UBA
United Bank for Africa

UBA Ghana
2022 Annual Report

Table of Contents

1

A brief review of the Bank's Financial and Operational Achievements in 2022

2

Analysis of UBA's Business Divisions, Risk Management Framework, Our People, Culture & Diversity.

3

Review of UBA's impact on its poeple and communities

4

UBA's Directors, and executive managment team and their functions; implementing the best standards of corporate governance

5

UBA's commitment to effectively communicate with its shareholders

6

UBA's commitment to effectively communicate with its shareholders

7

A Directory of UBA Offices, ATM locations, Subsidiaries and Correspondent Banks Worldwide.


UBA
United Bank for Africa
The success of your business over seas heavily depends on your local partner
UBA is prepared to deliver a wide variety of quality services including:
· Letter of credit
· Import bills for collection
· Import financing
· Export
· Export letter of credit advising
· Export letter of credit safekeeping.
· Export letter of credit confirmation
· Pre-shipment export financing
· Letter of credit checking and negotiation
· Export bills for collection
For further information, please contact our 24/7 Customer Fulfilment Centre on
+233 (0)30 263 4060 08008 33833 (Toll free) cfcghana@ubagroup.com

Business Overview

1

Welcome

Leading the industry with ground-breaking bespoke solutions.

Dear valued customers and stakeholders,

It is with great pleasure that we present to you the financial report of the United Bank for Africa (Ghana) Ltd for the 2022 fiscal year. As a leading bank in Ghana, we are committed to providing transparent and accurate information about our financial performance.

We are pleased to report that UBA Ghana marked another remarkable year and has continued to grow to achieve results despite the challenging economic environment. Our commitment to responsible lending practices, innovation, and excellent customer service has enabled us to remain resilient and continue to deliver value to our customers and shareholders.

Our focus to deliver excellent customer experiences to our cherished customers was rewarded when the Bank was adjudged the best in Customer Experiences by KPMG in their annual Ghana Banking Industry Customer Experience (BICX) survey. This is underpinned by our Customer First (C1st) Philosophy which has become part of the culture of the Bank. We dedicate this achievement to you, our cherished customer.

We continue to add to our branch network with the Ashaiman Business Office. Our innovation and transformation agenda is also firmly on course and we shall continue to lead the industry in this area with ground-breaking bespoke solutions.

Our mantra in UBA version 4.0 is Execution. We want to go beyond ourselves to delight you. **Execution for us at UBA means, getting it done, getting it done now, and getting it done very well. We will continue to execute.**

In this report, you will find detailed information about our financial performance, including our income statement, balance sheet, and cash flow statement. We have also included a discussion of the economic conditions that have impacted our operations, as well as our strategic initiatives and plans for the future.

As the Africa Global Bank with presence in 20 countries in Africa, the USA, the UK, France and UAE, we are poised to offer you the best financial solutions that meet your needs. We have a targeted approach to every situation and therefore make your banking experience special.

We believe that transparency and accountability are critical to building trust with our stakeholders, and we are committed to maintaining the highest standards of financial reporting.

Thank you for your continued support and trust in the United Bank for Africa Ghana Ltd. We look forward to serving you and helping you achieve your financial goals.

BUSINESS & FINANCIAL HIGHLIGHTS

01
GROSS EARNINGS
977.4m
2021 : 638m

02
PROFIT BEFORE TAX
91.2m
2021 : 218m

03
PROFIT AFTER TAX
59.6m
2021 : 141m

04
TOTAL ASSETS
6.2b
2021 : 5,373m

05
CUSTOMER DEPOSITS
4.7b
2021 : 4,075m

06
LOANS
1.5b
2021 : 1,032m

Global Network

America, Europe, Asia

New York
London
Paris
Dubai

Africa

Benin
Burkina Faso
Cameroon
Côte D'ivoire
Congo Brazzaville
Congo DRC
Gabon
Ghana
Guinea
Kenya
Liberia
Mozambique
Liberia
Mali
Nigeria
Senegal
Sierra Leone
Tanzania
Tchad
Uganda
Zambia

Chairman's Statement

United Bank for Africa Ghana Ltd maintained strong financial performance. For the year under review, net operating income increased by 51.8 % from GH¢449.5 million to GH¢682.1 million

Opening Address and Greetings

It is with great pleasure I present to you the Annual Report and Accounts of United Bank for Africa Ghana Ltd for the financial year ending 2022, in which we demonstrated how we continue to create sustainable growth and stakeholder value amidst an extraordinary year. On behalf of the Board of Directors, I would like to extend my sincere greetings and appreciation to all our valued customers and shareholders for their continuous support and commitment towards the growth and success of the bank.

This year, despite the headwinds from the continued effects of the Covid-19 pandemic, the Government of Ghana Domestic Debt Exchange Programme and the Russian – Ukraine war, the Company has delivered relatively outstanding results while putting ourselves in a strong position

Mr. Kweku Andoh Awotwi
Board Chairman

> For the second year running, we saw strong performance for net trading and revaluation income. Net trading and revaluation income increased by 70.7%, a remarkable improvement on the 22.8% increment in 2021. This is a testament to the prudent treasury operations despite volatile markets and cedi.

to achieve our goals and objectives of industry leadership going forward. Allow me to go in-depth in the following paragraphs.

The Global and Local Economic Environment Highlighting Opportunities and Challenges

The financial year 2022 was marked by significant global and local economic challenges, which impacted our operations and performance.

Global growth slowed in 2022 to 3.2%, more than 1 percentage point weaker than expected at the end of 2021. This was mainly the result of a cost-of-living crisis across many countries across the globe. The year was characterized by rising inflation largely driven by an increased cost of energy and food. Few would have predicted that we would be contending with almost unprecedented economic and geopolitical uncertainty, with looming threats of a potential global recession. In Emerging Market and Developing Economies (EMDEs), growth conditions weakened on account of tightened global financing conditions, dampened external demand and moderated consumer spending as inflation rose.

On the local front, the Ghanaian economy faced exceptional challenges culminating in the country going for an IMF programme with the corresponding conditionalities, the most impactful of which was the Government of Ghana's Domestic Debt Exchange Programme. Headline Inflation hit a record 54.10% in December 2022 from 12.60% in December 2021 driven by both demand pressures and supply shocks. In response to the rising inflation, the Bank of Ghana increased the policy rate from 14.50% in December 2021 to 27.00% in December 2022. On the currency front, the cedi depreciated against all three main trading currencies. The cedi depreciated by 42.8%, 26.9% and 33.9% against the US dollar, Pound Sterling and Euro respectively in 2022.

These unfavourable conditions were largely reflected in the banking sector, with inflationary pressures leading to the rising cost of credit and revaluation-driven balance sheet performance. As a result, the performance of the sector moderated compared with December 2021, with some key Financial Soundness Indicators (FSIs) recording significant declines. Banking sector profits declined, driven by mark-to-market losses on investments, higher impairments on investment securities, loans, and rising operating costs.

The Bank's Financial Performance

I am pleased to report that despite the economic challenges, United Bank for Africa Ghana Ltd maintained strong financial performance. For the year under review, net operating income increased by 51.8 % from GH¢449.5 million to GHS¢682.0. The increase in net operating income is mainly due to a conscious effort to increase risk assets which saw an increase in Gross Loans and Advances by GH¢581.1 million (from GH¢1,135.1 million to GH¢1,716.2 million) representing a 51.2% increase.

For the second year running, we saw strong performance for net trading and revaluation income. Net trading and revaluation income increased by 70.7%, a remarkable improvement on the 22.8% increment in 2021. This is a testament to the prudent treasury operations despite volatile markets and cedi.

Our strong operational performance notwithstanding, profit before tax declined by 58.3% (from GH¢281.8 million in 2021 to GH¢91.2 million in 2022), largely as a result of significant impairment losses resulting from the Government of Ghana's Domestic Debt exchange program. Our impairment losses for the period increased by a total of GH¢311.4 million out of which GH¢282.1 million, representing 90.6%, is an impairment on Government of Ghana securities.

As evidence of the resilience of our business model and healthy balance sheet, the bank remains liquid and well capitalized in the face of the phenomenal challenges which have been experienced during the year. The bank ended 2022 with a capital adequacy ratio of 20.20% and a liquidity ratio of 75.40% putting us in a strong position to take advantage of opportunities that may arise in the future.

Our achievements were made possible by our commitment to providing exceptional services to our customers, our robust risk management systems, and our focus on digital banking solutions. We continue to invest in cutting-edge technology to improve our customer experience while remaining innovative and adaptable to market trends.

Global Outlook

In the year ahead, one will not have to look far to see continuing headwinds. The global economic outlook remains uncertain. Central banks are expected to continue to tighten monetary policy reflecting persisting price pressures and the need to prevent high inflation from becoming entrenched. However, with global economic growth slowing, energy and food price inflation subsiding, and monetary tightening by most of the major central banks increasingly taking effect, consumer price inflation is expected to moderate. However, rising policy rates in the advanced economies and persisting inflation pressures limit the room for policy manoeuvre in most emerging-market economies.

On the domestic front, the Government of Ghana has reached a Staff Level Agreement (SLA) with the IMF which spells out measures that will put the fiscus on the path of consolidation. Consistent with the SLA was the 2023 Budget which has been passed by parliament and frontloads the consolidation efforts. Key expenditure measures will also be pursued to support the fiscal consolidation process.

The Bank of Ghana has also implemented measures to help contain the sharp rise in inflation and depreciation of the cedi. The Bank also announced some policy reliefs to support the banking sector.

Looking ahead, while many warning bells continue to be sounded, we the Board are committed to delivering sustainable growth and profitability while providing exceptional services to our customers. We are well-positioned to take advantage of the opportunities presented by the Ghanaian economy, and we will continue to make strategic moves to enhance our operations and service delivery.

Appreciation

I would like to express my appreciation to the management and staff of United Bank for Africa Ghana Ltd for their hard work, commitment, and dedication towards the growth and success of the bank. Their unwavering commitment to delivering excellent services to our customers, even in the face of unprecedented challenges, has been remarkable, and I am confident that together we will achieve our set objectives.

In conclusion, I would like to thank our shareholders, customers, and stakeholders for their continued support and confidence in United Bank for Africa Ghana Ltd. We remain committed to delivering exceptional services and value to our stakeholders, and we look forward to achieving greater success in the years ahead.

Thank you.

Chief Executive's Review

Our main focus for 2023 and beyond is to concentrate on areas we can improve that would allow us to respond more effectively to our operating environment.

I am honoured to present the financial performance of UBA Ghana for the year ended December 31, 2022

In our quest to become a leading and dominant financial institution in Ghana and a bank of choice for both employees and customers, I am pleased to report significant success and growth of our shareholders' wealth. All of these were made possible through the relentless effort of our staff and various stakeholders.

In my role as the MD/CEO, it has become increasingly clear to me that though the banking industry remains an attractive sector, it is entering a period of significant changes bringing both opportunities and challenges.

Recent Economic Developments

GDP growth is estimated to have slowed to 3.2% in 2022, down from 5.4% in 2021. High inflation and

Chris Ofikulu
Managing Director/Chief Executive Officer

interest rates depressed private consumption and investment. Government demand was weakened by a lack of access to capital markets and high debt service obligations.

The 2022 fiscal deficit was well above target. The overall fiscal deficit (on a cash basis) reached 9.9% of GDP against a target of 6.7%.

Inflation accelerated throughout the year. In 2022, average CPI inflation was 31.5%, (up from 10% in 2021) and reached 54.1% in December (year on year). The Bank of Ghana (BOG) responded by increasing the monetary policy rate from 14.5 to 28 % over the year. However, these efforts were undermined by the government's extensive borrowing and spending.

Overall, the balance of payments recorded a deficit of 5% of GDP, from a surplus of 1.9% in 2021. As a result, international reserves fell to $5.6 billion (2.5 months of import) in December 2022 from $9.1 billion (4.2 months of import) a year earlier. After remaining stable in 2021, the Cedi lost over 40% of its value against the US dollar in 2022.

Banking sector vulnerabilities have increased because of the cedi depreciation and the impact of a Domestic Debt Exchange (DDE) concluded in February 2023. Implementation of the DDE will impact Ghana's financial sector due to the heavy exposure of banks, insurance companies and pension funds to government debt. It is estimated that 42.1% of government domestic debt is held by these entities.

Economic Outlook

Growth is expected to slow further to 1.6 % in 2023 and remains muted in 2024, before returning to its potential.

The main risks to the outlook are related to delays by the government in reaching an agreement with external creditors on external debt restructuring and delays in concluding the IMF program under preparation, increased financial sector vulnerabilities, and the realization of contingent energy sector liabilities.

Financial Performance

Despite the macroeconomic volatility in the global and national environment, UBA Ghana posted an outstanding performance in 2022.

Overall, the bank closed the year with a significant growth of 16% of its balance sheet (from GHS5.4 billion in 2021 to GHS6.2 billion in 2022).

As part of our commitment to create value for our shareholders, the bank increased its Shareholders' funds from GHS 1.13 billion in 2021 to GHS 1.19 billion in 2022, representing a 5.2% growth rate. The Bank grew customer deposits by 16% in 2022 to GHS 4.7billion (from 4.1billion in 2021). The bank recorded a profit before tax of GHS91 million despite additional provisions of GHS 267 million occasioned by the Government of Ghana Domestic Debt Exchange Program. The continued prudent, effective and efficient risk management measures implemented by the Bank caused Non-Performing Loans to reduce significantly to 15.8% (from 29.4% in 2021). The bank's liquidity ratio reduced from 86.9% in 2021 to 75.4% in 2022, indicating that the balance sheet is still strong and healthy in spite of the challenging operating environment.

We believe this exceptional performance, in the face of challenges in the macroeconomic environment, puts the bank on a firm foundation for the year 2023 and beyond.

The Future

Our main focus for 2023 and beyond is to concentrate on areas we can improve that would allow us to respond more effectively to our operating environment. This would allow us to focus on delivering improved performance and achieve better returns for shareholders over both the short and long term, as well as broaden our contribution to society as a whole.

To achieve the above, we will need to invest efforts and commitments to certain factors, namely:

1. Constantly leveraging technology and innovation to ensure excellent and timely customer service delivery to our customers.
2. Driving efficiency in all our processes by streamlining all processes to provide faster, more convenient and seamless service to our esteemed customers, ensure value for money and eliminate waste.
3. Developing our human capital by enhancing people productivity which would lead to an increase in social well-being, increased productivity, and improved rates of participation, all of which contribute to the growth of the Bank.
4. Strict adherence to regulatory and internal corporate and compliance policies and guidelines.
5. Building and maintaining strong key stakeholder relationships across board.

Conclusion

We will continue to work hard to strongly transform our banking operations and simplify our processes. We remain committed to building a global bank that serves the needs of our cherished customers while making an impact in the communities we operate.

I am most grateful to our valued customers for their commitment and loyalty to the Bank over the years. I appreciate you our customers for affording us the opportunity to be of service to you. I am grateful to the Board of Directors for their leadership and oversight. I want to say thank you to the Management Team and the entire staff of UBA Ghana for their dedication to service and loyalty to the Bank. We will continue to invest heavily in the development and welfare of our staff with the view of delighting customers.

We remain committed to continually moving UBA Ghana's performance to higher levels.

We would continue to serve our customers and stakeholders better, and meet their expectations especially being in a highly competitive service industry with homogenous products and near similar technology, where the only differentiating factor is excellent customer service.

We continue to remain true to our values and our purpose: to enterprise, execute and maintain excellence.

Business Review

Corporate Profile
Insights on the EMDOs Business
Our Digital Banking Drive
Our People, Culture & Diversity

2

Corporate Profile

United Bank for Africa Plc

January 2005, a pioneering year for United Bank for Africa (Ghana) Ltd, as the bank chartered a new path of entry into Ghana, birthing a new generation of foreign banks and changing the landscape of relationship banking.

The vision and strategy of Pan-Africanism was simultaneously birthed by United Bank for Africa (UBA) Plc which until that moment was simply a leading financial service bank operating in all regions of Nigeria. When the subsidiary in Ghana was created, UBA then grew into group status in Sub-Saharan African region, now with presence in 20 African countries: Ghana, Benin Republic, Cote d'Ivoire, Burkina Faso, Guinea, Chad, Cameroon, Kenya, Gabon, Tanzania, Zambia, Uganda, Liberia, Sierra-Leone, Mozambique, Senegal, Congo DR, Congo Brazzaville, and Mali, as well as United States of America, United Kingdom, France and United Arab Emirates. 2005 was truly historic for UBA as it was in this same year it completed one of the biggest mergers in the history of Nigeria's capital markets with the business combination of Standard Trust Bank (STB) Plc and the then United Bank for Africa.

The origin of UBA dates back to 1949 when it was first referred to as the British and French Bank Limited (BFB). It took over the assets and liabilities of BFB and was incorporated as a limited liability company on 23 February, 1961 under the Compliance Ordinance (Cap 37) 1922.

UBA was the first Nigerian bank to make an Initial Public Offering (IPO), following its listing on the Nigerian Stock Exchange (NSE) in1970. It was also the first bank to issue Global Depository Receipts (GDRs).

Who We Are

"We work for one of the strongest and most successful financial services institutions in Africa. Our bank, the United Bank for Africa and our brand have grown significantly and require no introduction across our Continent. We should be proud of what we have achieved.

UBA is a full financial service institution offering a plethora of unique banking products and services. As Africa's global bank, UBA Ghana has developed a branch footprint and delivery network that has ensured that the bank's services are always within the reach of valued customers. In line with the bank's positioning statement and strategic intent, UBA Ghana has a footprint of 29 fully networked branches, 2 agencies and close to 60 visa enabled ATM's spread across Accra, Tema, Tarkwa, Tamale, Takoradi, Kumasi, and Aflao.

What We Do

United Bank for Africa (Ghana) Ltd, is a subsidiary of the United Bank for Africa Plc which is one of Africa's leading financial institutions with assets in excess of US$23 billion and offering services to more than 10 million customers across 850 branches and over 2000 ATMs in 20 African countries.

The bank's goal is simple. Excellent Service ...Delivered. We have interrogated ourselves, our processes and the evolving internal and external environments. We have challenged who we are, what we want to be known for and how we want to do business. This exercise, has given us a Corporate Goal: 'Excellent Service...Delivered'.

To deliver this, we have fundamentally refined our Core Values, to ensure our commitment to deliver:

Enterprise. Excellence. Execution (EEE).

These values will drive all our actions towards our internal and external customers. Since August 1, 2016, we have directed efforts in the three critical areas:

- Deployment of customer focused IT systems
- Re-engineering our processes to speak to what the customers really need; and
- Creating a workforce of engaged and productive People.

Our People:

People are central to our Corporate Strategy.

Our Processes:

Our Processes speak to how we serve our customers. We are challenging the status quo, to completely align our processes ground-up from the customer's perspective.

Our Technology:

We have continued to increase investment in Information Systems (IS) and Digital Banking Channels reliability to attain overall positive customer experience.

With presence in New York, London, Paris, and Dubai, UBA is connecting people and businesses across the world through retail and corporate banking and our innovative Africa Trade Platform.

UBA Plc has been rated by "the Financial Times Magazine" as one of the five African banks in the top global 500 banks and the second fastest growing brand in the world and by the Boston Consulting Group as one of the top "40 African Challengers" on account of globalization, workforce and asset diversity, cash flow and leverage ratio.

UBA VISION

To be the undisputed leading and dominant financial services institution in Africa.

UBA MISSION

We shall be a role model for African businesses by creating superior value for all stakeholders; abiding by the utmost professional and ethical standards and building an enduring institution

CORE VALUES

Our corporate identity rests on our core values. These values are: **Enterprise. Excellence. Execution**

United Bank for Africa (Ghana) Ltd.

Our objective has been to become Africa's leading and most respected Pan African bank. Our purpose is to be where the growth is, connecting customers to opportunities. We have engaged businesses to discover their potential and to prosper, by helping people fulfill dreams and realize their ambitions. We have developed the primary strategy of our Parent company into our own secondary and tertiary strategies that reflect our purpose and distinctive advantage:

To be a fully automated network of business offices connecting Ghana to Africa and the world. We are well positioned to capture intercontinental trade and to be the conduit for capital inflows. Our reach and range of services place us in a strong position to serve clients as they grow from small enterprises into diverse businesses all over Ghana and Africa.

To combine sound financial management with a delicate mix of some embryonic and some maturing wholesale and retail banking on a local scale with a global view: we aim to make the most of opportunities arising from the developing economy we deal in along with the demographic changes in our dynamic industry sectors. We will study the pace carefully and deal in full-scale private and public sector markets and businesseswhere we can achieve profitable margins at varying levels.

As the flow of goods, agriculture, oil and gas services as well as trade continues to expand, driven by the new FinTech revolution of mobile money, digital and virtual banking and technology, we in turn expect to be within and amongst the top tier in Ghana, becoming strong enough to be termed a Systemically Important Bank.

The growth of our industry is bringing the people of Ghana into the global middle class, and United Bank for Africa (Ghana) is one of the few truly Pan African banks with the financial backing as well as trade and capital flows that can connect our customers to the fastergrowing and developed markets. We have a diversified banking model that supports a strong capital and funding base, reduces our risk profile and volatility, and generates stable shareholder returns. These are distinctive competitive advantages that the Bank will bring to its customers, going forward.

Insights on the EMDOs Business

EMDOs is an acronym for Embassies, Multilateral and Bilateral Donor Organisations. The players in this segment play a significant role in addressing Africa's developmental challenges mainly through grants, technical assistance and debt financing of developmental programs in order to alleviate poverty, improve quality of life as well as promote economic development in line with Sustainable Development Goals of the United Nations.

As Africa's global bank with international and, pan-African footprint, UBA is well poised to become the bank of choice for inflow of Official Development Assistance (ODA) through the different embassies, multilateral and donor organisations. Our interest in the EMDO business stems from the passion we have about Africa's development coupled with the unique banking solutions we can deploy to the EMDO community in the pursuit of Sustainable Development Goals.

Our wide footprint in Africa and unique presence in major financial cities in the world are factors that give UBA a competitive advantage as we are closer to the EMDO community locally and globally. We also have the UBA Foundation through which we can achieve further social impact and enter into strategic partnerships within the EMDO community that competitors don't have and this ultimately leads to being able to deliver to the last mile.

COVID -19 introduced challenges to the business but, also presented new opportunities in the EMDO space as EMDO institutions now realise the importance of digital banking solutions. UBA is leveraging this opportunity to differentiate itself by continuing to invest in the digital infrastructure as well as innovative services that would ensure uninterrupted service within the EMDO space.

Insight on the Public Sector Business

Ghana's Public Sector is segmented into MDAs, MMDAs and SOEs.

There are over thirty (30) Ministries and Quasi-Ministries and 216 administrative district in Ghana.

Departments and Agencies are the organizations through which the various Ministries execute their functions.

The list is made up of about 100 departments and agencies and our focus is on the departments and agencies that generate some significant funds internally.

Transformation of public sector collections to cashless and digitalization has opened up government collections through Ghana.Gov platform.

SOL challenges with funding of GoG loan restricting direct funding and opening up industry to loan syndication by banks.

Single treasury policy still restricts business development with ministries and government agencies.

UBA: Your Regional Trade Anchor for Corporate/ Commercial Banking

UBA is a leading facilitator of regional trade solutions in the banking industry. Our self-developed platform, Afritrade, provides a unique channel for both export proceeds collection and import bills payments across the sub-region, using the respective currencies of CFA (XOF/XAF) and GHS.

As part of the pilot banks for the Pan African Payment Systems Solutions (PAPSS) initiative, UBA has successfully completed transactions to and from the platform across pilot locations. This makes UBA a strong candidate for promoting Intra- African Trade.

We also offer efficient cross-border remittance services through our Africash and UBA Connect platforms, supporting both traders and individuals in their movement of goods and services around the continent. With these platforms, it's easy to receive and send funds, as well as lodge and withdraw funds, regardless of where an account is domiciled, as long as UBA has presence.

At UBA, we understand that trade is a key economic indicator, and as a regional bank, we are committed to serving our customers and facilitating both regional and international trade transactions.

Our Digital Banking Drive

UBA Ghana Limited understands the changing needs and preferences of our customers and is committed to providing them with a seamless banking experience across all touchpoints. With the increasing adoption of digital channels, we have adopted Omni channel enabled solutions to deliver a consistent and personalized experience to our customers.

As a leading financial institution in Ghana with a track record industry first innovative banking solutions; our objective is to always be the best in class technology to deliver bespoke services to our cherished customers.

Our dominance in the digital banking space is evidenced in our numerous awards including being recognized as the number one bank in retail customer experience by the highly rated KPMG Annual Customer Experience Report for 2022.

Omni-Channel Banking at UBA Ghana Limited:

At UBA Ghana Limited, we have embraced an Omni channel approach to banking, allowing our customers to interact with us using multiple channels such as mobile, online, ATM, branch, and social media. We have invested in Omni channel enabled solutions that enable us to integrate our various channels and provide a seamless experience to our customers.

Our Omni-Channel Enabled Solutions:

We have invested in several omnichannel enabled solutions to achieve our goal of delivering a seamless and personalized banking experience to our customers. These solutions include:

Customer Relationship Management (CRM) Systems: Our CRM systems allow us to track customer interactions across all channels, enabling us to provide a personalized experience to each customer. We can understand customer needs and preferences, and tailor our offerings accordingly.

Integrated Banking Platform: Our integrated banking platform allows customers to access their accounts, complete transactions, and interact with us using any channel they prefer. We have integrated our various channels, such as mobile, online, and ATM, into a single platform.

Chatbots and Virtual Assistants: Our chatbots and virtual assistants Leo provide customers with instant assistance and support across all channels, including social media. These tools use natural language processing and machine learning to understand customer queries and provide relevant responses, improving the overall customer experience.

This industry best channel provides real time hyper personalized transaction processing capabilities ranging from account opening, both Intra Bank and Interbank Transfers, intuitive recurrent payments capabilities and cross rail payments like Bank to Wallet transfers to all networks.

Leo is available on Facebook Messenger, Apple Business Chat, Instagram and WhatsApp.

Analytics and Insights: We use analytics and insights tools to track customer behavior across all channels, enabling us to identify patterns and trends. This information can be used to improve customer engagement and develop targeted marketing campaigns.

Benefits of Our Omni-Channel Enabled Solutions:

Our omnichannel enabled solutions provide several benefits to our customers and us, including:

Improved Customer Experience: Our omnichannel enabled solutions provide customers with a seamless and personalized experience across all touchpoints, improving customer satisfaction, loyalty, and retention.

Increased Efficiency: By integrating our various channels, we have reduced duplication of effort and streamlined our operations, resulting in increased efficiency and cost savings.

Competitive Advantage: Our omnichannel enabled solutions differentiate us from our competitors by offering a superior customer experience.

Conclusion:

UBA Ghana Limited is committed to delivering a seamless and personalized banking experience to our customers. Our investment in omnichannel enabled solutions has enabled us to achieve this goal, improving customer satisfaction, increasing efficiency, and gaining a competitive advantage. We will continue to invest in these solutions to meet the changing needs and preferences of our customers and remain a leader in the banking industry

Service and Innovation

Background

The Customer Experience collaborates with other Bank departments to ensure consistent delivery of outstanding experiences for customers and stakeholders, impacting business operations.

Our top priority is satisfying our customers' needs, and we are fully committed to prompt and innovative responses. Exceptional service is our unwavering commitment to our customers.

Highlights

Customer Experience

UBA Ghana recognizes the importance of Customer Experience (CX) in realizing its vision of becoming the leading financial services institution in Africa. To ensure a seamless experience across all touchpoints, the Bank established key teams under the Customer Experience unit to proactively identify customer expectations.

The Service Management team champions and evaluates service quality across the branch, ensuring employee feedback is considered in driving customer satisfaction. The Experience Design and Innovation team assesses user experience across digital channels and reengineers internal processes for a seamless experience.

The Bank is committed to improving service quality and providing an exceptional experience for all customers, and feedback from customers and employees drives change within the organization. Several initiatives were implemented during the year to fulfill this mandate.

KPMG Ghana BICX Survey 2022 acknowledges UBA Ghana's exceptional customer experience.

UBA Ghana has achieved significant progress in its mission to deliver excellent customer experience, according to the KPMG Ghana Banking Industry Customer Experience (BICX) Survey for 2022. The bank has been recognized as the top-performing bank in the survey, which assesses the banking experiences and expectations of Retail, SME, and Corporate Banking customers. The survey measures customer experience across six pillars, including Integrity, Empathy, Resolution, Personalization, Time and Effort, and Expectations.

Out of the 23 banks that participated in the survey, UBA Ghana emerged as the leading bank with a score of 81.40%. This recognition affirms the bank's unwavering commitment to prioritizing the needs and expectations of its customers, ensuring they are met and exceeded.

UBA Ghana's top ranking in the KPMG BICX survey underscores the bank's dedication and hard work in providing top-notch customer service. It is a testament to the bank's continuous efforts to improve its customer experience and meet the highest standards of service. Moving forward, UBA Ghana will continue to build on this achievement and reinforce its commitment to delivering exceptional customer experience.

Voice of Customer Programme

To ensure customer opinions and feedback are gathered and serve as the foundation for enhancing initiatives, the Voice of Customer Programme was broadened. This involved integrating a survey link into customer transaction alerts and uploading it on the Bank's website to demonstrate the Bank's eagerness to hear from customers.

Throughout the assessment period, the Bank achieved an 88% average overall satisfaction rate and a 48% Net Promoter Score, indicating a large percentage of customers willing to recommend the Bank's services to their loved ones.

The programme generated numerous process improvement initiatives, such as offering customers the option to self-enroll on Internet Banking, implementing an autonomous request monitoring platform, introducing welcome and birthday messages for new and existing accounts, and enhancing responsiveness across all points of contact.

Customer 1st Anniversary

The Bank marked its sixth anniversary after redefining its commitment to customers with the Customer 1st (C1st) Philosophy.

In a modest celebration, the Bank's staff - the ones responsible for delivering on the promise - were pleasantly surprised to find cupcakes on their desks as a token of appreciation upon arrival at their offices.

Furthermore, executive members showed their gratitude by visiting selected locations while customers were treated to chocolates during the celebration.

A staff contest was also held to raise awareness of the Bank's Service Charter. Three contestants emerged victorious and were duly rewarded.

Customer Service Week

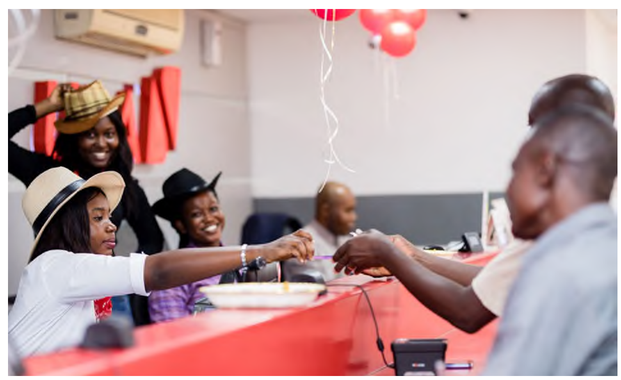
UBA Ghana marked the 2022 Customer Service Week with a series of activities that aimed to appreciate and recognize its staff and customers. This global event acknowledges the importance of customer service in driving business growth and success.

The week-long event included various activities such as social media giveaways, customer birthday calls, staff puzzles, and an in-branch customer engagement focused on the Bank's Leo Product. Customers enjoyed chocolate candies, while staff had a surprise lunch during the happy hour. Each branch ended the celebration with a cake-cutting ceremony, where customers and staff enjoyed snacks.

Some of the Bank's corporate clients received personalized thank-you cards that were signed by the Managing Director/CEO, Chris Ofikulu, and hand-delivered.

To promote both collaborative work and a commitment to delivering exceptional service, employees cast their votes to identify the Bank's most high-performing teams. As a result, the Corporate Banking, Digital Banking, Cash Management Centre, and Corporate Business Office teams were announced as the 2022 victors.

The bank's commitment to delivering world-class service to its customers was reaffirmed during the celebration of Customer Service Week. UBA Ghana understands that satisfied customers are essential to its growth and sustainability in a highly competitive market.



Our People, Culture & Diversity

The Bank in 2022 recruited 38 staff, these candidates were selected through a rigorous selection process. On-boarding programme included induction with UBA Academy and an interaction with the UBA Group Board Chairman.

We undertook various trainings in 2022 notable were Customer Service, Treasury, Anti Money Laundering, Compliance, Customer Relationship Management and Cyber Security. As part of our Customer First Agenda, all staff participated in the weekly Customer First training. Staff attended an average of 3 major trainings in the year.

UBA Ghana is a performance driven Bank and in 2022 the Bank promoted 75 staff, it also celebrated 24 and 21 staff who had worked with the Bank for 15years and 10 years respectively. The Board of Directors approved from 25% to 40% salary increment across various grades.

The Bank actively participated in the October Breast Cancer Awareness month and provided on site testing for staff and their families. UBA Ghana as part of its Corporate Social Responsibility continues to train the youth, through internships and National Service programmes. In 2022 the Bank was assigned 44 National Service Personnel.

Our People Employee Development

UBA operates an integrated performance management system based on a balanced set of performance measures. The performance management system entails cyclical performance planning, measurement and feedback.

The system is designed to consistently identify, motivate and retain excellent workforce across the Bank and focuses on the measurable output or contribution of staff as well as the skills, knowledge and personal attributes needed to deliver on agreed targets.

The performance of every staff in UBA is managed on a continuous basis, and this is the primary responsibility of the staff.

All career and reward decisions including promotion, demotion, merit based salary increase, or performance based corrective action is consistent with the most recent cumulative appraisal rating of a staff.

Succession Planning

We have in place a very comprehensive succession planning system where employees are identified for leadership / very important roles through our talent management process thus creating a talent pipeline.

Compensation and Benefits

UBA adopts a compensation structure that is competitive and this is used to attract the right people across the various grades and there shall be an annual compensation survey to be presented with appropriate recommendations.

Code of Ethics & Professionalism

The United Bank for Africa is committed to the highest standards of ethics and professionalism in the conduct of its business and undertakings.

UBA recognises that its continued success and viability depends on each employee internalising ethical principles that include integrity, honesty, fairness, transparency and accountability.

The UBA Code of Professional Conduct and Ethics serves as a guideline to the standards that should govern all employee dealings with customers, suppliers, colleagues and the general public. The Code applies to the Directors and employees of UBA. All employees and Directors are expected to adhere to the standards of conduct and ethics outlined in the Code at a level well above the minimum standards required by law.

All employees and Directors shall be required, annually, to certify that they have read and understood the Code of Professional Conduct and Ethics and shall report any concerns appropriately.

A standard certification is provided for this purpose. The Code is reviewed and amended from time to time as deemed appropriate.

Sustainability

2022 Review
Risk Management
Control Environment

3

2022 Review

Introduction

The year 2022 started with Ghana bouncing back from the adverse effects of Covid-19. Ghana was applauded globally for the handling of the pandemic, recovery from growth rate of 0.5% recorded in 2020 to 5.4% at the end of 2021.

The negative impact of Covid-19 was far from over, as reflected in the earlier growth rate recorded in the previous year. The first two months witnessed high prospects of a promising year until the country's fiscal and debt vulnerabilities took a nose dive amid highly challenging global environment.

During the COVID-19 pandemic, Ghana's public debt increased significantly. At the same time, the government's efforts to preserve debt sustainability. The Ghana economy's ratings were downgraded by Sovereign Credit Rating agencies such as Moody's, S&P Global, and Fitch Rating to junk status.

This resulted exit of non-resident investors from the domestic bond market, and ultimately Ghana's loss of access to international capital markets. Also government major tax measure in the 2022 budget, the E – Levy performed below expectation after it was finally passed.

These adverse developments, further exacerbated by price and supply-chain shocks from the war in Ukraine, led to poor performance of the local currency to the major trading currencies depreciating 30% against the USD currency in 2022. This also resulted in pressure on the Ghana's Gross International Reserves for 2022 which declined by US$3.5 billion to US$6.2 billion (equivalent to 2.7 months of import cover) from a stock position of US$9.7 billion (equivalent to 4.4 months of import cover). The combination of Global shocks and depreciating currency resulted hikes in inflation closing year end 2022 at 54.10%. The Central Bank of Ghana in responding to these challenges and in line with their mandate to curbing inflation raised Monetary Policy rates from 14.5% to 27% from 2021 to 2022.

The Business environment took the adverse effects of these negative developments as cost of business activities increased owing to higher interest payment on loans, high fuel and transport cost leading to increased general hardship.

On 5th December 2022, the Government of Ghana launched the first Ghana's Domestic Debt Exchange programme (DDEP), an invitation for the voluntary exchange 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).

Government of Ghana upon further review included all bond holders in the Domestic Debt Exchange Programme. The latter category of Bond holders added to the exchange presented a lot of resistance to the DDEP and resulted in Government of Ghana reviewing the initial offer contain in the DDEP. However, Government indicated that the DDEP is expected to achieve 80% exchange of the Old Bonds for New Bonds and affirmed that participation is voluntary. The revised DDEP classified Local Bond holders into three (3) with varying interest rates. Category A included all investors in a collective investment scheme (CIS) and all individual bondholders below the age of 59. Category B include all individual bondholders aged 59 or older and third category include any other investor who does not qualify for Category A or Category B fits into the general category. Government of Ghana also introduced capitalization of some portion of coupon payment.

The Financial Sector conducted various Stress tests to assess the potential impact of participation in the debt exchange. The resulted indicate adverse impact on the Financial Sector significantly on the banking sector.

The Central Bank of Ghana, to help manage the potential impacts of the Debt Exchange on the financial sector by deploying regulatory and supervisory tools to mitigate risks to financial stability in the Ghanaian Financial sector.

The Ghana Association of Bankers in consultation with Regulators and relevant Audit and Accounting bodies also provided guidance to ensure a standardized approach to the accounting treatment for Debt Exchange on the financial books.

As of 14th of February, 2023 Government indicated a successful completion of the DDEP with 84.91% achievement above the 80% target set.

Ghana after the success of DDEP is pursuing its bilateral creditors for External Debt Restructuring treatment under the G-20 Common framework initiative, involving the Paris Club (including the US) and non-Paris Club members like China.

Money Market development 2022

Broad money supply, including foreign currency deposits (M2+), grew by 33% in year-on-year terms, in December 2022, relative to 12.5% in 3 December 2021. The growth in M2+ was driven mainly by significant expansion in the Net Domestic Assets of the depository corporations' sector, moderated by a decline in Net Foreign Assets (NFA). Reserve money recorded an annual growth of 57.5 % relative to 19.9%, over the same comparative period.

The weighted average interbank rate increased from 15.36% to 25.43%, induced by persistent liquidity challenges on the interbank market. Interest rates on the Money Market increased from 12.51%,13.19% and 16.57% to 35.36%,35.90% and 36.10% for 91-day, 182-day and 364-day Treasury Bills rates.

The developments in the Treasury Bills Market and hikes in Policy rates resulted in hikes in the Ghana Reference Rates from 13.89% close of year 2021 to 32.83% to December 2022, raising the cost of borrowings by customers from Banks.

Exchange and Inflation Rates

The Ghanaian cedi came under intense pressure in the year 2022, reflecting the portfolio reversals and lower foreign direct investment inflows, while demand pressures increased. For the year 2022, the Ghana cedi depreciated by 30% against the US dollar, after reversals of some of the losses in December. This compares with 4.1% depreciation in 2021. The Ghana Cedi cumulatively depreciated by 21.2% and 25.34% against the Pound and Euro, respectively. In comparison with the same period of last year, the Ghana Cedi had depreciated by 4.1% and 3.1% against the US dollar and the Pound. The cedi however recorded an appreciation against the Euro currency of 3.5%

The Ghanaian economy's inflation remained elevated in 2022, driven by both demand pressures and supply shocks. The last quarter of 2022 showed a significant jump in headline inflation to 54.1 percent in December 2022, from 50.3 percent in November and 40.4 percent in October 2022. The acceleration in inflation was driven mainly by the lagged effects of the sharp currency depreciation recorded in October 2022. Food and non-food inflation went up significantly. Food inflation surged to 59.7 percent in December from 55.3 percent in November 2022, while nonfood inflation rose to 49.9 percent from 46.5 percent over the same comparative period.

The Banking Sector Performance

The banking sector witnessed challenging period in the year 2022 amidst Global challenges, macroeconomic conditions and implementation of the Domestic Debt Exchange Program. These challenges resulted in significant restructure of banking sector balance sheet and further impact on Profit Before Tax and Capital.

Total assets of the industry stood at GH¢209.4 billion in December 2022, representing a growth of 16.4%, reflecting sustained growth in deposits and exchange rate variations on banks' balance sheets. Total investments declined significantly to GH¢64.8 billion in December 2022 from GH¢83.1 billion in December 2021, indicating a contraction of 22.1%, compared with the 29% growth in the same period a year before. Total credit, on the other hand, increased by 28.5% to GH¢69.1 billion in December 2022 from GH¢53.8 billion in December 2021. Of the total liabilities of the banking system, total deposits stood at GH¢157.9 billion, representing an increase of 30.4 percent year-on-year, compared with 16.6% recorded during the same period in 2021.

Despite the economic challenges and negative impact on the banking sector, the financial industry remained strong supported by the regulatory reliefs provided by the Bank of Ghana. The minimum Capital Adequacy Ratio (CAR) required to be maintained by banks was reduced from 13% to 10% as of 31st December 2022, and losses from the DDEP are to be spread in the computation of CAR over a period of up to three (3) years. Accordingly, the industry's average CAR adjusted for the regulatory reliefs was 15.7% in December 2022, compared with the CAR of 16.6% as of December 2022 without the DDEP. The adjusted CAR reflected valuation losses on Government of Ghana bonds, elevated credit risk, and revaluation losses on foreign currency denominated loans. Asset quality marginally improved, with the industry's Non-4 Performing Loans (NPL) ratio at 15.1% in December 2022, almost unchanged from 15.2% in December 2021, reflecting the higher growth in credit, which outpaced the growth in the NPL stock.

UBA Ghana's performance

UBA Ghana's balance sheet reflected the economic challenges both local and external resulting in a mild growth compared to previous year 2021.

UBA Ghana's balance sheet size improved by 15.57% from GHS5.73bn to GHS 6.20bn. The bank's Interbank activities improved year-on-year mainly owing to arbitrage activities resulting in Interbank Takings growth of 23.52%. The bank's customer deposit recorded moderate growth despite challenges within the Ghanaian economy. Total customer deposit grew by 16.21%, from GH¢4.08bn record in 2021 to GH¢4.74bn recorded in 2022.

Net Operating Income improved by 51.75% from GH¢ 449.50m in 2021 to GH¢682.05m in 2022 mainly owing to improvement in Interest Income.

Meanwhile, the downside effect of credit loss charges arising from the Domestic Debt Restructure the bank participated in as well as impairment on Credit exposures adversely impacted UBA Ghana's profits before taxes resulting in a negative growth of 58.32% from GHS218.81m to GHS 91.21m.

Despite the economic turbulence and hardship UBA Ghana managed to grow our shareholder's wealth from GH¢1.14billion in 2021 to GHS 1.19bn at the end of 2022 representing a 517% growth.

UBA Ghana's management initiated prudent measures through enhanced Risk management and efficient management of Asset and Liabilities resulted in Capital Adequacy Ratio above both Industry of 16.6% and 10% regulatory requirement, closing at 20.2%

Ghana's Economic Outlook

The Global outlook remains uncertain amid financial sector stress, challenges with high inflation and lingering effects of Covid as well as negative impact of Geopolitical tensions in Russia-Ukraine conflicts.

According to World Bank baseline forecast is for growth to fall from 3.4% in 2022 to 2.8% in 2023, before settling at 3.0 percent in 2024. Whiles Advanced economies are expected to witnessed pronounced slowdown in growth, from average of 2.7 % in 2022 to 1.3 percent in 2023. In another plausible scenario, further financial sector stress could lead to global growth declines to about 2.5% in 2023 with advanced economy growth falling below a percentage. Global headline inflation in the baseline is set to fall from 8.7% in 2022 to 7.0% in 2023 on the back of lower commodity prices but underlying (core) inflation is likely to decline more slowly. Inflation's return to target is unlikely before 2025 in most cases.

Fiscal Outlook Report released by the International Monetary Fund (IMF) projected that the Ghana's Debt to GDP ratio will increase further to 98.7% by the close of 2023.

The IMF is projecting that Ghana's Gross Domestic Product (GDP) growth rate for 2023 will slow to 1.6%. This is lower than Government of Ghana's forecast of 2.8% captured in the 2023 Budget. The new projection is contrary to the Fund's predictions in its 2022 World Economic Outlook Report that Ghana's growth rate for 2023 will be 3.6%.

Whiles the negative Global impact continue to weigh on Ghana's fiscal management, Government of Ghana's successful restructuring of Domestic Debt Exchange and expenditure cuts are expected to score valuable points in the fight against economic hardship.

According to Bank of Ghana Provisional data on budget execution for January – December 2022 indicated a higher overall broad fiscal deficit (cash basis) of GH¢49.7 billion (8.1 percent of GDP), against the revised mid-year 2022 target of GH¢38.9 billion (6.3 percent of GDP). The primary balance (on cash basis) recorded a deficit of GH¢4.0 billion (0.6 percent of GDP), against a primary surplus target of GH¢2.5 billion (0.4 percent of GDP). Total revenue and grants amounted to GH¢96.7 billion (15.7 percent of GDP), marginally short of the revised target of GH¢96.8 billion (15.73 percent of GDP). Total expenditure was GH¢146.3 billion (23.8 percent of GDP) above the revised target of GH¢135.7 billion (22.0 percent of GDP). These developments resulted in a deficit of GH¢49.7 billion, of which GH¢48.2 billion was financed from domestic sources.

Prices of Ghana's major export commodities traded mixed in February 2023 relative to the same period in 2022. Despite the mixed performance in the prices of Ghana's major commodities, the trade balance improved in the first two months of 2023 mainly on the back of higher export volumes. In the first two months, total exports expanded by 11.2 percent year-on-year to US$2.8 billion, driven mainly by higher gold, cocoa, and other export receipts. The value of gold exports amounted to US$1.1 billion, representing an increase of 35.8 percent, driven mainly by a 38.5 percent increase in export volumes to 619,373 ounces. Earnings from 'other' exports, including non-traditional exports, were estimated at US$538.2 million, representing a 10.8 percent year-on-year growth. In contrast, exports of crude oil declined by 18.3 percent to US$562.6 million, largely due to lower export volumes. 16. The total import bill on the other hand, declined by 11.8 percent year-on-year to US$2.0 billion, driven by compression in non-oil imports. Non-oil imports dipped by 17.6 percent to US$1.4 billion, while oil and gas imports increased marginally by 4.8 percent to US$622.9 million. The combination of exports growth and lower imports resulted in a trade surplus of US$752.8 million for the first two months of 5 2023, higher than the trade surplus of US$205.8 million recorded for the same period in 2022. 17.

The improvement in Export Trade volumes against lower Import volume is expected to reduce the demand for foreign currencies. The Bank of Ghana is expected to continue its inflation targeting to reduce inflation to levels before 40%.

Ghana's tax revenue to Gross Domestic Product (GDP) is expect to grow to 17.2% in 2023 from 15.6% recorded in 2022. This will be achieved through the introduction of tax measures. The country's tax-to-GDP ratio is further expected to inched up to 17.9% in 2024 and then expand further to 18.4% in 202 and subsequently inched up to 18.7% in 2026 and remain stable in 2027 and 2028 respectively.

These developments together with Government Debt restructure are expected to slowly recover the economy.

Impacting people and communities through UBA Foundation

UBA Ghana's continuous efforts to undertake impactful Corporate Social Responsibilities projects reinforces the bank's commitment and interest in developing people and communities in which it operates. Under the year of review, several initiatives under the UBA foundation were undertaken.

National Essay Competition (NEC)

The 9th edition of National Essay Competition was organized, the competition recorded over 400 entries from students in Senior High Schools with entries coming in from the length and breadth of the country.

Following the launch event in October, 2022 and submission of entries emerged these top ten finalists: Brenda Aidoo from St. Mary's Senior High School, God'slove Tefe-Komla-Methodist Girls' High School, Cecilia Akye, Methodist Girls' High School, Genevieve Budu- Ghana International School, Quaye Joseph Nii Amartey- ST Thomas Aquinas High School, Nii Olokwei Botchway, Shaunn Armah, Abdul-Rashed Wunnam Abdul-Nasir, Nettey Kenrich Nii Nakai, Abubakari Wunpini Abdul Kudus all from Presbyterian Boys Secondary School.

The bank successfully held the grand finale and prize presentation ceremony on January 23rd where three winners took home the total prize of USD 10,000. Genevieve Budu emerged the overall winner, Kenrich Nii Nakai Nettey placed 1st runner up and Cecilia Akye came in third position.

Each of the 10 finalists were given a branded bag, laptop and a certificate of participation.

NEC continues to be a flagship initiative that is contributing to sharpening the minds of youth and developing their cognitive ability.






National Essay Competition (NEC)


Food Bank Initiative

In 2022, two communities benefited from the Food Bank Initiative which continues to put smiles on the faces of the underprivileged in the society. The event took place on December 21.

With the opening of the new Ashaiman Business Office, it was strategic and a step in the right direction to take the project to the locality to deepen brand awareness. The Ridge roundabout close to the UBA head office was the second location for the initiative.

In all, over 500 goodie bags were distributed across the two locations.





Food Bank Initiative

The initiative served as an avenue to stir-up the volunteering spirit among staff as they volunteered to participate in the event.

The Food Bank Initiative also positions UBA as a bank that is contributing to the Sustainable Development Goals – Zero Hunger Agenda.




Read Africa Project

Read Africa Project

UBA Ghana takes another step toward improving literacy among Ghanaian youth. In 2022, UBA carried out reading clinics and book donation drives to two schools.

Over 5,000 African literature books were distributed to Aburi Girls Secondary school and Methodist Girls Senior High School.


Pentecost/UG SRC week celebration

Sponsorship

With a long-term commitment to education, the bank remains dedicated to partnering and supporting educational institutions to embark on special projects.In October, 2022, the bank sponsored the 20th anniversary of West End International School. In addition, the bank supported Pentecost University and University of Ghana during their SRC week celebration.




Jogging To Bond

Jogging To Bond

The UBA Foundations' 'Jogging To Bond' which runs quarterly remains one of the top priority of the bank aimed at deepening bonds and supporting employees to adopt a healthy lifestyle through aerobics and good nutrition that enhance their well-being and productivity at work.

UBA Ghana consistently held the quarterly event, the 1st-3rd quarters focused on employees only. The 4th quarter dubbed 'Family Edition' brought together both employees and their families to participate in various games and fun activities.

Risk Management

ANNUAL DECLARATION ON RISK MANAGEMENT BY THE BOARD OF UNITED BANK FOR AFRICA GHANA LIMITED TO THE BANK OF GHANA

We declare that to the best of our knowledge and having made appropriate enquiries, in all material respects that:

1. UBA Ghana has put in place systems for ensuring compliance with all prudential requirements;
2. the systems and resources that are in place for identifying, measuring, evaluating, controlling, mitigating and reporting material risks, and the Risk Management Framework are appropriate and they commensurate with the size, business mix and complexity of UBA Ghana;
3. the risk management and internal control systems put in place are operating effectively and are adequate;
4. UBA Ghana has a Risk Management Strategy that complies with the Risk Management Directive issued by the Bank of Ghana, and has complied with the requirements described in its Risk Management Strategy; and
5. UBA Ghana is satisfied with the effectiveness of its processes and management information systems.

For and on behalf of the Board of Directors of UBA Ghana

Mr. Kweku Andoh Awotwi
Chairman, Board of Directors
United Bank for Africa Ghana

Control Environment: Internal Audit & Internal Control

The overarching approach to managing enterprise-wide risk is based on the "Three Lines of Defence" principle.

First Line of Defence: Risk owners/business and functional units/departments

Business Units/Operations/Risk Owners take ownership of their risks and have the primary responsibility and accountability for direct assessment, control and mitigation of such risks. All employees of the Bank are required to ensure the effective management of risks within the scope of their direct responsibilities.

Second Line of Defence: Control Functions (Risk Management, Internal Control, Compliance)

This line provides the policies, frameworks, tools, techniques and support that enable risk and compliance to be managed in the first line, conducts monitoring to judge how effectively risks are being managed, and helps to ensure consistency of the definitions and measurement of risk. They assist risk owners in reporting adequate risk related information up and down the organisation with accountability for directly assessing, controlling and mitigating their risks. The Control Functions review challenge, as well as provide oversight and advisory functions.

Third Line of Defence: Internal Audit (Independent Assurance)

Independent assessment and evaluation of the control environment is undertaken by Internal Audit, providing assurance to the Board of Directors and Senior Management on the effectiveness of the first and second lines of defence, and how the Bank assesses and manages risk. Sitting outside the risk management processes of the first two lines of defense, the Internal Audit function monitors compliance with policies and standards and provides assurance on the effectiveness of internal control structures of the Bank through its programme of both regular and ad-hoc reviews. The work of the Internal Audit function is focused on the areas of greatest risk as determined by a risk-based methodology. The Internal Audit function reports to the Board of Directors through the Board Audit Committee.

Corporate Governance

4

Board of Directors

Mr. Kweku Andoh Awotwi
Board Chairman

Mr. Kweku Awotwi has over thirty working years' experience with Corporate organizations and industry. After graduating from Yale University in 1984, Kweku worked as a design engineer at the ITT Advanced Technology Centre (Shelton, Connecticut) and the David Sarnoff Research Centre (Princeton, New Jersey). He then worked as a Business Manager, Planning and Analysis at Kaiser Aluminium & Chemical Limited (Pleasanton, California) from 1990 to 1998. He also worked at Ashanti Goldfields Company Ltd (London, UK) from 1998 to 2004 as Director, Strategic Planning and New Business development. From 2006 to 2009, he was the CEO of Midway Resources International at the Cayman Islands and from 2009 to 2013 Kweku was the CEO of the Volta River Authority in Ghana. Kweku retired on June 30, 2020 as Managing Director of Tullow Oil Ghana and Executive Vice President of Tullow Oil PLC, London UK.

Mr. Awotwi attended Mfantsipim Secondary School from 1971 to 1978. Thereafter he entered Yale University in the U.S.A from 1980 and graduated in 1984 with B.S. Engineering and Applied Sceinece (Electrical), Economics and Political science. He did his postgraduate studies at the Stanford University, U.S.A from 1988 to 1990 where he obtained an MBA in General Management.

Chris Ofikulu
MD/CEO

Chris is currently the Country CEO, UBA Ghana. Prior to his appointment, Chris was the UBA Group's Directorate Head, Apapa 1 (Corporate), responsible for articulating & deploying Business Development Strategies and Critical Resources towards delivering optimal values for the Bank. He is a Senior Executive of the Bank with over 30 years' Banking experience of which over 28 years has been in Business Development.

Before joining UBA Group, Chris had worked in one of the Top Commercial Banks in Nigeria where he served in various capacities including Directorate Head in charge of the South Businesses and Directorate Head in charge of Lagos and West Businesses. Chris was also the pioneer Managing Director of Diamond Pension Fund Custodian Limited.

Chris holds a B.Sc. (First Class) Degree in Industrial Mathematics from the University of Benin, Benin-City and an MBA from the University of Lagos. He also attended the following prestigious Business Schools: The Wharton Business School, Philadelphia where he did Advanced Management programme; IESE Business School, University of Navarra, Barcelona and Lagos Business School, Pan-African University. He equally attended Leadership and Corporate Governance Training in the Henley Business School, University of Reading, U.K. and Advanced Company Direction Programme, Institute of Directors, London.

Mrs. Sylvia Inkoom
Deputy Managing Director

Mrs. Sylvia Inkoom has over fifteen (15) years Banking experience spanning across Corporate Banking, Relationship Management, Global Markets (Treasury) among others. From June 2012 to February, 2020, she was the Executive Head, Client Coverage of Stanbic Bank Ghana Limited where she spearheaded the restructuring and transformation of Stanbic Ghana Corporate Banking Department with Key responsibility for Client Engagement, Sales and Deal origination. Before then, she was the Sales Manager (Treasury Department) of the same Bank from 2007 to 2011. She had also worked with Zenith Bank Ghana Limited as Unit Head, Commercial Banking/Corporate Banking from August 2005 to September, 2007. She holds Masters in Business Administration (Finance) from the University of Ghana, Bsc. Administration (Banking and Finance) from the University of Ghana, Certificate in Corporate Finance from the London School of Economics and Certificate in Client Strategic Management from University of Cape Town.

Mr. Oliver Alawuba
Non-Executive Director

Mr. Oliver Alawuba has over twenty years work experience in the banking industry and the academia. Oliver was at various times an Executive Director at Finbank Nigeria Plc (now FCMB Plc), MD/CEO of UBA Ghana Ltd, MD/CEO of UBA West Africa, Regional CEO, UBA Africa – Anglophone, Directorate Head, Public Sectorand Personal Banking and Executive UBA Plc incharge of North-West, Nigeria. He is presently an Executive Director UBA Plc and CEO, UBA Africa.

Oliver has B.Sc and M.Sc degrees in Food Science and Technology and MBA in Banking and Finance. He is an alumnus of the AMP and SEP programmes of the prestigious Insead Business School, France and London Business School respectively. He is also a Fellow of Nigerian Institute of Management and Honorary Senior Member of Chartered Institute of Bankers of Nigeria.

Mrs. Marufatu Abiola Bawuah
Non-Executive Director

Mrs. Abiola Bawuah has enormous experience in retail banking and marketing. She holds a BSc in Actuarial Science from the University of Lagos, Nigeria, an LLB with honours from the University of London, a diploma in Marketing from GIMPA and an EMBA (Finance) from the University of Ghana and also has numerous leadership qualifications from Harvard Business School, Columbia, University of New York, INSEAD and Institut Villa Pierrefeu in Switzerland.

At the 2016 Chartered Institute of Marketing Ghana Awards, she was adjudged the "CIMG Marketing Woman of the Year" and subsequently went on to win the "Finance Personality of the Year Award" at the Ghana Accountancy and Finance Awards barely two months after. Mrs Bawuah is on the Woman Rising inspiring list of Top 50 Women Corporate Leaders in Ghana. Again, she was adjudged by the Chief Finance Officers (CFO) in 2016 as "Woman of Excellence in Finance". In 2017, she was crowned as "Female Expatriate CEO of the Year by the Millennium Excellence Foundation for her hard work, achievements and contribution to Ghana.

Mrs. Abiola Bawuah is currently the Regional Chief Executive Officer of UBA West Africa, overseeing the Bank's operation in West Africa.

Mr. Ebele Ogbue
Non-Executive Director

Mr. Ebele Ogbue holds a B.Sc (Honours) degree in Accounting from the University of Lagos and an MBA (IT & Management) from CASS Business School London.

His professional career started at Price Waterhouse in 1991 before his foray into banking, where he has spent the last two decades working at international banks such as, Citibank and Standard Chartered Bank, before joining UBA in 2004. His banking experience spans various areas of banking from Asset Based Finance to core Corporate Banking and Trade Finance.

Prior to his current role, he was MD/CEO, UBA Capital Europe Limited and the pioneer MD/CEO, UBA Liberia." Ebele is currently the General Manager, Energy (UBA Plc).

Mr. Ivan Avereyireh
Independent
Non-Executive Director

Mr. Ivan Avereyireh is a Chartered Insurer and an Associate of the Chartered Insurance institute of London, a holder of West African Insurance Institute Diploma and Bsc Administration (Marketing) from the University of Ghana.

He has over thirty years working experience in the insurance industry with a few achievements to his credit. The notable one being the head of a team, that turned around the fortunes of Ghana Life Insurance Company Ltd from a collapsing Company to a revived and strong one till date. He worked with the State Insurance Company from 1981 to 2008 where he rose through the ranks to the grade of a Senior Manager. From 2009 to 2018, he was the Managing Director of Ghana Life Insurance Company Ltd.

Mr. Samuel Kumi Ayim
Independent
Non-Executive Director

Mr. Samuel Ayim is Lawyer by profession with over 26 years' professional experience in Legal Advisory, Company Secretarial Practice, Board and Corporate Governance, Banking, Finance, Investment, Capital Markets and Management across Sub-Saharan Africa with high international Exposure. He is also an entrepreneur and motivational Speaker.

Between January,1997 and July, 2016 he worked with the Ecobank Group, where he held various positions, including; General Counsel and Company Secretary, Executive Director-Business Development in Ecobank Tanzania (Dar es salam-Tanzania), Group Legal Adviser and Deputy Company Secretary – Ecobank Transnational Incorporated (ETI), Lome, Togo.

Between 1992 to 1996, he was the Company Secretary and Legal Adviser of the Ghana Stock Exchange. He is currently the CEO of Focus Life Group which he founded in October, 2016 with four businesses under the Group; a leadership and personal development centre, an African Wear Company, a real estate Company and a transport Company.

Samuel holds an LLB from the University of Ghana, MBA (International Financial Management) from Exeter University –UK and Post Graduate Diploma in International Comparative Arbitration Law from the Queen Mary University of London.

Mr. Francis S. Oduro Koranteng
Independent
Non-Executive Director

Mr. Francis Koranteng has over thirty working years' experience with professional accountancy firms and in industry. After qualifying as a chartered accountant in the United Kingdom, he returned to Ghana to work with Coopers & Lybrand, now PricewaterhouseCoopers.

He has served in various management positions in industry, namely Finance & Administration Manager for NCR Ghana Ltd, Management Accountant for Guinness Ghana Ltd, Group Internal Audit Manager for UAC of Ghana Limited/ Unilever Ghana Ltd, General Manager for the Swanzy Real Estate Division of Unilever Ghana Ltd, Finance Director of Kumasi Brewery Ltd, and Finance Director of Ghana Breweries Ltd. He was seconded to Heineken International, the parent company of Ghana Breweries Ltd as the Internal Control Improvement Project Manager for operating companies in Sub-Saharan Africa between November 2001 and February 2005. He was the Managing Director of Crocodile Matchets (Ghana) Limited from March 2005 to early 2009.

He served on the Professional Standards and Ethics Committee of the Institute of Chartered Accountants Ghana from August 2012 to May 2018.

Franicis graduated from the University of Ghana, Legon from in 1976 with Bsc. Business Administration (Accounts Major). Professionally, Mr. Koranteng is a Fellow of the Institute of Chartered Accountants in England and Wales. He is also a member of the Institute of Chartered Accountants Ghana.

Mrs. Merene Botsio Benyah
Independent
Non-Executive Director

Mrs. Merene Botsio Benyah is a Lawyer by profession and obtained her legal and post degree professional qualifications at the London School of Economics and Political Science (London University), The Council for Legal Education, UK; The Honourable Society of Gray's Inn; and The Ghana School of Law. She is called to the Ghana Bar and the Bar of England and Wales. Merene is a member of the International Bar Association; the Honourable Society of Gray's Inn and the Ghana Bar among others. She is also a Notary Public.

Merene was called to the Bar of England and Wales in 1979 and has had extensive and varied legal and commercial experience since that time. She has considerable experience in all fields of legal practice and has years of experience in advising major international companies, financial institutions and organizations investing and operating in Ghana. Companies she has advised include Exxon Mobil Corporation, Tullow Oil Plc and BP Ltd.

Merene is a leading legal authority in Oil and Gas/Petroleum; Mining; Corporate and Commercial Practice; Capital Markets; Mergers and Acquisitions and Aviation, and has received multiple recognitions over her career, including recognition as a Highly Regarded Lawyer in Mining, Oil and Gas, Banking and Capital Markets; Energy and Infrastructure and M & A.

Mr. Jerry Djangmah
Independent
Non-Executive Director

Mr. Jerry Djangmah has over twenty-one (21) working years of experience with National and Multinational organizations. He is a part qualified Actuary and an Infrastructure Investment Banker with extensive experience in Corporate, Project and Structured finance in various sectors including Power, Oil & Gas, Transport and Telecoms Sectors.

He has structured and arranged over US$3 billion of financing for infrastructure projects in Nigeria, Ghana and other sub Saharan African countries.

He was formerly a Vice President at the Africa Finance Corporation ("AFC"), and a Vice President at Citigroup. He is now the Managing Partner at MergeOne Global Partners Limited, a boutique project and infrastructure finance advisory firm.

Jerry attended Mfantsipim Secondary School where he completed his O'Level in 1987 and the Presby Boys Secondary School for his A'Level in 1989. He holds a BSc Mathematics from the University of Science & Technology Kumasi, Ghana. He also has a Postgraduate Diploma in Actuarial Science, at City University, London, UK and MBA from the Wharton School, University of Pennsylvania Philadelphia, USA.

Foster Buabeng
Independent
Non-Executive Director

Foster Buabeng joined Teachers Fund in January, 2002 as an Accountant. He rose through the ranks and is currently the General Manager of the Fund having earlier acted as Fund Administrator of the Fund from November 2012 to December 2013 Prior to joining the Fund. He worked with various organizations including Cashpro Company Limited, Golden Neo-Life Diamite International, Deloitte & amp; Touche (Currently Deloitte), Volta River Authority and Ghacem Ghana Limited.

Foster has acquired unparalleled accounting, financial reporting and investment skills and abilities having worked across a broad array of sectors in Ghana. Foster is a Chartered Accountant and is a member of the Institute of Chartered Accountants. He holds an MBA in Finance from University of Ghana.

Management Team

Peter Dery
Head of Retail

Mr Peter Dery has enormous wealth of experience in Corporate Banking as well as Credit Management. His experience in the sector through various roles span over 2 decade. He holds a BSc degree in Banking & Finance from University of Ghana, an MBA (Project Management) from Ghana Institute of Management and Public Administration (GIMPA). He has worked as Director, Sales & Relationship Management at Standard Chartered Bank Ghana Limited; where he played key role in driving liabilities and assets growth and was credited with significant achievements. Prior to that, he served as Head of High Value Small Businesses in the SME Segment of the Bank. Before joining Standard Chartered Bank, he worked at CAL Bank as a Relationship Manager and credit Analyst and has participated in various leadership and Training programmes. In 2017, he was appointed as Head, Wholesale Banking, at United Bank for Africa (Ghana) Ltd. In 2021 he was appointed as head of retail banking.

Felix Chuks Ugbebor
Chief Operating Officer

Felix Chuks Ugbebor is a highly skilled and experienced Banker. He has over Twenty-Five (25) years of experience in Banking which cut across various banks in Nigeria and geographies in Africa. He started his Banking Career with the defunct Allstate Trust Bank in January 1994 as an Executive Trainee in Financial Control, HR Operations – Compensation and Benefits and also worked briefly at the Nnewi Branch, as Desk Officer, Trade/Treasury Operations. He moved on to FBN (Merchant Bankers) Ltd in July 1996, where he worked as a processor in General Accounts and Finance Division. He also functioned as Unit Head, Credit & Loan Administration and briefly as a Relationship Officer in Corporate Banking.

Muftau Abdulai
Chief Finance Officer

Muftau Abdulai is a seasoned banking professional with 13years worth of experience in operations and finance. He holds a BSc in Business Administration (Accounting) from University of Ghana Business School and an MBA in Accounting and Finance from the University of Professional Studies. Over the span of his career, he has worked with Cushay and Associates Ghana as an Audit Officer and with United Bank for Africa - Ghana as a Domestic Operation Officer. Between 2011 and 2017, he functioned as the Financial Controller and Deputy Chief Finance Officer at the same bank. More recently, he has worked as the Chief Finance Officer and Regional Chief Finance Officer of United Bank for Africa - Kenya, East and Southern Africa starting from July 2017 to December 2021.

Emmanuel Sackey
Treasurer

Prior to his appointment as Treasurer of UBA Ghana, Emmanuel was the Regional Treasury, Eastern & Southern Africa of United Bank for Africa. He brings to this role, over 15 years of structuring, origination, trading and execution experience in several African markets. Emmanuel has held many leadership roles including Country Treasury at United Bank of Africa (Tanzania) Ltd, Head, Treasury Sales at United Bank for Africa Ghana Ltd. Emmanuel holds a Master's Degree in Business Administration from University of South Wales and an ACI certificate. He had his secondary education at the Presbyterian Boys Secondary School, Legon.Emmanuel is devoted to the continuous growth of businesses and people.

Henry Nii Dottey
Head Marketing & Corporate Communications

Henry Nii Dottey, has over 20years years' experience in Journalism, Public Relations, Corporate Communications, Marketing and Branding across various private enterprises and mainstream government departments. Prior to joining UBA Nii, worked Media General Ghana Limited and held various roles including; Managing News Editor of 3FM 92.7, Head of News Planning, coordinator of the 2016 elections project team, Head of News Online and, Group Head Corporate Affairs and CEO of 3Foundation, the CSR wing of the company. He also worked for the Metropolitan Group of Companies made of Metropolitan Life Insurance, Metropolitan Health Insurance and Metropolitan Pensions Trust, Dominion University College, Students Loan Trust Fund (SLTF), the then VAT Service, now the Ghana Revenue Authority (GRA) and Citi FM, an Accra based radio station in various capacities. He is the current Vice President of the Institute of Public Relations, Ghana. Mr. Dottey holds a Master of Business Administration, Marketing Option from the University of Ghana Business School, Legon and B.A. in Communication Studies from the Ghana Institute of Journalism, Accra. He is an accredited member of the Institute of Public Relations, Ghana. He is a currently member of the Entity Tender committee of the Ministry of Information and the National Engineering Coordinating Team (NECT).

Mrs. Rita Mills-Robertson
Head, Public sector EMDOs and Financial Institutions

Rita is a customer centric Executive with over Eighteen (18) working years' experience in banking. She joined United Bank for Africa Ghana Limited in 2004. She is a versatile professional with experience in Corporate and Institutions Banking, Project Management, Treasury Sales and Retail Banking. She has held numerous roles including Head Power, Mining, Oil & Gas, Head Financial Institutions & EMDO's (Embassies Multilateral and Bilateral Donor Organizations as well as Head Treasury Sales. Rita holds a Master's Degree in Finance from Ghana Institute of Management and Public Administration (GIMPA) and has participated in several Leadership and clients' management programs. She is currently Head of Public Sector & Institutions at United Bank for Africa Ghana Limited.

Evelyn Effie Quansah
Head, Human Resources

Evelyn is a qualified HR practitioner with over 15 years' experience in Head of HR, Business Transformation and Organizational Effectiveness roles for top multinationals in cross fields including Insurance, Hospitality, Manufacturing and Banking. She holds an Executive Master in Business Administration (EMBA) in Human Resource Management and Bachelor of Science (BSc) Degree Human Resource Management both from the University of Ghana Business School and a Member of the Chartered Institute of Human Resource Management practitioners, Ghana. Evelyn obtained a Master of Laws (LLM) in International Dispute Resolution from the University of London-UK few years ago. She is also a Certified Technical Commissioner with Field Ready International – a UK based company that selects and groom technical graduates from universities across Africa through a highly competitive and rigorous mentorship programme that equips them with the relevant practical expertise for employment. Evelyn has been an Executive Member of the PTA Governing Board of the Mfantsipim School since 2014. She is also a member of Institute of Directors, Ghana

Adebola Ajimotokan
Country Chief Inspector

Adebola is a Fellow of the Institute of Chartered Accountants of Nigeria and holder of a BSc in Accounting from the University of Lagos, Nigeria. He has vast professional experience that spans over 22 years, most of which were spent in the UBA Group/former Standard Trust Bank in various leadership positions covering several aspects of banking inclusive of Audit & Investigation, Execution Management, Customer Service, and Business Relationship Management/Corporate Banking. At various times, he assisted to set up the Business Office Audit teams in UBA Ghana, Cote D'Ivoire, Zambia, Sierra Leone, and Gabon. Adebola has used his unique Strategic Management and Continuous Engagement style to add value to the Bank since resumption at UBA Ghana as the Country Chief Inspector in February 2021.

Philip Odoom
Head, Compliance & AMLRO

Philip is a Chartered Accountant and a member of Association of Chartered Certified Accountants. He is an associate member of Association of Certified Fraud Examiners. He holds first degree in Bachelor of Commerce (B.COM) from the University of Cape Coast. He has over 10 years banking experience covering Audit, Internal Controls and Compliance and Anti-Money Laundering/ Counter Financing of Terrorism function. He has knowledge and understanding of applicable banking operations and Anti-Money Laundering/Counter Financing of Terrorism laws, regulations and international best standards.

Evans Amenyo Sallah
Head, Country Head, Internal Control

Evans is a result oriented young man with over thirteen years banking experience. He has expertise and experience in information security, risk management, internal controls and audit. He joined United Bank for Africa (Ghana) Limited as an Information Systems Auditor and holds an MSc. in Strategic Management and Leadership and a BSc. (Hons) degree in Computer Science from the Kwame Nkrumah University of Science and Technology. Evans is a member of the Information Systems Audit and Control Association (ISACA) and holds international certifications in Information Systems Auditing (CISA) and Information Security Management (CISM). As he puts it, his passion is to ensure there are adequate controls to protect the assets of the Bank and all its stakeholders at all times.

Michael Terkpetey Narh
(Head, Legal/Company Secretary)

Michael Narh is a Lawyer by profession and a member of the Ghana Bar Association (GBA). He has significant expertise in corporate law and governance having served as Secretary for several Boards within the Jospong Group of Companies from 2012 to 2019. Prior to joining UBA Ghana in 2019, he was the Company Secretary of OmniBSIC Bank Ghana as well as the Head of the Legal and Recovery Department. Before the merger between OmniBank and BSIC in December,2018, Michael was the Company Secretary of OmniBank and the Head of the Legal Department. He also had brief stint with Kwaku Addeah Law Office (Financial Law Institute) as a Legal Officer. Michael holds a Bachelor of Arts Degree in Psychology from the University of Ghana and Bachelor of Laws (LLB) Degree also from the same University. He holds a Qualifying Certificate in Law (QCL) from the Ghana School of Law and an MBA in Corporate Governance from the University of Professional Studies, Accra. He has attended training programmes in the Law of Banking, Credit risk Management and Corporate Governance in Ghana and South Africa.

Kwadwo Addai
Chief Risk Officer

Kwadwo has over 13 years banking experience with expertise in the Credit Delivery Value Chain, Credit Risk Assessment, Enterprise Risk Management, and Economic Review & Analysis. He holds a Master's Degree in Water Resources Engineering & Management and a Bachelor's Degree in Civil Engineering. He also holds the Chartered Financial Analyst (CFA) designation.

Report of the Directors

Report of the Directors

In accordance with the requirements of Section 136 of the Companies Act 2019 (Act 992) we, the Board of United Bank for Africa (Ghana) LTD submit herewith the annual report on the state of affairs of the Bank for the year ended 31 December 2022.

Statement of directors' responsibilities

The Companies Act 2019 (Act 992) requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Bank as at the end of the financial year and of the operating results of the Bank for that year.

It also requires the directors to ensure that the Bank keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Bank. They are also responsible for safeguarding the assets of the Bank.

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Companies Act 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards and the requirements of Companies Act 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Bank and of its operating results. The directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the directors to indicate that the Bank will not remain a going concern for at least the next twelve months from the date of this financial statements.

Holding Company

The Bank is a subsidiary of United Bank for Africa Plc, a company incorporated in the Federal Republic of Nigeria and licensed to undertake all banking and related services.

Nature of business

The Bank is licensed to carry out universal banking business in Ghana. There was no change in the nature of the bank's business during the year.

Directors and their interests

The names of the directors who served during the year are provided on Page 2 of this report.

None of the Bank's directors has any direct or indirect interest in the issued share capital of the Bank.

No director had a material interest, at any time during the year, in any contract, other than a service contract with the Bank. All contracts with related parties during the year were conducted at arm's length. Information concerning related party transactions are disclosed in Note 31 to the financial statements.

Dividend

The directors do not recommend the payment of a dividend (2021: nil).

Directors' Other Engagements

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

S/n	Director	Designation (UBA Ghana)	Other Engagements
1	Mr. Kweku Awotwi	Board Chairman	Chairman, Multimedia Group Limited (Ghana), Chairman & Member, Play Soccer (Ghana), Play Soccer (USA),
2	Mr. Chris Ofikulu	Managing Director	None
3	Mrs. Sylvia Inkoom	Deputy Managing Director	Non-Executive Director - Inkoom Hospital, Packs Africa Thinking
4	Mr. Foster Buabeng	Non-Executive Director	Managing Director – Teachers' Fund Director – TF Properties Ltd Director – Credit Mall Ltd
5	Mr. Ebele Ogbue	Non-Executive Director	Non-Executive Director - UBA Liberia, UBA Kenya, UBA Tanzania, UBA Uganda
6	Mrs. Abiola Bawuah	Non-Executive Director	Non-Executive Director - UBA Cote d'Ivoire, UBA Liberia, UBA Burkina Faso, Legacy Bond Limited
7	Mr. Samuel Ayim	Independent Director	Director – Centre for transformational Leadership in Africa, Focus Life design Limited, De Empire Shuttle Limited.
8	Mr. Ivan Avereyireh	Independent Director	Non-Executive Director – Ghana Life Insurance Co., Private Enterprises Federation, SIC Insurance Co. Public Ltd,, Sahara Quarries & Construction Ltd.
9	Mr. Francis Koranteng	Independent Director	Chairman -Enterprise Funeral Services Ghana Limited trading as "TRANSITIONS" Non-Executive Director- Enterprise Insurance Company Limited Non-Executive Director -Multimedia Broadcasting Corporation.
10	Mr. Jerry Djangmah	Independent Director	Managing Partner – MergeOne Global Partners Ltd Director – Aventura Developers Ltd Director- JMI Energy Ltd.

Financial results

The financial results for the year are set out below:

(All amounts are expressed in Ghana cedis unless otherwise stated)

	Dec 2022	Dec 2021
Net operating income	**682,049,967**	449,450,529
Profit before tax	**91,211,819**	218,814,114
Income tax expense and national fiscal stabilisation levy	**(31,617,645)**	(77,049,377)
Profit after tax	**59,594,174**	141,764,737
Income surplus brought forward from the previous year	**395,669,959**	289,346,406
Total	**455,264,133**	431,111,143
Transfer to statutory reserves fund	**(14,898,544)**	(35,441,184)
Transfer from/(to) retained earnings	**(995,611)**	-
Balance on the income surplus account	**439,369,978**	395,669,959

Corporate Social Responsibility

As part of the Bank's commitment to support and give back to the society in which we operate, a total of GHS 316,500 was given out as charity contribution during the financial year 2022. The beneficiaries are as follows:

SN	Name of Beneficiary	Amount (GHS)
1	National Essay Competition	297,000
2	Read Africa book donations	12,500
3	UMAT Hall week celebration	4,000
4	UG Archaeology Students Week	2,000
5	Pentecost University SRC Week	1,000
	Total	**316,500**

Professional Development and Training

UBA Ghana provides a formal and tailored induction programme for Directors appointed to the Board to familiarise them with the Bank's businesses, polices and key risk areas. Directors are also made aware of the economic, competitive, legal and regulatory environment in which the Bank operates. Other trainings are also provided to ensure Directors continually update their skills and knowledge of the Bank's business to enable them effectively perform their role on the Board and its Committees. A Corporate Governance training was also organised for the Board members during the year to keep them abreast of the Bank's governance framework.

Auditors

Messrs Deloitte & Touche have indicated their willingness to continue in office as auditors in accordance with the Companies Act 2019, (Act 992) and in line with the provisions of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). Details of audit fees for the current and comparative periods are disclosed in note 15 of the financial statements.

Approval of the Financial Statements

The financial statements have been prepared on the going concern basis and has been approved by the board on 25 April 2023. The Board Chairman and Managing Director were nominated to sign the financial statement on behalf of the Board.

Kweku Awotwi
Board Chairman
25 April 2023

Chris Ofikulu
MD/CEO
25 April 2023

Corporate Governance Report

United Bank for Africa (Ghana) LTD holds good governance as one of its core values and confirms its commitment to the implementation of effective corporate governance principles in its business operations. The Directors endorse the principles of best practice Corporate Governance as stated in the "Corporate Governance Directive, 2018" issued by the Bank of Ghana. The importance of governance is premised on the importance UBA Ghana accords to its relationships with its regulators, stakeholders and the public as a whole. The Bank has structures and processes set out in its regulations and policies, including the Board's Governance Charter which guarantee transparency and accountability.

The Board of Directors of UBA Ghana has the overall responsibility for ensuring that the highest standards of corporate governance are maintained and adhered to by the Bank. In order to promote effective governance of the Bank, the following structures have been put in place for the execution of UBA Ghana's Corporate Governance strategy:

1. Board of Directors
2. Board Committees
3. Executive Management Committees

As at 31 December 2022, the Board comprised six (5) Independent Directors, four (3) Non-Executive Directors and two (2) Executive Directors, all of whom bring a wide range of skills and experience to the Board.

The Board of Directors carries out its responsibility through its standing Committees. These are the Board Governance and Finance Committee, the Board Credit Committee, the Board Risk Management Committee, the Board Audit Committee, and the Board Cyber and Information Security Committee. Through the workings of these committees, the Board sets broad policy guidelines and ensures the proper management and direction of the Bank.

In addition to the Board Committees, there are a number of Management Committees which ensure effective and good corporate governance at the managerial level.

1. The Board of Directors

As at 31 December 2022, the UBA Ghana Board had ten (10) members made up of four (3) Non-Executive Directors, two (2) Executive Directors and five (5) Independent Directors.

They are:

1	Mr. Kweku Awotwi	Board Chairman
2	Mr. Chris Ofikulu	Managing Director/CEO
3	Mrs. Sylvia Inkoom	Deputy Managing Director
4	Mr. Oliver Alawuba	Non-Executive Director (Resigned on 24th August 2022)
5	Mrs. Abiola Bawuah	Non-Executive Director
6	Mr. Ebele Ogbue	Non- Executive Director
7	Mr. Foster Buabeng	Non-Executive Director
8	Mr. Samuel Ayim	Independent Director
9	Mr. Ivan Avereyireh	Independent Director
10	Mr. Francis Koranteng	Independent Director
11	Mr. Jerry Djangmah	Independent Director
12	Mrs. Merene Botsio Benyah	ndependent Director (Resigned on 9th July 2022)

The Directors are people of very high integrity, with extensive knowledge in management, governance and expertise in the financial industry which equips them to make informed decisions relating to the Bank's performance.

In the performance of its mandate, the Board has delegated some of its specific authorities to Board Committees to discharge its responsibilities. It has also delegated some of its decision-making authority to Executive Management specified in an Executive Management Charter.

Board Responsibility

The mandate of the Board of Directors is to act on behalf of the shareholders in the overall interest of UBA Ghana and its stakeholders and is accountable to the shareholders. The Board provides overall guidance and policy direction and provides oversight in the Bank's strategic direction, policy formulation, and is the ultimate decision making body of the Bank.

The roles of Chairman and Chief Executive Officer are separated and clearly defined. The Chairman is primarily responsible for the working of the Board whilst the Chief Executive Officer is responsible for the running of the business and implementation of Board strategy and policy. The Chief Executive Officer is assisted in managing

the business of the Bank on a day-to-day basis by the Executive Management Committee, which he chairs and comprises Senior Management Personnel and other critical functional heads. The Board is accountable to shareholders and is responsible for the management of the relationships with its various stakeholders.

The Board is also responsible for the Bank's structure and areas of operation, financial reporting, ensuring there is an effective system of internal control and risk management, and appointments to the Board. The Board has the authority to delegate matters to Directors, Board Committees and the Executive Management Committee.

Plan for Succession

The Board has put in place a well-structured and rigorous selection system for the appointment of Key Management Personnel of the Bank. There is also an approved succession plan for Management Personnel of the Bank with a focus on developing human resources to enable the Bank to retain a pool of qualified candidates who are ready to compete for key positions and areas when they become vacant to ensure the effective continuity of the Bank.

Executive Management is accountable to the Board for the development and implementation of strategy and policies. The Board regularly reviews the Bank's performance, matters of strategic concern and any other matters it regards as material.

The Board meets quarterly and additional meetings are convened as the need arises. The Board evaluates itself on an annual basis.Appointments and Retirements

Appointments and Retirements

In February 2022 Chris Ofikulu was appointed as Managing Director of the Bank after the approval of the Bank of Ghana to replace Olalekan Balogun.

Board Qualification

Details of serving directors' educational qualification at the reporting date, are disclosed below:

S/n	Director	Designation (UBA Ghana)	Educational Qualification
1	Mr. Kweku Awotwi	Board Chairman	MBA – General Management & International Business – Stanford (California) BS – Electrical Engineering, Economics & Political Science – Yale University

Board Qualification (continued)

2	Mr. Chris Ofikulu	Managing Director	MBA, BSc Industrial Mathematics, Fellow of Institute of Credit Administration (FICA) Chartered Institute Of Bankers Nigeria (CIBN)
3	Mrs. Sylvia Inkoom	Deputy Managing Director	MBA- University of Ghana, Legon BSc. Administration (Banking and Finance) – University of Ghana, Legon
4	Mr. Foster Buabeng	Non-Executive Director	MBA (Finance) - University of Ghana, Legon Chartered Accountant - ICA (Ghana)
5	Mr. Ebele Ogbue	Non-Executive Director	MBA (Information Technology & Management) – CASS Business School, London, UK BSc Hons. (Accounting) – University of Lagos, Nigeria
6	Mrs. Abiola Bawuah	Non-Executive Director	Executive MBA (Finance) – University of Ghana LLB (Hons.) – University of London B.Sc. Actuarial Science – University of Lagos, Nigeria
7	Mr. Samuel Ayim	Independent Director	MBA, UK BL(Qualifying Certificate in Law) – Ghana LLB(Hons) – University of Ghana
8	Mr. Ivan Avereyireh	Independent Director	Chartered Insurer - Chartered Insurance Institute (UK) Bsc Administration (Marketing) – University of Ghana
9	Mr. Francis Koranteng	Independent Director	Fellow of the Institute of Chartered Accountants in England and Wales (ICAEW). Member of the Institute of Chartered Accountants Ghana Bsc. Business Administration (Accounts Major) – University of Ghana
10	Mr. Jerry Djangmah	Independent Director	MBA Finance - University of Pennsylvania Philadelphia, USA Postgraduate Diploma, Actuarial Science - City University London, UK BSc Mathematics - Kwame Nkrumah University of Science & Technology

Board Financial Reporting

The Board has presented a balanced assessment of the Bank's position and prospects. The Board is mindful of its responsibilities and is satisfied that in the preparation of its Financial Report, it has met its obligation under the Bank's Corporate Governance Charter.

The Directors make themselves accountable to the shareholders through regular publication of the Bank's financial performance and Annual Reports. The Board has ensured that the Bank's reporting procedure is conveyed on the most recent infrastructure to ensure accuracy. This procedure involves the monitoring of performance throughout the financial year, in addition to monthly reporting of key performance indicators.

Deloitte and Touche acted as external auditors to the Bank during the 2022 financial year. Their report is contained on pages 59-63 of this Annual Report.

Attendance at Board Meetings

Membership and attendance at Board meetings during the year are set out below:

	Members	Number of meetings entitled to attend	Number of meetings attended
1	Mr. Kweku Awotwi	4	4
2	Mr. Chris Ofikulu	4	4
3	Mrs. Sylvia Inkoom	4	4
4	Mr. Oliver Alawuba*	2	2
5	Mrs. Abiola Bawuah	4	4
6	Mr. Ebele Ogbue	4	4
7	Mr. Foster Buabeng	4	4
8	Mr. Samuel Ayim	4	4
9	Mr. Ivan Avereyireh	4	4
10	Mr. Francis Koranteng	4	3
11	Mrs. Merene Botsio Benyah*	2	2
12	Mr. Jerry Djangmah	4	4

*Mr. Oliver Alawuba and Mrs. Merene Benyah resigned from the Board on August 24, 2022 and July 9, 2022 respectively.

1. Board Governance and Finance Committee

As at 31 December 2022, the Chairperson of the Board Governance and Finance Committee was Mrs. Abiola Bawuah, a Non-Executive Director. The other members were Mr. Foster Buabeng, Mr. Samuel Ayim, and Mrs. Sylvia Inkoom.

The purpose of the Board Governance and Finance Committee includes the following:

- Discharge the Board's responsibilities with regard to strategic direction and budgeting.
- Provide oversight on financial matters and the performance of the Bank.
- Review and approve UBA Ghana policies of a financial and general nature.
- Making financial and investment decisions within its approved limits on behalf of the Board.
- Establishing procedures for the nomination of Directors.

- Advising and recommending to the Board the composition of the Board.
- Reviewing and evaluating the skills of members of the Board.
- Advising the Board on corporate governance standards and policies.
- Reviewing and approving all human resources and governance policies for UBA Ghana.
- Recommending the organizational structure of UBA Ghana to the Board for approval

The Committee met four (4) times during the year-ended 2022. Membership and attendance at Board Governance and Finance Committee meetings during the year is set out below:

S/n	Members	Number of meetings entitled to attend	Number of meetings attended
1	Mr. Oliver Alawuba	3	3
2	Mrs. Abiola Bawuah	4	4
3	Mrs. Sylvia Inkoom	1	1
4	Mrs. Merene Botsio Benyah	2	2
5	Mr. Foster Buabeng	4	4
6	Mr. Samuel Ayim	4	4

2. Board Risk Management Committee

As at 31 December 2022, Mr. Jerry Djangmah, an Independent Director, was Chairman of the Board Risk Management Committee. The other members of the Committee were Mr. Ebele Ogbue, Mr. Chris Ofikulu, Mr. Francis Koranteng and Mr. Ivan Avereyireh.

The purpose of the Committee includes the following:

- Discharging the Board's risk management responsibilities as defined in UBA Ghana's Risk policies and in compliance with regulation, law and statute.
- Discharging the Board's responsibilities for information technology (IT) governance and ensuring it aligns with UBA Ghana's objectives, enables the business strategy, delivers value and improves performance.
- Reviewing and assessing the integrity and adequacy of the overall risk management function of UBA Ghana.
- Reviewing the adequacy of UBA Ghana's capital (economic and regulatory) and its allocation to UBA Ghana's business.
- Reviewing risk limits and periodic risk and compliance reports and making recommendations to the Board.

The Committee met four (4) times in the year ended 31st December 2022. Membership and attendance at Board Risk Management Committee meetings during the year is set out below:

S/N	Members	Number of meetings entitled to attend	Number of meetings attended
1	Mr. Jerry Djangmah	4	4
2	Mr. Francis Koranteng	4	4
3	Mr. Ivan Avereyireh	4	4
4	Mr. Ebele Ogbue	4	4
5	Mr. Olalekan Balogun	1	1
6	Mr. Chris Ofikulu	2	2

3. Board Cyber and Information Security Sub-Committee

As at 31 December 2022, the Chairman of the Board Cyber and Information Security Committee was Mr. Ivan Avereyireh an Independent Director. The other members were Mr. Ebele Ogbue and Mr. Chris Ofikulu.

The purpose of the Committee includes the following:

- Approve the Cyber and Information security management policies.
- Establish an acceptable risk level that forms the basis of the Bank's security policies and security activities.
- Discharge the Board's responsibilities for Cyber and Information Security risk governance and ensure it aligns with the Bank's objectives, enables the business strategy, delivers value and improves performance.
- Consider Cyber and Information Security as a business enabler and strategic asset for the Bank and ensure its related risks and constraints are well governed and controlled.
- Ensure the Integration of cyber and information security governance into the overall enterprise governance framework of the Bank.
- Ensure that management invest in information security programme, measure and monitor report on programme effectiveness.
- Review investments in information security for alignment with the Bank's strategy and risk profile.

The Sub-Committee met four times in the year ended December 31, 2022. Membership and attendance at Cyber and Information Security Sub-Committee meeting during the year is set out below:

S/n	Members	Number of meetings held	Number of meetings attended
1	Mr. Ivan Avereyireh	4	4
2	Mr. Ebele Ogbue	4	4
3	Mr. Olalekan Balogun	1	1
4	Mr. Chris Ofikulu	2	2

4. Board Audit Committee

As at 31 December 2022, the Chairman of the Board Audit Committee was Mr. Francis Koranteng, an Independent Director. The other members were Mr. Foster Buabeng and Mr. Ivan Avereyireh.

The purpose of the Board Audit Committee includes the following:

- Monitoring and assessing the overall integrity of the financial statements and disclosures of the financial condition and results of operations of UBA Ghana.
- Monitoring management's responsibilities to ensure that an effective system of financial and internal controls is in place.
- Assisting the Board in discharging its responsibilities on Information Technology (IT) as it relates to financial reporting and the status of the company as a going concern.
- Monitoring and evaluating on a regular basis the qualifications, independence and performance of the External Auditors and the Internal Audit and Control Department.
- Monitoring processes designed to ensure compliance by UBA Ghana with respect to all legal and regulatory requirements, including disclosure controls and procedures and the impact (or potential impact) of developments related thereto.

The Committee met four (4) times during the year ended December 31, 2022. Membership and attendance at Board Audit Committee meetings during the year is set out below:

S/n	Members	Number of meetings held	Number of meetings attended
1	Mr. Francis Koranteng	4	4
2	Mr. Ivan Avereyireh	4	4
3	Mr. Oliver Alawuba	3	3
4	Mr. Foster Buabeng	4	4
5	Mrs. Merene Botsio Benyah	2	2

5. Board Credit Committee

As at 31 December 2022, the Chairman of the Board Credit Committee was Mr. Samuel Ayim, an Independent Director. The other members were Mrs. Sylvia Inkoom, Mr. Ebele Ogbue, Mrs. Abiola Bawuah, Mr. Chris Ofikulu and Mr. Jerry Djangmah.

The purpose of the Board Credit Committee includes the following:

- To make credit decisions on behalf of the Board within limits defined by the Credit Policy as approved by the Board.
- To assist the Board of Directors to discharge the responsibility to exercise due care, diligence and skill to oversee, direct and review the management of the credit portfolio of the Bank.
- Strengthening credit underwriting practices across the Bank.
- Review and recommend to the Board for approval the credit and lending policies, frameworks and procedures of the Bank and review delegated credit authorities for compliance.

The Committee met four (4) times during the year ended December 31, 2022. Membership and attendance at Board Credit Committee meetings during the year is set out below:

S/n	Members	Number of meetings held	Number of meetings attended
1	Mr. Samuel Ayim	4	4
2	Mr. Ebele Ogbue	4	4
3	Mrs. Abiola Bawuah	4	4
4	Mr. Chris Ofikulu	2	2
5	Mrs. Sylvia Inkoom	4	4
6	Mr. Olalekan Balogun	1	1
7	Mr. Jerry Djangmah	4	4

6. Internal Control

UBA Ghana recognizes the importance of the Internal Control function in the Bank's overall operations and has put in place control systems to ensure that the Bank's operations are carried in a safe, objective and effective manner. The Directors review the effectiveness of the system of internal control through regular reports and reviews at Board and Risk Management Committee meetings.

7. Anti-Money Laundering

The Board and Management of UBA Ghana are committed to upholding all the laws and regulations regarding Anti-Money Laundering. Staff are continuously trained on the provisions of the Bank's anti-money laundering policies as well as the Anti- Money Laundering Act, 2020 (Act 1044) to ensure strict compliance to these laws and regulations.

8.Conflicts of Interest

The Bank has a comprehensive policy regarding conflicts of interests which staff and directors are expected to abide to. Directors are made aware of their duty to avoid situations or activities that could create conflicts of interests and to disclose any activities that may result in or have already resulted in a conflict of interest. Staff and Directors are also required to make periodic declarations on conflicts of interest, to the regulator.

9. Shareholdings Rights

The Board of UBA Ghana has always placed considerable emphasis on effective communication with its shareholders. It ensures that the rights of shareholders are always protected. Notice of meetings and all other statutory notices and information are communicated to the shareholders regularly. The Bank ensures the protection of statutory and general rights of shareholders at all times, particularly their right to vote at General Meetings. All shareholders are treated equally regardless of their equity interest or social status.

The General Meeting of Shareholders is the highest decision-making body of the Bank and meetings are conducted in a fair and transparent manner that gives shareholders the opportunity to express their opinion. The Bank publishes quarterly, half-yearly and annual reports on its website as well as national newspapers. The Bank also provides other relevant communications that provide requisite information to shareholders and the general public, especially as regards the performance, strategy and developments in the Bank.

10. Directors' Compensation

Package	Type	Description	Timing
Basic salary	Fixed	This is part of gross salary package for Executive Directors only. It reflects the banking industry competitive salary package and the extent to which the Bank's objectives have been met for the financial year.	Paid monthly during the financial year
13th month salary	Fixed	This is part of gross salary package for Executive Directors only. It reflects the banking industry competitive salary package and the extent to which the Bank's objectives have been met for the financial year.	Paid in a month during the financial year
Directors fees	Fixed	This is paid quarterly to Non-Executive Directors only.	Paid quarterly
Sitting allowances	Fixed	Sitting allowances are paid to the Non-Executive Directors only for attending Board and Board Committee meetings.	Paid after each meeting

11. Annual Certification

The Board certifies that for the financial year ended 31 December 2021, the Bank has complied with the provisions of the Corporate Governance Directive 2018, as issued by the Bank of Ghana, including but not limited to:

a) Board qualification and composition

b) Board size and structure

c) Board Secretary

d) Other engagements of Directors

e) Board sub-committees

In addition, the Board certifies that:

1) It has independently assessed and documented that the Bank's corporate governance process is effective and has successfully achieved its objectives.

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

3) Directors were trained and subsequently certified by Purple Almond Consulting Services on Corporate Governance.

12. Statement on Evaluation of the Board

The Bank has a code of conduct which has been made available to all persons to whom it applies. Staff and Directors sign the code of conduct and professional ethics declaration prior to their appointment and annually after their appointment. The code is reviewed regularly and contains practices necessary to maintain confidence in the integrity of the Bank, commits the Bank, its employees, management and Board to the highest standards of professional behaviour, business conduct and sustainable business practices.

13. Ethics and Professionalism

The Bank has a code of conduct which has been made available to all persons to whom it applies. Staff and Directors sign the code of conduct and professional ethics declaration prior to their appointment and annually after their appointment. The code is reviewed regularly and contains practices necessary to maintain confidence in the integrity of the Bank, commits the Bank, its employees, management and Board to the highest standards of professional behaviour, business conduct and sustainable business practices.

Corporate culture and values

The Board formulates and takes a lead on the Bank's corporate culture and value that promote and reinforces norms for responsible and ethical behaviour in terms of risk awareness, risk-taking, and risk management. The Board sets and adheres to corporate values for itself, key management, and employees that create expectations that business should be conducted in a legal and ethical manner at all times. The Board ensures that appropriate steps are taken to communicate throughout the Bank, the corporate values, and professional standards it sets together with supporting policies and appropriate sanctions for unacceptable behaviours.

14. Independent Risk Management Oversight Function (RMOF)

There is an independent risk management function headed by the Chief Risk Officer who is an independent senior executive but reports directly to the MD/CEO. The function handles the credit risk and other risks such as cyber risk, operational risk, market risk and legal risk.

15. Internal Audit

The Bank has an internal audit function headed by the Country Chief Inspector who is a member of Senior Management appointed and assessed by the Board Audit Committee and reports directly to that Committee.

Risk Management

The Bank has put in place systems for ensuring compliance with all prudential requirements. The systems and resources that are in place for identifying, measuring, evaluating, controlling, mitigating and reporting material risks, and the Risk Management Framework are appropriate and commensurate with the size, business mix, and complexity of the Bank.

The risk management and internal control systems put in place are operating effectively and are adequate. The Bank has a Risk Management Strategy that complies with the Risk Management Directive issued by the Bank of Ghana, and has complied with the requirements described in its Risk Management Strategy.

The Bank is satisfied with the effectiveness of its processes and management information systems.

Sustainability Report

In United Bank for Africa Ghana LTD, we remain committed to the sustainable growth and development of the Ghanaian economy and the broader African continent; the overall progress of the populace; and the physical wellbeing of the earth. As a leading financial services institution, we understand and are committed to playing our role towards infrastructure development, women empowerment, economic diversification, capacity building and inclusive growth and development. We understand our responsibility in ensuring that our products, investments and business activities do not harm the environment. We continue to work with our customers, subsidiaries, associates, investees, partners, vendors, contractors and other third parties to ensure that they understand and comply with relevant environmental policies, laws and regulations.

We integrate sustainability principles in our business operations. Our policy is centred on mainstreaming sustainable business practices into operations for strategic growth and long-term success. The drive for sustainability practice is championed by the Board and Executive Management Committee. The committee anchors the execution of strategic initiatives, thus ensuring that the philosophy is institutionalised and the ethical cultures are imbibed by every staff, who are obligated to adhere strictly to the principles in their day-to-day functions.

Progress Report on Stakeholder Engagements

1. Employee:

The key concerns expressed by our employees during our staff engagement were: Frequency of Promotion and Work-Life-Integration.

UBA's Commitment:

- Day-to-day engagement and feedback
- Quest for excellence sessions
- Various trainings and capacity building sessions
- GMD's visioning meetings
- Employee satisfaction surveys
- CEO's Awards
- Regular electronic newsletters
- Workplace gender diversity and equal opportunities activities.
- The Bank ensures that all staff participate in the annual wellness check in collaboration with our Health Management Organisation (HMO).
- In addition, we organise quarterly fitness sessions (tagged; "Jogging to Bond") for all members of staff across the Bank in different locations and we collaborate with the HMO in sensitising and educating staff on health issues, with attention to preventive medicine and natural therapies.

2. Customers:

Key concerns: Limited access to lending and project financing.

UBA's Commitment

- We ensure strict compliance to regulatory requirement on lending and project financing, including the integration of the Group's policy on ESG in credit appraisals and overall lending decision.
- We ensure strict business ethics and professionalism in our service delivery.
- State-of-art technology to deliver superior customer service experience and respond to changing needs of our customers
- Customer surveys, marketing visits and calls.
- Transitioned the Customer Fulfillment Centre (CFC) into an end-to-end resolution channel for all complaints
- Dedicated offerings for SMEs and structural support for businesses.
- Loan products for the retail customers and enhancement of channels for exceptional service experience.

3. Shareholders: Increased wealth creation.

UBA's Commitment

- Provision of timely information to all shareholders; annual reports and accounts, quarterly results and press releases.
- Ensuring strict adherence to the Bank's governance principles, the Board is evaluated bi-annually by a reputable firm of consultants.

4. Suppliers: Key concerns are the transparent and fair assessment or selection process of vendors, pricing and payment terms.

UBA's Commitment:

- The Bank recently enhanced the Vendor Selection and Assurance team and improved the procurement process, including accreditation and review of vendors and contractors to ensure that the most qualified vendors are duly registered and shortlisted for relevant projects.
- The selection is overseen by a Cost Optimisation Committee made up of Senior Management staff across relevant divisions. This ensures that adequate due diligence is carried out before, during and after the selection of vendors and award of contracts or procurements.
- Periodic price checks and vendor reviews are conducted, in addition to vendor rating by relevant divisions in the Bank, through an anonymous survey conducted periodically and independently analysed for MIS purposes.

5. Communities: Key concerns include environment and social footprint, contributions to the development of the youth, particularly less privileged persons.

UBA's Commitment:

- UBA is committed to charitable donations and sponsorships of impactful projects, especially youth-oriented initiatives that align with our empowerment philosophy.
- We engage in various community development initiatives either directly through UBA Foundation, our special purpose vehicle for Corporate Social Responsibility, or in partnership with credible non-governmental organisations and public institutions. Charitable donations during the year are disclosed in the Corporate Governance Report.

6. Regulators: Disclosure of Environmental and Social performance through reporting progress on the implementation of Sustainable Banking Principles.

UBA's Commitment:

- Continuous consultations with relevant regulatory authorities and public institutions on the progress made in the advocacy and adherence to environmental and social principles.
- Periodic onsite meetings and supervisory visits by representatives of regulatory bodies.

Managing Environmental and Social Risks

UBA's activities expose the Bank to a variety of financial risks that require analysis, evaluation, acceptance and management. We reckon that assuming risk is a core aspect of financial services business and operational risks are an inevitable consequence of being in business.

Hence, we appreciate that achieving a balanced performance scorecard requires integrating environmental and social considerations into our performance measurement scale, as we look beyond explicit financial profit. It also entails imbibing global best practices in our business policies and practices by ensuring that our entire process and people are carried along in our sustainability journey. As a responsible Bank, UBA has carefully identified the sectors and operations that portend significant social and/or environmental risks, through our Social and Environmental Risk Department. The Environmental and Social policy form part of our overall operational policy framework. UBA's Environmental and Social policy specifies the requirements for Environmental and Social due diligence and the criteria for adopting responsible credit decisions.

Social and Environmental Due Diligence

UBA will not provide any service (including direct loan, funding, investment or advisory services) to customers engaged in any activity involving;

i. Production or trade in any product or activity deemed illegal under Republic of Ghana laws or regulations or international conventions and agreements.
ii. Production or trade in weapons and ammunitions.
iii. Trade in wildlife or wildlife products regulated under Convention on International Trade in Endangered Species (CITES).
iv. Production or trade in radioactive materials.
v. Production or trade in or use of unbonded asbestos fibres.
vi. Purchase of logging equipment for use in primary tropical moist forest.
vii. Drift net fishing in the marine environment using nets in excess of 2.5km in length.
viii. Production or trade in pharmaceuticals under international phase outs or bans.
ix. Production or trade in pesticides or herbicides under international phase outs or bans.
x. Production or activities involving harmful or exploitative forms of forced labour or child labour.
xi. Production or trade in products containing polychlorinated biphenyl (PCB).
xii. Production, trade, storage or transport of significant volumes of hazardous chemicals, or commercial scale usage of hazardous chemicals.
xiii. Production or trade in ozone depleting substances subject to international phase out.
xiv. Production or activities that impinge on the land owned, or claimed under adjudication, by indigenous people, without full documented consent of such people.

Business Continuity

UBA recognizes its responsibility to sustain banking operations during disruptive events and retain our employees and assets at all times. We are fully aware that the unexpected can and does occur, from simple situations to major outages and since we recognize how heavily our clients rely on our systems and services, it is a challenge to continually provide high-quality services and sustain critical functions while minimizing customer impact.

Major efforts have been funneled into the cyber and information security domain to ensure that UBA is fortified with the ability to handle cyber security threats. UBA's security strategy has been developed in alignment with our digital transformation strategy. This effort ensures that security requirements and measures are considered as early as possible during product and solution development so that a seamless, unified, and secure customer experience is provided. Business Continuity Management also ensured the development and testing of critical business continuity plans and manages this process in an efficient manner through implementation of the Business Continuity Management (BCM) life cycle automation system. Business Continuity Management is done to protect our Staff, minimize potential operational loss and ensure UBA continues in business, protect the Bank's reputation and customers' perception and to protect customers' data to ensure confidentiality, integrity and availability.

BCM is implemented via following steps:

- Development of Business Impact Analysis which is the process of identifying critical business functions and the impact on the Bank if these business functions are disrupted due to crisis event or disaster. BIA is developed for all Business functions in the Bank.
- Development of Continuity of Business Plan is made up of two segments.
    i. Crisis Management Plan: This is framework for managing crisis events, which includes development of Crisis Management Teams.
    ii. Business Recovery Plan: This is the process of recovering business process when disrupted and unable to provide services to customers. It may involve relocation of business processes or its Information Technology resource to alternate site to ensure business continuity.

iii. Testing; is a trial run to ensure that plans and facilities that provide UBA's Business recovery solutions are appropriate to recover business operation in the event of crisis or disaster.
iv. Maintenance; is regular update of all business continuity plans in line with policy requirements, business needs and regulations. All business continuity plans are updated at least once a year.
v. Monitoring and Reporting; is the process of tracking compliance of each business function, to implementation of business continuity in its processes in line with policy requirements and regulations.
vi. Training and Awareness: provide continuity of Business personnel with skills and knowledge to plan and respond to crisis events or business disruption. Awareness is an initiative that ensures communication of important Continuity of Business topics to all staff.

Independent Auditor's Report to the shareholders of United Bank for Africa (Ghana) LTD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of United Bank for Africa (Ghana) LTD, set out on pages 27 to 111, which comprise the statement of financial position as at 31 December 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, the notes to the financial statements, including a summary of significant accounting policies and other explanatory disclosures.

In our opinion, the financial statements give a true and fair view of the financial position of United Bank for Africa (Ghana) LTD as at 31 December 2022, and its financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards, the requirements of the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit Taking-Institutions Act, 2016 (Act 930).

Basis for Opinion

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

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

Key Audit Matter

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the financial statements of the current period. The matter was 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 the matter.

Key audit matter	**How our audit addressed the key audit matter**
Impairment of Investments in Government Securities	
As disclosed in Note 20, total impairment loss related to investment securities as at 31 December, 2022 was GHS 282 million out of which GHS 266 million was as a result of the Government Domestic Debt Exchange (GDDE) Programme. This is the first time the Bank is assessing government securities for impairment and due to the significant judgements that are applied by management, we consider this to be a key audit matter. As described in Note 20, at 31 December 2022, the Bank's total exposures held in government securities was GHS 2.7 billion with an associated impairment of GHS 282 million.	We performed the following procedures on the ECL for investments in government securities with the assistance of our credit specialists: • We evaluated the design and tested the implementation of the key controls over the computation of impairment loss. • In evaluating the design of control, we considered the appropriateness of the control considering the nature and significance of the risk, competence and authority of the person(s) performing the control, frequency and consistency with which the control is performed.

Key audit matter	How our audit addressed the key audit matter
Impairment of Investments in Government Securities	
The areas of significant judgment within the ECL process includes: • Whether the debt exchange programme is considered an adjustment subsequent event. • The determination of cashflows of the new bonds in accordance with the financial terms of the new bonds. • Whether an appropriate discount rate is used to calculate e the Estimated credit loss of the relevant government bonds. • The determination of the discount rate is complex as the new bonds do not have an active trading market. • Whether there is increased credit risk around other instruments issued by the Government of Ghana • Whether the disclosures around the impairment of these investments are considered relevant to the users of the financial statement and in accordance with the applicable accounting standards	• We tested the completeness of the investments held with the Government of Ghana, obtained confirmations and reconciled the carrying amount of each category of investment to ensure all eligible bonds and other related exposures are fully assessed for impairment. • We evaluated the treatment of the valuation of the bonds as adjusting subsequent events. • For eligible bonds, we reviewed the expected cashflow and payments-in-kind from the new bonds based on the financial terms provided in the exchange memorandum. • We have engaged our internal specialist to challenge the appropriateness of the discount rate used for determining the present value of cashflows for the new bonds and also ensured that the rate used is within the acceptable range issued by the accounting and banking regulators. • For other investments held with the Government of Ghana, we challenged management on the appropriate staging, determination of an appropriate Loss Given Default (LGD) and Probability of Default (PD) for each category of investment. • We found that the assumptions used by management were comparable with current macroeconomic trends and have been assessed as reasonable. • Evaluated the appropriate application of regulatory directives on accounting for eligible bonds. • We further tested the disclosures to ensure that the disclosures have been made in accordance with the requirements of IFRS 9. Based on the procedures performed, we found the judgement made by the Group and Bank reasonable and assess the related disclosures as appropriate.
Expected Credit Losses (ECL) on Loans and Advances	**Response**
As disclosed in Note 21, the impairment of loans amounted to GHS 123 million for the year, whilst the carrying value of loans and advances was GHS 1.5 billion. Significant judgement is required by the directors in assessing the expected credit loss allowance of loans and advances. Accordingly, for the purposes of our audit, we identified the impairment of loans and advances as representing a significant risk of material misstatement and a key audit matter.	We evaluated the design and tested the implementation and operating effectiveness of the key controls over the computation of impairment loss. In evaluating the design of controls, we considered the appropriateness of the control considering the nature and significance of the risk, competence and authority of person(s) performing the control, frequency and consistency with which the control is performed.

Expected Credit Losses (ECL) on Loans and Advances	Response
The assumptions with the most significant impact on the cash flow forecast were; - Determining the staging of financial assets of the Bank which includes establishing groups of similar financial assets - Determining criteria for significant increase in credit risk - Determination of the probability of default (PD) and Loss Given Default (LGD), which includes establishing the relative weightings of forward-looking scenarios for each type of loan and the associated Expected Credit Loss (ECL). The Bank is also required to compute loan provision in accordance with the Bank of Ghana (BOG) prudential guidelines. There is the risk of inappropriate classification of loans and advances in accordance with BOG's guidelines that results in inaccurate loan impairment computations. The Bank is also required to make transfers from income surplus to regulatory credit risk reserve based on the excesses of IFRS impairment and Bank of Ghana provision. The disclosures relating to impairment of loans and advances to customers, which are included in notes to the financial statements, are considered important to the users of the financial statements given the level of judgement and estimation involved.	In performing operating effectiveness of controls, we selected a sample of transactions based on the control frequency to determine whether the control operated effectively during the year. We performed an evaluation of management's key assumptions over the expected credit loss model (ECL), including the probability of default and the Loss Given Default. We challenged management's staging of its financial assets in the ECL module and tested facilities to ensure they have been included in the correct stage. We tested the underlying calibration data behind the determination of the probability of default by agreeing same to underlying supporting documentation. We found that the assumptions used by management were comparable with historical performance and have been assessed as reasonable. We further tested the disclosures to ensure that the required disclosures under IFRS 9 have been appropriately disclosed. We further assessed as appropriate the classifications of the Bank's loans and advances in accordance with Bank of Ghana, prudential guidelines and the transfer of any excess provision over the IFRS computed provisions to the regulatory credit Risk Reserve.

Other Information

The directors are responsible for the other information. The other information comprises the Report of the Directors, the Corporate Governance Report, the Sustainability Report, which we obtained prior to the date of this report, which is expected to be made available to us after that date. 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 and will not express an audit opinion or any form of assurance conclusion thereon.

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

Responsibilities of the Directors for the financial Statements

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

Auditor’s Responsibilities for the Audit of 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 scepticism throughout the audit. We also:

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

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

Report on Other Legal and Regulatory Requirements

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

1. We have obtained the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of the audit.
2. In our opinion:

- proper books of accounts have been kept by the Bank, so far as appears from our examination of those books.
- the information and explanations given to us, were in the manner required by the Companies Act, 2019 (Act 992) and give a true and fair view of the:

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

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

3. 3.The Bank's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the accounting records and returns.
4. We are independent of the Bank, pursuant to Section 143 of the Companies Act, 2019 (Act 992)

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

1. We confirm that the accounts give a true and fair view of the state of the affairs of the Bank and the results of operations for the year under review.
2. We were able to obtain all the information and explanation required for the efficient performance of our duties as auditors.
3. We confirm that the transactions of the Bank were within its powers.
4. In our opinion, the Bank has generally complied with the provisions of the Anti-Money Laundering Act, 2020 (Act 1044), the Anti-Terrorism Act, 2008 (Act 762) and Regulations made under these enactments.
5. The Bank has generally complied with the provisions of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

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

For and on behalf of Deloitte & Touche (ICAG/F/2022/129)
Chartered Accountants
The Deloitte Place, Plot No.71
Off George Walker Bush Highway
North Dzorwulu
Accra Ghana

25 April 2023

Financials Statements

Statement of Profit or Loss and other Comprehensive Income
Statement of Financial Position
Statement of Changes in Equity
Statement of Cash Flows
Notes to Financial Statements

5

Statement of Profit or Loss and other Comprehensive Income

(All amounts are expressed in Ghana cedis unless otherwise stated)

	Note	31 Dec 2022	31 Dec 2021
Interest income	7	**798,611,363**	506,884,566
Interest expense	8	**(261,788,406)**	(169,547,713)
Net interest income		**536,822,957**	337,336,853
Fees and commission income	9	**75,371,769**	72,937,435
Fees and commission expense		**(27,551,209)**	(18,737,068)
Net fees and commission income		**47,820,560**	54,200,367
Net trading and revaluation income	10	**97,278,555**	56,982,072
Other operating income	11	**127,895**	931,237
Net trading and other income		**97,406,450**	57,913,309
Net operating income		**682,049,967**	449,450,529
Allowance for credit losses on financial assets	12	**(406,630,830)**	(95,265,683)
Personnel expenses	13	**(80,753,856)**	(65,856,828)
Depreciation and amortisation	14	**(12,590,329)**	(11,783,794)
Other operating expenses	15	**(90,863,133)**	(57,730,110)
Profit before income tax		**91,211,819**	218,814,114
Income tax expense	17	**(31,617,645)**	(77,049,377)
Profit for the year		**59,594,174**	141,764,737
Other comprehensive income			
Items that will be reclassified to the income statement			
Net charge in fair value during the year (net of tax)	29	**-**	(831,924)
Total comprehensive income for the year		**59,594,174**	140,932,813
Basic and diluted earnings per share	16	**0.01**	0.02

The accompanying notes are an integral part of these financial statements

Statement of Financial Position

As At 31 December 2022

(All amounts are expressed in Ghana cedis unless otherwise stated)

	Note	31 Dec 2022	31 Dec 2021
Assets			
Cash and bank balances	19	**1,855,756,294**	1,040,251,267
Investment securities:			
- At amortised cost	20	**2,438,908,925**	2,717,849,080
- At fair value through other comprehensive income	20	**-**	64,191,145
Loans and advances to customers	21	**1,544,688,879**	1,032,519,321
Other assets	22	**176,096,468**	431,298,690
Property and equipment	23	**72,339,376**	63,388,093
Intangible assets	24	**2,051,086**	1,656,104
Income tax asset	17	**30,416,193**	8,594,131
Deferred tax asset	18	**89,804,574**	13,452,036
Total assets		**6,210,061,793**	5,373,199,867
Liabilities			
Deposits from customers	25	**4,736,251,611**	4,075,498,353
Deposits from banks	26	**72,940,071**	59,049,587
Other liabilities	27	**209,603,917**	105,970,684
Total liabilities		**5,018,795,599**	4,240,518,624
Equity			
Stated capital	28	**400,000,000**	400,000,000
Retained earnings	29	**439,369,978**	395,669,959
Fair value reserve	29	**-**	13,612
Statutory reserve	29	**351,896,216**	336,997,672
Total equity		**1,191,266,194**	1,132,681,243
Total liabilities and equity		**6,210,061,793**	5,373,199,867

The financial statements were approved by the Board of Directors on 25 April 2023 and signed on its behalf by:

Kweku Awotwi
Chairman

Chris Ofikulu
MD/CEO

Statement of Changes in Equity

(All amounts are expressed in Ghana cedis unless otherwise stated)

For the year ended 31 December 2022

	Stated capital	Income surplus	Statutory reserve	Credit risk reserve	Fair value reserve	Total
At 1 January 2022	**400,000,000**	**395,669,959**	**336,997,672**	**-**	**13,612**	**1,132,681,243**
Profit for the year	-	59,594,174	-	-	-	59,594,174
Total comprehensive income for the year	**-**	**59,594,174**	**-**	**-**	**-**	**59,594,174**
Transfer between reserves						
Transfer to/from fair value reserve	-	13,612	-	-	(13,612)	-
Transfer to/from retained earnings	-	(1,009,223)	-	-	-	(1,009,223)
Transfer to statutory reserve	-	(14,898,544)	14,898,544	-	-	-
Total transfer between reserves	**-**	**(15,894,155)**	**14,898,544**	**-**	**(13,612)**	**(1,009,223)**
Transactions with owners						
Total transactions with owners	-	-	-	-	-	-
At 31 December 2022	**400,000,000**	**439,369,978**	**351,896,216**	**-**	**-**	**1,191,266,194**

Statement of Changes in Equity (Continued)

(All amounts are expressed in Ghana cedis unless otherwise stated)

For the year ended 31 December 2021

	Stated capital	Income surplus	Statutory reserve	Credit risk reserve	Fair value reserve	Total
At 1 January 2021	400,000,000	289,346,406	301,556,488	-	845,536	991,748,430
Profit for the year	-	141,764,737	-	-	-	141,764,737
Net change to fair value during the year (net of tax)	-	-	-	-	(831,924)	(831,924)
Total comprehensive income for the year	-	141,764,737	-	-	(831,924)	140,932,813
Transfer between reserves						
Transfer to statutory reserve	-	(35,441,184)	35,441,184	-	-	-
Total transfer between reserves	-	(35,441,184)	35,441,184	-	-	**-**
Transactions with owners	**-**					
Total transactions with owners	**-**	**-**	**-**	**-**	**-**	**-**
At 31 December 2021	**400,000,000**	**395,669,959**	**336,997,672**	**-**	**13,612**	**1,132,681,243**

The accompanying notes are an integral part of these financial statements

Statement of Cash Flows

(All amounts are expressed in Ghana cedis unless otherwise stated)

	Note	2022	2021
Cash flows from operating activities			
Profit before income tax		**91,211,819**	218,814,114
Adjustments for:			
Depreciation and amortisation	14	**12,590,329**	11,783,794
Allowance for credit loss on loans to customers	12	**123,042,433**	97,238,081
Allowance/(reversal) of loss on contingent liabilities	12	**2,223,315**	(68,416)
Allowance for credit loss on investment securities	12	**281,647,731**	(1,400,000)
Recoveries on loans written off	12	**(282,649)**	(503,982)
Gain on disposal of property and equipment	8	**(113,973)**	(18,323)
Write-off of property and equipment	23	**126,375**	182,619
Foreign currency exchange difference on borrowings	23	**(5,350,179)**	(5,734,989)
Net interest income	10	**(536,822,957)**	(337,336,853)
		(31,727,756)	(17,043,955)
Change in operating assets and liabilities			
Change in mandatory reserve deposits		**(66,075,326)**	(128,873,415)
Change in loans and advances to customers		**(634,929,342)**	(20,797,949)
Change in other assets		**224,367,161**	(346,554,276)
Change in deposits from banks		**13,890,484**	(13,394,765)
Change in deposits from customers		**660,753,258**	1,288,734,152
Change in other liabilities		**110,194,461**	12,129,854
Interest received		**798,611,363**	506,884,565
Interest paid		**(260,174,995)**	(168,247,582)
Income tax paid	17	**(98,620,775)**	(83,275,215)
Net cash from operating activities		**716,288,533**	1,029,561,414
Cash flows from investing activities			
Purchase of investment securities		**(3,779,202,782)**	(4,216,206,737)
Proceeds from sale/redemption of investment securities		**4,173,839,593**	3,215,256,935
Purchase of property and equipment	23	**(21,355,162)**	(7,704,335)
Proceeds from sale of property and equipment	23	**115,851**	22,930
Purchase of intangible assets	24	**(709,692)**	(1,273,196)
Net cash used in investing activities		**372,687,808**	(1,009,904,403)
Cash flows from financing activities			
Finance cost on lease liabilities	12	**(1,613,411)**	(1,300,131)
Payments of principal on lease liabilities	27	**(8,784,535)**	(5,280,032)
Net cash used in financing activities		**(10,397,946)**	(6,580,163)
Net decrease in cash and cash equivalents		**1,078,578,395**	13,076,848
Foreign currency exchange differences	10	**5350,179**	5,734,989
Cash and cash equivalents at 1 January	19	**798,120,341**	779,308,505
Cash and cash equivalents at 31 December	19	**1,882,048,915**	798,120,342

Notes

REPORTING ENTITY

United Bank for Africa (Ghana) LTD ("the Bank") is a limited liability company and is incorporated and domiciled in Ghana. The registered office is Heritage Towers, Ambassadorial Enclave, Accra. The Bank operates under the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). The Bank is a subsidiary of United Bank for Africa Plc of Nigeria and provides retail, corporate banking and investment banking services.

The financial statements for the year ended 31 December 2022 were approved and authorised for issue by the Board of Directors on 25 April 2023.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The Bank's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The financial statements have been prepared under the historical cost convention, except for financial assets measured at fair value through other comprehensive income. Additional information required under the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) have been included, where appropriate.

The same accounting policies and methods of computation were followed in preparation of these financial statements as compared with the Bank's most recent annual financial statements.

The preparation of financial statements requires the directors to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, incomes and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

(a) Functional and presentation currency

Items included in the Bank's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

The financial statements are presented in Ghana Cedi, which is the Bank's functional currency.

(b) Transactions and balances

Foreign currency transactions are recorded at the rate of exchange on the date of the transaction. At the reporting date, monetary assets and liabilities denominated in foreign currencies are reported using the closing exchange rate. Exchange differences arising on the settlement of transactions at rates different from those at the date of the transaction, as well as unrealised foreign exchange differences on unsettled foreign currency monetary assets and liabilities, are recognised in the income statement. The Ghana Interbank Exchange rates are used to translate foreign currency items into the functional currency.

Unrealised exchange differences on non-monetary financial assets are a component of the change in their entire fair value. For non-monetary financial assets measured at fair value through profit or loss, unrealised exchange differences are recognised in profit or loss. For non-monetary financial assets measured at fair value through other comprehensive income, unrealised exchange differences are recorded in other comprehensive income until the asset is sold or becomes impaired.

2.3 Sale and repurchase agreements

Securities sold subject to repurchase agreements ('repos') are reclassified in the financial statements as pledged assets when the transferee has the right by contract or custom to sell or repledge the collateral; the counterparty liability is included in due to other banks or customer deposits, as appropriate. Securities purchased under agreements to resell ('reverse repos') are recorded as loans and advances to customers or due from other banks, as appropriate. The difference between sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest method. Securities lent to counterparties are also retained in the financial statements.

2.4 Property and equipment

Items of property and equipment are carried at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Subsequent expenditures are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

2. Summary of significant accounting policies (continued)
2.4 Property and equipment (continued)

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

Right - of – use assets are presented together with property and equipment in the statement of financial position – refer to accounting policy in Note 2.19. Right – of – use assets are depreciated on a straight – line basis over the lease term.

Depreciation of owned assets is calculated on a straight – line basis over the estimated useful life of the assets as follows;

Building	50 years
Leasehold improvement	Over the period of lease
Computers	5 years
Motor vehicles	4 years
Equipment, furniture and fittings	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in other operating income/expenses in profit or loss.

Capital work-in-progress (CWIP)

These are costs in respect of property, plant and equipment and other construction work-in-progress that will eventually be capitalised. Amounts paid or accrued either in a lump sum or on an instalment basis related to the construction, alteration, or renovation of premises, installations, and equipment (including special equipment such as computers) that are not yet functional or in use are accumulated in capital work-in-progress sub-accounts that are reported in the appropriate fixed asset accounts. Payments made for capital work-in-progress projects that will eventually be expensed are expensed as incurred.

Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted if appropriate. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

An item of property and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

2.5 Intangible assets

Intangible assets comprise computer software licences and other intangible assets. Intangible assets are recognised at cost less accumulated amortisation and accumulated impairment losses. Intangible assets with a definite useful life are amortised using the straight-line method over their estimated useful economic life, generally not exceeding four (4) years. Intangible assets with an indefinite useful life are not amortised. Generally, the identified intangible assets of the Bank have a definite useful life. At the end of each reporting period, intangible assets are reviewed for indications of impairment or changes in estimated future economic benefits. If such indications exist, the intangible assets are analysed to assess whether their carrying amount is fully recoverable. An impairment loss is recognised if the carrying amount exceeds the recoverable amount.

Intangible assets with indefinite useful life are annually tested for impairment and whenever there is an indication that the asset may be impaired.

2.6 Impairment of non-financial assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). The impairment test also can be performed on a single asset when the fair value less cost to sell or the value in use can be determined reliably. Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.7 National Fiscal Stabilisation Levy

The National Stabilisation Levy is assessed under the National Fiscal Stabilisation Levy Act (Act 862) of 2013 at 5% on accounting profit before tax and became effective on 12 July 2013. The levy is not tax deductible and it is accounted for on accrual basis.

2.8 Income tax

Current income tax

The tax expense for the period comprises current and deferred income tax. Tax is recognised in the profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax laws enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Bank and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.9 Employee benefits

a. Defined Contribution Plans

The Bank operates a defined contribution pension scheme. A defined contribution plan is a pension plan under which the Bank makes fixed contributions on contractual basis. The Bank has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Obligations for contributions to defined contribution plans are recognised as an expense in profit or loss when they are due.

b. Termination benefits

The Bank recognises termination benefits as an expense when the Bank is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. The Bank settles termination benefits within 12 months and are accounted for as short- term benefits.

c. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term employee benefits 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.

2.10 Provisions

Provisions are recognised when: The Bank has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class 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 the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2. Summary of significant accounting policies (continued)

2.11 Stated capital

a. Ordinary shares

Ordinary shares are classified as ''Stated capital" in equity.

b. Dividends on ordinary shares

Dividends on ordinary shares are recognised in equity in the period in which they are approved by the Bank's shareholders. Dividends for the year that are declared after the reporting date are dealt with in the subsequent events note.

2.12 Contingent liabilities

Letters of credit, acceptances, guarantees and performance bonds are generally written by the Bank to support performance by a customer to third parties. The Bank will only be required to meet these obligations in the event of the customer's default. These obligations are accounted for as off balance sheet transactions and disclosed as contingent liabilities; credit risk, liquidity risk, market risk-comprising currency, interest rate and other price risk.

2.13 Cash and cash equivalents

Cash and cash equivalents comprise balances with less than three months' maturity at the date of acquisition, including cash in hand, deposits held at call with other Banks, and other short term highly liquid investments with original maturities of three months or less.

2.14 Interest income and expense

Interest income and expense for all interest-bearing financial instruments are recognised 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 the 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 (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees 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.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

2.15 Fees and commissions

The Bank earns fee and commission income from a diverse range of financial services it provides to its customers. Fee and commission income is recognised at an amount that reflects the consideration to which the Bank expects to be entitled in exchange for providing the services. The performance obligations, as well as the timing of their satisfaction, are identified, and determined, at the inception of the contract. The Bank's revenue contracts do not include multiple performance obligations. When the Bank provides a service to its customers, consideration is invoiced and generally due immediately upon satisfaction of a service provided at a point in time or at the end of the contract period for a service provided over time. The Bank has generally concluded that it is the principal in its revenue arrangements because it typically controls the services before transferring them to the customer.

2.16 Net trading and revaluation income

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

2.17 Earnings per share

The Bank presents basic earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

2.18 Financial Instruments

(i) Classification and measurement of financial assets

Financial assets are recognised in the Bank's balance sheet when the Bank becomes a party to the contractual provisions of the instrument. Financial assets are measured at initial recognition at fair value, and are classified and subsequently measured at fair value through profit or loss (FVTPL), fair value through other comprehensive income (FVOCI) or amortised cost. Subsequent classification and measurement for debt securities is based on the Bank's business model for managing the financial instruments and the contractual cash flow characteristics of the instruments.

Debt instruments are measured at amortised cost if both of the following conditions are met and the asset is not designated as FVTPL:

(a) the asset is held within a business model that is Held-to-Collect (HTC) as described below, and

2. Summary of significant accounting policies (continued)

2.18 Financial Instruments (continued)

(b) the contractual terms of the instrument give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

Debt instruments are measured at FVOCI if both of the following conditions are met and the asset is not designated as FVTPL:

(a) the asset is held within a business model that is Held-to-Collect-and-Sell (HTC&S) as described below, and

(b) the contractual terms of the instrument give rise, on specified dates, to cash flows that are SPPI.

(ii) Business model assessment

The Bank determines the business models at the level that best reflects how portfolios of financial assets are managed to achieve the Bank's business objectives. Judgment is used in determining the business models, which is supported by relevant, objective evidence including:

- How the economic activities of our businesses generate benefits, for example through trading revenue, enhancing yields or other costs and how such economic activities are evaluated and reported to key management personnel;
- The significant risks affecting the performance of our businesses, for example, market risk, credit risk, or other risks and the activities undertaken to manage those risks; and
- Historical and future expectations of sales of the loans or securities portfolios managed as part of a business model.
- The Bank's business models fall into three categories, which are indicative of the key strategies used to generate returns:
- Hold-to-Collect (HTC): The objective of this business model is to hold loans and securities to collect contractual principal and interest cash flows. Sales are incidental to this objective and are expected to be insignificant or infrequent.
- Hold-to-Collect-and-Sell (HTC&S): Both collecting contractual cash flows and sales are integral to achieving the objective of the business model.

Other fair value business models: These business models are neither HTC nor HTC&S, and primarily represent business models where assets are held-for-trading or managed on a fair value basis.

(iii) SPPI Assessment

Instruments held within a HTC or HTC&S business model are assessed to evaluate if their contractual cash flows are comprised of solely payments of principal and interest. SPPI payments are those which would typically be expected from basic lending arrangements. Principal amounts include par repayments from lending and financing arrangements, and interest primarily relates to basic lending returns, including compensation for credit risk and the time value of money associated with the principal amount outstanding over a period of time. Interest can also include other basic lending risks and costs (for example, liquidity risk, servicing or administrative costs) associated with holding the financial asset for a period of time, and a profit margin.

Where the contractual terms introduce exposure to risk or variability of cash flows that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

(iv) Investment Securities

Investment securities include all securities classified as FVOCI and amortised cost. All investment securities are initially recorded at fair value and subsequently measured according to the respective classification

Investment securities carried at amortised cost are measured using the effective interest method, and are presented net of any allowance for credit losses, calculated in accordance with the Bank's policy for allowance for credit losses, as described below. Interest income, including the amortization of premiums and discounts on securities measured at amortised cost are recorded in interest income. Impairment gains or losses recognised on amortised cost securities are recorded in Allowance for credit losses. When a debt instrument measured at amortised cost is sold, the difference between the sale proceeds and the amortised cost of the security at the time of the sale is recorded as a gain/(loss) on Investment securities in Net trading and revaluation income.

Debt securities carried at FVOCI are measured at fair value with unrealised gains and losses arising from changes in fair value included in fair value reserve. Impairment gains and losses are included in allowance for credit losses and correspondingly reduce the accumulated changes in fair value included in fair value reserve. When a debt instrument measured at FVOCI is sold, the cumulative gain or loss is reclassified from fair value reserve to net gain/(loss) on Investment securities in net trading and revaluation income.

(v) Loans

Loans are debt instruments recognised initially at fair value and are subsequently measured in accordance with the classification of financial assets policy provided above. Loans are carried at amortised cost using the effective interest method, which represents the gross carrying amount less allowance for credit losses.

Interest on loans is recognised in interest income using the effective interest method. The estimated future cash flows used in this calculation include those determined by the contractual term of the asset and all fees that are considered to be integral to the effective interest rate. Also included in this amount are transaction costs and all other premiums or discounts. Fees that relate to activities such as originating, restructuring or renegotiating loans are deferred and recognised as Interest income over the expected term of such loans using the effective interest method. Where there is a reasonable expectation that a loan will be originated, commitment and standby fees are also recognised as interest income over the expected term of the resulting loans using the effective interest method. Otherwise, such fees are recorded as other liabilities and amortised into Other operating income over the commitment or standby period.

Impairment losses on loans are recognised at each balance sheet date in accordance with the three-stage impairment model outlined below.

(vi) Allowance for credit losses

An allowance for credit losses (ACL) is established for all financial assets, except for financial assets classified or designated as FVTPL and equity securities designated as FVOCI, which are not subject to impairment assessment. Assets subject to impairment assessment include loans, overdrafts and debt securities. These are carried at amortised cost and presented net of ACL on the Statement of Financial Position. ACL on loans is presented in Allowance for credit losses - loans and advances. ACL on debt securities measured at FVOCI is presented in Fair value reserve in equity. Off-balance sheet items subject to impairment assessment include financial guarantees and undrawn loan commitments. For all other off-balance sheet products subject to impairment assessment, ACL is separately calculated and included in Other Liabilities – Provisions.

The ACL is measured at each reporting date according to a three-stage expected credit loss impairment model which is based on changes in credit risk of financial assets since initial recognition:

1) Performing financial assets:

- Stage 1 – From initial recognition of a financial asset to the reporting date, where the asset has not experienced a significant increase in credit risk relative to its initial recognition, a loss allowance is recognised equal to the credit losses expected to result from defaults occurring over the 12 months following the reporting date. Interest income is calculated on the gross carrying amount of these financial assets.
- Stage 2 – Following a significant increase in credit risk relative to the initial recognition of the financial asset, a loss allowance is recognised equal to the credit losses expected over the remaining lifetime of the asset. Interest income is calculated on the gross carrying amount of these financial assets.

2) Impaired financial assets

- Stage 3 – When a financial asset is considered to be credit-impaired, a loss allowance is recognised equal to credit losses expected over the remaining lifetime of the asset. The Stage 3 expected credit loss impairment model is based on changes in credit quality since initial recognition. Interest revenue is calculated based on the carrying amount of the asset, net of the loss allowance, rather than on its gross carrying amount.

The ACL is a discounted probability-weighted estimate of the cash shortfalls expected to result from defaults over the relevant time horizon. For loan commitments, credit loss estimates consider the portion of the commitment that is expected to be drawn over the relevant time period. For financial guarantees, credit loss estimates are based on the expected payments required under the guarantee contract. Increases or decreases in the required ACL attributable to purchases and new originations, derecognitions or maturities, and re-measurements due to changes in loss expectations or stage migrations are recorded in provision for credit losses. Write-offs and recoveries of amounts previously written off are recorded against ACL.

The ACL represents an unbiased estimate of expected credit losses on our financial assets as at the balance sheet date. Judgment is required in making assumptions and estimations when calculating the ACL, including movements between the three stages and the application of forward looking information. The underlying assumptions and estimates may result in changes to the provisions from period to period that significantly affect our results of operations.

(vii) Measurement of expected credit losses

Expected credit losses are based on a range of possible outcomes and consider all available reasonable and supportable information including internal and external ratings, historical credit loss experience, and expectations about future cash flows. The measurement of expected credit losses is based primarily on the product of the instrument's probability of default (PD), loss given default (LGD) and exposure at default (EAD) discounted to the reporting date. Stage 1 estimates project PD, LGD and EAD over a maximum period of 12 months while Stage 2 estimates project PD, LGD and EAD over the remaining lifetime of the instrument.

An expected credit loss estimate is produced for each individual exposure. Relevant parameters are modelled on a collective basis using portfolio segmentation that allows for appropriate incorporation of forward looking

2. Changes in accounting policies and disclosures (continued)
2.18 Financial Instruments (continued)

information. Expected credit losses are discounted to the reporting period date using the effective interest rate.

The assessment of significant increase in credit risk requires significant judgment. The Bank's process to assess changes in credit risk is based on the use 'backstop' indicators. Instruments which are more than 30 days past due may be credit-impaired. There is a rebuttable presumption that the credit risk has increased significantly if contractual payments are more than 30 days past due; this presumption is applied unless the bank has reasonable and supportable information demonstrating that the credit risk has not increased significantly since initial recognition.

(viii) Assessment of significant increase in credit risk

In addition, the Bank also considers the following conditions in assessing a significant increase in credit risk especially for corporate loans and advances:

i. Inadequate or unreliable financials and other information such as unavailability of audited financial statements.
ii. A downgrade of a borrower by a recognised credit rating agency.
iii. Non-cooperation of the borrower in matters pertaining to documentation.
iv. Borrower is the subject of litigation by third parties that may have a significant impact on his financial position.
v. Frequent changes in senior management of the obligor.
vi. Intra-group transfer of funds without underlying transactions.
vii. Deferment/delay in the date of commencement if commercial operations by more than one year.
viii. Modification of terms resulting in concessions granted to the borrower including extension of moratorium, deferment of payment, waiver of covenants etc.
ix. Expectation of forbearance or restructuring due to financial difficulties.

The following are however considered as exceptions:

1. Outstanding obligation is a result of an amount being disputed between the bank and obligor where the dispute is not more than 90 days.

2. Outstanding obligation is an insignificant amount compared to the total amount due. Any amount not more than 10% is considered insignificant. Only applicable where there is no significant increase in credit risk and analysed on a case by case basis.

The assessment is generally performed at the instrument level and it is performed at least on quarterly basis. If any of the factors above indicate that a significant increase in credit risk has occurred, the instrument is moved from Stage 1 to Stage 2. The assessments for significant increases in credit risk since initial recognition and credit-impairment are performed independently as at each reporting period. Assets can move in both directions through the stages of the impairment model. After a financial asset has migrated to Stage 2, if it is no longer considered that credit risk has significantly increased relative to initial recognition in a subsequent reporting period, it will move back to Stage 1 after 90 days.

Similarly, an asset that is in Stage 3 will move back to Stage 2 if it is no longer considered to be credit-impaired after 90 days. An asset will not move back from stage 3 to stage 1 until after a minimum of 180 days, if it is no longer considered to be credit impaired.

For certain instruments with low credit risk as at the reporting date, it is presumed that credit risk has not increased significantly relative to initial recognition. Credit risk is considered to be low if the instrument has a low risk of default, and the borrower has the ability to fulfill their contractual obligations both in the near term and in the longer term, including periods of adverse changes in the economic or business environment.

(ix) Use of forward looking information

The measurement of expected credit losses for each stage and the assessment of significant increase in credit risk considers information about past events and current conditions as well as reasonable and supportable projections of future events and economic conditions. The estimation and application of forward-looking information requires significant judgment.

The PD, LGD and EAD inputs used to estimate Stage 1 and Stage 2 credit loss allowances are modelled based on the macroeconomic variables (or changes in macroeconomic variables) that are most closely correlated with credit losses in the relevant portfolio. Each macroeconomic scenario used in our expected credit loss calculation includes a projection of all relevant macroeconomic variables applying scenario weights. Macroeconomic variables used in our expected credit loss models include GDP growth rate, interbank rates, inflation rate and population growth rate.

Our estimation of expected credit losses in Stage 1 and Stage 2 is a discounted probability-weighted estimate that considers a minimum of three future macroeconomic scenarios. Our base case scenario is based on macroeconomic forecasts published by relevant government agencies. Upside and downside scenarios vary relative to our base case scenario based on reasonably possible alternative macroeconomic conditions. Additional and more severe downside scenarios are designed to capture material non-linearity of potential credit losses in portfolios. Scenario design, including the identification of additional downside scenarios, occurs at least on an annual basis and more frequently if conditions warrant.

Scenarios are designed to capture a wide range of possible outcomes and weighted according to our best estimate of the relative likelihood of the range of outcomes that each scenario represents. Scenario weights take into account historical frequency, current trends, and forward-looking conditions and are updated on a quarterly basis. All scenarios considered are applied to all portfolios subject to expected credit losses with the same probabilities.

The inputs and models used for calculating ECL may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material. Detailed information about these inputs and sensitivity analysis are provided in Note 6.1.

(x) Definition of default

A default is considered to have occurred with regard to a particular obligor when either or both of the following events have taken place.

- The bank considers that the obligor is unlikely to pay its credit obligations in full, without recourse by the bank to actions such as realizing security (if held).
- The obligor is past due more than 90 days on any material credit obligation to the bank (principal or interest). Overdrafts will be considered as being past due once the customer has breached an advised limit or been advised of a limit smaller than current outstanding.
- Interest payments equal to 90 days or more have been capitalised, rescheduled, rolled over into a new loan (except where facilities have been reclassified).

The elements to be taken as indications of unlikeliness to pay include:

- The bank sells the credit obligation at a material credit-related economic loss.

- The bank consents to a distressed restructuring of the credit obligation where this is likely to result in a diminished financial obligation caused by the material forgiveness, or postponement, of principal, interest or (where relevant) fees.

- The bank has filed for the obligor's bankruptcy or a similar order in respect of the obligor's credit obligation to the banking group.

The following are considered as exceptions:

a. Outstanding obligation is a result of an amount being disputed between the bank and obligor where the dispute is not more than 150 days;

b. In the case of specialised loans, default is defined as where the obligor is past due more than 180 days on any material credit obligation to the bank (principal or interest). In addition, it is consistent with the Bank's historical default pattern on this category of loans. The specialised loans to which this is applicable are Project Financing, Object Financing, Income Producing Real Estate, Commercial Real Estate and Mortgage Loans;

c. Outstanding obligation is an insignificant amount compared to the total amount due. Any amount not more than 10% of amount due is considered insignificant. Only applicable where there is no significant increase in credit risk and analysed on a case by case basis.

d. Exposure is still in default due to a new debit when the initial debit has been cleared. Usually occurs when the debit that initiated the initial days past due has been paid but the days past due continues to reflect a debit.

(xi) Credit-impaired financial assets (Stage 3)

Financial assets are assessed for credit-impairment at each balance sheet date and more frequently when circumstances warrant further assessment. Evidence of credit-impairment may include indications that the borrower is experiencing significant financial difficulty, probability of bankruptcy or other financial reorganization, as well as a measurable decrease in the estimated future cash flows evidenced by the adverse changes in the payments status of the borrower or economic conditions that correlate with defaults. A loan is considered for transfer from stage 2 to stage 1 where there is significant improvement in credit risk and from stage 3 to stage 2 (declassified) where the facility is no longer in default. Factors that are considered in such backward transitioning include the following:

i) Declassification of the exposure by all the licensed private credit bureau or the credit risk management system;

ii) Improvement of relevant credit risk drivers for an individual obligor (or pool of obligors);

iii) Evidence of full repayment of principal or interest.

Generally, the above are to represent an improvement in credit risk to warrant consideration for a backward transition of loans. Where there is evidence of significant reduction in credit risk, the following probationary periods should apply before a loan may be moved to a lower stage (indicating lower risk):

Transfer from Stage 2 to 1: - 90 days
Transfer from Stage 3 to 2: - 90 days

Transfer from Stage 3 to Stage 1: - 180 days

When a financial asset has been identified as credit-impaired, expected credit losses are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the instrument's original effective interest rate. For impaired financial assets with drawn and undrawn components, expected credit losses also reflect any credit losses related to the portion of the loan commitment that is expected to be drawn down over the remaining life of the instrument.

When a financial asset is credit-impaired, interest ceases to be recognised on the regular accrual basis, which accrues income based on the gross carrying amount of the asset. Rather, interest income is calculated by applying the original effective interest rate to the amortised cost of the asset, which is the gross carrying amount less the related ACL.

(xii) Write-off

Loans and debt securities are written off when the Bank has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Bank determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Bank may apply enforcement activities to financial assets written off. Recoveries resulting from the Bank's enforcement activities will result in impairment gains."

(xiii) Presentation of allowance for Expected Credit Loss in the Statement of Financial Position

Loss allowances for ECL are presented in the statement of financial position as follows:

- for financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- for debt instruments measured at FVTOCI: no loss allowance is recognised in the statement of financial position as the carrying amount is at fair value. However, the loss allowance is included as part of the revaluation amount in the investments revaluation reserve;
- for loan commitments and financial guarantee contracts: as a provision; and
- where a financial instrument includes both a drawn and an undrawn component, and the Bank cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Bank presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision.

Debt and equity instruments that are issued are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Bank or a contract that will or may be settled in the Bank's own equity instruments and is a non-derivative contract for which the Bank is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Bank's own equity instruments.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Bank are recognised at the proceeds received, net of direct issue costs. Repurchase of the Bank's own equity instruments is recognised and deducted directly in equity. No gain/loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Bank's own equity instruments.

(xiv) Financial Liabilities and Equity

The Bank recognises financial liabilities when it first becomes a party to the contractual rights and obligations in the relevant contracts.

Financial liabilities are either classified as financial liabilities at amortised cost or financial liabilities at FVTPL.

The Bank classifies its financial liabilities as measured at amortised cost, except for:

i. Financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in the trading booking) and other financial liabilities designated as such at initial recognition. Gains or losses from financial liabilities designated at fair value through profit or loss are presented partially in other comprehensive income (the amount of change in the fair value of the financial liability that is attributable to changes in the Bank's own credit risk, which is determined as the amount that is not attributable to changes in market conditions that give rise to market risk) and partially profit or loss (the remaining amount of change in the fair value of the liability). This is unless such a presentation would create, or enlarge, an accounting mismatch, in which case the

2. Summary of significant accounting policies (continued)
2.18 Financial Instruments (continued)

gains and losses attributable to changes in the Bank's credit risk are also presented in profit or loss;

ii. Financial guarantee contracts and commitments.

Other financial liabilities (not measured at FVTPL), including deposits and borrowings, are initially measured at fair value, net of transaction costs and subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The EIR is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

The Bank derecognises financial liabilities when, and only when, the Bank's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Bank exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Bank accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability.

(xv) Reclassification of financial assets

Financial assets are reclassified when and only when the business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

(xvi) Modification and derecognition of financial assets and liabilities

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date.

In addition, the introduction or adjustment of existing covenants of an existing loan would constitute a modification even if these new or adjusted covenants do not yet affect the cashflows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g. a change to the increase in the interest rate that arises when covenants are breached).

The Bank renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. A loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms.

The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants.

When a financial asset is modified the Bank assesses whether this modification results in derecognition. In accordance with the Bank's policy a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms the Bank considers the following:

- Qualitative factors, such as contractual cash flows after modification are no longer SPPI, change in currency or change of counterparty, the extent of change in interest rates, maturity, covenants. If these do not clearly indicate a substantial modification, then;
- A quantitative assessment is performed to compare the present value of the remaining contractual cash flows under the original terms with the contractual cash flows under the revised terms, both amounts discounted at the original effective interest.

In the case where the financial asset is derecognised the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition.

The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated credit impaired. This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised par amount because

2. Summary of significant accounting policies (continued)
2.18 Financial Instruments (continued)

there remains a high risk of default which has not been reduced by the modification.

The Bank monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms. When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Bank determines if the financial asset's credit risk has increased significantly since initial recognition by comparing:

- the remaining lifetime PD estimated based on data at initial recognition and the original contractual terms; with
- the remaining lifetime PD at the reporting date based on the modified terms.

For financial assets modified as part of the Bank's forbearance policy, where modification did not result in derecognition, the estimate of PD reflects the Bank's ability to collect the modified cash flows taking into account the Bank's previous experience of similar forbearance action, as well as various behavioural indicators, including the borrower's payment performance against the modified contractual terms.

If the credit risk remains significantly higher than what was expected at initial recognition the loss allowance will continue to be measured at an amount equal to lifetime ECL. The loss allowance on forborne loans will generally only be measured based on 12-month ECL when there is evidence of the borrower's improved repayment behaviour following modification leading to a reversal of the previous significant increase in credit risk.

Where a modification does not lead to derecognition the Bank calculates the modification gain/loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then the Bank measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset. The Bank derecognises a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity.

If the Bank neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Bank recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Bank retains substantially all the risks and rewards of ownership of a transferred financial asset, the Bank continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognised in OCI and accumulated in equity is recognised in profit or loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Bank retains an option to repurchase part of a transferred asset), the Bank allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer.

The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain/loss allocated to it that had been recognised in OCI is recognised in profit or loss. A cumulative gain/loss that had been recognised in OCI is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts. This does not apply for equity investments designated as measured at FVTOCI, as the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss.

(xvii) Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Bank are initially measured at their fair values and, if not designated as at FVTPL and not arising from a transfer of a financial asset, are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with IFRS 9; and
- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the Bank's revenue recognition policies.

Financial guarantee contracts not designated at FVTPL are presented as provisions on the consolidated

2. Summary of significant accounting policies (continued)
2.18 Financial Instruments (continued)

statement of financial position and the re-measurement is presented in other revenue. The Bank has not designated any financial guarantee contracts as at FVTPL.

(xviii) Commitments to provide a loan at below market interest rate

Commitments to provide a loan at a below-market interest rate are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with IFRS 9; and
- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the revenue recognition policies.

Commitments to provide a loan below market rate not designated at FVTPL are presented as provisions in the statement of financial position and the re-measurement is presented in other revenue.

The Bank has not designated any commitments to provide a loan below market rate designated at FVTPL.

2.19 Leases

The Bank 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.

(i) Bank as a Lessee

The Bank applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets.

The Bank 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 Bank 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. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

The right-of-use assets are presented within Note 23 - Property, equipment and right-of-use assets and are subject to impairment in line with the Bank's policy as described in Note 2.6 - Impairment of non-financial assets.

Lease Liabilities

At the commencement date of the lease, the Bank 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 Bank 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.

(ii) Bank as a Lessor

Leases in which the Bank does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

3. Changes in accounting policies and disclosures

(a) New standards, amendments and interpretations effective during the current financial year.

(i) Amendments to IFRS 3 Business Combinations– Reference to the Conceptual Framework

The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

3. Changes in accounting policies and disclosures (continued)

The amendments did not have any material impact on the results or financial position of the Bank for the year ended 31 December 2022.

(ii) Amendments to IAS 16 Property, Plant and Equipment—Proceeds before Intended Use

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes. If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

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

The amendments did not have any material impact on the results or financial position of the Bank for the year ended 31 December 2022.

(iii) Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets—Onerous Contracts—Cost of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

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

The amendments did not have any material impact on the results or financial position of the Bank for the year ended 31 December 2022.

(iv)Annual Improvements to IFRS Standards 2018-2020—Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture

The Annual Improvements include amendments to four Standards:

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16(a).

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

IFRS 9 Financial Instruments

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.

3. Changes in accounting policies and disclosures (continued)

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

IFRS 16 Leases

The amendment removes the illustration of the reimbursement of leasehold improvements. As the amendment to IFRS 16 only regards an illustrative example, no effective date is stated.

IAS 41 Agriculture

The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pretax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment.

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

The amendments did not have any material impact on the results or financial position of the Bank for the year ended 31 December 2022.

(b) New standards, amendments and interpretations not yet adopted by the Bank

i. Interest Rate Benchmark Reform

Amendments to IFRS 9/IAS 39 and IFRS 7. These amendments modify specific hedge accounting requirements to hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments are amended as a result of the interest rate benchmark reform.

The amendments are relevant for the following types of hedging relationships and financial instruments of The Company, all of which extend beyond 2021:

- Fair value hedges where LIBOR-linked derivatives are designated as a fair value hedge of fixed rate debt in respect of the GBP LIBOR risk component
- Cash flow hedges where IBOR-linked derivatives are designated as a cash flow hedge of IBOR-linked bank borrowings
- Bills of exchange and lease liabilities which reference LIBORs and are subject to the interest rate benchmark Reform

(c) New and revised IFRS Standards in issue but not yet effective

At the date of authorisation of these financial statements, the Bank has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

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

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

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

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted. The IASB is currently considering further amendments to the requirements in IAS 1 on classification of liabilities as current or non-current, including deferring the application of the January 2020 amendments.

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

ii. Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

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

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023, with earlier application permitted and are applied prospectively. The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements.

i. Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

The definition of a change in accounting estimates was deleted. However, the IASB retained the concept of changes in accounting estimates in the Standard with the following clarifications:

- A change in accounting estimate that results from new information or new developments is not the correction of an error
- The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors

The IASB added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The IASB has deleted one example (Example 3) as it could cause confusion in light of the amendments.

The amendments are effective for annual periods beginning on or after 1 January 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with earlier application permitted.

ii. Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

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

The IASB also adds an illustrative example to IAS 12 that explains how the amendments are applied.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:

  a) Right-of-use assets and lease liabilities

  b) Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset
- The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted.

The directors of the Company anticipate that the application of these amendments may have an impact on the Company's financial statements in future periods should such transactions arise.

iii. IFRS 17 Insurance Contracts

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.

The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

In June 2020, the Board issued Amendments to IFRS 17 to address concerns and implementation challenges

3. Changes in accounting policies and disclosures (continued)

that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after 1 January 2023. At the same time, the Board issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after 1 January 2023.

IFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied. For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.

4. Financial risk management

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 minimise potential adverse effects on its financial performance. The most important types of risk include; credit risk, liquidity risk and market risk-comprising currency, interest rate and other price risk.

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 a Risk Management Committee in support of their risk oversight objectives and responsibilities. There is also a Risk Management Department which has responsibility for the implementation of the Bank's risk control principles, frameworks and processes across the entire risk spectrum.

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.

4.1 Credit Risk

Credit risk is the risk of financial loss to the Bank if a customer or counterparty to a financial instrument fails to fulfil its contractual obligations. Credit risk arises mainly from interbank, commercial and consumer loans and advances and loan commitments arising from such lending activities but can also arise from credit enhancements provided such as financial guarantees, letters of credits, endorsements and acceptances.

The Bank is also exposed other credit risks arising from investments in debt securities and exposures arising from its other trading activities including settlement balances with market counterparties and reverse purchase agreements.

Credit risk is the single largest risk for the Bank's business; Management therefore carefully manages its exposure to credit risk.

4.1.1 Credit Risk Management

The Board of Directors has delegated responsibility for the management of Credit risk to its Sub-Committee on Risk Management. A separate Credit Department, reporting to the Chief Risk Officer, 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 Board 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, and industries for loans and advances.
- Developing and maintaining the Bank's risk grading in order to categorise exposures according to the degree of risk of financial loss faced and to focus management's attention on the attendant risks. The responsibility for setting risk grades lies with the Board of Directors. Risk grades are subject to regular reviews by the Risk Management Division.

(i) Significant increase in credit risk

The Bank monitors all financial assets that are subject to impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Bank will measure the loss allowance based on lifetime rather than 12-month ECL. Details of factors that will result in the significant increase in credit risk are disclosed in Note 2.18 (viii).

4.1.1 Credit Risk Management (continued)

(ii) Internal Credit Risk Rating

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

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

The Bank's risk rating buckets and definitions are as follows:

Grade	Description	Rating	Rating bucket	Risk range	Risk range (description)
1	Extremely low risk	Low to fair risk	AAA	90% - 100%	Low risk range
2	Very low risk		AA	80% - 89%	
3	Low risk		A	70% - 79%	
4	Acceptable risk	Monitoring	BBB	60% - 69%	Acceptable risk range
5	Moderately high risk		BB	50% - 59%	
6	High risk	Substandard	B	40% - 49%	High risk range
7	Very high risk		CCC	30% - 39%	
8	Extremely high risk		CC	0% - 29%	
9	High likelihood of default	Doubtful	C	Below 0%	Unacceptable risk range
10	Default	Impaired	D	Below 0%	

The risk ratings are a primary tool for the review and decision making in the credit process. The Bank does not lend on unsecured basis to obligors that are below investment grade (BB and above). The Bank will not lend to obligors in the unacceptable risk range.

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

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

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

- Payment record, including payment ratios and ageing analysis;
- Extent of utilisation of granted limit;
- Forbearances (both requested and granted);
- Changes in business, financial and economic conditions;
- Credit rating information supplied by external rating agencies;
- For retail exposures: internally generated data of customer behaviour, affordability metrics etc.

4. Financial risk management

The Bank uses credit risk grades as a primary input into the determination of the term structure of the PD for exposures. The Bank collects performance and default information about its credit risk exposures analysed by jurisdiction or region and by type of product and borrower as well as by credit risk grading. The information used is both internal and external depending on the portfolio assessed.

The Bank analyses all data collected using statistical models and estimates the remaining lifetime PD of exposures and how these are expected to change over time. The factors taken into account in this process include macro-economic data such as GDP growth, unemployment and benchmark interest rates.

The Bank generates a 'base case' scenario of the future direction of relevant economic variables as well as a

4. Financial risk management (continued)

representative range of other possible forecast scenarios. The Bank then uses these forecasts, which are probability-weighted, to adjust its estimates of PDs. The Bank uses different criteria to determine whether credit risk has increased significantly per portfolio of assets. The criteria used are both quantitative changes in PDs as well as qualitative.

Internal Credit Risk Rating

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

The Bank has monitoring procedures in place to make sure that the criteria used to identify significant increases in credit are effective, meaning that significant increase in credit risk is identified before the exposure is defaulted or when the asset becomes 30 days past due.

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

Incorporation of forward looking information

The Bank uses forward-looking information that is available without undue cost or effort in its assessment of significant increase of credit risk as well as in its measurement of ECL. The Bank employs experts who use external and internal information to generate a 'base case' scenario of future forecast of relevant economic variables along with a representative range of other possible forecast scenarios.

The external information used includes economic data and forecasts published by governmental bodies and monetary authorities. The Bank applies probabilities to the forecast scenarios identified. The base case scenario is the single most-likely outcome and consists of information used by the Bank for strategic planning and budgeting.

The Bank has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using a statistical analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses. The Bank has not made changes in the estimation techniques or significant assumptions made during the reporting period.

Grouping of instruments for losses measured on a collective basis

For expected credit loss provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous. In performing this grouping, there must be sufficient information for the group to be statistically credible. The grouping of financial instruments for assessment of credit loss provisions on a collective basis is based on the industry sectors of the exposures. Stage 2 and Stage 3 loans are however assessed individually.

Measurement of ECL

The key inputs used for measuring ECL are:

• probability of default (PD);

• loss given default (LGD); and

• exposure at default (EAD).

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

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

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

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

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

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

Measurement of ECL

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

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

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

4.1.2 Risk limit control and mitigation policies

The Bank manages, limits and controls concentrations of credit risk wherever they are identified – in particular, to individual counterparties and banks, and to industries and countries.

The Bank structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or banks of borrowers, and to geographical and industry segments. Such risks are monitored on a revolving basis and subject to an annual or more frequent review, when considered necessary. Limits on the level of credit risk by product and industry sector are approved quarterly by the Board of Directors.

The exposure to any one borrower including banks and brokers is further restricted by sub-limits covering on- and off-balance sheet exposures, and daily delivery risk limits in relation to trading items such as forward foreign exchange contracts. Actual exposures against limits are monitored daily.

Lending limits are reviewed in the light of changing market and economic conditions and periodic credit reviews and assessments of probability of default.

Some other specific control and mitigation measures are outlined below:

(a) Collateral

The Bank employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advanced, which is common practice. The Bank implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and advances are:

- Mortgages over residential properties.
- Charges over business assets such as premises, inventory and accounts receivable.
- Charges over financial instruments such as debt securities and equities.

Collateral held as security for financial assets other than loans and advances depends on the nature of the instrument. Longer-term finance and lending to corporate entities are generally secured; revolving individual credit facilities are generally unsecured. In addition, in order to minimise the credit loss the Bank will seek additional collateral from the counterparty as soon as impairment indicators are identified for the relevant individual loans and advances.

(b) Financial covenants (for credit related commitments and loan books)

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit carry the same credit risk as loans. Documentary and commercial letters of credit – which are written undertakings by the Bank on behalf of a customer authorising a third party to draw drafts on the Bank up to a stipulated amount under specific terms and conditions – are collateralised by the underlying shipments of goods to which they relate and therefore carry less risk than a direct loan.

Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Bank is potentially exposed to loss in an amount equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments, as most commitments to extend credit are contingent upon customers maintaining specific credit standards (often referred to as financial covenants).

The Bank monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

4. Financial risk management (continued)

(All amounts are expressed in Ghana cedis unless otherwise stated)

4.1.3 Maximum exposure to credit risk before collateral held or other credit enhancements

The Bank's maximum exposure to credit risk is represented by the gross carrying amounts of the financial assets with the exception of financial and other guarantees issued by the Bank for which the maximum exposure to credit risk is represented by the maximum amount the Bank would have to pay if the guarantees are called on. The financial assets are categorised by the industry sectors of the Bank's counterparties.

Loans and advances to customers form 26.6% of the total maximum exposure (2021: 21.4%); 42.1% represents investments securities (2021: 52.5%) and 31.3% represent balances with banks, placements and other assets (2021: 26.1%).

The following table breaks down the Bank's credit exposure at carrying amounts (without taking into account any collateral held or other credit support), as categorised by the industry sectors of the Bank's counterparties.

On balance sheet

At 31 December 2022	Loans and advances to customers	Cash and balances with Bank of Ghana	Due from other banks	Investment securities	Other financial assets	Total
Agriculture	1,447,925	-	-	-	-	1,447,925
Manufacturing	369,595,117	-	-	-	-	369,595,117
Commerce and Finance	616,996,578	885,907,726	882,108,509	2,720,970,467	250,342,754	5,356,326,034
Transport and communications	30,487,481	-	-	-	-	30,487,481
Building and construction	670,840	-	-	-	-	670,840
Services	92,546,678	-	-	-	-	92,546,678
Oil and Gas	285,924,122	-	-	-	-	285,924,122
Education	3,631,060	-	-	-	-	3,631,060
Miscellaneous	314,910,677	-	-	-	-	314,910,677
Total	**1,716,210,478**	**885,907,726**	**882,108,509**	**2,720,970,467**	**250,342,754**	**6,455,539,934**
Allowance for credit losses	(171,521,599)	-	-	(282,061,542)	-	(453,583,141)
Net carrying amount	**1,544,688,879**	**885,907,726**	**882,108,509**	**2,438,908,925**	**250,342,754**	**6,001,956,793**

(All amounts are expressed in Ghana cedis unless otherwise stated)

4. Financial risk management (continued)

4.1.3 Maximum exposure to credit risk before collateral held or other credit enhancements (continued)

On balance sheet

At 31 December 2021	Loans and advances to customers	Cash and balances with Bank of Ghana	Due from other banks	Investment securities	Other financial assets	Total
Agriculture	1,446,168	-	-	-	-	1,446,168
Manufacturing	184,613,416	-	-	-	-	184,613,416
Commerce and Finance	295,580,360	483,099,584	486,687,228	2,783,698,696	416,593,565	4,465,659,433
Transport and communications	28,281,398	-	-	-	-	28,281,398
Building and construction	1,039,123	-	-	-	-	1,039,123
Services	58,734,381	-	-	-	-	58,734,381
Oil and Gas	338,180,249	-	-	-	-	338,180,249
Education	846,252	-	-	-	-	846,252
Miscellaneous	226,422,877	-	-	-	-	226,422,877
Total	**1,135,144,224**	**483,099,584**	**486,687,228**	**2,783,698,696**	**416,593,565**	**5,305,223,297**
Allowance for credit losses	(102,624,903)	-	-	(1,658,470)	-	(104,283,373)
Net carrying amount	**1,032,519,321**	**483,099,584**	**486,687,228**	**2,782,040,226**	**16,593,565**	**5,200,939,924**

(All amounts are expressed in Ghana cedis unless otherwise stated)

4. Financial risk management (continued)

4.1.3 Maximum exposure to credit risk before collateral held or other credit enhancements (continued)

Off balance sheet

At 31 December 2022	Letters of credit	Letters of guarantee	Loan commitments	Total
Agriculture	-	-	-	-
Manufacturing	-	-	2,724,092	2,724,092
Commerce and Finance	289,385,126	4,299,616	71,675,516	365,360,258
Transport and communications	-	52,668,572	-	52,668,572
Building and construction	-	587,514,172	324,016	587,838,188
Services	207,179	133,148,556	407,719	133,763,454
Oil and Gas	36,170,125	28,378,218	-	64,548,343
Power	-	4,830,487	-	4,830,487
Minning and quarrying	-	-	-	-
Miscellaneous	-	-	368,209	368,209
Total	**325,762,430**	**810,839,621**	**75,499,552**	**1,212,101,603**
Allowance for credit losses	-	(1,674,544)	-	(1,674,544)
Net carrying amount	**325,762,430**	**809,165,077**	**75,499,552**	**1,210,427,059**

(All amounts are expressed in Ghana cedis unless otherwise stated)

4. Financial risk management (continued)

4.1.3 Maximum exposure to credit risk before collateral held or other credit enhancements (continued)

Off balance sheet

At 31 December 2021	Letters of credit	Letters of guarantee	Loan commitments	Total
Agriculture	-	-	-	-
Manufacturing	-	100,000	24,945,639	25,045,639
Commerce and Finance	87,995,744	20,948,536	65,724,361	174,668,641
Transport and communications	-	1,886,874	-	1,886,874
Building and construction	-	493,342,100	-	493,342,100
Services	-	254,410,999	314,484	254,725,483
Oil and Gas	105,895,050	2,985,766	10,591,267	119,472,083
Power	-	-	-	-
Mining and quarrying	-	-	-	-
Miscellaneous	-	-	9,749,418	9,749,418
Total	**193,890,794**	**773,674,275**	**111,325,169**	**1,078,890,238**
Allowance for credit losses	-	(1,674,544)	-	(1,674,544)
Net carrying amount	**193,890,794**	**771,999,731**	**111,325,169**	**1,077,215,694**

4.1.4 Credit Quality

The Bank manages the credit quality of its financial assets using internal credit ratings. It is the Bank's policy to maintain accurate and consistent risk ratings across the credit portfolio. This facilitates focused management of the applicable risks and the comparison of credit exposures across all lines of business, geographic regions and products. The rating system is supported by a variety of financial analytics, combined with processed market information to provide the main inputs for the measurement of counterparty risk. All internal risk ratings are tailored to the various categories and are derived in accordance with the Bank's rating policy. The attributable risk ratings are assessed and updated regularly.

Bank's loans and advances are categorised as follows:

Stage 1 Loans and Advances

These are loans and advances that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (where the optional simplification is applied) at the reporting date. They are considered ''performing'' credits and are rated 1 in the Bank's internal credit risk grading system.

Stage 2 Loans and Advances

These are loans and advances that have deteriorated significantly in credit quality since initial recognition but do not have objective evidence of a credit loss event. These are considered ''the Watch list credit'' in the Bank's internal credit risk grading system and are rated 2

Stage 3 Loans and Advances

These are loans and advances that have objective evidence of a credit loss event. Stage 3 allocation is driven by either the identification of credit impairment or an exposure being classified as defaulted. These loans are considered "non performing" in the Bank's internal credit risk grading system and are rated 3 or 4.

Loans with renegotiated terms

The contractual terms of a loan may be modified for a number of reasons including changing market conditions, customer retention and other factors not related to a current or potential credit deterioration of the customer. The Bank renegotiates loans to customers to maximise collection opportunities and minimise the risk of default. The revised terms of renegotiated facilities usually include extended maturity, changing timing of interest payments and amendments to the terms of the loan agreement. As at 31 December 2022, there were no loans with renegotiated terms (December 2021: Nil).

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

The ECL model has three stages. The Bank recognises a 12-month expected loss allowance on initial recognition (stage 1) and a lifetime expected loss allowance when there has been a significant increase in credit risk since initial recognition (stage 2). Stage 3 requires objective evidence that an asset is credit-impaired and then a lifetime expected loss allowance is recognised.

Write-off policy

The Bank writes off a loan / security balance (and any related allowances for impairment losses) when the Credit department determines that the loans are uncollectible. This determination is reached after considering information such as the occurrence of significant changes in the borrower's financial position such that the borrower can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure.

For smaller balance standardised loans, charge off decisions generally are based on a product specific past due status. Loan write off requires approval of the Board of Directors and the Bank of Ghana.

Credit Risk Exposure

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

Notes to Financial Statements

4. Financial risk management (continued)

4.1.4 Credit Quality (continued)

Impairment assessment under IFRS 9 (continued)

Loans and advances to customers at amortised cost	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
31 December 2022	**12-month ECL**	**Lifetime ECL**	**Lifetime ECL**	
Grades 1-3: Low to fair risk	1,445,829,967	-	-	1,445,829,967
Grades 4-5: Monitoring	-	-	-	-
Grades 6-8 : Substandard	-	104,682,380	-	104,682,380
Grade 9 : Doubtful	-	-	14,173,583	14,173,583
Grades 9-10 : Impaired	-	-	151,524,548	151,524,548
Gross carrying amount	**1,445,829,967**	**104,682,380**	**165,698,131**	**1,716,210,478**
Loss allowance	(22,332,879)	(49,172,235)	(100,016,485)	(171,521,599)
Carrying amount	**1,423,497,088**	**55,510,145**	**65,681,646**	**1,544,688,879**

	Stage 1	**Stage 2**	**Stage 3**	**Total**
31 December 2021	**12-month ECL**	**Lifetime ECL**	**Lifetime ECL**	
Grades 1-3: Low to fair risk	801,806,334	-	-	801,806,334
Grades 4-5: Monitoring	-	-	-	-
Grades 6-8 : Substandard	-	-	151,789,096	151,789,096
Grade 9 : Doubtful	-	-	66,249,170	66,249,170
Grades 9-10 : Impaired	-	-	115,299,624	115,299,624
Gross carrying amount	801,806,334	-	333,337,890	1,135,144,224
Loss allowance	(20,320,873)	-	(82,304,030)	(102,624,903)
Carrying amount	**781,485,461**	**-**	**251,033,860**	**1,032,519,321**

4. Financial risk management (continued)

4.1.4 Credit Quality (continued)

Impairment assessment under IFRS 9 (continued)

Investment securities

	Stage 1	Stage 2	Stage 3		Total
31 December 2022	**12-month ECL**	**Lifetime ECL**	**Lifetime ECL**	**Purchased credit-impaired**	
Grades 1-3: Low to fair risk	2,720,970,467	-	-	-	2,720,970,467
Gross carrying amount	**2,720,970,467**	**-**	**-**	**-**	**2,720,970,467**
Loss allowance	(282,061,542)	-	-	-	(282,061,542)
Carrying amount	**2,438,908,925**	**-**	**-**	**-**	**2,438,908,925**

	Stage 1	Stage 2	Stage 3		Total
31 December 2021	**12-month ECL**	**Lifetime ECL**	**Lifetime ECL**	**Purchased credit-impaired**	
Grades 1-3: Low to fair risk	2,782,367,370	-	-	-	2,782,367,370
Gross carrying amount	**2,782,367,370**	**-**	**-**	**-**	**2,782,367,370**
Loss allowance	(327,145)	-	-	-	(327,145)
Carrying amount	**2,782,040,225**	**-**	**-**	**-**	**2,782,040,225**

4. Financial risk management (continued)
4.1.4 Credit Quality (continued)
Impairment assessment under IFRS 9 (continued)

Other assets

Other assets	Stage 1	Stage 2	Stage 3		Total
31 December 2022	**12-month ECL**	**Lifetime ECL**	**Lifetime ECL**	**Purchased credit-impaired**	
Grades 1-3: Low to fair risk	250,342,754	-	-	-	250,342,754
Grades 9-10 : Impaired	-	-	-	-	-
Gross carrying amount	**250,342,754**	**-**	**-**	**-**	**250,342,754**
Loss allowance	-	-	-	-	-
Carrying amount	**250,342,754**	**-**	**-**	**-**	**250,342,754**

	Stage 1	Stage 2	Stage 3		Total
31 December 2021	**12-month ECL**	**Lifetime ECL**	**Lifetime ECL**	**Purchased credit-impaired**	
Grades 1-3: Low to fair risk	416,593,565	-	-	-	416,593,565
Grades 9-10 : Impaired	-	-	-	-	-
Gross carrying amount	**416,593,565**	**-**	**-**	**-**	**416,593,565**
Loss allowance	-	-	-	-	-
Carrying amount	**416,593,565**	**-**	**-**	**-**	**416,593,565**

4. Financial risk management (continued)

4.1.4 Credit Quality (continued)

Impairment assessment under IFRS 9 (continued)

Off balance sheet

	Stage 1	Stage 2	Stage 3		Total
31 December 2022	**12-month ECL**	**Lifetime ECL**	**Lifetime ECL**	**Purchased credit-impaired**	
Grades 1-3: Low to fair risk	1,212,101,603	-	-	-	1,212,101,603
Gross carrying amount	**1,212,101,603**	**-**	**-**	**-**	**1,212,101,603**
Loss allowance	(1,674,544)	-	-	-	(1,674,544)
Carrying amount	**1,210,427,059**	**-**	**-**	**-**	**1,210,427,059**

	Stage 1	Stage 2	Stage 3		Total
31 December 2021	**12-month ECL**	**Lifetime ECL**	**Lifetime ECL**	**Purchased credit-impaired**	
Grades 1-3: Low to fair risk	1,078,890,238	-	-	-	1,078,890,238
Gross carrying amount	**1,078,890,238**	**-**	**-**	**-**	**1,078,890,238**
Loss allowance	(1,674,544)	-	-	-	(1,674,544)
Carrying amount	**1,077,215,694**	**-**	**-**	**-**	**1,077,215,694**

Loss allowance

The loss allowance recognised in the period is impacted by a variety of factors, as described below:

- Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent "step up" (or "step down") between 12-month and lifetime ECL;
- Additional allowances for new financial instruments recognised during the period as well as releases for financial instruments derecognised during the period;
- Impact on the measurement of ECL due to changes in PD's, EAD's and LGD's in the period, arising from regular refreshing of inputs to models;
- Impacts on the measurement of ECL due to changes made to models and assumptions;
- Discount unwind within ECL due to passage of time, as ECL is measured on a present value basis;
- Foreign exchange translations for assets denominated in foreign currencies and other movements; and
- Financial assets derecognised during the period and write-offs of allowances related to assets that were written off during the period.

Notes to Financial Statements

4. Financial risk management (continued)

4.1.5 Credit Concentration

The Bank monitors concentrations on credit risk by sector, geographic location and industry. The analysis of concentrations of credit risk by location at the reporting date is shown below:

	2022		2021	
	In Ghana	**Outside Ghana**	In Ghana	Outside Ghana
Assets				
Cash and cash equivalents	**1,450,831,529**	**404,924,765**	777,851,268	262,399,999
Investment securities - amortised cost	**2,353,148,925**	**85,760,000**	2,679,735,558	38,113,523
Investment securities - FVOCI	**-**	**-**	59,894,138	-
Loans to customers	**1,544,688,879**	**-**	1,032,519,321	-
Other financial assets	**250,342,754**	**-**	416,593,565	-
	5,599,012,087	**490,684,765**	4,966,593,850	300,513,522
Liabilities				
Deposits from customers	**4,736,251,611**	**-**	4,075,498,353	-
Deposits from banks	**72,940,071**	**-**	59,049,587	-
Other financial liabilities	**127,419,810**	**-**	47,371,825	-
	4,936,611,492	**-**	4,181,919,765	-
Off Balance Sheet Items				
Letters of credit	-	325,762,430	-	193,890,794
Guarantees	764,819,921	46,019,700	331,392,952	442,281,323
	764,819,921	**371,782,130**	331,392,952	636,172,117

4.1.6 Credit Collateral

The Bank holds collateral against loans and advances to customers in the form of cash, treasury bills/certificates, stock and shares of reputable quoted companies, legal mortgages, debentures and guarantees. Estimates of fair value are based on the value of collateral assessed at the time of borrowing, and updated periodically.

Collateral generally is not held over placements with other Banks, except when securities are held as part of reverse repurchase and securities borrowing activity. Collateral is usually also not held against investment securities.

	Dec 2022	Dec 2021
Against stage 3 loans	32,598,186	262,654,726
Against stage 2 loans	-	-
Against stage 1 loans	968,329,096	829,945,884
	1,000,927,282	1,092,600,610

Details of collateral held against loans and advances and their carrying amounts are shown below. The Bank manages collaterals for loans and advances based on the nature of those collaterals.

4. Financial risk management (continued)

4.1.6 Credit Collateral (continued)

	Dec 2022		Dec 2021	
	Total exposure	Value of collateral	Total exposure	Value of collateral
Secured against real estate	470,781,617	375,156,000	213,588,722	587,308,180
Secured against cash	12,937,830	22,223,521	12,931,606	12,387,243
Secured against other collateral*	1,163,257,820	603,547,761	842,968,003	492,905,187
Unsecured	69,233,211	-	65,655,892	-
	1,716,210,478	**1,000,927,282**	**1,135,144,223**	**1,092,600,610**

* Other collateral are mainly domiciliation of payments (sales, invoices, salaries, allowances and terminal benefits), lien on shipping documents, corporate guarantees and similar collaterals.

Other financial assets comprising cash and bank balances (including balances with the central bank), investment securities and accounts receivable are not secured. The Bank's investment in government securities as well as balances held with the Central Bank are not considered to require collaterals given their sovereign nature.

During the year, the Bank did not take possession of any security held as collateral against loans (2021: 366,700).

4.2 Liquidity risk

Liquidity risk is the risk that the Bank does not have sufficient financial resources to meet maturing obligations or can only access these financial resources at excessive cost. Liquidity risk arises because of the possibility that the Bank may be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of cash flows under normal and stress circumstances. To limit this risk, management has arranged for diversified funding sources in addition to its core deposit base, and adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a daily basis. The Bank met all its financial commitments and obligations without any liquidity risk issues during the year..

4.2.1 Management of liquidity risk

The Bank's liquidity management process, which is carried out within the Bank and monitored by a separate team in the Risk Management department includes:

(i) Day-to-day funding, managed by monitoring future cash flows to ensure that requirements can be met. This includes replenishment of funds as they mature or are borrowed by customers;

(ii) Maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;

(iii) Monitoring the liquidity ratios of the statement of financial position against internal and regulatory requirements; and

(iv) Managing the concentration and profile of debt maturities.

Monitoring and reporting take the form of cash flow measurement and projections for the next day, week and month respectively, as these are key periods for liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets. The Bank's Risk Management department also monitors unmatched medium-term assets, the level and type of undrawn lending commitments, the usage of overdraft facilities and the impact of contingent liabilities such as standby letters of credit and guarantees.

4. Financial risk management (continued)

4.2.2 Funding approach

The Bank manages its liquidity prudently in all locations and for all currencies. The principal uncertainties for liquidity risk are that customers withdraw their deposits at a substantially faster rate than expected, or that asset repayments are not received on the expected maturity date. To mitigate these uncertainties, our funding base is diverse and largely customer-driven, while customer assets are of short tenor. In addition, we have contingency funding plans including a portfolio of liquid assets that can be realised if a liquidity stress occurs, as well as ready access to wholesale funds under normal market conditions. We have significant levels of marketable securities, including government securities that can be monetised or pledged as collateral in the event of a liquidity stress.

Contingency funding plans are reviewed annually. They provide a broad set of Early Warning Indicators, an escalation framework and a set of management actions that could be effectively implemented by the appropriate level of senior management in the event of a liquidity stress.

4.2.3 Exposure to liquidity risk

The key measure used by the Bank for managing liquidity risk is the ratio of net liquid assets to deposits from customers. For this purpose, net liquid assets are considered as including cash and cash equivalents and investment grade debt securities for which there is an active and liquid market less any deposits from Banks, debt securities issued, other borrowings and commitments maturing within the next month. Details of the Bank's (liquid ratio) ratio of net liquid assets to customer deposits at the reporting date was as follows:

	31 Dec 2022	31 Dec 2021
At 31 December	**75.4%**	86.9%
Average for the year	**79.2%**	83.8%
Maximum for the year	**87.7%**	95.4%
Minimum for the year	**66.6%**	70.4%

4.2.4 Analysis of financial assets and liabilities by remaining contractual maturities

The tables below show the undiscounted cash flow on the Bank's financial liabilities and on the basis of the earliest possible contractual maturity. The Gross nominal inflow/outflow disclosed in the table is the contractual, undiscounted cash flows on the financial liabilities or commitments. The Bank's expected cash flows on some financial assets and financial liabilities vary significantly from the contractual cash flows. Demand and savings deposits are expected to remain stable or increase.

4. Financial risk management (continued)

4.2.4 Analysis of financial assets and liabilities by remaining contractual maturities (continued)

At 31 December 2022	Gross Nominal Amount	Up to 3 months	3-6 months	6-12 months	Over 1 year	Carrying Amount
Financial liabilities						
Deposits from customers	4,739,290,473	4,659,836,256	70,676,317	8,770,578	7,322	4,736,251,611
Deposits from banks	72,961,319	72,961,319	-	-	-	72,940,071
Other financial liabilities	127,780,181	109,092,526	-	-	18,687,655	127,419,810
Total financial liabilities	**4,940,031,973**	**4,841,890,101**	**70,676,317**	**8,770,578**	**18,694,977**	**4,936,611,492**
Assets used to manage liquidity						
Cash and bank balances	1,855,766,938	1,855,766,938	-	-	-	1,855,756,294
Investment securities	2,745,928,008	1,662,529,133	348,007,180	129,776,667	605,615,028	2,438,908,925
Loans and advances to customers	2,325,642,922	493,226,088	122,939,713	274,843,856	1,434,633,265	1,544,688,879
Other financial assets	250,342,754	250,342,754	-	-	-	250,342,754
Total financial assets	**7,177,680,622**	**4,261,864,913**	**470,946,893**	**404,620,523**	**2,040,248,293**	**6,089,696,852**
Net liquidity gap	**2,237,648,649**	**(580,025,188)**	**400,270,576**	**395,849,945**	**2,021,553,316**	**1,153,085,360**

The net liquidity gap is funded by the shareholders' funds.

4. Financial risk management (continued)

4.2.4 Analysis of financial assets and liabilities by remaining contractual maturities (continued)

At 31 December 2021	Gross Nominal Amount	Up to 3 months	3-6 months	6-12 months	Over 1 year	Carrying Amount
Financial liabilities						
Deposits from customers	4,091,643,453	3,936,589,366	149,468,489	5,490,675	94,923	4,075,498,353
Deposits from banks	254,566,042	254,566,042	-	-	-	59,049,587
Other financial liabilities	48,674,533	21,317,670	-	-	27,356,863	43,234,274
Total financial liabilities	**4,394,884,028**	**4,212,473,078**	**149,468,489**	**5,490,675**	**27,451,786**	**4,177,782,214**
Assets used to manage liquidity						
Cash and bank balances	1,043,627,943	1,043,627,943	-	-	-	1,040,251,267
Investment securities	3,390,283,142	797,820,803	1,033,353,423	706,948,195	852,160,721	2,782,040,226
Loans and advances to customers	1,275,844,511	533,410,615	239,343,736	95,653,292	407,436,868	1,032,519,321
Other financial assets	416,593,565	416,593,565	-	-	-	416,593,565
Total financial assets	**6,126,349,161**	**2,791,452,926**	**1,272,697,159**	**802,601,487**	**1,259,597,589**	**5,271,404,379**
Net liquidity gap	**1,731,465,133**	**(1,421,020,152)**	**1,123,228,670**	**797,110,812**	**1,232,145,803**	**1,093,622,165**

The net liquidity gap is funded by the shareholders' funds.

4. Financial risk management (continued)

4.2.5 Assets held for managing liquidity risk

The Bank holds a diversified portfolio of cash and high-quality highly-liquid securities to support payment obligations and contingent funding in a stressed market environment. The Bank's assets held for managing liquidity risk comprise:

(I) Cash and balances with Bank of Ghana;

(II) Placement and balances with other Banks;

(III) Government bonds and other securities that are readily acceptable in repurchase agreements

(IV) Short term loans and advance

4.3 Market risks

The Bank takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads, foreign exchange rates and equity prices. The Bank separates exposures to market risk into either trading or non-trading portfolios.

Overall responsibility for management of market risk rests with the Assets and Liability Committee (ALCO). The risk department is responsible for the development of detailed market risk management policies (subject to review and approval by ALCO) and for the day to day implementation of those policies. The Board Sub-Committee on Risk Management has oversight responsibility for market risk management.

4.3.1 Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Bank takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce losses in the event that unexpected movements arise. The Board sets limits on the level of mismatch of interest rate repricing and value at risk that may be undertaken, which is monitored daily by Bank Treasury.

Interest rates on advances to customers and other risk assets are based on the individual risk profile of the customer, taking into account the Bank's cost of fund.

The Asset and Liability Committee closely monitors the interest rate trends to minimize the potential adverse impact of interest rate changes.

4. Financial risk management (continued)

4.3.1 Interest rate risk (continued)

The table below summarises the Bank's exposure to interest rate risks. Included in the table are the Bank's financial assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates. The Bank does not bear an interest rate risk on off balance sheet items.

At 31 December 2022	Up to 3 months	3-6 months	6-12 months	Over 1 year	Non-interest bearing	Total
Financial assets						
Cash and bank balances	804,152,135	-	-	-	1,051,604,159	1,855,756,294
Investment securities	1,867,146,242	354,090,543	124,541,625	376,537,688	-	2,722,316,098
Loans and advances to customers	499,439,892	122,817,616	272,856,263	821,096,706	-	1,716,210,477
Other financial assets	-	-	-	-	250,342,754	250,342,754
Total financial assets	**3,170,738,269**	**476,908,159**	**397,397,888**	**1,197,634,394**	**1,301,946,913**	**6,544,625,623**
Financial liabilities						
Deposits from customers	1,724,825,061	141,723,541	5,061,303	54,638	2,864,587,068	4,736,251,611
Deposits from banks	72,940,071	-	-	-	-	72,940,071
Other financial liabilities	-	-	-	-	127,419,810	127,419,810
Total financial liabilities	**1,797,765,132**	**141,723,541**	**5,061,303**	**54,638**	**2,992,006,878**	**4,936,611,492**
Interest rate sensitivity gap	**1,372,973,137**	**335,184,618**	**392 ,336,585**	**1,197,579,756**	**(1,690,059,965)**	**1,608,014,131**

(All amounts are expressed in Ghana cedis unless otherwise stated)

4. Financial risk management (continued)

4.3.1 Interest rate risk (continued)

At 31 December 2021	Up to 3 months	3-6 months	6-12 months	Over 1 year	Non-interest bearing	Total
Financial assets						
Cash and bank balances	213,511,063	-	-	-	826,740,204	1,040,251,267
Investment securities	522,818,801	963,677,087	963,677,087	327,570,243	-	2,777,743,218
Loans and advances to customers	540,461,252	223,355,244	91,141,899	280,185,829	-	1,135,144,224
Other financial assets	-	-	-	-	416,593,565	416,593,565
Total financial assets	**1,276,791,116**	**1,187,032,331**	**1,054,818,986**	**607,756,072**	**1,243,333,769**	**5,369,732,274**
Financial liabilities						
Deposits from customers	1,270,890,580	141,723,541	5,061,303	54,638	2,657,850,957	4,075,581,019
Deposits from banks	59,049,587	-	-	-	-	59,049,587
Other financial liabilities	-	-	-	-	43,234,274.00	43,234,274
Total financial liabilities	**1,329,940,167**	**141,723,541**	**5,061,303**	**54,638**	**2,701,085,231**	**4,177,864,880**
Interest rate sensitivity gap	**(53,149,051)**	**1,045,308,790**	**1,049,757,683**	**607,701,434**	**(1,457,751,462)**	**1,191,867,394**

(All amounts are expressed in Ghana cedis unless otherwise stated)

4. Financial risk management (continued)

4.3.1 Interest rate risk (continued)

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of the Bank.

Sensitivity analysis

An increase of a 100 basis points in interest rates at the reporting date would have impacted equity and profit by the amounts shown below:

Sensitivity analysis of interest rate risks - Increase of 100 basis points in net interest margin

	2022	2021
Interest income impact	**52,426,787**	41,263,985
Interest expense impact	**(19,446,046)**	(14,767,796)
Net impact on profit	**32,980,741**	26,496,189

A decrease of a 100 basis points in interest rates at the reporting date would have had the equal but opposite effect on the amount shown above, on the basis that all other variables remain constant.

4.3.2 Foreign exchange risk

The Bank operates wholly within Ghana and its assets and liabilities are carried in local currency. The Bank maintains trade with correspondent Banks and takes deposits and lends in foreign currencies. The Bank is exposed to the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Bank's currency position and exposure are managed within the exposure guideline of 5% and 10% of the core capital for single currency position and aggregate currency position respectively as stipulated by the Bank of Ghana. These positions are reviewed on a daily basis by management.

The Bank applied the Bank of Ghana mid-rates indicated below to translate balances denominated in foreign currencies to Ghana cedi as at 31 December 2022:

Currency	31 Dec 22	31 Dec 21
USD	**8.5760**	6.0061
GBP	**10.3118**	8.1271
EUR	**9.1457**	6.8281

4. Financial risk management (continued)
4.3.2 Foreign exchange risk (continued)

The table below summarises the Bank's exposure to foreign currency exchange rate risk as at the reporting date.

As at 31 December 2022

Financial assets	GH¢	USD	EUR	Others	Total
Cash and bank balances	1,088,092,294	651,334,709	94,812,393	21,516,898	1,855,756,294
Investment securities	1,975,643,121	463,265,804	-	-	2,438,908,925
Loans and advances to customers	1,468,860,296	75,828,583	-	-	1,544,688,879
Other financial assets	250,342,754	16,082,106	34,881	-	266,459,741
Total financial assets	**4,782,938,465**	**1,206,511,202**	**94,847,274**	**21,516,898**	**6,105,813,839**
Financial liabilities					
Deposits from customers	3,726,139,477	896,739,844	93,614,427	19,757,863	4,736,251,611
Deposits from banks	-	72,940,071	-	-	72,940,071
Other financial liabilities	33,544,827	93,147,650	602,338	124,995	127,419,810
Total financial liabilities	**3,759,684,304**	**1,062,827,565**	**94,216,765**	**19,882,858**	**4,936,611,492**
Net balance sheet position	**1,023,254,161**	**143,683,637**	**630,509**	**1,634,040**	**1,169,202,347**
Off balance sheet items	-	325,762,430	-	-	325,762,430
Letters of credit	402,707,916	191,942,658	216,189,047	-	810,839,621
Letters of guarantee					
Loan commitments	75,499,552	-	-	-	75,499,552

Notes to Financial Statements

(All amounts are expressed in Ghana cedis unless otherwise stated)

4. Financial risk management (continued)

4.3.2 Foreign exchange risk (continued)

The table below summarises the Bank's exposure to foreign currency exchange rate risk as at the reporting date.

As at 31 December 2021

Financial assets	GH¢	USD	EUR	Others	Total
Cash and bank balances	737,669,479	223,166,492	53,949,353	25,465,943	1,040,251,267
Investment securities	2,525,929,411	256,110,814	-	-	2,782,040,225
Loans and advances to customers	1,003,572,948	28,946,373	-	-	1,032,519,321
Other financial assets	76,045,803	10,112,873	81,298	-	86,239,974
Total financial assets	**4,343,217,641**	**518,336,552**	**54,030,651**	**25,465,943**	**4,941,050,787**
Financial liabilities					
Deposits from customers	3,393,499,333	584,789,576	73,909,158	23,300,286	4,075,498,353
Deposits from banks	20,009,937	39,039,650	-	-	59,049,587
Other financial liabilities	40,567,652	2,047,463	519,776	99,383	43,234,274
Total financial liabilities	**3,454,076,922**	**625,876,689**	**74,428,934**	**23,399,669**	**4,177,782,214**
Net balance sheet position	**889,140,719**	**(107,540,137)**	**(20,398,283)**	**2,066,274**	**763,268,573**
Off balance sheet items					
Letters of credit	-	193,890,794	-	-	193,890,794
Letters of guarantee	383,393,811	136,256,135	167,891,556	-	687,541,502
Loan commitments	111,325,169	-	-	-	111,325,169

(All amounts are expressed in Ghana cedis unless otherwise stated)

4. Financial risk management (continued)

4.3.2 Foreign exchange risk (continued)

Sensitivity analysis

A 5% weakening of the cedi against foreign currencies at 31 December 2022 would have impacted equity and profit / (loss) by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 31 December 2021`:

	2022	2021
Loss	(7,297,409)	505,833

A 5% strengthening of the Ghana cedi against foreign currencies at 31 December 2022 would have had the equal but opposite effect on the amount shown above, on the basis that all other variables remain constant.

4.4 Operational risks

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 risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the Bank's operations and are faced by all business entities.

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

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

Requirements for appropriate segregation of duties, including the independent authorisation of transactions

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

Compliance with Bank standards is supported by a programme of periodic reviews undertaken by Internal Audit. The results of Internal Audit reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the Audit Committee and senior management of the Bank.

4.5 Fair value measurement

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the company's market assumptions. These two types of inputs have created the following fair value hierarchy:

Level 1 - inputs that are quoted market prices (unadjusted) in active markets for identical instruments. The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

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 cashflow models, comparison with similar instruments for which market observable prices exist, Black-Scholes and polynomial option pricing models 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 rate, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations.

4.5 Fair value hierarchy

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

31 December 2022	**Level 1**	**Level 2**	**Level 3**	**Total**
Investment securities at FVOCI				
Government bonds	-	-	-	-
Total	**-**	**-**	**-**	**-**
31 December 2021				
Investment securities at FVOCI				
Government bonds	-	64,191,146	-	64,191,146
Total	**-**	**64,191,146**	**-**	**64,191,146**

There has been no change in the valuation techniques and inputs used in the valuation of fair value measurements categorised as level 2 in the fair value hierarchy.

During the year, there were no transfers between levels of the fair value hierarchy.

The carrying amount of financial assets and liabilities not measured at fair value, is deemed to be a reliable estimate of fair value.

4.6 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position where the Bank currently has a legally enforceable right to set-off the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. In the normal course of business, the Bank may enter into various master netting agreements or other similar arrangements that do not meet the criteria for offsetting in the statement of financial position but still allow for the related amounts to be set off in certain circumstances.

Except for electronic banking and similar payment transactions for which the standard terms of agreement allow for net settlement of payments in the normal course of business, the Bank has no financial instruments that are offset, or subject to enforceable master netting arrangements or other similar agreements but not offset, as at the reporting date (2021: nil).

5. Capital management

5.1 Regulatory capital

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

The Bank's objectives when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position, are:

- To safeguard the Banks 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 Bank of Ghana.

Capital adequacy and the use of regulatory capital are monitored daily by the Bank's management, based on the guidelines set by Bank of Ghana (the regulator), for supervisory purposes. The required information is filed with the Bank of Ghana on a monthly basis.

The regulatory capital requirements are strictly observed when managing economic capital. The Bank's regulatory capital is managed by the Bank's Risk Management Department and comprises two tiers:

(i) Tier 1 capital: stated capital (net of any book values of the treasury shares), statutory reserve, retained earnings and reserves created by appropriations of retained earnings. This excludes credit risk reserve.

(ii) Tier 2 capital: qualifying subordinated loan capital and unrealised gains arising on the fair valuation of equity instruments held as available-for-sale and a percentage of unaudited profits.

(iii) The Bank of Ghana requires each Bank to:

(iv) Hold the minimum level of regulatory capital of GH¢400 million; and

(v) Maintain a ratio of total regulatory capital to risk weighted assets plus risk weighted off balance assets at above the required minimum of 13% (inclusive of the Capital Correction Buffer).

Effective 1 January 2020, the Bank is fully complied with the Capital Requirements Directive (CRD) issued in June 2018 by the Bank of Ghana under Section 92(1) of the Banks and Specialised Deposit-Taking Institutions Act, 2016. The CRD which is based on Basel II guidelines requires Banks to maintain a minimum risk weighted capital adequacy ratio of 10%, with a minimum Tier 1 Capital of 8%. Banks are also required to maintain a Capital Conservation Buffer of 3.0% above the risk based capital requirement of 10%. In total, wBanks are required to manage their capital to meet the total capital requirement of 13%.

The table below summarizes the composition of regulatory capital and the ratios of the Bank for the respective periods ended 31 December 2022 and 31 December 2021. During both periods, the Bank complied with all of the externally imposed capital requirements.

Notes to Financial Statements

(All amounts are expressed in Ghana cedis unless otherwise stated)

5. Capital management
5.1 Regulatory capital (continued)

	31 Dec 2022	31 Dec 2021
Paid up capital	**400,000,000**	400,000,000
Income surplus	**439,369,978**	395,669,959
Statutory reserves	**351,896,216**	336,997,673
Common Equity Tier 1 (CET 1) capital before deductions	**1,191,266,194**	1,132,667,632
Less: Regulatory adjustments to Common Equity Tier 1 Capital:		
Intangible assets (software)	**2,051,086**	1,656,104
Deferred tax assets	**89,468,166**	13,452,037
Other intangibles	**54,186,637**	46,863,298
Intra-group transactions	**135,615,600**	-
Other regulatory deductions	**63,299,624**	115,299,624
Common Equity Tier 1 (CET 1) capital after deductions	**846,645,081**	955,396,569
Tier 2 capital		
Fair value gains on investment at FVOCI	**-**	13,612
Total regulatory capital	**846,645,081**	955,410,181
Composition of risk weighted assets		
Risk-weighted amount for credit risk	**2,325,293,674**	2,176,278,343
Risk-weighted amount for operational risk	**1,255,270,100**	1,196,700,175
Risk-weighted amount for market risk	**607,581,794**	817,175,191
Total risk weighted assets	**4,188,145,568**	4,190,153,709
Risk ratios		
Common Equity Tier 1 ratio	**20.2%**	22.8%
Capital adequacy ratio	**20.2%**	22.8%
Leverage ratios		
Off balance sheet exposures	**1,136,602,051**	967,565,069
On balance sheet total assets	**6,210,061,793**	5,373,199,868
Total exposure	**7,346,663,844**	6,340,764,937
Leverage ratio	**11.9%**	13.1%

Notes to Financial Statements

(All amounts are expressed in Ghana cedis unless otherwise stated)

5. Capital management

5.2 Regulatory credit reserve

Provisions under prudential guidelines are determined using the time based provisioning prescribed by the Bank of Ghana. This is at variance with the expected credit loss model required by IFRS 9. Provisions for loans recognised in the profit and loss account should be determined based on the requirements of IFRS.

However, the IFRS provision should be compared with provisions determined under prudential guidelines and the expected impact/changes in general reserves should be treated as follows:

- Where prudential provisions is greater than IFRS provisions; the excess provision resulting there from should be transferred from the general reserve account to a "regulatory credit risk reserve".
- Where prudential provisions is less than IFRS provisions; IFRS determined provision is charged to the statement of comprehensive income. The cumulative balance in the regulatory risk reserve is thereafter reversed to the general reserve account.

The movement in regulatory credit risk reserve during the year was as follows:

	31 Dec 2022	31 Dec 2021
1 January	-	-
Transfer (to)/from income surplus	-	-
31 December	-	-
Total impairment based on IFRS	**171,521,599**	**102,624,903**
Total impairment based on prudential guidelines	**147,314,558**	92,636,822
Regulatory credit risk reserve	-	-

6. Critical accounting estimates and judgements in applying the bank's accounting policies

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 consolidated financial statements with substantial management judgement and/or estimates are collated below with respect to judgements/estimates involved.

6.1 Impairment losses on financial assets

The measurement of impairment losses both under IFRS 9 across all categories of financial assets in scope 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.
- 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.

It has been the Bank's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

The calculation of ECL involves significant accounting judgements, estimates and assumptions. The level of estimation uncertainty has increased since 31 December 2019 as a result of the economic disruption and consequential impact of the Covid-19 pandemic. This includes significant judgements relating to:

- The selection and weighting of macro-economic scenarios;
- The effect of government and other support measures put in place to mitigate the negative economic impact;
- The uncertainty over the duration and severity of the effect of the pandemic as well as the timing and duration of the recovery;
- Determination of the impact of the macro-economic scenarios on ECL and whether the required parameters can be modelled given the unavailability of historical information for a similar event;
- Identification and assessment of significant increases in credit risk and impairment especially for customers who have received support under the various government support schemes and the inherent limitations in data availability to facilitate a reliable segmentation.

6.2 Going Concern

The Bank's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt on the Bank's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

6. Critical accounting estimates and judgements in applying the bank's accounting policies (continued)

6.3 Fair value of Financial Instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility. For further details about determination of fair value please see Note 4.5.

6.4 Deferred tax assets

Deferred tax assets are recognised in respect of tax losses to the extent that it is probable that future taxable profit will be available against which the tax losses can be utilised. Judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits, together with future tax-planning strategies.

6.5 Estimating the incremental borrowing rate

The Bank cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Bank would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Bank 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Bank estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific adjustments.

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. 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.

7. Interest income

	31 Dec 2022	31 Dec 2021
Loans to banks	**37,068,307**	12,915,632
Loans to customers	**243,938,252**	120,776,799
Investment securities:		
- At amortised cost	**517,604,804**	222,449,629
- At fair value through other comprehensive income	**-**	150,742,506
	798,611,363	506,884,566

Interest income at amortized costs and fair value through OCI are calculated using the effective interest method.

Interest income on loans to customers includes accrued interest on impaired loans of GHS21,245,171 (2021: GHS 9,550,764) for the year.

8. Interest expense

	31 Dec 2022	31 Dec 2021
Deposits from customers:		
Fixed deposits	**219,675,406**	82,027,959
Savings deposits	**5,306,366**	4,803,068
Demand and call deposits	**23,880,081**	71,830,965
	248,861,853	158,661,992
Deposits from banks	**11,313,142**	9,585,590
Finance cost on lease liability	**1,613,411**	1,300,131
	12,926,553	10,885,721
	261,788,406	169,547,713

Interest expense at amortized costs is calculated using the effective interest method.

Notes to Financial Statements

All amounts are expressed in Ghana cedis unless otherwise stated)

9. Fees and commission income

	31 Dec 2022	31 Dec 2021
Commission on turnover	**8,110,023**	7,564,030
Credit-related fees and commissions	**3,865,932**	6,904,545
Trade finance fees	**20,114,390**	15,942,752
Electronic banking income	**26,973,905**	19,796,993
Guarantee charges and commissions	**5,251,648**	14,285,937
Other commissions on transactional services	**11,055,871**	8,443,178
	75,371,769	72,937,435
Fees and commission expenses	**(27,551,209)**	(18,737,068)
Net fees and commission income	**47,820,560**	54,200,367

Fees and commission expense comprise expenses related to electronic banking as well as other bank charges.

10. Net trading and revaluation income

	31 Dec 2022	31 Dec 2021
Foreign exchange trading income	**91,928,376**	51,247,083
Foreign currency revaluation gain/(loss)	**5,350,179**	5,734,989
	97,278,555	56,982,072

11. Other operating income

Profit on disposal of property and equipment	**113,973**	18,323
Other income	**13,922**	912,914
	127,895	931,237

12. Allowance for credit losses on financial assets

Allowance for credit loss on loans to customers	**123,042,433**	97,238,081
Allowance charged for credit loss on investment securities	**281,647,731**	(1,400,000)
Reversal of allowance for credit loss on bank placements	**-**	-
Allowance/(Reversal) charged for loss on contingent liabilities	**2,223,315**	(68,416)
Recoveries on loans written off	**(282,649)**	(503,982)
	406,630,830	95,265,683

All amounts are expressed in Ghana cedis unless otherwise stated)

13. Personnel expenses

	2022	2021
Salaries and wages	**63,077,404**	49,587,037
Social security fund contribution	**2,878,070**	2,764,783
Staff provident fund	**3,197,519**	2,655,315
Other staff benefits	**11,600,863**	10,849,693
	80,753,856	65,856,828
Number of staff at year end	**444**	490

14. Depreciation and amortisation

Depreciation of property and equipment	**5,672,063**	4,744,017
Depreciation of right of use assets	**6,306,569**	6,713,681
Amortisation of intangible assets	**611,697**	326,096
	12,590,329	11,783,794

15. Other operating expenses

Directors fees	**5,016,960**	3,393,448
Auditors remuneration	**941,021**	665,586
Occupancy and premises maintenance costs	**20,342,916**	10,395,603
Business travels	**2,884,065**	476,811
Advertising, promotions and branding	**2,362,665**	2,933,076
Legal and professional service fees	**15,646,392**	12,789,124
IT and Communication expenses	**8,879,297**	4,670,766
Printing, stationery and subscriptions	**3,882,972**	2,652,080
Security and cash handling expenses	**5,814,714**	2,186,773
Deposit insurance premium	**9,440,574**	6,881,272
Other insurance costs	**455,921**	392,146
Fuel, repairs and maintenance	**4,167,719**	3,161,359
Property and equipment written off	**65,296**	182,619
Donations	**316,500**	28,898
Other expenses	**10,645,921**	6,920,549
	90,863,133	57,730,110
Number of directors at year end	**10**	12

All amounts are expressed in Ghana cedis unless otherwise stated)

16. Basic and diluted earnings per share

	2022	2021
Profit attributable to equity holders	**59,594,174**	141,764,737
Weighted average number of ordinary shares outstanding	**7,400,500,000**	7,400,500,000
Basic and diluted earnings per share	**0.01**	0.02

The Bank has no dilutive instruments. Hence basic and diluted earnings per share are equal.

17. Income tax

	31 Dec 2022	31 Dec 2021
Current income tax	**97,874,718**	65,270,182
National fiscal stabilisation levy	**5,198,458**	10,967,890
Deferred income tax	**4,560,599**	10,940,661
Income tax expense	**(76,016,130)**	(10,129,356)
	31,617,645	77,049,377

Reconciliation of actual to effective tax rate

Profit before income tax	**91,211,819**	218,814,114	223,910,798
Tax calculated at the tax rate of 25%	**22,802,955**	54,703,529	55,977,699
National fiscal stabilization levy of 5%	**4,560,591**	10,940,706	11,195,540
Financial Sector Recovery levy of 5%	**4,560,591**	10,940,706	-
Expenses not deductible for tax purposes	**468,232**	533,485	499,660
Income not subject to tax	**(59,556)**	(50,816)	(52,306)
Prior year (overpayment)/charge	**(715,168)**	(18,233)	(5,926,025)
Total income tax expense	**31,617,645**	77,049,377	61,694,568
Effective tax rate	**35%**	35%	28%

Corporate tax	**Balance at 1 January**	**Charge for the year**	**Payment**	**Balances at 31 December**
At 1 January 2022	(4,331,778)	-	-	(4,331,778)
2022		99,237,442	(97,257,248)	1,980,194
Prior year tax liability	-	-	(1,363,527)	(1,363,527)
Income tax refund	-	(1,362,724)	-	(1,362,724)
	(4,331,778)	**97,874,718**	**(98,620,775)**	**(5,077,835)**
National fiscal stabilisation levy				
At 1 January 2022	(2,889,151)	-	-	(2,889,151)
2022	-	4,560,599	(15,417,531)	(10,856,932)
Income tax refund	-	637,859	-	637,859
	(2,889,151)	**5,198,458**	**(15,417,531)**	**(13,108,224)**

All amounts are expressed in Ghana cedis unless otherwise stated)

17. Income tax (continued)

Financial Sector Recovery levy

At 1 January 2022	(1,373,202)	-	-	(1,373,202)
2022	-	4,560,599	(15,417,531)	(10,856,932)
	(1,373,202)	**4,560,599**	**(15,417,531)**	**(12,230,134)**
Current income tax 31 December 2022	**(8,594,131)**	**107,633,775**	**(129,455,837)**	**(30,416,193)**

18. Deferred tax

	Property and equipment	Allowances for credit losses	Leases	Investment securities at FVOCI	Total
At 1 January 2022	49,865	(14,411,842)	573,533	336,408	(13,452,036)
Debited to profit or loss	478,343	(77,005,505)	501,335	-	(76,025,827)
Debited to profit or loss	-	-	-	(336,408)	(336,408)
Prior Year Adjsustment	(36)	-	9,733	-	9,697
At 31 December 2022	**528,172**	**(91,417,347)**	**1,084,601**	**-**	**(89,804,574)**
At 1 January 2021	235,087	(4,089,305)	195,130	613,716	(3,045,372)
Debited to profit or loss	(185,222)	(10,322,537)	378,403	-	(10,129,356)
Debit to other comprehensive income	-	-	-	(277,308)	(277,308)
At 31 December 2021	**49,865**	**(14,411,842)**	**573,533**	**336,408**	**(13,452,036)**

Reconciliation of recognised deferred tax assets and liabilities on the statement of financial position.

	2022	2021
Deferred tax assets		
Allowance for credit losses	**91,417,347**	(14,411,842)
Total deferred tax assets	**(91,417,347)**	(14,411,842)
Deferred tax liabilities		
Property and equipment	**528,172**	49,865
Leases	**1,084,601**	573,533
Investment securities at FVOCI	**-**	336,408
Total deferred tax liabilities	**1,612,773**	959,806
Net deferred tax assets/liabilities	**(89,804,574)**	(13,452,036)

All amounts are expressed in Ghana cedis unless otherwise stated)

19. Cash and bank balances

	2022	2021
a) Cash and Balances with Bank of Ghana		
Cash on hand	**87,740,059**	70,464,455
Balances with Bank of Ghana (Mandatory)	**473,625,161**	407,549,835
Balances with Bank of Ghana (Unrestricted)	**412,282,565**	75,549,749
	973,647,785	553,564,039
b) Due from other banks		
Items in course of collection	**27,372,535**	26,406,432
Placements and balances with local banks	**449,811,209**	197,880,797
Placements with foreign banks	**354,340,926**	15,630,266
Nostro account balances	**50,583,839**	246,769,733
	882,108,509	486,687,228
Net cash and bank balances	**1,855,756,294**	1,040,251,267
c) Cash and cash equivalents for purposes of the statements of cash flows		
Cash and balances with Bank of Ghana	**973,647,785**	553,564,039
Mandatory deposit reserve	**(473,625,161)**	(407,549,835)
Unrestricted cash and bank balances	**500,022,624**	146,014,204
Due from other banks	**882,108,509**	486,687,228
Short term treasury bills	**499,917,782**	165,418,910
	1,882,048,915	798,120,342

Balances with Bank of Ghana include mandatory deposit reserve of GHS 473,625,161 (2021: GHS 407,549,835) which is not available for day to day operations.

20. Investment securities

	2022	2021
(a) Amortised Cost		
(i) Treasury Bills		
91-Day Treasury Bill	**499,917,782**	165,418,910
182-Day Treasury Bill	**879,483,893**	1,014,114,929
364-Day Treasury Bill	**5,181,135**	525,631,307
Other government treasury bills	**-**	38,113,523
	1,384,582,810	1,743,278,669
(ii) Government Bonds		
2- Year Fixed Bond	**262,033,682**	210,810,054
3- Year Fixed Bond	**271,728,200**	60,888,635
5- Year Fixed Bond	**410,198,579**	324,827,041
6- Year Fixed Bond	**22,776,923**	9,672,046
7- Year Fixed Bond	**298,476,931**	252,247,949
10- Year Fixed Bond	**53,288,862**	53,260,008
12- Year Fixed Bond	**17,884,480**	17,875,307
	1,336,387,657	929,581,040
(iii) Commercial papers	**-**	45,316,516
Gross carrying amount	**2,720,970,467**	2,718,176,225
Allowance for credit loss on investment securities	**(282,061,542)**	(327,145)
Net carrying amount	**2,438,908,925**	2,717,849,080
(b) Fair value through other Comprehensive Income (FVOCI)		
2- Year Fixed Bond	**-**	-
3- Year Fixed Bond	**-**	-
5- Year Fixed Bond	**-**	64,191,145
7- Year Fixed Bond	**-**	-
10-Year Fixed Bond	**-**	-
	-	64,191,145
Treasury bills	**1,384,582,810**	1,743,278,669
Government bonds	**1,054,326,115**	993,445,040
Commercial papers	**-**	45,316,516
	2,438,908,925	2,782,040,225

20. Investment securities (Continued)

All amounts are expressed in Ghana cedis unless otherwise stated)

	2022	2021
Current	**2,423,611,207**	2,454,469,982
Non-current	**15,297,718**	327,570,243
	2,438,908,925	2,782,040,225

(c) Movement of impairment on investment securities

At January 1	**327,145**	1,727,145
Charge for the year	**(282,388,687)**	(1,400,000)
	(282,061,542)	327,145

21. Loans and advances to customers

Analysis by type of advance	2022	2021
Overdrafts	**925,086,564**	744,005,922
Term Loans	**791,123,914**	391,138,302
Gross loans and advances	**1,716,210,478**	1,135,144,224
Allowance for credit losses on loans to customers	**(171,521,599)**	(102,624,903)
Net loans and advances	**1,544,688,879**	1,032,519,321
Analysis by type of customer		
Private enterprises	**1,619,495,877**	1,057,230,246
Individuals	**82,961,208**	62,834,363
Staff	**13,753,393**	15,079,615
Gross loans and advances	**1,716,210,478**	1,135,144,224
Analysis by Sector		
Retail customers	**434,360,148**	224,161,367
Corporate customers	**1,281,850,330**	910,982,857
Gross loans and advances	**1,716,210,478**	1,135,144,224
Allowance for credit losses on loans to customers	**(171,521,599)**	(102,624,903)
Net loans and advances to customers	**1,544,688,879**	1,032,519,321
Current	**1,429,553,066**	855,897,621
Non- current	**286,657,413**	279,246,603
	1,716,210,479	1,135,144,224
Loan loss provision ratio	**10.0%**	9.0%
Gross non-performing loans ratio	**15.8%**	29.4%

Notes to Financial Statements

All amounts are expressed in Ghana cedis unless otherwise stated)

21. Loans and advances to customers (continued)

Movement in impairment on loans and advances to customers

	2022	2021
Allowance for credit losses to customers		
At 1 January	**102,624,903**	344,784,363
Charge for the year	**123,042,433**	97,238,081
Reversals during the year	-	-
Amounts written off	**(54,145,737)**	(339,397,541)
Exchange gains	-	-
Balance at end of year	**171,521,599**	102,624,903

a) Loans and advances to customers per IFRS 9 classification

31 December 2022

	Stage 1	Stage 2	Stage 3	Total
Gross Amount				
Loans to individuals:	5,644,928	-	-	5,644,928
Loans to corporate entities	1,440,185,040	104,682,380	165,698,130	1,710,565,550
	1,445,829,968	104,682,380	165,698,130	1,716,210,478

	Stage 1	Stage 2	Stage 3	Total
Allowance for credit losses				
Loans to individuals:	539,199	-	-	539,199
Loans to corporate entities	21,793,680	49,172,235	100,016,485	170,982,400
Total allowance for credit losses	22,332,879	49,172,235	100,016,485	171,521,599
Carrying amount	**1,423,497,089**	**55,510,145**	**65,681,645**	**1,544,688,879**

21. Loans and advances to customers (continued)
a) Loans and advances to customers per IFRS 9 classification (continued)

31 December 2021

	Stage 1	Stage 2	Stage 3	Total
Gross Amount				
Loans to individuals:	43,596,285	-	-	,596,285
Loans to corporate entities	758,210,049	-	333,337,890	1,091,547,939
	801,806,334	**-**	**333,337,890**	**1,135,144,224**
Allowance for credit losses				
Loans to individuals:	380,671	-	-	380,671
Loans to corporate entities	19,940,202	-	82,304,030	102,244,232
Total allowance for credit losses	20,320,873	-	82,304,030	102,624,903
Carrying amount	**781,485,461**	**-**	**251,033,860**	**1,032,519,321**

b) Allowance for credit loss on loans and advances to customers

31 December 2022

2022	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2022	20,320,873	-	83,208,110	103,528,983
Transfers:				
Allowance for credit losses	2,012,006	49,172,235	68,808,375	119,992,616
Exchange gains on provision	-	-	(52,000,000)	(52,000,000)
Balance at 31 December 2022	**22,332,879**	**49,172,235**	**100,016,485**	**171,521,599**

31 December 2021

	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2021	9,892,320	-	334,892,043	344,784,363
Transfers:				
Allowance for credit losses	10,428,553	-	87,713,608	98,142,161
Exchange gains on provision	-	-	(340,301,621)	(340,301,621)
Balance, at 31 December 2021	**20,320,873**	**-**	**82,304,030**	**102,624,903**

All amounts are expressed in Ghana cedis unless otherwise stated)

22. Other assets

	31 Dec 2022	31 Dec 2021
Financial assets		
Mobile money receivables	**163,356,353**	393,502,175
Accounts receivable	**77,704,922**	23,091,390
	241,061,275	416,593,565
Allowance on accounts receivable	**-**	-
	241,061,275	416,593,565
Non-financial assets		
Prepayments	**(65,659,171)**	14,219,850
Stationery stock	**694,362**	485,275
	(64,964,809)	14,705,125
Total	**176,096,466**	431,298,690
Current	**176,096,466**	431,298,690
Non- current	**-**	-
	176,096,466	431,298,690

Movement in allowance on accounts receivable

At beginning of year	**-**	-
Impairment charge for the year	**-**	-
Balances written off	**-**	-
At end of year	**-**	-

a) Accounts receivable per IFRS 9 classification

31 December 2022	Stage 1	Stage 2	Stage 3	Total
Gross amount				
Balance beginning of year	-	-	-	-
Amounts originated/derecognised (net)	-	-	-	-
Balance, at 31 December	**-**	**-**	**-**	**-**

31 December 2021				
Gross amount				
Balance at 1 January	8,100,517	-	-	8,100,517
Amounts originated/derecognised (net)	(8,100,517)	-	-	(8,100,517)
Balance, at 31 December	**-**	**-**	**-**	**-**

All amounts are expressed in Ghana cedis unless otherwise stated)

22. Other assets (continued)

b) Allowance for credit losses on accounts receivable

31 December 2022	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January	-	-	-	-
Decrease in allowances for credit losses on other assets	-	-	(14,883,906)	(14,883,906)
Balance, at 31 December	**-**	**-**	**(14,883,906)**	**(14,883,906)**

31 December 2021	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January	-	-	-	-
Decrease in allowances for credit losses on other assets	-	-	-	-
Balance, at 31 December	**-**	**-**	**-**	**-**

23. Property and Equipment

	2022	2021
Right-of-use assets (i)	**23,780,227**	26,671,849
Property and Equipment (ii)	**48,559,149**	36,716,245
Carrying amount	**72,339,376**	63,388,094

The Bank previously classified leases as operating and finance leases based on its assessment of whether the lease transferred substantially all the risks and rewards of ownership of the underlying asset to the Bank. Under IFRS 16, the Bank recognises right-of-use assets and lease liabilities as part of "property and equipment" and "other liabilities respectively.

(i) Right of use assets	2022	2021
Balance - 1 January	**42,897,550**	43,080,169
New lease contracts	**3,414,947**	-
Write-off	**-**	(182,619)
Balance - 31 December	**46,312,497**	42,897,550

All amounts are expressed in Ghana cedis unless otherwise stated)

23. Property and Equipment (continued)

	2022	2021
Amortisation		
Balance - 1 January	**16,225,701**	9,512,020
Amortisation charge for the year	**6,306,569**	6,713,681
Balance - 31 December	**22,532,270**	16,225,701
Carrying amount		
Balance 31 December	**23,780,227**	26,671,849

23. (ii) Property and Equipment

31 December 2022	Land and buildings	Leasehold improvements	Office fittings and equipment	Motor vehicles	Computers	Capital work in progress	Total
Cost							
At 1 January	3,751,318	14,104,261	21,116,396	6,187,037	8,786,981	14,741,218	68,687,211
Additions	-	1,706,426	5,591,574	16,251	10,554,391	71,564	17,940,206
Disposal	-	(2,265)	(433,448)	(272,731)	(73,566)	-	(782,010)
Transfers between classes	-	-	123,005	-	1,407,324	(1,827,316)	(296,987)
Transfers to intangible assets	-	-	70,049	-	8,292	-	78,341
Write offs	-	-	-	-	-	(126,375)	(126,375)
At 31 December	**15,808,422**	**15,808,422**	**26,467,576**	**5,930,557**	**20,683,422**	**12,859,091**	**85,500,386**
Accumulated Depreciation							
At 1 January	599,115	6,002,159	14,562,462	5,930,817	4,876,413	-	31,970,966
Charge for the year	79,122	907,670	2,623,554	222,105	1,839,612	-	5,672,063
Transfers to intangible assets	-	(2,265)	(431,570)	(272,731)	(73,566)	-	(780,132)
Transfers to intangible assets	-	-	70,049	-	8,291	-	78,340
At 31 December	**678,237**	**6,907,564**	**16,824,495**	**5,880,191**	**6,650,750**	**-**	**36,941,237**
Net book value	**3,073,081**	**8,900,858**	**9,643,081**	**50,366**	**14,032,672**	**12,859,091**	**48,559,149**

There was no indication of impairment of property and equipment held by the Bank at 31 December 2022 (2021: Nil). None of the property and equipment of the Bank had been pledged as security for liabilities and there were no restrictions on the title of any of the Bank's property and equipment at the reporting date and at the end of the previous year.

Notes to Financial Statements

All amounts are expressed in Ghana cedis unless otherwise stated)

23. Property and Equipment (continued)

31 December 2021	Land and buildings	Leasehold improvements	Office fittings and equipment	Motor vehicles	Computers	Capital work in progress	Total
Cost							
At 1 January	3,751,318	10,790,803	21,743,387	6,224,390	6,844,305	14,717,313	64,071,516
Additions	-	1,956,591	1,818,064	11,157	2,395,150	1,523,373	7,704,335
Disposals	-	-	(2,587,656)	(48,510)	(452,474)	-	(3,088,640)
Transfers from intangible assets	-	1,356,867	142,601	-	-	(1,499,468)	-
At 31 December	**3,751,318**	**14,104,261**	**21,116,396**	**6,187,037**	**8,786,981**	**14,741,218**	**68,68,211**
Accumulated Depreciation							
At 1 January	519,993	5,274,584	14,663,540	5,548,654	4,304,211	-	30,310,982
Charge for the year	79,122	727,575	2,486,297	428,119	1,022,904	-	4,744,017
Disposal	-	-	(2,585,606)	(45,956)	(452,471)	-	(3,084,033)
Transfers to intangible assets	-	-	(1,769)	-	1,769	-	-
At 31 December	**599,115**	**6,002,159**	**14,562,462**	**5,930,817**	**4,876,413**	**-**	**31,970,966**
Net book value	**3,152,203**	**8,102,102**	**6,553,934**	**256,220**	**3,910,568**	**14,741,218**	**36,716,245**

All amounts are expressed in Ghana cedis unless otherwise stated)

23. Property and equipment (continued)

The profit on disposal is as follows:

	31 Dec 2022	31 Dec 2021
Cost	**782,010**	3,088,640
Depreciation	**(780,132)**	(3,084,033)
Net book value	**(1,878)**	(4,607)
Proceeds	**115,851**	22,930
Profit on disposal	**113,973**	18,323

24. Intangible assets

Intangible assets represent computer software purchased by the Bank. The movement during the year is as follows:

	31 Dec 2022	31 Dec 2021
Cost		
At 1 January	**5,717,124**	4,443,928
Additions	**709,692**	1,273,196
Transfer to property and equipment	**296,987**	-
At 31 December	**6,723,803**	5,717,124
Amortisation		
At 1 January	**4,061,020**	3,734,924
Charge for the year	**611,697**	326,096
At 31 December	**4,672,717**	4,061,020
Net book value	**2,051,086**	1,656,104

25. Customer deposits

Analysis by type of customer		
Savings deposits	**375,195,809**	264,156,968
Demand and call deposits	**2,864,587,068**	2,393,693,989
Fixed deposits	**1,496,468,734**	1,417,647,396
	4,736,251,611	4,075,498,353
Current	**4,598,158,364**	3,765,494,186
Non-current	**138,093,247**	310,004,167
	4,736,251,611	4,075,498,353
Analysis by sector		
Retail customers	**1,434,982,516**	1,026,425,245
Corporate customers	**3,301,269,095**	3,049,073,108
	4,736,251,611	4,075,498,353

Notes to Financial Statements

All amounts are expressed in Ghana cedis unless otherwise stated)

26. Deposits from banks

	31 Dec 2022	31 Dec 2021
From local banks	**72,940,071**	59,049,587
From foreign banks	**-**	-
	72,940,071	59,049,587

All deposits from banks are current.

27. Other liabilities

Financial liabilities		
Accounts payable	**18,914,905**	18,493,959
Customers' deposits for foreign trade (i)	**85,733,381**	37,236
Foreign cheques for collections	**-**	-
Sundry liabilities (ii)	**4,444,241**	2,786,474
Lease liabilities (iv)	**18,327,283**	21,916,605
	127,419,810	43,234,274
Non-financial liabilities		
Accrued expenses	**73,937,659**	59,808,660
Provisions for legal claims	**2,687,220**	481,056
Deferred income	**3,884,684**	772,150
Allowance for credit loss on contingents (iii)	**1,674,544**	1,674,544
	82,184,107	62,736,410
Total	**209,603,917**	105,970,684
Current	**191,276,635**	79,916,530
Non- current	**18,327,282**	26,054,154
	209,603,917	105,970,684

(i) Customers' deposit for foreign trade represents funds held to cover letter of credit transactions.

(ii) Items under sundry liabilities include banker's drafts and managers cheques, outstanding inward remittance and withholding tax payable.

(iii) This represents allowance for credit loss for off balance sheet loan commitments and financial guarantees.

(iv) Lease liabilities represent the present value of the remaining lease payment for the bank's leases discounted using the Bank's incremental borrowing rate. The movement in lease liabilities during the year is as follows:

Lease liabilities		
Balance - 1 January	**21,916,605**	26,146,316
Additions /(Reversals)	**3,581,802**	(249,810)
Repayments during the year	**(8,784,535)**	(5,280,032)
Interest accrued	**1,613,411**	1,300,131
Balance - 31 December	**18,327,283**	21,916,605

All amounts are expressed in Ghana cedis unless otherwise stated)

28. Stated capital

	31 Dec 2022	31 Dec 2021
Issued :		
Authorised Shares (number)	**9,000,000,000**	9,000,000,000
Issued shares (number)	**7,400,500,000**	7,400,500,000
Share capital (in GHS)	**400,000,000**	400,000,000

The movement in the issued shares account during the year is as follows:

Number of shares in issue at the start of the year	**7,400,500,000**	7,400,500,000
Additional number of shares from bonus issue	**-**	-
Number of shares in issue at the end of the year	**7,400,500,000**	7,400,500,000

29. Reserves

a. Statutory reserve

Statutory reserve represents transfer of 25% of profit after tax to reserve in compliance with Bank of Ghana's regulatory requirement. The statutory reserve is not distributable.

b. Income surplus

This is the carried forward recognised income out of expenses plus current year's profit attributable to shareholders.

c. Fair value reserves

This includes the net cumulative change in the fair value of investments at fair value through other comprehensive income. Such fair value charges are maintained until the investment is derecognised or impaired.

	2022	2021
At 1 January	**13,612**	845,536
Net change in fair value during the year (net of tax)	**-**	(831,924)
Net amount transferred to income statement	**(13,612)**	-
	-	13,612

The investments revaluation reserve represents the cumulative gains and losses arising on the revaluation of Investments in debt instruments classified as at FVTOCI, net of cumulative loss allowance recognised on these investments and cumulative gain/loss reclassified to profit or loss upon disposal or reclassification of these investments.

30. Contingent liabilities and commitments

a. Legal proceedings

There were legal cases proceeding against the Bank at 31 December 2022. Provision of GHS 2,223,315 (31 December 2021: GHS 481,056) was made in respect of these cases, no contingent liability associated with legal actions has been disclosed as professional advice indicates that it is unlikely that any significant loss will arise.

All amounts are expressed in Ghana cedis unless otherwise stated)

30. Contingent liabilities and commitments (continued)

b. Loan commitments, guarantee and other financial facilities

At 31 December 2022, the Bank had contractual amounts of off-balance sheet financial instruments that commit the Bank to extend credit to customers, guarantee and other facilities as follows:

	31 Dec 2022	31 Dec 2021
Letters of credit	**325,762,430**	193,890,794
Guarantees and indemnities	**810,839,621**	773,674,275
Loan commitments	**75,499,552**	111,325,169
Gross amount	**1,212,101,603**	1,078,890,238
Allowance for credit losses	**(1,674,544)**	(1,674,544)
Carrying amount	**1,210,427,059**	1,077,215,694

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

31. 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 operational decisions. The Bank is a subsidiary of UBA Plc which owns 90.77% of the issued ordinary shares. UBA Plc is also the ultimate controlling party of the Bank. All transactions with related parties are done in the normal course of business and at arm's length.

Details of related party balances are as follows:

	31 Dec 2022	31 Dec 2021
Assets		
Loans to key management staff	**2,831,619**	3,301,584
Placements with UBA Plc and other subsidiaries/associates	**135,615,600**	15,630,266
Nostro balances with UBA Plc and other subsidiaries/associates	**50,583,838**	155,622,432
Total	**189,031,057**	**174,554,282**
Interest income - key management staff	**113,579**	106,344
Interest income on placements with UBA Plc and its subsidiaries/associates	**7,243,970**	4,560,611
	7,357,549	4,666,955
Liabilities		
Deposits from key management staff	**1,526,334**	728,314
Due to Parent (UBA Plc)	**67,505,173**	53,594,667
Deposits from UBA Plc and subsidiaries/associates	**-**	-
Total	**69,031,507**	54,322,981

All amounts are expressed in Ghana cedis unless otherwise stated)

31. (i) Related party transactions (continued)

	2022	2021
Interest expense on takings from UBA Plc and its subsidiaries/associates	**157,167**	34,724
Other expenses	**67,505,173**	53,594,667
	67,662,340	53,629,391

Details of placements account balances with related parties for the year

Sn	Name of related party	Nature of relationship	Amount
1	UBA PLC	Parent	114,800
2	UBA CIV	Affiliate	17,152,000
3	UBA Tanzania	Affiliate	32,588,800
4	UBA Kenya	Affiliate	85,760,000
	Total		**135,615,600**

Details of nostro account balances with related parties for the year

Sn	Name of related party	Nature of relationship	Amount
1	UBA PLC	Parent	40,776,173
2	UBA Benin	Affiliate	2,958
3	UBA Cote D' Ivoire	Affiliate	2,850,809
4	UBA Burkina Faso	Affiliate	1,958,060
5	UBA Cameroon	Affiliate	868,090
6	UBA Gabon	Affiliate	505
7	UBA Congo Brazza-ville	Affiliate	128
8	UBA Mali	Affiliate	4,127,040
9	UBA Chad	Affiliate	75
	Total		**50,583,838**

(ii) Key management compensation

Key management staff constitutes members of the Bank's Executive Committee. The remuneration of key management staff during the year were as follows:

	31 Dec 2022	31 Dec 2021
Salaries and other short-term employment benefits	**6,038,909**	4,977,880
Defined contribution for key management staff	**461,182**	848,385
	6,500,091	5,826,265
(iii) Directors' remuneration		
Directors' fees and allowances	**5,016,960**	3,393,448

Notes to Financial Statements

All amounts are expressed in Ghana cedis unless otherwise stated)

The total amount paid as emoluments to Executive and Non-Executive Directors, during the 2022 financial year is as disclosed below:

Sn	Name	Designation	Annual Fees	Sitting allowances	Salaries and Wages	Pension contributions	Other Benefits	Total
1	Mr. Kweku Awotwi	Board Chairman	300,160	300,160	-	-	-	600,320
2	Mr. Chris Ofikulu	Managing Director			1,803,187	63,655	427,079	2,293,921
3	Mrs. Sylvia Inkoom	Executive Director	-	-	766,794	95,702	-	862,496
4	Mr. Samuel Ayim	Non-Executive Director	257,280	171,520	N/A	N/A	N/A	428,800
5	Mr. Oliver Alawuba*	Non-Executive Director	257,280	257,280	N/A	N/A	N/A	514,560
6	Mr. Ebele Ogbue*	Non-Executive Director	257,280	257,280	N/A	N/A	N/A	514,560
7	Mr. Ivan Avereyireh	Non-Executive Director	257,280	257,280	N/A	N/A	N/A	514,560
8	Mr. Francis Koranteng	Non-Executive Director	257,280	257,280	N/A	N/A	N/A	514,560
9	Mrs. Abiola Bawuah*	Non-Executive Director	257,280	257,280	N/A	N/A	N/A	514,560
10	Mrs. Merene Botsio Benyah	Non-Executive Director	257,280	128,640	N/A	N/A	N/A	385,920
11	Mr. Jerry Djangmah	Non-Executive Director	257,280	257,280	N/A	N/A	N/A	514,560
12	Mr. Foster Boabeng	Non-Executive Director	257,280	257,280	N/A	N/A	N/A	514,560
	Total		**2,615,680**	**2,401,280**	**2,569,981**	**159,357**	**427,079**	**8,173,377**

**Fees and sitting allowances for these Non-Executive Directors are paid directly to UBA Plc.*

All amounts are expressed in Ghana cedis unless otherwise stated)

32. Events after the reporting date

On 5 December 2022, the Government of Ghana announced a Domestic Debt Exchange program which required Banks, individuals and other financial institutions to exchange their eligible bonds for new bonds issued by the Republic of Ghana. UBA Ghana signed on to the Ghana Domestic Debt Exchange program and exchanged its eligible bonds for new bonds issued by the Republic of Ghana. The difference between the carrying amount of the old bond and the fair value of the new bonds was recognized in the income statement as a provision. In 2023, the Bank will derecognise the old bonds and recognise the fair value of the new bonds.

33. Compliance with prudential regulations

During the year, the Bank complied with all prudential regulations as stipulated by the Bank of Ghana.

34. Restatement of Comparative Financial Information

There were no reclassifications of comparative financial information during the current year.

Other disclosures

1. Shareholder information 2022

Shareholders	Shareholding	% holding
United Bank For Africa Plc	**6,717,200,750**	90.77%
Gold Coast Investment Project Ltd	**497,640,214**	6.72%
Teachers Fund	**149,877,056**	2.03%
Unique Insurance Co Ltd	**22,733,318**	0.31%
Labour Enterprises Trust Co. Ltd	**13,048,662**	0.18%
Totals	**7,400,500,000**	100%

2. Quantitative disclosures

	31 Dec 2022	31Dec 2021
Capital adequacy ratio	**20.2%**	22.8%
Liquid ratio	**75.4%**	86.9%
Gross non-performing loans ratio	**15.8%**	29.4%

3. Value Added Statement

	Dec 2022	Dec 2021
Interest and other operating income	**873,983,132**	579,822,001
Direct cost of services	**(367,225,098)**	(242,621,443)
Value added by banking services	**506,689,618**	337,200,558
Non-banking income	**97,474,866**	57,913,309
Impairments	**(406,630,830)**	(95,265,683)
Value added	**197,533,654**	299,848,184
Distributed as follows:		
To employees:		
Directors (excluding executives)	**5,016,960**	3,393,448
Executive directors	**3,060,715**	1,664,061
Other employees	**85,653,831**	64,192,767
	93,731,506	69,250,276
To government:		
Income taxes	**31,617,645**	77,049,377
To providers of capital:		
To expansion and growth		
Depreciation	**11,978,632**	11,457,698
Amortisation	**611,697**	326,096
	59,594,174	141,764,737

Other disclosures (continued)

4. Related parties

The Bank is a subsidiary of UBA Plc which owns 90.77% of the issued ordinary shares. UBA Plc is also the ultimate controlling party of the Bank. As a result, the parent (UBA PLC) all subsidiaries/associate within the UBA Group are related parties to UBA Ghana. The list of the related parties are as follows:

Sn	Name of related party	Nature of relationship
1	UBA PLC	Parent
2	UBA Liberia	Affiliate
3	UBA Cote D' Ivoire	Affiliate
4	UBA Senegal	Affiliate
5	UBA Kenya	Affiliate
6	UBA Guinea	Affiliate
7	UBA Gabon	Affiliate
8	UBA Benin	Affiliate
9	UBA Sierra Leone	Affiliate
10	UBA Burkina Faso	Affiliate
11	UBA Chad	Affiliate
12	UBA Uganda	Affiliate
13	UBA Congo Brazzaville	Affiliate
14	UBA Mozambique	Affiliate
15	UBA Cameroon	Affiliate
16	UBA Mali	Affiliate
17	UBA Tanzania	Affiliate
18	UBA Congo DRC	Affiliate
19	UBA Zambia	Affiliate
20	UBA UK	Affiliate
21	UBA New York	Affiliate
22	UBA Paris	Affiliate

Other disclosures (continued)

b. Key Management Personnel

Key Management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of UBA Ghana (directly and indirectly) and comprise the Executive Directors and Senior Management of the Bank. The list of key management personnel as at the end of the year were:

No	Key Management Personnel	Designation
1	Mr. Chris Ofikulu	MD/CEO
2	Mrs. Sylvia Inkoom	Deputy Managing Director
3	Mr. Felix Ugbebor	Chief Operating Officer
4	Mr. Muftau Abdulai	Chief Finance Officer
5	Mr. Ajimotokan Adebolanle Isa	Country Chief Inspector
6	Mrs. Evelyn Effie Quansah	Country Head of Resources
7	Mr. Evans Amenyo Sallah	Country Head, Internal Control
8	Mr. Peter Dery	Head, Retail Banking
9	Mr. Emmanuel Sackey	Head, Treasury
10	Mr. Philip Odoom	Head, Compliance/AMLRO
11	Mr. Henry Dottey	Head Marketing and Corporate Communications
12	Mr. Michael Narh	Head, Legal and Company Secretary
13	Rita Mills Robertson	Head of Public Sector/ Intuitional Banking

*Resignations: Mrs. Jocelyn Emma Ackon –Head of Human Capital (March 9, 2022), Mr. Noble Eduamah – Head of Corporate Banking (April 30, 2022) and Mr. Kwadwo Adusei Addai – Chief Risk Officer (September 2, 2022).

Transactions with related parties are disclosed in the Note 31 of the financial statements.

Shareholder engagement

AGM Notice

Proxy Form

6

UBA
United Bank for Africa

NOTICE OF 2023 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of United Bank for Africa Ghana Ltd will be held at 10:00 am prompt on Friday, April 28, 2023 at the Kempinski Hotel, Gold Coast City, Accra to transact the following business:

Ordinary Business

1. To receive the Audited Accounts for the year ended 31st December 2022 together with the reports of the Directors and Auditors thereon.
2. To retire/elect/re-elect Non-Executive Directors
3. To authorize the Directors to fix the remuneration of the Auditors.
4. To transact any other business to be dealt with at an Annual General Meeting.

Thank you.

By Order of the Board

A proxy form is enclosed.

United Bank for Africa (Ghana) Limited
Heritage Tower, Ambassadorial Enclave, Ridge. P.M.B. 29, Ministries, Accra, Ghana.
Board Chairman: Mr. Kweku Awotwi, Managing Director/CEO: Chris Ofikulu
Deputy Managing Director: Mrs Sylvia Inkoom. Directors: Mr. Ebele Ogbue,
Mr. Jerry Djangmah, Mr. Ivan Avereyireh, Mr. Samuel Ayim, Mr. Francis Koranteng, Mrs. Abiola Bawuah.
Tel: +233-030-263 4060 Fax: +233-302-680666
www.ubagroup.com

PROXY FORM

ANNUAL GENERAL MEETING to be held at 10.00 am on Friday, April 28, 2023 at the Kempinski Hotel, Gold Coast City, Accra.

I/We .... being a member of United Bank for Africa (Ghana) Ltd hereby appoint .... or failing him/her the Chairman of the meeting as my/our Proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on April 28, 2023.

Signed this .... day of .... 2023.

....

Shareholder's signature/Common Seal

No.	Resolutions from the Board	For	Against
1.	To receive the Audited Accounts for the year ended 31st December 2022 together with the reports of the Directors and Auditors thereon.		
2.	To retire/elect/re-elect Non-Executive Directors.		
3.	To authorize the Directors to fix the remuneration of the Auditors.		
4.	To transact any other business to be dealt with at an Annual General Meeting.		

Please indicate with an "X" in the appropriate square how you wish your votes to be cast on the resolutions set out above. Unless otherwise instructed the proxy will vote or abstain from voting at his/her discretion.

THIS PROXY FORM SHOULD NOT BE SENT TO THE SECRETARY IF THE MEMBER WILL BE ATTENDING THE MEETING.

Notes.

1. A member (Shareholder) who is unable to attend the Annual General Meeting is allowed by law to vote by proxy. The above Proxy Form has been prepared to enable you to exercise your vote if you cannot personally attend.
2. Provision has been made on the Form for the Chairman of the meeting to act as your proxy, but if you wish, you may insert in the blank space marked "name of the proxy" 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 of the Meeting.
3. If executed by a Company/Trust, the Proxy Form should bear its Common Seal or be signed on its behalf by a Director/Trustees of the Company/Trust.
4. Please execute the Proxy Form and deliver it so as to reach the Company Secretary no later than 8.00 am on Friday, April 28, 2023.

Corporate information

- International Offices
- Branch Network
- Products & Services
- ATM Directory

7

Corporate Information

Board of Directors

Mr. Kweku Awotwi	Board Chairman
Mr. Chris Ofikulu	Managing Director/Chief Executive Officer
Mr. Olalekan Balogun	Managing Director/Chief Executive Officer (Recalled to Group Office on February 10, 2022)
Mrs. Sylvia Inkoom	Deputy Managing Director
Mr. Oliver Alawuba	Non-Executive Director (Resigned on August 24, 2022)
Mr. Ebele Ogbue	Non-Executive Director
Mrs. Abiola Bawuah	Non-Executive Director
Mr. Foster Buabeng	Non-Executive Director
Mr. Samuel Ayim	Independent Director
Mr. Ivan Avereyireh	Independent Director
Mr. Francis Koranteng	Independent Director
Mr. Jerry Djangmah	Independent Director
Mrs. Merene B. Benyah	Independent Director (Resigned on July 9, 2022)

Company Secretary

Michael Terkpetey Narh Esq.
Heritage Towers,
Ambassadorial Enclave, Ridge
PMB 29, Ministries
Accra

Auditor

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

Bankers

United Bank for Africa Plc
UBA House 14th floor
57, Marina
P.O. Box 2406
Lagos- Nigeria

Citibank New York.
Citibank N. A, 111 Wall Street
NY 10043
New York, US

Registered Office

United Bank for Africa (Ghana) Ltd.
Heritage Towers,
Near Cedi House,
Ambassadorial Enclave,
Off Liberia Road,
PMB 29, Ministries
Accra

International Offices

UBA America
1 Rockefeller Plaza, 8th Floor
New York, NY 10020
USA

United Bank for Africa
Representative Office in France
Tour Egée 9-11 allée de l'Arche
92400 Courbevoie - Paris La Défense

Business Offices Network

GREATER ACCRA

CORPORATE BUSINESS OFFICE
Address: Heritage Tower, Ambassadorial Enclave, Near Cedi House, Off Liberia Road, Ridge.
Tel.: 0302680094 / 0302681224 / 302681224 / 0302689000

LABONE
Address: Hse. No. 96B
Sithhole St., 5th
Circular Road – Opp. Bosphorus Restaurant & Café, Labone
Tel.: 0302 783015 / 6 / 782234

ABEKA LAPAZ
Address: Abeka Lapaz,Akro-Gate Towers, Off Akweteyman, Lapaz Road, Accra - Ghana
Tel.: 03024 14474 / 407547 / 416682

ABOSSEY OKAI
Address: Urban Rose Plaza,13 Winneba road, Pamprom Traffic Light, Abossey Okai
Tel.: 0289 555189 / Fax.: 302661108

ACCRA CENTRAL
Address: No. 507 Cerby Avenue, White Chapel Building, Okaishie
Tel.: 0302 674085 / 674056 / 674112 / 674099 / 89

KANTAMANTO
Address: Tarzan Building Complex, Kantamanto
Tel.: 0302 681319 / 674112

RING ROAD CENTRAL
Address: Ring Road,
Opposite Swiss School
Tel.: 0302 246066 / 8

NORTH INDUSTRIAL AREA
Address: NIA No. 612
Dadeban Road NTC
Tel.: 0302 2581778 / 257177 / 258177

ACHIMOTA
Address: Achimota Banking Farm,
Mile 7, ABC Junction
Tel.: 0303- 976099/ 0303976100

AIRPORT
Address: 59 Patrice Lumumba Road, Airport Residential Area.
Tel.: 0302 766172 / 3

DZORWULU
Address: No. 47 Blohum Street, Near Medi-fem Clinic, Dzorwulu
Tel.: 0302 774038

EAST LEGON - AMERICAN HOUSE
Address: 4 Boundary Road East Legon, (Near America House)
Tel.: 0302 520497 / 8 / 520493

EAST LEGON - LAGOS AVENUE
Address: Plot 85, Lagos Avenue, East Legon (Adjacent Mensvic Hotel)
Tel.: 0289 532533 / Fax.: 509038072

MADINA
Address: Hollywood Shopping Complex - REDCO, Madina
Tel.: 0302 520770 / 4 / 520778 / 9 / 0201352992
Fax.: 302520772

TESHIE
Address: Lascala junction,Near KAIPC,Teshie
Tel.: 0289549669 / 0289549889

SPINTEX
Address: 120B Spintex Road, Agapet Filling Station
Tel.: 0289 549821 / 0289 549838

TEMA COMMUNITY 4
Address: Konadu Shopping complex, Near Chemu Sec School, Comm. 4
Tel.: 03032 00847

TEMA COMMUNITY 1
Address: Greenwich Tower, Opp. former Black Star Line, Meridian Road,Community
Tel.: 03032 12162 / 65
Fax.: 303212180

ASHANTI

ADUM
Plot 2, Block II A Palace Road,
OTA Adum-Kumasi
Tel.: 03220 41006 / 8

KEJETIA
Opposite Unicom House,Kumasi Station,Kejetia, Kumasi
Tel.:03220 43898
Fax.: 322043898

ALABAR
ZE 66 Manhyia Road, Alabar - Kumasi
Tel.: 03220 31130

TANOSO
University of Education-Winneba (Kumasi campus)
Tel.: 03220 52490 / 52495 / 52489

SUAME
Address: Plot 3 Block A, Suame Takwa Layout
Tel.: 03220 49101 / 3

KNUST
Opp. Old administration block,
KNUST campus, Kumasi
Tel.: 03220 64400
Fax.: 322064403

VOLTA

AFLAO
Aflao Border, Exit gate,
Southern–end, Aflao
Tel.: 0362099821 / 036099822
fax.: 96230906

WESTERN

TAKORADI
Address: No. 52/1 John Sarbah Road, Former BHC Building, Market Circle.
Tel.: 03120 26330 / 26437 / 25787

TARKWA
Address: St. Matthew Catholic Church, Obuoso Road, Tarkwa.
Tel: 0312 292952/

NORTHERN

TAMALE
Address: Ward M, Plot C4, North Lamashegu Res. Area.
Tel: 0372099002

Products & Services

SAVINGS ACCOUNT

1. KIDDIES ACCOUNT

A trust account designed for parents or guardians with children between ages 0-12 years who intend to save for short/long term goals

Benefit/Features

- •Opening & Operating balance of GHS10
- •Attractive Interest rate of 4% P.A
- •Allows lodgment of cheques and dividend s
- 13th Month reward (10% of the monthly saving plan amount) when constant maintenance of standing order above GHC1000 for 12 months

2. TEENS ACCOUNT

UBA Teen Account is a trust account designed and structured to appeal to students who are enrolled in Junior and Senior Secondary School; particularly demographics between 13 to 17 years

Benefits/Features

- GHS15 Minimum Opening Balance
- GHS 50 Minimum Opening Balance
- Interest rate of 3%
- Introduction to Financial Literacy/children lub membership (UBA Learn)
- Opportunity for Internship with the Bank subject to vacancy

3. UBA NEXT-GEN

UBA Next-Gen Account is a liability product designed and structured to appeal to the students in Tertiary Institution between the ages of 18 and 25 in order for them to maintain a relationship with the bank.

Benefits/Features

- GHS 20 Minimum Operating Balance
- Interestrate of 3%
- Opportunity for Internship with the Bank subject to vacancy
- Member of UBA Campus Ambassador club
- Benefit from group mentorship programs in high schools, universities etc

4.UBA BUMPER

A hybrid of a savings and current account which gives the customer the desired benefits derived from both accounts.

Benefits/Features

- GHS 100 Minimum Opening Balance
- GHS 50 Minimum Operating Balance
- Interest rate of 5.5%
- Cheque book on request

5. UBA TARGET

Targeted account that helps customer plan towards a project. Customer can enjoy high interest rate of up to 4.5% p.a, while having unlimited access to funds.

Benefits/Features

- GHS 1,000 Minimum Opening Balance
- GHS 1,000 Minimum Operating Balance
- Interest rate Band
- GHS1,000-GHS10,000 = 3%
- GHS10,001-GHS50,000 = 3.5%
- GHS50,001 – GHS100,000 = 4%
- GHS100,001 and above = 4.5%

6. EMPLOYEE SAVINGS ACCOUNT

The UBA Employee account is a salaried savings account designed for an efficient salary/pay roll administration for organizations. This is designed for employees in the private and public sectors of the economy.

Benefits/Features

- Zero account opening balance
- Minimum operating balance of GHS 20
- Minimum balance of GHS 50 attracts interest of 3% p.a
- Ease of conversion to a regular savings account upon request or on separation from place of employment.

7. BUSINESS SAVINGS ACCOUNT

The UBA Business Savings account is a savings account designed for all Corporate account holders to build Funds.

Benefits/Features

- Zero account opening balance
- Minimum operating balance of GHS 20
- 3% interest rate
- Minimum balance of GHS 50 attracts interest

8. SAVINGS FOR SOCIETIES AND CHURCHES

The UBA Savings account for churches and societies is a savings account designed for non-profit making organizations that are limited by guarantee.

Benefits/Features

- Minimum operating balance of GHS 20
- Minimum balance of GHS 50 attracts interest
- 3% interest rate

CURRENT ACOUNTS

1. LION PRIME ACCOUNT

Lion Prime product is a zero COT and remunerated current account designed to meet the needs of customers who desire to maximize returns on their accounts.

A) LION PRIME INDIVIDUAL ACCOUNT

Benefits/Features

- Opening/operating balance of GHS3,000.00
- Free 1st Cheque book
- Zero COT charge if average monthly balance is GHS3,000.00 and above
- Zero Account Maintenance charge
- Default COT bands for individuals to apply if average monthly balance goes below GHS3,000.00 or customers make more than 10 withdrawals in a month (COT cycle) – For individual accounts and
- Withdrawals from electronic channels excluded from max of 10 withdrawal count. i.e. ATM, U-Direct, U-Direct Corporate & U-Mobile
- Interest: 1% p.a. interest rate is payable where the average balance of GHS3,000.00 is maintained.
- Access to credit facilities and all e-banking channels

B) LION PRIME CORPORATE

Benefits/Features

- Opening/operating balance of GHS10,000.00
- Interest payment of 1% on balance above GHS10,000.00
- Free 1st Cheque book
- Zero COT charge if average monthly

balance is GHS10,000.00 and above

- Default COT bands for individuals to apply if average monthly balance goes below GHS10,000.00 or customers make more than 10 withdrawals in a month (COT cycle) – For Corporate accounts
- Zero Account Maintenance Charge
- Withdrawals from electronic channels excluded from max of 10 withdrawal count. i.e. ATM, U-Direct, U-Direct Corporate & U-Mobile
- Interest: 1% p.a. interest rate is payable where the daily minimum balance of GHS10,000.00 is maintained

2. RUBY ACCOUNT

Ruby current account is a gender specific product designed for discerning women so as to satisfy some of their special business and personal needs.

a) Ruby Premium

- Zero COT (Subject to maintaining the minimum balance)
- Attractive interest rate of up to 6% for balances above GHS 20,000
- Access to consumer credit facilities (terms apply)
- Discount on services offered by various Ruby partner outlets
- Free e-Banking channels enrolment - Internet Banking and Alert services
- Customized Ruby account cheque book and Debit Card

b) Ruby Classic

- Zero COT (Subject to maintaining the minimum balance)
- Attractive interest rate of up to 5% for balances above GHS 20,000
- Cash collateralized loans for up to 80% of account balance
- Access to consumer credit facilities (terms apply)
- Free e-Banking channels enrolment - Internet Banking and Alert services
- Customized Ruby account cheque book and Debit Card

3. LIMITED LABILITY ACCOUNT

The Limited Liability Company Account is a current Business Account for Limited Liability public and private sector companies.

Benefits/Features

- Minimum opening balance of GHS 50
- Allows direct debit instruction
- Third party transaction allowed
- Cheque book at a fee
- Access to all digital banking products
- COT of 1.5/mille (GHS1.5 for every 1,000 withdrawal)

4. PARTNERSHIP ACCOUNT

The Partnership Account is a corporate account opened for partnerships in which both partners have an equal interest in the business.

Benefits/Features

- Minimum opening balance of GHS 50
- Allows direct debit instruction
- Third party transaction allowed
- Cheque book at a fee
- Access to all digital banking products
- COT of 1.5/mille (GHS1.5 for every 1,000 withdrawal)

5. SOLE PROPRIETORSHIP ACCOUNT

The sole proprietorship account is a current account designed for small scale businesses(sole ownerships)

Benefits/Features

- Minimum opening balance of GHS 50
- Allows direct debit instruction
- Third party transaction allowed
- Cheque book at a fee
- Access to all digital banking products
- COT of 1.5/mille (GHS1.5 for every 1,000 withdrawal)

6. DIASPORA ACCOUNT

The Home Account is an account which enables Ghanaians living in the African diaspora to control their finances at home.

a) Diaspora Savings Account

Benefits/Features

- One free home transfer per month from Expatriate account to Diaspora
- Free debit card
- Access to UBA global network
- Zero Opening/operating balance
- Interest rate of 3% p.a

b) Diaspora Savings Account

Benefits/Features

- One free home transfer per month from Expatriate account to Diaspora
- Free debit card
- Access to UBA global network
- Zero Opening/operating balance
- Allows direct debit instruction
- Third party transaction allowed
- Cheque book at a fee
- Access to all digital banking products
- COT of 1.5/mille (GHS1.5 for every 1,000 withdrawal)

7. UBA BUSINESS ACCOUNT

The UBA Business Account offers a low-cost current account alternative to MSMEs by incentivizing them to route all their business lodgments and turnovers through the account without being penalized with the industry-wide debit turnover–based Account Maintenance Charge.

a) SME Micro

Benefits/Features

- GHS 1,000 Opening/operating balance
- Maximum COT charge of GHS 40
- Allows direct debit instruction
- Third party transaction allowed
- Cheque book at a fee
- Access to all digital banking products

b) SME Small

Benefits/Features

- GHS 2,000 Opening/operating balance
- Maximum COT charge of GHS 80
- Allows direct debit instruction
- Third party transaction allowed
- Cheque book at a fee
- Access to all digital banking products

c) SME Medium

Benefits/Features

- GHS 5,000 Opening/operating balance
- Maximum COT charge of GHS 100
- Allows direct debit instruction
- Third party transaction allowed
- Cheque book at a fee
- Access to all digital banking products

LOANS

1. Flexi Loan

Flexi Loan is a loan product for government workers who receive their salaries through the Controller and Accountant General's Department.

- Up to 36 months to repay full amount and interest

2. Personal Loan

It's a loan product the allows salaried workers of enlisted companies to access up to GHS 250,000.

- Up to 60 months to repay full amount and interest.

ATM Locations

S/N	Name	STATE	Location
1	ACHIMOTA MALL WINCOR	Off Site	ACHIMOTA MALL
2	TANG PALACE	Off Site	TANG PALACE HOTEL, ROMAN RIDGE
3	GOLDEN LINK SAVINGS	Off Site	GOLDEN LINK SAVINGS AND LOANS, TESANO
4	TAKORADI POLY-OFFSIT	Off Site	TAKORADI TEHCNICAL INSTITUTE CAMPUS
5	TAKORADI-AIRPORT	Off Site	TAKORADI AIRFOCE
6	UG CENTRAL CAF-OFFST	Off Site	UNIVEVERITY OF GHANA, CENTRAL CAFETERIA
7	KWABENYA GOIL FILLIN	Off Site	GOIL FILLING STATION, KWABENYA
8	UPSA ENGEN FILLING ST	Off Site	ENGEN FILLING STATION, UPS
9	BURMA CAMP GOIL WN	Off Site	GOIL FILLING STATION, BURMA CAMP
10	ACCRA MALL	Off Site	ACCRA MALL, ATM FARM
11	TEMA COMMUNITY 8 SHE	Off Site	TEMA COMMUNTIY 8 SHELL FILLING STATION
12	ROYAL PARADE - OFFSI	Off Site	ROYAL PARADE ATM FARM, KNUST, KUMASI
13	KOTOKA I AIRPORT T3	Off Site	ARRIVAL HALL, KOTOKA INTERNATIONAL AIRPORT, TERMINAL 3
14	KUMASI GOLDEN LINK7	Off Site	GOLDEN LINK SAVINGS AND LOANS, ADUM KUMASI
15	37 MILT HOSPITAL WIN	Off Site	37 MILITARY HOSPITAL
16	GOIL ACP POKUASE	Off Site	GOIL FILLING STATION, ACP POKUASE
17	ASHALEY BOTWE	Off Site	GOIL FILLING STATION, ASHALEY BOTWE
18	GOIL KASOA CITY WINCOR	Offsite	GOIL FILLING STATION, KASOA CITY
19	GOIL LATERBIOKORSHIE NCR	Offsite	GOIL FILLING STATION, LAERBIOKORSHIE
20	GOIL AMRAHIA NCR	Offsite	GOIL FILLING STATION, AMRAHIA
21	GOIL SANTASI NCR	Offsite	GOIL FILLING STATION, SANTASI
22	GOIL MALLAM JUNCTION	Offsite	GOIL FILLING STATION, MALLAM JUNCTION
23	GOIL OSU	Offsite	GOIL FILLING STATION, OSU
24	GOIL KPONE BARRIER	Offsite	GOIL FILLING STATION, KPONE BARRIER.

Customer Fulfillment Centre
+233 (0) 302 634 060
cfcghana@ubagroup.com

www.ubaghana.com