the equity method.

They are recognized initially at cost, which includes transaction costs. Subsequent to initial recognition, the financial statements include the Bank's share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence ceases.

w. Operating Segments

A segment is a distinguishable component of the Bank that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

The Bank's primary format for segment reporting is based on business segments.

The Bank has the following main business segments:

- Corporate Banking: includes loans, deposits and other transactions and balances with corporate customers including the Agricultural sector.
- Retail Banking: includes loans, deposits and other transactions and balances with retail customers.
- Central Treasury: undertakes the Bank's funding and centralised risk management activities through borrowings, issues of debt securities, use of derivatives for risk management purposes and investing in liquid assets such as short-term placements and corporate and government debt securities.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Bank's 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 Bank'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. Existing circumstances and assumptions about future developments may change due to circumstances beyond the Bank's control and are reflected in the assumptions if and when they occur. Items with the most significant effect on the amounts recognised in the financial statements with substantial management judgement and/or estimates are collated below with respect to judgements/estimates involved.

4.1. Impairment Losses on Financial Assets

The measurement of impairment losses both under IFRS 9 and IAS 39 across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

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

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

5. FINANCIAL RISK MANAGEMENT

5.1 Introduction and Overview

The Bank's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the Bank's business, and the operational risks are an inevitable consequence of being in business. The Bank's aim is therefore to achieve an appropriate balance between risk and return and minimize potential adverse effects on its financial performance.

The most important types of risk include:

- Operational risk
- Credit risk
- Liquidity risk
- Market risk -includes currency, interest rate and other price risks

5.2 Risk Management Framework

The Board of Directors has overall responsibility for the establishment and oversight of the Bank's risk management framework. The board has established Board Audit and Risk Committees and a risk department to assist in the discharge of this responsibility. The board has also established the Credit Committee which is responsible for developing and monitoring risk management in their respective areas.

The Bank's risk management policies are established to identify and analyse the risks faced by the Bank, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered.

The Bank, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

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

The Bank has a Risk Management department organised into credit control, recoveries and operational control. Under the credit control department, it has credit administration, credit risk appraisal and credit monitoring. The department is responsible for managing all risks to which the Bank is exposed (operational risk, credit risk, liquidity risk, interest rate risk and foreign currency risk.) The risk management department is developing a risk management framework for the Bank.

The Bank treats all branches as independent business units which generate their own income, run their ownprofit or loss statement and statement of financial position. The head office consolidates these andexercises oversight responsibility over all the branches. Credit is generated at the branch level and is then channeled through the credit control unit of the risk management department where a credit risk appraisal is performed to assess whether to engage the client or not.

The client's file is then moved to the head of risk management and to the other appropriate levels (credit committee, board and so on) for final approval before credit is granted. There is also the monitoring aspect where the head office credit monitoring team monitors the loans and their performance in addition to the monitoring performed at the branch level. Where a loan goes beyond current, it is classified as either OLEM, substandard, doubtful or loss, as recommended by the Central Bank of Ghana. Where a loan goes beyond current, there is the recoveries team which moves in to recover loan losses.

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

Exposure to other market risks – Non-trading portfolios.

The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates. Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for repricing bands. ALCO is the monitoring body for compliance with these limits and is assisted by Central Treasury in its day-to-day monitoring activities. In the last three years, the Bank has taken steps to provide the necessary safeguards to ensure that market risk is kept within reasonable limits.

5.3 Operational Risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Bank's processes, personnel, technology and infrastructure and from external factors other than credit, market and liquidity risk such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior.

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

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

- Requirement of appropriate segregation of duties, including the independent authorisation of transactions;
- Requirements for the reconciliation and monitoring of transactions;
- Compliance with regulatory and other legal requirements;
- Documentation of controls and procedures;
- Requirements for the periodic assessment of operational losses faced and adequacy of controls and procedures to address risks identified;
- Requirement for the reporting of operational losses and proposed remedial action;
- Development of contingency plans;
- Training and professional development;
- Ethical and business standards;
- Risk mitigation including insurance where this is effective.

Compliance with bank's standards is supported by a program of periodic reviews undertaken by internal audit, risk and compliance departments. The results of these reviews are discussed with the management of the business unit to which they relate, with summaries submitted to executive committee, audit and compliance committee, governance and risk committee and the board.

Over the past three years, operational risks have reduced due to constant training, automation of many processes and enhancement in controls.

5.4 Credit Risk

Credit risk is the risk that the Bank will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Bank manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for industry concentrations, and by monitoring exposures in relation to such limits. Credit risk is monitored by the Credit Risk Department of the Bank.

It is their responsibility to review and manage credit risk, for all types of counterparties. Credit risk consists of line credit risk managers who are responsible for their business lines and manage specific portfolios and experts who support both the line credit risk manager, as well as the business with tools like credit risk systems, policies, models and reporting. The Bank has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions.

Counterparty limits are established by the use of a credit risk classification models, which assigns each counterparty a risk rating. Risk ratings are subject to regular revision. The credit quality review process aims to allow the Bank to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

For risk management reporting purposes, the Bank considers and consolidates all elements of credit risk exposure.

5.4.1 Management of Credit Risk

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

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

- Establishing the authorisation structure for the approval and renewal of credit facilities. Authorisation limits are allocated to business units. Larger facilities require approval by the Executive Committee members and the Board (Sub Committee) on risk management.

- Reviewing and assessing credit risk. The Credit department assesses all credit exposures in excess of designated limits, prior to facilities being committed to customers by the business unit concerned. Renewals and reviews of facilities are subject to the same review process. Limiting concentrations of exposure to counterparties, geographies and industries (for loans and advances), and by issuer, credit rating band, market liquidity and country (for investment securities)

- Developing and maintaining the Bank's risk grading in order to categories exposures according to the degree of risk of financial loss faced and to focus management on the attendant risks. The risk grading system is used in determining where impairment provisions may be required against specific credit exposures. The current risk grading framework consists of 5 grades reflecting varying degrees of risk of default and the availability of collateral or other credit risk mitigation. The responsibility for setting risk grades lies with the Board of Directors. Risk grades are subject to regular reviews by the Risk Management Department.

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

- Providing advice, guidance and specialist skills to business units to promote best practice throughout the Bank in the management of credit risk.

5.4.2. Credit–related Commitments Risks

The Bank makes available to its customers guarantees that may require that the Bank makes payments on their behalf and enters into commitments to extend credit lines to secure their liquidity needs. Letters of credit and guarantees (including standby letters of credit) commit the Bank to make payments on behalf of customers in the event of a specific act, generally related to the import or export of goods. Such commitments expose the Bank to similar risks to loans and are mitigated by the same control processes and policies management of credit risk.

5.4.3. Definition of Default and Cure

The Bank considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments. The Bank considers treasury and interbank balances defaulted and takes immediate action when the required intraday payments are not settled by the close of business as outlined in the individual agreements. As a part of a qualitative assessment of whether a customer is in default, the Bank also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Bank carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events include:

- Internal rating of the borrower indicating default or near-default
- The borrower requesting emergency funding from the Bank
- The borrower is deceased
- A material decrease in the underlying collateral value where the recovery of the loan is expected from the sale of the collateral
- A material decrease in the borrower's turnover or the loss of a major customer
- A covenant breach not waived by the Bank
- The debtor facing financial difficulties

It is the Bank's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when none of the default criteria have been present for at least five consecutive months. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase/decrease in credit risk compared to initial recognition.

5.4.4. The Bank's Internal Rating and PD Estimation Process

The Bank's Credit Risk Department operates its internal rating models. The Bank runs separate models for its key portfolios in which its customers are rate from 1 to 6 using internal grades. The models incorporate both qualitative and quantitative information and, in addition to information specific to the borrower, utilise supplemental external information that could affect the borrower's ability to pay. Where practical, they also build on information from Credit Bureaus. These information sources are first used to determine the PDs within the Bank's framework. The internal credit grades are assigned based on these Based II grades. PDs are then adjusted for IFRS 9 ECL calculations to incorporate forward looking information and the IFRS 9 Stage classification of the exposure. This is repeated for each economic scenario as appropriate.

Each exposure is allocated to a credit risk grade on initial recognition based on available information about the borrower. Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk grade. The monitoring typically involves use of the following data.

Corporate Exposures:

- Information obtained during periodic review of customer files – e.g. audited financial statements, management accounts, budgets and projections. Examples of areas of particular focus are: gross profit margins, financial leverage ratios, debt service coverage, compliance with covenants, quality of management, senior management changes.

5.4.5 The Bank's Internal Rating and PD Estimation Process

- Retail Exposures
- Internally collected data on customer behavior
- Affordability metrics
- External data from credit reference agencies.
- All Exposures
- Payment record – this includes overdue status as well as a range of variables about payment ratios
- Utilization of the granted limit
- Requests for and granting of restructuring Existing and forecast changes in business, financial and economic conditions

Generating the term structure of PD

Credit risk grades are a primary input into the determination of the term structure of PD for exposures. The Bank collects performance and default information about its credit risk exposures analyzed by type of product and borrower as well as by credit risk grading. For some portfolios, information purchased from external credit reference agencies is also used. The Bank employs statistical models to analyse the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time.

5.4.6 Exposure at Default

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too. To calculate the EAD for a Stage 1 loan, the Bank assesses the possible default events within 12 months for the calculation of the 12mECL. However, if a Stage 1 loan that is expected to default in the 12 months from the balance sheet date and is also expected to cure and subsequently default again, then all linked default events are considered. For Stage 2, Stage 3 and POCI financial assets, the exposure at default is considered for events over the lifetime of the instruments.

The Bank determines EADs by modelling the range of possible exposure outcomes at various points in time, corresponding the multiple scenarios. The IFRS 9 PDs are then assigned to each economic scenario based on the outcome of Bank's models.

5.4.7 Loss Given Default

For corporate and investment banking financial instruments, LGD values are assessed at least every year by account managers and reviewed and approved by the Bank's Credit Risk Department. The credit risk assessment is based on a standardised LGD assessment framework that results in a certain LGD rate. These LGD rates consider the expected EAD in comparison to the amount expected to be recovered or realised from any collateral held. The Bank segments its retail lending products into smaller homogeneous portfolios, based on key characteristic that are relevant to the estimation of future cash flows. The applied data is based on historically collected loss data and involves a wider set of transaction characteristics (e.g., product type, wider range of collateral types) as well as borrower characteristics. Further recent data and forward-looking economic scenarios are used in order to determine the IFRS 9 LGD rate for each group of financial instruments. When assessing forward-looking information, the expectation is based on multiple scenarios. Examples of key inputs involve changes in, collateral values including property

pricesfor mortgages, commodity prices, payment status or other factors that are indicative of losses in the Bank. The Bank estimates regulatory and IFRS 9 LGDs on a different basis. Under IFRS 9, LGD rates are estimated for the Stage 1,

Stage 2 and Stage 3 of each asset class. The inputs for these LGD rates are estimated and, where possible, calibrated through back testing against recent recoveries. These are repeated for each economic scenario as appropriate

5.4.8 Significant Increase in Credit Risk

The Bank continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12mECL or LTECL, the Bank assesses whether there has been a significant increase in credit risk since initial recognition. The Bank considers an exposure to have significantly increased in credit risk when the IFRS 9 lifetime PD has doubled since initial recognition and has increased by more than 20 bps a year.

The Bank also applies a secondary qualitative method for triggering a significant increase in credit risk for an asset, such as moving a customer/facility to the watch list, or the account becoming forborne. In certain cases, the Bank may also consider that events explained earlier are a significant increase in credit risk as opposed to a default. Regardless of the change in credit grades, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

When estimating ECLs on a collective basis for a group of similar assets, the Bank applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

As explained earlier dependent on the factors below, the Bank calculates ECLs either on a collective or an individual basis.

Asset classes where the Bank calculates ECL on an individual basis include:

- All Stage 3 assets, regardless of the class of financial assets
- The Corporate lending portfolio
- The large and unique exposures of the Small business lending portfolio
- The treasury, trading and interbank relationships (such as Due from Banks, Cash collateral on securities borrowed and reverse repurchase agreements and debt instruments at amortised cost/FVOCI

Asset classes where the Bank calculates ECL on a collective basis include:

the smaller and more generic balances of the Bank's retail business lending

Incorporation of forward-looking information

TheBankincorporatesforward-lookinginformation into both the assessment of whetherthe credit risk of an instrument has increased significantly since its initial recognition and themeasurement of ECL. The Bank formulates three economic scenarios:

- A base case, which is the median scenario assigned a 70% probability of occurring, and
- two less likely scenarios, one upside and one downside, each assigned a 15% probability of occurring.

The base case is aligned with information used by the Bank for other purposes such as strategic planning and budgeting. External information considered includes economic data and forecasts published by governmental bodies and monetary authorities. Periodically, the Bank carries out stress testing of more extreme shocks to calibrate its determination of the upside and downside representative scenarios. The Bank has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses. The key drivers for credit risk are: GDP growth, and interest rates.

5.4.9 Measurement of ECL

The key inputs into the measurement of ECL are the term structure of the following variables:

- Probability of default (PD);

- Loss given default (LGD); and
- Exposure at default (EAD).
- GDP growth and interest rates.

12 months ECL for exposures in Stage 1 is calculated by multiplying the 12-month PD by LGD and EAD. Lifetime ECL is calculated by multiplying the lifetime PD by LGD and EAD. The methodology of estimating PDs, LGD and EAD has been discussed above.

5.4.10 Settlement Risk

- Settlement Risk is the risk that counterparty will fail to deliver cash (or securities) due to be delivered at a particular moment in time, following the release of the corresponding cash (or Securities) by the bank in settlement of a transaction. Further details in respect of this category of credit risk are contained in the Wholesale Credit Risk below.
- Intraday Exposure
- Intraday Exposure is a revolving exposure, which arises whenever funds are irrevocably paid away by the Bank in the expectation of the receipt of cleared covering funds (or the deposit of collateral) at some time during the same business day. The Bank may be acting either in its own right, or on behalf of a customer, when it pays away the funds. The products, which give rise to Intraday Exposure, include forex settlements.
- The intraday credit, which the Bank allows its customers, is always in expectation of incoming funds, and as such the exposure is real in that it manifests itself as a borrowing/ overdraft when things go wrong.
- The true extent of Intraday Exposure to a customer will be calculated as a single running balance taken at any one point in the day. This running balance will be adjusted by each single transfer of funds into and out of any account in that customer's name, where such transfers represent cleared funds. The same principles apply when accounts are grouped (and where set-off is available) to produce an aggregate net exposure.

5.4.11 Credit Risk Transfers

- This risk arises when certain eligible collateral types (including risk participations, standby letters of credit and bank guarantees) are held to mitigate obligor risk. Whilst these instruments can significantly mitigate obligor credit risk, an alternative risk arises, being reimbursement risk - the risk that the participant/guarantor fails to honour their commitment in the event that the underlying obligor defaults (this is also referred to as double default risk).

5.4.12 Analysis of Credit Quality

The tables below set out information about the credit quality of financial assets and the allowance for impairment/loss held by the Bank against those assets.

Maximum Exposure to Credit Risk

	Loans & advances to customer		Investment Securities		Due from Banks		Commitments & Guarantee	
	2019	2018	2019	2018	2019	2018	2019	2018
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Gross Amount	1,916,775	1,494,412	1,522,828	1,189,747	688,016	919,722	404,046	524,108
Allowance for Impairment	(448,122)	(425,598)	-	-	(2,747)	(3,630)	(11,723)	(17,750)

Maximum EXPOSURE TO CREDIT RISK

	Loans & Advances to Customers		Investment Security		Due from other banks		Commitments & Financial Guarantees	
	2019	2018	2019	2018	2019	2018	2019	2018
At amortised cost	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Grade 1-3: low fair risk								
Current	1,139,307	793,788	1,522,828	1,189,747	688,016	919,722	404,045	524,108
Grade 4-5: watch list –								
OLEM	71,699	25,097	-	-				
Grade 6: substandard	42,384	30,620	-	-				
Grade 8: loss	505,434	506,427	-	-				
Total gross amount	1,916,775	1,494,412	1,522,828	1,189,747	688,016	919,722	404,045	524,108
Allowance for impairment	(448,122)	(425,598)	-	-	(2,747)	(3,630)	(11,723)	(17,750)
	-------	-------	-------	-------	-------	-------	-------	-------
Net carrying amount	1,468,653	1,068,814	1,522,828	1,189,747	685,269	916,092	401,224	506,358
	======	======	======	======	======	======	======	======
Loans with renegotiated terms								
Gross carrying amount	87,668	127,531	-	-	-	-	-	-
Allowances for impairment	7,147	(8,204)	-------	-------	-------	-------	-------	-------
	-------	-------	-------	-------	-------	-------	-------	-------
Net carrying amount	94,815	119,327	-	-	-	-	-	-
	======	======	======	======	======	======	======	======

5.4.13 Loans with Renegotiated Terms

The contractual terms of a loan may be modified for a number of reasons, including changing market conditions, customer retention and other factors not related to a current or potential credit deterioration of the customer. An existing loan may be derecognised and the renegotiated loan recognised as a new loan at fair value in accordance with the accounting policy set out in Notes 5.4.

The Bank renegotiates loans to customers in financial difficulties to maximise collection opportunities and minimise the risk of default. Under the Bank's forbearance policy, loan forbearance is granted on a selective basis if the debtor is currently in default on its debt or if there is a high risk of default, there is evidence that the debtor made all reasonable efforts to pay under the original contractual terms and the debtor is expected to be able to meet the revised terms.

The revised terms usually include extending the maturity, changing the timing of interest payments and amending the terms of loan covenants. Both retail and corporate loans are subject to the forbearance policy.

For the purposes of disclosures in these financial statements, 'loans with renegotiated terms' are defined as loans that have been restructured due to a deterioration in the borrower's financial position, for which the Bank has made concessions by agreeing to terms and conditions that are more favourable for the borrower than the Bank had provided initially and that it would not otherwise consider. A loan continues to be presented as part of loans with renegotiated terms until maturity, earlier repayment or until it is written off.

Irrespective of whether loans with renegotiated terms have been derecognised or not, they remain disclosed as impaired until there is sufficient evidence to demonstrate a significant reduction in the risk of non-payment of future cash flows and there are no other indicators of impairment.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified, and the renegotiation or modification does not result in the derecognition of that financial asset, a bank shall recalculate the gross carrying amount of the financial asset and shall recognise a modification gain or loss in profit or loss. The gross carrying amount of the financial asset shall be recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate (or credit adjusted effective interest rate for purchased or originated credit-impaired financial assets).

Any costs or fees incurred adjust the carrying amount of the modified financial asset and areamortised over the remaining term of the modified financial asset

Loans and Advances to Customers

	2019	2018
	GH¢'000	GH¢'000
Continuing to be impaired after restructuring (included in non-performing loans)	36,345	23,789
Impairment	(2,021)	(8,204)
	34,324	15,585
Non-impaired after restructuring – would otherwise have been impaired	51,323	103,743

5.4.14 Collateral Held and Other Credit Enhancements, and their Financial Effect

The Bank holds collateral and other credit enhancements against most of its credit exposures. The Bank holds collateral against loans and advances to customers in the form of cash, mortgage interests over property, other registered securities over assets, and guarantees. Estimates of fair value are based on the value of collateral assessed at the time of borrowing and generally are not updated except when a loan is individually assessed as impaired. Collateral generally is not held over Interbank placements, except when securities are held as part of reverse repurchase and securities borrowing activity. Collateral usually is not held against investment securities, and no such collateral was held at 31 December 2019. An estimate of the fair value of collateral and other security enhancements held against loans and advances to customers is shown below:

Loans and Advances to Customers

	2019	2018
Against individually impaired	GH¢'000	GH¢'000
Property	1,075,756	1,075,091
Others	110	-
Against neither past due nor impaired		
Property	674,913	466,243
Others	85,692	-
Total	1,836,471	1,541,334

i. Loans and Advances to Customers

The general creditworthiness of a customer tends to be the most relevant indicator of credit quality of a loan extended to it (see Note 5(i). However, collateral provides additional security and the Bank generally requests that borrowers provide it. The Bank may take collateral in the form of a first charge over real estate, floating charges over all assets and other liens and guarantees. The Bank does not routinely update the valuation of collateral held against all loans to customers because of the Bank's focus on customers' creditworthiness. Valuation of collateral is updated when the credit risk of a loan deteriorates significantly and the loan is monitored more closely. For impaired loans, the Bank obtains appraisals of collateral because the current value of the collateral is an input to the impairment measurement.

ii. Other Types of Collateral and Credit Enhancements

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

iii. Assets Obtained by Taking Possession of Collateral

Repossessed items are not recognized in the bank's books. Proceeds from their sale are used to reduce related outstanding indebtedness. The Bank has in its possession assets resulting from taking possession of collateral held as security against loans and advances at the reporting date (2018: nil). The carrying amount of the property are based on court judgments and valuation by the court.

Loans and advances
to customers
2019 2018
GH¢'000 GH¢'000

Against individually impaired
Property
7,542

iv. Offsetting Financial Assets and Financial Liabilities

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

5.4.15 Concentrations of Credit Risk

The Bank monitors concentrations of credit risk by sector. An analysis of concentrations of credit risk from loans and advances, lending commitments, financial guarantees and investment securities is shown below.

Loans and Advances to Customers

	2019		2018	
Gross amount	GH¢'000	%	GH¢'000	%
Concentration by industry:				
Agriculture	519,870	27.1	429,310	28.7
Manufacturing	48,032	2.5	62,089	4.2
Commerce and Finance	468,992	24.5	288,824	19.3
Transport and Communication	55,359	2.9	10,566	0.7
Building and Construction	219,478	11.5	157,349	10.5
Services	602,325	31.4	536,280	35.9
Others	2,719	0.14	9,994	0.7
	1,916,775	100	1,494,412	100

Concentration by Product

	2019	2018
	GH¢'000	GH¢'000
a. Loans and advances to individual customers:		
Overdraft	100,893	86,295
Term loans	318,165	218,294
	419,058	304,589
b. Loans to corporate entities:	317,552	228,407
Overdrafts	1,180,165	961,416
Terms loans	1,497,717	1,189,823
Gross loans and advances (a+b)	1,916,775	1,494,412

5.4.16 Regulatory Provisions

An account is considered to be in default when payment is not received on due date. Accounts that are overdue by more than 90 days are considered delinquent. These accounts are closely monitored and subjected to a collection process. The process used for provisions is based on Bank of Ghana guidelines which recognize cash as a credit mitigate. Individual provisions are made for outstanding amounts depending on the number of days past due with full provisions 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 delinquent unless other information is available to indicate otherwise.

The Bank of Ghana Guideline is as set out below:

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

5.5 Liquidity Risk

Liquidity risk is the risk that the Bank is unable to meet its payment obligations associated with its financial liabilities when they fall due and be able to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay depositors and fulfil commitments to lend.

Management of liquidity risk

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

The treasury department maintains a portfolio of short-term liquid assets, largely made up of short-term liquid investment securities, loans and advances to banks and other inter-bank facilities, to ensure that sufficient liquidity is maintained within the Bank as a whole.

Exposure to liquidity risk

The key measure used by the Bank for managing liquidity risk is the ratio of net liquid assets to deposits from customers. For this purpose, net liquid assets are considered as including cash and cash equivalents and investment grade debt securities for which there is an active and liquid market less any deposits from banks, debt securities issued, other borrowings and commitments maturing within the next month.

For the definition of liquidity risk and information on how liquidity risk is managed by the Bank,

The key measure used by the Bank for managing liquidity risk is the ratio of net liquid assets to deposits from customers. For this purpose, 'net liquid assets' includes cash and cash equivalents and government securities for which there is an active and liquid market less any deposits from Banks, 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:

	2019	2018
	%	%
At 31 December	44.98	35.24
Maximum for the period	44.98	35.24
Minimum for the period	23.06	25.03
Average for the period	32.75	29.89

The table below presents the cash flows payable under non-derivative financial liabilities and assets held for managing liquidity risk by remaining contractual maturities at the date of the statement of financial position. The amounts disclosed in the table are the contractual undiscounted cash flows however, the Bank manages the liquidity risk based on a different basis not resulting in a significantly different analysis

Liquidity Risk

2019	Carrying Amount	Gross Nnominal Inflow / Outflow	Up to 1Month	1 to 3 Months	3 to 6 Months	6 Months to 1 years	1 to 5 Years	Over 5 years
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Financial liabilities by type								
Non-derivative liabilities								
Deposits from customer	3,392,209	3,406,685	651,140	1,238,878	297,176	465,269	622,065	132,157
Borrowed Funds	277,618	343,427	38,604	41,187	6,454	2,767	14,548	239,867
Total financial liabilities	**3,669,827**	**3,750,112**	**689,744**	**1,280,065**	**303,630**	**468,036**	**636,613**	**372,024**
Financial assets by type								
Cash and bank balance	927,086	927,820	927,820	-	-	-	-	-
Due from other Banks	271,895	296,822	-	-	-	296,822	-	-
Investment securities	1,522,828	1,522,828	462,156	517,267	282,534	50,702	160,169	50,000
Investments (other than securities)	96,632	96,006	-	-	-	-	96,006	-
Loans and advances to customers	1,468,653	1,928,607	705,825	51,587	43,706	265,809	454,921	406,759
Assets held for managing liquidity risk	4,287,094	4,772,083	2,095,801	568,854	326,240	613,333	711,095	456,759
Net Liquidity gap	617,267	1,021,971	1,406,056	(711,212)	22,610	145,299	(57,674)	216,892

2018	Carrying Amount	Gross nominal inflow/ outflow	Up to 1 Month	1 to 3 Months	3 to 6 Months	6 months to 1 Year	1 - 5 Years	Over 5 Years
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Financial liabilities by type								
Non-derivative liabilities								
Deposits from customer	2,586,263	2,594,958	541,646	890,633	168,289	399,260	595,130	-
Borrowed Funds	274,322	349,225	29,854	45,035	-	76	20,940	251,895
Total financial liabilities	**2,860,585**	**2,944,183**	**571,500**	**935,668**	**168,289**	**399,336**	**616,070**	**251,895**
Financial assets by type								
Cash and bank balance	652,828	652,828	652,828	-	-	-	-	-
Due from other Banks	359,337	362,968		362,968				
Investment securities	1,189,747	1,293,797	99,350	452,552	61,063	108,264	542,568	30,000
Investments (other than securities)	95,861	95,861	-	-	-	-	91,832	-
Loans and advances to customers	1,068,814	1,494,412	453,293	32,215	84,291	51,297	495,798	377,518
Assets held for managing liquidity risk	3,366,587	3,899,866	1,205,471	847,735	145,354	159,561	1,130,198	407,518
Net Liquidity gap	506,002	955,683	633,971	(87,933)	(22,935)	(239,775)	514,128	155,623

5.6 Market Risk

For the definition of market risk and information on the metrics (and their limitations) used by the Bank to manage the market risks of non-trading portfolios,

5.6.1 Interest Rate Risk and Foreign Currency Risk

The Bank uses the Reuters system to monitor live interest and exchange rates to facilitate trading by the treasury department. This helps the Bank to know what is happening at any moment in time on the markets and where opportunities are present to make gains from higher interest rates. Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for reprising bands. The ALCO is the monitoring body for compliance with these limits and is assisted by Risk Management in its day-to-day monitoring activities. A summary of the Bank's interest rate gap position on non-trading portfolios is as follows:

As at 31 December 2019

Financial Assets	Up to 1	1-3 Months	3 Months	6 Months	1-5 Years	Over 5 Years	Total
	Month		less than 6 Months	less than 1			
Cash and cash equivalent	972,086	-	-	-	-	-	972,086
Investment in Government securities	462,156	517,267	282,534	50,702	160,169	50,000	1,522,828
Loans and advances to customers (net)	594,027	50,800	42,355	261,791	395,673	124,007	1,468,653
Total financial assets	**2,028,269**	**568,067**	**324,889**	**312,493**	**555,842**	**174,007**	**3,963,567**
Financial liabilities							
Customer deposits	651,140	1,238,878	297,176	465,269	622,064	117,682	3,392,209
Borrowed funds	38,604	41,187	6,454	2,767	14,549	174,057	277,618
Total financial liabilities	**689,744**	**1,280,065**	**303,630**	**468,036**	**636,613**	**291,739**	**3,669,827**
Interest rate sensitivity gap	1,338,525	(711,998)	21,259	(155,543)	(80,771)	(117,732)	293,740

As at 31 December 2018

	Over 1 Month	1-3 Months	3-6 Months	1 year	1 - 5 years	5 Years	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Financial assets							
Cash and cash equivalent	652,828	-	-	-	-	-	652,828
Investment in Government securities	99,350	711,469	61,063	108,264	179,600	30,000	1,189,746
Loans and advances to customers (net)	219,229	30,591	71,742	39,894	347,276	360,083	1,068,815
Total financial assets	**971,407**	**742,060**	**132,805**	**148,158**	**526,876**	**390,083**	**2,911,389**
Financial liabilities							
Customer deposits	541,646	890,633	168,289	399,260	488,606	105,523	2,593,957
Borrowed funds	29,726	44,681	-	69	19,386	179,035	272,897
Total financial liabilities	**571,372**	**935,314**	**168,289**	**399,329**	**507,992**	**284,558**	**2,866,854**
Interest rate sensitivity gap	400,035	(193,254)	(35,484)	(251,171)	18,884	105,525	43,535

5.6.2 Foreign Exchange Risk

The Bank takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Board sets limits on the level of exposure by currency and in aggregate.

The table below summarises the Bank's exposure to foreign currency exchange rate risk at 31 December 2018. The amounts stated in the table below are the Ghana Cedi equivalent of the foreign currencies.

As at 31 December 2019					
	USD	GBP	EUR	Other	Total
Assets	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Cash and cash equivalent	147,154	12,674	17,362	1	177,192
Loans and advances to customers (net)	154,590	1	182,631	-	337,221
Other assets	29,396	9	96	-	29,501
Total financial assets	331,140	12,683	200,090	1	543,914
Liabilities					
Deposits from customers	320,412	12,691	22,687	1	355,790
Borrowings	11,742	-	168,656	-	180,398
Other liabilities	9,243	22	25	-	9,290
Total financial liabilities	341,396	12,714	191,368	1	545,478
Net on balance sheet position	(10,256)	(30)	8,722	1	(1,564)
Contingent liabilities	211,644	99	-	18,142	229,886
As at 31 December 2018					
Total financial assets	258,309	12,581	176,589	1	447,480
Total financial liabilities	258,142	12,556	175,954	1	446,653
Net on balance sheet position	167	25	635	1	828
Contingent liabilities	196,858	3,859	-	-	200,717

The following mid inter-bank exchange rates were applied during the year:

	Average Rate		Reporting Rate	
	2019	2018	2019	2018
Cedis to				
USD 1	5.3975	4.601	5.5337	4.82
GBP 1	6.1151	6.1151	7.3164	6.1711
EUR 1	4.601	5.3975	6.2114	5.5131

Sensitivity Analysis on Currency Risks

The following table shows the effect of the strengthening or weakening of the GH¢ against all other currencies on the company's income statement. This sensitivity analysis indicates the potential impact on the income statements based upon the foreign currency exposures recorded at 31 December 2018. (See "currency risk" above) and it does not represent actual or future gains or losses.

The sensitivity analysis is based on the percentage difference between the highest daily exchange rate and the average rate per currency recorded in the course of the respective financial year. A strengthening/weakening of the GH¢, by the rates shown in the table, against the following currencies at 31 December would have increased/decreased equity and income statement by the amounts shown below:

This analysis assumes that all other variables, in particular interest rates, remain constant.

	2019			2018		
		Income	Income		Income	Income
		Statement/ Equity	Statement/ Equity		Statement/ Equity	Statement/ Equity
	%	Impact	Impact	%	Impact	Impact
	Change	Strengthening	Weakening	Change	Strengthening	Weakening
In GH¢'000						
US$		513	(513)	+5%	8	(8)
£		2	(2)	+5%	(1)	1
€		(436)	436	+5%	32	32
Market Risk						

All trading instruments are subject to market risk, the risk that future changes in market conditions may make an instrument less valuable or more onerous. The instruments are recognised at fair value, and all changes in market directions directly affect net trading income.

Exposure to market risk is formally managed in accordance with risk limits set by senior management by buying or selling instruments or entering into offsetting positions.

5.6.3 Cashflow Sensitivity Analysis for Variable Rate Instruments

A change of 100 basis points in interest rates at the reporting date will have increased/decreased profit or loss by amounts shown below. Each analysis assumes all other variables in particular foreign currency rates remain constant.

The analysis is performed on the same basis for 2018

Effects in Cedis	100bp	100bp
	Increase	Decrease
	GH¢'000	GH¢'000
31-Dec-19		
Average for the Period	3,029	(3,029)
Maximum for the Period	4,853	(4,853)
Minimum for the Period	1,824	(1,824)
31-Dec-18		
Average for the Period	2,933	(2,933)
Maximum for the Period	5,063	(5,063)
Minimum for the Period	2,131	(2,131)

The Bank's operations are subject to the risk of interest rate fluctuations to the extent that interest earning assets (including investments) and interest-bearing liabilities mature or re-price at different times or in differing amounts. In the case of floating rate assets and liabilities the Bank is also exposed to basis risk, which is the difference between re-pricing characteristics of the various floating rate indices, such as the savings rate and six months LIBOR and different types of interest. Risk management activities are aimed at optimizing net interest income, given market interest rate levels consistent with the Bank's strategies.

Asset-liability risk management activities are conducted in the context of the Bank's sensitivity to interest rate changes. The actual effect will depend on a number of factors, including the extent to which repayments are made earlier to later than the contracted dates and variations in interest rate sensitivity within re-pricing periods and amongst currencies.

The rates above show the extent to which the Bank's interest rate exposures on assets and liabilities are matched. These are allocated to time bands by reference to the earlier of the next contractual interest rate re-pricing date and maturity.

5.7 Capital Management

5.7.1 Regulatory Capital

The Central Bank of Ghana sets and monitors capital requirements for the Bank.

The Bank's objectives when managing capital are:

- To safeguard the Bank's ability to continue as a going concern so that it can continue to provide returns for the shareholders and benefits for the other stakeholders
- To maintain a strong capital base to support the current and future development needs of the business
- To comply with the capital requirements set by the Central Bank of Ghana

Capital adequacy and use of regulatory capital are monitored by management employing techniques based on the guidelines developed by the Central Bank of Ghana for supervisory purposes. The required information is filed with the Central Bank of Ghana on a monthly basis.

The Central Bank requires each bank to:

a. Hold the minimum level of regulatory capital of GH¢400 million.

b. Maintain a ratio of total regulatory capital; to risk weighted assets plus risk weighted off balance assets at above the required minimum of 10%

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

- Tier 1 capital, which includes ordinary share capital, share premium, perpetual bonds (which are classified as innovative Tier 1 securities), retained earnings, translation reserve and minority interests after deductions for goodwill and intangible assets, and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes Tier 2 capital, which includes capitalised revaluations reserves, latent revaluation reserves, undisclosed reserves, revaluation reserves, subordinated Loans and Hybrid Capital subject to a limit of 100% of Tier 1 Capital.

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

5.7.2 Capital Adequacy Ratio

The capital adequacy ratio is the quotient of the capital base of the Bank and the Bank's risk-weighted asset base. In accordance with Central Bank of Ghana regulations, a minimum ratio of 10% is to be maintained.

The Bank's regulatory capital position at 31 December, was as follows:

	2019
	GH¢'000
Tier 1 Capital	
Ordinary share capital	698,700
Retained earnings	(289,349)
Statutory reserve	108,512
Other regulatory adjustment	(225,977)
CET1 Capital after Deductions (B)	291,885
	GH¢'000
Fair Value Reserves	60,163
Revaluation reserve	28,766
Unaudited Profit	-
Disallowed (limited to 2% of RWA)	(48,530)
Tier 2 Capital	40,399
Total Regulatory Capital (Tier 1 + Tier 2)	**332,284**
Credit risk	
Risk weighted assets	
On-balance sheet items	1,417,500
Off-balance sheet items	96,304
On & Off-Balance Sheet Trading Book RWA	
1.4 Credit Risk Reserve (CRR)	157,827

1.5 Total Credit Risk Equivalent Weighted Asset (RWA)	1,355,976
Operational Risk	644,696
Market Risk	19,277
Total Credit Risk Equivalent Weighted Asset (RWA)	2,019,949
Section C: Risk ratios	
1. Risk-based capital ratios	
1.1 Common Equity Tier 1 / RWA	14.45%
1.2 Additional Tier 1 / RWA	0%
1.3 Tier 1 / RWA	14.45%
1.4 Tier 2 / RWA	2%
1.5 Capital Adequacy Ratio (CAR)	16.45%

5.7.2 Capital Adequacy Ratio

	2018
	GH¢'000
Tier 1 Capital	
Ordinary share capital	552,100
Retained earnings	(294,086)
Statutory reserve	101,099
Other regulatory adjustment	(158,011)
Total	**201,102**
Tier 2 Capital	GH¢'000
Fair Value Reserves	55,426
Revaluation reserve	57,531
Total	112,957
Total regulatory capital	314,059
Risk weighted assets	
On-balance sheet items	1,644,563
Off-balance sheet items	289,897
Total risk weighted assets	**1,934,460**
Capital charge for operational and market risks:	
100% of 3 years annual gross income	357,614
50% of Net Open Position	414
	358,028
Adjusted asset base	2,292,488
Capital adequacy	13.70%

5.7.3 Review Of Capital Adequacy Ratio

The allocation of capital between specific operations and activities is, to a large extent, driven by optimization of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based primarily upon the regulatory capital, but in some cases the regulatory requirements do not reflect fully the varying degree of risk associated with different activities. In such cases the capital requirements may be flexed to reflect differing risk profiles, subject to the overall level of capital to support a particular operation or activity not falling below the minimum required for regulatory purposes. The process of allocating capital to specific operations and activities is undertaken independently by the Bank Credit Committee and or ALCO as appropriate.

Although maximization of the return on risk-adjusted capital is the principal basis used in determining how capital is allocated within the Bank to particular operations or activities, it is not the sole basis used for decision making. Account also is taken of synergies with other operations and activities, the availability of management and other resources, and the fit of the activity with the Bank's longer-term strategic objectives. The Bank's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors

5.7.4 Basel II

Bank of Ghana (BoG), in its bid to ensure the stability of the Ghanaian Banking Sector and keep pace with global development and growth in risk management practices rolled out, in October 2017, a Capital Requirement Directive (CRD) which require banks to implement Pillar 1 principles of Basel II. BoG requires banks to commence the implementation of the directive from 1 January 2018 with an effective compliance date of 1 July 2018.

The Capital Requirement Directive has four main parts. The first part provides principles for capital management and the constituents of eligible regulatory capital. The second, third and fourth parts provide guidance on the role of the board in the management of credit, operational and market risk respectively. Guidelines for the computation of credit risk weighted asset, operational and market risk capital charges are also detailed in the CRD document.

It is expected that the implementation of Basel principles will have a significant impact on the overall risk culture of banks and will ultimately enhance the risk and capital management of banks.

In September 2017, the Bank of Ghana announced a new minimum capital requirement, as part of a holistic financial sector reform plan to further develop, strengthen, and modernize the financial sector to support the government's economic vision and transformational agenda.

5.7.5 Minimum Capital Requirement

In accordance with Section 28 (1) of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930), the Bank of Ghana (BOG) increased the minimum capital requirement for commercial banks from GHS 120 million to GHS 400 million.

The Directive required all Banks to comply with the new capital requirement by the end of December 2018. Non-compliance with the new minimum paid up capital requirement shall be dealt with in accordance with section 33 of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

Banks are required to meet the new capital requirements using either of the following methods:

- Fresh capital injection;
- Capitalisation of retained earnings; and
- A combination of fresh capital injection and capitalisation of retained earnings.

6. 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 Bank determines fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

a. *Valuation Models*

The Bank measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

Level 1: inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which market observable prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates and foreign currency exchange rates and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

Observable prices or model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives and simple over-the-counter derivatives such as interest rate swaps.

Availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determining fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

b. *Financial Instruments Measured at Fair Value – Fair Value Hierarchy*

The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position.

		2019			2018
Amount	Level 1	Level 2	Level 3	Total fair value Amount	Total Carrying
GH¢'000	GH¢'000%	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Investment (Other than Securities)	-	102,322	-	-	102,322
	-	102,322	-	-	102,322
Amount	Level 1	Level 2	Level 3	Total fair value Amount	Total Carrying
GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Investment Securities					
Amortised Cost					
Investment (Other than Securities)					

Operating Segments

Segment information is presented in respect of the Bank's business segments. The primary format, business segments, is based on the Bank's management and internal reporting structure.

Business segments pay and receive interest to and from the Central Treasury on an arm's length basis to reflect the borrowing from or placement into the pool of investments.

Segment capital expenditure is the total cost incurred during the period to acquire property and equipment and intangible assets other than goodwill.

The Bank does not have reliance on a single major customer. The total revenue of the Bank during the year was not earned from transactions with a single external customer. No single customer contributed 10 per cent or more of an entity's revenues.

Business Segments

The Bank has the following main business segments:

- Corporate Banking: includes loans, deposits and other transactions and balances with corporate customers including the Agricultural sector.
- Retail Banking: includes loans, deposits and other transactions and balances with retail customers.
- Central Treasury: undertakes the Bank's funding and centralised risk management activities through borrowings, issues of debt securities, use of derivatives for risk management purposes and investing in liquid assets such as short-term placements and corporate and government debt securities.

The Bank also has a central Shared Services operation that provides support services to the above-mentioned segments, manages the Bank's premises and certain corporate costs. Cost-sharing agreements are used to allocate central costs to business segments on a reasonable basis.

2019	Corporate Banking	Retail Banking	Central Treasury	Shared Services	Unallocated	Consolidated
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Net Interest Income	37,278	2,437	263,222	(2,841)	-	300,096
Net fee and commission income	10,191	37,832	585	10,425	-	59,033
Net trading income	-	-	50,382	-	-	50,382
Other operating income	-	-	-	17,516	-	17,516
Inter segment revenue	(10,943)	203,012	(192,069)	-	-	-
Total segment revenue	36,526	243,281	122,120	25,099	-	427,026
Segment result						-
Income tax expense	-	-	-	(3,061)	-	(3,061)
Profit for the period	32,286	118,917	100,737	(237,117)	-	14,823
						-
Total assets	**826,679**	**641,974**	**2,721,809**	**387,197**	**-**	**4,577,659**
						-
Total Segment liabilities	931,963	2,449,379	288,486	80,242	34,205	3,784,275
Impairment losses on financial assets	(17,639)	2,026	-	-	-	(15,614)
Depreciation and amortisation	(66)	(6,414)	37	(14,870)	(31,959)	(53,272)
Capital expenditure	(281)	-	(-)	(10,678)	-	(10,678)

2018	Corporate Banking	Retail Banking	Central Treasury	Shared Services	Unallocated	Consolidated
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Net Interest Income	13,958	19,086	232,660	(353)	-	265,351
Net fee and commission income	12,335	46,310	409	8,100	-	67,154
Net trading income	-	-	45,704		-	45,704
Other operating income	-	-	-	9,268	-	9,268
Inter segment revenue	20,177	145,563	(165,740)	-	-	-
Total segment revenue	46,470	210,959	113,033	17,015	-	387,477
Segment result						
Income tax expense	-	-	-	(28,149)	-	(28,149)
Profit for the period	36,152	58,275	101,719	(190,238)	-	5,908
Total assets	**618,706**	**436,577**	**2,297,775**	**140,843**	**103,494**	**3,597,395**
Total Segment liabilities	790,554	1,769,413	300,619	-	97,098	2,957,684
Impairment losses on financial assets	(506)	(9,684)	-	-	-	(10,190)
Depreciation and amortisation	(36)	(4,902)	(28)	(17,754)	-	(22,720)
Capital expenditure	(-)	-	(-)	(8,958))	-	(8,958)

7. INTEREST INCOME

	2019	2018
	GH¢'000	GH¢'000
Loans and advances to banks	208,270	103,090
Loans and advances to customers	217,680	170,339
Investment securities at amortised cost	57,138	194,836
Other interest income – interest income on finance leases	8,123	10,437
	491,211	478,702

7a. Interest Income Analysis

	2019	2018
	GH¢'000	GH¢'000
Interest revenue calculated using effective interest method	483,088	468,265
Other interest and similar income	8,123	10,437
	491,211	478,702

8. INTEREST EXPENSE

a. On deposits:

	2019	2018
	GH¢'000	GH¢'000
Fixed/time deposits	54,721	45,102
Savings deposits	6,812	5,392
Demand & call deposits	110,879	96,014
Total interest expense on deposits	**172,412**	**146,508**

a. On borrowed funds:

	2019	2018
Inter-Bank Borrowing	95	6,5
Long-Term Borrowings	10,871	60,246
Interest on lease liability	8,138	-
	19,103	66,843
Total (a+b)	**191,115**	**213,351**

9. NET FEE AND COMMISSION INCOME

	2019	2018
Fee and commission Income	GH¢ '000	GH¢ '000
Commission on Turnover	26,552	20,772
Fees and Charges	45,334	43,386
Sale of Cheque Book Charges	878	1,096
Loan Fee Incomes	-	9,280
Guarantees Charges & Commission	1,182	930
Total Fee and Commission Income	**73,946**	**75,464**

Fee and commission expense

	2019	2018
Cost of Services	(14,913)	(8,310)
Total Fee and Commission Expense	(14,913)	(8,310)
Net Fee and Commission Income	59,033	67,154

All fees and commission income were earned at a point in time.

10. NET TRADING INCOME

	2019	2018
	GH¢'000	GH¢'000
Foreign Exchange		
Translation gains less losses	18,777	10,467
Transaction gains less losses	31,605	35,237
	50,382	45,704

11. OTHER OPERATING INCOME

Bad debts recovered	801	473
Dividends from investments	1,302	2,678
Other income	15,413	6,117
Total	**17,516**	**9,268**

12. IMPAIRMENT LOSS ON FINANCIAL ASSETS

The table below shows the Expected Credit Loss charges on financial instruments for the year recorded in the income statement:

2019	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Letter of credit and guarantee	(3,746)			(3,746)
Undrawn commitments	(2,280)	-	-	(2,280)
Due from Banks	(883)	-	-	(883)
Loans and advances	(19,506)	(4.141)	46,170	22,523
At 31 December 2019	(26,415)	(4.141)	46,170	15,614

2018	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Letter of credit and guarantee	3,855			3,855
Undrawn commitments	2,775	-	-	2,775
Due from Banks		3,630	-	3,630
Loans and advances	19,303	14,481	(33,854)	(70)
At 31 December 2018	25,933	18,111	(33,854)	10,190

13. PERSONNEL EXPENSES

	2019	2018
Salaries and wage	114,802	101,860
Pension costs - (Defined contribution scheme to SSNIT)	11,698	9,898
Staff Provident Fund (Defined Contribution Scheme)	10,867	11,293
Staff fuel expenses	32,904	23,469
Medical expenses	6,570	5,107

The number of persons employed by the Bank at the year-end was 1,489 (2018: 1,195).

14. OTHER OPERATING EXPENSES

	2019	2018
	GH¢'000	GH¢'000
Occupancy Cost	27,247	51,173
Auditors Remuneration	999	821
Donations and Social Responsibility	2,115	1,513
Motor Vehicle Running Expenses	11,053	9,772
General and Administrative Expenses	27,461	29,317
Information Technology Expenses	42,452	39,313
Others	22,218	7,369
	133,545	139,278

15. DEPRECIATION AND AMORTIZATION

	2019	2018
	GH¢'000	GH¢'000
Depreciation of Property, Plant and equipment	13,626	13,474
Amortisation of intangible	7,703	9,246
Depreciation of Right of use asset	31,943	-

16. EARNINGS PER SHARE

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.

	2019	2018
	GH¢'000	GH¢'000
Profit after tax	14,823	5,908
Number of ordinary shares	261,721	230,923
Weighted average number of shares	261,721	230,923
Earnings per share:		
Basic (GH¢)	0.0566	0.0256
Diluted (GH¢)	0.043	0.0256

As at the reporting date there was deposit for shares to the tune of GHS 277million, subsequent to the year-end depositors were issued 85,230,770 shares which has been registered with the Registral General Department and SEC.

17. CASH AND BANK BALANCE

	2019	2018
	GH¢'000	GH¢'000
i. Cash on hand	119,433	96,073
Balances with Bank of Ghana	387,259	279,728
Nostro Balances	108,181	104,213
Deposits and balances due from banking institution	312,213	172,814
Cash and bank balance	927,086	652,828

Included in the Nostro balance is a restricted amount of GHS 21million

18. DUE FROM OTHER BANKS

	2019	2018
	GH¢'000	GH¢'000
Placements with other banks	296,822	362,968
Less: Write off	(22,180)	
Allowance for impairment losses	(2,747)	(3,630)
	271,895	359,338

Placement amount written off
Placement amount written off was as resulted of renegotiated settlement agreement reached with CBG over the bank's placement with the default Unique Bank and Sovereign bank which have consolidated into CBG bank.

18.1 Credit Risk Quality of Due from Banks Balances

The table below shows the credit quality and the maximum exposure to credit risk based on the Bank's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

2019	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Performing	-	-	-	-
Grade 1-3: low fair risk	274,643	-	-	274,643
Grade 4-5	-	-	-	-
Non-performing	-	-	-	-
Grade 6:	-	-	-	-
Grade 7	-	-	-	-
Grade 8	-	-	-	-
At 31 December 2019	274,643	-	-	274,643

2018	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Performing	-	-	-	-
Grade 1-3: low fair risk	-	-	-	-
Grade 4-5	-	362,968	-	362,968
Non-performing	-	-	-	-
Grade 6:	-	-	-	-
Grade 7	-	-	-	-
Grade 8	-	-	-	-
At 31 December 2018	-	362,968	-	362,968

An analysis of changes in the gross carrying amount in relation to due from banks measured at amortised cost is, as follows:

2019	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Gross carrying amount as at 1 January 2019	-	362,968	-	362,968
New assets originated or purchased	-	-	-	-
Assets derecognised or repaid (excluding write offs)	(66,146)	-	-	(66,146)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	362,968	(362,968)	-	-
Transfers to Stage 3	-	-	-	-
At 31 December 2019	296,822	-	-	296,822

2018	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Gross carrying amount as at 1 January 2018	362,968	-	-	362,968
New assets originated or purchased	-	-	-	-
Assets derecognised or repaid (excluding write offs)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(362,968)	362,968	-	-
Transfers to Stage 3	-	-	-	-
At 31 December 2018	-	-	-	362,968

An analysis of changes in the ECL allowances in relation to due from banks is, as follows:

2019	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Gross carrying amount as at 1 January 2019	-	3,360	-	3,360
New assets originated or purchased	-	-	-	-
Transfers to Stage 1	3,630	(3,630)	-	-
Transfers to Stage 2		-	-	-
Transfers to Stage 3	-	-	-	-
Written off/ recovery	(883)	-	-	(883)
At 31 December 2019	2,747	-	-	2,747

2018	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Gross carrying amount as at 1 January 2018	-	-	-	-
New assets originated or purchased	-	3,630	-	3,630
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Written off	-	-	-	-
At 31 December 2018	-	3,630	-	3,630

19. INVESTMENT SECURITIES

	2019	2018
	GH¢'000	GH¢'000
Treasury bills (a)		
14 Day Treasury Bills	462,156	99,350
56 Day Treasury Bills	517,267	711,470
91 Day Treasury Bills	-	-
182 Day Treasury Bills	282,534	61,062
Treasury Notes	50,702	108,265
	1,312,659	980,147

	2019	2018
	GH¢'000	GH¢'000
Government bonds (b)		
2-5-year fixed rate notes	160,169	179,602
Above 5 years fixed rate note	50,000	30,000
	210,169	209,602
Maturing within 90 days of date of acquisition	979,423	810,820
Maturing between 90 days – 1 year of date of acquisition	333,236	169,327
Maturing within 1-5 years of date of acquisition	210,169	209,602
	1,522,828	1,189,749

Government bonds as well as Treasury Bills are classified as financial assets at amortized cost as the business model is to hold the financial assets to collect contractual cash flows representing solely payments of principal and interest.

The average interest rate on treasury bills at 31 December 2019 was 14.72% (2018: 13.54%) and the rate for treasury bonds at 31 December 2019 was 19.38% (2018: 17.5%).

19.1. Credit Risk Quality of Investment Securities (Debt Instrument)

The table below shows the credit quality and the maximum exposure to credit risk of investment Securities (Debt Instruments) measured at amortised cost based on the Bank's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Grade 1-3: low fair risk	1,522,828	-	-	1,522,828
Grade 4-5	-	-	-	-
Grade 6:	-	-	-	-
Grade 7	-	-	-	-
Grade 8	-	-	-	-
At 31 December 2019	1,522,828	-	-	1,522,828

An analysis of changes in the gross carrying amount in relation to Debt instruments measured at amortised cost is, as follows:

	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Gross carrying amount as at 1 January 2019	1,189,749	-	-	1,189,749
New assets originated or purchased	333,079	-	-	333,079
Assets derecognised or repaid (excluding write offs)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	- -
At 31 December 2019	1,522,828	-	-	1,522,828

An analysis of changes in the ECL allowances in relation to Debt instruments measured at amortised cost is, as follows:

Instruments under this category were issued by the central bank and government. Expected credit loss for these instruments were assessed to be insignificant.

20. LOANS AND ADVANCES TO CUSTOMERS

	2019	2018
	GH¢'000	GH¢ '000
Overdrafts	418,445	314,702
Loans	1,439,604	1,132,021
Lease receivable	58,726	47,689
Gross loans and advances	1,916,775	1,494,412
Provision for impaired loans and advances		
- Specific	(380,121)	(333,949)
- Collective	(68,001)	(91,649)

The above constitute loans and advances to customers and staff.
Staff loans amounted to GH¢ 37,906 (2018: GH¢38,919).

The investment in lease receivables is analyzed as follows:

	2019	2018
	GH¢'000	GH¢'000
Less than 1 year	37,408	12,843
Between 1 year and 5 years	21,318	34,846
	58,726	47,689

Key ratios on loans and advances

- The total impairment for the year represents 23.38% of gross loans at the year-end (2018: 28.5%)
- Loan loss provision ratio is 23.29% of gross advances (2018: 36.88%)
- Gross Non-performing loans ratio per Bank of Ghana requirement is 41.72% (2018:49.29%)
- Fifty (50) largest exposures (gross funded and non-funded) to total exposures is 75% (2018: 60%)

	2019	2018
a) Analysis By maturity	GH¢'000	GH¢'000
Maturing Within one year	1,060,387	621,096
Between one to five years	452,125	495,798
More than five years	404,263	377,518
	1,91`6,776	1,494,412
Impairment of loans and advances		
At 1 January	425,598	351,523
IFRS 9 Impact	-	155,937
Additional impairment charge during the year	22,524	(70)
Write off	-	(81,792)
	448,122	425,598

20.1. Impairment Allowance for Loans and Advances to Customers Measured at Amortised Cost

20.1.1 Expected Credit Losses on Loans and Advances

The table below shows an analysis of the expected credit losses on loans and advances based the class of financial assets.

2019	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Agric Loans	4,465	1,802	100,357	106,624
Retail loans	10,057	1,583	88,546	100,186
Corporate loans	34,458	15,636	191,218	241,312

2018	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Agric Loans	7,469	2,197	50,366	60,032
Retail loans	35,725	2,236	121,815	159,776
Corporate loans	22,599	21,423	161,768	205,790

20.2 Credit Risk Quality of Loans and Advance

20.2.1 Agric loans

The table below shows the credit quality and the maximum exposure to credit risk of Agric loans based on the Bank's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

2019	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Grade 1-3: low fair risk	265,186	-	-	265,186
Grade 4-5	-	7,249	-	7,249
Grade 6:	-	-	3,638	3,638
Grade 7	-	-	3,063	3,063
Grade 8	-	-	226,917	226,917
At 31 December 2019	265,186	7,267	233,618	506,053

2018	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Grade 1-3: low fair risk	191,015	-	-	191,015
Grade 4-5	-	1,017	-	1,017
Grade 6:	-	-	9,626	9,626
Grade 7	-	-	2,410	2,410
Grade 8	-	-	219,566	219,566
At 31 December 2018	191,015	1,017	231,602	423,634

An analysis of changes in the gross carrying amount in relation to Agric loan is as follows:

2019	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Gross carrying amount as at 1 January 2019	191,015	1,017	231,602	423,634
New assets originated or purchased	167,409	-	-	167,409
Assets derecognised or repaid (excluding write offs)	(69,865)	-	(15,125)	(84,990)
Transfers to Stage 1	(1,461)	-	1,461	-
Transfers to Stage 2	(6,232)	6,232	-	-
Transfers to Stage 3	(15,679)	-	15,679	-
Amount written off	-	-	-	-
At 31 December 2019	265,187	7,249	233,617	506,053

2018	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Gross carrying amount as at 1 January 2018	166,620	23,921	293,546	484,087
New assets originated or purchased	24,395	-	-	24,395
Assets derecognised or repaid (excluding write offs)	-	(22,904)	(47,696)	(70,600)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amount written off	-	-	(14,248)	(14,248)
At 31 December 2018	191,015	1,017	231,602	423,634

An analysis of changes in the ECL allowances in relation to Agric loan is, as follows:

2019	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Gross carrying amount as at 1 January 2019	7,469	2,197	50,366	60,032
New assets originated or purchased	86	-	-	86
Assets derecognised or repaid (excluding write offs)	(3,090)	(395)	-	(3,485)
Impact on Expected Credit loss	-	-	49,991	49,991
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Loan Written off	-	-	-	-
At 31 December 2019	4,465	1,802	100,357	106,624

2018	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Gross carrying amount as at 1 January 2018	6,930	5,220	141,402	153,552
New assets originated or purchased	-	-	-	-
Assets derecognised or repaid (excluding write offs)	-	-	-	-
Impact on Expected Credit loss	539	(3,023)	(76,788)	(79,272)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	(14,248)	(14,248)
Loan Written off	-	-	-	-
At 31 December 2018	7,469	2,197	50,366	60,032

20.2.2 Corporate Loans

The table below shows the credit quality and the maximum exposure to credit risk of Corporate loans based on the Bank's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

2019	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Grade 1-3: low fair risk	561,451			501,793
Grade 4-5		48,735		48,735
Grade 6:			29,103	29,103
Grade 7			148,971	148,971
Grade 8	-	-	175,966	175,966
At 31 December 2019	561,451	48,735	354,040	964,226

2018	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Grade 1-3: low fair risk	322,055			322,055
Grade 4-5		17,536		17,536
Grade 6:			12,763	12,763
Grade 7			153,365	153,365
Grade 8	-	-	192,468	192,468
At 31 December 2018	322,055	17,536	358,596	698,187

An analysis of changes in the gross carrying amount in relation to Corporate loan is, as follows:

2019	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Gross carrying amount as at 1 January 2019	322,055	17,536	358,596	698,187
New assets originated or purchased	378,912	-	-	378,912
Assets derecognised or repaid (excluding write offs)	(103,761)	-	(9,112)	(112,873)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(31,199)	31,199	-	-
Transfers to Stage 3	(4,556)	-	4,556	-
Amount written off	-	-	-	-
At 31 December 2019	561,451	48,735	354,040	964,226

2018	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Gross carrying amount as at 1 January 2018	252,250	41,116	460,401	753,767
New assets originated or purchased	69,805	-	-	69,805
Assets derecognised or repaid (excluding write offs)	-	(23,580)	(76,309)	(99,889)
Transfers to Stage 1	-		-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amount written off	-	-	(25,496)	(25,496)
At 31 December 2018	322,055	17,536	358,596	698,187

An analysis of changes in the ECL allowances in relation to Corporate loan is, as follows:

2019	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Gross carrying amount as at 1 January 2019	22,599	21,423	161,768	205,790
New assets originated or purchased	-	-	-	-
Assets derecognised or repaid (excluding write offs)	-	(5,787)	-	(5,787)
Impact on Expected Credit loss	11,859	-	29,450	41,309
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Loan Written off	-	-	-	-
At 31 December 2019	34,458	15,636	191,218	241,312

2018	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Gross carrying amount as at 1 January 2018	22,154	5,356	206,371	233,881
New assets originated or purchased	-	-	-	-
Assets derecognised or repaid (excluding write offs)	-	-	-	-
Impact on Expected Credit loss	445	16,067	(19,107)	(2,595)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Loan Written off	-	-	(25,496)	(25,496)
At 31 December 2018	22,599	21,423	161,768	205,790

20.2.3 Retail loans

The table below shows the credit quality and the maximum exposure to credit risk of Retail loans based on the Bank's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

2019	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Grade 1-3: low fair risk	312,670	-	-	312,670
Grade 4-5	-	15,714	-	15,714
Grade 6:	-	-	9,643	9,643
Grade 7	-	-	5,917	5,917
Grade 8	-	-	102,551	102,551
At 31 December 2019	312,670	15,714	118,111	446,495

2018	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Grade 1-3: low fair risk	256,043		-	256,043
Grade 4-5	-	3,960	-	3,960
Grade 6:	-	-	7,983	7,983
Grade 7	-	-	2,525	2,525
Grade 8	-	-	102,083	102,083
At 31 December 2018	256,043	3,960	112,591	372,594

An analysis of changes in the gross carrying amount in relation to Retail loan is, as follows:

2019	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Gross carrying amount as at 1 January 2018	256,043	3,960	112,591	372,594
New assets originated or purchased	240,842	-	-	240,842
Assets derecognised or repaid (excluding write offs)	(151,162)	(15,779)	-	(166,941)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(27,533)	27533	-	-
Transfers to Stage 3	(5,520)	-	5,520	-
Amount written off	-	-	-	-
At 31 December 2019	312,670	15,714	118,111	446,495

2018	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Gross carrying amount as at 1 January 2018	253,834	2,348	122,948	379,130
New assets originated or purchased	2,209	1,612	31,690	35,511
Assets derecognised or repaid (excluding write offs)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amount written off	-	-	(42,047)	(42,047)
At 31 December 2018	256,043	3,960	112,591	372,594

An analysis of changes in the ECL allowances in relation to Retail loan is, as follows:

2019	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Gross carrying amount as at 1 January 2019	35,725	2,236	121,815	159,776
New assets originated or purchased	9,944	1,380	-	11,324
Assets derecognised or repaid (excluding write offs)	(21,730)	(7,490)	(54,515)	(83,735)
Impact on Expected Credit loss	-	5,457	7,365	12,822
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	(13,881)	-	13,881	-
Loan Written off	-	-	-	-
At 31 December 2019	10,058	1,583	88,546	100,187

2018	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Gross carrying amount as at 1 January 2018	17,406	799	102,181	120,386
New assets originated or purchased	-	-	-	-
Assets derecognised or repaid (excluding write offs)	-	-	-	-
Impact on Expected Credit loss	18,319	1,437	61,681	81,437
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Loan Written off	-	-	(42,047)	(42,047)
At 31 December 2018	35,725	2,236	121,815	159,776

21. INVESTMENT (OTHER THAN SECURITIES): FAIR VALUE THROUGH OCI

	2019	2018
	GH¢'000	GH¢ '000
At 1 January	95,861	91,749
Addition	145	-
Fair value adjustments (note 38)	6,316	4,112
	-	-
At 31 December	102,322	95,861

22. INVESTMENT IN ASSOCIATE COMPANIES

The Bank has one associate, Activity Venture Finance Company (AVF) that is immaterial to the Bank, which is equity accounted for.

	Activity Venture Finance Co
The relationship with the Bank	To help start-ups with high potential and risk
Principal place of business/country of incorporation	Accra, Ghana
Ownership interest/voting rights	20%/20%
Fair value of ownership interest (if listed)	N/A

	2019	2018
	GH¢'000	GH¢ '000
At 1 January	-	357
Disposal of investment	-	-
Loss	-	- 357
At 31 December	-	-

23. INCOME TAX

23.1 Income Tax Expense Recognised in Profit or Loss

	2019	2018
	GH¢'000	GH¢'000
Current year income tax –	9,268	7,902
Deferred tax	(6,207)	20247
	3,061	28,149

23.2 Corporation Tax Asset

	Balance at 1 January	Payment during the year	Charge/credit for the year	Balance at 31 December
Income tax	GH¢'000	GH¢'000	GH¢'000	GH¢'000
2018	(3,598)	-	-	(3,598)
2019	-	(9,796)	8,374	(1,422)
	(3,598)	(9,796)	8,374	(5,020)
National Stabilization Levy	195	(1,703)	894	(614)
Total tax	(3,403)	(11,498)	9,268	(5,634)

23.3 Effective Tax Reconciliation

	2019	2018
	GH¢'000	GH¢'000
Profit before tax	17,884	34,057
Income tax using domestic tax rate (25%)	4,471	8,514
Non-deductible expenses	15,430	35,605
Tax on exempt income	(10,850)	(25,440)
Income subjected to tax at a different rate	(330)	7,767
Allowable expenses (not through P&L)	(6,513)	-
National fiscal stabilization levy	853	1,703
	3,061	28,149

23.4 Deferred Tax Asset

The following table shows deferred tax recorded in the statement of financial position

Deferred tax assets / (liabilities)	As at 1 January 2019	Income statement	OCI	As at 31 December 2019
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Property, plant and equipment	(33,661)	17,770	-	(15,891)
Impairment allowance for loans and advances	106,399	(11,563)	-	94,836
Investment (other than securities)	(18,476)	-	(1,579)	(20,055)
Balance 31 December	54,262	6,207	(1,579)	58,890

	2019	2018
	GH¢'000	GH¢'000
Balance at 1 January	54,262	33,772
IFRS 9 opening balance adjustment	-	41,765
Charged to profit or loss	6,207	(20,247)
Charged to OCI	(1,579)	(1,028)
Balance 31 December	58,890	54,262

24. INTANGIBLE ASSETS

	Software	Work In-Progress	Total
	GH¢'000	GH¢'000	GH¢'000
Cost			
At 1 January 2019	64,632	-	64,632
Acquisitions	35	-	35
Transfers from property and equipment	-	-	-
	64,667	-	64,667
Amortisation			
At 1 January 2019	36,166	-	36,166
Charge for the year	7,703	-	7,703
At 31 December 2019	43,869	-	43,869
Net Book Value			
At 31 December 2019	20,798	-	20,798

	Intangible	Work In-Progress	Total
	GH¢'000	GH¢'000	GH¢'000
Cost			
At 1 January 2018	62,781	-	62,781
Acquisitions	1,851	-	1,851
Transfers	-	-	-
Transfers from property and equipment	-		-
	64,632	-	64,632
Amortisation			
At 1 January 2018	26,920	-	26,920
Charge for the year	9,246	-	9,246
At 31 December 2018	36,166	-	36,166
Net Book Value			
At 31 December 2018	28,466	-	28,466

Work-in-progress

- There was no Work-in-progress at the end of the year. (2019: nil).
- No impairment losses on intangible assets were recognized during the year (2018: Nil)
- There were no capitalized borrowing costs related to intangible assets during the year (2018: Nil)
- There were no restrictions on title and intangible assets pledged as security for liabilities during the year (2018: Nil).

25. OTHER ASSETS

	2019	2018
	GH¢'000	GH¢'000
Advance payment	58	44
Prepayments	10,193	22,357
Sundry receivables	5,487	9,765
Lease deposits from Agridev	18,564	10,236
Agric Input Stock*	18,722	-
Others**	14,355	3,428
31-Dec	67,379	45,830
Current	39,687	33,328
Non-current	18,564	-
Others	9,128	12,502
	67,379	45,830

*This was measured at the lower of cost and net realizable value.
**Others represent reimbursable from money transfer counterparties,

26. PROPERTY AND EQUIPMENT

2019	Land & Building	Computers	Furniture & Equipment	Motor Vehicles	Capital W I P	Leasehold Improvement	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Cost/ Valuation							
At 1 January 2019	92,408	26,720	18,128	8,021	1,788	26,884	173,949
Additions	35	2,705	2,594	517	5,217	38	11,106
Disposal	-	-	(80)	(860)	-	-	(940)
Transfers	888	1,810	223	66	(4,776)	1,789	-
Write Offs	(110)	(1,419)	(81)	-	(1)	-	(1,611)
At 31 December 2019	93,221	29,816	20,784	7,744	2,228	28,711	182,504
Depreciation							
At 1 January 2019	15,508	23,287	12,773	3,797	-	19,738	75,103
Charge for the year	4,534	1,518	1,902	2,082	-	3,590	13,626

Released on Disposal/ Revaluation	-	-	(41)	(521)	-		(562)
Write Offs	-	(1,410)	(19)	-	-	-	(1,429)
At 31 December 2019	20,042	23,395	14,615	5,358	-	23,328	86,738
Net Book Value							
At 31 December 2019	73,179	6,421	6,169	2,386	2,228	5,383	95,766

2018	Land & Building	Computers	Furniture & Equipment	Motor Vehicles	Capital WIP	Leasehold Improvement	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Cost/ Valuation							
At 1 January 2018	89,501	25,357	16,172	6,723	3,422	25,855	167,030
Additions	720	1,366	1,503	676	2,789	52	7,106
Disposal	(183)	(4)	-	-	-	-	(187)
Transfers	2,370	1	453	622	(4,423)	977	-
At 31 December 2018	92,408	26,720	18,128	8,021	1,788	26,884	173,949
Depreciation							
At 1 January 2018	11,319	21,598	10,923	2,440	-	15,634	61,914
Charge for the year	4,473	1,690	1,850	1,357	-	4,104	13,474
Released on Disposal/ Revaluation	-	(1)	-	-	-	-	(1)
Reversals	(284)	-	-	-	-	-	(284)
At 31 December 2018	15,508	23,287	12,773	3,797	-	19,738	75,103
Net Book Value							
At 31 December 2018	76,900	3,433	5,355	4,224	1,788	7,146	98,846

Cost component of revalued property

If the land and buildings were stated on a historical cost basis, the amounts would have been as follows:

	2019	2018
	GH¢'000	GH¢'000
Cost	12,790	12,790
Accumulated depreciation	(2,974)	(2,334)
	9,816	10,456

Disposal Schedule

	Furniture & Equipment	Motor & Vehicle	Total
	GH¢'000	GH¢'000	GH¢'000
Cost	80	860	940
Accumulated depreciation	(41)	(521)	(562)
Net book value	39	339	378
Proceeds	61	334	395
Profit/(Loss) on disposal	23	(5)	17

Cost and Accumulated Depreciation

The cost and accumulated depreciation of assets disposed is made up of cost of disposals and write-offs and their corresponding accumulated depreciation.

	Land & Building	Computer Hardware	Total
	GH¢'000	GH¢'000	GH¢'000
Cost	183	4	187
Accumulated depreciation	-	(1)	(1)
Net book value	183	3	186
Proceeds	(183)	(3)	(186)
(Loss)/Profit on disposal	-	-	-

An impairment of property and equipment held by the Bank amounting to of GHS 1,480 as at 31 December 2019 (2018: nil). None of the property and equipment of the Bank had been pledged as security for liabilities and there were no restrictions on the title of any of the Bank's property and equipment at the reporting date and at the end of the previous year. Capital commitments not provided for in the financial statements as at 31 December 2019 was nil. (2018: Nil).

26.1 Right of Use Assets

The Bank adopted IFRS 16 as from 1 January 2019 which changes the Bank's Financial Statements. Under IFRS 16 the majority of these leases became on-balance sheet liabilities with underlying right-of-use assets. The Company applied the modified retrospective approach, which requires the recognition of the cumulative effect of initially applying IFRS 16, as of 1 January 2019, to the retained earnings and not restate prior years. When doing so, the Company also made use of the practical expedient to not recognise a right-of-use asset or a lease liability for leases for which the lease term ends within 12 months of the date of initial application.

Since the Bank recognised the right-of-use assets at the amount equal to the lease liabilities, there was no impact to the retained earnings.

The Bank leases land and buildings. Information about leases for which the Company is a lessee is presented below.

	Rental Space	Total
	GH¢'000	GH¢'000
Cost/Valuation		
At 1 January 2019 (Transfer from prepayment	11,103	11,103
Additions	57,248	57,248
Termination of lease	-	-
At 31 December 2019	68,351	68,351
Depreciation		
At 1 January 2019	-	-
Charge for the year	31,943	31,943
Termination of lease	-	-
At 31 December 2019	31,943	31,943
Net Book Value		
At 31 December 2019	36,408	36,408

27. CASH AND CASH EQUIVALENTS

	2019	2018
	GH¢'000	GH¢' 000
Cash and bank balance	906,085	652,828
14-Day/91-Day Treasury Bill	979,423	810,820
Cash and cash equivalent in statement of cash flows	1,885,508	1,463,648

Included in balances with Bank of Ghana above is an amount of GH¢339,209 (2018: GH¢258,608) mandatory reserve deposits representing 10% of the Bank's total deposits.

28. BORROWED FUNDS

	2019	2018
	GH¢'000	GH¢'000
Government of Ghana	65,720	67,229
Central Bank of Ghana	11,668	11,405
Other Financial Institutions	39,235	43,054
AFD/Rubber Phase IV and V	160,995	152,634
Total	277,618	274,322

	Government of Ghana	Central Bank	Financial Institutions	AFD/Rubber Phase IV&V	Total
Balance as at 31 December 2018	67,229	11,405	43,054	152,634	274,322
Additions	714	1,753	126,653	24,489	153,609
Interest	2,382	(1,490)	(932)	202	162
Payment	(4,605)	-	(129,540)	(16,330)	(150,475)
Balance as at 31 December 2019	65,720	11,668	39,235	160,995	277,618

Central Bank

This consists of multiple loan facilities granted to the Bank. The other debt facilities were granted to the Bank to assist in financing the poor, rural entrepreneurs engaged in rural small-scale enterprises. Interest rates on these facilities range from 20% to 30% with maturities ranging from 2017 to 2021. The disclosure is based on the specific project the loan was meant for.

Details are shown below:

	2019	2018
	GH¢'000	GH¢'000
IFAD	611	873
IDA/BADEA	2,516	2,183
SMALL SCALE IRR.DEV PROJECTS	279	404
CFD Loan to GREL	150	57
IFAD/MEST Rural Ent.	207	276
IFAD /UWADEP	162	199
ADB/BADEA/BOVID	7,743	7413

Government of Ghana

This consists of multiple facilities granted to the Bank to finance food crops, non-traditional exports, agro industry as well as institutional support. Interest rates range from 1.8% - 5% with maturities ranging from 2018 to 2051. The disclosure is based on the specific project the loan was meant for.

Details of these borrowings are shown below:

	2019	2018
	GH¢'000	GH¢'000
ADF Projects	32,154	29,702
EDAIF	10,514	17,908
AFD/MOFA	22,581	18,860
AfDB/KP.IRR. Projects	471	689
CASA CONVERSION	-	70

Financial institutions

These borrowings are for liquidity management purposes. Interest rate ranges from 10% to 16.5% and maturity is usually within one year.

Details of the borrowings from financial institutions are shown below:

	2019	2018
	GH¢'000	GH¢'000
SSNIT	-	15,675
First Banc	23,035	-
Bora Capital	2,535	2,300
CIDAN Investment	2,044	-
SEM CAPITAL	1,382	-
GHIB	9,317	-
Interest on Borrowing	922	-
CAL ASSETS	-	25,079
	39,235	43,054

Others

AFD - The general purpose of the credit facility is to finance long term loans dedicated to the Rubber Out grower Plantation Programme (ROPP). Average Interest is at a rate of 2.07% maturing in 2027.

Details of other borrowings are shown below:

		2019	2018
		GH¢'000	GH¢'000
AFD/Rubber Phase IV		160,995	152,634

29. DEPOSITS FROM CUSTOMERS

	2019	2018
	GH¢'000	GH¢'000
Savings Deposits	523,335	411,644
Demand and Call Deposits	2,409,345	1,897,064
Fixed/Time Deposits	459,529	277,557
	3,392,209	2,586,265

	2019	2018
	GH¢'000	GH¢'000
Customer deposits		
Maturity analysis of customer deposits		
From Government and Parastatals:		
Payable within 90 days	295,766	221,363
Payable after 90 days and within one year	101,675	105,626
	397,441	326,989
From Private Sector and individuals:		
Payable within 90 days	1,591,111	1,253,092
Payable after 90 days and within one-year	1,403,657	1,006,184
	2,994,768	2,259,276
	3,392,209	2,586,265

Twenty largest depositors to total deposit ratio is 23.87% (2018: 22.93%)

30. OTHER LIABILITIES

	2019	2018
	GH¢'000	GH¢'000
Payables	64,078	59,200
Accruals	14,105	36,094
Staff long service awards (i)	2,060	1,803
	80,243	97,097
Current	51,085	87,747
Non-current	29,158	9,350

i. Movement in the liability for staff long service awards

The Bank has a long service award for its employees. These are long service awards which accrue to employees based on graduated periods of uninterrupted service. These awards accrue over the service life of employees. Employees leaving the service of the Bank after 5 years through retirement (both voluntary and compulsory) or resignation become eligible for these awards based on their current entitlement at the time of retirement or resignation based on their length of service. The bank has no further obligations once the staff leaves employment.

	2019	2018
	GH¢'000	GH¢'000
Liability for staff awards at 1 January	1,803	1,693
Benefits paid by the plan	(102)	-
Expenses recognised in profit or loss	359	110
Liability for staff awards at 31 December	2,060	1,803

Expenses recognised in profit and loss		
Current Service Cost	36	34
Net Interest Cost	323	76
	359	110

Actuarial assumptions

The following are the principal assumptions at the reporting date.

Discount rate	19%	19%
General inflation rate	13%	13%
	===	===

Assumptions regarding future mortality rates are based on published statistics and mortality tables.

31. LEASE LIABILITY

	2019	2018
	GH¢'000	GH¢'000
As at 1 January – effect of adoption of IFRS 16	57,248	-
Additions	-	-
Accretion of interest	2,688	-
Exchange difference	5,450	-
Payments	(31,181)	-
As at 31 December 2019	34,205	-

The Bank had total cash outflows for leases of $31 million. The initial application of IFRS 16 resulted in noncash additions to right-of-use assets and lease liabilities of $11 million at 1 January 2019.

32. STATED CAPITAL

	2019		2018	
	No. of Shares	Proceeds	No. of Shares	Proceeds
Authorized:		GH¢'000		GH¢'000
Ordinary shares of no par value	10,000,000,000		10,000,000,000	
Issued:				
Issued for cash	76,372,051	200,450	76,372,051	200,450
For Consideration other than cash	638,772	320	638,772	320
Transfer from retained earnings	234,60,876	74,230	23,460,876	74,230
Bonus issue	130,451,524	100	130,451,524	100
Right Issue	30,798,260	146,600	-	-
	261,721,483	421,700	230,923,223	275,100

33. DEPOSIT FOR SHARES

Deposit for Shares relates to the conversion of Bank of Ghana's five-year Subordinated Term Debt of GH¢ 150,000,000 into equity in favor of its subsidiary, Financial Investment Trust (FIT) which is a shareholder of the Bank. Furthermore, Ghana Amalgamated Trust brought in additional capital of GH¢127million, bringing the total to GH¢277,000,000.

The two institutions were issued shares totaling 85,230,770 subsequent to the year end. The registration of the shares with the Registrar General and the Central Securities Depository have been completed in January 2020, this brings the total shares issued to 346,952,253.

34. RETAINED EARNINGS

	2019	2018
	GH¢'000	GH¢'000
At 1 January	(294,086)	(189,429)
Deferred tax on IFRS 9 opening balance adjustment	-	41,765
Transfer to credit risk reserve	9,813	(149,376)
Transfer to statutory reserve	(7,412)	(2,954)
Transaction cost related to right issue	(12,487)	-
Profit for the year	14,823	5,908
TOTAL	(289,349)	(294,086)

35. REVALUATION RESREVE

This reserve comprises the cumulative net change in the fair value of property and equipment.

	2019	2018
	GH¢'000	GH¢'000
At 1 January	57,531	57,531
At 31 December	57,531	57,531

36. STATUTORY RESERVE

Statutory reserve represents cumulative amounts set aside from annual profits after tax required under section 34(i) of the Banks and Specialised Deposit–Taking Institutions Act, 2016 (Act 930). The proportion of net profits transferred to reserves ranges from 12.5% to 50% of net profit after tax, depending on the relationship that the balance on statutory reserves bears to paid up capital.

	2019	2018
	GH¢'000	GH¢'000
At 1 January	101,100	98,146
Transfer from Retained earnings	7,412	2,954
At 31 December	108,512	101,100

37. CREDIT RISK RESERVE

The credit risk reserve is a non-distributable reserve required by Bank of Ghana to account for difference between impairment loss on financial assets as per IFRS and the specific and the general impairment loss on loans and advances and contingent liabilities per the Central Bank's prudential guidelines.

	2019	2018
	GH¢'000	GH¢'000
At 1 January	167,640	185,323
Impact of IFRS 9	-	(167,058)
Transfer (to)/from Retained earnings	(9,813)	149,375
At 31 December	157,827	167,640

Reconciliation between Bank of Ghana impairment allowance and IFRS impairment

	2019	2018
	GH¢'000	GH¢'000
Bank of Ghana impairment allowance for loans and advances	605,949	593,238
IFRS Impairment for loans and advances at 31 December	(448,122)	(425,598)
Credit risk reserve at 31 December	157,827	167,640

38. FAIR VALUE THROUGH OCI

	2019	2018
	GH¢'000	GH¢'000
At 1 January	55,426	52,342
Fair value adjustment, net of tax (Note 38ii)	4,737	3,084
At 31 December	60,163	55,426

The Fair Value Reserves includes the cumulative change in the fair value of equity investments until the investment is derecognized or impaired.

Fair value through other comprehensive income net of tax is made up of:

	2019	2018
	GH¢'000	GH¢'000
Investment (other than securities)	6,316	4,112
Deferred Tax	(1,579)	(1,028)
Total	4,737	3,084

39. CONTINGENCIES AND COMMITMENTS INCLUDING OFF BALANCE SHEET ITEMS

In common with other banks, the Bank conducts business involving acceptances, guarantees, performances and indemnities. The majority of these facilities are offset by corresponding obligations of third parties. The Bank also holds certain securities in its own name on behalf of customers. The values of these securities are not recognised in the statement of financial position.

Letters of credit commit the Bank to make payments to third parties, on production of documents, which are subsequently reimbursed by customers.

Guarantees are generally written by a bank to support performance by a customer to third parties. The Bank will only be required to meet these obligations in the event of customer's default.

Contingencies and commitments in the financial statements as at 31 December 2019 in respect of the above amounted to GH¢ 352.6 million (2018: GH¢374.81 million), as detailed below:

	2019	2018
	GH¢'000	GH¢'00
Letters of Credit	193,339	175,144
Guarantees and Indemnities	159,236	199,663
	352,574	374,807

CREDIT RISK QUALITY OF LETTER OF CREDIT, COMMITMENTS AND GUARANTEES

The table below shows the credit quality and the maximum exposure to credit risk of credit, commitments and guarantees based on the Bank's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

2019	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Grade 1-3: low fair risk	159,236	-	-	159,236
Grade 4-5	193,339	-	-	193,339
Grade 6:	-	-	-	-
Grade 7	-	-	-	-
Grade 8	-	-	-	-
At 31 December 2019	352,574	-	-	352,574

2018	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Grade 1-3: low fair risk	199,663	-	-	199,663
Grade 4-5	175,144	-	-	175,144
Grade 6:	-	-	-	-
Grade 7	-	-	-	-
Grade 8	-	-	-	-
At 31 December 2018	374,807	-	-	374,807

An analysis of changes in the gross carrying amount in relation to credit, commitments and guarantees is, as follows:

2019	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Gross carrying amount as at 1 January 2019	374,807	-	-	374,807
New assets originated or purchased	-	-	-	-
Assets derecognised or repaid (excluding write offs)	(22,233)	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
At 31 December 2019	352,574	-	-	352,574

2018	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Gross carrying amount as at 1 January 2018	275,076	-	-	275,076
New assets originated or purchased	99,731	-	-	99,731
Assets derecognised or repaid (excluding write offs)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
At 31 December 2018	374,807	-	-	374,807

An analysis of changes in the ECL allowances in relation to credit, commitments and guarantees is, as follows

2019	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Gross carrying amount as at 1 January 2019	17,751	-	-	17,751
New assets originated or purchased	-	-	-	-
Assets derecognised or repaid (excluding write offs)	(6,028)	-	-	(6,028)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
At 31 December 2019	11,723	-	-	11,723

2018	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Gross carrying amount as at 1 January 2018	11,121	-	-	11,121
New assets originated or purchased	6,630	-	-	6,630
Assets derecognised or repaid (excluding write offs)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
At 31 December 2018	17,751	-	-	17,751

40. CONTINGENT LAIBILITY

Pending Legal Claims

At the year-end there were 21(2018: 29) legal cases pending against the Bank. Should judgment go in favour of the plaintiffs, likely claims against the Bank have been estimated at GH¢ 1,100 4 (2018: GH¢ 806,824). No provisions have been made in the financial statements in respect of these amounts because the Bank's solicitors believe that the bank has good chance of success.Funds under ManagementInvestments and funds being managed by the Bank on behalf of clients amounts to GH¢ 24,678 (2018: GH¢25,700). These are funds being managed on behalf of government of Ghana. There is no income recognised however interest is accrued as payable to government.

41. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions, or one other party controls both. Shareholders with more than 5% stake are disclosed as follows:

Shareholders

Name of shareholder	No. of shares in thousand	Percentage holding (%)
Financial Investment Trust	176,064	67.27%
Government of Ghana	74,579	28.50%
Employee Share Offer Plan	5,984	2.29%
Others	5,094	1.95%
	261,721	100.00%

At 31 December 2019 the following amounts related to transactions with the Government of Ghana

	2019	2018
	GH¢'000	GH¢'000
Government Securities	1,522,828	1,189,747
Loans and Advances	13,470	13,002
Borrowings	42,065	45,956
Others	17,034	11,395

Associated Company

The Bank provides general banking services to its associated company. These transactions are conducted on similar terms to third-party transactions.

Details of investments in associated company are provided in Note 22.

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 Bank (directly or indirectly) and comprise the Directors and Senior Management the Bank.

The Bank has advanced loans to some past directors as well as key management staff. No provisions have been made in respect of loans to the Executive Director or other members of key management personnel (or any connected person).

No provisions have been made in respect of loans to Directors or other members of key management personnel (or any connected person).

Remuneration of Executive Directors and other key management personnel

The remuneration of executive directors and other key management personnel during the year were as follows:

Short term employee benefits	**2019**	**2018**
	GH¢'000	GH¢'000
Salaries and other short- term benefits	13,865	11,953
Social security contributions	831	668
	14,696	12,621

Remuneration of executive directors during the year amounted to GH¢ 1,030 (2018 GH¢1,031). Details of transactions and balances between the Bank and Executive Directors and other key management personnel are as follows:

	2019	**2018**
	GH¢'000	GH¢'000
Loans	-	-
Loans outstanding at 31 December	1,601	940
Interest income	69	36

Interest rates charged on loans to staff are below market rates. These loans are secured over the assets financed of the respective borrowers. These loans are fair valued at the year end. There were no loans to the Executive Director in the current year.

	2019	**2018**
	GH¢'000	GH¢'000
Deposits	8,487	5,969
Key Management's shareholding		
	No. of shares	% Holding
Key management	14,100	0.00611

Transactions with companies in which a Director or other members of key management personnel is related. The executive director is a non-executive board member of Ghana International Bank Plc (GIB).Details of transactions and balances between the Bank and GIB are as follows:

	2019	2018
	GH¢'000	GH¢'000
Borrowings	9,317	-
Bank balance	35,523	28,872
Transactions with non- executive directors	-	-
	2019	2018
	GH¢'000	GH¢'000
Directors' remuneration		
Fees and allowances for services as directors	1,437	2,093

Details of transactions and balances between the Bank and past non-executive directors are as follows:

	2019	2018
	GH¢'000	GH¢'000
Loans		
Outstanding at 1 January	138	279
Net movement	17	(141)
Outstanding at 31 December	155	138
Interest income	17	76

Term loans amounting to GH¢605 were granted to two directors in 2012. The loans were granted at the Bank's base rate plus 5%. The facilities will expire in 2020. The outstanding amount on the facility at 31 December 2017 is GH¢279. The process of approval starts with the management credit committee before submission to the board for approval at which meeting the Directors excuse themselves. Subsequently the Central Bank is informed of the approval process. The loan was approved in 2012.

No loan or advance was granted to companies in which Directors have an interest in 2019. (2018 nill)

	2019	2018
	GH¢'000	GH¢'000
Deposits	8,487	5,969

Directors' Shareholding

At 31 December 2019, the past directors named below held shares in the Bank.

Directors	No. of shares	% Holding
Nana Soglo Alloh IV	100,000	0.00081
Daniel Asiedu	2,000	0.00002
Dr. Adu Anane Antwi	800	-
	102,800	0.00083

42. DEFINED CONTRIBUTION PLAN

	2019	2018
	GH¢'000	GH¢'000
Pension scheme, the National Social Security Fund	11,698	9,898
Provident Fund	10,867	11,293
	22,565	21,191

43. ASSETS PLEDGED AS SECURITY

At 31 December 2019 the value of government securities pledged as collateral was GH¢ NIL (2018: GH¢16,240, 000).

44. COLLATERAL ACCEPTED AS SECURITY FOR ASSETS

At 31 December 2019 the value of government securities accepted as collateral that the Bank is permitted to sell or re-pledge in the event of default was GH¢ 172,300 (2018: GH¢268,000).These transactions are conducted under terms that are usual and customary to standard lending, and securities borrowings and lending activities.

45. NATIONAL FISCAL STABILISATION LEVY

The National Fiscal Stabilisation Levy Act 862, became effective from 12 July 2014. Under the Act, a 5% levy will be charged on profit before tax and is payable quarterly.

46. REGULATORY DISCLOSURES

i. Non–Performing Loans Ratio

ii. Percentage of gross non-performing loans ("substandard to loss") to total credit/advances portfolio (gross): 41.72% (2018: 49.29%).

iii. Capital Requirement Directive (CRD)

iv. The capital requirement directive at the end of December 2019 was calculated at approximately 16.45% (2018: 13.70%).

v. Liquid Ratio

vi. Percentage of liquid assets to volatile liabilities: 144.98% (2018: 135.24%).

47. SUBSEQUENT EVENTS

There are no events after the balance sheet date that require adjustments in the financial statements. Management has assessed the impact of the COVID - 19 pandemic on the going concern status of the Bank in the foreseeable future and has concluded that the use of going concern is proper and that the bank will be able to recover its assets and discharge its liabilities at least in the next 12 months. Management has noted however, that COVID – 19 poses a risk to its strategy as well as to its operations and is therefore closely monitoring and formulating policies to mitigate the risk as appropriate.

The bank being a commercial bank, does business with various customers who trade and interact with counter parties across the world who may be affected by the coronavirus.

Funding and Liquidity

The pandemic is expected to impact liquidity risk, exchange rate risk and interest rate risk faced by the bank. The trend of capital flows from emerging markets is expected to exert pressure on the local currency as well as reduce foreign currency liquidity in the economy. The bank has a robust liquidity management framework and contingency funding plan that builds in adequate buffers to support liquidity run-off in a stress scenario. The liquidity ratio of the bank as at 31 December 2019 was 144.98% and projects that it will remain above the internal limit of 40% and the regulatory limit during the crisis period. Also, the Bank's foreign currency open positions is expected to remain within tolerable limits in line with its risk appetite.

48.1 Non-Cash Items

	2019	2018
	GH¢'000	GH¢'000
Depreciation and amortization	53,272	22,720
Impairment charge on financial assets	15,614	10,187
Impairment of investment	22,181	2,985
Interest recognised on lease liability	8,138	-
Dividend received	(1,302)	(2,678)
(Gain)/loss on disposal of property and equipment	(17)	-
Net interest income	(300,096)	(265,350)
	(202,210)	(232,136)

48.2 Changes in Operating Assets and Liabilities

	2019	2018
Loans & advances	(401,264)	(68,934)
Other assets	(32,653)	29,876
Deposits from customers	805,944	46,362
Restricted cash	(21,000)	-
Other liabilities	(5,975)	12,777
	345,052	20,081

49. STANDARDS ISSUED BUT NOT YET EFFECTIVE STANDARDS ISSUED BUT NOT YET EFFECTIVE

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the company's financial statements is disclosed below. The company intends to adopt these standards, if applicable, when they become effective.

IFRS 17 'Insurance Contracts'

IFRS 17 'Insurance Contracts' was issued in May 2017 and sets out the requirements that an entity should apply in accounting for insurance contracts it issues and reinsurance contracts it holds. IFRS 17 is currently effective from 1 January 2021. However, the IASB is considering delaying the mandatory implementation date by one year and may make additional changes to the standard. Industry practice and interpretation of the standard is still developing and there may be changes to it, therefore the likely impact of its implementation remains uncertain.

Amendments to IFRS 3: Definition of a Business

In October 2018, the IASB issued amendments to the definition of a business in IFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test. New illustrative examples were provided along with the amendments.

Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the company will not be affected by these amendments on the date of transition.

Amendments to IAS 1 and IAS 8: Definition of Material

In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.' The amendments to the definition of material is not expected to have a significant impact on the Company's financial statements.

50. NON-COMPLAINCE WITH SECTIONS OF THE BANKS AND SPECIALISED DEPOSIT-TAKING INSTITUTIONS ACT, 2016 (ACT 930)

Review of Exposure Limits

Section 62 of the Banks and Specialized Deposit–Taking Institutions Act, 2016 (Act 930) requires that secured and non-secured facilities should not exceed 25% and 10% of the company's net own funds respectively. The Bank has not breached the secured prescribed exposure limits by year end 2019.

APPENDIX I

Value Added Statement	2019	2018
	GH¢'000	GH¢'000
Interest earned and other operating income	615,539	599,869
Direct cost of services	(339,573)	(360,943)
Value added by banking services	275,965	238,927
Non-banking income	17,515	9,268
Impairment	(15,614)	(10,187)
Value Added	277,867	238,008
Distributed as follows:		
To employees:		
Directors (without executives)	(1,437)	(2,093)
Executive Directors	(1,031)	(1,031)
Other employees	(204,243)	(178,109)
	(206,711)	(181,232)
To Government:		
Income tax	(3,061)	(28,149)
To providers of capital		
Dividends to shareholders	-	-
To expansion and growth:		
Depreciation	(45,568)	(13,474)
Amortization	(7,703)	(9,246)
	(53,272)	(22,719)
RETAINED EARNINGS	14,823	5,908

APPENDIX II

Shareholders' Information - Unaudited

Number of shareholders

The Bank had 446 ordinary shareholders at 31 December 2019 distributed as follows:

Category	No. of shareholders	No of shares	% of shares held
1-1,000	390	6,066,177	2.32
1,001-5,000	55	76,394	0.03
5,001-10,000	3	18,560	0.01
Above 10,000	12	255,560,352	97.65
Total	458	261,721,483	100

20 Largest Shareholders

Control rights: Each share is entitled to the same voting rights.

1	FINANCIAL INVESTMENT TRUST (FIT)	176,064,267	67.27%
2	GOVERNMENT OF GHANA (GoG)	74,579,327	28.50%
3	ESOP	5,983,828	2.29%
4	DOE, OSCAR YAO O. Y. D.	2,631,681	1.01%
5	COFIE, MARK BLEWUNYO KODJO M. B. K. C.	2,100,629	0.80%
6	NANA, SOGLO ALLOH IV	54,800	0.02%
7	PARACELSUS PHARMACY & MARKETING CONSULTANCY LTD, P. P. M. C. L.	50,000	0.02%
8	BONDZI-SIMPSON, LESLIE	26,600	0.01%
9	MR, JOHN BEKUIN-WURAPA	20,000	0.01%
10	GOGO, BENJAMIN AKUETE	12,000	0.00%
11	LAING, ARCHIBALD FERGUSON	11,048	0.00%
12	ARMAH-MENSAH, EDWARD IAN NII AYITEY E. I. N. A. A.	10,000	0.00%
13	FIADJOE, ABLA GRACE A. G. F.	7,500	0.00%
14	SAAH, MARY E. M. E. S	6,060	0.00%
15	MR, ISAIAH OFFEI-DARKO	5,000	0.00%
16	DUAH, EUGENE KWAKU	4,500	0.00%
17	ODAME, DESMOND YAW DYO	3,424	0.00%
18	OFFEI-DARKO, ISAIAH	2,500	0.00%
19	AFREH BINEY, KWASI K. A.B	2,500	0.00%
20	TETTEVI ANGELINA NANA AKYAAH,	2,000	0.00%
	SUBTOTAL of TOP 20	261,577,664	99.95%
	Others	143,819	0.05%
	TOTAL	261,721,483	100.00%

RESOLUTIONS TO BE PASSED AT THE ANNUAL GENERAL MEETING

The Board of Directors will propose the following ordinary and special resolutions, which will be put to the Annual General Meeting for consideration and approval:

ORDINARY RESOLUTIONS

1. To receive and Consider the Financial Statements and Reports of the Directors and Auditors for the Year ended 31st December 2019

The Board will lay before the Annual General Meeting for consideration the audited accounts of the company for 2019, and the reports of the directors and auditor thereon, as a true and fair view of the state of affairs of the company for the year ended December 31, 2019, and will propose the following resolution:

That the accounts of the company for the year ended December 31, 2019 and the reports of the Directors and Auditor thereon be and are hereby deemed duly considered.

2. To ratify the appointment of Mr. Evron Rothschild Hughes on the Board

By a letter dated April 3, 2020 and in accordance with the Subscription Agreement between the company and Ghana Amalgamated Trust PLC ("GAT"), GAT recommended Mr. Evron Rothschild Hughes for appointment as a director of the company. The company has already obtained prior written approval from the Bank of Ghana in respect of Mr. Hughes' nomination.

Mr. Hughes is 50 years old and holds MPhil degree in Development Studies from the Cambridge University, United Kingdom, EMBA Finance from the University of Ghana Business School and BA (Hons) in Political Science with Philosophy from the University of Ghana.

He is a Development Economist, Investment Banker, and Branding & Communications Expert with more than two decades of multi-industry, professional experience at the management, executive, consulting, and entrepreneurial levels. He has 360-degree expertise in developing solutions to complex issues across various strategic and functional areas in Public Policy, Business, Finance, International Financial Transactions & Deal Structuring, and Corporate Finance Deals, with experience from the United Kingdom, South Africa, Rwanda, and Ghana.

He is currently an Economic Advisor at The Presidency (Republic of Ghana).

In accordance with clause 76 of the Constitution of the Company, the Board will recommend that he be so elected and will accordingly propose the following resolution:

That members hereby duly ratify the appointment of Mr. Evron Rothschild Hughes as a director of the company.

. To re-elect to the following directors retiring by rotation

The following directors of the company, Mr. Alex Bernasko, Mr. George Kwabena Abankwah-Yeboah and Mrs. Abena Osei-Asare, will retire in accordance with section 325 of the Companies Act, 2019 (Act 992) and clause 76 of the Constitution of the company. Mr. Alex Bernasko, Mr. George Kwabena Abankwah-Yeboah and Mrs. Abena Osei-Asare, who are all eligible for re-election, have offered themselves to be re-elected as directors of the company.

The Board will recommend that they be so re-elected and will propose the following resolutions:

i. That Mr. Alex Bernasko, who is retiring by rotation and who, being eligible, has offered himself for re-election in accordance with clause 76 of the company's Constitution and section 325 of the Companies Act, 2019, be and is hereby re-elected as a director of the company.

ii. That Mr. George Kwabena Abankwah-Yeboah, who is retiring by rotation and who, being eligible, has offered himself for re-election in accordance with clause 76 of the company's Constitution and section 325 of the Companies Act, 2019, be and is hereby re-elected as a director of the company.

iii. That Mrs. Abena Osei-Asare, who is retiring by rotation and who, being eligible, has offered herself for re-election in accordance with clause 76 of the company's Constitution and section 325 of the Companies Act, 2019, be and is hereby re-elected as a director of the company.

4. To Approve the Remuneration of the Directors

In accordance with section 185 of the Companies Act, 2019 (Act 992) and clause 82 of the Constitution of the company, the Board will request that shareholders approve the remuneration of the executive director as disclosed in Note 41 of the 2019 Annual Report of the compny.

The following resolutions will be proposed:

- *That in accordance with section 185 of the Companies Act, 2019 (Act 992) and clause 82 of the Constitution of the company, approval be and is hereby given for the remuneration of the Managing Director, Dr. John Kofi Mensah on substantially the same terms as existed in his previous contract as detailed in Note 41.*

In accordance with section 185 of the Companies Act, 2019 (Act 992) and clause 82 of the Constitution of the company, the Board will request that shareholders approve *the remuneration payable to non-executive directors to be an amount not exceeding an aggregate of GHS 240,000.00 as fees and sitting allowances per director for the year from 1st January to 31st December 2020 and these fees and allowances shall be applied until the Shareholders shall revise it.*

5. Authorise the directors to Fix the Fees of the External Auditor

In accordance with section 140 of the Companies Act, 2019, the Board will request that they be authorised to fix the fees of the external auditor, Ernst & Young, for the year ended December 31, 2020.

The following resolution will be proposed:

- *That the directors be and are hereby authorized to fix the remuneration of the auditor in respect of the year ended December 31, 2020.*

SPECIAL RESOLUTIONS:

6. To Change the Name of the Company

In accordance with Section 21 (1) (b) and 21(4) of the Companies Act, 2019 (Act 992) and clause 108 of the Constitution of the Company, the Board will recommend the amendment of Clause 1 of the Constitution of the Company to change the name of the Company from "Agricultural Development Bank Limited" to "**Agricultural Development Bank Public Limited Company**" (or using the abbreviated suffix, "**Agricultural Development Bank PLC**") in order to comply with Section 21 (15) of the Companies Act, 2019 (Act 992);

The following resolution will be proposed:

That the name of the Company be changed from "Agricultural Development Bank Limited" to "Agricultural Development Bank Public Limited Company" (or using the abbreviated suffix, "Agricultural Development Bank PLC") in order to comply with Section 21 (1)(b) and 21(15) of the Companies Act, 2019 (Act 992);

7. Amendments to the Constitution of the Company

The Constitution of the company make several references to the now repealed Companies Act, 1963 (Act 179) and Banking Act, 2004 (Act 673).

Examples of the the specific sections of the repealed Companies Act referred to in the Constitution of the company and their analogous provisions in the new Companies Act, 2019 (Act 992) are shown in the table below:

SUBJECT	REGULATION	ACT 179	ACT 992
Powers of Companies	3	24	18
Limitations on the Powers of Directors	5	202	189
Right of Member to attend and Vote at General Meeting	9 (1) (C)	31	34
Suspension of Voting Rights of Preference Shares	9 (1) (c)	49	52
Acquisition by Company of its own shares	9 (2)	59	61
Redemption of Redeemable Preference Shares	9 (2)	60	62
Purchase by a Company of its own Shares	9 (2)	61	63
Limit on Number of Shares Acquired	9 (2)	62	64
Share Deals Account	9 (2)	63	65
Limitations on the Powers of Directors	10	202	189
Financial Assistance for Acquisition of Shares	15	58	60
Issue of Share Certificates	18 (1)	53	55
Capitalization Issues and Non-Cash Dividends	54	74	77
Power of Company to keep Branch Register	55	103	106
Regulations as to Branch Registers	55	104	107

Keeping of Accounting Records and Preparation of Financial Statements	56	123	127
Circulation of Financial Statements and Reports	56	124	128
First Financial Statements after Incorporation	56	125	129
Statement of Financial Position	56	126	130
Consolidated Financial Statements	56	127	131
Particulars of Emoluments and Pensions of Directors	56	128	132
Particulars of amount due from Officers	56	129	133
Provisions Supplemental to Sections 127 to 133	56	130	134
Signing and Publication of Financial Statements	56	131	135
Report of Directors	56	132	136
Report of Auditors	56	133	137
Appointment of an Auditor and Remuneration of an Auditor	58	134	139 and 140
Removal of an Auditor	58	135	141
Functions of an Auditor	58	136	142
Division of Powers between General Meeting and Board of Directors	59	137	144
Annual General Meetings	60	149	157
Extraordinary General Meetings	61	150	158
Extraordinary General Meetings of Public Companies	61	297	324
Written Resolutions	68	174	163
Written Resolutions	68	174	163
Minutes of General Meetings	69	177	166
Application of Provisions on General Meetings to Class Meetings	70	175	164
Suspension of Voting Rights of Preference Shares	71	49	52
Appointment of Directors and Filling of Vacancy	76	181	172
Rotation of Directors of a Public Company	76	298	325
Voting for Directors of a Public Company	76	299	326
Qualification of Directors	77	182	173
Vacation of Office of Director	79	184	175
Substitute Directors	80 (a)	187	180
Alternate Directors	80 (a)	188	181
Remuneration and Other Benefits of Directors	82	194	185
Proceedings and Minutes of Meetings of Directors	85	200	188
Proceedings and Minutes of Meetings of Directors	87	201	188
Limitations on the Powers of Directors	88	202	189

The Board will accordingly seek an approval to generally amend the Constitution of the company to bring it in harmony with Act 992 and Act 930.

The following resolution will be proposed:

To authorise the directors to effect amendments to the company's Constitution (previously "Regulations:) so as to bring it in harmony with the the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930);

8. Amendment of the Constitution to incorporate Virtual General Meetings:

The Board will recommend an amendment of clause 62 of the Constitution of the company to permit Directors to hold general meetings by virtual or hybrid means as and when they deem it necessary to do so.

Accordingly, the following resolution will be proposed:

To authorise the directors to amend clause 62 the Constitution of the company to permit Directors to hold general meetings by virtual or hybrid means as and when they deem it necessary to do so.

9. Service of Notices, Reports and Balance sheet/ Financial Statement etc

The Board will recommend an amendment of clause 62 of the Constitution of the company to incorporate service of notices, reports and balance sheet/financial statement etc. to members and directors through alternative channels of delivery, including electronic means and publication on the company's website.

Accordingly, the following resolution will be proposed:

To authorise the directors to amend clause 62 of the Constitution of the company to permit service of notices, reports and balance sheet/financial statement etc. to members and directors through one or more of the following means:

f. To a member or director personally; or

g. Sending it through the post addressed to the member or director at the registered address of the member or director; or

h. Leaving it for the member or director with a person apparently over the age of sixteen years at that address, or

i. Sending it to the member or director through electronic means; or

j. Publishing the full electronic version of the notice, report or balance sheet/financial statement on the Company's website and informing members and debenture holders of same,

PROXY

I/We____

_____________________________ of ____

_____ being members of Agricultural Development Bank Limited hereby appoint ________________________

__________________ or failing him, MR. ALEX BERNASKO, Chairman of Agricultural Development Bank Limited, P. O. Box 4191, Accra, as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at the 4th Floor, Accra Financial Centre, Accra at eleven o'clock (11:00am) in the forenoon on the 12th August, 2020 and at any adjournment thereof.

Please indicate with a tick in the space below how you wish your votes to be cast

Resolutions		FOR	AGAINST	ABSTAIN
1. To recieve and deemed considered the reports of the Directors and auditors for the year ended 31st December 2019;				
2. To ratify the appointment of Mr. Evron Rothschild Hughes as a Director	2			
3. To re-elect the following directors retiring by rotation:				
Alex Bernasko;	3(i)			
George Kwabena Abankwah-Yeboah;	3(ii)			
Hon. Mrs. Abena Osei-Asare	3(iii)			
4. To approve the remuneration of Directors	4			
5. To authorise the Directors to determine the remuneration of the Auditors for the financial year ending December 31, 2020	5			
6. That the name of the company be changed from "Agricultural Development Bank Limited" to "Agricultural Development Bank Public Limited Company" (or using the abbreviated suffix, "Agricultural Development Bank PLC") in order	6			
7. To authorise the directors to effect amendments to the company's Constitution (previously "Regulations:) so as to bring it in harmony with the the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930);	7			
8. To authorise the directors to amend clause 62 the Constitution of the company to permit Directors to hold general meetings by virtual or hybrid means as and when they deem it necessary to do so.	8			

9. To authorise the directors to amend clause 62 of the Constitution of the company to permit service of notices, reports and balance sheet/financial statement etc. to members and directors through one or more of the following means: • To a member or director personally; or • Sending it through the post addressed to the member or director at the registered address of the member or director; or • Leaving it for the member or director with a person apparently over the age of sixteen years at that address, or • Sending it to the member or director through electronic means; or Publishing the full electronic version of the notice, report or • Publishing the full electronic version of the notice, report or balance sheet/financial statement on the Company's website and informing members and debenture holders of same,	9			

Dated this ____________________________ day of ___________________________ 2020

Signed____

Proxy

Annual Report and Financial Statements

THIS FORM SHOULD NOT BE COMPLETED AND SENT TO THE SECRETARY IF THE SENDER WILL BE ATTENDING THE MEETING.

1. Provision has been made on the form for MR. ALEX BERNASKO, the Chairman of the Meeting, to act as your Proxy but if you so wish, you may insert in the blank space the name of any person whether a member of the Company or not who will attend the Meeting and vote on your behalf instead of the Chairman.
2. In the case of joint holder, each holder must sign. In case of a company, the Proxy Form must be signed by a Director and its Common Seal appended.

   If you intend to sign a Proxy, please sign the above Proxy Form and post/submit it to reach the Registrar, Central Securities Depository, Cedi House, Accra .

OUR BANKING SERVICES

AGRIBUSINESS
• Sector Loans
• Working Capital Loans
• Asset Finance
• Trade Finance (Export & Import)
• Group loans
• Lines of credit
• Managed fund
• Credit-in-kind
• Nucleus-Outgrower schemes
• Guarantees
• Institutionally Managed Farmers loans
• Farmers Drive

CORPORATE & COMMERCIAL BANKING
• Foreign Currency Account
• Clients Deposit Account
• Schools and Colleges Account
• Community Account
• Business Overdraft
• Business Invoice Factoring - Invoice Finance
• Guarantees
• IPC Discounting Loans
• Current and Call accounts
• Term loans.

LEASE & ASSET FINANCE
• Fleet Finance
• Equipment Lease
• Asset Re-Lease (Sale and Lease back)
• Household Asset Finance
• Private Equipment Finance
• Agri-Lease
• Gold Drive Plus

TRADE SERVICES
• Import Documentary Credit
• Import Bills
• Export Documentary Credit
• Export Bills
• Export Invoice Finance
• Foreign Exchange Risk Management
• Foreign Cheque Clearing
• Offshore Cheque Clearing
• Issue of foreign drafts
• Issue/discounting of Traveller's Cheques
• Inward remittances

INSURANCE
• ADB Bancassurance
• Abusua Anidaso

CONSUMER BANKING
• Current Account
• Savings Deposit Account
• Hybrid (Cedi) Current Account
• Telegraphic Transfer (TT)
• Local Transfer Payment
• Salary Account
• Personal Loans
• Personal Investment Plus (PIP)
• Controller (CAGD) Loans
• Mmofra Account
• Home-link account
• ADB Collabo/Collasave
• ADB Online Payment Solutions
• ATM
• Foreign Currency Account
• Foreign Exchange Account
• Church and School Loans
• Adwadifo Anidaso
• Institutionally Managed Personal Loans (IMPL)

TREASURY MANAGEMENT
• Fixed (Cedi) Deposit Account
• Fixed Deposit Foreign Currency (USD, GBP & EUR)
• Primary Dealer in BOG/GOG Treasury Bill/Notes/Bonds
• Foreign Currency Deposits
• Cash Management
• International Transfers using the SWIFT system
• Foreign Exchange – Buying and Selling
• Custody Services

INTERNATIONAL MONEY TRANSFER
• Western Union
• MoneyGram
• Ria Money
• Unity Link
• Xpress Money
• Transfast

E-BUSINESS
• ADB Collections Solutions
• ADB Payments Solutions
• ADB Internet Banking (QuicNet)
• ADB Mobile Banking *767#
• ADB Alert Services
• ADB Visa Cards
• ADB Mobile Banking Application
• ADB Bill Payments (DSTV, GOtv, ECG & Passport)

AREA OFFICES

ACCRA WEST
Dansoman
Abeka Lapaz
Korkordzo
Kaneshie
Madina
Gulf House
Achimota
Kasoa
Telephone: 0202506203 ext 204/205
030- 2506201, 2506202, 2506203

ACCRA EAST
Tema Main
Tema Meridian
Spintex
Teshie
Nungua
Tema East
Labone Junction
Osu
Adabraka
Accra Newtown
Nima
Ring Road
Makola
ADB House
Ridge
Telephone: 030- 3216100, 3204305,
3203371, 3206396, 0244477927

CENTRAL/WESTERN/ WESTERN NORTH
Agona Swedru
Mankessim
Assin Fosu
Cape Coast
UCC
Takoradi
Agona Nkwanta
Grel Apemanim
Sefwi Wiawso
Bonsu Nkwanta
Enchi
Telephone: 03120 29068, 0246746962

BONO EAST / BONO / AHAFO ASHANTI
Sunyani
Techiman
Berekum
Prempeh II
Dormaa Ahenkro
Nkoranza
Atebubu
Kumasi Adum
Kumasi Market
Nhyaeso
Ejisu
New Edubiase
Obuasi
Asanti Bekwai
Kenyasi
Goaso
Kwapong

EASTERN / VOLTA / OTI
Koforidua
Nkwakwa
Suhum
Kade
Asiakwa
Ho
Hohoe
Kpando
Kpeve
Nkwanta
Denu
Sogakope
Juapong
Telephone: 036 - 2028250, 2028284, 2028289
034 - 2022292, 2022739

UPPER EAST / UPPER WEST NORTHERN / SAVANNAH NORTH EAST
Bolgatanga
Bawku
Navrongo
Walewale
Wa
Tumu
Bole
Tamale Main
Tamale Aboabo
Kaladan
Yendi
Savelugu
Buipe
Telephone: 037- 2022629, 2022938,
2027339, 0243283898

BRANCHES AND AGENCIES

Ashanti Region

ASHANTI BEKWAI BRANCH
Near Bekwai Post Office & Police Station
Tel: 032-2420315 / 032-2420351 / 032-2420357
Email: customercare@agricbank.com

KUMASI EJISU BRANCH
Amakom Street, Near City Style Building
Tel: 032-2033481/032-2049576
Email: customercare@agricbank.com

KUMASI-ADUM BRANCH
Nyarko Kusi Amoa Street, Near Central Prisons
Tel: 032-2031537 / 032-2039854
Fax: 032-2031537 / 032-2039854
Email: customercare@agricbank.com

KUMASI-CENTRAL MARKET BRANCH
Kumasi Zongo, behind the Zongo Police Station
Tel: 032-2033481/032-2033461/032-2033455/032-2033914
Fax: 032-2033481/032-2033461/032-2033455/032-2033914
Email: customercare@agricbank.com

KUMASI-PREMPEH II ST. BRANCH
Prempeh Street, Near Hotel De Kingsway
Tel: 032-2045263/032-2045275/ 032-2045276/032-2045277
Fax: 032-2045263/032-2045275/ 032-2045276/032-2045277
Email: customnercare@agricbank.com

NEW EDUBIASE BRANCH
Near the Market
Tel: 032-219 2202 / 033-2192226
Email: customercare@agricbank.com

OBUASI BRANCH
Obuasi Main Road, Opposite Metro Mass Station
Tel: 032-2440701 / 032-2540700
Fax: 032-2440701 / 032-2540700
Email: customercare@agricbank.com

NHYIAESO BRANCH
Kumasi Main Road, Nhyieso Roundabout, Nyarko Plaza 1
Tel: 032-219 0006
Email: cgaamson@agricbank.com

Bono East Region

NKORANZA BRANCH
Opposite the main market and adjacent to the VRA Office, Off the VRA Road.
Tel: 035 -2092074 / 035 -2097313
Fax: 035 -2092074 / 035 -2097313
Email: customercare@agricbank.com

ATEBUBU BRANCH
10 metres from the main Lorry station, On the Atebubu-Ejura Road
Tel: 032-2099568
Email: customercare@agricbank.com

TECHIMAN BRANCH
Off the Techiman - Tamale Road, Near the Tamale Station
Tel: 035- 2522304 / 035- 2091080 / 035 -2091686
Fax: 035- 2522304 / 035- 2091080 / 035 -2091686
Email: customercare@agricbank.com

Ahafo Region

KENYASI BRANCH
On the Kenyasi Road, Opposite the Kenyasi No.1 Police Station.
Tel: 035 -2084594
Email: customercare@agricbank.com

GOASO BRANCH
On Goaso Road, 100 metres away from the lorry stationand adjacent to Glory Oil Filling Station.
Tel: 035 -2091918 / 035- 2094370
Email: customercare@agricbank.com

KWAPONG BRANCH
Kwapong Main Road, Adjacent PBC Office
Tel: 032 -2034795
Email: customercare@agricbank.com

Bono Region

SUNYANI BRANCH
Sunyani-Berekum Road, Near Sunyani Post Office and Opposite Telecom.
Tel: 035- 2027075 / 035 -202 7192
Fax: 035- 2027075 / 035 -202 7192
Email: customercare@agricbank.com

BEREKUM BRANCH
Near the Berekum Training College and next to the Berekum Library.Tel: 035- 2222104 / 035- 2222153 / 035 -2222507
Fax: 035- 2222104 / 035- 2222153 / 035 -2222507
Email: customercare@agricbank.com

DORMAA AHENKRO BRANCH
Near the Traffic light on the Dormaa main road
Tel: 035 -2322037 / 035 -2322165
Fax: 035 -2322037 / 035 -2322165
Email: customercare@agricbank.com

Central Region

AGONA SWEDRU BRANCH
Opposite Calvary Crusaders Church, Off Swedru Street
Tel: 0332-192883 / 0332 197730
Fax: 0332-192883 / 0332 197730
Email: customercare@agricbank.com

ASSIN FOSU BRANCH
Opposite the Foso Lorry station
Opposite the Foso Lorry station on the main Cape Coast-Kumasi Road
Tel: 033-2140548 / 033-2192203 / 033-2192200
Fax: 033-2140548 / 033-2192203 / 033-2192200
Email: customercare@agricbank.com

CAPE COAST MAIN BRANCH
Chapel Square opposite John Wesley Methodist Church.
Tel: 033-213 2834 / 033-2132836 / 033-2132563
Fax: 033-213 2834 / 033-2132836 / 033-2132563
Email: customercare@agricbank.com

KASOA BRANCH
Off the Bodweasi Road, Near Nsaniya Secondary School
Tel: 055 256 0717
Email: customercare@agricbank.com

MANKESSIM BRANCH
At Abochie area on the Ajumako road.
Tel: 034-020 93017 / 034-209 3015
Email: customercare@agricbank.com

UCC BRANCH
Near Casely – Hayford Hall, UCC Campus. GPS CC-007-3155
Tel: 033-2131989 / 033-2131806 / 033-2137791
Email: customercare@agricbank.com

Eastern Region

ASIAKWA BRANCH
Off the Kyebi – Bunso Road, Adjacent the Asiakwa Police Station. EE 1314-8594
Tel: 0302-962 144 / 0302-962 145
Email: customercare@agricbank.com

KADE BRANCH
Off Okumaning Road, Adjacent GCB. P.O.Box KD 31, Kade.
GPS EK 0005-0093
Tel: 0302963285/0302 963 286
Email: customercare@agricbank.com

KOFORIDUA BRANCH
Opposite B. Foster Bakery, Off B Foster Road. GPS EN 0100-632
Tel: 034-2022235, 034-2022739
Fax: 034-2022235, 034-2022739
Email: customercare@agricbank.com

NKAWKAW BRANCH
Off Nkawkaw-Kumasi Road ,Near Ghana Commercial Bank and Behind Total Filling Station.
Tel: 034-3122041, 034-3122068, 034-3122028, 034-3122457
Fax: 034-3122041, 034-3122068, 034-3122028, 034-3122457
Email: customercare@agricbank.com

SUHUM BRANCH
Off Suhum-Koforidua Road, Near Fanteakwa Rural Bank or Near the Police station. GPS-0000-9425
Tel: 034-2522373 / 034-2522374
Fax: 034-2522373 / 034-2522374
Email: customercare@agricbank.com

Greater-Accra Region

ABEKA LA-PAZ BRANCH
Off George Bush N! Highway, Near the Abrantie Spot
Tel: 0302-950 925/030-2228523 / 030-2244649 / 030-2244688
Fax: 0302-950 925/030-2228523 / 030-2244649 / 030-2244688
Email: customercare@agricbank.com

ACCRA NEW TOWN BRANCH
Newtown Circle Road, Malam Atta Market in the Old Oxford Cinema Building
Tel: 030-2220989 / 030-2220986 / 030-2220993
Email: customercare@agricbank.com

ACHIMOTA BRANCH
Near Neoplan Assembly Plant on the Achimota Nsawam road
Tel: 030-2420038 / 032-2420036
Email: customercare@agricbank.com

ADB HOUSE BRANCH
Independence Avenue after Latter Days Saints Church
Tel: 030-2785473 / 030-2783730
Fax: 030-2785473 / 030-2783730
Email: customercare@agricbank.com

DANSOMAN BRANCH
Near Dansoman Round-About, Off Dansoman High Street
Tel: 030-2312414 / 030-2318065 / 030-2311636
Email: customercare@agricbank.com

GULF HOUSE BRANCH
Main Gulf House Building on the Tetteh Quarshie – Legon Road.
Tel: 030 2506201 / 030 2506202 / 030 2506203
Fax: 030 2506201 / 030 2506202 / 030 2506203
Email: customercare@agricbank.com

KANESHIE BRANCH
Near Kaneshie Market, Off the Winneba Road
Tel: 030-2688 399/030-2688411 / 030-2688412 / 030-2688413 / 030-2688414
Email: customercare@agricbank.com

WEIJA BRANCH
Near SCC Junction before the new Shoprite on the Mallam- Kasoa Road
Tel: 0302853081 / 0302853083 / 030-2850428 / 030-2850429
Email: customercare@agricbank.com

LABONE JUNCTION BRANCH
Labone Junction
Off the Ring Road East, Near Danquah Circle
Tel: 0302 215 777
Email: customercare@agricbank.com

ADABRAKA BRANCH
Opposite Long View Pharmacy on the Kojo Thompson Road
Tel: 030-2221047 / 030-2242417
Fax: 030-2221047 / 030-2242417
Email: customercare@agricbank.com

MADINA BRANCH
Opposite Rawlings Park on the Barclays Lane
Tel: 030-2668265 / 030-2674308 / 030-2675596
Email: customercare@agricbank.com

NIMA BRANCH
Near Nima Market, St. Kizito Parish, Off Nima-Mamobi Road
Tel: 0302-264 512
Email: customercare@agricbank.com

NUNGUA BRANCH
Off Teshie – Nungua Road, In front of the Nungua market.
Tel: 030 2712660 / 030 2717078 / 030 2717079
Fax: 030 2712660 / 030 2717078 / 030 2717079
Email: customercare@agricbank.com

OSU BRANCH
Near Papaye Restaurant on the Oxford Street.
Tel: 030 2782386 / 030 2779696
Fax: 030 2782386 / 030 2779696
Email: customercare@agricbank.com

RIDGE BRANCH
AFC Building, Opposite
National Theatre on the Liberia
Road
Tel: 030-2662745 / 030-2662579
Email: customercare@agricbank.com

RING ROAD CENTRAL BRANCH
On Ring Road, Next to Bust Stop
Restaurant
Tel: 030-2228121 / 030-2229110 /
030-2239409
Email: bidun@agricbank.com

SPINTEX ROAD BRANCH
Opposite Ghana Commercial Bank
on the Spintex Road.
Tel: 030 2816212 / 030 2816213 /
030 2816215
Email: customercare@agricbank.com

TEMA EAST (ASHAIMAN)
Off Tema – Akosombo Road, Near
the Ashaiman Timber market.
Tel: 030 3300164/030 3308011
Email: customercare@agricbank.com

TEMA MAIN BRANCH
At the fishing Harbour, Near Pioneer
Foods, New Town.
Tel: 030 3216100 / 030 3204305 /
030 3203371 / 030 3206396
Fax: 030 3216100 / 030 3204305 /
030 3203371 / 030 3206396
Email: nmills@agricbank.com

TEMA-MANKOADZE AGENCY
Tema Community 1, near VIP Station
Tel: 0303204756
Email: customercare@agricbank.com

TEMA MERIDIAN BRANCH
Tema Community 3,
Close to former Meridian Hotel
Email: abasit@agricbank.com

TESHIE BRANCH
St. Anne's Parish premises ,
Teshie Road.
Tel: 030 2712549 / 030 2712664
Fax: 030 2712549 / 030 2712664
Email: customercare@agricbank.com

BUKOM ARENA SSNIT SPORTS EMPORIUM
SSNIT Sports Emporium,
Bukom
Telephone: 055 256 9489
Email: customercare@agricbank.com

DIAMOND HOUSE BRANCH
Diamond Cement Group Building,
Steel Works Rd, Tema
Telephone: +233 55 9722793
Email: customercare@agricbank.com

Northern Region

SAVELUGU BRANCH
5 minutes drive from Airport junction
on the Salvelugu/Walewale road Or
closer to Savelugu Hospital.
GPS NU 0020-3873
Tel: 037-2095822
Email: customercare@agricbank.com

TAMALE-ABOABO BRANCH
Near Aboabo Market, Off Tamale –
Aboabo Road. GPS NT 0005-7016
Tel: 037-2026242 / 037-2023700
Email: customercare@agricbank.com

TAMALE-MAIN BRANCH
Bolga Road Near Ghana Commercial
Bank
Tel: 037-2022629 / 037-2022938 /
037-2027339
Email: customercare@agricbank.co

YENDI BRANCH
Left from SSNIT on Gushegu Road
directly opposite Alhaji Baba mosque.
GPS NY 0029-2275

TAMALE KALADAN
Off the Tamale – Kaladan Road. GPS
NT 0020-7052Tel: 0372-022061
Email: customercare@agricbank.com

North East Region

WALEWALE BRANCH
5 minutes walk from the main lorry
station on the main high street of
Tamale/Bolga road. GPS 0029-2275
Tel: 037-2095818
Email: customercare@agricbank.com

Savannah Region

BOLE BRANCH
Wa Road, Near the SSNIT Office.
GPS NB 00013-0409
Tel: 0372-292172 / 0372-092170
Email: customercare@agricbank.com

BUIPE BRANCH
In front of Islamic Primary School, Off
Kintampo – Tamale Road.
GPS N3 00007-1641
Tel: 0302-962-150/0372-092 171\
Email: customercare@agricbank.com

Upper East Region

BAWKU BRANCH
Near Bawku Post Office, Off Bawku
Main Road. GPS 0000-4919
Tel: 038-2222330 / 038-2222298 /
038-2222299
Fax: 038-2222330 / 038-2222298 /
038-2222299
Email: customercare@agricbank.com

NAVRONGO BRANCH
On the main commercial street on
the UDS road share boundaries with
Bencyn Pharmacy.
GPS UK 0007-8659
Tel: 038-2122 204/038-2122 210
Email: customercare@agricbank.com

BOLGATANGA BRANCH
Opposite Jubilee Park.
GPS UB 0002-8005
Tel: 038-2022439 / 038-2022172 /
038-022178
Fax: 038-2022439 / 038-2022172 /
038-022178
Email: customercare@agricbank.com

Upper West Region

WA BRANCH
Near SSNIT Office, Off WA main road
Tel: 039-2022095 / 039-2022090 /
039-2022342
Fax: 039-2022095 / 039-2022090 /
039-2022342
Email: customercare@agricbank.com

Volta • Oti Regions

DENU BRANCH
Near E.P. Church, Off the
Denu – Adafianu Road
Tel: 036-0530313 / 036-2530613 /
036-2531210
Fax: 036-0530313 / 036-2530613 /
036-2531210
Email: customercare@agricbank.com

HO BRANCH
In the old Bank for Housing and Construction (BHC) premises at Toviedzi.
Next door to Ghana Commercial
Bank. Opposite the Municipal Police
Station.
Tel: 036-2028250 / 036-2028284 /
036-2028289
Email: customercare@agricbank.com

HOHOE BRANCH
Close to the Bank of Ghana and VODAFON office
Tel: 036-2722027 / 036-2722008
Email: customercare@agricbank.com

JUAPONG BRANCH
Located on the Volta star textile Limited(Juapong textiles) road
Tel: 034-2091530 / 034-2094299 / 034-2094376
Email: customercare@agricbank.com

KPANDO BRANCH
Near Weto Rural Bank, Opposite Kpando Ghana Commercial Bank
Near Weto Rural Bank, Opposite Kpando Ghana Commercial Bank
Tel: 036-2350939 / 036-2350941
Email: customercare@agricbank.com

KPEVE BRANCH
Near Kpeve Market, Off the Hohoe Road
Email: customercare@agricbank.com

SOGAKOPE BRANCH
Near Volta View Hotel/Directly opposite The main bus station, Off Tema – Aflao Road. GPS VU0000-0560
Tel: 020-820 5488
Email: customercare@agricbank.com

Oti Region

KPASSA NKWANTA BRANCH
Kpassa Township,
close to the Market
Telephone: 055 9747890
Email: customercare@agricbank.com

NKWANTA BRANCH
Approximately hundred meters off the main road (i.e. the Eastern Corridor).
GPS VO 00008483
Tel: 054-433 8198
Email: customercare@agricbank.com

Western North Region

ENCHI BRANCH
Adjacent Electricity Company of Ghana. GPS 00003-0413
Tel: 031-2622124
Email: customercare@agricbank.com

SEFWI ESSAM BRANCH
Near Essam Lorry Station. GPS
Email: customercare@agricbank.com

BONSU NKWANTA BRANCH
Near Bonsu Nkwanta Market.
GPS WQ3172-4697
Tel: 032-2190715
Email: customercare@agricbank.com

JUABOSO AGENCY
Juaboso, close to the market. Close to Fire Service
Telephone :055 2569492
Email: customercare@agricbank.com

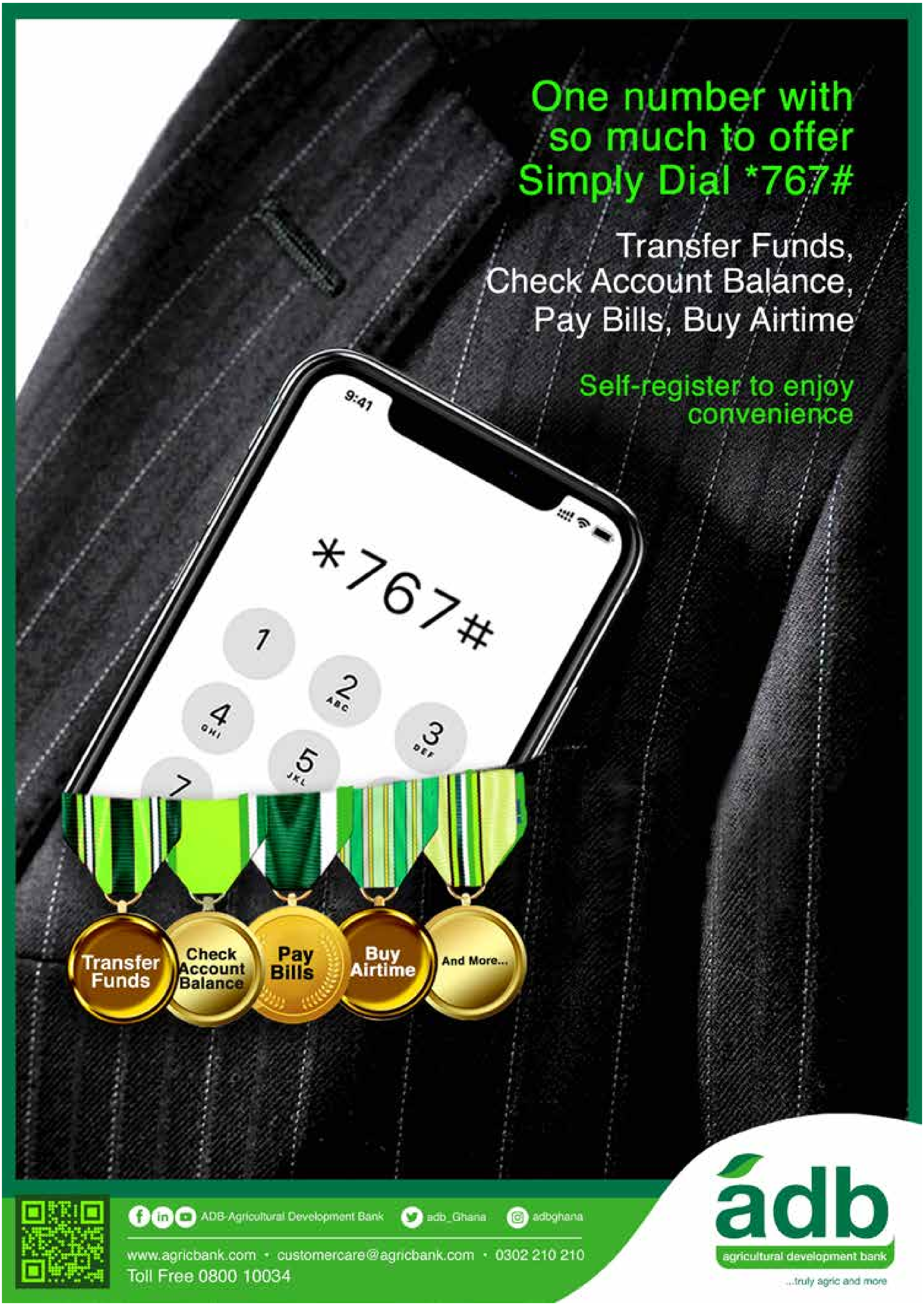
SEFWI ESSAM BRANCH
Opposite Sefwi Wiawso Police Station at the end of the Municipal Assembly Road. GPS 0000-2685
Tel: 031-209 2093/0322-296 339
Fax: 031-209 2093/0322-296 339
Email: customercare@agricbank.com

Western Region

AGONA NKWANTA BRANCH
off Agona Nkwanta -Takoradi Road, Opposite Champion Filling Station or Police Station. GPS WH0002-9172
Tel: 0302-962 149
Email: customercare@agicbank.com

TAKORADI BRANCH
Harbor Road, Next to GCB Bank.
GPS 406-2512
Tel: 031-202 9060/031-2023511
Fax: 031-202 9060/031-2023511
Email: customercare@agricbank.com

GREL APEMENIM BRANCH
Near rubber factory, GREL Office.
GPS 0002-9570
Email: customercare@agricbank.com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