adb

agricultural development bank

...truly agric and more

ANNUAL REPORTS AND FINANCIAL STATEMENTS

ADB INTEGRATED MANAGEMENT SYSTEM AT A GLANCE

As part of our continuous effort to comply and improve regulatory requirements the Agricultural Development Bank Plc (ADB) has been Certified and Compliant to the following International Organization for Standardisation (ISO) and Payment Card Industry Data Security Standards (PCIDSS).

Standard	Management System	Status
ISO 9001	Quality Management System (QMS)	Certified
ISO 22301	Business Continuity Management System (BCMS)	Certified
ISO 20000	Service Management System (SMS)	Certified
ISO 27001	Information Security Management System (ISMS)	Certified
PCIDSS	Payment Card Industry Data Security Standard - (PCI DSS)	Compliant
ISO 31000	Enterprise Risk Management (ERM)	Attested
ISO 27005	Information Security Risk Management (ISRM)	Attested
ISO 27032	Cyber Security Management	Attested
ISO 27035	Information Security Incident Management (ISIM)	Attested
ISO 19011	Auditing Management Systems	Attested

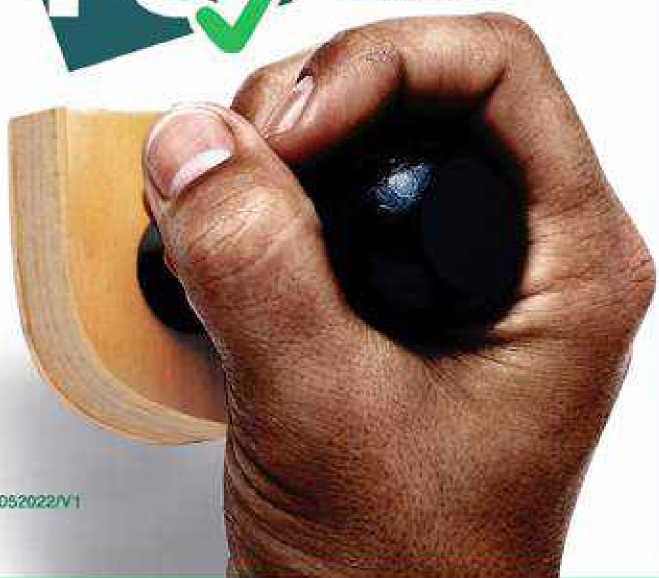
ISO 9001:2015 MANAGEMENT SYSTEM PECB MS CERTIFIED

ISO 22301:2019 MANAGEMENT SYSTEM PECB MS CERTIFIED

ISO/IEC 20000-1:2018 MANAGEMENT SYSTEM PECB MS CERTIFIED

ISO/IEC 27001:2013 MANAGEMENT SYSTEM PECB MS CERTIFIED

pci DSS COMPLIANT



ADB/MarComs/Com/Communication on ADB Integrated Management System/26052022/V1

BY MANAGEMENT

VISION, MISSION & CORE VALUES

Vision

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

Mission

Growing a strong customer-centric Bank, providing profitable and diversified financial services for a sustained contribution to agricultural development and 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.

TABLE OF CONTENT

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN THAT the 36th Annual General Meeting of Agricultural Development Bank PLC will be held on Wednesday, August 9, 2023, at 11.00 a.m. GMT at the British Council Auditorium, Ridge, Accra to transact the following business

AGENDA

1. To receive and consider the financial statements of the company for the year ended December 31, 2022 together with the reports of directors and auditors thereon;

2. To re-elect the following directors retiring by rotation under the Companies Act 2019 (Act 992):

   i. Daasebre Akuamoah Agyapong II

   ii. Prof. Eric Yirenkyi Danquah

   iii. Hon. Alhaji Habib Iddrisu

3. To authorise the directors to fix the remuneration of the auditors for the financial year ending December 31, 2023.

Dated this 19th day of July, 2023.

BY ORDER OF THE BOARD

SGD

GODWYLL ANSAH

COMPANY SECRETARY

NOTES:

A. Proxy

1. A member is entitled to attend and vote at the General meeting or may appoint a proxy to attend and vote on his or her behalf. Such a proxy needs not to be a member of the company;

2. A proxy form can be downloaded from www. agricbank.com and it may be filled and sent via email to info@csd.com.gh or deposited at the office of the company's Registrar, Central Securities Depository on the 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 hours but not less than forty-eight hours prior to the commencement of the meeting.

3. 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).

For further information, please contact

The Registrar;
Central Securities Depository (CSD) Ghana Limited.
4th Floor, Cedi House, Accra
Tel: (233) 0302 906576/0303972254
Email: info@csd.com.gh

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

1. To receive and consider the Financial Statements and reports of the directors and auditors for the year ended December 31, 2022.

   The Board will lay before the Annual General Meeting for consideration, the audited accounts of the company for the 2022 financial year and reports of the directors and auditors thereon, as a true and fair view of the state of affairs of the company for the year ended December 31,2022 and will propose the following resolution:

   "That the accounts of the company for the year ended December 31, 2022 and the reports of the directors and auditor thereon be and are hereby deemed duly considered."

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

   Daasebre Akuamoah Agyapong II (the Chairman of the Board of Directors), Prof. Eric Yirenkyi Danquah and Hon. Alhaji Habib Iddrisu will retire by rotation in accordance with section 325 of the Companies Act, 2019 (Act 992) and clause 76 of the constitution of the company. Daasebre Akuamoah Agyapong II, Prof. Eric Yirenkyi Danquah and Hon. Alhaji Habib Iddrisu, all being 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 as directors of the company and will accordingly propose the following resolutions:

   i. "That Daasebre Akuamoah Agyapong II, who is retiring by rotation and who, being eligible, has offered himself for re-election in accordance with section 325 of the Companies Act, 2019 (Act 992) and clause 76 of the company's constitution, be and is hereby re-elected as a director of the company.

   ii. That Prof Eric Yirenkyi Danquah, who is retiring by rotation and who, being eligible, has offered *himself for re-election in accordance with section 325 of the Companies Act, 2019 (Act 992) and clause 76 of the company's constitution, be and is hereby re-elected as a director of the company*

That Hon. Alhaji Habib Iddrisu, who is retiring by rotation and who, being eligible, has offered himself for re-election in accordance with section 325 of the Companies Act, 2019 (Act 992) and clause 76 of the company's constitution, be and is hereby re-elected as a director of the company

3. To authorise the Directors to fix the remuneration of the auditors for the financial year ending December 31,2023

   In accordance with section 140 of the Companies Act, 2019, the Board of Directors will request that it be authorised to fix the fees of the external auditors Ernst & Young, for the year ended December 31, 2023. The following resolution will be proposed:

   "That the directors be and are hereby authorised to fix the remuneration of the auditor in respect of the year ended December 31,2023."

CORPORATE INFORMATION

BOARD OF DIRECTORS

Daasebre Akuamoah Agyapong II || **Chairman**

Mr. Alhassan Yakubu-Tali || **Managing Director** *(Appointed effective December 1, 2022)*

Dr. John Kofi Mensah || **Managing Director** *(Retired on November 30, 2022)*

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

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

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

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

Mr. Evron Rothschild Hughes || **Non - Executive Director**

Prof. Eric Yirenkyi Danquah || **Non - Executive Director**

Hon. Alhaji Habib Iddrisu || **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
60 Rangoon Lane
Cantonments City
P. O. Box KA 16009,
Airport
Accra, Ghana

Directors' Responsibility Statement

The directors are responsible for the preparation of financial statements that give a true and fair view of Agricultural Development Bank PLC (ADB). These financial statements, include the Statement of Financial Position at 31 December 2022, and the Statement 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 excercising or issuing internal controls that they deem necessary for 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.

Corporate Social Responsibility

Amounts spent on corporate social responsibility amounted to GH¢3m (2021: GH¢4m). 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 2022 are set out in the financial results below, highlights of which are as follows:

	2022	2021
	GH¢'000	GH¢'000
(Loss) /Profit after tax (attributable to equity holders)	(371,280)	81,602
To which is added the balance brought forward		
On accumulated losses	(236,645)	(252,236)
	(607,924)	(170,634)
Out of which is transferred to:		
The statutory reserve in accordance with section 34 of the Banking Act.	-	(40,801)
Transaction cost related to Right issue	-	-
Transfer from/(to) credit risk reserve	(67,054)	(25,210)
Leaving a balance to be carried forward of	(674,978)	(236,645)

Five-year Financial Highlights

	2022	2021	2020	2019	2018
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Total assets	7,412,720	6,454,119	5,715,794	4,577,659	3,597,395
Loans and advances to customers (net)	3,242,189	2,282,312	1,911,988	1,468,653	1,068,814
Deposits from customers	5,864,850	4,927,216	4,281,037	3,392,209	2,586,265
Shareholders' equity	658,191	938,255	850,623	793,384	639,711
Profit/(Loss)before tax	(364,358)	126,097	97,690	17,884	34,057
Profit/(Loss) after tax	(371,280)	81,602	65,403	14,823	5,908

Earnings per share (Ghana pesewas):	2022	2021	2020	2019	2018
Basic	(107.01)	23.52	18.85	6.00	3.00
Diluted	(107.01)	23.52	18.85	4.00	3.00
Return on equity (%)	(56.41)	8.70	7.69	1.87	0.92
Return on assets (%)	(5.01)	1.26	1.14	0.32	0.16
Number of staff	1,482	1,481	1,460	1,489	1,195
Number of branches and agencies	87	85	82	82	82

The Bank recorded Loss after tax of GH¢ (371,280) (2021: GH¢81,602) for the year under review and there was no transfer to the Statutory Reserve from Retained earnings during the year (2021: GH¢40,801). The cumulative balance on the Statutory Reserve Fund at the year-end was GH¢182,015 (2021: GH¢182,015).

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)	222,218,113	64.05%
2	GOVERNMENT OF GHANA	74,579,327	21.50%
3	GHANA AMALGAMATED TRUST PLC	39,076,924	11.26%
4	ESOP	5,983,828	1.72%
5	DOE, OSCAR YAO O. Y. D.	2,631,681	0.76%
6	COFIE, MARK BLEWUNYO KODJO M. B. K. C.	2,100,629	0.61%
7	NANA, SOGLO ALLOH IV	54,800	0.02%
8	PARACELSUS PHARMACY & MARKETING CONSULTANCY LTD, P. P. M. C. L.	50,000	0.01%
9	BONDZI-SIMPSON, LESLIE	26,600	0.01%
10	MR. JOHN BEKUIN-WURAPA	20,000	0.01%
	SUBTOTAL OF TOP 10	346,741,902	99.94%
	Others	210,351	0.06%
	TOTAL	**346,952,253**	**100.00%**

Related Party Transactions

Information regarding directors' interests in equity shares of the Bank and remuneration is disclosed in Note 41 to the financial statements as well as those related to associated companies. 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 start 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 indicated 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). The amount of audit fee payable as at 31 December 2022 was GH¢1,000,000 (tax exclusive).

Particulars of Entries in the Interest Register

The directors do not have any interest to be entered in the interest register during the year.

Ghana Debt Exchange Programme

On 5th December 2022, the Government of Ghana launched Ghana's Domestic Debt Exchange programme, an invitation for the voluntary exchange of approximately GHS137 billion of the domestic notes and bonds of the Republic, including E.S.L.A. and Daakye bonds, for a package of New Bonds to be issued by the Republic. The Exchange excluded Treasury Bills in totality, and notes and bonds held by individuals (natural persons). Stress tests conducted by the relevant financial sector regulators to estimate the potential impact of the Debt Exchange for banks, specialised deposit-taking institutions (SDIs), insurance firms, asset managers, collective investment schemes, pension fund trustees, and regulated pension schemes indicate that the participation of the financial sector in the Debt Exchange could result in decline in profitability and inadequacy of capital. To moderate the potential impact on the sector, the Bank of Ghana announced regulatory reliefs for banks to help preserve financial stability. The terms of the exchange were contained in a Memorandum of Exchange issued by the Ministry of Finance, details of which have been discussed in Note 20(iii). Subsequently, the programme was concluded on February 21, 2023 with the settlement of the new bonds.

REPORT OF THE DIRECTORS

Profile

Name	Nationality	Age	Position	Other Directorships Held
Daasebre Akuamoah Agyapong II	Ghanaian	39	Board Chairman	• Sejukab Company Limited • Kayrock Company Limited
Mrs. Mary Abla Kessie	Ghanaian	67	Independent/ Non-Executive Director	• Family Health University College and Medical School • Zeepay Payment Solutions (Zambia) Limited
Dr. John Kofi Mensah	Ghanaian	61	Managing Director *(Retired on November 30, 2022)*	• Ghana International Bank Plc • Enyan Denkyira Rural Bank • GET Fund • Venture Capital Trust Fund
Prof. Peter Quartey	Ghanaian	54	Independent/ Non-Executive Director	• Startrite Montessori School • Institute of Statistical, Social and Economic Research
Hon. Mrs. Abena Osei-Asare	Ghanaian	43	Non-Executive Director	• Social Security and National Insurance Trust • Ghana Export-Import Bank (GEXIM) • Ghana Integrated Aluminium Development Corporation (GIADEC)
Mr. George Kwabena Abankwah-Yeboah	Ghanaian	62	Non-Executive Director	• Sharp Pharmaceuticals Ltd • Gulf Consolidated Limited • Kyauto Ghana Limited
Mr. Evron Rothschild Hughes	Ghanaian	52	Non-Executive Director	
Hon. Alhaji Habib Iddrisu	Ghanaian	37	Non-Executive Director	
Prof. Eric Yirenkyi Danquah	Ghanaian	64	Independent / Non-Executive Director	• Eric Danquah Foundation • African Plant Breeders Association • West Africa Centre for Crop Improvement (University of Ghana)

Biographical Information of Directors

Independent Directors

The Independent Non-Executive Directors of Agricultural Development Bank PLC are directors who in the reasonable opinion of the Bank of Ghana, are able to exercise independent judgement in relation to their role as directors and are not employees of the Bank, civil or public servants or other government officials, persons with direct links with government, or persons who are actively engaged in party politics.

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.

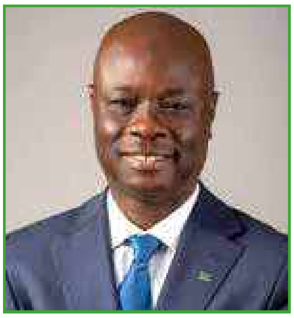
Daasebre Akuamoah Agyapong II

Independent and Non-Executive Director

Daasebre Akuamoah Agyapong II was appointed the Chairman of the Board effective September 1, 2021. He is 39 years old.

Daasebre Akuamoah Agyapong II is the Kwawuhene and the President of the Kwahu Traditional Council. He is also the Vice President of the Eastern Regional House of Chiefs. Daasebre previously worked as Audit Associate at KPMG (2006 - 2009) Account Clerk at Health Net (MHNGS), San Rafael, CA, USA (02/2010– 01/2011) and Inventory Manager at SEJUKAB Enterprise. He was the Superintendent Management Accountant (Capital and Cost) of Abosso Goldfields Ltd Ghana (09/2011 –08/2013), Consultant for Thonket Company Ltd. / Thonket Plantpool Ltd (1/1/2015- 31/08/2016) and Director of KAYROCK Co. Ltd.

Daasebre is a Chartered Accountant by profession (Association of Chartered Certified Accountants (ACCA)-UK – Member) and further holds a BSc. Administration (Accounting Option) from University of Ghana, and an MBA in Finance and Investment Banking from Lincoln University – California, USA.



Mr. Alhassan Yakubu-Tali

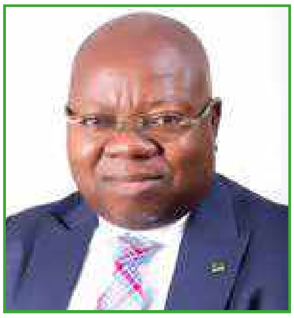
Managing Director (from December 1, 2022)

Mr. Alhassan Yakubu-Tali was appointed the Managing Director of Agricultural Development Bank PLC effective December 1, 2022.

Until his appointment, Alhassan had held the position of Deputy Managing Director from August 2017. In that role, he provided support to the Managing Director with oversight responsibility of the Bank's business banking, agribusiness and banking operations divisions as well as the over eighty-four (84) retail outlets. He was principally in charge of the core operations and business units of the Bank, with responsibility for the operational performance of the Bank as well as creating an environment that promoted staff commitment to the organisational vision, mission, and strategy.

He is a seasoned investment banker with over 19 years of international experience, spanning many multinational banks including HSBC, Lehman Brothers Investment Bank, Bank of Tokyo and Fimat International Bank. He has a strong foundation in economic principles with core competences in structuring financial transactions, asset and liability management, portfolio management, developing new businesses, equity and listed derivatives, retail banking, risk management and financial analysis.

As the executive with oversight responsibility of the Agribusiness Division, he chaired the ADB 1D1F Committee and led the drive to ensure that the Bank increased its loan portfolio in Agribusiness in line with the Bank's strategy. He is a polyglot and speaks fluent English, German, Dagbani and Hausa.



Dr. John Kofi Mensah

Managing Director (retired on November 30, 2022)

Dr. John Kofi Mensah was the Managing Director of the Bank from August 1, 2017 to November 30, 2022. He is 61 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 to, credit and treasury management of universal banks. Prior to this 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 a 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), cumlaude from Finafrica in Milan, Italy and a BA (Economics and Statistics) from the University of Ghana-Legon.

He retired on November 30, 2022.

Mr. George Kwabena Abankwah-Yeboah

Non-Executive Director

Mr. Abankwah-Yeboah was appointed a director in August 2017. He is 62 years old. He is the Chief Executive Officer of Sharp Pharmaceuticals Limited. He is currently a director at United Perfumery and Pharmaceuticals Limited, and Gulf Construction Limited. He had previously served on several boards including Accra Technical University, 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.

Mrs. Mary Abla Kessie

Independent Non-Executive Director

Mrs. Mary Abla Kessie was appointed a director in August 2018. She is 67 years old. She is currently a Non-Executive Director of Family Health University College and Medical School and Zeepay Payment Solution (Zambia) Limited. She is a lawyer, a Notary Public, a certified Director, and Corporate Governance expert.

Mrs. Kessie 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 sector and held several executive 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 a director in August 2018. He is 54 years old. He is currently the Director of the Institute of Statistical, Social and Economic Research at the University of Ghana, Legon. He is a former Head of the Department of Economics and a former Director of Economic Policy Management at the University of Ghana, Legon. He had previously served on a number of boards including the University of Ghana Credit Union, National Population Council, and the Finance and General-Purpose Committee at the University of Ghana. He was also a member of the University of Ghana Strategy Committee.

Prof. Quartey has provided consultancy services to various institutions including NEPAD, the World Bank, African Development Bank, and USAID. He has several publications to his credit. He holds a Ph.D. in Development Economics from the University of Manchester, an MPhil degree in Economics from the University of Ghana, and an MSc. in Quantitative Development Economics from the University of Warwick (UK).

Hon. Mrs. Abena Osei-Asare

Non-Executive Director

Abena Osei-Asare (MP) was appointed a director in August 2018. She is 43 years. Abena is an accomplished professional with a strong academic background and vast experience in finance and politics. She holds a Master of Science in Development Finance from the University of Ghana Business School and a Bachelor's degree in Economics with Geography from the University of Ghana. She is a Chartered Accountant and Fellow of the Association of Chartered Certified Accountants (ACCA) UK, and a member of the Institute of Chartered Accountants, Ghana (ICA). She possesses a comprehensive understanding of financial and economic matters.

Abena has made significant contributions to both the private and public sectors. Her career in the private sector included roles as a Dealer (Trader) and a Customer Team Leader at Barclays Bank Ghana/ABSA Ltd. and as Assistant Director, Finance and Facilities, at New York University (NYU) in Ghana.

In politics, she has served as the Member of Parliament (MP) for Atiwa East since 2013 and has actively participated in Parliamentary Committees of Ghana's Parliament, including the Public Accounts, Finance, Employment, Social Welfare, and State Enterprises Committees.

Abena's commitment to financial expertise and dedication to public service has been evident during her tenure as Deputy Minister for Finance (Budget) and Deputy Minister for Finance (Revenue), where she played crucial roles in budget preparation, revenue mobilization, and financial compliance matters, contributing to Ghana's economic growth and fiscal responsibility.

She is a Non-Executive Director at Ghana Exim Bank, Social Security and National Insurance Trust and Ghana Integrated Aluminium Development Corporation. She previously served as a director at National Health Insurance Authority and Coastal Development Authority.

Mr. Evron Rothschild Hughes

Non –Executive Director

Mr. Evron Rothschild Hughes was appointed a director effective August 12, 2020. He is 52 years old.

A well-rounded professional with a broad, over three-decades career spanning banking, investment banking, consulting, and public policy, Mr. Hughes' current professional focus revolves around Cybersecurity and Fintech. Over this period, he has worked with three Securities & Exchange Commission (SEC, Ghana)-Licensed and Regulated Investment Advisors/Banks, twice as CEO and once as Chief Investment Officer (CIO)/Head Asset Management; thrice with Universal Banks as Board Member, Head of Corporate Affairs, and as Research Manager; twice as Economic Advisor at the Office of The President of the Republic of Ghana; and twice as Associate Director with a Global Research firm.

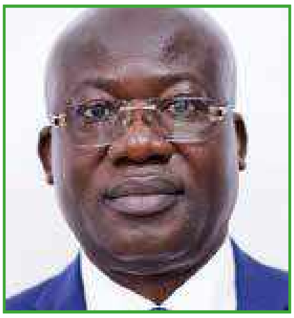
A Cambridge Commonwealth Trust Scholar, Mr. Hughes holds an Executive Certificate in Bank Governance from Said Business School, Oxford University, UK; an Executive Certificate in Fintech from Judge Business School, Cambridge University, UK; a Cybersecurity Professional Certificate from Google with Certified CPE in Cybersecurity, Information Security, and SOC operations, including in offensive and defensive security operations as well as application security; and a Professional Certificate in Android Development from Google. In addition, he holds an Executive MBA in Finance from the University of Ghana Business School; an MPhil in Development Studies from Cambridge University, UK; and a B.A. in Political Science with Philosophy (Hons) Summa Cum Laude, from the University of Ghana.

Habib Iddrisu

Non –Executive Director

Hon. Alhaji Habib Iddrisu was appointed director effective September 1, 2021. He is 37 years old. He is the Member of Parliament for the Tolon Constituency and the Deputy Majority Chief Whip in the Parliament of Ghana. Prior to his election as a Member of Parliament, he had held notable leadership positions in both the public and private sectors in Ghana and abroad. These include Deputy Head, Ghana Free Zones Authority (Tema Processing Zone) (April 2017 – December 2020), Chief Executive Officer, Fadhab Investment Company Limited, Ghana (June 2017 – 2020).

He holds bachelor's degree in communication studies from African University College of Communications (AUCC) and other relevant career certificates including Graduate Certificate of Arts in Human Resource Management from the University of Notre Dame, Australia, Diploma of Leadership and Management, Cambridge International College, Australia and Certificate in Administration and Management, from Ghana Institute of Management and Public Administration (GIMPA). Hon. Alhaji Habib Iddrisu is currently pursuing EMBA at GIMPA.



Prof. Eric Yirenkyi Danquah

Independent and Non –Executive Director

Prof. Eric Yirenkyi Danquah was appointed a director effective September 1, 2021. Prof. Eric Yirenkyi Danquah is a 64-year-old Professor of Plant Genetics at the University of Ghana, Legon. He is the founding Director of West Africa Centre for Crop Improvement, University of Ghana and the 2018 Laureate, Global Confederation of Higher Education Associations for the Agricultural and Life Sciences (GCHERA), World Agriculture Prize (WAP). He is also the 2022 Africa Food Prize Laureate.

Prof. Danquah is a former Head of the Department of Crop Science, University of Ghana, Legon and a former Dean, International Programmes, University of Ghana. He is an adjunct professor at Cornell University, USA, the University of Western Australia, and Murdoch University, Australia. He is the President, African Plant Breeders Association (APBA), and Founder of the Eric Danquah Foundation. He has several publications to his credit. He holds BSc. Agric (Crop Science), University of Ghana; MPhil Plant Breeding, University of Cambridge, England; and a Ph.D in Genetics, University of Cambridge, England.

Biographical Information of Directors

Age Category	Number of Directors
Up to 40 years	2
41 – 60 years	5
Above 60 years	3

Commitment to Corporate Governance

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 to have majority of its membership as either Independent or Non-Executive Directors. 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 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.

The Board of Directors

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

As of 31 December 2022, the Board of Directors of Agricultural Development Bank PLC consisted of nine (9) members, namely an Independent Non-Executive Chairman, three (3) other Independent Non-Executive Directors, four (4) Non-executive Directors, and one (1) Executive Director.

The Board members have a wide range of experiences and in-depth knowledge in management, economics, finance, law, and entrepreneurship, 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 Credit and Risk, Audit, IT, Research and Strategy, Human Resource and Governance, and Cyber and Information Security Board Committees.

Board Credit and Risk Committee

The role of the Committee includes:

i. Assisting Management in the recognition of risks and ensuring that the Board is made aware of inherent and emerging risks and to review all risks to which the Bank is exposed, assessing from time to time their relative importance and evaluating 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 that the Bank is willing to engage and the level of profitability that the Bank expects to achieve for booking various credits. The management of credit risk largely encompasses activities relating to loans and advances, albeit that credit risks exist 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, among others.

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

iv. It ensures 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 promotes the adoption of an appropriate ethical and compliance standards in the conduct of the business of the Bank.

v. The Committee 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 the records of risks from time to time and updates them 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.

vii. It assists management in the recognition of risks and also ensures that the Board is made aware of changes 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

viii. 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. Kwabena Abankwah-Yeboah	Member
Mr. Evron Rothschild Hughes	Member
Prof. Eric Yirenkyi Danquah	Member

Audit Committee

The role of the committee includes:

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

ii. Providing oversight of Internal and external audit functions;

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

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

v. Reviewing 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;

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

viii. 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;

ix. Keeping under review the Bank's policy on non-audit services provided by the External Auditors and recommending 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
Prof. Peter Quartey	Chairman
Mrs. Mary Abla Kessie	Member
Mr. Evron R. Hughes	Member
Prof. Eric Yirenkyi Danquah	Member

IT, Research and Strategy 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 all IT Policies recommended by the Management for the full Boad approval;

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

iv. Reviewing any significant IT incidents that have occurred and monitoring trends in repeated 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 the approved Strategic Plan of the Bank;

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

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

ix. Advising the Board on how to allocate the resources of the Bank on a rational basis for sound commercial reasons: this must be done in accordance with the approved Strategic Plan.

Name of Director	Position
Mr. Kwabena Abankwah-Yeboah	Chairperson
Prof. Peter Quartey	Member
Daasebre Akuamoah Agyapong II	Member
Hon. Habib Iddrisu	Member

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 and severance 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
Mr. Evron Rothschild Hughes	Chairman
Prof. Peter Quartey	Member
Mrs. Mary Abla Kessie	Member
Hon. Habib Iddrisu	Member

Cyber and Information Security Committee

The role of the committee includes:

i. Determining the nature and extent of the significant cyber and information security risks that the Bank is willing to take in achieving its strategic objectives;

ii. Identifying the cyber and information Security risks inherent in the business of the Bank, the control processes with respect to such risks and countermeasures;

iii. Outlining the enterprise and overall cyber and information security risk profile of the Bank;

iv. Ensuring the adequacy and effectiveness of the Cyber and Information Security risk management framework of the Bank;

v. Ensuring the effectiveness of the information technology governance and its operations in the Bank;

vi. Determining the cyber and information security risk management strategy of the Bank;

The composition of the Committee is as follows:

Name of Director	Position
Mr. Kwabena Abankwah-Yeboah	Chairperson
Prof. Peter Quartey	Member
Daasebre Akuamoah Agyapong II	Member
Hon. Habib Iddrisu	Member

Schedule of attendance at Board and Committee Meetings

The Board met fourteen (14) times during the year, and the Board Committees, cumulatively, met twenty-seven (27) times.

Below is the schedule of attendance at Board and Board Committee meetings during the year.

*Board (B), Audit Committee (AC), Credit and Risk Committee (CRC), Human Resource and Governance Committee (HRGC), IT, Research and Strategy/Cyber & Information Security Committee (ITRS/CIS), 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	HRCH	ITRS/CIS
Daasebre Akuamoah Agyapong II	14	N/A	N/A	N/A	7
Mr. Alhassan Yakubu-Tali	13	6	N/A	N/A	N/A
Dr. John Kofi Mensah	11	5	6	2	7
Mr. Evron Rothschild Hughes	13	6	8	5	N/A
Mr. George Kwabena Abankwah-Yeboah	10	N/A	3	N/A	7
Hon. Mrs. Abena Osei-Asare	6	N/A	8	N/A	N/A
Prof. Peter Quartey	14	7	N/A	5	6
Mrs. Mary Abla Kessie	14	6	N/A	5	N/A
Hon. Habib Iddrisu	11	N/A	N/A	3	5
Prof. Eric Yirenkyi Danquah	14	7	8	N/A	N/A

Board Balance and Independence

The composition of the Board of Directors and its Committees is regularly reviewed to ensure that the balance, maintenance and mix of skills, independence, knowledge and experience are kept .

Code of Conduct, Ethics Charter and Conflict of Interest Policies

The Board has approved an Ethics Charter and a Conflict of Interest policy that regulate the conduct of Directors. In addition, an approved Code of Conduct regulate the conduct of all employees. Management has communicated the principles in the Bank's Code of Conduct to 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, anti-bribery, and strict adherence to laid down procedures, in order to eliminate the potential for illegal and unethical practices.

Anti-Money Laundering and Anti-Terrorism

The Bank, additionally has established Compliance and Anti-Money Laundering and Anti-Terrorism departments and put monitoring systems in place in compliance with the requirements of Ghana's Anti-Money Laundering Act 2020 (Act 1044) and Anti-Terrorism Act 2008, Act 762. These include due diligence for opening new accounts, customer identification, monitoring of high-risk accounts, record keeping, training and sensitisation of staff on money laundering. These systems and measures assist in reducing regulatory and reputational risks to the Bank's business.

Internal Control Systems

The Directors have overall responsibility for the Bank's internal control systems and they annually review 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 Senior Management. The systems are designed to manage rather than eliminate the risk of failure in order to achieve the Bank's 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 that were identified by the Bank as of the reporting date but no significant failings or weaknesses were identified during the review.

Directors' Performance Evaluation

In May 2022, and in compliance with Section 46 of Bank of Ghana's Corporate Governance Directive (2018), the Board of Directors carried out self-evaluation for the period spanning January 1, 2021 to December 31, 2021.

The performances of the Board of Directors as a college, the Committees, the Board Chairman, individual Directors and the Company Secretary were evaluated.

The evaluation process was designed to assess among others, the performances in the following areas:

- Effectiveness of Board
- Management oversight
- Strategic Plan setting and monitoring
- Availability and mix of right knowledge and skills inside and outside Board relationship
- Conduct of meetings and communication
- Effectiveness of Controls, Risk Management, and regulatory compliance.

The following is the summary of key findings from the Board evaluation that required remedial actions;

i. Improvement in the tracking and effective implementation of Board directives and recommendations

ii. Improvement required in the management and monitoring of the of the loan portfolio

iii. Enhanced efficiency and improvement in processes, including the turn-around-time for the credit process.

Subsequent to the evaluation, the Board and Management outlined measures to resolve the matters listed above.

A full copy of the Board Self-Evaluation Report was submitted to the Bank of Ghana on July 4, 2022.

Professional Development and Training

The National Banking College offered annual corporate governance certification training to all the Directors of the Bank. The topics covered under the corporate governance certification training were:

- Internal Board Evaluations – Actions Before, During and After
- Ethical Leadership and Conduct Challenges in the Boardroom
- Risk Governance and Implication of the Risk Management Directive

Conflicts of interest

The Bank has developed an appropriate conflict-of- interest policy (Ethics and Charter) and instituted measures to prevent conflict of interest. The Bank has established appropriate conflicts authorisation procedures by which actual or potential conflicts are regularly reviewed and authorisations are sought as appropriate. The Bank also maintains an Interest Register pursuant to Section 196 of the Companies Act 2019 (Act 992). During the year under review, noentry was made in the Interest Register.

Approval of the financial statements

The financial statements of Agricultural Development Bank Plc, as identified in the first paragraph, were approved by the Board of Directors on April 30, 2023, and signed on their behalf by:

CHAIRMAN **DIRECTOR**

KEY MANAGEMENT PERSONNEL

Alhassan Yakubu-Tali

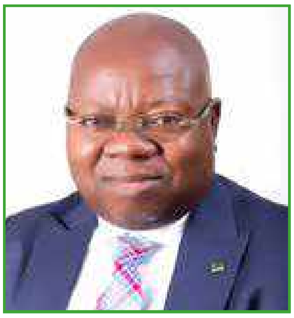
Managing Director (from December 1, 2022)

Mr. Alhassan Yakubu-Tali was appointed the Managing Director of Agricultural Development Bank Plc effective December 1, 2022.

Until his appointment, Alhassan had held the position of Deputy Managing Director from August 2017. In that role, he provided support to the Managing Director with oversight responsibility of the Bank's business banking, agribusiness and banking operations divisions as well as the over eighty-four (84) retail outlets. He is principally in charge of the core operations and business units of the bank, with responsibility for the operational performance of the bank as well as creating an environment that promotes staff commitment to the organisational vision, mission, and strategy.

He is a seasoned investment banker with over 19 years of international experience, spanning many multinational banks including HSBC, Lehman Brothers Investment Bank, Bank of Tokyo and Fimat International Bank. He has a strong foundation in economic principles with core competences in structuring financial transactions, asset and liability management, portfolio management, developing new businesses, equity and listed derivatives, retail banking, risk management and financial analysis.

As the executive with oversight responsibility of the Agribusiness Division, he chaired the ADB 1D1F Committee and led the drive to ensure that the bank increased its loan portfolio in Agribusiness in line with the Bank's strategy. He is a polyglot and speaks fluent English, German, Dagbani and Hausa.



Dr. John Kofi Mensah

Managing Director (retired on November 30, 2022)

Dr. John Kofi Mensah was the Managing Director of the Bank until his retirement on November 30, 2022. He was appointed the Managing Director of the Bank on August 1, 2017. He is 61 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 to credit and treasury management of universal banks. Prior to this appointment, he had performed 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.

Eno. Ofori-Atta

Deputy Managing Director

Mrs. Eno. Ofori –Atta was appointed Deputy Managing Director of the Agricultural Development Bank PLC on December 1, 2022.

She is an accomplished professional with over 15 years of experience in banking and financial services, providing strategic leadership, creating high performance teams across business units and functions at various levels. Prior to her appointment, Eno had been the Group Managing Director of SIC-Financial Services for 5 years where She played a pivotal role in redefining the business strategy, executing transformative programs, and implementing operational improvements.

She is a former Chief Executive Officer of Payflex Microfinance Company and former Chief Risk Officer of Women's World Banking Ghana. Her extensive experience spans across several leadership roles, such as Branch Operations Manager, Head of Administration and Human Resources, Head of Risk, and Head of Credit Operation. She is a product of Kwame Nkrumah University of Science and Technology where she obtained both a Master in Business Administration and Bachelor of Arts degree in the social sciences (Law & Sociology).

Godwyll Ansah

Company Secretary

Mr. Godwyll Ansah was appointed the Company Secretary on 1st April, 2019. He is a seasoned legal practitioner with over 20 years' experience in legal and banking practice ranging from Company and Commercial Law Practice, Regulatory Compliance, Anti-Money Laundering , Board Secretariat and Bad Debt Recovery.

He worked at Bank of Africa Ghana Limited from December 2006 to March 2019 having held several positions including Head of Compliance, Head of the Legal Department and Company Secretary. He also worked with Société General (Ghana) and Stanbic Bank GhanaLimited. Mr. Ansah holds a Master of Law (LLM) and Bachelor of Arts 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 an adjunct lecturer of Company and Commercial Law practice at the Ghana School of Law.

He is a member of the Ghana Bar Association, Ghana Association of Restructuring and Insolvency Advisors (GARIA) and a Licensed Insolvency Practitioner.

Leon Bannerman–Williams

Chief Finance Officer (CFO)

Mr. Leon Bannerman–Williams was appointed Chief Finance Officer (CFO) of the Agricultural Development Bank (ADB) PLC 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 the 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. Later, was appointed as the Head of Monitoring and Recoveries Department in 2015. He is a qualified Chartered 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 a Member of the Institute of Chartered Accountants (Ghana).

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 many years' of 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 to set up the Agribusiness Unit of the Bank: he 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), both of which he obtained all from the University of Ghana. He also has 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 a devout Christian.

Enoch Benjamin Donkoh

General Manager, Operations

Mr. Enoch Donkoh was appointed in April 2019. He has a career in banking and his work expreience spans more than twenty years beginning at the Agricultural Development Bank (ADB) where initially he was with the Accounts department but was later moved to the Foreign Operations Department. 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 a couple 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, and 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 a member 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. He is the acting Director of Cyber and Information Security.

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 24 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 extensive experience in Corporate Finance with specialty in Deal Origination, Debt Restructuring, Trade Syndication, Trade/Cash Management and Asset 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 both from the University of Ghana Business School.

Samuel Dako

Chief Audit Executive

Samuel Dako is the Chief Audit Executive. He has over twenty-eight years of managerial experience in the Banking Sector. He joined the 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, Branch Operations Manager and other managerial roles. He also has relevant managerial experience in Retail Banking, Risk Management and Audit & Assurance. He is also a Non-Executive Director of Akuapem Rural Bank where he serves on the HR, Governance, Risk, Compliance, Audit, Strategy and IT & Cyber Security Sub - Committees of the Board. Samuel is an alumnus of University of Professional Studies, Accra (UPSA), University of Leicester Management Center (UK), GIMPA School of Technology, GIMPA Faculty of Law and Ghana School of Law.

Samuel Dako is a Lawyer and Chartered Accountant and a member of the Institute of Chartered Accountants Ghana, a Merit Award Holder. He holds MBA Finance from the University of Leicester, UK, Bachelor-of-Laws Degree from GIMPA. He also holds post graduate Diploma in Management Information Systems from GIMPA. He is a Certified ISO 27001 Lead Implementer and Auditor.

Da-Costa Asiedu Owusu-Duodu

Chief Risk Officer (CRO)

Mr. Da-Costa Asiedu Owusu-Duodu was appointed as Chief Risk Officer(CRO) of the Bank on May 22, 2023. He started his banking career in the early days with Agricultural Development Bank as a Credit Officer in the Loans and Advances Department in 1996, and worked for two years, before leaving to join TechnoServe Inc. in 1998, CAL Bank in 2001, Universal Merchant Bank, in 2007 and back to Agricultural Development Bank, in 2019.

Prior to his role as the Chief Risk Officer(CRO), he was the General Manager in charge of the portfolio of Special and Criticized Assets of Merchant Bank and was generally responsible for assessing and mitigating significant threats and losses to the bank's capital and earnings. Mr. Owusu-Duodu has an in-depth knowledge and experience in the banking industry, in the areas of credit origination, project finance, syndication, Agricultural financing, debt restructuring and reorganization of distressed companies. With over 27 years' experience in banking and a proven track record of success in the maintenance of high asset quality, he brings a wealth of knowledge and expertise to drive growth in a strong banking brand in Agricultural Development Bank. 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.

Mrs. Amelia Croffie

Head, Legal (General Counsel)

Amelia Croffie (Mrs.) is the Acting Head of Legal of the Bank. She has about 31 years working experience in Corporate Law and Banking and is engaged in legal advocacy. She holds a Bachelor of Arts Degree (Hons, Upper Division) in Law, Classical History & Civilization from the University of Ghana (1989) and a BL (Qualifying Certificate in Law) from the Ghana Law School (1991). She also holds an MBA (HR Option) from the University of Ghana (2003). She worked as a Teaching Assistant in Criminal Law and Police Administration at the Law Faculty of the University of Ghana (National Service) after her BL. She was the Legal Executive in Activity Venture Finance Company Limited (AVFCL), a government regulated venture capital finance company, which was set up among others to explore, pioneer and provide venture capital for businesses as a means of complementing the more traditional modes of lending in the financial sector. At AVFCL, she served in various roles including Board Secretary and was nominated as a member of the Board of Directors on the then Midland Savings & Loans Limited as representative of AVFCL. She also served as a member of the Board of Directors for several years at Nyankumase Ahenkro Rural Bank in the Central Region of Ghana.

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 which spans 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.

Bridget Kaminta Lekanong Nuotuo

Treasurer

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

Papa Arko Ayiah

Anti-Money Laundering Reporting Officer

Papa Arko Ayiah is the Anti-Money Laundering Reporting Officer of the Agricultural Development Bank PLC. He has 23 years of banking experience, all in the employ of our Bank. He joined ADB PLC in the year 2000 as an Officer Trainee with the Treasury Department and was on various schedules including Money Market Dealing. He also worked in the then Communications Unit of the Bank as a Senior Communications Officer. Before joining the ADB PLC family, Papa Arko had a stint in Spacefon Ghana, now MTN Ghana, as a Customer Service Representative.

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 (ADR) 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. He is a member of the Network of Heads of Compliance/AMLROs of Accountable Institutions (Banks) in Ghana. He serves on the Executive Committee as the Organising Secretary.

Gideon Amonortey Otu

Acting Head, Internal Control and Due Diligence

Mr. Gideon Amonortey joined ADB PLC in 2014. He is an experienced banker with over 15 years' of industry experience in the area of Risk and Controls assessments, Governance, Operations Management, Fraud Management, Quality Standards, Investigations, Process Reviews and Standardization and General Due Diligence.

He is currently the Acting Head, Internal Control and Due Diligence ensuring that the Bank has robust internal control mechanisms in place to promote operational efficiency, risk management, and compliance with regulations and policies.Prior to his appointment as the Acting Head, Internal Control and Due Diligence, he occupied other roles in the Bank including Branch Manager, Operations Rigour, Quality Manager, and Manager, Internal Control and Due Diligence.Prior to joining ADB, he had worked with Barclays Bank Ghana Limited (2007 to 2014) and SDC Group (Discount & Brokerage Services) from 2006 to 2007 and Ferkos Ferramenta.

Gideon Amonortey Otu holds a Bachelor of Management Studies from the University of Cape Coast, and an MBA in Banking and Finance from Paris Graduate School of Management. He is also a certified Lead Implementer in the Quality Management Systems (ISO 9001: 2015) and Information Security Management Systems (ISO 27001) and certified ISO 19011:2018 Internal Auditor.

Alex Forson

Acting Head, E-Business

Mr. Alex Forson joined the Bank in 2001 as a Clerk with the Kumasi Adum Branch. In 2006, he was appointed as one of an eight-member Flexcube Team that undertook a project to migrate fifty-six (56) branches of the Bank which were then operating as manual stand-alone branches to the Bank's maiden banking software, Flexcube.

He was then transferred to the Finance Department as an Accounts Clerk in 2009. A year later in 2010, he was reassigned as Operations Officer for Reconciliation and Settlement with the Transaction Banking and Technology Department, now E-Business Department. In 2015, he was appointed as the Unit Head, Sales under the E-Business Department. He is currently the Acting Head of the E-Business Department. Alex has extensive knowledge and experience in Card Operations and Information Technology. He holds an International Executive Master of Business Administration (IEMBA) in Information Technology Management from the Paris Graduate School of Management (PGSM), France, and a Bachelor of Business Administration degree (Marketing) from the Methodist University College, Ghana.

CHAIRMAN'S STATEMENT

Daasebre Akuamoah Agyapong II

Esteemed Shareholders, Distinguished Ladies and Gentlemen,

I warmly welcome you to the Annual General Meeting. I once again deem it an honour to present to you, my statement on the key highlights of the events and experiences of the 2022 financial year and how they impacted the Bank.

Before presenting to you the general performance of the Bank, kindly permit me to address you briefly on the significant global and national operating and economic environment of the financial year 2022.

The Operating and Economic Environment

The year 2022 presented both opportunities and challenges for Ghana's operating and economic environment. The Ghanaian economy witnessed a significant decline in the year 2022 as a result of a combination of economic factors including high prices of imported commodities such as petroleum products and grains, soaring inflation and interest rates, and a significant depreciation of the Ghana Cedi.

Real GDP growth slowed to 3.3% in 2022 from 5.4% in 2021 due largely to the above-referenced macroeconomic instability, global financial tightening, and spillover effects of Russia's invasion of Ukraine in February 2022. Inflation was an estimated 31.5% in 2022, up from 10% in 2021, driven by food and energy prices and the depreciating local currency. The Bank of Ghana tightened monetary policy; the policy rate was hiked to 27% in 2022 from 14.5% in 2021. The fiscal deficit widened slightly to 9.3% of GDP from 9.2% in 2021 due to higher spending. Public debt hit 93.5% of GDP in 2022, up from 82.0% in 2021, driven by fiscal deficits and exchange rate depreciation. The current account deficit narrowed to 2.8% of GDP from 3.2%, driven by an improved trade balance. Foreign exchange reserves declined to $6.2 billion in 2022 (2.9 months of import cover) from $9.7 billion in 2021 (6.9 months).

Deposit rates, including demand deposits, savings deposits, and time deposits remained relatively stable with minor variations. However, time deposit rates showed slight fluctuations, with the 3-month rate ranging from 11.50% to 14.00% and the 6-month rate ranging from 10.00% to 14.25% in 2022.

In the credit market, the average lending rate increased from 21.61% to 31.66% over the period, reflecting the impact of changes in interest rates on borrowers. The Ghana Reference Rate, which is used as a basis for determining lending rates, also exhibited an upward trend from 14.50% to 25.76% during the year 2022.

In the domestic currency market, the Ghana Cedi came under immense pressure in 2022 due to sovereign downgrades by sovereign credit rating agencies such as Standard & Poor's, Moody's, and Fitch leading to lack of access to the international markets, and portfolio reversals as the US Fed tightened policy alongside heightened foreign exchange demand pressures.

In October 2022, the currency depreciated steeply, on the back of negative sentiments surrounding the Domestic Debt Exchange Programme (DDEP). The Ghana Cedi, however, recovered sharply in December 2022, as the country reached a Staff Level Agreement with the IMF, amid tightening monetary policy which somewhat reduced the Ghana Cedi liquidity and the marginal weakness of the US dollar as inflation peaked in the US.

Cumulatively, on the interbank market, the Ghana Cedi depreciated by 53.8%, 45.5% and 46.8% against the US Dollar, the Pound Sterling and the Euro, respectively. This compared with an appreciation of 3.5 percent against the Euro and a depreciation of

4.1 percent, and 3.1 percent against the US Dollar and the Pound Sterling respectively in 2021.

Performance of the Banking Industry in 2022

Highlights of the End-of-Year 2022 Audited Financial Statements of Banks

The end-of-2022 audited financial statements of banks mirrored the impact of the challenging economic environment that prevailed in the year, especially with the introduction of the DDEP.

Across the banking industry, significant losses were recorded by most banks. This resulted in an industry loss of approximately GHS 8 billion at the end of the year under review, relative to a profit of GHS 7.4 billion within the same period in 2021. Owing to the losses recorded across the industry, key profitability indicators such as Return-on-Equity and Return-on-Assets registered negative numbers in 2022. Capital Adequacy Ratios (CARs) of banks in the industry decreased although the values were, for the most, part, still above the 10% regulatory minimum. In December 2022, the average CAR in the industry was 16.2% (after adjustment for regulatory reliefs), compared with 19.6% for the same period in 2021.

Notwithstanding the above, industry total assets grew by 18.3%, recording GHS 212 billion by the end of December 2022. Accordingly, as regards total industry deposits, a significant increase of 30.5% was recorded at the end of 2022 compared with 16.6% growth the previous year. Thus, total deposits in the industry culminated in GHS 165.6 billion at the end of 2022.

Total credit also grew by 26% to GHS 59.6 billion from GHS 47.3 billion in December 2021. On the other hand, total industry investments contracted by 17.9% at the end of 2022 relative to the 29.0% growth recorded in the previous year. Total investments by the end of 2022 were worth GHS 69.5 billion, a significant decline from GHS 84.6 billion in December 2021. With industry-wide weakened asset quality, the Non-Performing Loan (NPL) ratio reflected higher loan impairments in comparison with loan stock growth. The industry NPL ratio stood at 18.4% in December 2022 from 15.9% in December 2021.

Performance of ADB

The Bank recorded a Loss after tax of GHS (371milllion) compared to a Profit after Tax of GHS GHS81.6million in the previous year. The loss recorded was mainly as a result of impairment on other financial assets, specifically the DDEP and loans. This resulted in a decline in the Return on Equity and Return on Assets to (56.41%) and (5.01%) respectively, as against 8.7 and 1.26 respectively of the previous year.

The size of the Balance Sheet grew over the year from GHS6.5 billion in 2021 to GHS7.4 billion in 2022, representing 14.9% growth.

The Non-Performing Loan portfolio of the Bank witnessed a reduction from 31.21% to 29.74%. The objective of the Bank however is to significantly reduce the NPL ratio to attain the industry brackets by the end of 2024. Deposits grew by 19% from GHS4.9 billion to GHS 5.9 billion. At the end of 2022, the CAR was 7.3%, which was below the regulatory minimum of 10%.

DDEP Challenges

The Government of Ghana as part of its agenda to streamline and improve the economy as well as increase the country's capacity to service public debts at sustainable levels launched Ghana's Domestic Debt Exchange programme on December 5, 2022. The purpose of the programme was an invitation to individual and corporate bondholders for the voluntary exchange of approximately GHS137 billion of the domestic notes and bonds of the Republic, including E.S.L.A. and Daakye bonds, for a package of new bonds to be issued by the Republic. The DDEP excluded Treasury Bills in totality, and notes and bonds held by individuals (natural persons).

The participation of the Bank in the DDEP resulted in direct and indirect additional impairment on bonds held by the Bank amounting to a total amount of GHS375million. This negatively impacted the CAR of the Bank from 14.49% in the previous year to 3.6%.

As part of measures to mitigate the impact of the DDEP on the banking sector, the Bank of Ghana issued a directive on January 5, 2023 to all banks to "suspend the declaration and payment of dividends and other distributions to shareholders, effective December 31, 2022 until further notice.

Notwithstanding the economic challenges and its negative effect on the financial sector, I would like to assure shareholders, on behalf of the Board of Directors and Executive Management, that we are putting in place adequate measures through a two-year strategic plan adopted at the beginning of 2023 to ensure sustainability, growth, and profitability of the Bank.

In this regard, the Board of Directors is working on a capital restoration plan that will restore the CAR of the Bank to the regulatory minimum as soon as possible. Engagements with shareholders will commence once the proposal has been reviewed and approved by the Board of Directors.

Corporate Governance

ADB PLC places high premium on the value of sound corporate governance as an important factor for efficiency, competitiveness, sustainable business growth and performance. The Board therefore strives to implement the highest standards of corporate governance principles to achieve transparency and accountability for the benefit of all its stakeholders. To stay up to date with dynamic trends and emerging risk in the banking industry, the directors underwent the annual corporate governance certification training which was organised by the National Banking College. Details of the training received by the directors have been included under the disclosure portions of this report

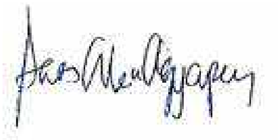
Corporate Social Responsibility (CSR)

As part of our commitment to ensuring growth in the agricultural sector as well as contribute to the wider stakeholder community, the Bank engaged in some CSR projects to promote and enhance the socio economic development of our communities of operation and the country as a whole. In this regard, the Bank spent an amount of GHS3million on corporate social responsibility. This included the National Best Farmer sponsorship, donations to schools and others of national interest.

Conclusion

On behalf of the Board of Directors, I would like to express our sincere appreciation to all our stakeholders, especially our shareholders, customers, the Government of Ghana, the Ministry of Food and Agriculture, the Ministry of Finance, State Interest and Governance Authority and the Bank of Ghana for your continuous support over the years. We are thankful for your loyalty and patience. We are confident in the Bank's prospects and would like to assure you that we are making every effort to remain steadfast on our path to full recovery.

Thank you for the opportunity of serving you.



Daasebre Akuamoah Agyapong II
Board Chairman

MANAGING DIRECTOR'S REPORT

Alhassan Yakubu-Tali

Dear Shareholders:

It is an honour and privilege to welcome you to the Annual General Meeting for the 2022 financial year. This meeting is particularly meaningful to me, as it is my first as the Managing Director of the Agricultural Development Bank, Plc. It is also worth acknowledging once again, the warm reception I have received from colleagues, the Board, customers, and shareholders since my appointment.

I also want to express my sincere gratitude to Dr. John Kofi Mensah, who was the Managing Director until 1st December, 2022 when I took over. The current Management team is grateful for his leadership and contributions to the Bank.

1.0 FINANCIAL PERFORMANCE

In 2022, the Bank reported a loss of GHS 371million. This was a substantial deviation from the trend of modest profitability which the Bank had recorded since 2017.

The 2022 financial performance was a reflection of the impact of what turned out to be a challenging year for the Ghanaian economy.

The economy witnessed a steeper than expected depreciation of the Ghana Cedi, triggering an elevated inflation. The implementation of the Domestic Debt Exchange Program(DDEP) resulted in lack of market liquidity for Government of Ghana Bonds. These significant unfavourable events during the year under review had not only an adverse effect on ADB's financial performance for 2022, but also, repercussions for the future.

Another impact of the DDEP was the erosion of our capital base which made our Capital Adequacy Ratio (CAR) to fall below the regulatory minimum threshold of 10%. We thus require urgent additional capital injection to restore the CAR to at least the regulatory minimum. I am aware that the Board of Directors is carefully considering all options and will in due time, engage the shareholders on the way forward.

As disclosed earlier, our results included GHS 375 million of revenue mark-to-market losses on assets held in Government bonds and Cocoa Bills. In addition, like most other banks, we experienced elevated credit losses because some of our customers struggled to repay their loans. As credit quality deteriorated, we added to loan loss reserves. Our 2022 results reflect a net build of GHS 49 million to our loan loss reserves. We ended the year with total loan loss reserves of GHS 512 million.

Notwistanding, the above performance our brand remains strong and our customers remain loyal to ADB around the country. Furthermore, we have initiated comprehensive corrective measures in the areas concerned. We will build on this to achieve our highest priority, which is returning ADB to sustainable profitability within the shortest possible time.

2 OPERATIONAL PERFORMANCE

As the People's Bank, at the heart of our operations lies an unwavering commitment to our cherished customers and stakeholders and we seek to go above and beyond the norm with a determination to harness the transformational power of agribusiness for wealth creation.

During the review period, the Bank added the Takoradi-Market Circle Branch to its branch network moving the total retail outlets to 87 across the country. The Bank has presence in all the 16 regions of Ghana and will seek to increase its numbers in the years ahead as part of making banking services available to all.

2.1 Leveraging technology to enhance Electronic and Retail Banking

"The Bank is leveraging technology towards improving its digital and retail banking segments in order to enhance convenience and service delivery."

As part of our transformational agenda, the Bank is leveraging technology towards improving its digital and retail banking segments in order to enhance convenience and service delivery. We made significant strides in the E-business space, by providing payment solutions that are safe and secure and providing convenience to our customers.

The Bank in the year 2022 upgraded its Internet Banking platform to the latest version which allows customers to make intra-bank and inter-bank funds transfers, bills payment, and performance of bulk uploads, among others.

To meet customer expectations and to improve the turnaround time on card issuance and delivery, the Bank completed its project on Instant Card Issuance on the GHLink cards. This enables customers who request GHLink cards to receive cards within 10 minutes upon card request. This has been deployed at twenty-nine (29) of our branches across the country. There is an ongoing project to replicate same for the instant Issuance of Visa Cards which is expected to be completed by the end of July 2023.

As part of the Bank's strategy in making strides towards a cash-lite system, the Bank hooked onto the Ghanapay Gateway ("Ghanapay"). Ghanapay is like any mobile money service but with additional banking services designed for financial freedom.

To improve turnaround time at teller points in our branches, the Bank has also started the piloting of a paperless deposit project at some selected branches.

The Board of Directors has also granted approval for the Bank to join the Pan African Payment and Settlement System (PAPSS). PAPSS is a cross-border, financial market infrastructure enabling payment transactions across Africa. The project is ongoing and expected to be completed in September 2023.

2.2 Integrated Management Systems

The Bank progressively implemented four (4) management systems in 2020 and 2021. For 2022, the Bank consciously took measures to embed the requirements of the management systems into the Bank's daily operational processes. Regarding the card environment, the Bank attained a Compliant Status for the Payment Card Industry Data Security Standard (PCIDSS).

Management and the Board are committed to creating a robust banking environment, offering improved service quality, and providing optimal comfort and convenience to our customers, while efficiently managing the risks that the financial sector, especially the banking industry faces daily.

2.3 Agribusiness Financing

"Our corporate tagline, truly agric and more, is reflective of our core mandate which has positioned us as the leader in agribusiness financing for wealth creation across the entire agricultural value chain".

The Bank continued its focus on financing critical activities in the agricultural sector in 2022 with emphasis on providing a market for primary producers and raw materials for vital industries in the country leading to a significant growth in the agricultural portfolio. This was in line with the Bank's objective to substantially increase the share of the agricultural loan portfolio in the Bank's total loan portfolio. Our corporate tagline, truly agric and more, is reflective of our core mandate which has positioned us as the leader in agribusiness financing for wealth creation across the entire agricultural value chain".

The Bank provided loans to meet the working capital and capital expenditure needs of players in the Agricultural Value Chain. Animal and crop farmers, aggregators/ stockists, agro-processors, agro-marketers, and input distributors were supported in 2022.

The Bank in 2022 continued to be an active partner for the implementation of the One-District-One-Factory Programme (1D1F). As of year-end 2022, the Bank had approved a total of GHS156.89 million in respect of twenty-one viable projects to undertake among others, broiler production and processing, fruit processing, general manufacturing, construction, jute bags production as well as fish farming and processing.

Having identified inadequate raw material supply as the bane of many processing concerns in the country, the Bank, in 2022 took deliberate steps to support the production of raw materials to support some 1D1F Projects. Approvals amounting to GHS154.0 million were made to support the production of fruits, especially citrus and pineapple and to meet other needs of the processing concerns.

The Bank continues to partner risk-sharing incentive entities like the Ghana Incentive-Based Risk Sharing System for Agricultural Lending (GIRSAL) to reduce the Bank's risk burden as we seek to further grow our investments in the agricultural sector. The Bank was subsequently adjudged the winner of the 2022 Highest Value of Guaranteed Agricultural Credit Award by GIRSAL.

We are happy to report that the Bank's agricultural sector loan portfolio hit over GHS1billion during the review period. This excludes non funded facilities such as letters of credit and guarantees granted for the purchase of agricultural inputs, machinery, equipment and raw materials.

This reaffirms our commitment to refocus the Bank to its original mandate of providing financial intermediation for the agricultural sector.

2.4 Sustainable Banking

Since 2019 when the Bank of Ghana introduced the Ghana Sustainable Banking Principles and directed all financial and non-financial institutions to implement and institutionalise tenets of the principles into their operations, the Board and Management of the Bank have made commitments to be responsible and ethical in leading efforts at addressing key environmental risk considerations, social inclusion, and good governance (ESG) into the Banks' operations.

The ESG factors that are considered as key to the Bank's operations include Climate Change and Environment, Diversity Equity and Inclusion, Human Capital Management (employee) and Customers.

ADB PLC will exhibit continuous commitment by embarking on continuous awareness and sensitization programmes across its employees, shareholders, and customers on the need to prioritise ESG in the Bank's operations for growth enhancement and increased returns.

3. 2023 AND BEYOND

In January 2023 and under the direction of the Board of Directors, we adopted a new Strategic Plan anchored on the theme "Going Above and Beyond the Predictable". The main thrusts of the Strategic Plan include improved efficiencies in financial performance, risk management, regulatory compliance, the creation of a dynamic, efficient and effective technology-enabled processes for an improved customer service experience and the building of a talented and motivated workforce that is eager to embrace and achieve a unique purpose.

Consequently, we are working to build an ADB that offers our customers unmatched convenience, expertise, high-quality service and a variety of financial products and services delivered through multiple electronic channels.

In order to accelerate our drive towards value creation for all our stakeholders, especially our shareholders, we have reorganised the credit risk, operations and other key functions to create a more streamlined organisation with greater accountability for performance. The new structure sets out a clear path to profitability and value creation.

To create value for our clients and shareholders, our resources will be allocated to activities that generate enough value for our clients and earn adequate risk-adjusted returns for shareholders. At the same time, we are streamlining the cost structure of the Bank to ensure an adoption of efficient information technology systems which support business growth.

Beyond the Bank's need for capital injection from its shareholders to meet the pre-DDEP levels of capital, we strongly believe that in the midst of another major market transition and shift, the opportunity exists for ADB to be well capitalised to come out bigger, stronger, and more resilient to market shocks and become a larger bank that will be well positioned to support Government's efforts to encourage manufacturing and agriculture on a large scale across the country.

4. CONCLUSION

ADB has a long history of managing successfully through economic and business challenges. I am confident that we will do so again. Our competitive advantage will remain our diverse customer base, which is rich in history through relationships built over years.

We remain determined to build a culture where talent is recognised and rewarded with opportunity, where each employee has a chance to achieve his/her potential, and where the better do best for an attractive future. This is very important as our ability to accomplish so much in such a short period will not be possible without the extraordinary perseverance, hard work, focus and professionalism of our staff.

Furthermore, this will give us a firm foundation from which to focus on our responsibilities to our customers, who continue to look to us as a dependable business partner and to our shareholders, to whom we expect to return value and finally, to the financial system, of which we are a part.

To the 1,482 staff members who intensely focused on creating a better experience for customers, responding in the best possible way to the unexpected, we appreciate you. To our customers for their trust, to the Board for their direction and to you, our shareholders, for your continued support, we say thank you.

INDEPENDENT AUDITOR'S REPORT

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Building a better working world

INDEPENDENT AUDITOR'S REPORTTO THE SHAREHOLDERS OF AGRICULTURAL DEVELOPMENT BANK PLC

Report on the audit of the financial statements

Opinion

We have audited the financial statements of the Agricultural Development Bank PLC (the Bank) set out on pages 38 to 101, which comprise the statement of financial position as at 31 December 2022, 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 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and also in the manner required by the provisions of the Companies Act, 2019 (Act 992) as well as the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

Basis for Opinion

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

Key Audit Matters

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

• Reasonable and supportable information that is available without undue cost.

Significant judgements in the determination of the Bank's Expected Credit Loss include:

• Use of assumptions in determining various ECL modelling parameters including probability of defaults and loss given defaults;

• Determination of a significant increase in 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 44% of total assets of the bank, and the significant use of judgements, assessment of allowance for expected credit losses has been identified as a key audit matter.

As disclosed in note 21 of the financial statements, an impairment loss of GHS512 is held against the loan exposure.

Further disclosures relating to these amounts and the Bank's accounting policies regarding estimating these ECLs have been disclosed in Note 5.4 and Note 21 respectively of these financial statements.

We have obtained an understanding of the Bank's IFRS 9 provisioning process as well as the credit risk modelling methodology.

We validated and tested the ECL model of the Bank by assessing the data inputs and assumptions that are driving the model calculations.

We have also performed the following substantive audit procedures:

• We have 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) and Exposure at Default (EAD).

• We have recalculated ECL estimates,

• The audit team has 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, and others.

• We have also reviewed 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.

Key Audit Matter	How the matter was addressed in the audit

Expected Credit Loss (ECL) assessments on sovereign exposures (Government Bills and Bonds)

As disclosed in note 20 of the financial statements, the bank held material exposure to treasury bills (GHS 380,314) and bonds (GHS 1,277,414).

In the year under review, government initiated a Debt Exchange Programme as part of a comprehensive agenda to restore debt and fiscal sustainability. This debt restructuring programme is critical component of both the debt reduction and the IMF programme that government has sought to help restore economic stability.

The Bank applied IFRS9 model in determining the ECL impacts of the debt restructure programme on its exposure to these instruments. Management exercised significant judgements regarding inputs, assumptions, and techniques for estimating ECL and staging of these instruments. Key judgements and estimates include

- fair value determination of the new bonds government announced as replacement for the bonds held at 31 December 2022,
- Various scenarios and probability weights assigned to these scenarios as well as estimate of expected cash shortfalls under each of these scenarios
- Assessment of Significant Increase in Credit Risk (SICR); and
- Determination of whether the existing instruments would have suffered significant modification based on the terms of the restructure

Further details of the debt restructuring programme and the company's IFRS 9 assessment and related ECL impacts are disclosed in note 20 of these financial statements.

We obtained and reviewed the communications from government regarding the debt restructuring programme. We assessed IFRS 9 and other accounting implications of this debt restructuring programme.

Together with our specialist teams, we reviewed critical inputs used in assessing ECL on these instruments including staging, fair value calculations, scenarios and related probability weights among others.

We reviewed industry guidance issued by the Institute of Chartered Accountants Ghana (ICAG) regarding accounting implications of the debt restructure.

We evaluated the reasonableness of management assumptions and judgments and tested the reasonableness of management's ECL calculations.

We also reviewed the reasonableness of the impairment in line with our understanding of the macroeconomic environment and the banking industry.

We assessed the adequacy of the management's disclosure regarding impairment of bond balances in line with IFRS 9 requirements.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the 117-page document titled "Agricultural Development Bank Plc, Annual Report and Financial Statements, 31 December 2022", which includes the Report of Directors, and Other Disclosures as required by the Companies Act, 2019 (Act 992) and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). The 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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act, 2019 (Act 992) as well as 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.

Auditors' 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 requirements

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

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- In our opinion, proper books of account have been kept by the Bank, so far as appears from our examination of those books;
- 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.
- 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) except as disclosed in note 22 and 46(ii) of these financial statements.
- 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 Auditors’ report is **Emmanuel Adekahlor** (ICAG/P/1596).

Ernst & Young (ICAG/F/2022/126)
Chartered Accountants
Accra, Ghana

Date: 30th April, 2023

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022	2021
		GH¢'000	GH¢'000
Interest income	*7b*	*892,367*	*728,235*
Interest expense	8	(470,049)	(247,909)
Net interest income		422,318	480,326
Fees and commission income	9	113,710	101,319
Fees and commission expense	9	(17,931)	(10,116)
Net fees and commission income		95,779	91,203
Net trading income	10	122,854	55,874
Other operating income	11	6,745	12,412
Operating Income		**647,696**	**639,815**
Impairment loss on financial assets	12	(55,064)	(41,781)
Impairment loss- other financial assets	12	(375,148)	-
Personnel expenses	13	(336,029)	(250,281)
Other operating expenses	14	(187,431)	(154,710)
Depreciation and amortization	15	(58,382)	(66,946)
(Loss)/Profit before tax		**(364,358)**	**126,097**
Income tax expense	24	(6,922)	(44,495)
(Loss)/Profit after tax		(371,280)	81,602

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022	2021
		GH¢'000	GH¢'000
(Loss)/Profit after tax		**(371,280)**	**81,602**
Other comprehensive income, net of tax of Items that will not be reclassified to profit or loss:			
Fair value through Other Comprehensive Income	39(i)	26,062	6,030
Revaluation Surplus (Net of Tax)	24.4, 36	65,153	-
Other comprehensive income for the year		91,215	6,030
Total comprehensive income for the year		**(280,065)**	**87,632**
Earnings per share			
Basic earnings per share (in Ghana pesewas)	**16**	**(107.0)**	**23.52**
Diluted earnings per share (in Ghana pesewas)	**16**	**(107.0)**	**23.52**

The notes on pages 44 to 101 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

		2022	2021
Assets	Note	GH¢'000	GH¢'000
Cash and bank balances	17	1,908,837	924,619
Due from other banks	18	349,719	346,219
Investment securities	20	1,316,584	2,400,655
Loans and advances to customers	21	3,242,189	2,282,312
Investment (other than securities)	22	134,729	99,926
Corporate tax assets	24	10,851	-
Intangible assets	25	20,092	28,032
Other assets	26	63,918	52,253
Property and equipment	27	216,332	113,735
Right of use assets	28	110,923	150,555
Deferred tax assets	24.4	38,546	55,813
Total Assets		**7,412,720**	**6,454,119**
Liabilities			
Borrowed funds	30	588,438	294,559
Deposits from customers	31	5,864,851	4,927,216
Corporate tax liability	24.2	0	35,273
Other liabilities	32	151,614	95,996
Lease Liability (IFRS 16)	33	149,627	162,820
		6,754,530	5,515,864
Equity			
Stated capital	34	698,700	698,700
Accumulated losses	35	(674,978)	(236,645)
Revaluation reserve	36	122,684	57,531
Statutory reserve	37	182,015	182,015
Credit risk reserve	38	245,352	178,298
Fair value through OCI	39	84,417	58,356
Shareholders' funds		658,190	938,255
Total liabilities and Shareholders' Funds		**7,412,720**	**6,454,119**

The notes on pages 44 to 101 form an integral part of these financial statements

These financial statements were approved by the Board of Directors on 30 April 2023 and signed on its behalf by:

CHAIRMAN **DIRECTOR**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

In thousands of GH¢	Stated Capital	Credit Risk Reserve	Statutory Reserve	Revaluation Reserve	Other Reserves	Retained Earnings	Total
Balance at 1 January 2022	**698,700**	**178,298**	**182,015**	**57,531**	**58,355**	(236,644)	**938,255**
Profit for the year	-	-	-	-	-	(371,280)	(371,280)
Other Comprehensive Income net of tax							
Revaluation Surplus (net of tax)				65,153			65,153
Net Change in fair value of Equity Investments	-	-	-	-	26,062	-	26,062
Transfer from retained earnings to statutory reserve	-	-	-	-	-	-	-
Transfer to (from) credit risk reserve	-	67,054	-	-	-	(67,054)	-
Balance at 31 December 2022	**698,700**	**245,352**	**182,015**	**122,684**	**84,417**	**(674,978)**	**658,190**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

In thousands of GH¢	Stated Capital	Credit Risk Reserve	Statutory Reserve	Revaluation Reserve	Other Reserves	Retained Earnings	Total
Balance at 1 January 2021	**698,700**	**153,088**	**141,214**	**57,531**	**52,325**	**(252,235)**	**850,623**
Additional Capital	-	-	-	-	-	-	-
Transaction costs related to Right Issue	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	81,602	81,602
	-	-	-	-	-	-	-
Other Comprehensive Income net of tax	-	-	-	-	-	-	-
Net Change in fair value of Equity Investments	-	-	-	-	6,030	-	6,030
Transfer from retained earnings to statutory reserve	-	25,210	-	-	-	(25,210)	-
Transfer (from) credit risk reserve	-	-	40,801	-	-	(40,801)	-
Balance at 31 December 2021	**698,700**	**178,298**	**182,015**	**57,531**	**58,355**	**(236,644)**	**938,255**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022	2021
		GH¢'000	GH¢'000
Cash flows from operating activities			
(Loss)/Profit before tax		(364,358)	126,097
Adjustment for non-cash items	**48**	**116,931**	**(371,864)**
(Loss) before working capital changes		(247,427)	(245,767)
Changes in operating assets and liabilities		(9,847)	278,645
Interest Income received		809,876	650,811
Interest expense paid		(446,512)	(240,656)
Income Tax Paid	**24.2**	**(66,183)**	**(20,893)**
Net cash generated from operating activities		39,907	422,140
Cash flows from investing activities			
Purchase of property and equipment		(31,203)	(32,789)
Purchase of medium and long term government securities		(1,779,215)	(10,067,284)
Redemption of medium and long term government securities		2,418,895	9,447,737
Proceeds from the sale of property and equipment	**27**	**19**	**270**
Payments of right of use assets	**28**	**(5,288)**	**(5,196)**
Purchase of intangible assets	25	(2,070)	(2,764)
Net cash used in investing activities		**601,138**	**(660,025)**
Cash flows from financing activities			
Payments in borrowed funds		(12,444,639)	(641,191)
Receipts in borrowed funds	**30**	**12,727,351**	**(20,502)**
Payments of Principal portion of Lease liability		(58,112)	618,764
Net cash generated from financing activities		224,600	(42,929)
Increase in cash and cash equivalents		865,645	(280,815)
Cash and cash equivalents at 1 January		1,111,677	1,392,493
Effect of exchange rate fluctuation on cash held		6,210	-
Cash and cash equivalents at 31 December	**29**	**1,983,532**	**1,111,677**

The notes on pages 44 to 101 form an integral part of these financial statements

1. REPORTING ENTITY

Agricultural Development Bank Plc (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. Basis of preparation

The financial statements have been prepared on a historical cost basis and equity instruments at fair value through other comprehensive income (FVOCI) all of which have been measured at fair value.

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

b. Statement of compliance

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

2.1. Changes in accounting policies and disclosures

Interest Rate Benchmark Reform ("IBOR reform")

Interest Rate Benchmark Reform Reform Phase 2 provides temporary reliefs to address the accounting issues which arise upon the replacement of an InterBank Offered Rate (an IBOR) with an alternative nearly risk-free interest rate (an RFR). For the purposes of these financial statements, the bank does not have any exposures to IBORs that are subject to reform and therefore the amendments had no impact.

2.2. New and amended standards and interpretations 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 Bank's financial statements are disclosed below. The Bank intends to adopt these standards, if applicable, when they become effective.

Amendments to IAS 1: *Classification of Liabilities as Current or Non-current*

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

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

Reference to the Conceptual Framework – *Amendments to IFRS 3*

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

Property, Plant and Equipment: Proceeds before Intended Use – *Amendments to IAS 16*

In May 2020, the IASB issued Property, Plant and Equipment - Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

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

Onerous Contracts – Costs of Fulfilling a Contract – *Amendments to IAS 37*

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Bank will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

IFRS 1 *First-time Adoption of International Financial Reporting Standards* – Subsidiary as a first-time adopter

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted.

IFRS 9 *Financial Instruments* – Fees in the '10 per cent' test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Bank will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

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

IAS 41 *Agriculture* – Taxation in fair value measurements

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IAS 41 *Agriculture*. The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after 1 January 2022 with earlier adoption permitted.

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

IFRS 17 – *Insurance Contracts*

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. IFRS 17 introduces new accounting requirement for banking products with insurance features that may affect the determination of which instruments or which components thereof will be in the scope of IFRS 9 or IFRS 17.

Loan contracts that meet the definition of insurance but limit the compensation for insured events to the amount otherwise required to settle the policyholder's obligation created by the contract: Issuers of such loans – e.g. a loan with waiver on death – have an option to apply IFRS 9 or IFRS 17. The election would be made at a portfolio level and would be irrevocable.

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

The Bank is currently in the process of assessing the impact of adopting IFRS 17 on its financial statements.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.The amendments are not expected to have a material impact on the Bank.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Bank is currently assessing the impact of the amendments to determine the impact they will have on the Bank's accounting policy disclosures.

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

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*

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. Low value assets and short-term leases are classified as operating leases and are not recognized in the Bank's statement of financial position. These leases are recognised on a straight-line basis.

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.

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.

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

- Amortised cost
- FVOCI
- FVTPL

Due from banks, Loans and advances to customers, Financial investments at amortised cost

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

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

The details of these conditions are outlined below.

Business model assessment

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

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

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

The Solely Payments of Principal and interest test (SPPI)

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

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

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

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

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.

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: equity investment securities designated as at FVOCI.

When equity instruments are measured at FVOCI, 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, Plant and Equipment

i. Recognition and measurement

Items of property, plant 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 assets 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 profit or loss.

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.

Capital Work in Progress is carried at cost less accumulated impairment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the item of property, plant 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, plant 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 year
Motor vehicles	4 years
Furniture and equipment	5 years
Computers	5 years
Leasehold Improvement	lower of the estimated 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 corporate tax assets and 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 recognized.

o. *Deposits and Borrowed 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 guarantees are initially recognised in the financial statements (within Other Liabilities) at fair value, being the premium received. Subsequent to initial recognition, the Bank's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the income statement, and an ECL allowance as set out in Note 40.

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

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

The nominal contractual value of financial guarantees, letters of credit and undrawn loan commitments, where the loan agreed to be provided is on market terms, are not recorded on in the statement of financial position. The nominal values of these instruments together with the corresponding ECL are disclosed in Note 40.

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. The benefits are unfunded.

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 equity shares

Dividends on equity 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 equityy shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Bank by the weighted average number of equity 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 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 risk

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 authorization 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.

Bank's internal rating

Grade 1-3: low fair risk

Advances in this category are those for which the borrower is up to date (i.e. current) with repayments of both principal and interest. Indications that an overdraft is still current would include regular activity on the account with no sign that a hardcore of debt is building up.

Grade 4-5

Advances in this category are currently protected by adequate security, both as to principal and interest, but they are potentially weak and constitute an undue credit risk, although not to the point of justifying the classification of substandard. This category would include unusual advances due to the nature of the advance, customer or project, advances where there is a lack of financial information or any other advance where there is more than a normal degree of risk.

Grade 6

Substandard advances display well-defined credit weaknesses that jeopardise the liquidation of the debt. Substandard advances include loans to borrowers whose cash flow is not sufficient to meet currently maturing debt, loans to borrowers which are significantly undercapitalised, and loans to borrowers lacking sufficient working capital to meet their operating needs. Substandard advances are not protected by the current sound worth and paying capacity of the customer.

Grade 7

Doubtful advances exhibit all the weaknesses inherent in advances classified as substandard with the added characteristics that the advances are not well-secured and the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions and values, highly questionable and improbable. The possibility of loss is extremely high, but because of certain important and reasonably specific pending factors, which may work to the advantage and strengthening of the advance, its classification as in estimated loss is deferred until its more exact status may be determined.

Non-performing loans and receivables which are at least 180 days overdue, but less than 360 days overdue are also classified as doubtful.

Grade 8

Advances classified as a loss are considered uncollectable and of such little value that their continuation as recoverable advances is not warranted. This classification does not mean that the advance has absolutely no recovery value, but rather it is not practical or desirable to defer writing off this basically worthless advance even though partial recovery may be affected in the future. Advances classified as a loss include bankrupt companies and loans to insolvent firms with negative working capital and cash flow. Banks should not retain advances on the books while attempting long-term recoveries. Losses should be taken in the period in which they surface as uncollectable.

Non-performing loans and receivables which are 360 days or more overdue are also classified as a loss.

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 prices for 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
The Bank incorporates forward-looking information into both the assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and the measurement of ECL. The Bank formulates three economic scenarios:

- A base case, which is the median scenario assigned a 50% (2021: 70%) probability of occurring, and
- two less likely scenarios;
- one upside 15% (2021:15%) and
- one downside 35% (2021:15%) 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.

Analysis of average inputs to the ECL model under multiple economic scenarios per is detailed below

As at 31 December 2022		
Key Drivers	**Scenario**	**2022**
	Base case	6.30%
GDP	Upside	6.50%
	Downside	5.50%
	Base case	9.00%
Inflation	upside	8.90%
	downside	10.80%
	Base case	19.00%
Interest rates	upside	16.50%
	downside	20.60%

Non Performing loan ratio	Base case	21.59%
	upside	20.25%
	downside	22.80%

As at 31 December 2021		
Key drivers	**Scenario**	**2021**
GDP	Base case	6.70%
	Upside	7.30%
	Downside	5.40%
Inflation	Base case	7.90%
	upside	7.70%
	downside	8.30%
Interest rates	Base case	19.00%
	upside	17.00%
	downside	19.80%
Non Performing loan ratio	Base case	20.00%
	upside	19.60%
	downside	21.62%

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

	Bank Balances		Loans & Advances to Customer		Investment Securities		Due from Banks		Commitments & Guarantee	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Gross amount	1,613,509	735,718	3,754,196	2,745,387	1,657,728	2,400,655	387,220	610,779	4,627,480	174,527
Allowance for impairment	-	-	(512,007)	(463,075)	(341,145)	-	(37,500)	(3,497)	(7,860)	(1,728)
	1,613,509	735,718	3,242,189	2,282,312	1,316,584	2,400,655	349,720	607,282	4,619,620	172,799

	Bank Balances		Loans & Advances to Customers		Investment Securities		Due from other Banks		Commitments & Financial Guarantees	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
At amortised cost										
Grade 1-3: low fair risk										
Current	1,613,509	735,718	1,991,595	1,803,244	1,657,729	2,400,655	387,220	610,779	4,627,480	174,527
Grade 4-5: watch list										
OLEM			837,008	267,983			-	-	-	-
Grade 6: substandard			283,832	43,748	-	-	-	-	-	-
Grade 7: doubtful			114,152	98,809	-	-	-	-	-	-
Grade 8: loss	-	-	527,609	551,171	-	-	-	-	-	-
Total gross amount	1,613,509	735,718	3,754,196	2,764,956	1,657,729	2,400,655	387,220	610,779	4,627,480	174,527
Allowance for impairment	-	-	(512,007)	(463,075)	(341,145)	-	(37,500)	(3,497)	(7,860)	(1,728)
Net carrying amount	1,613,509	735,718	3,242,188	2,301,881	1,316,584	2,400,655	349,720	607,282	4,619,620	172,799

**The commitments and guarantees are not held at amortised cost and the "net carrying amount should not be read in the same manner as for the other classes

5.4.13 Loans with Renegotiated Terms

Loans with renegotiated terms	2022	2021
	GH¢'000	GH¢'000
Gross carrying amount	409,987	247,822
Expected credit loss	(15,732)	-
Net carrying amount	**394,615**	**247,822**

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 in adjusting the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

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 updated 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 2021. 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

Collateral held and other credit enhancements, and their financial effect

	2022	2021
Against individually impaired	GH¢'000	GH¢'000
Property	1,423,374	666,908
Others	21,889	8,803
Against neither past due nor impaired		
Property	3,330,020	1,166,036
Others	563,271	251,754
Total	**5,338,554**	**2,093,501**

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 routinely update the valuation of collateral held against all loans to customers according to Section 79(1) of Act 930. 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 (2021: nil). The carrying amount of the property are based on court judgments and valuation by the court.

	Loans and advances to customers	
	2022	2021
	GH¢'000	GH¢'000
Against individually impaired property	462	56,390

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.

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

Loans and Advances to customers

Concentrations of Credit Risk

	2022		2021	
Gross amount	GH¢'000	%	GH¢'000	%
Concentration by industry:				
Agriculture	1,029,368	27.4	642,834	23.4
Manufacturing	95,228	2.5	43,070	1.6
Commerce & Finance	712,021	19.0	529,768	19.3
Transport & communications	188,580	5.0	168,098	6.1
Mining and quarrying	138,481	3.7	142	0.0
Building & construction	479,165	12.8	358,122	13.0
Services	1,111,352	29.6	1,003,353	36.5
Electricity, GAS and water	0	0.0	0	0.0
Total	**3,754,196**	**100**	**2,745,387**	**100**

	2022	2021
	GH¢'000	GH¢'000
a)Loans and advances to individual customers:		
Overdraft	129,032	99,251
Term loans	748,455	874,783
	877,487	974,034
b)Loans to corporate entities:		
Overdrafts	**437,400**	**448,861**
Terms loans	**2,439,309**	**1,322,492**
Total	**2,876,709**	**1,771,353**

5.4.15 Concentrations of credit risk continued

Investment securities

These are investments in Government Treasury Bills, Notes and Bonds.

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, 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:

	2022	2021
	%	%
At 31 December	86.11	1.87
Maximum for the period	86.11	16.73
Minimum for the period	80.70	1.87
Average for the period	82.63	9.51

The table below presents the cash flows payable under non-derivative financial liabilities 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

2022	Carrying Amount	Gross Nominal Inflow/Outflow	Up to 1 Month	1-3 Months	3 to 6 Months	6 Months to 1 Year	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	5,864,850	5,885,920	1,426,010	1,932,654	338,490	853,493	1,335,273	-
Borrowed Funds	588,438	642,720	132,766	144,126.15	10,000	86,696	120,543	148,588
Total financial liabilities	6,453,288	6,528,640	1,558,776	2,076,780	348,490	940,190	1,455,816	148,588
Financial assets by type								
Cash and bank balance	1,908,837	1,908,837	1,908,837	-	-	-	-	-
Due from other Banks	349,720	383,719	-	-	-	-	383,719	-
Investment securities	1,316,584	1,657,728	-	100,000	280,314	205,034	822,880	249,500
Investments (other than securities)	134,729	136,756	-	-	-	-	-	136,756.15
Loans and advances to customers	3,242,188	3,754,196	805,255	1,926,611	198,404	333,226	370,121	120,578
Assets held for managing liquidity risk	6,952,057	7,841,235	2,714,091	2,026,,611	478,719	538,260	1,576,720	506,834
Net Liquidity gap	498,789	1,312,595	1,155,315	(50,169)	130,229	(401,930)	120,903	358,246

2021	Carrying Amount	Gross Nominal Inflow/Outflow	Up to 1 Month	1-3 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	4,927,216	4,938,100	1,195,906	1,732,128	282,631	679,211	1,048,223	-
Borrowed Funds	294,559	333,734	78,119	225	-	321	67,543	187,527
Total financial liabilities	5,221,775	5,271,833	1,274,024	1,732,353		679,532	1,115,766	187,527
Financial assets by type								
Cash and bank balance	924,619	924,619	924,619	-	-	-	-	-
Due from other Banks	346,219	383,719	-	-	-	-	383,719	-
Investment securities	2,400,655	2,400,655	198,891	-	911,716	326,778	804,321	158,950
Investments (other than securities)	99,926	99,926	-	-	-	-	91,886	-
Loans and advances to customers	2,282,312	2,745,387	667,992	198,094	246,148	155,356	1,238,790	239,007
Assets held for managing liquidity risk	6,053,731	6,554,306	1,791,502	198,094	1,157,864	482,134	2,518,715	397,957
Net Liquidity gap	831,956	1,282,473	517,477	(1,534,259)	875,233	(197,398)	1,402,949	210,430

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 repricing 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 2022	Up to 1 Month	1-3 Months	3 months less than 6 Months	6 months less than 1	1-5 Years	Over 5 Years	Total
Financial assets							
Cash and cash equivalent	1,908,837	-	-	-	-	-	1,908,837
Investment in Government securities	0	100,000.00	280,314	68,046	205,374	662,849	1,316,584
Loans and advances to customers (net)	430,345	320,936	344,586	183,661	1,845,009	117,652	3,242,189
Total financial assets	2,339,182	420,935.63	624,899.94	251,707.21	2,050,383	780,501	6,467,609
Financial liabilities							
Customer deposits	1,422,498	1,929,142	334,978	849,982	1,086,791	241,459	5,864,850
Borrowed funds	132,762	144,125.62	10,000.00	86,696	114,726	100,129	588,438
Total financial liabilities	1,555,260	2,073,268	344,978	936,678	1,201,517	341,57	6,453,288
Interest rate sensitivity gap	783,922	(1,652,332)	279,922	(684,971)	848,866	438,914	14,321

As at 31 December 2021	Up to 1 Month	1-3 Months	3 months less than 6 Months	6 months less than 1	1-5 Years	Over 5 Years	Total
Financial assets							
Cash and cash equivalent	924,619	-	-	-	-	-	924,619
Investment in Government securities	198,891	0	911,716	326,778	804,321	158,950	2,400,655
Loans and advances to customers (net)	296,767	146,011	1,203,567	238,107	188,549	209,311	2,282,312
Total financial assets	1,420,277	146,011	2,115,283	564,885	992,869	368,261	5,607,587
Financial liabilities							
Customer deposits	1,194,382	1,727,348	279,172	678,328	857,647	190,561	4,927,438
Borrowed funds	78,119	216	0	305.83	62,376	135,359	277,618
Total financial liabilities	1,272,500	1,727,564	279,172	678,634	920,023	325,921	5,205,056
Interest rate sensitivity gap	147,777	(1,581,553)	1,836,111	-113,749	72,847	42,341	402,531

- Sensitivity analysis - Increase/decrease of 10% in net interest margin The interest rate risks sensitivity analysis is based on the following assumptions:
- Changes in the market interest rates affect the interest income or expenses of variable financial instruments;
- Changes in the market interest rates only affect interest income or expenses in relation to financial instruments with fixed interest rates if these are recognised at their fair values;
- The interest rate changes will have an effect on interest sensitive assets and liabilities and hence simulation modelling is applied to financial instruments which are quoted at variable interest rates; and
- The projections make other assumptions including that all positions run to maturity.

The table below sets out the impact on current profit after taxation and equity of an incremental 10% parallel fall or rise on all yield curves at the beginning of the financial years beginning on 01 January 2022 and 01 January 2021 respectively.

2022		Scenario 1	Scenario 2
	Base	Effect of 10% increase in variable interest rate	Effect of 10% decrease in variable interest rate
Profit after tax	(371,280)	(329,048)	(413,512)
Equity	658,191	700,422	615,959

2021		Scenario 1	Scenario 2
	Base	Effect of 10% increase in variable interest rate	Effect of 10% decrease in variable interest rate
Profit after tax	81,602	129,635	33,570
Equity	938,784	986,817	890,572

Assuming no management actions an increase in interest rates would decrease the Bank's loss after tax for the year by GH¢ 329,048 (2021: increase after tax by GH¢ 33,570) and increase equity by GH¢ 700,422 (2021: GH¢ 890,752), while a fall would increase loss after tax and equity by the same margins.

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 2022. The amounts stated in the table below are the Ghana Cedi equivalent of the foreign currencies.

As at 31 December 2022	USD	GBP	EUR	Other	Total
Assets	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Cash and Cash Equivalent	322, 767	19,604	32,309	0	374,680
Loans and advances to customers (net)	459,315	0	281,706	0	741,022
Investment Securities	43,195	0	213	0	43,408
Other assets	28,765	12	0	0	28,776
Total financial assets	**854,042**	**19,616**	**314,228**	**0**	**1,187,886**
Liabilities					
Deposits from customers	573,022	31,728	49,559	1,132	655,440
Borrowings	19,771	0	191,594	0	211,364
Other liabilities	147,145	35	40	168	147,388
Total financial liabilities	**739,938**	**31,763**	**241,193**	**1,301**	**1,014,194**
Net on balance sheet position	**114,104**	**(12,147)**	**73,036**	**(1,301)**	**173,692**
Contingent liabilities (2022)	**280,590**	**-**	**0**	**0**	**280,590**

As at 31 December 2021	USD	GBP	EUR	Other	Total
Total financial assets	471,958	22,199	224,296	0	718,453
Total financial liabilities	466,204	18,453	202,473	848	687,978
Net on balance sheet position	5,754	3,746	21,823	-848	30,475
	-	-	-	-	-
Contingent liabilities (2021)	**109,024**	**218**	**424**	**0**	**109,666**

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

	Average Rate		Reporting Rate	
	2021	2021	2021	2021
Cedis to				
US$ 1	8.2781	5.8137	8.5760	6.0061
GBP 1	10.0918	7.2521	10.3118	8.1272
EUR 1	8.6280	6.4437	9.1457	6.8281

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 2022. (See "currency risk" above) and it does not represent actual or future gains or losses.

A strengthening/weakening of the GH¢ by 5% against the following currencies at 31 December 2022 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.

	2022			2021		
		Income Statement/ Equity Impact	Income Statement/ Equity Impact		Income Statement/Equity Impact	Income Statement/ Equity Impact
	Change	**Strengthening**	**Weakening**	**Change**	**Strengthening**	**Weakening**
In GH¢'000						
US$	5%	81	(81)	5%	(94)	94
£	5%	607	(607)	5%	(187)	187
€	5%	(1,137)	1,137	5%	(238)	238

	2022			2021		
		Income Statement/ Equity Impact	Income Statement/ Equity Impact		Income Statement/Equity Impact	Income Statement/ Equity Impact
	Change	**Strengthening**	**Weakening**	**Change**	**Strengthening**	**Weakening**
In GH¢'000						
US$	5%	60	(60)	5%	(71)	71
£	5%	456	(456)	5%	(140)	140
€	5%	(853)	853	5%	(178)	178

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 2022.

Effects in Cedis	**100bp**	**100bp**
	Increase	**Decrease**
	GH¢'000	**GH¢'000**
31-Dec-22		
Average for the Period	4,223	(4,223)
Maximum for the Period	8,924	(8,924)
Minimum for the Period	4,701	(4,701)

31-Dec-21		
Average for the Period	4,803	(4,803)
Maximum for the Period	7,282	(7,282)
Minimum for the Period	2,479	(2,479)

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 equity 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 2022, was as follows:

	2022	2021
	GH¢'000	**GH¢'000**
Tier 1 Capital		
Ordinary share capital	698,700	698,700
Retained earnings	(419,119)	(236,645)
Statutory reserve	182,015	182,015
Other regulatory adjustment	(277,463)	(235,999)
CET1 Capital after Deductions (B)	184,133	408,071.49
Fair Value Reserves	84,417	58,356
Revaluation reserve	109,209	28,766
Disallowed (limited to 3% of RWA)	(66,813)	(21,775)
Tier 2 Capital	126,814	65,347
Total Regulatory Capital (Tier 1 + Tier 2)	**310,946**	**473,418**
Credit risk		
Risk weighted assets		
On-balance sheet items	3,454,590	2,559,977
Off-balance sheet items	181,588	49,354
1.4 Credit Risk Reserve (CRR)	245,351	178,298
1.5 Total Credit Risk Equivalent Weighted Asset (RWA)	**3,390,826**	**2,431,033**
Operational Risk	**821,484**	**821,484**
Market Risk	**14,813**	**14,813**
Total Credit Risk Equivalent Weighted Asset (RWA)	**4,227,122**	**3,267,329**
Section C: Risk ratios		
1. Risk-based capital ratios		
1.1 Common Equity Tier 1 / RWA	4.36	12.49
1.2 Additional Tier 1 / RWA	-	
1.3 Tier 1 / RWA	4.36	12.49
1.4 Tier 2 / RWA	3.00	2.00
1.5 Capital Adequacy Ratio (CAR)	**7.36**	**14.49**

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 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 GH¢ 120 million to GH¢ 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.

2022				Total
	Level 1	Level 2	Level 3	fair value
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Investment (Other than Securities)	-	134,729	-	134,729
	-	**134,729**	**-**	**134,729**

2021				Total
	Level 1	Level 2	Level 3	fair value
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Investment (Other than Securities)	-	99,926	-	99,926
	-	**99,926**	**-**	**99,926**

Equity instruments - Investment (Other than Securities)

The bank has equity in non-listed entities, the investment is initially recognized at transaction price and re-measured (to the extent information is available) and valued on case by case basis. The fair values of equity instruments are determined using market proxy.

2022				Core range of inputs		
GH¢'000						
	Level 2 Assets GH¢'000	**Valuation Technique**	**Significant unobservable inputs**	**Low**	**High**	**Unit**
Equity	134,729	Market Proxy	EV/EBITDA proxy	10.5	11.5	Basis point
			Price /Book proxy	0.6	1.2	Basis point

2021				Core range of inputs		
GH¢'000						
	Level 2 Assets GH¢'000	**Valuation Technique**	**Significant unobservable inputs**	**Low**	**High**	**Unit**
Equity	100,631	Market Proxy	EV/EBITDA proxy	11.9	14.9	Basis point
			Price /Book proxy	0.65	1.57	Basis point

c. Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Bank's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non–financial assets and non–financial liabilities:

2022		Fair Value			
In GH¢'000	Carrying Value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets:					
Due from other Banks	349,720	-	-	383,719	383,719
Investment securities	1,316,584		485,348	1,172,380	1,657,728
Loans and advances to customers	3,242,188	-	3,263,496	490,699	3,754,196
	4,908,493	**0**	**3,748,845**	**2,046,798**	**5,795,642**
Financial liabilities					
Borrowed funds	588,438	-	373,589	269,131	642,720

2021		Fair Value			
In GH¢'000	Carrying Value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets:					
Due from other Banks	346,219	-	-	383,719	383,719
Investment securities	2,400,655		1,238,494	794,489	2,032,983
Loans and advances to customers	2,282,312	-	1,267,590	1,477,797	2,745,387

	5,029,186	0	2,506,084	2,656,005	5,162,089
Financial liabilities					
Borrowed funds	294,559	0	78,664	255,069	333,734

Any other financial instruments not disclosed on the table above have their carrying amount approximate to the fair value.

Due from other Banks
The fair values of these instrument are estimated by a discounted cash flow model based on contractual cash flows using estimated yields incorporating the counterparties' credit risk.

Loans and advances to customers
The fair values of loans and advances are estimated by discounted cash flow models that incorporate assumptions for credit risks, foreign exchange risk, probability of default and loss given default estimates.

Borrowed funds
The fair value of borrowed funds is estimated by a discounted cash flow model using market rate for similar instruments trading in the market.

7a. OPERATING SEGMENTS

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 centralized risk management activities through borrowings, issues of debt securities 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.

2022	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	90,851	41,441	352,512	-	(62,488)	422,317
Net fee and commission income	11,019	86,287	4,399	-	(5,927)	95,779
Net trading income	7,034	59,434	50,806	-	5,579	122,854
Other operating income	440	48	-	-	6,257	6,745
Inter segment revenue	(15,173)	405,979	(390,806)	-	-	-
Total segment revenue	94,172	593,190	16,911		(56,578)	647,695
Segment result						
Income tax expense	-	-	-	-	(6,922)	(6,922)
Profit for the period	56,636	321,473	(362,269)	-	(387,120)	(371,280)

Total assets	**2,496,099**	**746,090**	**3,575,140**	**-**	**595,391**	**7,412,720**
Total Segment liabilities	**1,339,514**	**4,452,105**	**70,958**	**-**	**891,952**	**6,754,530**
Impairment losses on financial assets	(17,819)	(25,233)	(25,233)	-	(12,012)	(430,212)
Depreciation and amortisation	(2,961)	(20,876)	(561)	-	(33,984)	(58,382)
Capital expenditure	(205)	(13,150)	(241)	-	(19,677)	(33,273)

2021	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	**38,067**	**68,763**	**389,377**	**(15,881)**	**-**	**480,326**
Net fee and commission income	14,123	72,846	1,967	2,268	-	91,203
Net trading income	2,880	15,934	37,061	-	-	55,874
Other operating income	377	57	-	11,978	-	12,412
Inter segment revenue	9,120	239,506	(248,626)	-	-	-
Total segment revenue	64,567	397,105	179,778	(1,635)	-	639,815
Segment result						-
Income tax expense	-	-	-	(44,494)	-	(44,494)
Profit for the period	**16,297**	**190,370**	**176,407**	**(301,472)**	**-**	**81,602**
						-
Total assets	887,582	**1,394,730**	3,671,493	500,314	-	**6,454,119**
						-
Total Segment liabilities	**1,339,514**	**3,487,471**	**70,958**	**323,831**	**294,089**	**5,515,864**
Impairment losses on financial assets	(31,814)	(9,967)	-	-	-	(41,781)
Depreciation and amortisation	(2,680)	(19,121)	(500)	(44,644)	-	(66,946)
Capital expenditure	(205)	(13,150)	(241)	(21,984)	-	(35,579)

7b. INTEREST INCOME

	2022	2021
	GH¢'000	GH¢'000
Loans and advances	452,446	296,705
Investment in Government securities	343,315	359,215
Inter bank placement	54,546	49,713
Leases (including agric inputs)	42,060	22,602
	892,367	**728,235**

7c. INTEREST INCOME ANALYSIS

	2022	2021
	GH¢'000	GH¢'000
Interest revenue calculated using effective interest method	850,307	705,633
Other interest and similar income	42,060	22,602
	892,367	**728,235**

8. INTEREST EXPENSE

a. On deposits:

	2022	2021
Interest expense calculated using effective interest method	GH¢'000	GH¢'000
Fixed/time deposits	81,912	59,762
Savings deposits	12,704	12,176
Demand & call deposits	273,622	152,453
Total interest expense on deposits	**368,238**	**224,391**

b. On borrowed funds:

	2022	2021
Inter-Bank Borrowing	13,973	540
Long-Term Borrowings	23,729	9,348
Interest and exchange on lease liability	64,109	13,631
	101,811	23,519
Total Expense (a+b)	**470,049**	**247,909**

9. NET FEE AND COMMISSION INCOME

	2022	2021
Fee and commission Income	GH¢ '000	GH¢ '000
Commission on Turnover	23,151	23,633
Fees and Charges	87,956	75,292
Sale of Cheque Book Charges	1,380	1,169
Guarantees Charges & Commission	1,223	1,225
Total Fee and Commission Income	**113,710**	**101,319**

Fee and commission expense

	2022	2021
Cost of Services	(17,931)	(10,116)
Total Fee and Commission Expense	(17,931)	(10,116)
Net Fee and Commission Income	**95,779**	**91,203**

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

10. NET TRADING INCOME

	2022	2021
	GH¢'000	GH¢'000
Foreign Exchange		
Translation gains less losses	91,554	15,730
Transaction gains less losses	31,300	40,144
	122,854	**55,874**

11. OTHER OPERATING INCOME

	2022	2021
	GH¢'000	GH¢'000
Bad debts recovered	3,261	4,263
Other income*	3,484	8,149
Total	**6,745**	**12,412**

* Other income is made up of unutilized provisions on expenses

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:

2022	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Letter of credit and guarantee	5,167	-	-	5,167
Undrawn commitments	965	-	-	965

Bills and Bonds	341,145			341,145
Due from Banks	34,003	-	-	34,003
Loans and advances	33,864	19,928	(4,860)	48,932
At 31 December 2022	**415,144**	**19,928**	**(4,860)**	**430,212**

*the ECL on Bills and Bonds is due to the impact of the Domestic Debt Exchange Program (DDEP)

2021	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Letter of credit and guarantee	(16,847)	-	-	(16,847)
Undrawn commitments	(6,236)	-	-	(6,236)
Due from Banks	375	-	-	375
Loans and advances	(13,990)	27,114	51,366	64,490
At 31 December 2021	**(36,698)**	**27,114**	**51,366**	**41,781**

13. PERSONNEL EXPENSES

	2022	2021
	GH¢'000	GH¢'000
Salaries and wage	156,349	129,231
Pension costs - (Defined contribution scheme to SSNIT)	17,204	14,225
Staff Provident Fund (Defined Contribution Scheme)	9,975	8,238
Staff fuel expenses	69,856	39,529
Medical expenses	13,129	9,472
Canteen expenses	13,622	10,690
Training expenses	977	738
Uniform	26,113	21,537
Other staff related costs	28,804	16,621
	336,029	**250,281**

*Other staff related costs comprise insurance expenses on personnel, discount on staff loans and others.The number of persons employed by the Bank at the year-end was 1,482 (2021: 1,481).

14. OTHER OPERATING EXPENSES

	2022	2021
	GH¢'000	GH¢'000
Occupancy Cost	21,973	20,708
Auditors Remuneration	1,253	1,100
Donations and Social Responsibility	786	1,094
Motor Vehicle Running Expenses	17,879	10,684
General and Administrative Expenses	38,875	39,461
Information Technology Expenses	79,277	58,183
Others*	27,388	23,481
Total	**187,431**	**154,711**

Others* consist of deposit insurance premium and clearing house expenses

15. DEPRECIATION AND AMORTIZATION

	2022	2021
	GH¢'000	GH¢'000
Depreciation of Property, Plant and equipment	15,421	13,813

Amortisation of intangible	10,010	13,469
Depreciation of Right of use asset	32,951	39,664
Total	**58,382**	**66,946**

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.

	2022	2021
	GH¢'000	GH¢'000
(Loss) / Profit after tax	(371,280)	81,602
Number of equity shares ('000)	346,952	346,952
Weighted average number of shares ('000)	346,952	346,952
Earnings per share:		
Basic (Ghana pesewas)	(107.01)	23.5
Diluted (Ghana pesewas)	(107.01)	23.5

17. CASH AND BANK BALANCE

	2022	2021
	GH¢'000	GH¢'000
(i) Cash on hand	295,328	188,902
Balances with Bank of Ghana	1,365,581	570,969
Nostro Balances	90,101	65,670
Deposits and balances due from banking institution	157,827	99,079
Cash and bank balance	**1,908,837**	**924,619**

* Included in balances with bank of Ghana is mandatory reserve of GH¢ 703,782 (2021 GH¢ 394,197)**Included in the Nostro balance is a restricted amount of GH¢ 25,304 (2021: GH¢ 11,833), these restricted Nostro amounts have been excluded from cash and cash equivalents in note 29.

18. DUE FROM OTHER BANKS

	2022	2021
	GH¢'000	GH¢'000
Placements with other banks	387,219	349,716
Less: Write off	-	-
Allowance for impairment losses	(37,500)	(3,497)
	349,719	**346,219**

The credit risk quality of due from other banks is disclosed in note 19.

19. 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.

19.1 CREDIT RISK QUALITY OF DUE FROM BANKS BALANCES

2022	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Performing				
Grade 1-3: low fair risk	387,219	-	-	387,219
Grade 4-5	(387,219)	(387,219)	-	-
Non-performing	-	-	-	-
Grade 6	-	-	-	-
Grade 7	-	-	-	-
Grade 8	-	-	-	-
At 31 December 2022	**-**	**387,219**	**-**	**387,219**

2021 : GROSS AMOUNT	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Performing	-	-	-	-
Grade 1-3: low fair risk	349,716	-	-	349,716
Grade 4-5	-	-	-	0
Non-performing	-	-	-	0
Grade 6	-	-	-	0
Grade 7	-	-	-	0
Grade 8	-	-	-	-
At 31 December 2021	**349,716**	**-**	**-**	**349,716**

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

2022	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Gross carrying amount as at 1 January 2022	349,716	-	-	349,716
New assets originated or purchased	-	-	-	-
Interest accrued	-	37,500		37,500
Assets derecognised or repaid (excluding write offs)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	(349,716)	349,716	-	-
At 31 December 2022	**0**	**387,219**	**-**	**387,219**

2021	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Gross carrying amount as at 1 January 2021	312,220	-	-	312,220
New assets originated or purchased	-	-	-	-
Interest accrued	37,496	-	-	37,496
Assets derecognised or repaid (excluding write offs)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-		-	-
Transfers to Stage 3	-	-	-	-
At 31 December 2021	**349,716**	**-**	**-**	**349,716**

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

2022	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Gross carrying amount as at 1 January 2022	3,498	-	-	3,498
New assets originated or purchased	0	34,003	-	34,003
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(3,498)	3,498	-	-
Transfers to Stage 3	-	-	-	-
Written off/ recovery	-	-	-	-
At 31 December 2022	**0**	**37,500**	**0**	**37,500**

2021	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Gross carrying amount as at 1 January 2021	3,123	-	-	3,123
New assets originated or purchased	-	-	-	-
Interest accrued	375			375
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Written off/ recovery	-	-	-	-
At 31 December 2021	**3,498**	**-**	**-**	**3,498**

20. INVESTMENT SECURITIES

	2022	2021
	GH¢'000	GH¢'000
Treasury bills **(a)**		
14 Day Treasury Bills	0	198,891
56 Day Treasury Bills	-	-
91 Day Treasury Bills	100,000	-
182 Day Treasury Bills	280,314	911,716
Treasury Notes	68,046	326,778
	448,361	**1,437,385**

	2022	2021
	GH¢'000	GH¢'000
Government bonds (b)		
2-5-year fixed rate notes	205,374	804,320
Above 5 years fixed rate note	662,849	158,950
	868,223	**963,270**
Total (a+b)	1,316,584	2,400,655
Maturing within 90 days of date of acquisition	100,000	198,891
Maturing between 90 days - 1 year of date of acquisition	348,360	1,238,494
Maturing above 5 years of date of acquisition	868,223	963,271
	1,316,584	**2,400,655**

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 2022 was 23.44% (2021: 12.11%) and the rate for treasury bonds at 31 December 2022 was 35.36% (2021: 24.75%).

20.(iii) Ghana Debt Exchange Program

On 5th December 2022, the Government of Ghana launched Ghana's Domestic Debt Exchange programme, an invitation for the voluntary exchange of approximately GHS137 billion of the domestic notes and bonds of the Republic, including E.S.L.A. and Daakye bonds, for a package of New Bonds to be issued by the Republic. The Exchange excludes Treasury Bills in totality, and notes and bonds held by individuals (natural persons).

The Ghana Debt Exchange Program resulted in direct and indirect additional impairment on bonds amounting broken down as follows:

S/N	Description	Impairment Charge (Ghc'000)
1	GoG Bonds	331,180
2	Local dollar bonds	6,432
3	Cocoa bills	3,532
4	Due from other banks	34,003
	Total	**375,147**

Net carrying amount of bonds impaired by the GDDEP is analyzed below:

	GoG Bonds	GoG Bills	Local Dollar Bonds	Cocoa Bills	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Gross Carrying Amount	1,234,534	100,000	42,880	280,314	1,657,728
Impairment	(331,180)	-	(6,432)	(3,532)	(341,144)
Net Carrying Amount	903,354	100,000	36,448	276,782	1,316,584

20.1. 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.

2022	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Grade 1-3: low fair risk	1,316,584	-	-	1,316,584
Grade 4-5	(1,316,584)	1,316,584	-	1,316,584
Grade 6	-	-	-	-
Grade 7	-	-	-	-
Grade 8	-	-	-	-
At 31 December 2022	**0**	**1,316,584**	**-**	**1,316,584**

2021	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Grade 1-3: low fair risk	2,400,655	0	0	2,400,655
Grade 4-5	-	-	-	0
Grade 6	-	-	-	0
Grade 7	-	-	-	0
Grade 8	-	-	-	0
At 31 December 2021	**2,400,655**	**0**	**0**	**2,400,655**

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

2022	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Gross carrying amount as at 1 January 2022	2,400,654	-	-	2,400,654
New assets originated or purchased	1,418,858	-	-	1,418,858
Interest accrued	360,357	-	-	360,357
Assets derecognised or repaid (excluding write offs)	(2,522,141)	-	-	(2,522,141)
Expected Credit Less (ECL)		(341,145)		(341,145)
Transfers to Stage 1		-		-
Transfers to Stage 2	(2,400,654)	2,400,654		-
Transfers to Stage 3	-	-	-	-
At 31 December 2022	**(742,926)**	**2,059,510**	-	**1,316,584**

2021	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Gross carrying amount as at 1 January 2021	2,222,139	-	-	2,222,139
New assets originated or purchased	10,067,285	-	-	10,067,285
Interest accrued	371,432	-	-	371,432
Assets derecognised or repaid (excluding write offs)	(10,260,200)	-	-	(10,260,200)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
At 31 December 2021	**2,400,654**	**-**	**-**	**2,400,654**

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.

21. LOANS AND ADVANCES TO CUSTOMERS

	2022	2021
	GH¢'000	GH¢ '000
Overdrafts	601,499	527,209
Loans	2,809,625	2,166,826
Lease receivable	343,072	51,352
Gross loans and advances	**3754,196**	**2,745,387**
Provision for impaired loans and advances		
- Specific	(411,002)	(392,072)
- Collective	(101,005)	(71,003)
Total ECL	(512,007)	
	3,242,189	**2,282,312**

The above constitute loans and advances to customers and staff.
Staff loans amounted to GH¢ 116,250 (2021: GH¢69,302).

The investment in lease receivables is analyzed as follows:

	2022	2021
	GH¢'000	GH¢'000
Less than 1 year	30,854	27,319
Between 1 year and 5 years	312,217	142,480
	343,071	**169,799**

Key ratios on loans and advances

- The total impairment for the year represents **12.72%** of gross loans at the year-end **(2021: 16.87%)**
- Loan loss provision ratio is **12.72%** of gross advances **(2021: 16.87%)**
- Gross Non-performing loans ratio per Bank of Ghana requirement is **29.74% (2021:31.21%)**
- Total gross non-performing loans is **GHS 1,197,166** (this includes interest in suspense of **GHS 271,574)**
- Fifty (50) largest exposures (gross funded and non-funded) to total exposures is 59.96% (2021: 51.56%)

	2022	2021
a) Analysis by maturity	GH¢'000	GH¢'000
Maturing within one year	2,930,270	1,112,234
Between one to five years	703,348	1,394,146
More than five years	120,578	239,007
	3,754,196	**2,745,387**

Impairment of loans and advances

	2022	2021
At 1 January	463,075	**406,376**
Additional impairment charge during the year	48,932	64,490
Write off	-	(7,791)
	512,007	**463,075**

The table below shows an analysis of the gross loans and advances based the class of financial assets

2022	STAGE 1	STAGE 2	STAGE 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Agric	746,828	30,624	249,163	1,026,616
Corporate	648,957	806,793	394,344	1,850,094
Retail	735,603	9,802	132,082	877,486
Total	**2,131,387**	**847,219**	**775,589**	**3,754,196**

	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Agric Loans	337,316	24,257	189,777	551,349
Retail loans	596,871	9,904	105,976	712,751
Corporate loans	738,269	344,002	399,016	1,481,287
Total	**1,672,456**	**378,163**	**694,769**	**2,745,388**

21.1. Impairment allowance for loans and advances to customers measured at amortised cost

21.1.1 Expected credit losses on loans and advances

The table below shows an analysis of the gross loans and advances based the class of financial assets.

2022	Stage 1	Stage 2	Stage 3	Total
Description	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Agric Loans	11,875	1,681	166,230	179,785
Retail loans	444	20	130,932	131,397
Corporate loans	17,259	69,726	113,840	200,825
Total	**29,578**	**71,427**	**411,002**	**512,007**

2021	Stage 1	Stage 2	Stage 3	Total
Description	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Agric Loans	4,277	4,140	141,743	150,160
Retail loans	1,170	77	105,837	107,084
Corporate loans	15,137	46,202	144,492	205,831
Total	**20,584**	**50,419**	**392,072**	**463,075**

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

21.2 CREDIT RISK QUALITY OF LOANS AND ADVANCE

21.2.1 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.

2022	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Grade 1-3: low fair risk	598,254	-	-	598,254
Grade 4-5	-	167,226	-	167,226
Grade 6	-	-	53,413	53,413
Grade 7	-	-	158	158
Grade 8	-	-	207,565	207,565
At 31 December 2022	**598,254**	**167,226**	**261,136**	**1,026,616**

2021	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Grade 1-3: low fair risk	337,316	-	-	337,316
Grade 4-5	-	24,257	-	24,257
Grade 6	-	-	2,827	2,827
Grade 7	-	-	1,530	1,530
Grade 8	-	-	185,420	185,420
At 31 December 2021	**337,316**	**24,257**	**189,777**	**551,349**

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

2022	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Gross carrying amount as at 1 January 2022	**337,316**	**24,257**	**189,777**	**551,349**
New assets originated or purchased	404,994	7,863	-	412,857
Assets derecognised or repaid (excluding write offs)	(144,055)	135,106	71,359	62,409
At 31 December 2022	**598,254**	**167,226**	**261,136**	**1,026,616**

2021	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	**GH¢'000**	**GH¢'000**	**GH¢'000**
Gross carrying amount as at 1 January 2021	**278,897**	**17,053**	**153,732**	**449,682**
New assets originated or purchased	66,602	3,226	-	69,828
Assets derecognised or repaid (excluding write offs)	(8,183)	3,978	36,045	31,839
At 31 December 2021	**337,316**	**24,257**	**189,777**	**551,349**

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

2022	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Gross carrying amount as at 1 January 2022	**4,277**	**4,140**	**141,743**	**150,160**
New assets originated or purchased	5504	-	-	5,504
Assets derecognised or repaid (excluding write offs)	2,093	**(2,459)**	24,487	24,121
At 31 December 2022	**11,875**	**1,681**	**166,230**	**179,785**

2021	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Gross carrying amount as at 1 January 2021	**3,648**	**5,507**	**195,682**	**204,837**
New assets originated or purchased	1,248	-	-	1,248
Assets derecognised or repaid (excluding write offs)	(619)	(1,367)	(53,939)	(55,925)
At 31 December 2021	**4,277**	**4,140**	**141,743**	**150,160**

21.2.2 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.

2022	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Grade 1-3: low fair risk	632,207	-	-	632,207
Grade 4-5	-	620,464	-	620,464
Grade 6:	-	-	278,563	278,563
Grade 7	-	-	108,295	108,295
Grade 8	-	-	210,564	210,564
At 31 December 2022	**632,207**	**620,464**	**597,423**	**1,850,094**

2021	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Grade 1-3: low fair risk	738,269	-	-	738,269
Grade 4-5	-	344,002	-	344,002
Grade 6:	-	-	34,237	34,237
Grade 7	-	-	99,679	99,679
Grade 8	-	-	265,099	265,099
At 31 December 2021	**738,269**	**344,002**	**399,016**	**1,481,287**

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

2022	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Gross carrying amount as at 1 January 2022	**738,269**	**344,002**	**399,016**	**1,481,287**
New assets originated or purchased	373,408	436,266	-	809,674
Assets derecognised or repaid (excluding write offs)	(479,470)	(159,805)	(198,407)	(440,867)
Transfers to Stage 1	-	-	-	0
Transfers to Stage 2	-	-	-	0
Transfers to Stage 3	-	-	-	0
Amount written off	-	-	-	0
At 31 December 2022	**632,207**	**620,464**	**597,423**	**1,850,094**

2021	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Gross carrying amount as at 1 January 2021	**738,269**	**344,002**	**399,016**	**1,481,287**
New assets originated or purchased	179,226	59,344	-	238,569
Assets derecognised or repaid (excluding write offs)	(179,226)	(59,344)	-	-238,569
Transfers to Stage 1	-	-	-	0
Transfers to Stage 2	-	-	-	0
Transfers to Stage 3	-	-	-	0
Amount written off	-	-	-	0
At 31 December 2021	**738,269**	**344,002**	**399,016**	**1,481,287**

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

2022	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Gross carrying amount as at 1 January 2022	**15,137**	**46,202**	**144,492**	**205,831**
New assets originated or purchased	34,142	-	-	34,142
Assets derecognised or repaid (excluding write offs)	(32,020)	23,524	(28,860)	(39,148)
Re -measurement of loss allowance	-	-	-	-
Transfers to Stage 1	-	-		
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Loan Written off	-	-	-	-
At 31 December 2022	**17,259**	**69,726**	**113,840**	**200,825**

2021	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	**GH¢'000**	**GH¢'000**	**GH¢'000**
Gross carrying amount as at 1 January 2021	**27,112**	**20,211**	**181,247**	**228,570**
New assets originated or purchased	1,454	-	-	1,454
Assets derecognised or repaid (excluding write offs)	(13,429)	25,991	(28,964)	(16,402)
Impact on Expected Credit loss	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Loan Written off	-	-	(7,791)	(7,791)
At 31 December 2021	**15,137**	**46,202**	**144,492**	**205,831**

21.2.3 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.

2022	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Grade 1-3: low fair risk	735,268	-	-	735,268
Grade 4-5	-	8,439	-	8,439
Grade 6	-	-	5,547	5,547
Grade 7	-	-	744	744
Grade 8	-	-	127,488	127,488
At 31 December 2022	**735,268**	**8,439**	**133,779**	**877,486**

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

2022	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Gross carrying amount as at 1 January 2022	**596,871**	**9,904**	**105,976**	**712,751**
New assets originated or purchased	434,137	4,293	-	438,430
Assets derecognised or repaid (excluding write offs)	(295,740)	(5,758)	27,802	(273,695)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amount written off	0	0	0	0
At 31 December 2022	**735,268**	**8,439**	**133,779**	**877,486**

2021	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Gross carrying amount as at 1 January 2021	**480,838**	**12,193**	**79,408**	**572,438**
New assets originated or purchased	345,934	7222.80923	-	353,157
Assets derecognised or repaid (excluding write offs)	(229,901)	(9,512)	26,569	(212,844)
Transfers to Stage 1	0	0	0	-
Transfers to Stage 2	0	0	0	-
Transfers to Stage 3	0	0	0	-
Amount written off	0	0	-	-
At 31 December 2021	**596,871**	**9,904**	**105,976**	**712,751**

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

2022	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Gross carrying amount as at 1 January 2022	**1,170**	**77**	**105,837**	**107,084**
New assets originated or purchased	1,447	-	-	1,447
Assets derecognised or repaid (excluding write offs)	(2,173)	(57)	25,095	22,865
Impact on Expected Credit loss	-	-	-	0

Transfers to Stage 1	-	-	-	0
Transfers to Stage 2	-	-	-	0
Transfers to Stage 3	-	-	-	0
Loan Written off	-	-	-	0
At 31 December 2022	**444**	**20**	**130,932**	**131,397**

2021	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Gross carrying amount as at 1 January 2021	**2,555**	**322**	**79,447**	**82,323**
New assets originated or purchased	713	-	-	713
Assets derecognised or repaid (excluding write offs)	(2,098)	(244)	26,390	24,048
Re-measurement of loss allowance	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Loan Written off	-	-	-	-
At 31 December 2021	**1,170**	**77**	**105,837**	**107,084**

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

	2022	2021
	GH¢'000	GH¢ '000
At 1 January	**99,926**	**91,892**
Exchange difference	0	(6)
Fair value adjustments (note 38)	34,803	8,040
At 31 December	**134,729**	**99,926**

Investment (other than securities)			
Institution	**Balance as at 2021**	**Fair value movement**	**Market value**
Ghana International Bank Limited	79,842	39,147	118,989
Agridev Real Estates Limited	19,210	(4,398)	14,812
Metro Mass Transportation Ltd	-	-	-
Cocoa Processing Company	34	-	32
Ghana Textile Manufacturing Company	544	-	544
SDC Finance Limited	137	-	137
Society for Worldwide Interbank Financial Telecommunication (SWIFT)	159	-	213
Acitivity Venture Finance Company Limited	-	-	-
Ayensu Starch Company	-	-	-
TOTAL	**99,926**	**34,803**	**134,729**

Breach in investment holding limits

The Bank's holdings in four (4) non-subsidiary institutions (in the table below) 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".

The bank's holding in Ghana International Bank Limited is also 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."

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

23. 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

The entity has been dormant for the past 72 months, the investment has been fully impaired.

24. INCOME TAX

24.1 INCOME TAX EXPENSE RECOGNISED IN PROFIT OR LOSS

	2022	2021
	GH¢'000	GH¢'000
Current year income tax -	20,059	58,562
Deferred tax	(13,138)	(14,068)
	6,922	44,494

24.2 CORPORATION TAX LIABILITY

	Balance at 1 January	Payment during the year	Charge/credit for the year	Prior year adjustment	Balance at 31 December
Income tax	**GH¢'000**	**GH¢'000**	**GH¢'000**		**GH¢'000**
2021	-				
2022	26,663	(53,001)	20,059	-	(6,279)
	26,663	(53,001)	20,059	-	(6,279)
National Stabilization Levy/ Financial Recovery Levy	8,610	(13,181)		-	(4,572)
Total tax	**35,272**	**(66,183)**	**20,059**	**-**	**(10,851)**

24.3 EFFECTIVE TAX RECONCILIATION

	2022	2021
	GH¢'000	GH¢'000
(Loss)/Profit before tax	**(364,358)**	126,097
Income tax using domestic tax rate (25%)	(91,090)	31,524
Non-deductible expenses	127,066	33,298
Tax on exempt income	(12,194)	(10,785)
Income subjected to tax at a different rate @20%	(174)	(278)
Allowable expenses (not through P&L)	(6,757)	(7,711)
National fiscal stabilization levy /Financial sector recovery levy(5%)	-	12,610

Deferred tax	(17,267)	(14,068)
	(417)	44,590
Effective Income Tax Rate	0.1%	35.4%

*Non-deductible expenses includes fines and penalties disallowed for tax purpose

24.4 DEFERRED TAX ASSET

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

Deferred tax assets	As at 1 January 2022	Income statement	OCI	As at 31 December 2022
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Property, plant and equipment	(17,089)	905		(16,184)
Impairment allowance for loans and advances	92,353	5,258	-	97,611
Investment (other than securities)	(19,452)		(8,687)	(28,139)
Revaluation Reserve	-		(21,718)	(21,718)
Balance 31 December	**55,812**	**6,162**	**-30,405**	**31,570**

Deferred tax assets	As at 1 January 2021	Income statement	OCI	As at 31 December 2021
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Property, equipment, and intangible assets	(16,982)	(107)		(17,089)
Impairment allowance for loans and advances	78,178	14,175	-	92,353
Investment (other than securities)	(17,442)	0	-2,010	(19,452)
Balance 31 December	**43,754**	**14,068**	**(2,010)**	**55,812**

	2022	2021
	GH¢'000	GH¢'000
Balance at 1 January	55,812	43,754
Charged to profit or loss	13,138	14,068
Charged to OCI	(30,405)	(2,010)
Balance 31 December	**38,545**	**55,812**

25. INTANGIBLE ASSETS

2022	Software	Work In-Progress	Total
	GH¢'000	GH¢'000	GH¢'000
Cost			
At 1 January 2022	**94,122**	**228**	**94,350**
Acquisitions	1,584	485	2,069
Transfers from Plant, property and equipment	-	-	-
Transfers from work in progress	327	(327)	-
	96,033	386	96,419
Amortisation			
At 1 January 2022	66,317	-	**66,317**
Charge for the year	10,010	-	10,010
At 31 December 2022	**76,327**	-	**76,327**
Net Book Value			
At 31 December 2022	**19,706**	**386**	**20,092**

2021	Software	Work In-Progress	Total
	GH¢'000		GH¢'000
Cost			
At 1 January 2021	**90,549**	**-**	**90,549**
Acquisitions	2	2,762	2,764
Transfer from plant, property and equipment	-	1,036	1,036
Transfers from work in progress	3,570	(3,570)	-
	94,121	228	94,349
Accumulated amortization			
At 1 January 2021	**52,848**	**-**	**52,848**
Charge for the year	13,469	-	13,469
At 31 December 2021	**66,317**	**-**	**66,317**
Net Book Value			
At 31 December 2021	**27,804**	**228**	**28,032**

Work-in-progress

- Work-in-progress at the end of the year.GHS 386 (2021: nil)
- No impairment losses on intangible assets were recognized during the year (2021: Nil)
- There were no capitalized borrowing costs related to intangible assets during the year (2021: Nil)
- There were no restrictions on title and intangible assets pledged as security for liabilities during the year (2021: Nil)

26. OTHER ASSETS

	2022	2021
	GH¢'000	GH¢'000
Advance payment	421	65
Pre payments	14,322	12,472
Sundry receivables	15,318	14,320
Lease deposits from Agridev	28,754	20,138
Stationery Stock	2,827	-
Others	2,276	5,260
Total	**63,918**	**52,254**
Current	42,848	39,577
Non-current	21,070	12,677
Total	**63,918**	**52,254**

*Sundry receivables are carried at amortised cost, expected credit loss for these instruments were assessed to be insignificant.
**Others represent reimbursable from money transfer counterparties and stationery stock.

27. PROPERTY, PLANT AND EQUIPMENT

2022	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 2022	**93,554**	**35,752**	**28,962**	**12,475**	**19,281**	**34,633**	**224,657**
Additions	41	2,436	2,242	80	26,360	45	31,204
Disposal	-	(184)	-	-	-	-	(184)
Reversal	-	-	-	-	(6)	(74)	(68)
Transfers from WIP	46	4,764	376	-	(7,085)	2,127	228

Transfers to Intangible	-	-	-	-	(228)	-	(228)
Revaluation	86,871	-	-	-	-	-	86,871
At 31 December 2022	**180,512**	**42,768**	**31,580**	**12,555**	**38,334**	**36,731**	**342,480**
Accumulated Depreciation							
At 1 January 2022	**29,150**	**26,559**	**19,142**	**8,038**	**-**	**28,034**	**110,922**
Charge for the year	4,784	3,481	3,230	1,484	-	2,430	15,410
Disposal	-	(184)	-	-	-	-	(184)
Write Offs	0	-	-	-	-	-	-
At 31 December 2022	**33,934**	**29,856**	**22,372**	**9,522**	**-**	**30,464**	**126,148**
Net Book Value							
At 31 December 2022	**146,578**	**12,912**	**9,208**	**3,033**	**38,334**	**6,267**	**216,332**

2021	**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 2021	**93,399**	**33,570**	**23,759**	**7,811**	**5,771.492**	**30,969.013**	**195,279**
Additions	14	1,729	5,900	-	25,047	126	32,815
Disposal	-	(1,423)	(907)	-	-	-	(2,375)
Reversal	-	-	-	(45)	(26)	-	(26)
Transfers from WIP	141	1,876	210	-	(7,085)	3,538	-
Transfers to Intangible	-	-	-	4,709	(1,036)	-	(1,036)
At 31 December 2021	**93,554**	**35,752**	**28,962**	**12,475**	**19,281**	**34,633**	**224,657**
Accumulated Depreciation							
At 1 January 2021	**24,593**	**25,422**	**17,108**	**6,671**	**-**	**25,685**	**99,479**
Charge for the year	4,557	2,559	2,936	1,412	-	2,349	13,813
Disposal	-	(1,422)	(903)	(45)	-	-	(2,369)
Write Offs	0	-	-	-	-	-	-
At 31 December 2021	**29,150**	**26,559**	**19,141**	**8,038**	**-**	**28,034**	**110,922**
Net Book Value							
At 31 December 2021	**64,404**	**9,193**	**9,820**	**4,437**	**19,281**	**6,599**	**113,735**

Cost component of revalued property

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

	2022	**2021**
	GH¢'000	GH¢'000
Cost	106,650	13,052
Accumulated depreciation	(38,612)	(4,267)
	68,038	8,785

Disposal Schedule

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.

2022	Computers	Furniture & Equipment	Motor & Vehicle	Total
		GH¢'000	GH¢'000	GH¢'000
Cost	**184**	**-**	**-**	**184**
Accumulated depreciation	(184)	-	-	(184)
Net book value	**0**	**-**	**-**	**0**
Proceeds	**19,200**	**-**	**-**	**19,200**
Gain/(Loss) on disposal	**19,200**	**0**	**0**	**19,200**

2021	Computers	Furniture & Equipment	Motor & Vehicle	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Cost	**1,423**	**907**	**45**	**2,375**
Accumulated depreciation	(1,422)	(903)	(45)	(2,369)
Net book value	**1**	**5**	**0**	**6**
Proceeds	**0**	**260**	**10**	**270**
Profit/Loss on disposal	**-1**	**255**	**10**	**264**

None of the property,plant and equipment of the Bank had been pledged as security for liabilities and there were no restrictions on the title of any of the Bank's property and equipment at the reporting date and at the end of the previous year. Capital commitments not provided for in the financial statements as at 31 December 2022 was nil. (2021: Nil).

28. RIGHT OF USE ASSETS

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

2022	Rental space	Total
	GH¢'000	GH¢'000
Cost/Valuation		
At 1 January 2022 (Transfer from prepayment)	**261,970**	**261,970**
Additions	7,186	7,186
Effect of modification	(13,863)	(13,863)
At 31 December 2022	**255,293**	**255,293**
Depreciation		
At 1 January 2022	**111,415**	**111,415**
Charge for the year	32,955	32,955
At 31 December 2022	**144,370**	**144,370**
Net Book Value		
At 31 December 2022	**110,923**	**110,923**

2021	Rental space	Total
	GH¢'000	GH¢'000
Cost/Valuation		
At 1 January 2021 (Transfer from prepayment)	**255,276**	**255,276**
Additions	6,694	6,694
Termination of lease	-	-
At 31 December 2021	**261,970**	**261,970**
Depreciation		
At 1 January 2020	**71,751**	**71,751**
Charge for the year	39,664	39,664
At 31 December 2020	**111,415**	**111,415**

Net Book Value		
At 31 December 2021	**150,555**	**150,555**

29. CASH AND CASH EQUIVALENTS

	2022	2021
	GH¢'000	GH¢' 000
Cash	295,328	188,902
Bank Balance	1,588,204	723,884
14-Day/91-Day Treasury Bill	100,000	198,891
Cash and cash equivalent in statement of cash flows	**1,983,532**	**1,111,677**

Included in the cash and cash equivalent is an amount of GH¢ 100,000 (2021: 198,891) which has been disclosed as part of Investments Securities in Note 20.

Included in the bank balances above is a mandatory reserve deposits of GH¢703,782 (2021: GH¢394,197) with Bank of Ghana representing 12% the Bank's total deposits.

30. BORROWED FUNDS

	2022	2021
	GH¢'000	GH¢'000
Government of Ghana	68,556	65,324
Central Bank of Ghana	51,979	19,311
Other Financial Institutions	274,692	38,181
AFD/Rubber Phase IV and V	193,211	171,742
Total	**588,438**	**294,559**

2022	Government of Ghana	Central Bank	Financial Institutions	AFD/Rubber Phase IV&V	Total
Balance as at 1 January 2022	**65,324**	**19,311**	**38,181**	**171,742**	**294,559**
Additions	2,571	36,362	12,581,959	106,459	12,727,351
Interest	2,208	1,976	6,519	464	11,167
Payment	(1,547)	(5,670)	(12,351,968)	(85,454)	(12,444,639)
Balance as at 31 December 2022	**68,556**	**51,979**	**274,692**	**193,211**	**588,438**

2021	Government of Ghana	Central Bank	Financial Institutions	AFD/Rubber Phase IV&V	Total
Balance as at 1 January 2021	**65,440**	**11,988**	**46,673**	**189,072**	**313,173**
Additions	**908**	**6,333**	**606,004**	**5,519**	**618,764**
Interest	1,965	**990**	**799**	**59**	**3,813**
Payment	(2,989)	-	(615,295)	(22,907)	(641,191)
Balance as at 31 December 2021	**65,324**	**19,311**	**38,181**	**171,742**	**294,559**

30.a. 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:

Government of Ghana	2022	2021
	GH¢'000	GH¢'000
ADF Projects	50,404	46,510
EDAIF	2,835	3,600
AFD/MOFA	14,987	14,246
AfDB/KP.IRR. Projects	992	968

AFD/MOFA COCONUT DEV'T	(662)	-
Total	**68,556**	**65,324**

30.b Central Bank

These borrowings are for on-lending purposes. Interest rate ranges from 3% to 20% and maturity is usually long term.

	2022	2021
	GH¢'000	GH¢'000
IFAD SCIMP	1,958	1,839
IDA/BADEA	1,890	1,807
SMALL SCALE IRR.DEV PROJECTS	676	664
CFD Loan to GREL	381	373
IFAD/MEST Rural Ent.	534	534
IFAD /UWADEP	652	602
ADB/BADEA/BOVID	10,493	7,134
OVCF	196	6,357
FARM DIRECT	34,504	-
AFD/MOFA COCONUT DEV'T	695	-
TOTALS	**51,979**	**19,310**

30.c *Financial institutions*

These borrowings are for liquidity management purposes. Interest rate ranges from 15% to 30% and maturity is usually within one year.

Details of the borrowings from financial institutions are shown below:

	2022	2021
	GH¢'000	GH¢'000
EXIMBANK	-	20,980
GHANA ARM FORCES	92,273	-
SUNU ASSURANCE	1,452	-
GIFEC	10,329	-
GHIB	56,599	17,201
OMNIBSIC	9,146	-
UBA	87,469	-
ABG	17,152	-
OTHERS	273	-
Total	**274,692**	**38,181**

30.d *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:

	2022	2021
	GH¢'000	GH¢'000
AFD/Rubber Phase IV	**193,211**	171,742

31. DEPOSITS FROM CUSTOMERS

	2022	2021
	GH¢'000	GH¢'000
Savings Deposits	919,695	751,256
Demand and Call Deposits	4,416,691	3,537,070
Fixed/Time Deposits	528,465	638,890
Total	**5,864,851**	**4,927,216**

	2022	2021
	GH¢'000	GH¢'000
Customer deposits		
Maturity analysis of customer deposits		
From Government and Parastatals:		
Payable within 90 days	460,959	535,098
Payable after 90 days and within one year	328,706	258,944
	789,665	794,042
From Private Sector and individuals:		
Payable within 90 days	2,890,682	2,386,409
Payable after 90 days and within one-year	2,184,504	1,746,765
	5,075,186	4,133,174
Total	**5,864,851**	**4,927,216**

Twenty largest depositors to total deposit ratio is 19.47% (2021: 23.52%)

32. OTHER LIABILITIES

	2022	2021
	GH¢'000	GH¢'000
Expected Credit losses on contingent liabilities	7,860	1,728
Managed funds	3,298	9,846
Payables *	91,130	52,697
Provident fund	4,296	3,126
Statutory Deductions	2,639	1,694
Visa and Point of sales settlement	14,798	8,460
Accruals **	25,086	15,062
Staff long service awards (i)	2,507	3,383
Total	**151,614**	**95,996**
Current	36,728	21,100
Non-current	114,886	74,896
Total	**151,614**	**95,996**

Payables* consist of Payment orders and unclaimed credit items.
Accruals** comprise unpaid maintenance and utility expenses

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

	2022	2021
	GH¢'000	GH¢'000
Liability for staff awards at 1 January	**3,383**	**2,013**

Benefits paid by the plan	(124)	(113)
Past service cost	(774)	1,320
Expenses recognised in profit or loss	22	164
Liability for staff awards at 31 December	**2,507**	**3,383**

	2022	2021
Expenses recognised in profit and loss	GH¢'000	GH¢'000
Current Service Cost	643	383
Interest Cost	(621)	(219)
	22	**164**

Actuarial assumptions

The following are the principal assumptions at the reporting date.

Discount rate	21.01%	19.1%
General inflation rate	9.28%	10.4%

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

33. LEASE LIABILITY

	2022	2021
	GH¢'000	GH¢'000
As at 1 January	**162,820**	**181,824**
Additions	2,280.40	1,498
Modifications	(36,163)	-
Accretion of interest	7,211	7,724
Exchange difference	56,885	5,907
Payments	**(43,406)**	**(34,133)**
As at 31 December	**149,627**	**162,820**

The Bank's total cash outflows with regard to leases liabilities is GH¢43,406 (2021: GH¢34,660).

Future minimum lease payments under non–cancellable operating leases as at 31 December were as follows :

Maturity analysis of lease liability	2022	2021
	GHS'000	GHS'000
Within one year	29,690	33,984
After one year but not more than five years	115,183	144,648
More than five years	4,754	0
Total	**149,627**	**178,632**

34. STATED CAPITAL

Reconciliation

	2022		2021	
	No. of Shares	**Proceeds**	**No. of Shares**	**Proceeds**
Authorized:		GH¢'000		GH¢'000
Balance as at 1 January	**346,952,253**	**698,700**	**346,952,253**	**698,700**
Issued Shares	-	-	-	-
Balance as at 31 December	**346,952,253**	**698,700**	**346,952,253**	**698,700**

35. ACCUMULATED LOSSES

	2022	2021
	GH¢'000	GH¢'000
At 1 January	**(236,645)**	**(252,236)**

Transfer to credit risk reserve	(67,054)	(25,210)
Transfer to statutory reserve	(0)	(40,801)
Profit for the year	(371,280)	81,602
Total	**(674,978)**	**(236,645)**

36. REVALUATION RESREVE

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

	2022	2021
	GH¢'000	GH¢'000
At 1 January	57,531	57,531
Additions	86,871	0
Deferred tax	(21,718)	0
At 31 December	**122,684**	**57,531**

37. 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.

	2022	2021
	GH¢'000	GH¢'000
At 1 January	**182,015**	**141,214**
Transfer from Retained earnings	0	40,801
At 31 December	**182,015**	**182,015**

38. 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.

	2022	2021
	GH¢'000	GH¢'000
At 1 January	**178,298**	**153,088**
Transfer (to)/from Retained earnings	67,054	25,210
At 31 December	**245,352**	**178,298**

Reconciliation between Bank of Ghana impairment allowance and IFRS impairment

	2022	2021
	GH¢'000	GH¢'000
Bank of Ghana impairment allowance for loans and advances	757,359	641,374
IFRS Impairment for loans and advances at 31 December	(512,007)	(463,075)
Credit risk reserve at 31 December	**245,352**	**178,298**

39. FAIR VALUE THROUGH OCI

	2022	2021
	GH¢'000	GH¢'000
At 1 January	**58,356**	**52,326**
Fair value adjustment, net of tax (Note 38ii)	26,062	6,030
At 31 December	**84,417**	**58,356**

ii. 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:

	2022	2021
	GH¢'000	GH¢'000
Investment (other than securities)	**34,749**	**8,040**
Deferred Tax	(8,687)	(2,010)
Total	**26,062**	**6,030**

40. 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 recognized 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 2022 in respect of the above amounted to GH¢ 462,748 (2021: GH¢174,527), as detailed below:

	2022	2021
	GH¢'000	GH¢'00
Guarantees and Indemnities	49,851	33,702
Undrawn Overdraft	134,768	33,545
Letters of Credit	278,130	107,279
Total	**462,748**	**174,527**

40.1 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.

2022	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Grade 1-3: low fair risk	278,130	-	-	278,130
Grade 4-5	49,851	-	-	49,851
Grade 6	134,768	-	-	134,768
Grade 7	-	-	-	0
Grade 8	-	-	-	0
At 31 December 2022	**462,748**	**0**	**0**	**462,748**

2021	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Grade 1-3: low fair risk	107,279	-	-	107,279
Grade 4-5	33,702	-	-	33,702
Grade 6	-	-	-	0
Grade 7	-	-	-	0
Grade 8	-	-	-	0
At 31 December 2021	**140,982**	**0**	**0**	**140,982**

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

2022	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Gross carrying amount as at 1 January 2022	**140,982**	**-**	**-**	**140,982**
New assets originated or purchased	-	-	-	-
Assets derecognised or repaid (excluding write offs)	321,766	-	-	321,766
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	0
At 31 December 2022	**462,748**	**0**	**0**	**462,748**

2021	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Gross carrying amount as at 1 January 2021	**298,111**	**-**	**-**	**298,111**
New assets originated or purchased	-	-	-	0
Assets derecognised or repaid (excluding write offs)	(157,129)	-	-	(157,129)
Transfers to Stage 1	-	-	-	0
Transfers to Stage 2	-	-	-	0
Transfers to Stage 3	-	-	-	0
At 31 December 2021	**140,982**	**0**	**0**	**140,982**

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

2022	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Gross carrying amount as at 1 January 2022	**1,728**	**-**	**-**	**1,728**
New assets originated or purchased	0	-	-	0

Assets derecognised or repaid (excluding write offs)	6,132	-	-	6,132
Transfers to Stage 1	-	-	-	0
Transfers to Stage 2	-	-	-	0
Transfers to Stage 3	-	-	-	0
At 31 December 2022	**7,860**	0	0	**7,860**

2021	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Gross carrying amount as at 1 January 2021	**24,811**	**-**	**-**	**24,811**
New assets originated or purchased	-	-	-	-
Assets derecognised or repaid (excluding write offs)	(23,083)	-	-	(23,083)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
At 31 December 2021	**1,728**	-	-	**1,728**

40.3. CONTINGENT LIABILITY (GHS 000)

Pending Legal Claims

At the year-end there were 13 (2021: 14) legal cases pending against the Bank. Should judgment go in favour of the plaintiffs, likely claims against the Bank have been estimated at GH¢ 3,122 (2021: GH¢ 3,821). A provision of GH¢3,122 is held in the books

40.3 CONTINGENT ASSET

At the reporting date, there were no contingent asset (2021: Nil)

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 of the entity are as follows:

Shareholders

Name of shareholder	No. of shares in thousand	Percentage holding (%)
Financial Investment Trust	222,218	64.05%
Government of Ghana	74,579	21.50%
Ghana Amalgamated Trust PLC	39,077	11.26%
Others	11,078	3.19%
Total	**346,952**	**100.00%**

At 31 December 2021 the following amounts related to transactions with the Government of Ghana

	2022	2021
	GH¢'000	GH¢'000
Government Securities	1,316,584	2,400,655
Loans and Advances	891,141	59,727
Borrowings	68,556	65,440
Others	11,395	30,973

Associated Company

The Bank provides general banking services to its associated company. These transactions are conducted on similar terms to third-party transactions. There were no transactions with associated company during the period under consideration.

Details of investments in associated company are provided in Note 23.

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 of 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).

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	2022	2021
	GH¢'000	GH¢'000
Salaries and other short-term benefits	22,296	16,681
Social security contributions	2,238	1,145
Total	**24,534**	**17,826**

Remuneration of executive directors during the year amounted to GH¢ 2,003 (2021 GH¢1,447).

Details of transactions and balances between the Bank and Executive Directors and other key management personnel are as follows:

	2022	2021
	GH¢'000	GH¢'000
Loans		
Loans outstanding at 31 December	**3,100**	**2,363**
Interest income	145	124

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.

	2022	2021
	GH¢'000	GH¢'000
Deposits	18,266	11,149
Key Management's shareholding		
	No. of shares	% Holding
Key management	20,127	0.006

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:

	2022	2021
	GH¢'000	GH¢'000
Borrowings	56,599	17,201
Bank balance	31,342	14,705

Transactions with non- executive directors

	2022	2021
	GH¢'000	GH¢'000
Directors' remuneration		
Fees and allowances for services as directors	1,722	1,740

	2022	2021
	GH¢'000	GH¢'000
Deposits	18,266	11,149

Directors' Shareholding

At 31 December 2021, the past directors named below held shares in the Bank.

Directors	No. of shares	% Holding
Nana Soglo Alloh IV	54,800	0.00016
Daniel Asiedu	2,000	0.000006
Dr. Adu Anane Antwi	800	-
Total	**57,600**	**0.000166**

42. DEFINED CONTRIBUTION PLAN

	2022	2021
	GH¢'000	GH¢'000
Pension scheme, the National Social Security Fund	17,204	14,225
Provident Fund	9,975	8,238
Total	**27,179**	**22,463**

43. ASSETS PLEDGED AS SECURITY

At 31 December 2022 the value of government securities pledged as collateral was GH¢ 210,800(2021: 13,500)

44. COLLATERAL ACCEPTED AS SECURITY FOR ASSETS

At 31 December 2022 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¢ 120,393 (2021: GH¢70,200).

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 AND FINANCIAL RECOVERY 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. The Financial recovery levy became effective from January, 2021. 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

Percentage of gross non-performing loans ("substandard to loss") to total credit/advances portfolio (gross29.74% (202131.21%)

ii. Capital Requirement Directive (CRD)

The Capital Requirement Directive at the end of December 31, 2022 was calculated at approximately 7.36% (2021: 14.49%), which is below the minimum required by the regulator of 10 %. Also, the banks unimpaired unimpaired capital of GH¢206m is below the minimum capital of GH¢400m.

To bring relief to the banking sector following the GDDEP, the Central Bank has given banks up to three years to restore any diminution in capital arising from the program. Consequently, the board will engage shareholders for additional injection of capital to restore capital to pre-GDDEP levels where necessary. It is important to note the bank will be able to fulfil its obligations to depositors during the next 12 months.

iii. Liquid Ratio

Percentage of liquid assets to volatile liabilities: 86.11% (2021: 101.87%).

47. SUBSEQUENT EVENTS

There were material significant events after the reporting date that require disclosure in and adjustment to the financial statements for the year ended 31 December 2022. The Government concluded the Domestic Debt Exchange Program (DDEP) which was announced in November 2022 on 21st February 2023. The impact of the DDEP on the Financial Statements resulted in ECL of GHS 375million.

48 Adjustment for non-cash items

	2022	2021
	GH¢'000	GH¢'000
Depreciation and amortization	58,382	66,946
Impairment charge on financial assets	27,164	41,781
Impairment on other assets (investment and receivables)	375,147	-
(Gain)/loss on disposal of property and equipment	(19)	(264)
Net interest income	(422,317)	(480,326)
Total	**116,931**	**(371,864)**

48.1 Changes in operating assets and liabilities

	2022	2021
	GH¢'000	GH¢'000
Loans & advances	(959,466)	(420,232)
Other assets	(11,657)	9,490
Deposits from customers	925,263	642,739
Restricted cash	(13,471)	16,704
Other liabilities	49,485	29,943
Total	**(9,847)**	**278,645**

49. Default in statutory requirements and accompanying sanctions:

For the period under review, the bank did not record any statutory liquidity breaches and therefore did not incur any sanctions.

	2022	2021
	GH¢'000	GH¢'000
(i) Sanctions (GHS'000)	-	-
(ii) Default in statutory liquidity	-	-

Other regulatory breaches (including onsite examination)

	2022	2021
	GH¢'000	GH¢'000
(i) Sanctions (GHS'000)	-	374
(ii) Number of breaches	-	1

APPENDIX I

Value Added Statement	2022	2021
	GH¢'000	GH¢'000
Interest earned and other operating income	1,128,932	885,429
Direct cost of services	(675,414)	(412,736)
Value added by banking services	**453,518**	**472,693**
Non-banking income	6,745	12,412
Impairment	(430,212)	(41,781)
Value Added	**30,051**	**443,324**
Distributed as follows:		
To employees:		
Directors (without executives)	(1,722)	(1,740)
Executive Directors	1,447	1,447
Other employees	**(335,753)**	**(249,988)**
	(336,028)	**(250,281)**
To Government:		
Income tax	**(6,922)**	**(44,494)**
To providers of capital		
Dividends to shareholders	-	-
To expansion and growth:		
Depreciation	(48,372)	(53,477)
Amortization	(10,010)	(13,469)
	(58,382)	(66,946)
(Loss)Profit for the period	**(371,280)**	**81,602**

APPENDIX II

Shareholders' Information - Unaudited Number of Shareholders

The Bank had 446 ordinary shareholders at 31 December 2022 distributed as follows:

Category	No. of shareholders	No of shares	% of shares held
1-1,000	419	114,937	0.03
1,001-5,000	24	49,606	0.01
5,001-10,000	3	23,560	0.01
Above 10,000	13	346,764,150	99.95
Total	**459**	**346,952,253**	**100.00**

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

No.	NAME	NO. OF SHARES	%
1	FINANCIAL INVESTMENT TRUST	222,218,113	64.05
2	GOVERNMENT OF GHANA	74,579,327	21.50
3	GHANA AMALGAMATED TRUST PLC	39,076,924	11.26
4	ESOP	5,983,828	1.72
5	DOE, OSCAR YAO O. Y. D.	2,595,181	0.75
6	COFIE, MARK BLEWUNYO KODJO M. B. K. C.	2,100,629	0.61
7	NANA, SOGLO ALLOH IV	54,800	0.02
8	PARACELSUS PHARMACY & MARKETING CONSULTANCY LTD, P. P. M. C. L.	50,000	0.01
9	DOE, OSCAR YAO O. Y. D.	36,500	0.01
10	BONDZI-SIMPSON, LESLIE	26,600	0.01
11	MR, JOHN BEKUIN-WURAPA	20,000	0.01
12	GOGO, BENJAMIN AKUETE	12,000	0.00
13	LAING, ARCHIBALD FERGUSON	10,248	0.00
14	ARMAH-MENSAH, EDWARD IAN NII AYITEY E. I. N. A. A.	10,000	0.00
15	FIADJOE, ABLA GRACE A. G. F.	7,500	0.00
16	MARY EMMELINE SAAH, M. E. S	6,060	0.00
17	MR, ISAIAH OFFEI-DARKO	5,000	0.00
18	DUAH, EUGENE KWAKU	4,500	0.00
19	ODAME, DESMOND YAW DYO	3,424	0.00
20	OFFEI-DARKO, ISAIAH	2,500	0.00
	SUB TOTAL of TOP 20	**346,803,134**	**99.96**
	Others	**149,119**	**0.04**
		346,952,253	**100.00**

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OUR BANKING SERVICES

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- Sector Loans
- Working Capital Loans
- Asset Finance
- Trade Finance (Export & Import)
- Group Loans
- Lines of Credit
- Managed Fund
- Nucleus-Outgrower schemes
- Guarantees
- Institutionally Managed Farmers loans
- Agric Value Chain Financing

CORPORATE & COMMERCIAL BANKING
- Foreign Currency Account
- Schools and Colleges Account
- Business Overdraft
- Project Account
- 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
- Advance Payments
- Import Letters of Credit
- Import Bills for Collection
- Export Letters of Credit
- Export Bills for Collection

ADB BANCASSURANCE • INSURANCE
- Abusua Anidaso (Life and Funeral Policy)
- ADB Motor Insurance

MONEY TRANSFER
- Western Union
- MoneyGram
- Ria Money
- Unity Link
- Transfast
- Instant Money
- Zeepay

CONSUMER BANKING
- Current Account
- Savings Deposit Account
- Hybrid (Cedi) Current Account
- Local Transfer Payment
- Salary Account
- Personal Loans
- Personal Investment Plus (PIP)
- Controller (CAGD) Loans
- Pay Day Plus
- Mmofra Account
- Home-link Account
- ADB Collabo/Collasave
- Foreign Currency Account
- Foreign Exchange Account
- 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

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- ADB Payments Solutions
- ADB Internet Banking (QuicNet)
- ADB Merchant Acquiring (POS & E-Commerce)
- GhQR
- ADB USSD *767#
- ADB Alert Services (Quic Alert)
- ADB Visa Cards (Debit & Prepaid)
- Ezwich
- GH Link
- ADB Mobile Banking Application
- ADB Bill Payments (DSTV, GOtv, ECG & Passport)
- ADB Online Payment Solutions
- ATM Services

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Independence Avenue after Latter Days Saints Church
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Tel: 030-7001997
Email: customercare@agricbank.com

DANSOMAN BRANCH
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Tel: 030-2312414 / 030-2311636
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030 2506203 GPS: GA-289-5092
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Email: customercare@agricbank.com

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Tel: 055-9722793
GPS: GA-107-2442
Email: customercare@agricbank.com

Ashanti Region

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Near Bekwai Post Office & Police Station
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032-242035 / 032-2420357
GPS: AB-0000-8169
Email:customercare@agricbank.com

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

ADUM BRANCH
Nyarko Kusi Amoa Street, Near Central Prisons
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Kumasi Zongo, behind the Zongo Police Station
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NHYIAESO BRANCH
Kumasi Main Road, Nhyieso Roundabout, Nyarko Plaza 1
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GPS: AK-237-5343
Email: cgaamson@agricbank.com

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GPS: BO-0000-5543
Email:customercare@agricbank.com

ATEBUBU BRANCH
10 metres from the main Lorry station, On the Atebubu-Ejura Road
Tel: 032-2099568
GPS: BA-00005-3243
Email:customercare@agricbank.com

TECHIMAN BRANCH
Off the Techiman - Tamale Road, Near the Tamale Station
Tel: 035- 2522304 / 035- 2091080 /
035 -2091686 GPS: BT-0013-8877
Email:customercare@agricbank.com

Ahafo Region

KENYASI BRANCH
On the Kenyasi Road, Opposite the Kenyasi No.1 Police Station.
Tel: 035-2094858 / 035-2197828
035-2084594 GPS: BQ-0022-8978
Email:customercare@agricbank.com

GOASO BRANCH
On Goaso Road, 100 metres away from the lorry stationand adjacent to Glory Oil Filling Station.
GPS: BU-0003-1974
Tel: 035-2094370
Email:customercare@agricbank.com

KWAPONG BRANCH
Kwapong Main Road, Adjacent PBC Office
Tel: 032 -2034795
GPS: BV-0660-8420
Email:customercare@agricbank.com

Bono Region

SUNYANI BRANCH
Sunyani-Berekum Road, Near Sunyani Post Office and Opposite Telecom.
Tel: 0352025631 / 0352023107 /
0352027075
GPS: BS-0006-3520
Email: customercare@agricbank.com

BEREKUM BRANCH
Near the Berekum Training College and next to the Berekum Library.
Tel: 035-2222104 / 035-2222153
035-2222507
GPS: BB-0022-8879
Email: customercare@agricbank.com

DORMAA AHENKRO BRANCH
Near the Traffic light on the Dormaa main road
Tel: 035-2322251 / 035 -2322037
035 -2322165
GPS: BD-0002-2056
Email: customercare@agricbank.com


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Central Region

AGONA SWEDRU BRANCH
Opposite Calvary Crusaders Church, Off Swedru Street
Tel: 033-2093517/ 033-2192883
GPS: CO-0000-9131
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
GPS: CR-0008-8501
Email: customercare@agricbank.com

CAPE COAST MAIN BRANCH
Chapel Square opposite John Wesley Methodist Church
Tel: 031-7010094
GPS: CC-008-3558
Email: customercare@agricbank.com

KASOA BRANCH
Off the Bodweasi Road,
Near Nsaniya Secondary School
Tel: 055-2560717
GPS: CX-013-6878
Email: customercare@agricbank.com

MANKESSIM BRANCH
At Abochie area on the Ajumako road
Tel: 034-020 93017 / 034-209 3015
GPS: CM-0412-5849
Email: customercare@agricbank.com

UCC BRANCH
Near Casely – Hayford Hall, UCC Campus GPS CC-007-3155
Tel: 033-2131989
GPS: CC-143-7930
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
GPS: EE-1314-8792
Email: customercare@agricbank.com

KADE BRANCH
Off Okumaning Road, Adjacent GCB.
P.O.Box KD 31, Kade.
GPS: EK 0005-0093
Tel: 0302 963 285 / 0302 963 286
Email: customercare@agricbank.com

KOFORIDUA BRANCH
Opposite B. Foster Bakery, Off B Foster Road. GPS EN 0100-632
Tel: 034-2022739 / 034-2022235/ 034-2021048 GPS: EN-010-0736
Email: customercare@agricbank.com

NKAWKAW BRANCH
Off Nkawkaw-Kumasi Road ,Near Ghana Commercial Bank and Behind Total Filling Station.
GPS: EJ-0000-5072
Tel: 020-4345378 / 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: ES-0000-8212
Tel: 034-7070198 / 034-2522373 034-2522374
Email: customercare@agricbank.com

Northern Region

SAVELUGU BRANCH
5 minutes drive from Airport junction on the Salvelugu/Walewale road Or closer to Savelugu Hospital
Tel: 037-2095822 / 037209822 / 037209820 GPS: NU-0020-3873
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
GPS: NT-0003-5994
Email: customercare@agricbank.com

YENDI BRANCH
Left from SSNIT on Gushegu Road directly opposite Alhaji Baba mosque
Tel: 020-4345425 / 426 / 037-7010033
GPS: NY-0029-2275

TAMALE KALADAN
Off the Tamale – Kaladan Road
Tel: 037-2022061 / 037-2022014
GPS: NT-0020-7358
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.
Tel: 055-2559468
GPS: ND-00001-4206
Email: customercare@agricbank.com

Savannah Region

BOLE BRANCH
Wa Road, Near the SSNIT Office
GPS: NB-00013-0010
Tel: 0372-292172
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
Tel: 020-4581275 / 050-4851100
GPS: UA-0083-5128
Email: customercare@agricbank.com

NAVRONGO BRANCH
On the main commercial street on the UDS road share boundaries with Bencyn Pharmacy
GPS: UK-0007-8361
Tel: 038-2122200 / 038-2122 204
Email: customercare@agricbank.com

BOLGATANGA BRANCH
Opposite Jubilee Park.
GPS: UE-0002-8510
Tel: 038-2022321 / 038-2022439 / 038-202178
Email: customercare@agricbank.com

Upper West Region

WA BRANCH
Near SSNIT Office, Off WA main road
Tel: 039-2022095 / 039-2022090 / 039-2022342
GPS: XW-0006-6353
Email: customercare@agricbank.com

TUMU BRANCH
On Wa Main Road
Tel: 038-2092312
GPS: XS-00003-9114
Email: customercare@agricbank.com


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DENU BRANCH
Near E.P. Church, Off the
Denu - Adafianu Road
Tel: 036-0530313 / 036-2530613 / 036-2531210
GPS: VZ-0039-5125
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
GPS: VH-0002-9235
Tel: 036-2028250 / 036-2028284 / 036-2028289
Email: customercare@agricbank.com

HOHOE BRANCH
Close to the Bank of Ghana
and VODAFON office
GPS: VC-0000-0409
Tel: 036-2722027 / 036-2722008
Email: customercare@agricbank.com

JUAPONG BRANCH
Located on the Volta star textile
Limited (Juapong textiles) road
Tel: 034-2094299 / 034-2094376
GPS: VT-4198-6051
Email: customercare@agricbank.com

KPANDO BRANCH
Near Weto Rural Bank, Opposite
Kpando Ghana Commercial Bank
Near Weto Rural Bank, Opposite
Kpando Ghana Commercial Bank
GPS: VP-0006-3528
Tel: 036-2350939 / 036-2350942
036-2350941 / 0362350940
Email: customercare@agricbank.com

KPEVE BRANCH
Near Kpeve Market,
Off the Hohoe Road
GPS: VE-0007-9139
Email: customercare@agricbank.com

SOGAKOPE BRANCH
Near Volta View Hotel/Directly
opposite the main bus station,
Off Tema - Aflao Road
Tel: 030-2955386/396 / 020-820 5488
GPS: VU-000-0755
Email: customercare@agricbank.com

Oti Region

KPASSA BRANCH
Kpassa Township,
close to the Market
Telephone: 055 9747890
GPS: VO-0000-8483
Email: customercare@agricbank.com

NKWANTA BRANCH
Approximately hundred meters off the
main road (i.e. the Eastern Corridor).
Tel: 054-4338198 / 054-4338199
GPS: VO-00000-8683
Email: customercare@agricbank.com

Western North Region

ENCHI BRANCH
Adjacent Electricity
Company of Ghana.
Tel: 031-2622124
GPS: WA-00003-0414
Email: customercare@agricbank.com

SEFWI ESSAM BRANCH
Near Essam Lorry Station
Tel; 055 2673 058
Email: customercare@agricbank.com

BONSU NKWANTA BRANCH
Near Bonsu Nkwanta Market.
Tel: 032-2190715
GPS: WQ-3173-8051
Email: customercare@agricbank.com

JUABOSO AGENCY
Juaboso, close to the market
close to Fire Service
Telephone: 055 2569 492
GPS: WQ-0000-4041
Email: customercare@agricbank.com

SEFWI WIAWSO BRANCH
Opposite Sefwi Wiawso Police
Station at the end of the Municipal
Assembly Road.
Tel: 031-209 2093/0322-296 339
GPS: WG-0000-2686
Email: customercare@agricbank.com

Western Region

AGONA NKWANTA BRANCH
off Agona Nkwanta -Takoradi Road,
Opposite Champion Filling Station
or Police Station.
Tel: 033-2093517 / 033-292883
GPS: WH-0002-9770
Email: customercare@agicbank.com

TAKORADI BRANCH
Harbor Road, Next to GCB Bank.
GPS: WS-406-2512
Tel: 031-2023511/ 031-2029060/68/49
Email: customercare@agricbank.com

TAKORADI MARKET CIRCLE BRANCH
Locate us on the Collins Street
Ameen Sungari Building beside
Grovy Spot
GPS: AM 29 Collins Street
WS-245-7732
Call 059 3845 659 • 059 3845 673
Email: customercare@agricbank.com

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Tei: 030-3962913
GPS: WH-0254-8493
Email: customercare@agricbank.com


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PROXY

I/We____

__________________________of____being

member(s) of Agricultural Development Bank Plc hereby appoint _________________________________or failing him, DAASEBRE AKUAMOAH AGYAPONG II, Chairman of Agricultural Development Bank Plc, 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 August 9, 2023 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 receive and consider the financial statements of the company for the year ended December 31,2022 together with the reports of directors and auditors thereon				
2. To re-elect the following directors retiring by rotation under the Companies Act 2019 (Act 992): i. Daasebre Akuamoah Agyapong II ii. Prof. Eric Yirenkyi Danquah iii. Hon.Alhaji Habib Iddrisu	2(i) 2(ii) 2(iii)			
3. To authorise the directors to fix the remuneration of the auditors for the financial year ending December 31,2023	3			

Dated this _____________________________ day of ____________________________ 2023

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 DAASEBRE AKUAMOAH AGYAPONG II, 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 within 48 hours before the meeting.