2024 ANNUAL REPORT

Building stronger partnerships and growth through Agent Banking

Forward Together

VISION

Our Vision

To be the preferred bank for customer experience and innovation.

Our Mission

An innovative and customer focused bank, providing bespoke financial services and value to our stakeholders.

The CalBank Brand, with its tagline Forward Together, demonstrates the Bank's progressive and dynamic intentions, whilst at the same time taking both its staff and customers with them –

'we are together as one, for the future benefit of all'.

Forward – represents both the future direction of the business and the progressive manner in which it will deliver its offering and proposition.

Together – represents the whole and covers the customers, investors and staff, including the wider community to which the bank is responsible.

- Values – Responsible, Effective, Decisive (RED)
- Personality – Smart, Friendly, Trusted

MISSION

CONTENTS

FIVE-YEAR CONSOLIDATED FINANCIAL SUMMARY

in thousands of Ghana Cedis	2024	2023	2022	2021	2020
Interest income using the effective interest method	933,865	1,098,912	1,282,278	980,671	927,350
Interest expense	(478,514)	(557,577)	(689,183)	(511,124)	(404,479)
Net interest income	**455,351**	**541,335**	**593,095**	**469,547**	**522,871**
Net fees and commission income	179,590	115,279	82,908	51,852	31,505
Net trading and other operating income	167,570	176,100	115,661	224,324	134,229
Operating income	**802,511**	**832,714**	**791,664**	**745,723**	**688,605**
Operating expenses	(581,528)	(550,011)	(412,596)	(325,831)	(317,134)
Net impairment loss on financial instruments	193,175	(1,228,901)	(1,451,244)	(82,375)	(86,843)
Profit /(Loss) before tax	**414,158**	**(946,198)**	**(1,072,176)**	**337,517**	**284,628**
Income tax	(146,438)	275,130	262,366	(114,665)	(70,825)
Profit / (Loss) after tax	**267,720**	**(671,068)**	**(809,810)**	**222,852**	**213,803**
Total assets	11,688,797	9,899,846	9,250,554	10,039,979	7,924,586
Total deposits	9,657,665	7,485,374	6,734,696	6,308,385	4,425,958
Loans and advances	2,101,996	2,754,779	3,190,359	2,239,520	2,400,950
Total shareholders' equity	272,564	(141,002)	531,225	1,286,682	1,132,772
Earnings per share (Ghana Cedis per share)	0.3135	(1.0711)	(1.2926)	0.3564	0.3419
Dividends per share (Ghana Cedis per share)		-	-	0.1100	0.0890
Number of ordinary shares ('000)	1,034,923	627,539	627,539	626,585	626,585
No. of Preference shares ('000)	47,765	-	-	-	-
Return on assets	2.48%	(6.80%)	(8.80%)	2.20%	2.70%
Return on equity	406.99%	(475.60%)	(152.40%)	17.30%	18.90%
Capital adequacy ratio	(6.38%)	(9.10%)	12.50%	25.10%	22.30%
Cost-to-income ratio	72.46%	66.10%	52.10%	43.70%	46.10%

CORPORATE INFORMATION

BOARD OF DIRECTORS:	Joe Rexford Mensah (Chairman) Carl Selasi Asem (Managing Director) Helen Nankani (Retired – July 2024) Nana Otuo Acheampong Kofi Osafo-Maafo Kweku Baa Korsah Ben Gustave Barth (Retired – September 2024) Solomon Asamoah Richard Arkutu (Retired – September 2024) Dr. Cynthia Ayodele Forson (Retired – September 2024)
COMPANY SECRETARY:	Veritas Advisors Limited Acquah Place 68 Mahogany Crescent Akufo-Addo Residential Area P.O. Box CT 9376, Cantonments. Accra – Ghana
AUDITOR:	Deloitte & Touche (Chartered Accountants) The Deloitte Place Plot No. 71, Off George Walker Bush Highway North Dzorwulu P.O.Box GP 453, Accra – Ghana
REGISTRAR:	Central Securities Depository (GH) Limited 4th Floor Cedi House, Liberia Road PMB CT 465, Cantonments Accra – Ghana
REGISTERED OFFICE:	23 Independence Avenue P. O. Box 14596 Accra – Ghana

BOARD OF DIRECTORS' PROFILE

Mr. Joe Rexford Mensah
(Chairman/Independent Non-Executive Director)

Mr. Joe Rexford Mensah, age 70, is a corporate banker with extensive banking experience spanning over 35 years in Europe and in Ghana. He was the Chief Executive Officer of Ghana International Bank (GHIB) PLC, UK for 14 years where he was responsible for providing leadership and strategic direction and driving a performance-based culture. Under his leadership, GHIB was set on a growth trajectory to become a leading Sub-Saharan Bank in the City of London. Prior to being appointed CEO, he was the General Manager at GHIB for over 4 years. Mr. Mensah worked as Head of International Banking at the then Trust Bank Ghana and at the Agricultural Development Bank where he introduced the Western Union Service to Ghana for the first time. As Chairman, Mr. Mensah brings to the CalBank board his in-depth knowledge of the Ghanaian economy, the Ghanaian banking sector and private and public sector institutions. He holds a Master's degree in Banking and Finance and a Bachelor's degree in Business Administration. He is a Fellow of the Institute of Directors (UK).

Mr. Carl Selasi Asem
(Managing Director)

Mr. Carl Selasi Asem, age 52, joined CalBank in 2024 as the Deputy Managing Director of the Bank. Prior to joining the Bank, Carl worked with the Ecobank Group as the Managing Director of Ecobank Gambia. Carl brings to this position over eighteen (18) years of proven expertise in marketing, sales, relationship management, customer service, and business development. He was instrumental in leading, driving strategies, initiatives for growth, planning and the development of sustainable and continued improvement programmes in the Anglophone West Africa (AWA) region for Ecobank. Carl started his career with Ghana Textile Printing Company as an Assistant Manager in 1998 before joining Ecobank Ghana as a Senior Relationship Manager in 2003. He subsequently worked in various high-profile roles such as Head Public Sector – Domestic Bank, Ag. Group Head- Public Sector, Regional Business Manager – AWA Region. As the Deputy Managing Director, Carl is responsible for leading and driving the Bank's corporate business with a view to growing profitability through superior product and relationship management.

Mrs. Helen Nankani
(Independent Non-Executive Director – Retired July 2024)

Mrs. Helen Nankani, age 78, is a Senior Economist who retired from the World Bank after 22 years. She was one of the pioneers of the World Bank's work on Privatization of Public Enterprises, and Private Sector Development. At the World Bank, she managed projects aimed at determining the economic and financial feasibility of private participation in the water sector in South Asia, the Caribbean and Brazil, where she lived for 4 years. Prior to joining the World Bank, she was a consultant at Arthur D. Little Inc., Cambridge, Massachusetts, USA and she also served at The United Nations, New York, USA. Helen was a partner at Financial Development Services, a consulting firm in Arlington, Virginia, USA. She holds a Bachelor's degree from the University of Ghana, Legon and a Postgraduate degree from Harvard University, Cambridge, Massachusetts, USA.

Nana Otuo Acheampong
(Independent Non-Executive Director)

Nana Otuo Acheampong, age 75, is currently a Banking Consultant and a former Executive Head of the Osei Tutu II Centre for Executive Education & Research in Ghana. He was a Senior Lecturer in Finance at the University of Portsmouth in the UK for over a decade and half before returning to Ghana in 2004. He headed the Faculty of Financial Reporting & Investment Banking at the National Banking College. He led the First Module of the Bank of Ghana's Corporate Governance Certification programme for the Boards of Directors for Banks, Savings and Loans Companies, Finance Houses and Financial Holding Companies under the auspices of the National Banking College. He has extensive theoretical and practical knowledge and experience in banking, finance and management. He has led the facilitation of numerous practical training and capacity building programmes for Banks and Deposit Taking Institutions in Ghana. He holds an MSc in Accounting & Management Science from the University of Southampton & a postgraduate diploma in Management as well as an Accounting degree from University of Northumbria at Newcastle.

Mr. Kweku Baa Korsah
(Independent Non-Executive Director)

Mr. Kweku Baa Korsah, age 64 is a strategy and technology consultant with rich experience in the payment systems industry across East and West Africa. He is the Managing Director of BC Payments Ltd, a Fintech in the payments industry. Prior to this, he has held a variety of leading roles in the payments and fintech space in Ghana. Notably, Mr. Korsah was the Chief Operating Officer at the Ghana Interbank Payment & Settlement Systems (GhiPSS), a wholly owned subsidiary of the Central Bank of Ghana with a mandate to implement interoperable payment system infrastructures for banks in Ghana. He has served as Chief Executive Officer of JMR Infotech Ghana. Mr. Korsah was also Managing Director for Bluechain Africa Ltd, developers of payment technology being rolled out by BC Payments Ltd in Ghana. He also worked as an Internet Marketing Consultant with WSI-Applied Technology. Prior to this, Kweku was a Partner with KPMG Ghana. He is a fellow of the Chartered Institute of Management Accountants, (FCMA), and is a Chartered Global Management Accountant (CGMA). He holds an MSc. in Business Systems Analysis and Design from City University, London, UK.

Dr. Cynthia Ayodele Forson
(Independent Non-Executive Director - Retired September 2024)

Dr. Cynthia Ayodele Forson, age 63, is currently an Associate Professor in Human Resource Management (HRM) and Organizational Behavior and Deputy Provost at the Lancaster University, Ghana. Prior to this, she was the Head of Department, Management Leadership and Organization at Hertfordshire Business School. Cynthia's interests focus on the leadership and careers of women in organisations and is particularly interested in the experiences of African women on the continent and in the diaspora. She is lead organiser of the Women Innovator's Network for Africa (WINA), a network of women from six African countries that encourages university industry collaboration, under Lancaster University's RECIRCULATE project. She has a Bachelor of Laws from the University of Ghana and a Master of Law (LLM) from the University of Pennsylvania, Philadelphia, USA. Dr. Forson has an LLM from University of Pennsylvania, an MBA from the University of Hertfordshire, UK as well as a Doctor of Philosophy (PhD) from Queen Mary University of London, UK.

Mr. Richard Arkutu
(Independent Non-Executive Director - Retired september 2024)

Mr. Richard Arkutu, age 52, is the co-founder and Managing Director of Sahel Health Ghana Limited, a provider of hemodialysis treatment for end-stage kidney disease and other kidney care services. Mr. Arkutu is a finance professional by background and worked with the International Finance Corporation (IFC), a member of the World Bank Group for 14 years in Infrastructure and Natural Resources Development. Prior to this, Mr. Arkutu was the Vice President of Citibank, Sub-Saharan Africa Corporate Finance and Investment Banking Department, based in Nairobi, South Africa and Lagos over a 4-yearperiod. Mr. Arkutu worked as a Senior Financial Analyst for Ashanti Goldfields Company Limited in their Corporate Finance Department for two and a half years focused on project financing of new mines. He has a Master's in Business Administration Degree from McGill University, Montreal, Quebec, Canada as well as a first degree in Business Economics from Vesalius College, Vrije Universiteit, Brussels, Belgium.

Mr. Solomon Asamoah
(Independent Non-Executive Director)

Mr. Solomon Asamoah, age 61, has over 25 years of experience in financial transactions and has led over US$4 billion in transactions across the African continent. In his current role as Chief Executive Officer of the Ghana Infrastructure Investment Fund, he oversees origination, structuring and investment into infrastructure-related projects across Ghana. Prior to this, he has held leadership positions at a number of international financial institutions including Vice President for Infrastructure, Private Sector and Regional Integration at the African Development Bank; Deputy Chief Executive and Chief Investment Officer of the Africa Finance Corporation ; Vice President for Private Sector and International Investments at the Development Bank of Southern Africa , and Special Assistant to the CEO of the International Finance Corporation and Managing Director of the World Bank. Mr. Asamoah started his career as an investment banker in the City of London with HSBC Markets. He has a Master's degree in Chemical Engineering from Imperial College in London.

Mr. Ben Gustave Barth
(Independent Non-Executive Director - Retired september 2024)

Mr. Ben Gustave Barth, age 51, is a seasoned, multidisciplinary finance and consulting executive with a proven track record in strategy, risk management and in structuring transactions over the last 20 years. He is currently the Managing Director for Axcero Advisors, a corporate advisory firm, which he founded. Prior to this, he was a Senior Partner (West Africa) with The Highland Group. He also previously served as the COO and VP Finance with Chester Engineers Africa Inc. Mr. Barth was the Director of Business Development at Jonah Capital Limited. He has worked in senior executive roles with the following institutions: Stanbic Bank Ghana Limited as the Regional Operations Head, Ecobank Ghana and Citibank N.A, New York, USA. He has a wealth of corporate governance experience, including NSIA Insurance, where he is the Chairman of the Board and Trust Logistics Limited where he chairs the Board Finance Committee. He has also previously served on the Board of First Atlantic Bank Limited where he chaired the Audit Committee and the Loans and Investment Committees. Mr. Barth has an MBA from the Harvard Business School, USA and a Bachelor of Science in Business Administration from the University of Ghana, Legon.

Mr. Kofi Osafo-Maafo
(Non-Executive Director)

Mr. Kofi Osafo-Maafo, age 55, is the Director General at the Social Security & National Insurance Trust (SSNIT), Ghana's national pension fund. Kofi is a seasoned senior investment professional with over 22 years' experience in the UK investment management and investment banking Industry. He has held senior positions at Pictet Asset Management, UniCredit Bank and HSBC Global Asset Management in the UK. He brings to the CalBank board over two decades of investment banking experience across a wide range of sectors including Oil & Gas, Mining, Building & Construction and Agriculture and Chemicals, covering transactions across Europe, North America, and Global Emerging Markets including Africa. He holds an MA (International Business & Finance) from University of Reading, UK and a BSc (Economics) from Queen Mary's College, University of London, UK.

PROFILE OF EXECUTIVE MANAGEMENT STAFF

Mr. Carl Selasi Asem
(Managing Director)

Mr. Carl Selasi Asem is the Managing Director of CalBank Plc, bringing in over 22years of leadership experience in the banking and financial services industry through marketing, sales, relationship management, customer service and business development.

Prior to joining the Bank in September 2022, he worked in various business development and management positions in Ecobank, Ghana and subsequently as Managing Director for Ecobank, Gambia. He also worked in other managerial positions in organizations such as Engen Ghana Limited, Premium African Textiles as well as the Ghana Textile Printing Company.

Mr. Asem holds an Executive MBA (Finance option) from the University of Ghana, an ACCA Postgraduate Diploma in Financial Management and has completed executive leadership programs at Harvard Kennedy School and Columbia Business School respectively. He is passionate about fostering a culture of excellence, promoting financial inclusion, and delivering sustainable value for stakeholders.

Sadick Arthur
(Chief Risk Officer)

Mr. Sadick Arthur, a Chartered Accountant, is the Chief Risk Officer of CalBank PLC with over 16 years' combined experience in enterprise risk management, internal audit, external audit, financial reporting, internal controls and ESG. Mr. Arthur is responsible for overseeing the Bank's enterprise risk management framework and developing risk mitigation strategies to address identified risks, ensuring these strategies are integrated into the company's policies and processes. Before assuming his current role in December 2024, he previously served as Chief Internal Auditor and Head of Risk Management of the bank. Prior to joining Calbank, he held various leadership roles in the financial services industry at KPMG, Fidelity Bank, and Agricultural Development Bank.

He is a Fellow of the Association of Chartered Certified Accountants (ACCA-UK) and holds an Executive M.B.A (Finance Option) from the University of Ghana.

Barbara Banson
(Chief Internal Control Officer)

Mrs. Barbara Banson is a Chartered Accountant with over 20 years of professional exposure and practical experience. She is currently the Chief Internal Control Officer of CalBank as well as a member of the Executive team. She is primarily responsible for overseeing and ensuring the Internal Control frameworks of the Bank are operating effectively, maintained, and updated as approved by regulations and best practice. Prior to this, she was the Chief Risk Officer from 2018 to 2024. She was the Chief Internal Auditor from 2005 when she joined the Bank through to 2018.

Mrs. Banson previously worked with KPMG, Ghana as a Chartered Accountant, Management and Tax consultant and a Deputy Manager before joining CalBank in 2005.

She holds an International Executive Master of Business Administration in Banking & Finance from the Paris Graduate School of Management and is also a member of the Institute of Chartered Accountants, Ghana (ICAG). She is a Certified Anti-Money Laundering Specialist and an Associate Business Continuity Professional.

Profile of Executive Management (Continued)

Dzifa Nyansafo,
(Head Credit)

Dzifa Nyansafo is the Head of the Credit Risk in charge of supervision, coordination and management of the day-to-day credit delivery processes of the Bank. She is also responsible for the Bank's Credit Policy and Procedures and ensuring adherence to the policy.

She has over 20 years' valuable experience in the Banking industry starting from the then Pro-Credit Savings and Loans Limited. She later joined CalBank PLC in 2005 as a Relationship Manager and subsequently became the Credit Manager. She is well versed in credit risk management, business development, relationship management and corporate finance. She holds an Executive Master's Degree in Business Administration in Finance from the University of Ghana Business School and a First Degree in BSc. Administration in Banking & Finance from the same institution. Dzifa has an Executive Leadership certificate from the Gordon Institute of Business Science (GIBS), University of Pretoria, South Africa.

Mark Yeboah Asomaning
(Chief Internal Audit Officer)

Mr. Mark Asomaning is the Chief Internal Auditor of CalBank and is responsible for the independent and objective assurance function designed to add value and improve the Bank's operations. He has over 15 years of experience in consumer, commercial and corporate banking, internal audit, information systems audit, fraud investigations, risk management, business development and relationship management.

Mark previously served as Audit and Investigations Manager of the Bank. Prior to joining CalBank, he was a Relationship Manager with Zenith Bank Ghana Limited.

Mark is a Chartered Accountant (CA), Certified Information Systems Auditor (CISA), Certified Information Systems Manager (CISM), Certified Anti-Money Laundering Specialist (CAMS) and he holds a Master of Science in Accounting and Financial Management from the KNUST School of Business.

Kodwo Arizie
(Group Head, Corporate)

Kodwo is a seasoned Corporate Banking Professional with over 23 years of banking experience across multiple countries and diverse disciplines. He is currently the Group Head, Corporate and responsible for the Corporate & Institutional Banking Business, Custody & Escrow Services, Corporate Project Finance as well as the Transactional Banking Portfolios within CalBank.

Prior to joining CalBank in March 2024, he worked with the Standard Bank Group both in the Ghana office, East Africa Regional Office based in Kenya and Johannesburg in different senior roles. He also worked with Standard Chartered Bank for over 12 years in different roles from Operations through to Transaction Banking prior to joining Standard Bank.

He holds a Masters Degree in Finance from the Central University Business School and a First Degree in Geodetic Engineering from the Kwame Nkrumah University of Science and Technology. He also holds a Final Diploma from Chartered Institute of Administrators and Management Consultants.

Profile of Executive Management (Continued)

Andy Appianin Asiedu
(Head, People and Culture)

Andy Appianin Asiedu is an HR Leader experienced in developing and executing HR strategies, efficient functions, projects and technology to support aggressive growth objectives and partnering with people and organizations to solve performance issues, maximise resource allocation, eliminate organisational waste, improve efficiency and profitability.

He has over a decade of experience with top multinationals like KPMG, General Electric (power, oil & gas, water, transportation, healthcare and renewable energy) and Total Energies in a variety of capacities including developing/reengineering talent management, HR Business partnership, HR strategies, employee engagement, outsourcing and HRIS management to promote change resulting in business growth productivity and increased shareholder value. Andy has also worked in Consulting where he led and collaborated with senior executives, senior management and organizational partners of clients in the implementation, interpretation and development of human resource management policies, procedures, programs and application of related government laws and regulations through strategic HR advisory to varied multinational and local clients.

He has a master's degree in human resource management from the University of Cape Coast and a bachelor's degree in political science and sociology from the University of Ghana, Legon. Andy is also a Certified Human Resource Project Manager. He is a member of the Society for Human Resource Management Ghana (SHRM) and Chartered Institute of Human Resource Management Ghana, (CIHRM).

Joshua Stachys Kofi Denteh
(Acting Head of Finance)

Joshua Denteh is a distinguished Chartered Accountant and finance executive with over 15 years of progressive experience in banking and financial services. He currently serves as the Acting Head of Finance at CalBank Plc having previously held dual roles as Manager of Financial Reporting and Finance Business Partnering.

Prior to these, he held the role of Chief Investment Officer at CalAsset Management Limited, a subsidiary of CalBank PLC. With extensive experience in the finance function and investment management, Joshua has rich experience in both banking and investment operations and has demonstrated exceptional expertise in leading the finance team, ensuring regulatory compliance, and driving strategic financial planning through data-driven decision-making.

He holds an MSc in Accounting and Finance from KNUST and a Bachelor of Accounting from the University of Education, Winneba, Ghana. Joshua is a member of the Institute of Chartered Accountants, Ghana.

He has also completed an executive education programme at GIBS Business School, South Africa, complementing his professional and academic qualifications. He has exceptional understanding of IFRS, GAAP, Basel III Framework, AML and CTT, ESG (GRI or SASB), Data Privacy and Security Standards (GDPR AND ISO 27001), Audit and Assurance Standards (ISA), IESBA, B.O.G Specific Regulations, Tax Standards and Compliance (OECD Guidelines), Internal Control and Risk Management Standards.

Profile of Executive Management (Continued)

Peter Kojo Fordjor
(Group Head, Consumer & Commercial Banking)

Mr. Peter Kojo Fordjor is the Group Head, Consumer & Retail Banking generally responsible for the day to day running of the Bank's consumer, retail, and digital banking business. Peter joined CalBank in March, 2021 from Fidelity Bank Ghana Limited. Peter has over 16 years combined experience in various Business and Digital Banking portfolios in the banking industry.

Prior to joining the Bank, he worked in various retail and business development capacities in organizations such as Barclays Bank Ghana (now ABSA), First Africa Financial Institution, Ghana and Designtech Legacy Consortium, Ghana.

He holds a Bachelor of Arts degree in Economics and Geography from KNUST as well as a Professional Management Development (PMD) certificate from the Gordon Institute of Business Science (GIBS).

Gabriel Acquaah-Arhin
(Chief Compliance Office/Anti Money Laundering Reporting Officer (CCO/AMLRO))

Gabriel is the (CCO/AMLRO) at CalBank Plc, with over 16 years of experience in Risk and Compliance. He specializes in AML, Data Protection, Anti-Bribery and Corruption, and Operational Risk Management. Prior to joining the Bank, he was a Relationship and Credit Officer, and later an Operational Risk Officer at First Atlantic Bank. At CalBank, he has led critical initiatives such as the development of an Enterprise-Wide Risk Assessment, comprehensive AML programs, and third-party due diligence processes, strengthening the bank's compliance framework. His leadership has streamlined processes and introduced automation, improving efficiency and ensuring adherence to both local and global regulatory standards. Before his appointment as CCO/AMLRO, he was the Operational Risk Manager at CalBank, where he implemented Basel II regulations and developed the bank's Business Continuity Strategy.

Gabriel holds an MBA in Management and a BSc in Administration from Lincoln University, USA, Diploma in Accounting from the University of Ghana, Legon and is certified as a CAMS, Data Protection Supervisor, and PECB Certified ISO/IEC 27001 Lead Auditor.

Joejo Wodow-Hammond
(Head Special Projects)

Mr Joejo Wodow-Hammond is currently Head, Special Projects, and primarily has oversight responsibility for the effective and efficient running of the day-to-day operational activities across the Bank's branches. He has over 23 years practical experience in banking, credit, and risk management.

He first joined the Bank from Agricultural Development Bank (ADB) in May 2008 as Head, Credit Risk Management. While at ADB, he worked as a Credit Analyst and subsequently as a Credit/ Relationship Manager between 1999 through to 2008.

He holds an MSc in Economics (Finance and Credit Option) from Donetsk State University, Ukraine. He is also a member of the Global Association of Risk Professionals (GARP).

Eugene Gilbert Amponsah
(Head, Legal)

Mr. Eugene Gilbert Amponsah is the Head, Legal (i.e. Chief Legal Officer) of the CalBank Group with the core responsibility of managing the legal function and risk of the Bank and its affiliated companies. He has over 12 years' post-call experience in, corporate law, transaction structuring corporate and civil litigation and banking and finance. Prior to joining CalBank PLC, he worked as a barrister and solicitor at the Ghana office of AB & David Africa, a leading African law firm. As a member of the Executive Committee, Eugene provides legal and strategic leadership and support to the CalBank Group made up of CalBank PLC, CAL Asset Management Company Limited, CAL Brokers Limited among other registered affiliates.

He holds a Bachelor of Laws (LL.B) degree from the Law Faculty of the Kwame Nkrumah University of Science & Technology (KNUST), Kumasi – Ghana, a Qualifying/Professional Certificate in Law from the Ghana School of Law and a Master of Science Degree (MSc) in Development Finance from the University of Ghana Business School.

He also holds a Verified Certificate in Contract Law, International Law and Legal Studies from the Harvard Law School's HarvardX programme, a Securities Industry Certification from the Ghana Stock Exchange, a course certification in the Sustainable Development Goals and the Law from the University of Cambridge's Centre for Environment, Energy and Natural Resource Governance and an Executive Leadership certificate from the Gordon Institute of Business Science (GIBS), University of Pretoria, Johannesburg, South Arica. Eugene is also a former member of the Executive Committee of the Ghana Chapter of the African Bar Association (AFBA).

Brigid Ofosuhene
(Head, Strategy & Performance)

Mrs. Brigid Ofosuhene is the Head of the Strategy and Performance Department with a core responsibility of leading the formulation and execution of the bank's strategic plan. She has over 15 years experience working in the financial services industry with both private and public sector organizations in Ghana and internationally.

Prior to joining CalBank in September, 2020, Brigid worked with PricewaterhouseCoopers (Ghana) Limited as a Business Strategy Consultant, advising governments and private sector clients on strategy formulation and performance improvement.

She holds a Master of Business Administration degree from the University of Aberdeen, UK, and a BA, Economics degree from the Kwame Nkrumah University of Science and Technology. Brigid is a certified Project Management Professional (PMP).

Mr. Jojo Acquah
Company Secretary
Veritas Advisors Limited

VERITAS ADVISORS LTD is a professional services firm registered in Ghana, which provides tailored company secretarial and advisory services to a select group of local and multinational corporate clients.

The firm's client portfolio, which includes privately-owned businesses and public companies listed on the Ghana Stock Exchange, has cut across the spectrum of industry, including agri-business, banking, construction, education, energy, financial services and insurance, manufacturing and manufacturers' representatives, marketing, power generation, project management, security solutions and specialist medical services.

VERITAS ADVISORS is led by Jojo Acquah, Esq., a senior legal practitioner and Notary Public with over two decades of extensive, hands-on experience in the area of corporate legal advisory work and company secretarial practice.

Mr. Joe Rexford Mensah
(Chairman)

Introduction

Dear Shareholders,

It is my privilege, on behalf of the Board, to welcome you, our esteemed members, to the Annual General Meeting of CalBank PLC for the 2024 financial year. We sincerely appreciate your presence, whether in person or virtually, as your active engagement reflects your commitment to the growth of the Bank.

I address you today during a period of remarkable transformation for CalBank. Following the significant challenges of the past two years, the Bank has achieved a notable turnaround through decisive actions by your Board and Management. I am pleased to inform you that many of the legal challenges raised during our last AGM, which affected all but one resolution, have been resolved with the support of some shareholders. Over the past year, we undertook comprehensive organisational realignment, and restructuring of our operations to position the Bank for sustainable growth and profitability.

Economic Review

The economic environment in 2024 presented a mix of opportunities and challenges. Ghana's economy displayed resilience, supported by the implementation of the final phases of the Domestic Debt Exchange Programme and the ongoing IMF programme. While high borrowing costs and fiscal constraints continued to impact businesses and households, the economy is on a promising recovery path.

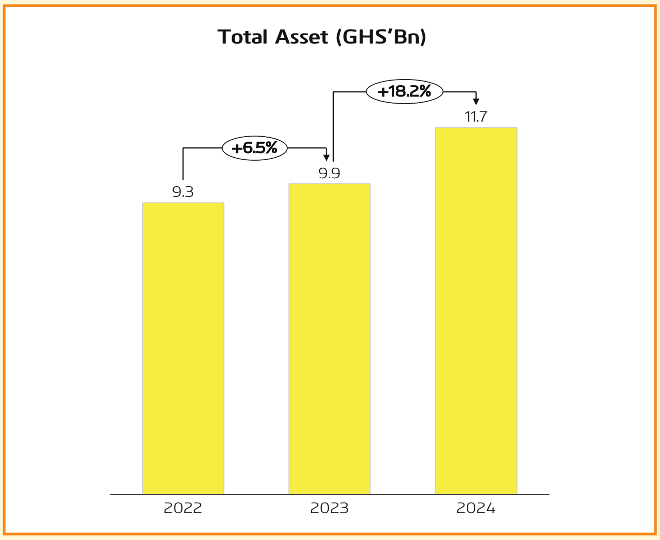
In the financial services sector, we observed a steady improvement in liquidity levels, driven by policies aimed at stimulating credit growth and enhancing risk management practices. CalBank swiftly adapted to these changes, leveraging robust strategies to navigate uncertainties and capitalise on emerging opportunities.

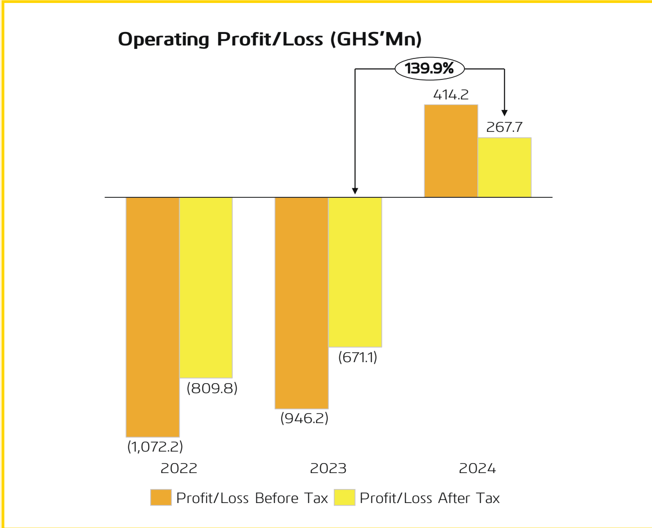
Financial Review

The Group delivered a strong financial performance in 2024, showcasing the success of its strategic turnaround efforts. The Group achieved a profit after tax of GHS 267.7 million, reflecting a significant improvement in our bottom-line compared to the prior year. This growth underscores the effectiveness of its operational and financial strategies. Additionally, CalBank Group saw a substantial 26.5% rise in customer deposits, which grew from GHS 7.5 billion to GHS9.7 billion, demonstrating enhanced customer trust and an expanded market footprint. While operating income for the year remained relatively muted, the Group maintained disciplined cost management, keeping operating costs well-contained. Furthermore, CalBank Group expanded its Agent Banking network to over 2,200 outlets, reinforcing its commitment to financial inclusion and customer accessibility. These achievements collectively highlight the Group's resilience, strategic focus, and ability to deliver sustained growth in a competitive and evolving financial landscape.

The Group delivered strong financial results in 2024, underscoring the success of our turnaround efforts. Key performance highlights include:

- Profit after tax for the year 2024 stood at GHS267.7 million, the prior year loss was GHS671.1 million.
- Customer deposits grew by 26.5%, rising from GHS7.5 billion to GHS9.7 billion.
- Operating costs remained well-contained, while operating income for the year was relatively muted.
- Our Agent Banking network expanded to over 2,200 outlets, up from 905 outlets in 2023.





The Group's total asset increased by 18.2% from GHS9.9 billion in the year 2023 to GHS11.7 billion in 2024.

These achievements reflect disciplined cost management, strategic investments, and a relentless focus on customer service.

Share Price Performance

Investor confidence in CalBank strengthened during the year, with our share price appreciating to GHS0.35 by year-end from a low of GHS0.22. This growth reflects the market's confidence in our recovery and strategic direction. We anticipate this positive trend to continue.

Capitalization

Our capitalisation strategy remains a priority. The Bank is on track to meet and exceed the regulatory minimum capital requirements by the end of the year 2025. This demonstrates our commitment to maintaining a strong capital position to support future growth.

Dividend

Although the Bank achieved significant profitability in 2024, regulatory directives prevent dividend payments until capitalisation requirements are met. While this decision delays shareholder rewards, it ensures the sustainability of our growth strategy. Accordingly, your Board will reinvest profits to strengthen the Bank's capital base.

Corporate Governance

The Board continues to uphold the highest standards of corporate governance. During the year, we further enhanced our governance frameworks to align with regulatory standards and global best practices. Key initiatives included strengthening the Bank's risk and control frameworks and reinforcing ethical leadership and transparency across all operations.

Outlook

We expect Ghana's economy to continue on its recovery path in 2025, with real GDP growth projected at 3.6%, driven mainly by the services sector. Inflationary pressures are anticipated to stabilize in 2025, creating room for the Bank of Ghana to gradually ease monetary policy. Fiscal consolidation efforts under the IMF program are expected to bolster revenue collection and reduce the fiscal deficit.

Externally, we forecast a positive balance of payments, supported by increased crude oil exports, higher foreign direct investment, and growing gold reserves. Although debt repayment pressures may create short-term challenges, careful management will ensure financial stability. Against this backdrop, CalBank is well-positioned for sustained growth and profitability.

Changes in Board and Management

During the year, four independent non-executive directors retired, and the Board at this meeting will be proposing a number of non-executive director nominees, all of whom have been duly approved by Bank of Ghana, for your consideration and appointment as directors of the Bank. To strengthen the management team, key changes were made, including the appointment of Mr. Johnson Oware as Deputy Managing Director, effective January 2025.

I should also mention that the tenure of the current Board comes to an end at the close of this annual general meeting. It has been a challenging but fulfilling experience for me and my colleagues to have led the Bank during our tenure, and particularly through the turbulence that has buffeted the economy and the industry as a whole, and I am proud to say that we leave the Bank with a strong foundation to build on going forward in the best interests of all stakeholders.

As we transition, I am pleased to announce the nomination of a new Board of Directors, whose diverse expertise and visionary leadership will guide the Bank into its next chapter. This new Board brings a wealth of experience and fresh perspectives that will be invaluable as the Bank navigates the evolving landscape and seizes new opportunities. I have full confidence in their ability to build on the progress we have made and to steer the Bank toward even greater achievements.

On behalf of the outgoing Board, I extend our heartfelt gratitude to all stakeholders; our shareholders, employees, customers, and partners for your unwavering support and trust throughout our tenure. We leave with the utmost confidence in the Bank's future and look forward to witnessing its continued success under the leadership of the new Board.

Conclusion

Dear Shareholders, as we close the books on a transformative year, I would like to express my profound gratitude for your unwavering support. I also extend heartfelt thanks to our customers, employees, and stakeholders for their invaluable contributions to CalBank's success. Together, we have laid the building blocks for a brighter future for our bank.

Let us remain united as we drive CalBank towards sustained growth, innovation, and value creation for all stakeholders.

Thank you.

Joe Mensah
Chairman

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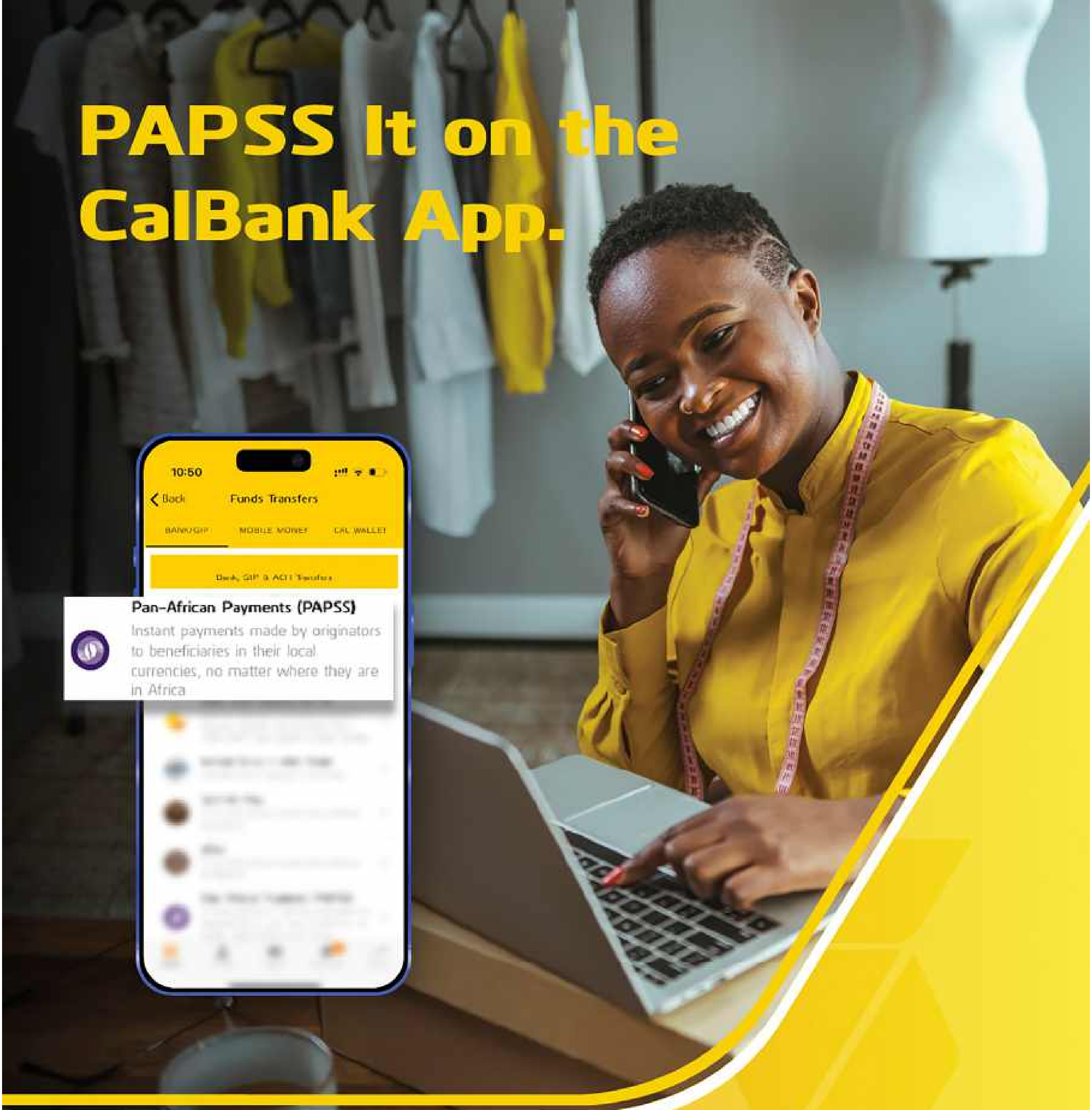

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CalBank

MANAGING DIRECTOR'S REPORT

Mr. Carl Selasi Asem
(Managing Director)

Dear Shareholders,

I am delighted to share the remarkable progress your Bank has achieved over the past year. I remain deeply grateful for God's guidance and blessings, which have been instrumental in steering this esteemed Bank brand toward renewed profitability. I extend my appreciation to the Board for its strategic vision and leadership, which has driven the operational transformations and impressive financial performance recorded in 2024.

Introduction

In 2024, the global banking landscape experienced significant shifts due to economic uncertainty, technological advancements, political uncertainties and evolving customer expectations. Ghana was not exempted from this economic uncertainty. Despite challenges in the global and local economies, our resilience, adaptability, and strategic focus as a Bank have positioned us strongly for the future.

At CalBank, we navigated these challenges with a forward-looking approach, delivering robust results while maintaining our commitment to sustainability, operational excellence, and customer-centricity.

Our strategy was anchored in creating value for all stakeholders by leveraging the digital transformation gains which commenced under our five-year strategy, and which is focused on building a digitally enabled, sustainable, and inclusive Bank.

Operating Environment

The country experienced a dynamic operating environment characterized by notable economic growth, political uncertainties, and social challenges during the period under review.

The economy demonstrated resilience and recovery with some level of stability across various macro indicators. Ghana recorded an impressive average real GDP growth rate of 6.3% over the first three quarters, a significant increase from the 2.6% observed during the same period in 2023. This growth was fuelled by quarterly expansions of 4.8% in Q1, 7.0% in Q2, and an outstanding 7.2% in the third quarter, the highest quarterly GDP growth in the last five years.

The Ghana cedi, however, experienced notable depreciation against major trading currencies, particularly the US dollar. By mid-year, the cedi had depreciated by approximately 19.6% against the US dollar, compared to 22.1% during the same period in 2023. This depreciation was largely attributed to a reduced current account surplus, stemming from increased import demand. The weakening of the cedi had a resulting effect on inflationary pressures thereby eroding consumer purchasing power and heightening the cost of living. In response to the cedi's depreciation and rising inflation, the Bank of Ghana implemented tighter monetary policies to stabilize the currency and control price levels. The banking industry, however, remained resilient, posting strong profitability which helped offset risks associated with currency depreciation.

Strategy

Our approach in 2024 was born out of our long-term strategy which focused on driving sustainable growth. To navigate the uncertainties, we faced as a bank, we focused on strengthening the fundamentals of the Bank. This included enhancing our digital transformation drive, growing sustainably, building on a customer-centricity agenda and improving our operational efficiency, and aggressive recovery of impaired loans which was pursued through the law courts and liquidation of collateral held as a bank whilst investing in our human capital.

We continued to leverage our digital transformation by investing in advanced technologies to enhance customer experience, streamline operations, and drive innovation. Our focus as a bank in 2024 was to focus on growing responsibly by deepening ESG principles into our operations. To this end, your bank did a complete overhaul of our legacy technology solutions as a way of cutting down cost whilst improving efficiency. I am excited to announce that these initiatives enhanced our operational efficiency and resilience through improved process optimisation, risk management, and cost control measures. Today, we have made significant gains through optimising processes in our back-office operations and have also strengthened our risk management processes. Another significant area was improving our internal controls and systems through staff development and leveraging automation.

We will continue to streamline our operational processes with the aim of achieving improvement in productivity and operating efficiently. I am proud to say that these strategic initiatives won us five awards in the 2024 CIMG Ghana Customer Satisfaction Index Report.

Improving Operational Excellence

Operational efficiency is the backbone of any bank's ability to deliver value to its stakeholders in an increasingly competitive and dynamic environment. At CalBank, we prioritised efficiency improvements as a key component of our strategic roadmap, ensuring we remain agile, cost-effective, and customer focused. In this report, I am excited to provide an overview of the initiatives implemented in 2024, the results achieved, and our vision for the future.

Process optimization was a critical focus last year. By streamlining operations and applying lean management principles, we have improved transaction turnaround and centralized back-office functions to eliminate duplication. These efforts have not only reduced costs but also enhanced service delivery for our clients. Cost management has also played a pivotal role in driving operational efficiency. Our banking halls are about 90% paperless, also underscoring our commitment to environmentally friendly practices. Strategic renegotiation of vendor contracts and consolidation of overlapping branch operations resulted in significant savings.

These measures, while ensuring cost reduction, were implemented without compromising the quality of service. By reinvesting these savings into technology upgrades and training programs, we have created a cycle of continuous improvement.

Operational risk management was also a key area of focus. The Bank's dominant risks are credit risk, liquidity risk, market risk and operational risk. To manage these risks, we have designed a Risk Management Framework covering the strategic framework, organisational structure, appetite, operational framework and risk monitoring and reporting. Upgrades to our fraud detection systems have significantly reduced operational losses, while enhanced compliance monitoring systems ensure adherence to regulatory standards. A Financial Crime Unit was set up to collaborate with the necessary regulatory bodies and support the Bank's fight against financial crimes. These measures underscore our commitment to safeguarding the Bank's assets and reputation while maintaining high operational standards.

I must reiterate that in 2024, we achieved total cost savings across all operations, reduced average processing times for key services, and improved customer satisfaction scores by 86%. While these outcomes are significant, they also highlight the potential for further improvements as we refine our approach.

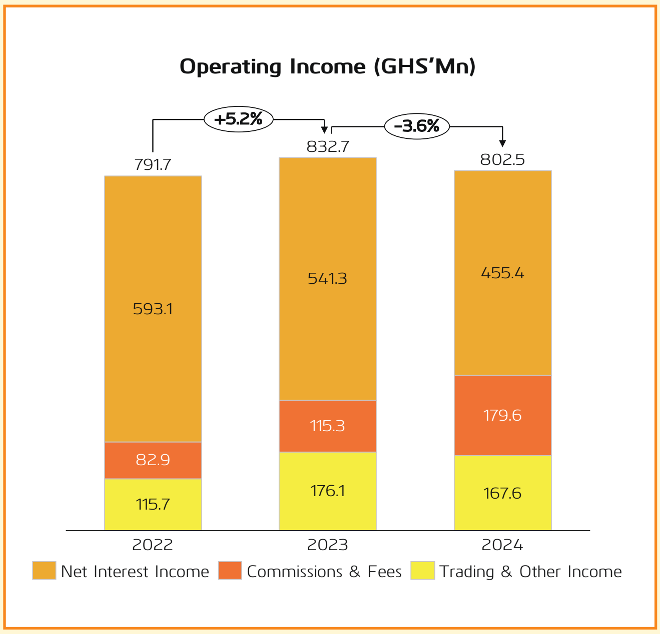
These efforts have improved not only our operational capabilities but also our ability to deliver the desired service to customers.

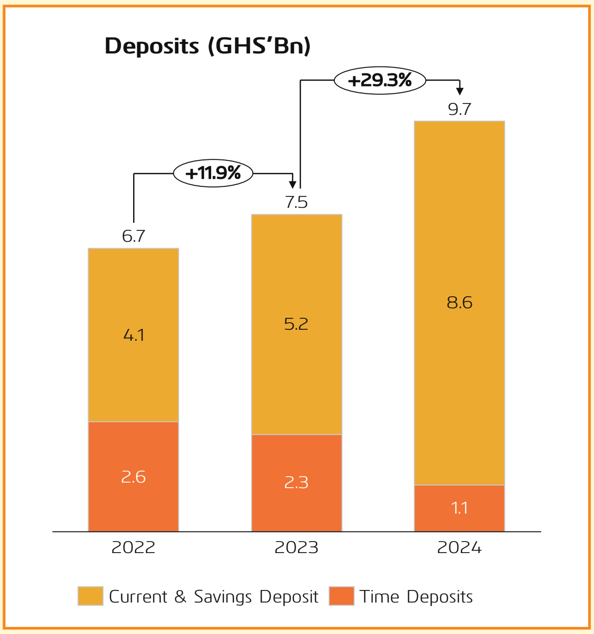
Financial Performance

In 2024, we demonstrated resilience and strategic agility, achieving strong financial performance despite a challenging economic landscape in the previous year.

2024 was a year of robust profitability for the CalBank Group, underpinned by disciplined cost management, unrelenting loan recoveries and strategic initiatives despite muted revenue growth. Our unwavering focus on operational efficiency has yielded strong results, positioning the Group for sustained growth and resilience.

A cornerstone of our strategy has been the diversification of income sources, which has reduced our reliance on interest income and strengthened overall profitability. By expanding our revenue streams and optimizing our operations, we have built a more resilient and sustainable business model. Non-interest income continues to be a key driver of our profitability. In 2024, fees and commission income grew by 55.8%. This growth was primarily driven by increased transaction volumes resulting from our expansion in digital banking services, which led to higher transaction-based fees. Additionally, trade-related fees increased due to higher volumes and a rise in cross-border transactions.





Another contributor to the profitability recorded in 2024 was our cost-containment strategy. Cost efficiency was a priority throughout the year, enabling us to maintain profitability despite inflationary pressures. Key initiatives included streamlining our operational expenses and deepening our digitalisation focus.

At the end of the period, our investments in our digital channels helped lower our branch-related costs while improving service efficiency.

Deposit growth has been a significant contributor to our financial strength. In 2024, total deposits increased by 26%, reflecting strong customer confidence and our ability to attract and retain a stable funding base. This growth was driven by a combination of factors, including the expansion of our digital banking platforms, which made it easier for customers to open and manage accounts.

Additionally, our focus on enhancing customer experience and building long-term relationships has played a key role in sustaining this upward trend. Moving forward, we aim to continue leveraging innovative solutions and strategic initiatives to further strengthen our deposit base and support our overall growth objectives.

Capital Raise

In 2024, we successfully completed the Bank's Rights Issue, raising GHS145.8 million. This achievement underscores the confidence you, our valued shareholders, have placed in us. The proceeds from this capital raise have been strategically allocated to expand our lending portfolio and ensure compliance with regulatory requirements.

While we are proud of this milestone, we must also acknowledge that the amount raised, is not fully sufficient to meet the full extent of our regulatory capital requirements. To address this, we are actively pursuing balance sheet optimization strategies, including improving asset quality. These measures are designed to strengthen our capital position and ensure we remain resilient in the face of regulatory and market demands.

In addition to these efforts, we are seeking your approval to raise additional capital. This step is essential to fully align our capital base with regulatory expectations and to support our growth ambitions.

We are deeply mindful of the potential dilution impact on minority shareholders and are committed to structuring any future capital raise in a manner that balances the interests of all shareholders while safeguarding the long-term value of the Bank.

Sustainability and Corporate Social Responsibility

At CalBank, our commitment to making a positive impact extends beyond banking. Throughout 2024, we have proudly contributed to various social initiatives that align with our values of excellence, community support, and corporate citizenship. Some of the initiatives undertaken in 2024 included:

- Refurbishment of the 6-Unit Sowa Dinn Basic School Classroom Block in Accra
- Supporting Academic Excellence at the University of Ghana
- Supporting Sports Development

These initiatives reflect our commitment to creating positive social and environmental impacts while delivering value to our stakeholders.

Outlook

Looking ahead to 2025, we remain cautiously optimistic about the global economic outlook. While challenges such as inflationary pressures and geopolitical uncertainties persist, we are confident that our strategic investments, strong governance framework, and resilient business model will position us to continue delivering value to our shareholders, clients, and employees.

Key areas we intend to focus on include enhancing our asset quality, further expanding our digital channels to capture untapped market segments, expanding our green financing initiatives to align with ESG goals and drive sustainable growth, deepening our customer-centric agenda and finally continuing to identify and implement cost-saving opportunities while investing in high-impact areas.

In 2025, we will continue to focus on enhancing customer experience, expanding our digital services, and pursuing new growth opportunities both domestically and internationally. We remain committed to delivering sustainable returns and maintaining our position as a leading bank in the industry. Our focus shall remain on:

1. Expanding digital capabilities to enhance customer experience and efficiency.
2. Deepening our sustainability commitments to support a greener and more inclusive economy.
3. Strengthening operational excellence to remain agile and competitive.
4. Continuing to invest in talent development to ensure our workforce remains future-ready.

With a strong foundation, a clear vision, and a dedicated team, we are confident in our ability to deliver sustained value and drive long-term growth. The bank remains resilient, dedicated to overcoming hurdles and delivering sustainable growth and value for benefit of investors, clients and employees.

ACKNOWLEDGMENTS

I would like to extend my gratitude to our Board of Directors for their support, our employees for their dedication, and our clients and shareholders for their trust. Together, we will continue to build on our achievements and shape a brighter future. Thank you for your partnership on this journey.

Carl Selasi Asem
Managing Director

REPORT OF THE DIRECTORS

The Board of Directors has the pleasure to submit this report of the Bank and Group for the year ended 31 December 2024.

Statement of Directors' Responsibilities

The directors are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view of CalBank PLC, comprising the consolidated statement of financial position as at 31 December 2024, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and the notes to the financial statements which include a summary of material accounting policies and other explanatory notes, in accordance with IFRS® Accounting Standards and in the manner required by the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). In addition, the directors are responsible for the preparation of the report of the directors. The directors are also responsible for such internal 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, and for maintaining adequate accounting records and an effective system of risk management. The auditor is responsible for reporting on whether the consolidated and separate financial statements give a true and fair view in accordance with the applicable financial reporting framework.

Financial report

The financial results of the Bank and Group for the years ended 31 December are set out in the financial statements, highlights of which are as follows:

in thousands of Ghana Cedis	2024		2023	
	Bank	**Group**	**Bank**	**Group**
Total operating income	773,376	802,511	810,842	832,714
Profit/(loss) before income tax	396,148	414,158	(959,843)	(946,198)
Profit/(Loss) after income tax	256,393	267,720	(680,278)	(671,068)
Shareholders' funds	217,336	272,564	(184,903)	(141,002)
Total Liabilities	11,441,358	11,416,233	10,054,336	10,040,848
Total assets	11,658,694	11,688,797	9,869,433	9,899,846
Basic earing per share (GHS)	0.3002	0.3135	(1.0858)	(1.0711)
Diluted earnings per share (GHS)	0.2920	0.3049	(1.0858)	(1.0711)
Net Assets per share (GHS)	0.20	0.25	(0.29)	(0.22)

in thousands of Ghana Cedis	2024		2023	
	Bank	**Group**	**Bank**	**Group**
Profit/(loss) for the year ended 31 December	396,148	414,158	(959,843)	(946,198)
From which is (subtracted)/added taxation of	(139,755)	(146,438)	279,565	275,130
giving a profit/(loss) for the year after tax of	**256,393**	**267,720**	**(680,278)**	**(671,068)**
to which is added balances on retained earnings brought forward (excluding amounts transferred to Regulatory Reserves) of	(1,465,501)	(1,421,659)	(522,677)	(488,045)
Leaving a balance on retained earnings carried forward of	**(1,209,108)**	**(1,153,939)**	**(1,202,955)**	**(1,159,113)**

The Directors consider the state of the Group and Bank's affairs to be satisfactory.

The Bank after the impact of the Asset Quality review in 2023 and the domestic debt exchanges sought to raise capital through a right issue and concentrate on loan recovery exercises to improve the solvency of the group. Despite the various challenges in the capitalisation process, the bank was able to raise GHS 145 million. The bank was also able to recover and improve the quality of the portfolio. As a result, the bank recorded a positive shareholders' funds. The directors consider these results and other initiative to be the foundation for building a more resilient and solvent Bank. Therefore, the Directors consider the state of affairs of both the Group and the Bank to be satisfactory.

Nature of Business

The nature of business of the Group is as follows:

- To carry on the business of banking.
- To carry on the business of underwriters of securities, finance house and issuing house.
- To undertake corporate finance operations, loan syndications and securities portfolio management.
- To engage in counselling and negotiation in acquisitions and mergers of companies and undertakings.
- To engage in the business of acceptance of bills of exchange, dealing in bullion, export trade development and financing.
- To carry on the business of hire-purchase financing and the business of financing the operations of leasing companies; and
- To engage in the counselling and financing of industrial, agricultural, mining, service, and commercial ventures, subject to the relevant rules and regulations for the time being in force on that behalf.

Substantial Shareholders

Details of the Bank's twenty largest shareholders are disclosed in note 41 to the consolidated and separate financial statements.

Retirement and Re-Election of Directors

The following directors of the company, Ben Barth, Richard Arkutu, Cynthia Forson, and Helen Nankani retired in accordance with section 325(a) of the Companies Act, 2019 (Act 992) and Regulation 78(b) of the Regulations of the Bank. They have not been replaced at the end of the reporting period.

Subsidiaries

- CalAsset Management Company Limited (CAMCOL), a company incorporated in Ghana and licensed to manage assets by the Securities and Exchange Commission.
- CalBank Nominees Limited (CBNL), incorporated in Ghana to hold and administer securities and other assets as a custodian (registered owner) on behalf of beneficial owners.
- CalTrustee Company Limited (CTCL) incorporated in Ghana to manage pension funds on behalf of beneficial owners as per guidelines set out by National Pension Regulatory Authority (NPRA).
- CalBrokers Limited (CBL), a company incorporated in Ghana as a securities broker and a licensed dealing member of the Ghana Stock Exchange. CalBrokers Limited resigned from the Ghana Stock Exchange on 13 December 2019 and is currently undergoing voluntary liquidation.

Particulars of entries in the Interests Register during the financial year

No Director had any interest in contracts and proposed contracts with the Bank during the year under review, hence there were no entries recorded in the Interests Register as required by Sections 194(6),195(1)(a) and 196 of the Companies Act, 2019 (Act 992).

Corporate social responsibility and code of ethics

Over the years, the Bank and Group's social responsibility programmes have focused on education, health, financial inclusion, and others. In the current year, there were many activities in kind in this regard.

Capacity building of directors to discharge their duties

On appointment to the Board, Directors are provided with full, formal, and tailored programmes of induction, to enable them gain in-depth knowledge about the Bank's business, the risks and challenges faced, the economic knowledge and the legal and regulatory environment in which the Bank operates. Programmes of strategic and other reviews, together with the other training programmes, ensure that Directors continually update their skills, knowledge, and familiarity with the Bank's businesses. This further provides insights about the industry and other developments to enable them effectively to fulfil their role on the Board and committees of the Board. During the year, the Directors engaged in programmes covering, Cyber Risk Governance and Management for Directors, Fraud Risk Governance & Prevention for Directors, Driving ESG Practices: Board's Role from ESG Strategy to Reporting, IT Governance among others.

Auditor and audit fees

In accordance with Section 139 (5) of the Companies Act, 2019 (Act 992), Deloitte and Touche will continue in office as auditors for the Bank and Group. The audit fee for the year 2024 is GHS1.0 million (2023: GHS806,000)

Going concern

The directors have reviewed the Group and Bank's ability to continue as a going concern based on the current year's performance, current and anticipated economic conditions.

The Directors are not aware of any material uncertainties that may cast significant doubt upon the Bank and Group's ability to continue as a going concern, therefore, the financial statements continue to be prepared on a going concern basis.

Dividend

The Directors do not recommend the payment of dividend. (2023 Nil).

Acknowledgement

The Board of Directors hereby expresses its sincere appreciation for the support, loyalty and dedicated service of the staff, management, and all stakeholders of the Bank and Group over the past year.

Approval of the report of the directors and the financial statements

The report of the directors and the financial statements of CalBank PLC were approved by the board of directors and signed on behalf of the board by two directors as follows:

Signed	**Signed**
Carl Selasi Asem Director 18 February 2025	**Joe Rexford Mensah** Director 18 February 2025

CORPORATE GOVERNANCE REPORT FOR 2024

Introduction

The CalBank Group (the 'Group') is dedicated to upholding its corporate governance obligations and responsibilities in the best interests of all stakeholders. We ensure that our policies and practices adhere to high standards of corporate governance, emphasising fairness, transparency, and accountability. Our commitment extends to continually strengthening governance within the Group, aligning with our efforts to establish a sustainable business in line with our long-term strategic objectives.

Within the Group, CalBank PLC (the "Bank") serves as the parent company, overseeing wholly owned subsidiaries such as CalAsset Management Limited, CalBank Nominee Limited, CalTrustee Company Limited, and CalBrokers Limited (currently undergoing voluntary liquidation). Each subsidiary operates with its independent Board of Directors.

Compliance and Regulations

The Group places a strong emphasis on adhering to relevant legislation, regulations, standards, and codes, constituting a fundamental aspect of its governance culture. This commitment undergoes regular scrutiny by the Board of Directors of the Bank (the 'Board') and its various subsidiaries through thorough reviews of management reports. The outcomes of significant interactions with key stakeholders, including the Bank's regulators and other regulatory authorities, are also communicated to the diverse Boards as part of their ongoing monitoring process.

The Group diligently complies with all applicable legislation, regulations, standards, and codes in Ghana. The Board of Directors ensures that key regulatory disclosures, such as capital adequacy, non-performing loans, and liquidity ratios, are appropriately disclosed in the year-end financial statements of the Group, aligning with compliance requirements.

Statement of Compliance

We hereby confirm that the Bank has complied with the following Directives, Codes of Corporate Governance and Listing Standards:

- BOG Corporate Governance Directive, 2018
- BOG Corporate Governance Disclosure Directive, 2022
- BOG Fit and Proper Persons Directive, 2019
- SEC Corporate Governance Code for Listed Companies, 2020
- The Listing Rules of the Ghana Stock Exchange

However, it is important to note that the Bank has been placed under a Prompt Corrective Action (PCA) by the Bank of Ghana (BoG) due to a breach of Section 102 (2)(b) of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). This breach relates to the Bank's failure to meet the minimum capital requirement under the Act.

The Bank is in compliance with the directive under the PCA and is working diligently with all stakeholders to address the capital gap.

Annual Certification

The Board has independently assessed and documented the corporate governance processes of CalBank PLC as effective and is satisfied that the Bank has successfully achieved its corporate governance objectives. Directors are aware of their responsibilities to the Bank as persons charged with governance.
All directors of the Bank completed their regulatory Corporate Governance Director Certification Programmes for 2024 which was facilitated by Ghana Banking College.

The certification programme covered the following topics;

- Emerging Regulatory Concerns to Effective Corporate Governance Practice
- Board Renewal and CEO Succession Planning
- Credit Risk Governance and Oversight in times of uncertainty

The Board of Directors of the Bank, referred to as the "Board," serves as the paramount decision-making authority for the Group. It holds comprehensive responsibility for managing the business and affairs of the Group, formulating the overall Group strategy, and overseeing the allocation and procurement of resources. The Board is accountable to shareholders for both the financial and operational performance of the Group.

The Board provides effective leadership, considers strategic issues, ensures the Group manages risk effectively through approving and monitoring the Group's risk appetite, and exercises judgement in guiding management to achieve growth and deliver long term, sustainable shareholder value.

The roles of the Board Chairman and Managing Director are distinct and separate, with a clear division of responsibilities. The Chairman leads the Board and ensures the effective engagement and contribution of all executive and non-executive directors. The Managing Director has responsibility for all Group businesses and acts in accordance with the authority delegated by the Board. Responsibility for the development of policy and strategy and operational management is delegated to the Managing Director.

All directors participate in discussing strategy, performance, financial and risk management issues of the Group, and meetings of the Board are structured to allow sufficient time for the consideration of all agenda items through constructive deliberations.

In addition to its statutory responsibilities, as enshrined under the Companies Act, 2019 (Act 992), the Banks and Specialised Deposit Taking Institutions Act, 2016 (Act 930) and the Constitution of the Bank, the Board is also guided by a Board Charter adopted by the Bank, which sets out in further detail the individual duties and responsibilities of the Chairman and members of the Board, the Company Secretary, and the Board as a whole.

The Board holds scheduled meetings in closed sessions and employees are invited, as required, to make presentations to the Board on material issues under consideration. Directors are also provided with access to management and company information, as well as the resources required to carry out their responsibilities.

Meetings of the Board are held quarterly, with an additional meeting to consider Group strategy, and additional meetings are convened if necessary. All directors are provided with comprehensive Board meeting documentation.

Board Members	Board Sitting	Audit Comm	Risk Comm	IT Governance, Cyber & Information Security Comm	Credit Comm	Governance & Compensation Comm	Capital Raise sub-comm	Others
Joseph Mensah	4/4	N/A	N/A		N/A	6/6	2/9	19/19
Carl Selasi Asem	4/4	N/A	5/5		2/2	6/6	N/A	N/A
Nana Otuo Acheampong	4/4	3/4	N/A	4/4	2/2	2/6	1/9	18/19
Helen Nankani	4/4	3/4	4/5		N/A	5/6	1/9	13/19
Richard Arkutu	4/4	N/A	3/5	2/4	2/2	N/A	9/9	13/19
Kofi Osafo Maafo	4/4	3/4	5/5		2/2	N/A	7/9	11/19
Kweku Baa Korsah	4/4	4/4	N/A	4/4	N/A	1/6	9/9	16/19
Ben Gustave Barth	4/4	N/A	4/5		2/2	6/6	8/9	13/19
Solomon Asamoah	4/4	4/4	N/A	3/4	2/2	N/A	1/9	17/19
Cynthia Ayodele Forson	4/4	N/A	N/A	3/4	N/A	6/6	1/9	14/19

Board effectiveness review

The Board conducts a periodic self-evaluation to assess itself against its objectives. The aim of the evaluation is to assist the Board in improving its effectiveness. The evaluation process affords individual Board members the opportunity to evaluate the Board as a whole, as well as their own performance, and to make recommendations for areas of improvement.

Internal control systems

The Board of Directors has ultimate responsibility for the management of the Group's internal control systems and annually reviews their effectiveness, including a review of financial, operational, compliance and risk management controls. The implementation and maintenance of the risk management and internal control systems are the responsibility of the executive directors and other senior management.

The Board exercises oversight management through its Audit and Risk Committees. The Board reviews and approves the Group's Internal Control policy framework which stipulates internal control functions in conformity with regulatory directives and standard guiding principles.

The Internal Control policy of the Group establishes a framework for conducting regular inspections and reviews of controls within all business areas throughout the Bank. The objective is to verify the existence of pertinent controls and guarantee strict compliance. In instances where control deficiencies are identified, corrective measures are implemented, and comprehensive reports are submitted to the Board. Subsequent follow-ups are conducted to confirm that the remedial actions are functioning as anticipated.

The systems are structured to handle the risk of falling short in achieving business objectives and to offer reasonable assurance against significant misstatement or loss. The directors have examined the effectiveness of the internal control systems, encompassing controls associated with financial, operational, and reputational risks identified by the Group as of the reporting date. No notable failings or weaknesses were identified during this assessment.
The Board of Directors have overall responsibility for establishment and oversight of the Fraud Policy. The Bank has no appetite for fraud perpetrated by its employees, shareholders, directors, customers, consultants, vendors, contractors and/or any other parties with a business relationship. The Bank is committed to preventing, detecting, reporting fraud, and cooperating with other organizations to reduce opportunities for fraud.

Fraud risk is assessed regularly as part of the business's risk management process and at the design stage of new systems and processes. Cost-effective preventive and detective controls are introduced where appropriate to mitigate the risk of fraud in business processes and activities.

Changes in the Composition of the Board

Following the retirement of Mr. Philip Owiredu, the Managing Director of the Bank, on 13 February 2024, Mr. Carl Selasi Asem, the Deputy Managing Director, was appointed as Managing Director with the approval of Bank of Ghana, the regulator. In December 2024, the regulator approved the appointment of Mr. Johnson Oware as the new Deputy Managing Director of the Bank.

In July 2024, Mrs. Helen Nankani retired as an independent, non-executive director of the Bank in accordance with the Bank of Ghana directive on corporate governance, which limits the maximum tenure for each non-executive director to three 3-year terms of office.

In accordance with the Companies Act, 2019 (Act 992) and the Constitution of the Bank, one-third of the directors are required to retire at each Annual General Meeting (AGM) and may offer themselves for re-election. At the 2024 AGM of the Bank held in September 2024, Dr. Cynthia Forson, Mr. Ben Gustave Barth, and Mr. Richard Spencer Arkutu retired by rotation as independent, non-executive directors of the Bank and did not offer themselves for re-election. The Board subsequently reviewed its committee memberships in October 2024 to ensure alignment with the Bank's governance framework and strategic objectives.

Following their retirement, and in line with the provisions of the Companies Act, 2019 (Act 992), a new board has been appointed to ensure the continued effective governance and strategic oversight of the Bank. This newly appointed board will be presented to shareholders for approval at the upcoming Annual General Meeting (AGM).

Board Evaluation

In accordance with the requirements of the Corporate Governance Directive (2018), the Board, during the year, went through internal governance evaluations, as well as half yearly Anti-Money Laundering/ Combating Financing of Terrorism and the Proliferation of Weapons of Mass Destruction (AML/CFT & P) evaluations.

Performance Criteria for Assessing the Effectiveness of the Board

The Bank uses the following performance criteria to assess the effectiveness of the Board:
- Board processes
- Board effectiveness
- Board structure
- Evaluation of Chairman
- Evaluation of Managing Director
- Self-evaluation

Report on Board Evaluation

The Board conducts a periodic self-evaluation to assess itself against its objectives, the aim of the evaluation is to assist the Board in improving its effectiveness. The evaluation process affords individual Board members the opportunity to evaluate the Board as a whole, as well as their own performance, and to make recommendations for areas of improvement.

An internal board evaluation was conducted for the year ended 31st December 2024 as required by the Corporate Governance Directive. Pillars for the 2024 Board evaluation included; Board Structure, Board role in governance, dynamics and role of the Board, financial reporting process, internal controls, and risk management.

The report showed that the bank was generally compliant with the applicable regulation, directive, practice, policies and procedures.

Key findings:

- The Board exercises overall responsibility for sound business practice of the Bank.
- There is disclosure of interest amongst Directors and Key Management Personnel of the Bank which is consistent with regulatory requirements.
- The Board provides certification in the annual report as to the compliance of the bank with BoG requirements.
- The Board is involved in the development, approval and monitoring of the overall business strategy of the bank.
- The Board ensures that transactions with related parties are reviewed to assess risk and are subject to appropriate declarations and restrictions.
- Board members are well experienced with diverse professional qualifications and clearly understand their roles and can exercise sound and objective judgement.
- The procedure for appointment of directors to the Board is formal. However, there is a need for more transparency in the appointment of the Board Chair in the future.
- Appropriate processes are undertaken in appointment of Key Management Personnel of the Bank which also includes regulatory approvals.
- Board meetings are held at least four (4) times each financial year and all board members attended all the meetings for the period under review.
- Evaluation of the board is carried out in line with regulatory requirements.
- The Bank has established specialized Board subcommittees in line with BoG requirements. Members generally possess the right qualifications for the committees they belong to.
- The Bank has a formal written conflict of interest policy in place which ensures that actual or potential conflict of interest is reviewed regularly. Board members disclose conflict of interest at the beginning of all board meetings and further recuse themselves if necessary.
- The Board ensures that there are effective internal control systems and a well organised risk management practice/function in place with regular risk updates reported to the board.
- The Board ensures there is appropriate disclosure and transparency with its relevant stakeholders. Other directorships were not disclosed in annual accounts.
- The Bank has established adequate code of conduct which guides their operations. This code applies to staff and Board of Directors.

Three (3) weakness were identified and have been addressed. These were:

- Board succession plan (item 6 above): the Board has developed and approved a Board Succession Policy and Plan.
- Transparency in the appointment of Board Chair (item 10 above): the process for appointing Board Chair was already stated in the Board Charter.
- Disclosure, Transparency and Other Engagements (item 17): other directorships of the directors have been disclosed in the annual report.

The previous Board evaluation conducted in 2022 noted that the Covid-19 pandemic had not impacted the performance of the Board. The Board was compliant with regulation and legislation regarding board composition and this was the major driver behind the changes made to the board. The results from the evaluation process had indicated that board performance, governance and compliance were in good health, with no major areas of concern emerging as problem areas through the evaluation.

The three areas that had emerged most strongly as needing more focused attention were:

- Strategy and Direction
- Organisational Culture
- Effective leadership

These areas have been evaluated by the Board and addressed. This is reflected in the 2024 Board evaluation mentioned above.

Board Committees

In accordance with the Board Charter, the Corporate Governance Directive (2018) and other regulatory directives, and to assist with the execution of its mandate, the Board has constituted the following committees: Audit; Risk Management; IT Governance, Cyber & Information Security; Credit; and Governance & Compensation.

Audit Committee

The Audit Committee is presently made up of three non-executive directors with experiences in accounting, banking, investment, technology, economics, and finance.

The Audit Committee is chaired by Mr. Kweku Baa Korsah, with Messrs. Kofi Osafo-Maafo and Solomon Asamoah as members.

The Audit Committee provides reasonable assurance that the Bank is compliant with relevant laws and regulations, is conducting its affairs ethically and is maintaining effective control over employee conflicts of interest and fraud. The Committee is also responsible for providing assurance that financial disclosures made by management reasonably reflect the Bank's financial position, operating results, plans and long-term commitments. The Committee meets quarterly and provides a formal report to the Board at each quarterly meeting of the Board.
The Audit committee receives the following reports for its consideration;

- Internal Audit Report
- Internal Control Report
- Fraud Report
- Financial Report
- Approved and Disbursed Facilities
- Pending Legal Cases involving the Bank

External Auditor

The Audit Committee exercised oversight responsibility over the work undertaken by the external auditor, Deloitte. During the year, the Committee met with the external audit team, including the lead audit partner, to enable Committee members gain greater insight into the challenges faced in the Group's markets from an external audit perspective. The Committee discussed with Deloitte the business and financial risks and sought assurances that these risks had been properly addressed in the audit strategy and plan that had been reviewed by the Committee.

The Committee also scrutinized the audit process, the quality and experience of the audit partner, and the audit plan which provided details of the number of years Deloitte partners and senior team members have been involved in similar audits. Deloitte's lead audit partner for CalBank has experience in auditing banks and understands the markets in which the Group operates.

Internal Auditor

The Chief Internal Auditor of the Bank reports directly to the Audit Committee and sits in all meetings of the Committee. During the review period, the Audit Committee considered and discussed reports on control environment weaknesses, their root causes, management responses and remediation actions.

Roles and responsibilities

The Internal Audit Department has responsibility for bringing a systematic, disciplined approach to evaluate and report on the effectiveness of governance processes, risk management and internal controls. The Internal Audit Department evaluates whether management has an effective process in place at all levels to identify, manage and control risks.

The scope of Internal Audit encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the organization's governance, risk management, and internal controls and has unrestricted access to all activities undertaken in the Bank.

Risk Management Committee

The Risk Management Committee is currently made up of three non-executive members and one ex-officio member with finance, economics, banking, and investment expertise.

The Committee is chaired by Mr. Solomon Asamoah with Nana Otuo Acheampong and Mr. Kofi Osafo Maafo as members. Mr. Carl Selasi Asem, the Managing Director, is an ex officio member.

The Committee, which meets and reports to the Board quarterly, has oversight responsibility for various risks associated with the business of the Bank including credit, market, operational, Compliance and AML/CFT&P risks.

The Committee's core functions are:

- monitor the effectiveness of the risk management organisational structure,
- advise management on the adoption and implementation of an appropriate risk management policy,
- keep under review the status and application of risk management responsibilities and accountabilities and,

- review and monitor any requirement for reporting on risk management to the Board.
- Oversee the Bank's adherence to laws and regulations, ensuring compliance with AML standards.
- Evaluate and ensure the effectiveness of the Bank's AML program, including customer due diligence and transaction monitoring.
- To oversee the implementation and management of Environmental, Sustainability and Governance (ESG).

Details of the risk management framework is presented in note 7 of this annual report. The Risk committee receives the following reports for its consideration:

- Largest Exposures
- Risk Appetite Dashboard
- Credit, Market and Operational Risk
- Regulatory Capital
- Environmental and Social Risk
- Compliance and AML/CFT & P Reports

During the specified period, the Risk Committee gave approval to some policies and frameworks, encompassing the Risk Appetite Framework, Credit Policy, and AML/CFT & P Policy. The committee also delved into discussions on diverse risk aspects, including substantial exposures, capital adequacy, and the results of environmental and social risk assessments.

As part of the governance structure, the Committee has delegated the day-to-day risk management function of the Bank to the Assets and Liability Management Committee (ALMC).

The ALMC is chaired by the Managing Director with Group Heads and some Heads of Departments as members. Its purpose is to recommend policies and guidelines to the Board including management of balance sheet growth; deposits, advances, and investments; foreign exchange activities and positions; and risks associated with exchange rates and liquidity.

IT Governance, Cyber and Information Security Committee

The IT Governance, Cyber and Information Security Committee is presently made up of three members who are well resourced in the areas of technology, banking, accounting, and finance.

The Committee is chaired by Nana Otuo Acheampong and has Messrs. Kweku Baa Korsah and Carl Selasi Asem as members. The primary objective of the IT Governance, Cyber and Information Security Committee is to act on behalf of the Board in fulfilling the Board's oversight responsibility with respect to the Bank's cyber and information security risks and programmes.

The Committee's core functions are:

- Approve the annual and other work plans for Cyber and Information Security, and Information Technology (IT) strategy,
- Annually review, IT governance strategies to align with the corporate strategy of the Bank,
- Oversee and advise the Board on the current cyber risk exposure and future risk strategy,
- Hold an annual discussion about the adequacy of the IT Governance, Cyber and Information Security policies,
- Review and discuss the Bank's IT business continuity and disaster recovery capabilities and contingency plans and,
- Review and discuss (i) technologies, policies, processes and practices for managing and mitigating cybersecurity risks and (ii) the Bank's cyber-attack incident response and recovery plan.

The IT Governance, Cyber and Information Security committee receives the following reports for its consideration:

- Information Security
- Technology
- Audit reports on information security and technology

The IT Governance, Cyber and Information Security committee within the period considered and recommended for approval by the Board twenty information security and technology policies in line with ISO 27001 and other regulatory requirements which was duly approved. The Committee also discussed and approved the information security strategies to enhance the security posture of the Bank and considered the various emerging cyber security threats that could impact the Bank's information assets.

Credit Committee

The Credit Committee is currently a three-member committee and an ex-officio member with extensive knowledge in banking and finance.

The overall authority for approving credit facilities rests with the Board. The Board has delegated the credit review function, above the threshold delegated to the management credit committee, to the Board Credit Committee due to their proven knowledge and experience in credit risk management. The Committee then recommends such credits to the Board for approval.

The Committee is chaired by Mr. Solomon Asamoah and has Nana Otuo Acheampong and Mr. Kofi Osafo-Maafo as members with Mr. Carl Selasi Asem, the Managing Director, as an ex-officio member.

The objective of the Board Credit Committee is to provide an independent credit risk management review including but not limited to:

- Review credit proposals requiring the Board of Directors' approval and ratifications,
- Ensure that the Bank grants loans and provide other credit products for legitimate and constructive purposes consistent with the best interests of the Bank, its customers, its shareholders, and the community within which it operates,
- Perform any other assignments relating to the management of credit risk in the Bank as may be delegated by the Board.

The Credit committee receives credit requests above the management credit committee limit. The committee within the period had two (2) meetings and considered two (2) credit requests.

Governance and Compensation Committee

The Governance and Compensation Committee is presently composed of three members and one ex-officio member with banking, finance, and organisational management competencies.

The Committee is chaired by Nana Otuo Acheampong and has Messrs. Joe Mensah and Kweku Baa Korsah as members with Mr. Carl Asem as an ex officio member.

The objectives of the Governance and Compensation Committee include reviewing the appointments and compensation of the executive and senior management and making recommendations to the Board for their consideration and approval.

The Governance and Compensation committee receives all reports related to compensations and other employee related issues.

The Governance and Compensation committee within the period discussed various matters including the recommendation of appointments of key management personnel, review of the Bank's job evaluation and culture change programme, review of the performance of executive directors, other strategic matters relating to the human capital of the Bank and made recommendations for the Board's approval.

The charter of the Governance and Compensation Committee vests the committee with the following responsibility in the appointment and reappointment of directors:

- Coordinating the process of identifying individuals qualified to become Board members and recommending such individuals to the Board for nomination for election to the Board,
- Determine criteria, objectives and procedures for selecting Board members, including factors such as independence, diversity, age, future succession planning, integrity, skills, expertise, breadth of experience, knowledge about the Company's business and industry, and willingness to devote adequate time and effort to Board responsibilities in the context of the existing composition and needs of the Board and its committees and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment.
- Shall ensure that on appointment to the Board non-executive directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside board meetings.
- At the annual general meeting (AGM) of the bank each year, one third (or the number nearest one third) of the directors (excluding the Managing Director) shall retire from the Board and shall be eligible for re-election by the shareholders if they have not exhausted their tenure under the Corporate Governance Directive (2018) and have not been disqualified from holding the office of director for any other reason. The directors eligible to retire at each AGM shall be the directors who have served longest in office since their appointment or last election.
- Formal motions for the reappointment of eligible directors shall be individually tabled at the annual general meeting and voted on by the shareholders. A motion for the re-election of a retiring director shall be passed by an ordinary resolution of the shareholders.

Calendar of activities of Board Committees / Board Meetings

Pursuant to the Bank of Ghana's Corporate Governance Disclosure Directive the Calendar of dates in respect of the activities discussed above are as follows:-

Board Committee/Board Meetings

1st QUARTER	2nd QUARTER	3rd QUARTER	4th QUARTER
Board Committee/Board Meetings (Quarter 1 2024)	**Board Committee/Board Meetings (Quarter 2 2024)**	**Board Committee/Board Meetings (Quarter 3 2024)**	**Board Committee/Board Meetings (Quarter 4 2024)**
Board & Management Strategy Session	IT Governance Committee	IT Governance Committee	Non-Executive Directors (NED)
Recapitalisation Committee (3X)	Governance & Compensation Committee	Recapitalisation Committee (3X)	Annual General Meeting
IT Governance Committee	Audit Committee	Audit Committee	Audit Committee
Audit Committee	Recapitalisation Committee (3X)	Governance & Compensation Committee	IT Governance Committee
Governance & Compensation Committee	Risk Management Committee	Risk Management Committee	Governance & Compensation Committee
Risk Management Committee	Non-Executive Dir ectors (NED)	Corporate Governance Certification Training	Risk Management Committee
Recapitalisation Committee Emergency Governance &	Board Meeting	Board Meeting	Board Meeting
Compensation Committee Board Meeting			

PROPOSED BOARD MEETING SCHEDULE FOR 2025 *

TYPE OF MEETING	1st QUARTER	2nd QUARTER	3rd QUARTER	4th QUARTER
IT Governance, Cyber and Information Security Committee	Tuesday 15th April, 2025	Tuesday 15th July, 2025	Tuesday 14th October, 2025	Tuesday 13th January, 2026
Audit Committee	Thursday 17th April, 2025	Thursday 17th July, 2025	Thursday 16th October, 2025	Thursday 15th January, 2026
Governance and Compensation Committee	Tuesday 22nd April, 2025	Tuesday 22nd July, 2025	Tuesday 21st October, 2025	Tuesday 20th January, 2026
Risk Management Committee	Thursday 24th April, 2025	Thursday 24th July, 2025	Thursday 23rd October, 2025	Thursday 22nd January, 2026
Board of Directors	Friday 2nd May, 2025	Thursday 31st July, 2025	Thursday 30th October, 2025	Thursday 29th January, 2026

* The proposed meeting dates are subject to the confirmation of the new Board of Directors

Other engagements of directors

To ensure adequate commitment to Board responsibilities, no director shall hold more than five (5) directorship positions at a time in both financial and nonfinancial companies (including offshore engagements) subject to the restriction against concurrent directorships in banks under section 58(1)(e) of Act 930. Directors' other engagements are disclosed as follows:

Directors whose board duties exceed the requisite number are advised to regularise the same.

NAME	DATE APPOINTED	POSITION	OTHER DIRECTORSHIP HELD
Mr. Joseph Rexford	5th December 2019	Non-Executive Director- Chairman	1. CBam Services 2. E3 systems Inc 3. Kofi Tawiah Foundation
Richard Arkutu (retired)	5th December 2019	Non-Executive Director	1. Sahel Health Ghana Limited 2. SOS Hermann Gmeiner International College
Ben Gustave Barth (retired)	5th December 2019	Non - Executive Director	1. NSIA Insurance Limited 2. Axcero Limited
Solomon Asamoah	5th December 2019	Non -Executive Director	1. Ghana SkyTrain LTD 2. Hucknall LTD 3. Power GIIF LTD 4. Health GIIF LTD 5. MJM Management Consultancies LTD
Mrs. Helen Nankani (retired)	30th July 2015	Non- Executive Director	NIL
Mr. Kofi Osafo-Maafo	2nd November 2017	Non-Executive Director	1. Director General: Social Security and National Insurance Trust (SSNIT). 2. Fortem Advisors LTD
Mr. Nana Otuo Acheampong	2nd November 2017	Non-Executive Director	NIL
Mr. Kweku Baa Korsah	8th May 2019	Non- Executive Director	1. Assure Advisors LTD 2. BC Payments LTD 3. IHR Limited Company 4. Petra Trust
Dr. Cynthia Forson (retired)	9th September 2020	Non-Executive Director	1. Alfapetro Ghana LTD 2. All Star Insurance Brokers LTD 3. Addison Bosman Limited 4. Africa Partners Medical Ghana Limited
Mr. Carl Selasi Asem	3rd August 2023	Executive Director	NIL

Management Committees

In accordance with the Corporate Governance Directive (2018), management has constituted key management committees including;

Executive Committee (EXCO)

The committee is a consultative body and the highest decision-making organ in specific areas of the bank's strategy implementation and management operations. The Committee will be meeting once a month as shall be scheduled and communicated by the secretary.

Management Credit Committee (MCC)

The Management Credit Committee (MCC) is responsible for overseeing credit risk management on behalf of the Board, which retains ultimate accountability for risk management effectiveness. The MCC's responsibility include implementing the Board-approved credit risk management policy and reviewing internal credit policies, guidelines, and risk measurement frameworks before their submission to the Board Risk Management Committee (BRMC).

Management Risk Committee

The Management Risk Committee (MRC) is responsible for overseeing implementation of the enterprise risk management framework across the Group and providing recommendations to the Board Risk Committee.

Cyber and Information Security Committee (CISC)

The Cyber and Information Security Risk Management Steering Committee's (the Committee") primary purpose shall be an advisory and oversight committee and act on behalf of Senior Management in fulfilling the Board's oversight responsibility with respect to the Bank's information technology use and protection, including but not limited to data governance, privacy, disaster recovery, compliance, cyber and information security.

Assets –Liability Management Committee

The committee has the mandate of managing the group assets and liabilities for shareholder value maximization, enhanced profitability, capital growth, protection of the group from adverse financial consequences stemming from fluctuations in the interest rate, and liquidity risk.

Remuneration philosophy

The Group's remuneration philosophy aligns with its core values, including growing our people and delivering value to our shareholders. The philosophy continues to emphasise the fundamental value of our people and their role in ensuring sustainable growth. This approach is crucial in an environment where skills remain scarce.

The Board of Directors sets the remuneration philosophy in line with approved business strategy and objectives. The philosophy aims to maintain an appropriate balance between employee and shareholder interests. A key success factor for the Bank is its ability to attract, retain and motivate the talent it requires to achieve its strategic and operational objectives.

The following key factors have informed the implementation of reward policies and procedures that support the achievement of business goals:

- the provision of rewards that enable the attraction, retention and motivation of employees and the development of a high-performance culture,
- maintaining competitive remuneration in line with our markets, trends and required statutory obligations,
- moving to a cost to company remuneration structure,
- rewarding people according to their performance; and
- educating employees on the full employee value proposition.

Remuneration structure

Non-executive directors

Non-executive directors receive fixed fees for service on the Board and committees. This includes a retainer that has been determined in line with market practices. There are no contractual arrangements for compensation for loss of office. Non-executive directors do not receive short-term incentives, nor do they participate in any long-term incentive schemes.

Board members' remuneration is periodically reviewed by the Governance and Compensation Committee and recommended by the Board for shareholders' consideration and approval at the annual general meeting of the Bank.

Executive directors

The executive directors receive a remuneration package and qualify for long term incentives on the same basis as other employees of the Bank. The components of their package are as follows:

- guaranteed remuneration based on their market value and the role they play,
- annual performance-based bonus used to incentivise the achievement of Group objectives; and
- a pension, which provides a competitive post-retirement benefit in accordance with group policy applicable to all employees.

The remuneration of executive management is reviewed by the Governance and Compensation Committee and approved by the Board and shareholders.

Management

The terms and conditions of employment of managers are guided by the labour laws in Ghana and are aligned to best practice. Managerial remuneration is based on a total cost to company structure comprising of a fixed cash portion, compulsory benefits including medical aid and long-service awards and optional benefits. Market data is used to benchmark salary levels and benefits, which are reviewed annually. The Governance and Compensations committee approves the compensation of key management personnel.

For all employees, performance related payments have formed a significant proportion of total remuneration. All employees (executives, managers, and general staff) are individually rated based on performance and potential and this is used to influence actual performance related remuneration. The remuneration policy aligns with the long-term sustainability of the Group by providing a mix of short term and long-term remuneration to incentivise sustainable long-term performance.

Long-term incentives

It is essential for the Group to retain key skills over the longer term which is done particularly through employee long service awards. The purpose of this is to align the interests of the Bank and its subsidiaries to that of the employees, as well as to attract and retain skilled, competent people.

Appointment, induction of new Directors and ongoing development

All non-executive directors are provided with a letter of appointment setting out the terms of their engagement. A third of the directors are required to retire at each Annual General Meeting and may offer themselves for re-election in accordance with the Companies Act 2019 (Act 992). If recommended by the directors, the Board then proposes their re- election to shareholders. The term of non-executive directors is governed by the Bank of Ghana directive on corporate governance, which limit the maximum period for non-executive director to nine years.

The Group policy on the appointment and re-election of eligible directors remains in strict adherence to the Bank of Ghana's Fit and Proper Person directives and, under sections 72(1) and 88(1) of the Company's Constitution.

On its part, the Board is authorised under the Companies Act, 2019 (Act 992) to either:

- Appoint a recommended director to fill a casual vacancy on the Board (where such a vacancy exists); or
- Submit a recommended candidate for appointment by an ordinary resolution of the shareholders at either the annual general meeting (or other general meeting of the shareholders convened for that purpose).

Following the appointment, a comprehensive induction programme covering the Group's financial, strategic, operational and risk management overviews is carried out. Appointees are provided with an information pack including governance policies and business information, and presentations are made on the Group's business functions and activities by key members of the executive and senior management teams.

In 2024, there were no new appointments or inductions to the Board of Directors. However, two key management personnel—the Head of People and Culture and the Group Head of Corporate Banking—underwent a comprehensive induction program focused on governance and business information.

During the year under review, training sessions were organised for the directors to build their capacity on the following:

- Credit Risk Management and Portfolio
- Tax Management
- OECD Guidelines
- Assessing Financial Health
- Agribusiness Finance
- Additional trainings were organised by the Securities and Exchange Commission on:
- Agribusiness Finance
- Anti-Money Laundering/ Combating Financing of Terrorism and the Proliferation of Weapons of Mass Destruction (AML/CFT & P) requirements for directors and principal officers of capital market operators
- Guidelines for Fund Managers, Unit Trusts and Mutual Funds
- Directors participated in a webinar on IT Governance organised by Arise B.V. Directors also attended the cyber security training organised by the Cyber Security Authority.

More broadly, the directors are supported by management and have access to independent professional advice at the Group's expense where they judge it necessary to discharge their responsibilities as directors. Processes are also in place to ensure the timely provision of information to directors.

Related Parties Transactions

The Group has in place policies and procedures to ensure that all related party transactions are carried out at arm's length and in accordance with the Banks and Specialised Deposit Taking Institutions Act, 2016 (Act 930) and other applicable regulations. This is intended to ensure that there is no favourable treatment given to a related party.

Therefore, in any connected transactions or continuing connected transactions in the ordinary and usual course of business, and on normal commercial terms with a related party or its associate, the Group ensures all the necessary approvals are obtained prior to the execution of the transaction.

The Group policy prevents Board members and key management staff from engaging in the trading of the bank's shares unless its annual and quarterly result are published.

Plan for succession

The Group has developed a board approved succession plan, which has been duly submitted to the Bank of Ghana. The succession plan focuses on developing and retaining the best qualified and competitive personnel ready to take up key positions in the Bank when they become vacant to ensure effective continuity of the Bank.

Conflict of Interest

In line with Paragraph 59 of the Corporate Governance Directive, 2022 and sections 192 and 194 of the Companies Act, 2019 (Act 992), the Bank has a Conflict-of-Interest Policy in place to guide directors against placing themselves in either real or perceived conflict of interest positions or in situations in which their individual conduct may adversely affect their judgment in the discharge of their responsibilities to the Bank.

In line with the policy, the Board reviews actual or potential conflicts of interest annually to ensure that it is fully compliant with provisions of Section 5(2d) of the Directive.

Each director is required to fully disclose to the Board annually and at each board and committee meeting, any interest, which he/she may directly or indirectly hold or be related to, and which becomes the subject of Board action and shall refrain from voting on any matter relating thereto.

Directors have a duty not to place themselves in a position which gives rise to a real or substantial possibility of conflict of interest or duty in relation to any matter which is or is likely to be brought before the Board. The Bank receives from each of the independent non-executive directors an annual confirmation of independence pursuant to the Board's Code of Ethics and still considers majority of the non-executive directors to be independent. The Bank has granted indemnities to all its directors on terms consistent with the applicable statutory provisions.

At no time during the year did any director hold a material interest in any contract of significance with the Bank or any of its subsidiary undertakings. The Group is not party to any significant agreements that would automatically take effect, alter, or terminate following a change of control of the Bank. The Bank has established a robust process requiring directors to disclose proposed outside business interests before they are entered. This enables prior assessment of any conflict or potential conflict of interest and any impact on time commitment. The Board reviews actual or potential conflicts of interest annually.

Authorisations are reviewed annually by the Board to consider if they continue to be appropriate, and to revisit the terms upon which they were provided. The Board is satisfied that our processes continue to operate effectively.

Subject to the Companies Act, 2019 (Act 992), the Constitutions of the Group and the authority granted to directors in general meetings, the directors may exercise all the powers of the Group and may delegate authority to Committees. The Company's Constitution contains provisions relating to the appointment and removal of directors which is also in accordance with the Companies Act, 2019 (Act 992) and best practice.

Subject to the provisions of the Corporate Governance Directive (2018), the Group does not place a limitation on the number of Board positions any director can hold. However, any position taken up by a director is required to be disclosed to the Board to ensure there are no conflict-of-interest issues. Executive directors are required to inform the Board of any intention to take up any directorship role and to obtain the Board's consent prior to taking up the formal appointment.

Ethics and Professionalism

The Group's board approved code of ethics is designed to empower employees and enable faster decision-making at all levels of our business according to defined ethical principles. It also aims to ensure that, as a significant organisation in the financial services industry, we adhere to the highest standards of responsible business practice. The code interprets and defines CalBank's values in greater detail and provides values-based decision-making principles to guide our conduct. It is aligned with other policies and procedures and supports the relevant industry regulations and laws of Ghana.

The code of ethics is made available to all directors and staff annually and is also published on the Group's intranet.

As per the Bank's Code of Conduct, all directors and employees have signed a declaration confirming their understanding of the provisions related to professional ethics, business conduct, and sustainable business practices. Additionally, they commit to adhering to the Code of Conduct on an annual basis. This emphasizes the importance of ethical behaviour and compliance with the established standards within the organization.

To ensure members of the board and key management personnel conduct themselves in a manner that maintains confidence in the integrity of the bank, there is a whistleblowing policy and mechanism in place for reporting of unethical conduct and breaches of policy to the bank's whistleblowing firm.

Material Governance issues facing the Bank

The Bank conducts assessments on its key material issues and applies the necessary governance and budgetary provisions to address them.

On an ongoing basis, the Board periodically reviews the strategy and governing policies of the bank and makes recommendations for enhancements and corrective measures to address any shortcomings or gaps identified.

The non-executive directors of the bank also meet bi-annually to review the Board's performance and related matters with a view to enhancing its performance.

There were no material governance deficiencies recorded within the year under review.

Signed	**Signed**
Carl Selasi Asem Director 18 February 2025	**Joe Rexford Mensah** Director 18 February 2025

RISK MANAGEMENT DECLARATION

The Board of Directors of CalBank PLC ("the Bank") provides oversight over enterprise risk and is ultimately responsible for the implementation of the enterprise risk management framework. The Board superintends Senior Management, provides reasonable assurance, and declares that:

- **Oversight Responsibility:** The Board and Management of the Bank are cognizant of their responsibilities and that robust action plans have been documented and implemented to address identified deficiencies in internal controls.
- **Prudential Compliance:** The Bank has established systems to ensure compliance with all prudential requirements, including the requirements of the Bank of Ghana (BOG) risk management directive.
- **Appropriateness of Risk Management Framework:** The risk management framework is deemed appropriate; the Bank possesses the necessary systems and resources to identify, measure, evaluate, control, mitigate, and report material risks commensurate with our size, business mix, and complexity.
- **Adequacy of Internal Controls:** Risk management and internal control systems are deemed adequate, operating effectively, and are subject to regular review. Furthermore, a duly segregated system of internal control, processes, and management information systems exists, are implemented effectively and monitored by appropriately trained personnel.
- **Commitment to Ethical Standards:** CalBank ensures its business practices are conducted with the utmost integrity, and employees are required to always uphold high ethical standards.

Capital Raising

In 2024, the Bank activated a capital restoration plan to raise additional capital to minimize the impact of DDEP and the credit impairment on our operations and to reinstate its capital within regulatory thresholds to be primarily achieved through equity investment by new and existing shareholders, balance sheet optimization, and retained earnings. These efforts resulted in a recorded net profit after tax (PAT) of GHS267 million and mobilization GHS145 million in additional capital through a rights issue. The Bank continues steadily with its efforts at meeting the required thresholds.

Though significant progress has been made, we continued to experience the residual effects of significant loan and DDEP impairments recognized in the 2023 financial year on our net own funds, resulting in the following breaches:

Description	Regulatory Limit	Actual 31 December 2024
Single Obligor (Secured)	Maximum 25%	161.13%
Capital Adequacy Ratio	Minimum 10%	(6.38%)
Leverage Ratio	Minimum 6%	(5.29%)

The Bank has also put in place several strategies, which are anticipated to restore capital levels in various stress scenarios, improve performance, and demonstrate our commitment to the financial stability of the Bank.

Key Areas of Risk Management

I. Credit Risk
Our credit risk management strategy ensures that lending decisions are prudent, with thorough risk assessments and due diligence processes. We comply with the BOG Prudential Guidelines and IFRS 9 Financial Instruments standards to ensure accurate credit risk classification, impairment recognition, and expected credit loss (ECL) modeling. Continuous monitoring and stress testing are conducted to maintain a resilient loan portfolio.

II. Market Risk
The Bank manages exposure to market risks, including interest rate, foreign exchange, and equity risks, through robust asset-liability management (ALM) practices. We comply with BOG regulations on market risk reporting requirements and IFRS 7 Financial Instruments disclosures to ensure transparency in risk exposures.

III. Operational Risk
Our operational risk framework focuses on internal controls, risk assessments, and compliance with BOG and Basel guidelines on operational resilience. Ongoing employee training and risk awareness initiatives reinforce our risk culture.

IV. Liquidity Risk
Ensuring liquidity adequacy is a priority, and the Bank maintains compliance with BOG's liquidity requirements and disclosure requirements. Our liquidity risk management framework includes stress testing and contingency funding plans to address potential shortfalls in cash flows.

V. Regulatory and Compliance Risk

The Bank is committed to full compliance with BOG regulations, including anti-money laundering (AML), and know-your-customer (KYC) requirements. Our regulatory compliance framework ensures transparency and accountability.

VI. Cyber and Technology Risk

In response to the increasing reliance on digital banking solutions, we have implemented robust cybersecurity measures and data protection frameworks that ensures the bank's digital assets are firmly protected.

Commitment to Continuous Improvement

We continuously enhance our risk management practices through:

- Regular risk assessments and internal audits.
- Investment in risk management and training programmes.
- Alignment with evolving regulatory requirements and IFRS Accounting Standards updates.

The Directors remain fully committed to maintaining a robust risk management framework and appropriately developing strategies, policies, procedures, and controls to operate as a viable going concern.

This declaration reflects our dedication to maintaining a resilient risk management culture, ensuring compliance with Bank of Ghana regulations and IFRS Accounting Standards, and safeguarding the interests of our stakeholders.

Yours faithfully,

Signed

Joe Rexford Mensah
Board Chairman

Signed

Solomon Asamoah
Chair, Risk Committee

SUSTAINABILITY REPORT

OUR COMPANY

CalBank Plc is a financial service provider, listed on the Ghana Stock Exchange, operating in Ghana since 1990. Our core mission is to be an innovative and customer focused bank, delivering bespoke financial services and value to our stakeholders. The Bank has a network of thirty-eight (38) banking branches across nine (9) regions and two thousand (2,200) CalBank Agents in all sixteen (16) regions of Ghana.

OUR SERVICES

Our services are segmented into four main categories:

1. **Corporate Banking:** We offer comprehensive banking services to large corporate organizations including project and structured finance, corporate advisory services, mergers and acquisitions, equity/debt capital markets, balance sheet restructuring, cash management, green finance, business finance, trade finance and loan syndications.
2. **Commercial and Retail Banking:** Targeted at Small and Medium Enterprises (SMEs) and specialized groups, our services include women's banking, payment solutions, cash collection green finance and business finance.
3. **Personal Banking:** We provide private and commercial banking services to individuals, including savings, access to credit, investments, insurance, mortgage loans and agent banking.
4. **Asset Management:** We manage pools of capital on behalf of third parties, investing in a wide range of asset classes such as equities, bonds, cash, property and alternative assets. This includes elements of investment banking, trading in shares, fixed income bonds, debt instruments and loan portfolios

Subsidiaries Under CalBank

CalBank has three main subsidiaries:

- CalAsset Management Company Limited: Licensed to manage assets by the securities and Exchange Commission.
- CalBank Nominees Limited: Holds and administers securities and other assets as a custodian on behalf of beneficial owners.
- CalTrustee Company Limited: Manages pension funds on behalf of beneficial owners per National Pensions Regulatory Authority guidelines

THIS REPORT

The 2024 Sustainability Report provides a public overview of our economic, environmental, and social impacts. It highlights our contributions to achieving the Sustainable Development Goals (SDGs) and demonstrates our compliance with the Ghana Sustainable Banking Principles of 2019, as required by our regulator, the Bank of Ghana.

Since our first report in 2019, we have disclosed the risks, opportunities, and impacts of our business on the environment, economy, and society. We are continuously identifying new processes and resources to mitigate negative impacts and enhance opportunities for sustainable development. Our disclosures are consistently aligned with national compliance requirements and globally recognized standards.

MATERIAL ASPECTS

Our material aspects are the key topics that we consider essential for reflecting the Bank's economic, environmental, and social impacts, while also influencing the decisions of our stakeholders. The assessment was carried out with input from our internal stakeholders, while considering the expectations of our external stakeholders. Additionally, the requirements set by our regulator, the Bank of Ghana, as well as national laws, regulations, and international partner requirements, were all incorporated into the materiality assessment. Ultimately, our material aspects are guided by our overarching Sustainability Strategy, which defines our strategic objectives and supports the achievement of sustainability.

GOVERNANCE

Upholding good corporate governance forms the foundation for achieving long-term vision and mission. The focus remains on maintaining the highest standards of integrity, transparency, and accountability in all aspects of operations.

SUSTAINABILITY STRATEGY

Our strategy for sustainability is tied to our overall business growth strategy. We remain resolute in our vision to be the preferred bank for customer experience and innovation. The strategy is an expression of the commitment of the Board of Directors and Senior Management to support the implementation of the best sustainability practices.

Our strategy for sustainability is defined by four imperatives namely:

- Climate risk governance
- Innovative products
- Cleaner operations
- Risk management

POLICY COMMITMENTS

Our policies are designed to promote sustainability by leveraging products, services, and activities that drive the necessary transformations. These policies are regularly identified, updated, and applied to ensure they remain relevant and effective. Additionally, both internal controls and third-party assurance protocols are employed to monitor their implementation, ensuring compliance and continuous improvement in achieving sustainability goals.

Our policy commitment is based on:

- Applicable Laws and Regulations of Ghana
- Bank of Ghana Sustainable Banking Principles
- Partner Development Finance Institutions' (DFIs) ESG standards and requirements
- International Finance Corporation Environmental Social Safeguard Performance Standards
- World Bank Environmental, Health and Safety (EHS) Guidelines

These mandatory and voluntary requirements define our compliance framework and govern the quality of the processes we employ in the management of our environmental, social and governance risks and opportunities.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) IN CREDIT RISK MANAGEMENT

We have been integrating Environmental and Social Risk Management into our credit operations for several years. This is guided by our Credit Environmental and Social Policy Framework, which outlines the procedures for managing environmental and social risks that may arise in our credit applications. The framework also details our commitment to achieving the sustainability objectives we have defined.

The framework utilizes systemic tools and processes to identify and categorize environmental and social risks throughout the stages of appraisal, environmental and social due diligence, corrective action planning, and post-disbursement monitoring. This approach enables us to manage the environmental and social risks associated with the operations of our borrowing clients, preventing them from escalating into credit risks.

ANNUAL GENERAL MEETING OF CALBANK PLC 2024

The Board of Directors of CalBank PLC engaged with shareholders on September 4, 2024, for the 2024 Annual General Meeting. The gathering fostered productive discussions on strategic initiatives to drive the bank's future growth and enhance stakeholder value.

ANNUAL GENERAL MEETING OF CAL ASSET MANAGEMENT 2024

The Annual General Meetings of the CAL Advantage and CAL Benefit Unit Trusts were held on July 31, 2024. CAL Asset Management Company Limited reported significant growth and expressed optimism in its outlook for 2024.

DATA PROTECTION CERTIFICATION

The Security Operation Center was officially accredited as a Cybersecurity Establishment by the Cybersecurity Authority under the Cybersecurity Act, 2020 (Act 1038). The Bank attained ISO/IEC27001:2022 Certification, the scope of the Information Security Management System (ISMS) covers the Bank's technology infrastructure, operations, support business functions, branch service and critical information assets.

This is a testament to our unwavering commitment to uphold the highest cybersecurity standards and industry best practices to stay vigilant and empowers us with the resources to identify threats and respond effectively in order to serve our stakeholders.

PARTNERSHIPS AND STAKEHOLDER ENGAGEMENTS

Throughout the year, we engaged with a wide range of industry players, government bodies, non-governmental organizations, and global partners. Key highlights included our participation in the Telecel 67th Asantehene Open Golf Championship in Kumasi, held from November 6th to 9th, 2024, to celebrate the 25th Anniversary Coronation of His Royal Majesty, Otumfuor Osei Tutu II. Additionally, the CalBank men's football team took part in the 2024 University of Ghana Kumasi City Campus tournament, where we emerged as champions.

UGKCC GAMES

ROYAL GOLF CHAMPIONSHIP

KPMPG SUSTAINABILITY CONFERENCE 2024

Head of Investor Relations, Dzifa Amegashie participated in the industry engagement on sustainability organized by KPMG. During the event, she discussed how CalBank has prioritized Gender Equality, Renewable Energy, and Industrial Innovation within its Environmental, Social, and Governance (ESG) strategy. She also discussed how the Bank's products are designed to support the achievement of the Sustainable Development Goals.

RABOBANK INTERNATIONAL TRAINING ON SUSTAINABLE AGRIBUSINESS

Agribusiness plays a crucial role in the development of a country, and the sector has proven to be one of the most resilient, as demonstrated during the Covid-19 crisis. During the year, we collaborated with the Ghana Incentive-Based Risk Sharing System for Agricultural Lending (GIRSAL) Limited and Rabobank International, to organize a series of workshops for key staff as part of plans to increase our lending to the Agribusiness sector and promote Sustainable Agriculture across Ghana's agricultural value chains.

AHASPORA PROFESSIONALS NETWORK

Ahaspora Professional Network, a dynamic Pan-African Diaspora Organization, together with CalBank Plc on September 26th 2024 held the 4th Diaspora Roundtable on the theme, "Fostering Collaboration and Investments in West Africa and the Diaspora". The event welcomed over 100 participants at the CalBank Head Office, Ridge-Accra including policymakers, private sector leaders, and professionals from diaspora communities and Ghana, who engaged in insightful discussions and posed thought-provoking questions on the theme. Kodwo Arizie, the Group Head of Corporate Banking at CalBank, highlighted the essential role of financial institutions in bridging the continent with its diaspora, positioning CalBank as a proud Ghanaian-owned private organization.

This collaboration also led to the creation of another exciting programme. On December 21, 2024, Aha Y3 D3 4.0 was hosted at the forecourt of CalBank Head Office, Ridge-Accra. Aha Y3 D3 is an annual end-of-year festival that showcases Made-in-Ghana vendors, cultural displays, games, fireside chats and musical performances. The festival aimed to promote the sale of Made-in-Ghana products to both members of the Pan-African diaspora, Ghanaian residents and nationals.

ROUNDTABLE DISCUSSION

AHA Y3 D3 4.0

AWARDS & RECOGNITIONS

We continue to attract recognition and appreciation for our leadership in business performance and quality service. In 2024, we received awards for the recognition in our innovative services at the Ghana Fintech Awards and the Chartered Institute of Marketing Ghana (CIMG) awards.

CHARTERED INSTITUTE OF MARKETING GHANA (CIMG) AWARDS

At the 2024 CIMG-Ghana Customer Satisfaction Index Report and Recognition Ceremony, CalBank Plc won 5-Stars in Service Quality for Business Banking, 1st Runner-Up in Service Quality for Consumer Banking, 5-Stars in Consumer Satisfaction for Consumer Banking and 1st Runner-Up in Service Quality for Consumer Banking.

GHANA FINTECH AWARDS 2024

CalBank Plc took home two awards at the 2024 Ghana Fintech Awards, one as the Mobile Banking App of the Year and most importantly Environmental Social and Governance (ESG) Bank of the Year. These awards demonstrate our immense contribution to innovation, financial inclusion and sustainability.

ENVIRONMENT

The Sustainable Development Goals—6 (Clean Water and Sanitation), 7 (Affordable and Clean Energy), 12 (Responsible Consumption and Production), and 13 (Climate Action)—along with Principle 6 (Resource Efficiency) of the Ghana Sustainable Banking Principles, emphasize the importance of resource conservation in ensuring environmental protection. Efforts to conserve resources internally have led to the Head Office building receiving the International Finance Corporation (IFC) EDGE Certification. We have adopted cutting-edge technologies to optimize resource efficiency.

Energy Conservation

Our energy is partly self-generated and partly purchased from external sources including the national electricity grid which comprises of a mix of renewable and non-renewable energy sources. Our non-renewable energy sources are mainly in the form of fuel for transportation and electrical generators. Our renewable source of energy is the solar farm in the Head Office and the Labone branch.

Electricity Consumption Data	2022	2023	2024
Kilowatt hour (kWh)	3,576,028	3,754,555	3,823,471.4
Ghana Cedis (GHS)	4,645,398	7,438,603	7,686,474.8

The addition of new branches was responsible for the increase in electricity consumed by the Bank in 2024.

Water Conservation

Although the impact of our internal operations on water resources is minimal, we recognize the importance of water conservation and consider it a priority. We have implemented measures that reduce water consumption, promote efficient use, and contribute to the sustainability of water resources.

Water Consumption Data:	2022	2023	2024
Litres	20,840	20,840	20,511
Ghana Cedis (GHS)	189,067	614,520	307,665

Paper Use

The Bank is committed to transitioning into paperless operation as part of its strategy. We have automated our banking operations across all branches, this initiative has decreased the volume of paper waste generated between 2022 and 2024.

Paper Consumption Data:	2022	2023	2024
Boxes of A4 Sheet	1,384	1,144	1,300
Ghana Cedis (GHS)	546,680	400,400	435,500

The increase in paper usage in 2024 compared to 2023, was attributable to the growth of our customer base following the opening of new branches.

SOCIAL

Initiatives in this section include promoting good labour practices, gender equality, driving social investment, and advancing financial inclusion.

LABOUR

Our employees are our greatest asset – their skill set, ideas, zeal and professionalism to succeed makes it possible for us to deliver consistently superior value to our stakeholders, we aim to create a culture that is inclusive, diverse and supportive where our employees can achieve their full potential.

EMPLOYEE HEALTH AWARENESS AND SCREENING

Promoting good health and safety of staff led to the annual employee health screening. The health screening was in collaboration with Solis Hospital. After screening, staff were engaged on incorporating healthy lifestyle practices. Subsequent engagements were organized with resource persons educating staff on stress reduction practices.

DIVERSITY AND EQUAL OPPORTUNITY

We operate an equal pay for equal work policy and adhere strictly to the principle of fairness and equity in all decision-making process regardless of gender, marital status, pregnancy, disability, religion and ethnicity. All decisions related to recruitment, career advancement, compensation, transfer benefits, and training are based solely on the individual's qualifications, merit and business needs and in accordance with the provisions of the Bank's policies.

GENDER INITIATIVES

A breakdown of female staff across all levels of the Bank:

Level	Male	Female	Total	% Female
Board*	5	–	–	–
Executive Management	2	–	–	–
Senior Management	21	5	26	19
Middle Management	62	57	119	47
General Employees	436	353	789	45
Total	526	415	941	44

* Two female Board Members retired in 2024.

To address the underrepresentation of women in leadership positions, CalBank has introduced several programmes aimed at bridging this gap.

WOMEN'S LEADERSHIP PROGRAMME

Twenty (20) prospective female leaders began their participation in the maiden edition of the CalBank Women's Leadership Programme. The objective of this programme is to identify and develop talented female employees for senior management and executive leadership positions to bridge the gap of underrepresentation of women in senior management and executive positions within the Bank.

The training modules encompass seven (7) distinct cohorts, each offering a structured curriculum designed to introduce key leadership concepts, explore pertinent topics within the banking industry for managerial roles, enhance business acumen, and address various issues relevant to both current and aspiring women leaders.

CALWOMEN'S NETWORK

CalWomen's Network was launched in 2024, in efforts to create networking opportunities necessary for preparing female staff towards attaining leadership positions in the Bank. This is in line with principle four (4) of the Ghana Sustainable Banking Principles and the Bank's strategy towards promoting Gender Equality.

PINK OCTOBER (Breast Cancer Awareness Month)

A talk show was organized by the Women's Banking Unit where a breast cancer survivor, Mrs. Juliette Mills-Lutterodt shared her journey from diagnosis to treatment to staff in commemoration of Pink October for Breast Cancer Awareness. The speaker also has a foundation, Pink for Africa which is geared towards enabling women avoid the serious implications of not having early breast care. In the same month, female staff wore pink attire on Thursdays to create Breast Cancer Awareness.

Portia Amoa
Head, Women's Banking Unit

BANKING FOR WOMEN

Women's participation in socio-economic development is essential to the development of the nation. The Women's Banking Unit (WBU) was set up in 2018 to help identify, develop and promote women-owned and women-managed businesses. The WBU provides training, stakeholder engagement, financing, advisory, and investment services to women entrepreneurs in various sectors of the economy.

OBAAPA LOAN

The Obaapa Loan is designed for women-owned and women-managed businesses. Women entrpreneurs and managers are given loans at discounted interest rates and without the need for landed property as collateral but are required to provide cash collateral instead. Obaapa Loan gives women the opportunity to expand and grow their businesses by providing working capital requirements whilst growing savings which can be used as security.

MEN'S COOKING COMPETITION

On International Women's Day, celebrated worldwide on March 8, CalBank in collaboration with the Multimedia Group, organized a cooking competition featuring only men, in contrast to the traditional women's cooking competition. The event was designed to promote the Women's Banking Unit and its women-specialized products to the public. The programme was televised by the Multimedia Group, further enhancing its reach and visibility.

BUSINESS-TO BUSINESS CONFERENCE

The Women's Banking Unit, in partnership with Adansi Travels, annually organizes Business-to-Business (B2B) conferences in Istanbul, Turkey, and Dubai, United Arab Emirates (UAE). This initiative is designed to provide entrepreneurs with the platform to network, explore market opportunities, and elevate their businesses to new heights. The summit offers Ghanaian business owners the chance to discover potential partnerships, collaborations, and trade opportunities. This year's event, took place in Istanbul and Dubai from November 8th to November 19th, 2024 and received extensive media coverage by the Multimedia Group.

SOCIAL INVESTMENT

Contributing positively to the communities in which we operate is part of ensuring that our success benefits the broader society. Our social investment over the years have involved projects in education, healthcare, training, women empowerment, youth and sports and infrastructure development.

AWARDS FOR BEST GRADUATING STUDENTS AT UNIVERSITY OF GHANA- ACADEMIC AWARDS 2024

In support of Sustainable Development Goal 4, which focuses on quality education, the Bank awarded three outstanding graduates at the University of Ghana Academic Awards in 2024. These graduates were recognized as the Best Graduating Students in Bachelor of Science in Business Administration, specifically in the fields of Accounting, Human Resource Management, and Marketing. These awards are part of CalBank's longstanding tradition of awarding exceptional undergraduates in the various majors of Business Administration.

AWARDS FOR BEST GRADUATING STUDENTS AT UNIVERSITY OF GHANA- ACADEMIC AWARDS 2024

RENOVATION OF CLASSROOM BLOCK

Another notable initiative of impact, saw graduates from tertiary institutions, who completed their national service at CalBank in 2024, voluntarily contribute a portion of their monthly allowance as seed funding for the renovation of a three-unit classroom block and a headteacher's office at Nii Sowa Din School in Ashaley Botwe, Greater Accra Region. The Bank further supported the project with additional funds and the total cost of the renovation amounted to GHS 164,000. The headteacher conveyed sincere appreciation to the Bank on behalf of the students and residents.

Before intervention


After intervention


NATIONAL SERVICE GROUP
CalBank PLC
Focused On
Your Destination
A new dawn has emerged for a
better and brighter future, and
CalBank is focused on stepping

DONATIONS TO ORPHANAGES

Through our Corporate Social Responsibility (CSR) initiatives,we made generous donations to two orphanages in Accra: Echoing Hills Village, Ghana and the Street Academy Ghana to support under-resourced children in deprived neighbourhoods with quality education and livelihood empowerment.These donations reflect the Bank's steadfast commitment to supporting vulnerable communities and creating a more promising future for all.

FINANCIAL INCLUSION

Advancing financial inclusion and upholding Principle 5 of the Ghana Sustainable Banking Principles, which emphasizes financial inclusion over the years, have led us to develop targeted products to serve the underserved and underbanked communities across the country. This is to further enhance accessibility and convenience to our customers. Our financial inclusion products include: CalAgents, SnapSave and SnapCash and our digital platforms include: CalNet, CalApp, CalPay, USSD Code *170# and the Point of Sale (POS) system.

YEAR OF CHANNELS

The Managing Director launched the "Year of Channels" campaign in early 2024. The campaign was aimed to encourage both staff and customers to maximize the use of CalBank's digital platforms, including the CalBank App, CalNet, the USSD Code *771#, POS and digital products such as SnapSave, SnapCash and CalAgents. Staff of the Bank showcased their support by wearing T-shirts featuring the Bank's digital channels and products on Wednesdays.

TECHNOLOGICAL UPGRADE OF DIGITAL CHANNELS

We implemented significant technological upgrade on our digital channels of doing business in the year under review to enhance access to customers. Notable upgrades include Ghana Pay (for linking and transfers), ECG Payments (for linking meters and enabling seamless payments), PAPSS (for transfers and invoice payments with dynamic beneficiaries), enhanced transaction receipting, receipt sharing, transaction speed improvements, and routine-based statement generation. These advancements were led by the Bank's Automation team.

CONCLUSION

Our commitment to sustainability is reflected in our ongoing efforts to improve and refine our strategies across all operations. We are dedicated to continuously integrating sustainable practices into every aspect of our business, ensuring that we contribute positively to the environment, society, and the economy. This commitment includes enhancing our corporate governanace, environmental stewardship, fostering social investment and reducing our carbon footprints.


Homeowner's
Motor
SME
Travel

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INDEPENDENT AUDITOR'S REPORT
To the Shareholders of CalBank PLC

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Calbank PLC and its subsidiaries (the Bank and Group),set out on pages 65 to 163, which comprise the consolidated and separate statements of financial position as at 31 December 2024, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, the notes to the consolidated and separate financial statements, including a summary of material accounting policy information and other explanatory disclosures.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of CalBank PLC as at 31 December 2024,and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board with the IAS 29 directive issued by the Institute of Chartered Accountants Ghana, the requirements of the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit Taking-Institutions Act, 2016 (Act 930).

Basis for Opinion

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

Material uncertainty relating to going concern

We draw attention to Note 42 to the financial statements, which indicates that the Bank and the Group reported a net profit of GHS256.39million/GHS267.72million (2023: loss of GHS681 million/GHS671 million). The Bank and the Group also had positive net assets of GHS217 million/GHS273 million (2023: negative GHS185 million/GHS141 million).

The Bank also has an impaired capital of negative GHS504million (2023: Negative of GHS582million). The capital adequacy ratio (CAR) as at 31 December 2024 is negative 7.22% (2023: Negative 9.9%) as against the required minimum level of 10% as indicated in note 7.6 to the financial statements.

As stated in Note 42 to the financial statements, these events or conditions, along with other matters as set forth in Note 42, indicate that a material uncertainty exists that may cast significant doubt on the Bank and Group's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Deloitte.

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of CalBank PLC

Key Audit Matter

Key audit matter is that matter that, in our professional judgement, which is of most significance in our audit of the consolidated and separate financial statements of the current period. This matter was addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matter to be communicated in our report.

Key Audit Matter	How the matter was addressed in the audit
Expected Credit Losses (ECL) on Loans and Advances This key audit matter is also applicable to the separate financial statements. As at 31 December 2024, the Group's loan and advances portfolio was GHS 3.5billion (2023: GHS 3.9 billion) with an associated impairment allowance for expected credit losses ("ECL" or "allowance for impairment") of GHS 1.4 billion (2023: GHS 1.1million). As described in Note 4.12 and 24c to the financial statements, ECL represents a complex accounting estimate, which is based on management's evaluation of probable loan losses expected to be incurred over the life of the loan. The Company is required to compute loan provision in accordance with the Bank of Ghana (BOG) prudential guidelines and IFRS 9 Financial Instruments. We have identified the significant risk that: • There is inappropriate classification of loans and advances in accordance with BOG's guidelines that result in inaccurate loan impairment computations. • We have identified a risk that loans and advances that have met the Bank's policy on default criteria and therefore should move to Stage 2 (lifetime expected credit losses staging bucket) or Stage 3 (lifetime expected credit losses staging bucket) have not been appropriately identified and thus the ECL determined may have been misstated. The assumption with the most significant impact on the cash flow forecast was determining the staging of financial assets of the Company. Inappropriate staging may have a significant impact on the provision for expected credit loss. Expected credit losses is considered to be a key audit matter due to the level of significant judgement applied by management in its determination and the increased uncertainty related to the impact of local economic challenges.	We performed the following procedures with the assistance of our credit specialists: • Obtained an understanding of management's processes around the measurement of the ECL including management's modelling methodology and incorporation of assumptions. • Evaluated the design and tested the implementation of relevant controls relating to the determination of changes in credit risk i.e., significant increases in credit risk and default criteria. • Reviewed the appropriateness of management judgements/assumptions used in the determination of the appropriateness of staging of loans. • Assessed conformity of management's ECL policy with the Bank of Ghana's regulatory directives (including current guidance) and IFRS Accounting Standards. • Evaluated the ongoing impact of the current macro-economic conditions on changes in credit risk. • Evaluated whether the staging used in the final ECL model appropriately reflects the determined staging buckets and all relevant considerations. • Based on an audit sample, agreed the input data (for example days past due) to underlying audit evidence including loan systems data and loan documentation. • Evaluated management's calculation of the ECL for arithmetical accuracy. • Evaluated the disclosures made with respect to staging of ECL are appropriate within the context of the Bank and current circumstances. Based on the procedures described above, we found management's estimate to be reasonable.

Deloitte.

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of CalBank PLC

Other Information

The directors are responsible for the other information. The other information comprises the five-year consolidated financial summary, corporate information, board of directors' profile, profile of executive management, report of the Directors, the Chairman's report, Managing director's report, corporate governance report, risk management declaration, sustainability report, twenty largest shareholders, value added statements, which we obtained prior to the date of this report. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

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

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

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

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of CalBank PLC

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

2. In our opinion:
    - proper books of accounts have been kept by the Group, so far as appears from our examination of those books.

    - the information and explanations given to us, were in the manner required by the Companies Act, 2019 (Act 992) and give a true and fair view of the:

        a. statement of financial position of the Group at the end of the financial year, and
        b. statement of profit or loss and other comprehensive income for the financial year.

Deloitte.

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of CalBank PLC

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

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

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

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

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

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

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

3. We confirm that the transactions of the Group 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), as amended by the Anti-Money Laundering (Amendment) Act, 2014 (Act 874), the Anti-Terrorism Act, 2008 (Act 762) and Regulations made under these enactments.

5. Except as disclosed in Note 35 and Note 7.6 and Note 7.7 to the financial statements, the Bank has generally complied with the provisions of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

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

The engagement partner on the audit resulting in this independent auditor's report is **Abena Biney (ICAG/P/1508).**

Deloitte & Touche.

For and on behalf of Deloitte & Touche (ICAG/F/2025/129)
Chartered Accountants
The Deloitte Place, Plot No.71
Off George Walker Bush Highway
North Dzorwulu
Accra Ghana

19th February **...2025**

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER

in thousands of Ghana Cedis		2024		2023	
	Note	**Bank**	**Group**	**Bank**	**Group**
Interest income calculated using the effective interest method	11	930,509	933,865	1,094,092	1,098,912
Interest expense calculated using the effective interest method	11	(478,514)	(478,514)	(558,735)	(557,577)
Net interest income		**451,995**	**455,351**	**535,357**	**541,335**
Fees and commission income	12	223,849	223,849	126,360	142,694
Fees and commission expense	12	(44,259)	(44,259)	(27,405)	(27,415)
Net fees and commission income		**179,590**	**179,590**	**98,955**	**115,279**
Net trading income	13	90,174	90,523	176,807	176,807
Revenue		**721,759**	**725,464**	**811,119**	**833,421**
Other (loss)/income	14	51,617	77,047	(277)	(707)
Operating income		**773,376**	**802,511**	**810,842**	**832,714**
Net impairment gain (loss) on financial instruments	24(c)	192,804	193,175	(1,229,498)	(1,228,901)
Personnel expenses	15	(219,107)	(225,507)	(170,495)	(175,309)
Depreciation and amortisation	28(b)	(58,763)	(59,005)	(54,097)	(54,305)
Finance cost on lease liabilities	33(b)	(4,801)	(4,801)	(4,651)	(4,651)
Other expenses	16	(287,361)	(292,215)	(311,944)	(315,746)
Total operating expenses		**(570,032)**	**(581,528)**	**(541,187)**	**(550,011)**
Profit (Loss) before tax		**396,148**	**414,158**	**(959,843)**	**(946,198)**
Income tax	17(a)	(139,755)	(146,438)	279,565	275,130
Profit (Loss) for the year		**256,393**	**267,720**	**(680,278)**	**(671,068)**
Other comprehensive income					
Items that will not be reclassified to profit or loss:					
Remeasurement of employee benefit	35(e)	-	-	(1,134)	(1,159)
"Other comprehensive loss/income, net of tax"		**-**	**-**	**(1,134)**	**(1,159)**
Total comprehensive Profit (Loss)		**256,393**	**267,720**	**(681,412)**	**(672,227)**
Earnings per share (Ghana cedis per share)	18	0.3002	0.3135	(1.0858)	(1.0711)
Basic earnings per share					
Diluted earnings per share	18	0.2920	0.3049	(1.0858)	(1.0711)

The notes on pages 71 - 163 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER

In thousands of ghana cedis		2024		2023	
	Note	**Bank**	**Group**	**Bank**	**Group**
Assets					
Cash and cash equivalents	20	2,808,619	2,808,619	2,320,963	2,320,963
Non-pledged trading assets	23	13	13	77,812	77,812
Investment securities	21	4,876,244	4,905,669	2,982,682	3,008,369
Loans and advances to customers	24	2,101,996	2,101,996	2,754,779	2,754,779
Investment in subsidiaries	25	3,540	-	3,540	-
Current tax assets	17(c)	87,112	86,273	41,485	40,873
Property, plant and equipment	28	570,143	570,687	637,653	637,830
Intangible assets	29	81,062	81,886	80,340	81,328
Right-of-use assets	33(a)	60,700	60,700	75,161	75,161
Deferred tax assets	27	585,852	587,710	666,124	668,233
Other assets	26	483,413	485,244	228,894	234,498
Total Assets		**11,658,694**	**11,688,797**	**9,869,433**	**9,899,846**
Liabilities					
Deposits from banks and other financial institutions	30	255,166	226,138	555,001	539,747
Deposits from customers	31	9,431,527	9,431,527	6,945,627	6,945,627
Borrowings	32	1,537,162	1,537,162	1,292,718	1,292,718
Lease liabilities	33(b)	75,349	75,349	68,188	68,188
Other liabilities	34	142,154	146,057	1,192,802	1,194,568
Total liabilities		**11,441,358**	**11,416,233**	**10,054,336**	**10,040,848**
Shareholders' equity					
Stated capital	35(a)	545,846	545,846	400,000	400,000
Retained earnings	35(f)	(1,209,108)	(1,153,939)	(1,202,955)	(1,159,113)
Revaluation reserve	35(c)	227,085	227,085	227,085	227,085
Statutory reserve	35(b)	458,003	458,003	393,905	393,905
Credit risk reserve	35(d)	198,448	198,448	-	-
Other reserves	35(e)	(2,938)	(2,879)	(2,938)	(2,879)
Total shareholders' equity		**217,336**	**272,564**	**(184,903)**	**(141,002)**
Total equity and liabilities		**11,658,694**	**11,688,797**	**9,869,433**	**9,899,846**

The financial statements were approved by the board of directors on 18 February 2025 and signed on their behalf by:

Signed

Carl Selasi Asem
Director
18 February 2025

Signed

Joe Rexford Mensah
Director
18 February 2025

The notes on pages 71 - 163 are an integral part of these financial statements.

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

2024 Bank *in thousands of Ghana Cedis*	Note	Stated Capital	Retained Earnings	Revaluation Reserve	Statutory Reserve	Credit Risk Reserve	Other Reserves	Total
Balance at 1 January		400,000	(1,202,955)	227,085	393,905	-	(2,938)	(184,903)
Profit for the year	35(f)	-	256,393	-	-	-	-	256,393
Other comprehensive net of tax								
Transaction with equity holders								
Issue of shares		145,846	-	-	-	-	-	145,846
Transfers								
Transfer to Statutory reserves		-	(64,098)	-	64,098	-	-	-
Transfer to credit risk reserve		-	(198,448)	-	-	198,448	-	-
Balance at 31 December		**545,846**	**(1,209,108)**	**227,085**	**458,003**	**198,448**	**(2,938)**	**217,336**

2024 Group *in thousands of Ghana Cedis*	Note	Stated Capital	Retained Earnings	Revaluation Reserve	Statutory Reserve	Credit Risk Reserve	Other Reserves	Total
Balance at 1 January		400,000	(1,159,113)	227,085	393,905	-	(2,879)	(141,002)
Profit for the year	35(f)	-	267,720	-	-	-	-	267,720
Other comprehensive net of tax								
Transaction with equity holders								
Issue of shares		145,846	-	-	-	-	-	145,846
Transfers								
Transfer to Statutory reserves		-	(64,098)	-	64,098	-	-	-
Transfer to credit risk reserve		-	(198,448)	-	-	198,448	-	-
Balance at 31 December		**545,846**	**(1,153,939)**	**227,085**	**458,003**	**198,448**	**(2,879)**	**272,564**

The notes on pages 71 - 163 are an integral part of these financial statements.

Consolidated Statement of Changes in Equity (Continued)

2023 Bank *in thousands of Ghana Cedis*	**Note**	**Stated Capital**	**Retained Earnings**	**Revaluation Reserve**	**Statutory Reserve**	**Credit Risk Reserve**	**Other Reserves**	**Total**
Balance at 1 January		400,000	(522,677)	227,085	393,905	-	(1,804)	496,509
Profit for the year	35(f)	-	(680,278)	-	-	-	-	(680,278)
Other comprehensive net of tax								**-**
Remeasurement of long-term employment benefit		-	-	-	-	-	(1,134)	(1,134)
Balance at 31 December		**400,000**	**(1,202,955)**	**227,085**	**393,905**	**-**	**(2,938)**	**(184,903)**

2023 Group *in thousands of Ghana Cedis*	**Note**	**Stated Capital**	**Retained Earnings**	**Revaluation Reserve**	**Statutory Reserve**	**Credit Risk Reserve**	**Other Reserves**	**Total**
Balance at 1 January		400,000	(488,045)	227,085	393,905	-	(1,720)	531,225
Loss for the year	35(f)	-	(671,068)	-	-	-	-	(671,068)
Other comprehensive net of tax								
Remeasurement of long-term employment benefit		-	-	-	-	-	(1,159)	(1,159)
Balance at 31 December		**400,000**	**(1,159,113)**	**227,085**	**393,905**	**-**	**(2,879)**	**(141,002)**

The notes on pages 71 - 163 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER

in thousands of Ghana Cedis		2024		2023	
	Note	**Bank**	**Group**	**Bank**	**Group**
Cash from operating activities					
Profit (Loss) for the year		**256,393**	**267,720**	**(680,278)**	**(671,068)**
Adjustments for:					
Depreciation and amortisation	28(b)	58,763	59,005	54,097	54,305
Net impairment loss on financial instruments	24(c)	(192,804)	(193,175)	1,229,498	1,228,901
Net interest income	11	(451,995)	(455,351)	(535,357)	(541,335)
Income tax	17(a)	139,755	146,438	(279,565)	(275,130)
Unrealised exchange loss		8,115	8,115	11,088	11,088
(Profit)Loss from disposal of property and equipment	28(c)	(38,911)	(38,911)	2,032	2,032
Finance cost on lease liabilities	33(b)	4,801	4,801	4,651	4,651
Cash used in operations before changes in operating assets and liabilities		**(215,883)**	**(201,358)**	**(193,834)**	**(186,556)**
Changes in:					
Non-pledged trading assets		77,799	77,799	30,811	30,811
Loans and advances to customers		990,545	990,545	(895,837)	(895,837)
Other assets		(214,432)	(210,659)	(105,626)	(102,778)
Deposit from banks and other financial institutions		(298,819)	(312,595)	(59,828)	(71,010)
Deposits from customers		2,486,295	2,486,295	895,795	895,795
Other liabilities		(1,050,752)	(1,048,615)	886,063	887,173
Cash generated by operating activities		**1,990,636**	**1,982,770**	**751,378**	**744,154**
Interest received		927,693	931,049	1,135,016	1,139,790
Interest paid		(496,284)	(496,284)	(632,440)	(631,315)
Finance charge on lease liability paid		-	-	(3,409)	(3,409)
Income taxes paid	17(c)	(105,110)	(111,315)	(46,460)	(50,770)
Net cash flows from operating activities		**2,101,052**	**2,104,862**	**1,010,251**	**1,011,894**
Cash flows from investing activities					
Redemption of investment securities		1,114,648	1,111,281	991,883	991,896
Purchase of Investment securities		(3,131,703)	(3,131,703)	(1,299,243)	(1,300,527)
Acquisition of property and equipment	28(a)	(1,615)	(2,060)	(53,390)	(53,518)
Proceeds from disposal of property and equipment	28(c)	32,155	32,155	2,987	2,987
Acquisition of intangible assets	29	(9,115)	(9,115)	(6,933)	(7,180)
Net cash flows (used in)/from investing activities		**(1,995,630)**	**(1,999,442)**	**(364,696)**	**(366,342)**
Cash flows from financing activities					
Proceeds from Share issue		145,846	145,846	-	-
Proceeds from borrowings	32	39,846,108	39,846,108	173,308	173,308
Repayment of borrowings	32	(39,606,715)	(39,606,715)	(491,540)	(491,540)
Principal payment of lease liabilities	33(d)	(1,380)	(1,380)	(12,597)	(12,597)
Interest payment of lease liabilities	33(d)	(4,801)	(4,801)	(4,651)	(4,651)
Net cash flows used in financing activities		**379,058**	**379,058**	**(335,480)**	**(335,480)**
Net increase in cash and cash equivalents		**484,480**	**484,478**	**310,075**	**310,072**
Cash and cash equivalents at 1 January		2,320,963	2,320,963	2,008,870	2,008,870
Effect of exchange rate fluctuations on cash and cash equivalents held		3,176	3,178	2,018	2,021
Cash and cash equivalents at 31 December	**20**	**2,808,619**	**2,808,619**	**2,320,963**	**2,320,963**

The notes on pages 71 - 163 are an integral part of these financial statements.

(All currency amounts in the notes are in thousands of Ghana Cedis unless otherwise stated)

1. REPORTING ENTITY

CalBank PLC, (the "Bank") is a Bank incorporated in Ghana. The address and registered office of the Bank can be found on page 4 of the financial statement. The Bank operates with a Universal Banking license that allows it to undertake Banking and related activities. The Group is also involved in the provision of asset management services. The financial statements for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the directors on 13 February 2025.

The Bank is listed on the Ghana Stock Exchange (GSE).

2. BASIS OF PREPARATION

2.1. Statement of compliance

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

2.2. BASIS OF MEASUREMENT

The financial statements have been prepared on a historical cost basis, except for the following items, which are measured on the following alternative basis on each reporting date

- Financial instruments at fair value
- Leasehold land and buildings carried at their revalued amounts
- Defined benefit obligations and other long term benefits are measured at the present value of the future benefit to employees

2.3. FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in Ghana Cedis, which is the currency of the primary economic environment in which the Bank operates (functional currency). All amounts have been rounded to the nearest thousand, unless otherwise indicated.

2.4. USE OF ESTIMATES AND JUDGEMENT

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgment, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. In the current year, estimates and judgements were made on financial liabilities on employee benefits and expected credit losses on financial assets.

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 judgement about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively. Refer to note 4.19.3 for estimates relating to the useful life of items of property plant and equipment, note 7.2.7 for estimates and assumptions relating to expected credit loss on financial assets, note 10.3 for assumptions on fair value hierarchy and note 34 for actuarial assumptions on employment benefit liability.

2.5. INFORMATION ABOUT SIGNIFICANT ESTIMATION, UNCERTAINTY AND CRITICAL JUDGEMENTS

Accounting policies, estimates and judgements that have the most significant effect on the amounts recognised in the financial statement are described in note 8.

2.6. PRESENTATION OF FINANCIAL STATEMENTS
The Group and Bank presents its statement of financial position in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented.

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liability simultaneously. Income and expenses are not offset in profit or loss unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Group and Bank.

3. CHANGES IN ACCOUNTING POLICIES
There were amendments to IFRSs and new IFRSs which became effective from 1 January 2024 but do not have a material effect on the Group's financial statements. Information about the changes are presented in note 5.

4. MATERIAL ACCOUNTING POLICIES
The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities except if mentioned otherwise.

4.1. BASIS OF CONSOLIDATION

4.1.1. BUSINESS COMBINATIONS
The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group.

In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs. The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

4.1.2. SUBSIDIARIES
'Subsidiaries' are entities controlled by the Group. The Group 'controls' an entity if it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group reassesses whether it has control if there are changes to one or more of the elements of control. This includes circumstances in which protective rights held (e.g. those resulting from a lending relationship) become substantive and lead to the Group having power over an investee. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

4.1.3 LOSS OF CONTROLS

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

4.1.4 TRANSACTIONS ELIMINATED ON CONSOLIDATION

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

4.1.5 FUNDS MANAGEMENT

The Group manages and administers assets held in unit trust or other investment vehicles on behalf of investors. The financial statements of these entities are not included in these consolidated and separate financial statements. Information about the group's fund management activities are set out in note 36(d).

4.2 FOREIGN CURRENCY

Foreign currency transactions and end of day balances are translated into the functional currency using the published average interbank exchange rates by the Bank of Ghana prevailing at the dates of the respective transactions. Group entities foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in profit or loss. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the spot exchange rate at the date on which the fair value is determined. Non-monetary items that are measured based on historical cost in foreign currency are translated using spot rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the spot rate of exchange at the reporting date.

4.3 RECOGNITION OF INTEREST INCOME

4.3.1 EFFECTIVE INTEREST RATE

Interest income and expense are recognised in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired assets, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not ECL. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including ECL.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

4.3.2 AMORTISED COST AND GROSS CARRYING AMOUNT

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance. The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

4.3.3 INTEREST AND SIMILAR INCOME

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

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Bank calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Bank reverts to calculating interest income on a gross basis.

For purchased or originated credit-impaired (POCI) financial assets the Bank calculates interest income by calculating the credit adjusted EIR and applying that rate to the amortised cost of the asset. The credit-adjusted EIR is the interest rate that, at original recognition, discounts the estimated future cash flows (including credit losses) to the amortised cost of the POCI assets. If the financial assets cures and is no longer originated credit-impaired, the Bank reverts to calculating interest income on a gross basis.

Interest income on all trading assets and financial assets mandatorily required to be measured at FVPL is recognised using the contractual interest rate in net trading income.

4.4 FEES AND COMMISSIONS

Fees and commission income and expenses that are an integral part of the effective interest rate on financial instruments are included in the measurement of the effective interest rate.

Other fees and commission income, including account servicing fees, investment management fees, sales commission, placement and arrangement fees and syndication fees are recognised as the related services are performed.

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

4.5 NET TRADING INCOME

Income arises from the margins which are achieved through market-making and customer business and from changes in market value caused by movements in interest and exchange rates, equity prices and other market variables. Trading positions are held at fair value and the resulting gains and losses are included in profit or loss, together with interest and dividends arising from long and short positions and funding costs relating to trading activities.

4.6 DIVIDENDS

Dividend income is recognised when the right to receive income is established. Dividends are reflected as a component of other operating income. Dividend payable is recognised as a liability in the period in which they are declared.

4.7 OTHER OPERATING INCOME

Other operating income comprises other income including dividends, profit on disposal of property and equipment, and other sundry income.

4.8 INCOME TAX EXPENSE

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in other comprehensive income (OCI) or equity, in which case it is recognised in OCI or equity.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore has accounted for them under IAS 37 Provisions, Contingent Liabilities and Contingent Assets, and has recognised the related expenses in 'other expenses'.

4.8.1 CURRENT TAX

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable or receivable in respect of previous years. The amount of current tax payable or receivable Is the best estimate of the tax amount expected to be paid or received that reflects uncertainty to income taxes, if any. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

4.8.2 DEFERRED TAX

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences, except:

i. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

ii. In respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

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

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

These exceptions are subsequently reclassified from OCI to the income statement together with the respective deferred loss or gain. The Group also recognises the tax consequences of payments and issuing costs, related to financial instruments that are classified as equity, directly in equity. The Group only off-sets its deferred tax assets against liabilities when there is both a legal right to offset its current tax assets and liabilities and it is the Group’s intention to settle on a net basis.

4.8.3 LEVIES AND SIMILAR CHARGES

The Group recognises the liability arising from levies and similar charges when it becomes legally enforceable

4.9 FINANCIAL ASSETS AND LIABILITIES

4.9.1 DATE OF RECOGNITION

Financial assets and liabilities, with the exception of loans and advances to customers and deposit from customers, banks and other financial institutions are initially recognised on the trade date, i.e., the date that the Bank becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Loans and advances to customers are recognised when funds are transferred to the customers’ accounts. The Bank recognises deposit from customers, banks and other financial institutions when funds are transferred to the Group.

4.9.2 INITIAL MEASUREMENT OF FINANCIAL INSTRUMENTS
Financial asset or liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. When the fair value of financial instruments at initial recognition differs from the transaction price, the Group accounts for the Day 1 gain or loss, as described below.

4.9.3 DAY 1 GAIN OR LOSS
When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Bank recognises the difference between the transaction price and fair value in net trading income. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

4.9.4 CLASSIFICATION AND MEASUREMENT CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES
The Group classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:
- Amortised cost.
- Fair Value through Profit or Loss (FVTPL).

The Group may designate financial instruments at FVTPL, if so doing eliminates or significantly reduces measurement or recognition inconsistencies, as explained in note 4.9.9.

Financial liabilities, other than loan commitments and financial guarantees, are measured at amortised cost or at FVTPL when they are held for trading and derivative instruments or the fair value designation is applied, as explained in note 4.9.9.

4.9.5 LOANS AND ADVANCES TO CUSTOMERS, FINANCIAL INVESTMENTS AT AMORTISED COST
The Group only measures due from banks, loans and advances to customers and other financial investments at amortised cost if both of the following conditions are met:
- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. The details of these conditions are outlined below:

(a) Business model assessment
The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:
- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and; in particular, the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Group's assessment

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

(b) The SPPI test

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

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

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

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

4.9.6 FINANCIAL ASSETS OR FINANCIAL LIABILITIES HELD FOR TRADING

The Group classifies financial assets or financial liabilities as held for trading when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking. Held-for-trading assets and liabilities are recorded and measured in the statement of financial position at fair value. Changes in fair value are recognised in net trading income. Interest and dividend income or expense is recorded in net trading income according to the terms of the contract, or when the right to payment has been established.

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

4.9.7 FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets and financial liabilities in this category are those that are held for trading and are mandatorily required to be measured at fair value under IFRS 9.

Financial assets and financial liabilities at FVTPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit or loss.

4.9.8 FINANCIAL GUARANTEES, LETTERS OF CREDIT AND UNDRAWN LOAN COMMITMENTS

Financial guarantees are contracts that require the Group to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument.

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

Loan commitments are firm commitments to provide credit under pre-specified terms and conditions.

Financial guarantees issued or commitments to provide a loan at a below-market interest rate are initially measured at fair value. Subsequently, they are measured at the higher of the loss allowance determined in accordance with IFRS 9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15. Other loan commitments issued are measured at the sum of

- (i) the loss allowance determined in accordance with IFRS 9 and
- (ii) the amount of any fees received, less, if the commitment is unlikely to result in a specific lending arrangement, the cumulative amount of income recognised.

Derecognition policies in note 4.11 are applied to loan commitments issued and held.
The Group has issued no loan commitments that are measured at FVTPL.
Liabilities arising from financial guarantees and loan commitments are included within other liabilities.

4.10 RECLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES
The Group may reclassify its financial assets subsequent to their initial recognition subject to a business model assessment. Financial liabilities are never reclassified by the Group.

4.11 DERECOGNITION OF FINANCIAL ASSETS AND LIABILITIES

4.11.1 DERECOGNITION DUE TO SUBSTANTIAL MODIFICATION OF TERMS AND CONDITIONS
When assessing whether or not to derecognise a financial asset amongst others, the Group considers the following factors:
- Change in currency of the financial asset
- Introduction of an equity feature
- Change in counterparty
- If the modification is such that the instrument would no longer meet the SPPI criterion
- Modification of contractual terms

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Group records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

4.11.2 DERECOGNITION OTHER THAN FOR SUBSTANTIAL MODIFICATION
(a) Financial assets
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Group also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Group has transferred the financial asset if, and only if, either:
- The Group has transferred its contractual rights to receive cash flows from the financial asset or;
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement

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

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

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

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

If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the continuing involvement is measured at the value the Group would be required to pay upon repurchase.

(b) Financial liabilities

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

(c) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS Accounting Standards, or for gains and losses arising from a group of similar transactions such as in the Group's trading activity.

4.11.3 MODIFICATIONS OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(a) Financial assets

If the terms of a financial asset are modified, then the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised (see note4.11) and a new financial asset is recognised at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows: fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset; and other fees are included in profit or loss as part of the gain or loss on derecognition.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the Group plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place (see write-off policy - note 7.2.14). This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

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

If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income calculated using the effective interest rate method.

The Group derecognises a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new financial asset, with the difference recognised as a derecognition gain or loss, to the extent that an impairment/modification loss has not already been recorded.

(b) Financial liabilities

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

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

4.12 IMPAIRMENT OF FINANCIAL ASSETS

4.12.1 OVERVIEW OF THE ECL PRINCIPLES

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

The ECL allowance is based on the credit losses expected to arise over the life of the asset, the lifetime expected credit loss (LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12m ECL) as outlined in note 4.12.2. The Group's policies for determining if there has been a significant increase in credit risk are set out in note 7.

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

Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Group groups its financial assets into Stage 1, Stage 2, Stage 3 and POCI, as described below:

- Stage 1: When financial assets are first recognised, the Group recognises an allowance based on 12m ECLs. Financial assets that have not undergone a significant increase in credit risk since initial recognition and are not credit-impaired are also included in stage 1. Stage 1 financial assets also include facilities where the credit risk has improved and the financial assets has been reclassified from Stage 2.
- Stage 2: When a financial asset has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. Stage 2 financial assets also include facilities, where the credit risk has improved and the financial asset has been reclassified from Stage 3 after a curing period of 6 months.
- Stage 3: Financial assets considered credit-impaired. The Group records an allowance for the LTECLs.
- POCI: Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognised based on a credit adjusted EIR. ECLs are only recognised or released to the extent that there is a subsequent change in the expected credit losses.

For financial assets for which the Group has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset or the irrecoverable portion is written off.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired (referred to as 'Stage 3 financial assets'). A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, loans that are overdue for 90 days or more is considered credit-impaired subject to other qualitative considerations. In making an assessment of whether an investment in sovereign debt is credit-impaired, the Bank considers the following factors.

- The market's assessment of creditworthiness as reflected in bond yields.
- The rating agencies' assessments of creditworthiness.
- The country's ability to access the capital markets for new dent issuance.
- The probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness.
- The international support mechanisms in place to provide the necessary support as 'lender of last resort' to the country, as well as the intention, reflected in public statements, of governments and agencies to use those mechanisms. This includes an assessment of the depth of those mechanisms and, irrespective of the political intent, whether there is the capacity to fulfil the required criteria.

4.12.2 THE CALCULATION OF ECLS

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

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

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

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

With the exception of other revolving facilities, the maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Group has the legal right to call it earlier. Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

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

The Group'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 Group's internal credit grading model, which assigns PDs to the individual grades
- The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis. The segments are based on business and products.
- 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

The mechanics of the ECL method are summarised below:

- **Stage 1:** The 12M ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the financial statement 12 months after the reporting date. The Group calculates the 12M ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12- month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR. This calculation is made for each of the three scenarios, as explained above.
- **Stage 2:** When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR
- **Stage 3:** For loans considered credit-impaired the Group recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.
- **Loan commitments and letters of credit:** When estimating LTECLs for undrawn loan commitments, the Group estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down, based on a probability weighting of the three scenarios. The expected cash shortfalls are discounted at the effective interest rate or an approximation, thereof, that will be applied to the financial asset resulting from the loan commitment. ECLs are calculated and presented together with the loan. For loan commitments and letters of credit, the ECL is recognised within provisions presented in other liabilities..
- **Financial guarantee contracts:** The Group's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the profit or loss, and the ECL provision. For this purpose, the Group estimates ECLs based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs The shortfalls are discounted by the risk-adjusted interest rate relevant to the exposure. The calculation is made using a probability weighting of the three scenarios. The ECLs related to financial guarantee contracts are recognised within other liabilities.

4.12.3 FORWARD LOOKING INFORMATION

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

- GDP growth
- Unemployment rates
- Exchange rates
- Central Bank policy rates
- Consumer price indices
- Interest rates

The inputs and models used for calculating ECLs 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.

There have been no changes to the estimation techniques or significant assumptions throughout the reporting period. The methodologies and underlying assumptions have remained consistent with our risk management practices.

4.12.4 RESTRUCTURED FINANCIAL ASSETS

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised and ECL are measured as follows.

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

4.13 COLLATERAL VALUATION

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on the Group's statement of financial position. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a quarterly basis. However, some collateral, for example, cash or securities relating to margining requirements, is valued daily. Collateral valuations are performed at inception of the credit facility and revaluation of the collateral is performed every three years.

To the extent possible, the Group uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as real estate, is valued by licensed professional property valuers.

4.14 COLLATERAL REPOSSESSED

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

In its normal course of business, the Group does not physically repossess properties or other assets in its retail portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the residential properties under legal repossession processes are not recorded on the statement of financial position.

4.15 WRITE-OFF POLICY

Loans and debt securities are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Group 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. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are recognised when cash is received and are included in 'net impairment loss on financial assets' in profit or loss.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

All credit facility write-offs shall require endorsement by the Board of Directors and the Bank of Ghana.

4.16 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand, cash and balances with the Central Bank of Ghana, bank balance held with other banks adjusted for reconciling items (if any) and highly liquid financial assets with original maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Bank in the management of its short term commitments.

Cash and cash equivalents are carried at amortised cost in the statement of financial position.

4.17 TRADING ASSETS AND LIABILITIES

'Trading assets and liabilities' are those assets and liabilities that the Group acquires or incurs principally for the purpose of selling or repurchasing in the near term, or holds as part of a portfolio that is managed together for short-term profit or position taking.

Trading assets and liabilities are initially recognised and subsequently measured at fair value in the statement of financial position, with transaction costs recognised in profit or loss. All changes in fair value are recognised as part of net trading income in profit or loss.

4.18 INVESTMENT SECURITIES

This comprises investments in short-term, medium term, and long term investments in Government and other securities such as open market operations (OMO) instruments, treasury bills and bonds. Investments in securities are categorised as FVTPL or Amortised cost.

Debt investment securities measured at amortised cost

These are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method. Assets that are held for collection of contractual cash flows where those cash flows represents solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method. The amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

Debt and/or equity investment securities mandatorily measured at FVTPL

These are at fair value with changes recognised immediately in profit or loss.

4.19 PROPERTY AND EQUIPMENT

4.19.1 RECOGNITION AND MEASUREMENT

Land and building are measured at revalued amounts less accumulated depreciation and any impairment losses. Other items of property and equipments are carried cost less accumulated depreciation and impairment losses

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour and any other costs directly attributable to bringing the asset to a working condition for intended use. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of Property and Equipment.

The Group owns landed properties that are revalued every three years. Increases in the carrying amount arising on revaluation are credited to revaluation reserves. Decreases that offset previous increases of the same asset are charged against the revaluation reserves.

Increases in the carrying amount arising on revaluation of buildings are credited to other comprehensive income and shown as revaluation reserve in the equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against revaluation reserve directly in equity; all other decreases are charged to the profit or loss.

The revaluation surplus included in equity in respect of an item of property and equipment is transferred directly to retained earnings when the asset is derecognised. This may involve transferring the whole of the surplus when the asset is retired or disposed of.

4.19.2 SUBSEQUENT COSTS

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

4.19.3 DEPRECIATION

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment.

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

Leasehold Buildings	-	20	to	50 years
Motor Vehicles	-	5	to	7 years
Equipment	-	5	to	10 years
Furniture and fittings	-	5	to	7 years

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

4.19.4 DERECOGNITION

Property and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in 'Other operating income' in profit or loss in the year the asset is derecognised.

4.19.5 CAPITAL WORK IN PROGRESS

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

4.20 INTANGIBLE ASSETS

4.20.1 COMPUTER SOFTWARE

Software acquired by the Group is measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The estimated useful life of software is ten years. Intangible assets not yet available for use are not amortised. They are tested for impairment annually irrespective of whether there is an indication of impairment.

4.21 ASSETS HELD FOR SALE

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to, financial assets, deferred tax assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property and equipment are no longer amortised or depreciated, and any equity accounted investee is no longer equity accounted.

4.22 DEPOSITS, DEBT SECURITIES IN ISSUE AND BORROWINGS

Deposits, debt securities in issue and borrowings are the Group's source of debt funding. This is mainly made up of customer deposit accounts, overnight placements by banks and other financial institutions and medium term borrowings. They are categorised as other financial liabilities measured in the statement of financial position at amortised cost.

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR. A compound financial instrument which contains both a liability and an equity component is separated at the issue date.

4.23 PROVISIONS/CONTINGENT LIABILITIES

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is uncertain or cannot be reliably measured. Contingent liabilities are not recognised but are disclosed unless they are remote.

4.24 EMPLOYEE BENEFITS

4.24.1 DEFINED CONTRIBUTION PLANS

Obligations for contributions to defined contribution pension plans are recognised as an expense in profit or loss as the related service is provided.

Social Security and National Insurance Trust

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

For defined contribution schemes, the Group recognises contributions due in respect of the accounting period in profit or loss. Any contributions unpaid at the reporting date are included as a liability.

Savings Scheme

The Group also contributes 12.5% of the basic salary of employees to a savings scheme. The Group's obligation is limited to the contributions made to the savings scheme.

4.24.2 TERMINATION BENEFITS

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognised if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably..

4.24.3 SHORT-TERM BENEFITS

Short-term employee benefits, such as salaries, paid absences, and other benefits, are accounted for on an accruals basis over the period which employees have provided services in the year.

All expenses related to employee benefits are recognised in profit or loss as part of personnel expenses.

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

4.24.4 OTHER LONG-TERM EMPLOYEE BENEFITS

The Group's net obligation in respect of other long-term employee benefits is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and any unrecognised past service costs. The discount rate is the yield at the reporting date on a long-dated instrument on the Ghana market. The calculation is performed using the projected unit credit method. Changes in the fair value of the plan liabilities are recognised in profit or loss.

4.24.5 DEFINED BENEFIT PLAN

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

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in personnel expenses in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement is due.

4.25 IMPAIRMENT ON NON-FINANCIAL ASSETS

The carrying amount of the Group's non-financial assets other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. Impairment losses are recognised in profit or loss. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4.26 SHARE CAPITAL

4.26.1 SHARE ISSUE COSTS
Proceeds from issue of equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options or the acquisition of a business are shown in equity as a deduction, net of tax, from the proceeds.

4.26.2 DIVIDENDS ON EQUITY SHARES
Dividends on equity shares are recognised in equity in the period in which they are approved by the shareholders.

4.26.3 TREASURY SHARES
Where the Company or any member of the Group purchases the Company's shares, the consideration paid is deducted from shareholders' equity as treasury shares. Where such shares are subsequently sold or reissued, any consideration received is credited to shareholders equity. No gains or losses are recognised in profit or loss on any purchase, sale, issue or cancellation of own equity instruments, or in respect of any changes in the value of treasury share.

4.27 SEGMENT REPORTING
Segment results that are reported to the Group's CEO include items that are directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Bank's headquarters), head office expenses and tax assets and liabilities.
An operating segment is a component of an entity:

- that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity)
- whose operating results are reviewed regularly by the entity's senior management to make decisions about resources to be allocated to the segment and assess its performance and
- for which discrete financial information is available

4.28 EARNINGS PER SHARE
The Group presents basic and diluted earnings per share (EPS) data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the weighted average number of equity shares outstanding during the period. The Bank has no convertible notes and share options, which could potentially dilute its EPS and therefore the Group's Basic and diluted EPS are essentially the same.

4.29 LEASES

4.29.1 THE GROUP AS A LESSEE
The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

4.29.2 INITIAL RECOGNITION AND MEASUREMENT
At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The right-of-use asset is initially measured at cost, comprising the initial amount of lease liability adjusted for any lease payment made at or prior to commencement date, plus any initial direct cost plus estimate of the cost to dismantle and remove any improvement made to branches or office premise less any lease incentives received. However, the lease liability is measured as the present value of outstanding lease payments (both fixed and variable payments), residual value guarantees, exercise price of purchase options and termination benefits if any. The discount rate used is the interest rate implicit in the lease. Where this cannot be readily determined the Group's incremental borrowing rate is used. The Group determines its incremental borrowing rate by analysing its borrowing from various external sources and makes certain adjustments to reflect the nature of the lease and type of asset leased.

4.29.3 SUBSEQUENT MEASUREMENT

The right of use asset is subsequently depreciated on a straight line basis from the commencement date to the end of the lease term unless the initial recognition considers the exercise of a purchase option or the lease transfers the ownership of the underlying to the group by the end of the lease term. In which case, the right of use asset is amortized over the useful life of the underlying asset. Additionally, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

Lease liability is subsequently measured at amortized cost using the effective interest method. It is re-measured when there is a change in the original assessment of the lease term, a change in the estimate of residual guarantee or a change in index or rate affecting payments or a change in the fixed lease payment. When the lease liability is re-measured in this way the carrying amount of the right of use asset is adjusted by the same amount or is recorded in profit or loss if the carrying amount of the right of use asset has been reduced to zero.

Both ROU Assets and lease liabilities are presented separately on the face of statement of financial position.

4.29.4 SHORT TERM LEASES AND LOW VALUE LEASES

The group has elected not to recognize right-of-use asset and lease liability for leases of low value assets and short term leases. Lease payments in respect of these lease are recognized as expenses in the profit or loss.

4.30 DERIVATIVES HELD FOR RISK MANAGEMENT PURPOSES

Derivatives held for risk management purposes include all derivative assets and liabilities that are not classified as trading assets or liabilities. Derivatives held for risk management purposes are measured at fair value in the statement of financial position.

4.30.1 OTHER NON-TRADING DERIVATIVES

If a derivative is not held for trading, and is not designated in a qualifying hedge relationship, then all changes in its fair value are recognized immediately in profit or loss as a component of net income from other financial instruments at fair value through profit or loss.

5. ADOPTION OF NEW AND REVISED STANDARDS

5.1.1 NEW AND AMENDED IFRS ACCOUNTING STANDARDS THAT ARE EFFECTIVE FOR THE CURRENT YEAR

In the current year, the group has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

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

The group has adopted the amendments to IAS 1, published in January 2020, for the first time in the current year. The amendments 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 did not have an impact on the group's statement of financial position, which is presented in order of liquidity.

Amendments to IAS 1 — Non-current Liabilities with Covenants

The group has adopted the amendments to IAS 1, published in November 2022, for the first time in the current year. The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date). The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants. The amendments did not have an impact on the group's statement of financial position, which is presented in order of liquidity.

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

The group has adopted the amendments to IAS 7 and IFRS 7 titled Supplier Finance Arrangements for the first time in the current year. The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 is amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

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

The group has adopted the amendments to IFRS 16 for the first time in the current year. The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 Revenue from Contracts with Customers to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date. The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate. As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15 is a lease liability.

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

5.1.2 NEW AND REVISED IFRS ACCOUNTING STANDARDS IN ISSUE BUT NOT YET EFFECTIVE

At the date of authorisation of these financial statements, the group has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective for the financial year under review are disclosed below:

Amendments to IAS 21	Lack of Exchangeability
IFRS 18	Presentation and Disclosures in Financial Statements
IFRS 19	Subsidiaries without Public Accountability: Disclosures

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

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability

The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not. The amendments state that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. An entity assesses whether a currency is exchangeable into another currency at a measurement date and for a specified purpose. If an entity is able to obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, the currency is not exchangeable into the other currency. The assessment of whether a currency is exchangeable into another currency depends on an entity's ability to obtain the other currency and not on its intention or decision to do so.

When a currency is not exchangeable into another currency at a measurement date, an entity is required to estimate the spot exchange rate at that date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions.

The amendments do not specify how an entity estimates the spot exchange rate to meet that objective. An entity can use an observable exchange rate without adjustment or another estimation technique. Examples of an observable exchange rate include:

- a spot exchange rate for a purpose other than that for which an entity assesses exchangeability
- the first exchange rate at which an entity is able to obtain the other currency for the specified purpose after exchangeability of the currency is restored (first subsequent exchange rate).

An entity using another estimation technique may use any observable exchange rate—including rates from exchange transactions in markets or exchange mechanisms that do not create enforceable rights and obligations—and adjust that rate, as necessary, to meet the objective as set out above.

When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, the entity is required to disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments add a new appendix as an integral part of IAS 21. The appendix includes application guidance on the requirements introduced by the amendments. The amendments also add new Illustrative Examples accompanying IAS 21, which illustrate how an entity might apply some of the requirements in hypothetical situations based on the limited facts presented. In addition, the IASB made consequential amendments to IFRS 1 to align with and refer to the revised IAS 21 for assessing exchangeability.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025, with earlier application permitted. An entity is not permitted to apply the amendments retrospectively. Instead, an entity is required to apply the specific transition provisions included in the amendments.

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

IFRS 18 Presentation and Disclosures in Financial Statements

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share. IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation.

An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements.

A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it. An entity is only permitted to apply IFRS 19 if, at the end of the reporting period:

- it is a subsidiary (this includes an intermediate parent)
- it does not have public accountability, and
- its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

A subsidiary has public accountability if:

- its debt or equity instruments are traded in a public market, or it is in the process of issuing such instruments for trading in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets), or
- it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses (for example, banks, credit unions, insurance entities, securities brokers/dealers, mutual funds and investment banks often meet this second criterion).

Eligible entities can apply IFRS 19 in their consolidated, separate or individual financial statements. An eligible intermediate parent that does not apply IFRS 19 in its consolidated financial statements may do so in its separate financial statements. The new standard is effective for reporting periods beginning on or after 1 January 2027 with earlier application permitted. If an entity elects to apply IFRS 19 for a reporting period earlier than the reporting period in which it first applies IFRS 18, it is required to apply a modified set of disclosure requirements set out in an appendix to IFRS 19. If an entity elects to apply IFRS 19 for an annual reporting period before it applied the amendments to IAS 21, it is not required to apply the disclosure requirements in IFRS 19 with regard to Lack of Exchangeability. The directors of the company do not anticipate that IFRS 19 will be applied for purposes of the consolidated financial statements of the group.

6. EVENTS AFTER THE REPORTING DATE

Events subsequent to the statement of financial position date are reflected in the financial statements only to the extent that they relate to the year under consideration and the effect is material. (Refer to note 43)

7. FINANCIAL RISK MANAGEMENT

7.1 INTRODUCTION AND OVERVIEW

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk
- operational risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

7.1.1 RISK MANAGEMENT FRAMEWORK

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Risk Management Committee of the Board assists the Board in carrying out this responsibility. To enable it achieve its purpose, the Committee:

- Reviews and monitors aggregate risk levels in the business and the quality of risk mitigation and controls for all areas of risk to the business
- Makes recommendations to management on areas of improvement
- Informs the Board of progress in implementing improvements.

The Board has also established the Asset and Liability Management Committee (ALCO) and Risk Management Department which are responsible for developing and monitoring risk management policies in their specified areas.

The risk management policies are established to identify and analyse the risks faced by the Group, 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 Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The Audit Committee of the Board is responsible for monitoring compliance with the risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in these functions by Internal Audit and Internal Control Departments. Internal Audit and Internal Control undertake both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

All Board committees are made up of non-executive members, with executives in attendance. The committees report regularly to the Board of Directors on their activities.

7.2 CREDIT RISK

Credit risk is the risk of financial loss to the Group if a customer, related parties or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's loans and advances to customers and other banks and investment securities. For risk management reporting purposes, the Group considers and consolidates all elements of credit risk exposure (such as individual obligor default risk and sector risk).

7.2.1 MANAGEMENT OF CREDIT RISK

The Board of Directors has delegated responsibility for the day-to-day management of credit risk to the risk management Department. The departments report to the Board on a quarterly basis.

These departments' responsibilities includes:

- 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 approving authorities of the group. Larger facilities require approval by the Credit Committee or the Board of Directors as appropriate.
- Reviewing and assessing all credit exposures 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), and by issuer, credit rating band and market liquidity.
- Developing and maintaining risk grading in order to categorise exposures according to the degree of risk of financial loss faced and to focus management on the attendant risks. The risk grading system is used in determining where impairment provisions may be required against specific credit exposures. The current risk grading framework reflects the varying degrees of risk of default and the availability of collateral or other credit risk mitigation. The responsibility for setting risk grades lies with the final approving authority. Risk grades are subject to regular reviews by the Credit department.
- Reviewing compliance of business units with agreed exposure limits, including those for selected industries and product types. Regular reports are provided to loan review committee on the credit quality of loan portfolio and appropriate corrective action is taken.
- Providing advice, guidance and specialist skills to business units to promote best practice throughout in the management of credit risk.
- The Risk Management Department monitors and manages the Group's global credit risk within the risk appetite approved by the Board and sets limits and controls within the Bank's Risk Management Policy statement. It also promotes and supports the development of good credit risk management practices.

Each business unit is required to implement Group credit policies and procedures, as well as reports on all credit related matters to management. Each business unit are responsible for the quality and performance of its credit portfolio and for monitoring and controlling all credit risks in its portfolios.

Regular audits of business units and credit processes are undertaken by Internal Audit.

7.2.2 IMPAIRED LOANS AND SECURITIES

Impaired loans and securities are loans and securities for which it has been determined that it is probable that it will be unable to collect all principal and interest due according to the contractual terms of the loan/securities agreement(s).

7.2.3 PAST DUE BUT NOT IMPAIRED

Loans and securities where contractual interest or principal payments are past due but it is believed that impairment is not appropriate on the basis of the level of security / collateral available and / or the stage of collection of amounts owed.

7.2.4 SIGNIFICANT INCREASE IN CREDIT RISK

The Group 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 months ECL.

Significant increase in credit risk is assessed by comparing the risk of default of an exposure at the reporting date to the risk of default at origination (after taking into account the passage of time). Significant does not mean statistically significant nor is it assessed in the context of changes in expected credit loss. Whether a change in the risk of default is significant or not is assessed using a number of quantitative and qualitative factors, the weight of which depends on the type of product and counterparty. Financial assets that are 30 or more days past due and not credit-impaired will be considered to have experienced a significant increase in credit risk.

The following qualitative factors are considered as indicators that signify a substantial increase in credit risk. Firstly, placing the loan under watch list status is an important factor to consider. Additionally, the classification of the exposure by a

licensed private credit bureau or the credit risk management system is also a significant indicator.
Other factors such as the decline in relevant credit risk drivers for an individual obligor or pool of obligors, the expectation of forbearance or restructuring due to financial difficulties, and the likelihood of full repayment of principal or interest without collateral.

Quantitative factors include an assessment of whether there has been significant increase in the forward-looking probability of default (PD) since origination. A forward-looking PD is one that is adjusted for future economic conditions to the extent these are correlated to changes in credit risk.

7.2.5 DEFINITION OF DEFAULT

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held);
- the borrower is more than 90 days past due on any material credit obligation to the Group. Overdrafts are considered as being past due once the customer has breached an advised limit or been advised of a limit smaller than the current amount outstanding; or
- it is becoming probable that the borrower will restructure the asset as a result of bankruptcy due to the borrower's inability to pay its credit obligations.

In assessing whether a borrower is in default, the Group considers indicators that are:

- qualitative: e.g. breaches of covenant;
- quantitative: e.g. overdue status and non-payment on another obligation of the same issuer to the Group; and based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

7.2.6 INTERNAL CREDIT RISK RATING

In order to minimise credit risk, the Group has tasked its credit department to develop and maintain the Group's credit risk grading to categorise exposures according to their degree of risk of default. The Group's credit risk grading framework comprises eight 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 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.; and
- For corporate exposures: information obtained by periodic review of customer files including audited financial statements review, market data such as prices of credit default swaps (CDS) or quoted bonds where available, changes in the financial sector the customer operates etc.

The Group uses credit risk grades as a primary input into the determination of the term structure of the Probability of Default (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 Group 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, benchmark interest rates and house prices.

The Group generates a 'base case' scenario of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. The Bank then uses these forecasts, which are probability-weighted, to adjust its estimates of PDs.

The Group 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 changes in qualitative factors.

The internal risk grading scale is as follows:

Group's rating	Description of the grade	Average number of days outstanding
Grade A	Current	less than 30 days
Grade B	Other Loans Especially Mentioned (OLEM)	Up to 30 but less than 90 days
Grade C	Sub-standard	Up to 90 days but less than 180 days
Grade D	Doubtful	Up to 180 days less than 360 days
Grade E	Loss	360 days and above

Loan commitments are assessed along with the category of loan the Bank is committed to provide, i.e. commitments to provide mortgages are assessed using similar criteria to mortgage loans, while commitments to provide a corporate loan are assessed using similar criteria to corporate loans.

Irrespective of the outcome of the above assessment, the Group 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 Group has monitoring procedures in place to make sure that the criteria used to identify significant increases in credit risk are effective, meaning that significant increase in credit risk is identified before the exposure is defaulted or when the asset becomes 90 days past due.

The Group 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.

7.2.7 INCORPORATION OF FORWARD-LOOKING INFORMATION

The Group 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 Group formulates three economic scenarios: a base case, which is the central scenario, developed internally based on consensus forecasts, and two less likely scenarios, one upside and one downside scenario. The central scenario is aligned with information used by the Group for other purposes such as strategic planning and budgeting. External information considered includes economic data and forecasts published by governmental bodies, the central bank and selected private-sector and academic forecasts. These forecasts span a period of one year. Specific factors considered in projection are rates, exchange rates and inflation.

The scenario probability weightings applied in measuring ECL are as follows.

	2024			2023		
At 31 December	**Upside**	**Central**	**Downside**	**Upside**	**Central**	**Downside**
Scenario probability weighting	20%	50%	30%	20%	50%	30%

The table below lists the macroeconomic assumptions used in the base, upside and downside scenarios. The assumptions represent the year-on-year percentage change for average inflation, average USD rate and central bank policy rate.

At 31 December 2024	Average inflation	Average USD rate	Short-term interest rate
Upside economic assumptions	Up to 25%	Up to 20%	Up to 20%
Central economic assumptions	26% - 50%	11% - 25%	21% - 50%
Downside economic assumptions	Over 50%	Over 25%	Over 50%

At 31 December 2023	Average inflation	Average USD rate	Short-term interest rate
Downside economic assumptions	Up to 25%	Up to 20%	Up to 20%
Central economic assumptions	26% - 50%	11% - 25%	21% to 50%
Upside economic assumptions	Over 50%	Over 25%	Over 50%

7.2.8 Sensitivity of ECL to future economic conditions

The ECL are sensitive to judgements and assumptions made regarding formulation of forward-looking scenarios and how such scenarios are incorporated into the calculations. Management performs a sensitivity analysis on the ECL recognised on material classes of its assets.

The table below shows the loss allowance on loans and advances assuming each forward-looking scenario (central, upside and downside) were weighted 100% instead of applying scenario probability weights across the three scenarios.

in thousands of cedis	2024				2023			
Group and Bank	**Downside**	**Central**	**Upside**	**Probability weighted**	**Downside**	**Central**	**Upside**	**Probability weighted**
Gross loans	3,466,300	3,466,300	3,466,300	3,466,300	3,850,332	3,850,332	3,850,332	3,850,332
Loss allowance	1,365,930	1,348,912	1,344,044	1,364,304	1,096,859	1,083,193	1,079,284	1,095,553

The table below shows the loss allowance on investment securities assuming each forward-looking scenario (central, upside and downside) were weighted 100% instead of applying scenario probability weights across the three scenarios.

in thousands of cedis	2024				2023			
Bank	**Downside**	**Central**	**Upside**	**Probability weighted**	**Downside**	**Central**	**Upside**	**Probability weighted**
Gross investment	4,159,346	4,159,346	4,159,346	4,159,346	4,012,024	4,012,024	4,012,024	4,012,024
Loss allowance	902,203	905,471	916,895	912,121	1,017,954	1,021,641	1,034,531	1,029,342

in thousands of cedis	2024				2023			
Group	**Downside**	**Central**	**Upside**	**Probability weighted**	**Downside**	**Central**	**Upside**	**Probability weighted**
Gross investment	4,160,707	4,160,707	4,160,707	4,160,707	3,850,332	3,850,332	3,850,332	4,046,137
Loss allowance	909,588	912,883	924,401	919,763	1,026,287	1,030,004	1,042,999	1,037,768

7.2.9 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 statistical 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 nonperforming 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 Group'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.

The Group uses EAD models that reflect the characteristics of the portfolios. The Group 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, 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 Group 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 Group 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 Group 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 Group expects to take to mitigate ECL, e.g. reduction in limits or cancellation of the loan commitment.

7.2.10 CREDIT QUALITY ANALYSIS

The Group monitors credit risk per class of financial instrument. The following table sets out information about the credit quality of financial assets measured at amortised cost. 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. Explaination of the term Stage 1, Stage 2, and Stage 3 is included in Note 4.12.2.

Group and Bank 2024 *in thousands of Ghana Cedis*	Stage 1	Stage 2	Stage 3	Total
Loans and advances to customers				
Grade A	750,226	184,164	-	934,390
Grade B	-	14,956	870,260	885,216
Grade C	-	6,036	202,072	208,108
Grade D	-	11,717	39,489	51,206
Grade E	-	-	1,387,380	1,387,380
	750,226	**216,873**	**2,499,201**	**3,466,300**
Loss allowance	(11,618)	(37,343)	(1,315,343)	(1,364,304)
Carrying amount	**738,608**	**179,530**	**1,183,858**	**2,101,996**
Loan commitments				
Grade A	324,093			324,093
Loss allowance	(3,472)			(3,472)
Guarantees & Indemnities				
Grade A	257,694			257,694
Loss allowance	-			-
Letters of credit				
Grade A	80,466			80,466
Loss allowance	(692)			(692)

Bank 2024 *in thousands of Ghana Cedis*	Stage 1	Stage 2	Stage 3	POCI	Total
Investment securities					
Grade A	1,639,116	-	-	-	1,639,116
Grade B	-	-	-	4,149,249	4,149,249
Loss allowance	(80)	-	-	(912,041)	(912,121)
Carrying value	**1,639,036**	**-**	**-**	**3,237,208**	**4,876,244**
Cash and Cash equivalent					
Grade A	2,808,619	-	-	-	2,808,619
Loss allowance	-	-	-	-	-
Carrying amount	**2,808,619**	**-**	**-**	**-**	**2,808,619**

Group 2024 *in thousands of Ghana Cedis*	Stage 1	Stage 2	Stage 3	POCI	Total
Investment securities					
Grade A	1,641,843	-	-	-	1,641,843
Grade B	-	-	-	4,183,589	4,183,589
Loss allowance	(80)	-	-	(919,683)	(919,763)
Carrying value	**1,641,763**	**-**	**-**	**3,263,906**	**4,905,669**
Cash and Cash equivalent					
Grade A	2,808,619	-	-	-	2,808,619
Loss allowance	-	-	-	-	-
Carrying amount	**2,808,619**	**-**	**-**	**-**	**2,808,619**

Group and Bank 2023 *in thousands of Ghana Cedis*	Stage 1	Stage 2	Stage 3	Total
Loans and advances to customers				
Grade A	1,462,367	266,588	-	1,728,955
Grade B	-	20,012	791,752	811,764
Grade C	-	16,363	391,743	408,106
Grade D	-	16,313	45,245	61,558
Grade E	-	-	839,949	839,949
	1,462,367	**319,276**	**2,068,689**	**3,850,332**
Loss allowance	(20,197)	(21,011)	(1,054,345)	(1,095,553)
Carrying amount	**1,442,170**	**298,265**	**1,014,344**	**2,754,779**
Loan Commitments				
Grade A	832,384	-	-	832,384
Loss allowance	(605,521)	-	-	(605,521)
Guarantees & Indemnities				
Grade A	515,021	-	-	515,021
Loss allowance	(654)	-	-	(654)
Letters of credit				
Grade A	91,070	-	-	91,070
Loss allowance	(539)	-	-	(539)

Bank 2023 *in thousands of Ghana Cedis*	Stage 1**	Stage 2	Stage 3*	POCI	Total
Investment securities					
Grade A	50,712	-	-	-	50,712
Grade B	-		604,129	3,357,183	3,961,312
Loss allowance	-		(136,637)	(892,705)	(1,029,342)
Carrying value	**50,712**	**-**	**467,492**	**2,464,478**	**2,982,682**
Cash and cash equivalent					
Grade A	2,320,963	-	-	-	2,320,963
Carrying amount	**2,320,963**	**-**	**-**	**-**	**2,320,963**

Group 2023 *in thousands of Ghana Cedis*	Stage 1**	Stage 2	Stage 3*	POCI	Total
Investment securities					
Grade A	54,179	-	-	-	54,179
Grade B	-	-	604,129	3,387,829	3,991,958
Loss allowance	-		(136,637)	(901,131)	(1,037,768)
Carrying value	**54,179**	**-**	**467,492**	**2,486,698**	**3,008,369**
Cash and cash equivalent					
Grade A	2,320,963	-	-	-	2,320,963
Carrying amount	**2,320,963**	**-**	**-**	**-**	**2,320,963**

* The Bank and Group disclosed all of the Stage 3 investment securities in the POCI column in the 2023 financial statements. This has been corrected.

** The Bank and Group disclosed all of the Grade A securities in POCI in the 2023 financial statements. This has been corrected.

7.2.11 AMOUNTS ARISING FROM EXPECTED CREDIT LOSSES (ECL)

The following tables show reconciliations from the opening to the closing balance of the loss allowance for loans and advances. The basis for determining transfers due to changes in credit risk is set out in our accounting policy;

Group and Bank **2024**

Loans and advances to customers at amortised cost *in thousands of Ghana Cedis*	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance at 1 January	20,197	21,011	1,054,345	1,095,553
Transfer to Stage 1	125	-	(125)	-
Transfer to Stage 2	(156)	24,722	(24,566)	-
Transfer to Stage 3	(38)	(3,098)	3,136	-
Net remeasurement of loss allowance	278	416	(65,117)	(64,423)
New financial assets originated or purchased	4,468	73	561,380	565,921
Loans derecognised	(13,256)	(5,781)	(213,710)	(232,747)
Balance at 31 December	**11,618**	**37,343**	**1,315,343**	**1,364,304**

Loan and advances increased in 2024 with a corresponding increase in credit risk of some high value facilities which resulted in increased ECL.

Group and Bank **2023**

Loans and advances to customers at amortised cost *in thousands of Ghana Cedis*	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance at 1 January	19,759	19,402	508,557	547,718
Transfer to Stage 2	(2,737)	2,737	-	-
Transfer to Stage 3	(5,943)	(10,041)	15,984	-
Net remeasurement of loss allowance	13,850	9,793	713,255	736,898
New financial assets originated or purchased	1,958	1,580	31,762	35,300
Loans that have been derecognised	(6,690)	(2,460)	(7,976)	(17,126)
Write-offs	-	-	(207,237)	(207,237)
Balance at 31 December	**20,197**	**21,011**	**1,054,345**	**1,095,553**

Group and Bank **2024**

Letters of credit, loan commitments and financial guarantees *in thousands of Ghana Cedis*	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance at January	606,714	-	-	606,714
Net remeasurement	(602,550)	-	-	(602,550)
Balance at 31 December	**4,164**	**-**	**-**	**4,164**

Group and Bank **2023**

Letters of credit, loan commitments and financial guarantees *in thousands of Ghana Cedis*	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
-				
Balance at January	1,240	-	-	1,240
Net remeasurement	605,474	-	-	605,474
Balance at 31 December	**606,714**	**-**	**-**	**606,714**

Bank **2024**

Investment Securities *in thousands of Ghana Cedis*	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 1 January	-	-	136,637	892,705	1,029,342
Eurobond impairment written off	-	-	(205,148)	-	(205,148)
Additional impairment	-	-	68,511	101222	169,733
Remeasurement of loss allowance	80	-	-	(81,886)	(81,806)
Balance at 31 December	**80**	**-**	**-**	**912,041**	**912,121**

Group **2024**

Investment Securities *in thousands of Ghana Cedis*	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 1 January	-	-	136,637	901,131	1,037,768
Eurobond impairment written off	-	-	(205,148)	-	(205,148)
Additional impairment	-	-	68,511	101,222	169,733
Remeasurement of loss allowance	80	-	-	(82,670)	(82,590)
Balance at 31 December	**80**	**-**	**-**	**919,683**	**919,763**

Bank **2023**

Investment Securities *in thousands of Ghana Cedis*	**Stage 1**	**Stage 2**	**Stage 3**	**POCI***	**Total**
Balance at 1 January	-	-	1,139,550	-	1,139,550
DDEP Impairment written off	-	-	(1,028,502)	-	(1,028,502)
Impairment of DDEP	-	-	-	892,705	892,705
Net remeasurement of loss allowance	-	-	25,589	-	25,589
Balance at 31 December	**-**	**-**	**136,637**	**892,705**	**1,029,342**

Group **2023**

Investment Securities *in thousands of Ghana Cedis*	**Stage 1**	**Stage 2**	**Stage 3**	**POCI***	**Total**
Balance at 1 January	-	-	1,148,573	-	1,148,573
DDEP Impairment written off	-	-	(1,037,525)	-	(1,036,928)
Impairment of DDEP	-	-	-	901,131	900,534
Net remeasurement of loss allowance	-	-	25,589	-	25,589
Balance at 31 December	**-**	**-**	**136,637**	**901,131**	**1,037,768**

* The Bank and Group disclosed the POCI amounts within the Stage 3 column in the 2023 financial statements. This has been corrected.

7.2.12 LOANS WITH RENEGOTIATED TERMS

Loans with renegotiated terms are loans that have been restructured due to deterioration in the borrower's financial position and where the Group has made concessions that it would not otherwise consider. Once the loan is restructured it remains in this category independent of satisfactory performance after restructuring.

Loans and advances renegotiated

Loans with renegotiated terms are loans that have been restructured due to deterioration in the borrower's financial position and where the Group has made concessions that it would not otherwise consider. Once the loan is restructured it remains in this category independent of satisfactory performance after restructuring.

These policies are kept under continuous review. Restructuring is most applied to term loans.

Loans and advances to customers

	2024	2023
	GHS'000	GHS'000
Carrying amount of financial assets that continue to be impaired after restructuring (included in non-performing loans)	Nil	Nil

The following table provides information on financial assets that were modified while they had a loss allowance measured at an amount equal to lifetime ECL.

	2024	2023
	GHS'000	GHS'000
Financial assets modified during the period	Nil	Nil
Amortised costs before modification	Nil	Nil
Net modification Gain	Nil	Nil

7.2.13 WRITE-OFFS

The Group writes off a loan / security balance (and any related allowances for impairment losses) when loan review committee determines that the loans / securities are uncollectible. This determination is reached after the loan or security has been classified as "loss" for two consecutive years or to the extent a loan or security is considered irrecoverable and it is decided that there is no realistic probability of recovery. All write-offs must be approved by the Board of Directors and Bank of Ghana.

Set out below is an analysis of the gross amounts of loans written-off.

in thousands of Ghana Cedis	2024		2023	
	Bank	**Group**	**Bank**	**Group**
Balance at the beginning	648,795	648,795	461,744	461,744
Write-offs during the year	-	-	207,236	207,236
Recovery during the year	(43,444)	(43,444)	(20,185)	(20,185)
Balance at the end	**605,351**	**605,351**	**648,795**	**648,795**

The contractual amount of financial assets that were written off during the year ended 31 December 2024 and that is still subject to enforecement activity is Nil (2023 : GHS207.23 million)

7.2.14 MAXIMUM CREDIT EXPOSURE

At the financial position date, the maximum credit risk exposure of the Bank in the event of other parties failing to perform their obligations is detailed below. No account has been taken of any collateral held and the maximum exposure to loss is considered to be the instruments' financial position carrying amount, or for non-derivative off financial position transactions their contractual nominal amounts.

Credit risk exposures of financial assets on the statement of financial position are as follows:

in thousands of Ghana Cedis	2024		2023	
	Bank	**Group**	**Bank**	**Group**
Cash and Cash equivalent	2,517,045	2,517,042	2,085,295	2,085,295
Investment securities	4,876,244	4,905,669	2,982,682	3,008,369
Loans and advances	2,101,996	2,101,996	2,754,779	2,754,779
Other assets	483,413	485,244	221,553	227,755
	9,978,698	**10,009,951**	**8,044,309**	**8,076,198**
Loan commitments and financial guarantees	**338,160**	**338,160**	**628,077**	**628,077**

7.2.15 CREDIT COLLATERAL

The Group holds collateral against loans and advances to customers in the form of mortgage interests over property, cash, other registered securities over assets, and guarantees. Estimates of fair value are based on the value of collateral assessed at the time of borrowing, and generally are updated every three years. Collateral generally is not held over loans and advances to banks, except where the counterparty bank assigns securities in the form of treasury bills or government bonds. Collateral usually is not held against investment securities, and no such collateral was held at 31 December 2024.

The main types of collateral obtained includes mortgages over commercial and residential properties, inventory, trade receivables, and cash collateral.

Management monitors the market values of collaterals and will request additional collaterals in accordance with the underlying agreement where necessary.

An estimate of the fair value of collateral and other security enhancements held against financial assets is shown below:

in thousands of Ghana Cedis	2024		2023	
	Bank	**Group**	**Bank**	**Group**
Against impaired assets	1,688,102	1,688,102	1,488,628	1,488,628
Carrying amounts of the impaired assets	1,159,291	1,159,291	1,014,344	1,014,344

7.2.16 COLLATERAL REPOSSESSED

During the year no collateral was repossessed by the Bank (2023: Nil)

7.2.17 CREDIT RISK CONCENTRATION

The Group monitors concentrations of credit risk by business industry and by type of customer. An analysis of concentrations of credit risk by business industry at the reporting date is shown below:

in thousands of Ghana Cedis	2024		2023	
	Bank	**Group**	**Bank**	**Group**
Carrying amount of loans and advances	2,101,996	2,101,996	2,754,779	2,754,779
Concentration by sector				
Agriculture, forestry & fishing	13,898	13,898	20,973	20,973
Mining and quarrying	47,186	47,186	173,830	173,830
Manufacturing	166,973	166,973	191,911	191,911
Construction	963,479	963,479	850,040	850,040
Commerce and finance	573,002	573,002	517,475	517,475
Transport, storage and communication	1,074,339	1,074,339	619,823	619,823
Services	429,379	429,379	1,002,100	1,002,100
Miscellaneous	198,044	198,044	474,180	474,180
	3,466,300	**3,466,300**	**3,850,332**	**3,850,332**
Allowance for Impairment	(1,364,304)	(1,364,304)	(1,095,553)	(1,095,553)
Carry amount	**2,101,996**	**2,101,996**	**2,754,779**	**2,754,779**
Concentration by type of customer				
Private enterprises	3,134,943	3,134,943	3,369,171	3,369,171
Joint private & State enterprises	164,939	164,939	297,698	297,698
Individuals	166,418	166,418	183,463	183,463
	3,466,300	**3,466,300**	**3,850,332**	**3,850,332**
Allowance for Impairment	(1,364,304)	(1,364,304)	(1,095,553)	(1,095,553)
Carry amount	**2,101,996**	**2,101,996**	**2,754,779**	**2,754,779**

Investments securities

Investment securities amounting to GHS3.31 billion (2023: GHS2.98 billion) are held in Government of Ghana Treasury Bills and Bonds

in thousands of Ghana Cedis	2024		2023	
	Bank	Group	Bank	Group
Government Bonds and Notes	2,804,948	2,797,306	2,486,995	2,511,949
Treasury Bills	9,735	9,735	30,350	30,350
Eurobonds	425,202	425,202	437,606	437,606
Money market placements	1,629,020	1,665,134	20,050	20,050
Cocoa Bonds	6,978	6,978	7,369	7,369
Equity Investments	361	1,722	312	1,045
	4,876,244	**4,906,077**	**2,982,682**	**3,008,369**

Non-pledged trading securities

in thousands of Ghana Cedis	2024		2023	
	Bank	Group	Bank	Group
Treasury Bills	13	13	76,810	76,810
Eurobonds	-	-	1,002	1,002
	13	**13**	**77,812**	**77,812**

Trading securities amounting to GHS0.013 million (2023: GHS77.81 million) are held in Government of Ghana Treasury Bills and bonds.

Due from banks and other financial institutions

Amount due from local banks of GHS100 million (2023: GHS20 million) and foreign banks of GHS211 million (2023: GHS178 million) are held with correspondent banks and financial institutions and therefore impairments on these are not considered significant. These amounts are with regulated reputable institutions. The balances with banks set out in Note 20 represent the maximum credit risk exposure of the Group by holding these placements

7.2.18 SETTLEMENT RISK

The Group's activities may give rise to risk at the time of settlement of transactions and trades. Settlement risk is the risk of loss due to the failure of a company to honour its obligations to deliver cash, securities or other assets as contractually agreed.

For certain types of transactions the Group mitigates this risk by conducting settlements through a settlement/clearing agent to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations. Settlement limits form part of the credit approval / limit monitoring process described earlier.

7.3 LIQUIDITY RISK

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations from its financial liabilities.

7.3.1 MANAGEMENT OF LIQUIDITY RISK

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

The Group maintains information regarding the liquidity profile of its financial assets and liabilities and details of other projected cash flows arising from projected future business. The Treasury department then maintains a portfolio of short term liquid assets, largely made up of short-term liquid investment securities, loans and advances to banks and other inter-bank facilities, to ensure that sufficient liquidity is maintained within the Group as a whole. The liquidity requirements of the businesses are met through various deposit mobilisation strategies, short-term loans from the inter-bank market to cover any short-term fluctuations and longer term funding to address any structural liquidity requirements.

7.3.2 EXPOSURE TO LIQUIDITY RISK

The matching and control of the maturities and interest rates of assets and liabilities is fundamental to the management of the bank and the group. It is unusual for banks to be completely matched since business transacted is often of uncertain term and of different types. An unmatched position may potentially enhance profitability, but may also increase the risk of losses.

The key measure used by the Group for managing liquidity risk is the ratio of net liquid assets to deposits from customers and short-term funding. For this purpose, 'net liquid assets' includes cash and cash equivalents and investment-grade debt securities for which there is an active and liquid market. 'Deposits from customers and short-term funding' includes deposits from banks, customers, debt securities issued, other borrowings and commitments maturing within the next month. Details of the reported Group ratio of net liquid assets to deposits from customers at the reporting date and during the reporting period were as follows.

	2024	2023
At 31 December	69.04%	73.8%
Average for the period	66.42%	67.8%
Maximum for the period	69.3%	73.8%
Minimum for the period	61.58%	58.2%

The Group's financial liabilities are valued on the basis of their earliest possible contractual maturity. The Group's expected cash flows on these instruments vary significantly from this analysis. For example, demand deposits from customers are expected to maintain a stable or increasing balance.

The table below analyses assets and liabilities of the group into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The matching and control of the maturities and interest rates of assets and liabilities is fundamental to the management of the Groups liquidity.

2024 *in thousands of Ghana Cedis*				Bank					
Assets	**Carrying Amount**	**Gross Nominal Amount**	**Less Than 1 month**	**1 - 3 months**	**3 - 6 months**	**6 months to 1 year**	**1 to 3 years**	**3 - 5 years**	**More than 5 years**
Non-Derivative Assets									
Cash and Cash Equivalent	2,808,619	2,815,641	2,810,712	4,929	-	-	-	-	-
Non-Pledged Trading Assets	13	13	-	13	-	-	-	-	-
Investment Securities	4,876,244	8,823,727	456,971	631,112	924,697	184,485	1,106,012	1,500,846	4,019,604
Loans and Advances to customers	2,101,996	4,522,239	2,055,228	155,837	133,350	354,360	1,092,728	540,199	190,537
Other Assets	483,413	483,413	59,076	127,678	137,054	159,605	-	-	-
Total Assets	**10,270,285**	**16,645,033**	**5,381,987**	**919,569**	**1,195,101**	**698,450**	**2,198,740**	**2,041,045**	**4,210,141**
Liabilities									
Non-Derivative Liabilities									
Deposits from Banks and other financial institutions	255,166	257,718	112,537	121,867	22,371	943	-	-	-
Deposit from Customers	9,431,527	9,730,830	7,641,427	1,500,746	415,083	147,773	25,801	-	-
Borrowings	1,537,162	2,219,657	660,532	242,224	55,051	129,864	426,701	418,861	286,424
Lease liabilities	75,349	77,449	-	4,440	3,740	-	14,388	17,886	36,995
Other Liabilities	142,154	137,874	46,313	84,301	7,260	-	-	-	-
Total Liabilities	**11,441,358**	**12,423,528**	**8,460,809**	**1,953,578**	**503,505**	**278,580**	**466,890**	**436,747**	**323,419**
Period liquidity gap	**-**	**-**	**(3,078,822)**	**(1,034,009)**	**691,596**	**419,870**	**1,731,850**	**1,604,298**	**3,886,722**
Cummulative liquidity gap	**-**	**-**	**(3,078,822)**	**(4,112,831)**	**(3,421,235)**	**(3,001,365)**	**(1,269,515)**	**334,783**	**4,221,505**
Contingent Liabilities	**-**	**181,914**	**1,588**	**2,500**	**3,000**	**16,154**	**158,672**	**-**	**-**

2024 *in thousands of Ghana Cedis*				**Group**					
Assets	**Carrying Amount**	**Gross Nominal Amount**	**Less Than 1 month**	**1 – 3 months**	**3 – 6 months**	**6 months to 1 year**	**1 to 3 years**	**3 – 5 years**	**More than 5 years**
Cash and Cash Equivalent	2,808,619	2,815,641	2,810,712	4,929	-	-	-	-	-
Non-Pledged Trading Assets	13	13	-	13	-	-	-	-	-
Investment Securities	4,905,669	8,823,727	456,971	631,112	924,697	184,485	1,106,012	1,500,846	4,019,604
Loans and Advances to customers	2,101,996	4,522,239	2,055,228	155,837	133,350	354,360	1,092,728	540,199	190,537
Other Assets	485,244	485,244	59,076	127,847	137,801	160,520	-	-	-
Total Assets	**10,301,541**	**16,646,864**	**5,381,987**	**919,738**	**1,195,848**	**699,365**	**2,198,740**	**2,041,045**	**4,210,141**
Non-Derivative Liabilities									
Deposits from Banks and other financial institutions	226,138	229,098	83,917	121,867	22,371	943	-	-	-
Deposit from Customers	9,431,527	9,730,830	7,641,427	1,500,746	415,083	147,773	25,801	-	-
Borrowings	1,537,162	2,219,657	660,532	242,224	55,051	129,864	426,701	418,861	286,424
Lease liabilities	75,349	77,449	-	4,440	3,740	-	14,388	17,886	36,995
Other Liabilities	146,057	150,337	47,563	85,651	17,123	-	-	-	-
Total Liabilities	**11,416,233**	**12,407,371**	**8,433,439**	**1,954,928**	**513,368**	**278,580**	**466,890**	**436,747**	**323,419**
Period liquidity gap	**-**	**-**	**(3,051,452)**	**(1,035,190)**	**682,480**	**420,785**	**1,731,850**	**1,604,298**	**3,886,722**
Cumulative liquidity gap	**-**	**-**	**(3,051,452)**	**(4,086,642)**	**(3,404,162)**	**(2,983,377)**	**(1,251,527)**	**352,771**	**4,239,493**
Contingent liabilities	**-**	**181,914**	**1,588**	**2,500**	**3,000**	**16,154**	**158,672**	**-**	**-**

2023 *in thousands of Ghana Cedis*	Bank								
Assets	**Carrying Amount**	**Gross Nominal Amount**	**Less Than 1 month**	**1 - 3 months**	**3 - 6 months**	**6 months to 1 year**	**1 to 3 years**	**3 - 5 years**	**More than 5 years**
Non-Derivative Assets									
Cash and Cash Equivalent	2,808,619	2,815,641	2,810,712	4,929	-	-	-	-	-
Non-Pledged Trading Assets	13	13	-	13	-	-	-	-	-
Investment Securities	4,906,077	8,823,727	456,971	631,112	924,697	184,485	1,106,012	1,500,846	4,019,604
Loans and Advances to customers	2,101,996	4,522,239	2,055,228	155,837	133,350	354,360	1,092,728	540,199	190,537
Other Assets	487,776	487,776	60,577	128,878	137,801	160,520	-	-	-
Total Assets	**10,304,481**	**16,649,396**	**5,383,488**	**920,769**	**1,195,848**	**699,365**	**2,198,740**	**2,041,045**	**4,210,141**
Liabilities									
Non-Derivative Liabilities									
Deposits from Banks and other financial institutions	226,546	229,098	83,917	121,867	22,371	943	-	-	-
Deposit from Customers	9,431,527	9,730,830	7,641,427	1,500,746	415,083	147,773	25,801	-	-
Borrowings	1,537,162	2,219,657	660,532	242,224	55,051	129,864	426,701	418,861	286,424
Lease liabilities	75,349	77,449	-	4,440	3,740	-	14,388	17,886	36,995
Other Liabilities	148,593	162,127	47,563	85,651	8,460	20,453	-	-	-
Total Liabilities	**11,419,177**	**12,419,161**	**8,433,439**	**1,954,928**	**504,705**	**299,033**	**466,890**	**436,747**	**323,419**
Period liquidity gap	**-**	**-**	**(3,049,951)**	**(1,034,159)**	**691,143**	**400,332**	**1,731,850**	**1,604,298**	**3,886,722**
Cummulative liquidity gap	**-**	**-**	**(3,049,951)**	**(4,084,110)**	**(3,392,967)**	**(2,992,635)**	**(1,260,785)**	**343,513**	**4,230,235**
Contingent liabilities	**-**	**181,914**	**1,588**	**2,500**	**3,000**	**16,154**	**158,672**	**-**	**-**

2023 *in thousands of Ghana Cedis*	**Group**								
Assets	**Carrying Amount**	**Gross Nominal Amount**	**Less Than 1 month**	**1 – 3 months**	**3 – 6 months**	**6 months to 1 year**	**1 to 3 years**	**3 – 5 years**	**More than 5 years**
Cash and Cash Equivalents	2,320,963	2,320,963	2,081,080	239,883	-	-	-	-	-
Non-Pledged Trading Assets	77,812	77,812	43,460	27,618	5,732	-	120	882	-
Investment Securities	3,008,369	6,531,737	104,875	414,005	35,685	162,377	602,714	1,404,175	3,807,906
Loans and Advances to Customers	2,754,779	3,906,130	1,022,201	186,457	234,756	441,714	1,238,379	531,198	251,425
Other Assets	136,155	129,333	-	29,895	37,289	62,149	-	-	-
Total Assets	**8,298,078**	**12,965,975**	**3,251,616**	**897,858**	**313,462**	**666,240**	**1,841,213**	**1,936,255**	**4,059,331**
									-
Liabilities									
Deposits From Banks and Other Financial Institutions	539,747	769,589	733,965	28,418	6,039	1,136	31	-	-
Deposits From Customers	6,945,627	7,146,467	3,959,917	1,440,290	1,117,794	603,339	25,124	-	3
Borrowings	1,292,718	1,293,262	88,554	64,057	41,688	124,319	331,952	316,278	326,414
Lease Liabilities	68,188	70,099	-	-	1,571	7,576	18,958	41,994	-
Other Liabilities	589,748	588,012	296,614	174,372	117,026	-	-	-	-
Total Liabilities	**9,436,028**	**9,867,428**	**5,079,050**	**1,707,137**	**1,284,118**	**736,370**	**376,065**	**358,272**	**326,417**
Period liquidity gap	**-**	**-**	**(1,827,434)**	**(809,281)**	**(970,655)**	**(70,129)**	**1,465,149**	**1,577,984**	**3,732,914**
Cummulative liquidity gap	**-**	**-**	**(1,827,434)**	**(2,636,715)**	**(3,607,370)**	**(3,677,500)**	**(2,212,351)**	**(634,367)**	**3,098,547**
Contingent Liabilities	**-**	**628,079**	**50,780**	**18,980**	**47,104**	**336,258**	**174,713**	**244**	**-**

7.3.3 AVAILABLE COUNTERPARTY LIQUIDITY

The Group has available lines of credit from its counterparties to finance its business. The table below summarizes the Group's available lines of credit at year-end and the amounts stated in the table are the cedi equivalent of the foreign currencies.

in thousands of Ghana Cedis	2024		2023	
Description	**Bank**	**Group**	**Bank**	**Group**
Lines for letters of credit establishment	496,050	496,050	1,758,240	1,758,240
Lines for letters of credit refinancing/payment	399,045	399,045	617,760	617,760

7.4 MARKET RISKS

Market risk is the risk that changes in market prices, such as interest rate, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's / issuer's credit standing) will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

7.4.1 MANAGEMENT OF MARKET RISKS

The Group separates its exposure to market risk between trading and non-trading portfolios. Trading portfolios mainly are held by the brokerage subsidiary, and include positions arising from market making and proprietary position taking, together with financial assets and liabilities that are managed on a fair value basis.

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

7.4.2 EXPOSURE TO INTEREST RATE RISK – NON-TRADING PORTFOLIOS

The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instrument because of a change in market interest rates. Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for re-pricing bands. The ALCO is the monitoring body for compliance with these limits and is assisted by Risk Management department in its day-to-day monitoring activities.

The management of interest rate risk against interest rate gap limits is supplemented by monitoring the sensitivity of the Group's financial assets and liabilities to various standard and non-standard interest rate scenarios. Standard scenarios that are considered on a monthly basis include a 300 basis point (bp) parallel fall or rise in all yield curves and a 200 bp parallel fall or rise in all yield curves. An analysis of the Group and company's sensitivity to an increase or decrease in market interest rates (assuming no asymmetrical movement in yield curves and a constant balance sheet position) is as follows:

Sensitivity of projected net interest income and equity *in thousands of Ghana Cedis*	**300 bp parallel increase**	**300 bp parallel decrease**	**200 bp parallel increase**	**200 bp parallel decrease**
At 31 December 2024	(159,280)	159,280	(106,187)	106,187
At 31 December 2023	(128,047)	128,047	(85,365)	85,365

The tables on pages 100 and 101 also set out the allocation of assets and liabilities subject to interest rate risk between trading and non trading portfolio.

The tables on pages 112 and 115 also sets out the allocation of assets and liabilities subject to interest rate risk between trading and non trading portfolio.

2024 *in thousands of Ghana Cedis*	**Bank**								
	Less Than 1 month	**1 - 3 months**	**3 - 6 months**	**6 months to 1 year**	**1 to 3 years**	**3 to 5 years**	**More than 5 years**	**Non-Interest Bearing**	**Total**
Assets									
Cash and Cash Equivalent	509,753	-	-	-	-	-	-	2,305,888	2,815,641
Non-Pledged Trading Assets	-	13	-	-	-	-	-	-	13
Investment Securities	456,971	631,112	924,697	184,485	1,106,012	1,500,846	4,019,604	-	8,823,727
Loans and Advances to customers	2,055,228	155,837	133,350	354,360	1,092,728	540,199	190,537	-	4,522,239
Other Assets	-	-	-	-	-	-	-	483,413	483,413
Total Assets	**3,021,952**	**786,962**	**1,058,047**	**538,845**	**2,198,740**	**2,041,045**	**4,210,141**	**2,789,301**	**16,645,033**
Liabilities									
Deposits from Banks and other financial institutions	112,537	121,867	22,371	943	-	-	-	-	257,718
Deposit from Customers	624,546	1,500,746	415,083	147,773	25,801	-	-	7016881	9,730,830
Borrowings	660,532	242,224	55,051	129,864	426,701	418,861	286,424	-	2,219,657
Lease liabilities	-	4,440	3,740	-	14,388	17,886	36,995	-	77,449
Other Liabilities	-	-	-	-	-	-	-	137,874	137,874
Total Liabilities	**1,397,615**	**1,869,277**	**496,245**	**278,580**	**466,890**	**436,747**	**323,419**	**7,154,755**	**12,423,528**
Total Interest re-pricing gap	**1,624,337**	**(1,082,315)**	**561,802**	**260,265**	**1,731,850**	**1,604,298**	**3,886,722**	**(4,365,454)**	**4,221,505**

2024 *in thousands of Ghana Cedis*	**Group**								
	Less Than 1 month	**1 - 3 months**	**3 - 6 months**	**6 months to 1 year**	**1 to 3 years**	**3 to 5 years**	**More than 5 years**	**Non-Interest Bearing**	**Total**
Assets									
Cash and Cash Equivalent	509,753							2,305,888	2,815,641
Non-Pledged Trading Assets	-	13	-	-	-	-	-		13
Investment Securities	456,971	631,112	924,697	184,485	1,106,012	1,500,846	4,019,604		8,823,727
Loans and Advances to customers	2,055,228	155,837	133,350	354,360	1,092,728	540,199	190,537		4,522,239
Other Assets								485,244	485,244
Total Assets	**3,021,952**	**786,962**	**1,058,047**	**538,845**	**2,198,740**	**2,041,045**	**4,210,141**	**2,791,132**	**16,646,864**
Liabilities									
Deposits from Banks and other financial institutions	83,917	121,867	22,371	943	-	-	-	-	229,098
Deposit from Customers	624,546	1,500,746	415,083	147,773	25,801	-	-	7016881	9,730,830
Borrowings	660,532	242,224	55,051	129,864	426,701	418,861	286,424		2,219,657
Other Liabilities	-	-	-	-	-	-	-	150,337	150,337
Total Liabilities	**1,368,995**	**1,864,837**	**492,505**	**278,580**	**452,502**	**418,861**	**286,424**	**7,167,218**	**12,329,922**
Total Interest re-pricing gap	**1,652,957**	**(1,077,875)**	**565,542**	**260,265**	**1,746,238**	**1,622,184**	**3,923,717**	**(4,376,086)**	**4,316,942**

2023 *in thousands of Ghana Cedis*	**Bank**								
	Less Than 1 month	**1 - 3 months**	**3 - 6 months**	**6 months to 1 year**	**1 to 3 years**	**3 to 5 years**	**More than 5 years**	**Non-Interest Bearing**	**Total**
Assets									
Cash and Cash Equivalents	949,426	239,883	-	-	-	-	-	1,131,654	2,320,963
Non-Pledged Trading Assets	43,460	27,618	5,732	-	120	882	-	-	77,812
Investment Securities	104,875	412,392	33,808	153,400	589,991	1,398,345	3,806,805	-	6,499,616
Loan and Advances to Customers	1,022,201	186,457	234,756	441,714	1,238,379	531,198	251,425	-	3,906,130
Other Assets	-	-	-	-	-	-	-	124,298	124,298
Total Assets	**2,119,962**	**866,350**	**274,296**	**595,114**	**1,828,490**	**1,930,425**	**4,058,230**	**1,255,952**	**12,928,819**
Liabilities									
Deposit from Banns and Other Financial Institutions	733,965	32,490	6,039	1,136	31	-	-	-	773,661
Deposits from Customers	3,959,917	740,290	517,794	166,447	25,124	-	3	-	5,409,575
Borrowings	88,554	64,057	41,688	124,319	331,952	316,278	326,414	-	1,293,262
Other Liabilities	-	-	-	-	-	-	-	587,234	587,234
Total Liabilities	**4,782,436**	**836,837**	**565,521**	**291,902**	**357,107**	**316,278**	**326,417**	**587,234**	**8,063,732**
Total Interest re-pricing gap	**(2,662,474)**	**29,513**	**(291,225)**	**303,212**	**1,471,383**	**1,614,147**	**3,731,813**	**668,718**	**4,865,087**

2023 *in thousands of Ghana Cedis*	**Group**								
	Less Than 1 month	**1 - 3 months**	**3 - 6 months**	**6 months to 1 year**	**1 to 3 years**	**3 to 5 years**	**More than 5 years**	**Non-Interest Bearing**	**Total**
Assets									
Cash and Cash Equivalents	949,426	239,883	-	-	-	-	-	1,131,654	2,320,963
Non-Pledged Trading Assets	43,460	27,618	5,732	-	120	882	-	-	77,812
Investment Securities	104,875	414,005	35,685	162,377	602,714	1,404,175	3,807,906	-	6,531,737
Loan and Advances to Customers	1,022,201	186,457	234,756	441,714	1,238,379	531,198	251,425	-	3,906,130
Other Assets	-	-	-	-	-	-	-	129,333	129,333
Total Assets	**2,119,962**	**867,963**	**276,173**	**604,091**	**1,841,213**	**1,936,255**	**4,059,331**	**1,260,987**	**12,965,975**
Liabilities									
Deposit from Banns and Other Financial Institutions	733,965	28,418	6,039	1,136	31	-	-	-	769,589
Deposits from Customers	3,959,917	740,290	517,794	166,447	25,124	-	3	-	5,409,575
Borrowings	88,554	64,057	41,688	124,319	331,952	316,278	326,414	-	1,293,262
Other Liabilities	-	-	-	-	-	-	-	588,012	588,012
Total Liabilities	**4,782,436**	**832,765**	**565,521**	**291,902**	**357,107**	**316,278**	**326,417**	**588,012**	**8,060,438**
Total Interest re-pricing gap	**(2,662,474)**	**35,198**	**(289,348)**	**312,189**	**1,484,106**	**1,619,977**	**3,732,914**	**672,975**	**4,905,537**

7.4.3 CONCENTRATION OF ASSETS, LIABILITIES AND OFF BALANCE SHEET ITEMS

Banks take on foreign currency exchange rate exposure on their financial position and cash flows.

The table below summarises the Group and Bank's exposure to foreign currency exchange rate risks at year-end.

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

Group and Bank *in thousands of Ghana Cedis*	**2024**				
	US Dollars	**British Pounds**	**Euro**	**Others**	**Total**
Assets					
Cash and Cash Equivalents	579,294	103,544	195,768	2,172	880,778
Investment Securities	2,056,515	-	355	-	2,056,870
Loans and Advances to Customers	1,707,234	22,010	61	-	1,729,305
Other Assets	7,565	-	-	-	7,565
Total Assets	**4,350,608**	**125,554**	**196,184**	**2,172**	**4,674,518**
Liabilities					
Deposits From Customers	3,071,268	106,228	188,945	-	3,366,441
Borrowings	1,167,606	-	-	-	1,167,606
Other Liabilities	17,797	467	7,154	19	25,437
	4,256,671	**106,695**	**196,099**	**19**	**4,559,484**
Net On-Balance Sheet Position	**93,937**	**18,859**	**85**	**2,153**	**115,034**
Off-Balance Sheet Credit Commitments	**237,337**	**-**	**9,865**	**-**	**247,202**
Total Exposure	**331,274**	**18,859**	**9,950**	**2,153**	**362,236**

Group and Bank *in thousands of Ghana Cedis*	**2023**				
	US Dollars	**British Pounds**	**Euro**	**Others**	**Total**
Assets					
Cash and Cash Equivalents	520,064	118,802	149,315	2,881	791,062
Investment Securities	582,231	-	312	-	582,543
Loans and Advances to Customers	2,259,948	2,106	1,199	-	2,263,253
Other Assets	45,002	-	-	-	45,002
Total Assets	**3,407,245**	**120,908**	**150,826**	**2,881**	**3,681,860**
Liabilities					
Deposits From Customers	1,962,070	99,966	108,547	-	2,170,583
Borrowings	1,152,251	-	-	-	1,152,251
Other Liabilities	273,328	1,811	24,247	-	299,386
Total Liabilities	**3,387,649**	**101,777**	**132,794**	**-**	**3,622,220**
Net On-Balance Sheet Position	**19,596**	**19,131**	**18,032**	**2,881**	**59,640**
Off-Balance Sheet Credit Commitments	**237,337**	**-**	**9,865**	**-**	**247,202**
Total Exposure	**256,933**	**19,131**	**27,897**	**2,881**	**306,842**

7.4.4 CURRENCY RISK

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Board has set limits on positions by currency. In accordance with the Bank's policy, positions are monitored on a daily basis.

The table below indicates the currencies to which the Group had significant exposure at 31 December 2024 and 2023 on its monetary assets and liabilities and its forecast cash flows. The analysis calculates the effect of a reasonably possible movement of the currency rate against the cedis (all other variables being held constant) on profit or loss and equity (due to the fair value of currency sensitive non-trading monetary assets and liabilities).

Negative amount in the table reflects a potential net reduction in profit or loss or equity, while a positive amount reflects a net potential increase. An equivalent decrease in each of the currencies below against the cedis would have resulted in an equivalent but opposite impact.

	2024				2023			
	Exchange Rate at 31 Dec	Change in currency rate	Effect on profit before tax	Impact on equity	Exchange Rate at 31 Dec	Change in currency rate	Effect on profit before tax	Impact on equity
US Dollars	14.7000	24%	16,520	12,390	11.8800	39%	7,642	5,732
British Pounds	18.4008	22%	(203)	(153)	15.1334	47%	8,992	6,744
Euro	15.2141	16%	13	10	13.1264	44%	7,797	5,848

7.5 OPERATIONAL RISKS

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group'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 behaviour. Operational risks arise from all of the Group's operations and are faced by all business entities.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the 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 Group 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 Group standards is supported by a programme of periodic reviews undertaken by Internal Audit, Internal Control, Risk and Compliance Departments. The results of these reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the Executive Committee Committee, Audit Committee, Risk Management Committee and the Board.

7.6 CAPITAL MANAGEMENT – REGULATORY CAPITAL

The Group's lead regulator, the Bank of Ghana, monitors capital requirements for the Group. In implementing current capital requirements the Bank of Ghana requires the Group to maintain a minimum prescribed ratio of total capital to total risk-weighted assets of 10% (2023: 13%). The Bank of Ghana also requires banks to hold a minimum regulatory capital of GHS400 million.

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

Tier 1 capital, which includes ordinary share capital, retained earnings and minority interests after deductions for goodwill and intangible assets, and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes.

Tier 2 capital, which includes qualifying subordinated liabilities and the element of the fair value reserve relating to unrealised gains on equity instruments classified as available-for-sale.

The carrying amounts of investments in subsidiaries that are not included in the regulatory consolidation and investments in the capital of banks and certain other regulatory items are deducted from capital.

The Group's operations are categorised as either trading book or banking book, and risk-weighted assets are determined according to specified requirements that seek to reflect the varying levels of risk attached to assets and off-balance sheet exposures.

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

The Group and its individually regulated operations have complied with all externally imposed capital requirements throughout the period.

There has been material changes in the Group's management of capital during the period as a result of regulatory forbearances from the Bank of Ghana on the impact of the Domestic Debt Exchange Programme undertaken by the Government of Ghana. Notably among the changes is the adjustment to the Tier 1 Capital - the derecognition losses emanating from the Debt Exchange shall be spread equally over a period of four (4) years including 2024 financial year.

Among the key changes are;

- Reduction in the Capital Conservation buffer from 3% to Zero, effectively reducing the minimum Capital Adequacy Ratio (CAR) from 13% to 10%.
- Increase in Tier II component of regulatory capital from 2% to 3% of Total Risk Weighted Assets (RWA).
- The derecognition of losses emanating from the Debt Exchange to be spread equally over a period of four (4) years, effective 2024 for the purposes of CAR computation.
- Increase in allowable portion of property revaluation gains for Tier II capital computation, from 50% to 60%.
- Risk-weights attached to the New Bonds to be set to 0% for CAR computation and 100% for old bonds.

The above reliefs have been considered in the computation of the regulatory capital for 2024 as shown below.

The regulatory capital position at 31 December was as follows:

in thousands of Ghana Cedis	2024		2023	
	Bank	**Group**	**Bank**	**Group**
Paid up capital	545,846	545,846	400,000	400,000
Retained earnings	(1,209,108)	(1,153,939)	(1,202,955)	(1,159,113)
Statutory reserves	458,003	458,003	393,905	393,905
Other qualifying reserves	996,693	996,693	996,693	996,693
Tier 1 capital before deductions	**791,434**	**846,603**	**587,643**	**631,485**
Software	81,062	81,886	80,340	81,328
Deferred tax	585,852	587,710	666,124	668,233
Losses not provided for	747,519	747,519	498,346	498,346
Others	16,787	12,886	101,107	98,343
Total regulatory adjustments	**1,431,220**	**1,430,001**	**1,345,917**	**1,346,250**
Total tier 1 capital	**(639,786)**	**(583,398)**	**(758,274)**	**(714,765)**
Subordinated term debt	-	-	63,840	63,840
Property revaluation reserve (@60%)	136,251	136,251	136,251	136,251
Tier 2 capital (limited to 3% of risk weighted assets)	**136,251**	**136,251**	**175,961**	**177,095**
Total Regulatory Capital	**(503,535)**	**(447,147)**	**(582,313)**	**(537,670)**
Risk-weighted assets				
Credit risk	4,796,740	4,800,801	4,400,483	4,404,877
Operational risk	1,531,105	1,561,883	1,410,670	1,443,471
Market risk	648,186	648,186	76,942	76,942
Total risk weighted assets	**6,976,031**	**7,010,870**	**5,888,095**	**5,925,290**
Capital adequacy ratio	**(7.22%)**	**(6.38%)**	**(9.90%)**	**(9.10%)**
Summary of key ratios				
Tier 1 capital ratio	(9.17%)	(8.32%)	(12.90%)	(12.10%)
Tier 2 capital ratio	1.95%	1.94%	3.00%	2.90%
Capital adequacy ratio	(7.22%)	(6.38%)	(9.90%)	(9.10%)
Leverage ratio*	(5.81%)	(5.29%)	(7.60%)	(7.10%)
***In computing leverage ratio, total assets (off and on-balance sheet) amounted to**	**11,003,116**	**11,037,371**	**9,983,977**	**10,014,057**

7.7 CAPITAL ALLOCATION

The allocation of capital between specific operations and activities is, to a large extent, driven by optimisation of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based primarily upon the regulatory capital, but in some cases the regulatory requirements do not reflect fully the varying degree of risk associated with different activities. In such cases the capital requirements may be flexed to reflect differing risk profiles, subject to the overall level of capital to support a particular operation or activity not falling below the minimum required for regulatory purposes. Although maximisation of the return on risk adjusted capital is the principal basis used in determining how capital is allocated within the Group to particular operations or activities, it is not the sole basis used for decision making. Account is also taken of synergies with other operations and activities, the availability of management and other resources, and the fit of the activity with the Group's longer term strategic objectives. The Group's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors.

	2024		2023	
	Bank	Group	Bank	Group
Regulatory Quantitative Disclosures				
Capital adequacy	(7.22%)	(6.38%)	(9.90%)	(9.10%)
Non-Performing Loans	47.51%	47.51%	33.20%	33.20%
Liquid ratio	79.33%	79.88%	117.80%	118.35%
Compliance with statutory liquidity requirement				
(i) Default in Statutory Liquidity	Nil	Nil	Nil	Nil
(ii) Default in Statutory Liquidity Sanction (GHS'000)	Nil	Nil	Nil	Nil
(iii) Other Regulatory Penalties (GHS'000)	Nil	Nil	Nil	Nil

A letter from Bank of Ghana to us indicated that, the penalties associated with the breaches in CAR, single obligor limit (SOL) and aggregate forex open position (AFOP) will be computed and deferred until the bank makes profits and its financial soundness indicators are within regulatory limits.

As at December 2024, the Bank was not in a position to quantify the penalties.

8. USE OF ESTIMATES AND JUDGEMENTS

Management discussed with the Audit Committee the development, selection and disclosure of the Group's critical accounting policies and estimates, and the application of these policies and estimates.

These disclosures supplement the commentary on financial risk management (see note 7).

8.1 KEY SOURCES OF ESTIMATION UNCERTAINTY

8.1.1 ALLOWANCES FOR CREDIT LOSSES

Assets accounted for at amortised cost are evaluated for impairment on a basis described in accounting policy note 4.

The specific counter party component of the total allowances for impairment applies to claims evaluated individually for impairment and is based upon management's best estimate of the present value of the cash flows that are expected to be received. In estimating these cash flows, management makes judgements about a counter party's financial situation and the net realisable value of any underlying collateral. Each impaired asset is assessed on its merits, and the workout strategy and estimate of cash flows considered recoverable are independently approved by the Credit Risk function.

Collectively assessed impairment allowances cover credit losses inherent in portfolios of claims with similar economic characteristics when there is objective evidence to suggest that they contain impaired claims, but the individual impaired items can not yet be identified. In assessing the need for collective loan loss allowances, management considers factors such as credit quality, portfolio size, concentrations, and economic factors. In order to estimate the required allowance, assumptions are made to define the way inherent losses are modelled and to determine the required input parameters, based on historical experience and current economic conditions.

8.1.2 DETERMINING FAIR VALUES

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described in note 10. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

8.1.3 RECOGNITION OF DEFERRED TAX ASSET

The determination of deferred tax asset requires management judgement about probable course for the bank to make future taxable profit against which deductible temporary differences can be utilised.

8.1.4 REVALUATION OF LAND AND BUILDING

Land and buildings are recognised at fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. A revaluation surplus is credited to other reserves in shareholders' equity. All other property, plant and equipment is recognised at historical cost less depreciation. Valuation was performed on 31 December 2022 by Apex Property Surveying Consult Limited using the cost approach.

8.2 JUDGEMENTS

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements. Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised is documented at note 27.

8.2.1 SIGNIFICANT INCREASE IN CREDIT RISK

Establishing the criteria for determining whether credit risk on a financial asset has increased significantly since initial recognition, determining the methodology for incorporating forward-looking information into the measurement of ECL and selection and approval of models used to measure ECL.

8.3 IMPACT OF CLIMATE RISK ON ACCOUNTING JUDGMENTS AND ESTIMATES

8.3.1 CLASSIFICATION OF ESG-LINKED (OR SUSTAINABILITY-LINKED) LOANS AND BONDS:

For loans and bonds with sustainability-linked features, the Bank determines whether the instrument passes the solely payments of principal and interest test by considering whether they provide commensurate compensation for basic lending risks, such as credit risk, or whether they do not introduce compensation for risks that are inconsistent with basic lending arrangements. Some features may be de minimis or non-genuine. Based on the size of the portfolio of these products held by the Bank at 31 December 2024, the impact was assessed to be immaterial.

8.3.2 FAIR VALUE MEASUREMENT:

The Bank has assumed that any climate change variables incorporated in fair value measurement are those that market participants would consider when pricing the asset or liability, in line with IFRS 13 Fair Value Measurement. Consequently, the Bank concluded that climate risk has been adequately reflected within the fair value of its assets and liabilities. Where prices are observable, it is assumed that the fair value already incorporates market's participants view of climate risk variables. Where a proxy valuation approach has been used for unobservable prices, the selection of the proxy includes consideration of climate risk factors where appropriate.

8.3.3 DIRECTIVE TO ACCOUNTANTS IN BUSINESS AND ACCOUNTANTS IN PRACTICE ON APPLICATION OF IAS 29 IN GHANA.

The Institute of Chartered Accountants, Ghana ("Institute") is mandated by the Institute of Chartered Accountants, Ghana Act, 2020 (Act 1058) to regulate the accounting profession in Ghana. As part of its regulatory functions, it issued a directive on whether Ghana is a hyperinflationary economy for the year ended 31 December 2024. The Institute, concluded, Ghana is not operating in a hyperinflationary economy. The requirements of IAS 29 are therefore deemed not applicable in the recognition, measurement, presentation, and disclosures in the financial statements for the financial year ended 31 December 2024.

Paragraph 4 of IAS 29 provides at least 5 indicators on which professional judgment of hyperinflation can be reached:

1. The general population prefers to keep its wealth in non-monetary assets or in a relatively stable foreign currency. Amounts of local currency held are immediately invested to maintain purchasing power;
2. The general population regards monetary amounts not in terms of the local currency but in terms of a relatively stable foreign currency. Prices may be quoted in that currency;
3. Sales and purchases on credit take place at prices that compensate for the expected loss of purchasing power during the credit period, even if the period is short;
4. Interest rates, wages, and prices are linked to a price index; and
5. The cumulative inflation rate over three years is approaching, or exceeds, 100%.

The assessments of these factors by Institute of Chartered Accountants, Ghana led to the issuance of a directive that the economy of Ghana was not hyperinflationary and therefore the requirements of IAS 29 are not applicable for financial reporting for the year ended 31 December 2024.

9. OPERATING SEGMENTS

The group has five reportable segments. Information regarding each reportable segment is presented below. For management purposes the group is organised into five reportable segments based on products and services as follows;

- **Corporate Banking:** is responsible for providing loans and other credit facilities, as well as deposits and other transactions and balances to corporate clients, institutional clients and public sector entities. It also provides corporate finance services, mergers and acquisitions advice, specialised financial advice and custody services.
- **Retail & Business Banking:** provide loans and overdrafts as well as handles the deposits and other transactions of small and medium enterprises (SMES), individuals customers such as funds transfer, standing orders and ATM's Card services.
- **Treasury:** undertakes the Bank's funding and centralised risk management activities through borrowings, and investing in liquid assets such as short-term placements and government debt securities. It also trade in foreign currencies.

- **Asset Management:** provide asset management, investment portfolio management, cash management, money management and other investment advisory services to institutional investors, businesses and high net worth individuals and manage mutual funds.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects is measured differently from operating profit or loss in the financial statements.

Transactions between operating segments are on an arm's length basis in a manner similar to transactions with third parties. Interest income is reported net, as management primarily relies on net interest revenue as a performance measure, not the gross income and expense.

For the purpose of segmental reporting, surplus funds or deficit per business unit is either sold to or purchased from the Bank pool based on a pool rate determined by Treasury using the Bank's cost of funds plus a margin for both local and foreign currencies.

The assets that are not allocated to any reportable segment are made up of other assets, current tax assets, deferred tax assets, property and equipment, intangible assets and cash balances held at head office. The liabilities are also made up of current tax liabilities, deferred tax liabilities, accruals and other liabilities that are not allocated to any business.

No single customer revenue is 10% or more of the total external revenue

The tables below shows an analysis of the performance of the business units of the Group

The Group has four reportable segments. Information regarding each reportable segment is presented on the next page.

Group and Bank 2024	Corporate Banking	Consumer & Commercial Banking	Treasury	Asset Management	Unallocated	Consolidated
External revenues						
Net Interest Income	134,259	(1,295)	330,793	3,396	(11,802)	455,351
Net Fees and Commissions	79,891	92,633	(3,807)	1	10,872	179,590
Net Trading Income	3,271	3,034	84,782	(8,154)	7,590	90,523
Other Operating Income	2,490	129	9,053	77,047	(11,672)	77,047
Inter-segment Revenue	(20,317)	574,632	(554,315)	-	-	-
Total Segment Revenues	**199,594**	**669,133**	**(133,494)**	**72,290**	**(5,012)**	**802,511**
Operating Costs	(13,590)	(159,765)	(9,837)	(13,427)	(384,909)	(581,528)
Impairment gain (Loss) on Financial Assets	354,737	22,015	(183,785)	371	(163)	193,175
Profit before tax	**540,741**	**531,383**	**(327,116)**	**59,234**	**(390,084)**	**414,158**
Income Tax Expense	-	-	-	(6,683)	(139,755)	(146,438)
Profit For The Period	**540,741**	**531,383**	**(327,116)**	**52,551**	**(529,839)**	**267,720**
Segment Assets	3,230,580	274,018	4,940,446	2,243,936	999,817	11,688,797
Total Assets	**3,230,580**	**274,018**	**4,940,446**	**2,243,936**	**999,817**	**11,688,797**
						-
Segment Liabilities	3,159,302	6,319,815	1,537,162	192,378	207,576	11,416,233
Total Liabilities	**3,159,302**	**6,319,815**	**1,537,162**	**192,378**	**207,576**	**11,416,233**
Depreciation and Amortisation	**(660)**	**(8,994)**	**(518)**	**(14,780)**	**(34,053)**	**(59,005)**

Group and Bank 2023	Corporate Banking	Consumer & Commercial Banking	Treasury	Asset Management	Unallocated	Consolidated
External revenues						
Net Interest Income	164,137	14,496	356,724	5,978	-	541,335
Net Fees and Commissions	39,843	57,129	1,983	16,324	-	115,279
Net Trading Income	9,912	5,184	161,711	-	-	176,807
Other Operating Income	323	77	424	170	(1,701)	(707)
Inter-segment Revenue	70,903	362,317	(433,220)	-	-	-
Total Segment Revenues	**285,118**	**439,203**	**87,622**	**22,472**	**(1,701)**	**832,714**
Operating Costs	(17,391)	(124,031)	(12,228)	(8,823)	(387,537)	(550,010)
Impairment gain (Loss) on						
Financial Assets	(1,316,146)	(23,560)	110,208	597	-	(1,228,901)
Profit (loss) before tax	**(1,048,419)**	**291,612**	**185,602**	**14,246**	**(389,238)**	**(946,197)**
Income Tax Expense	-	-	-	(4,297)	279,426	275,129
Profit For The Period	**(1,048,419)**	**291,612**	**185,602**	**9,949**	**(109,812)**	**(671,068)**
Segment Assets	3,501,962	365,121	3,378,679	47,843	2,606,241	9,899,846
Total Assets	**3,501,962**	**365,121**	**3,378,679**	**47,843**	**2,606,241**	**9,899,846**
Segment Liabilities	3,461,127	3,884,436	1,342,842	1,764	1,350,679	10,040,848
Total Liabilities	**3,461,127**	**3,884,436**	**1,342,842**	**1,764**	**1,350,679**	**10,040,848**

The Group operated in four geographical markets in Ghana. The following tables show the distribution of operating profit and assets allocated based on the location of the customers and assets respectively for the years ended 2024 and 2023.

2024	Northern	Ashanti	Western	Greater Accra	Consolidated
Interest Income	13,582	35,527	36,362	848,394	933,865
Interest Expense	(918)	(12,433)	(24,088)	(441,075)	(478,514)
Net Interest Income	**12,664**	**23,094**	**12,274**	**407,319**	**455,351**
Net Fees and Commissions	1,718	11,101	7,955	158,816	179,590
Net Trading Income	88	976	1,073	88,386	90,523
Other Operating Income	9	7	64	76,967	77,047
Operating Income	**14,479**	**35,178**	**21,366**	**731,488**	**802,511**
Net Impairement Loss on Financial Assets	(38)	4,002	3,583	185,628	193,175
Personel Expenses	(3,588)	(7,904)	(7,379)	(206,636)	(225,507)
Depreciation and Amortistion	(757)	(864)	(1,062)	(56,322)	(59,005)
Lease Expenses	(612)	(6,005)	(1,786)	3,602	(4,801)
Other Expenses	(5,799)	(13,553)	(12,117)	(260,746)	(292,215)
Total Operating Expenses	**(10,756)**	**(28,326)**	**(22,344)**	**(520,102)**	**(581,528)**
Profit Before Income Tax	**3,685**	**10,854**	**2,605**	**397,014**	**414,158**
Income Tax Expense	-	-	-	(146,438)	(146,438)
Profit For The Period	**3,685**	**10,854**	**2,605**	**250,576**	**267,720**
Segment Assets	10,120	46,907	45,936	11,585,834	11,688,797
Total Assets	**10,120**	**46,907**	**45,936**	**11,585,834**	**11,688,797**
Segment Liabilities	123,133	1,111,477	1,049,247	9,132,376	11,416,233
Total Liabilities	**123,133**	**1,111,477**	**1,049,247**	**9,132,376**	**11,416,233**

2023	Northern	Ashanti	Western	Greater Accra	Consolidated
Interest Income	5,610	22,315	25,789	1,045,198	1,098,912
Interest Expense	(3,198)	(16,555)	(14,377)	(523,447)	(557,577)
Net Interest Income	**2,412**	**5,760**	**11,412**	**521,751**	**541,335**
Net Fees and Commissions	1,844	8,156	7,339	97,940	115,279
Net Trading Income	1,666	2,922	4,657	167,562	176,807
Other Operating Income	13	1	1	(722)	(707)
Operating Income	**5,935**	**16,839**	**23,409**	**786,531**	**832,714**
Net Impairement gain (Loss) on Financial Assets	(28)	166	(114)	(1,228,925)	(1,228,901)
Personel Expenses	(2,557)	(7,324)	(5,805)	(159,623)	(175,309)
Depreciation and Amortisation	(680)	(1,034)	(1,399)	(51,192)	(54,305)
Lease Expenses	(144)	(1,330)	(473)	(2,704)	(4,651)
Other Expenses	(1,893)	(5,009)	(3,353)	(305,491)	(315,746)
Total Operating Expenses	**(5,302)**	**(14,531)**	**(11,144)**	**(1,747,935)**	**(1,778,912)**
Profit Before Income Tax	**633**	**2,308**	**12,265**	**(961,404)**	**(946,198)**
Income Tax Expense	-	-	-	-	275,130
Profit For The Period	**633**	**2,308**	**12,265**	**(961,404)**	**(671,068)**
Segment Assets	15,429	60,231	87,581	9,736,605	9,899,846
Total Assets	**15,429**	**60,231**	**87,581**	**9,736,605**	**9,899,846**
Segment Liabilities	78,536	719,977	662,374	8,579,961	10,040,848
Total Liabilities	**78,536**	**719,977**	**662,374**	**8,579,961**	**10,040,848**

10. FINANCIAL ASSETS AND LIABILITIES

10.1 ACCOUNTING CLASSIFICATIONS AND FAIR VALUES

The table below sets out the Group's classification of each class of financial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date.

2024 Bank	Fair Value Through Profit or Loss	Amortised cost	Total carrying amount	Fair Value Level 2	Fair Value Level 3
Cash and cash equivalents*	-	2,808,619	2,808,619	-	-
Non-pledged trading assets	13	-	13	13	
Investment Securities (excl Eurobonds)	361	4,450,681	4,451,042	1,639,116	3,237,208
Eurobonds*	-	425,202	425,202	-	-
Loans and advances to customers	-	2,101,996	2,101,996	2,121,996	-
Other assests*	-	483,413	483,413	-	-
	374	**10,269,911**	**10,270,285**	**3,761,125**	**3,237,208**
Deposit from banks and other financial institution*	-	255,166	255,166	-	-
Deposits from customers	-	9,431,527	9,431,527	9,511,527	-
Borrowings*	-	1,537,162	1,537,162	-	-
Lease liabilities *	-	75,349	75,349	-	-
Other liabilities	-	142,154	142,154	142,154	-
	-	**11,441,358**	**11,441,358**	**9,653,681**	**-**

2024 Group	Fair Value Through Profit or Loss	Amortised cost	Total carrying amount	Fair Value Level 2	Fair Value Level 3
Cash and cash equivalents*	-	2,808,619	2,808,619	-	-
Non-pledged trading assets	13	-	13	13	
Investment Securities (excl Eurobonds)	1,722	4,478,745	4,480,467	1,641,843	3,263,906
Eurobonds*	-	425,202	425,202	-	-
Loans and advances to customers	-	2,101,996	2,101,996	2,104,996	-
Other assests*	-	485,244	485,244	-	-
	1,735	**10,299,806**	**10,301,541**	**3,746,852**	**3,263,906**
Deposit from banks and other financial institution*	-	226,138	226,138	226,138	-
Deposits from customers	-	9,431,527	9,431,527	9,431,527	-
Borrowings*	-	1,537,162	1,537,162	1,537,162	-
Lease liabilities *	-	75,349	75,349	-	-
Other liabilities	-	146,057	146,057	147,257	-
	-	**11,416,233**	**11,416,233**	**11,342,084**	**-**

* The carrying value of these financial assets and liabilities approximates their fair values at the reporting date

2023 Bank	Fair Value Through Profit or Loss	Amortised cost	Total carrying amount	Fair Value Level 2	Fair Value Level 3
Cash and cash equivalents*	-	2,320,963	2,320,963	-	-
Non-pledged trading assets	77,812	-	77,812	77,812	-
Investment Securities	312	2,982,370	2,982,682	58,332	2,924,350
Loans and advances to customers	-	2,754,779	2,754,779	2,754,779	-
Other assets*	-	228,894	228,894	-	-
	78,124	**8,287,006**	**8,365,130**	**2,890,923**	**2,924,350**
Deposit from banks and other financial institution*	-	555,001	555,001	-	-
Deposits from customers	-	6,945,627	6,945,627	6,945,627	-
Borrowings*	-	1,292,718	1,292,718	-	-
Lease liabilities*	-	68,188	68,188	-	-
Other liabilities	-	1,192,802	1,192,802	1,192,802	-
	-	**10,054,336**	**10,054,336**	**8,138,429**	**-**

2023 Group	Fair Value Through Profit or Loss	Amortised cost	Total carrying amount	Fair Value Level 2	Fair Value Level 3
Cash and cash equivalents *	-	2,320,963	2,320,963	-	-
Non-pledged trading assets	77,812	-	77,812	77,812	
Investment Securities	1,045	3,007,324	3,008,369	58,834	2,949,535
Loans and advances to customers	-	2,754,779	2,754,779	2,754,779	-
Other assets*	-	234,498	234,498	-	-
	78,857	**8,317,564**	**8,396,421**	**2,891,425**	**2,949,535**
Deposit from banks and other financial institution *	-	539,747	539,747	-	-
Deposits from customers	-	6,945,627	6,945,627	6,945,627	-
Borrowings*	-	1,292,718	1,292,718	-	-
Lease liabilities *	-	68,188	68,188	-	-
Other liabilities	-	1,194,568	1,194,568	1,194,568	-
	-	**10,040,848**	**10,040,848**	**8,140,195**	**-**

* The carrying value of these financial assets and liabilities approximates their fair values at the reporting date

10.2 FAIR VALUE TECHNIQUES

Fair value approximates carrying value due to the minimal credit losses and short-term nature of the financial assets and liabilities.

Financial instruments at fair value are either priced with reference to a quoted market price for that instrument or by using a valuation model. Where the fair value is calculated using a valuation model, the methodology is to calculate the expected cash flows under the terms of each specific contract and then discount these values back to a present value. The expected cash flows for each contract are determined either directly by reference to actual cash flows implicit in observable market prices or through modelling cash flows using appropriate financial-markets pricing models. Wherever possible these models use as their basis observable market prices and rates including, for example, interest rate yield curves, equities and commodities prices, option volatilities and currency rates.

The fair value for loans and advances, and other lending is estimated using discounted cash flows, applying either market rates where practicable or, where the counterparty is a bank, rates currently offered by other financial institutions for placings with similar characteristics. In certain cases the fair value approximates carrying value because the instruments are short term in nature or reprice frequently.

Fair values of deposit liabilities payable on demand (interest free, interest bearing and savings deposits) approximate to their carrying value. The fair value of all other deposits and other borrowings (including repurchase agreements and cash collateral on securities lent) is estimated using discounted cash flows, applying either market rates, where practicable, or rates currently offered by the Group for deposits of similar remaining maturities.

Fair values of short-term debt securities in issue are approximately equal to their carrying amount. Fair values of other debt securities in issue are based on quoted prices where available, or where these are unavailable, are estimated using other valuation techniques.

Fair value of derivative assets are approximately equal to the amount of the mark to market adjustment at the reporting date of forward exchange contracts.

10.3 FAIR VALUE HIERARCHY

The Bank measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The determination of fair values of quoted financial assets and financial liabilities in active markets are based on quoted market prices or dealer price quotations. If the market for a financial asset or financial liability is not actively traded, the Bank establishes fair value by using valuation techniques. These techniques include the use of arms' length transactions, discounted cash flow analysis, and valuation models and techniques commonly used by market participants.

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

The Level 1 was valued using the Bank of Ghana quoted bid prices, and quoted prices on the Ghana stock exchange.

The Level 2 was valued using Government of Ghana quoted market prices for similar instruments, and quoted prices on the Ghana stock exchange.

Level 3 valuation techniques are based on significant observable inputs.

The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position. The fair values include any deferred differences between the transaction price and the fair value on initial recognition when the fair value is based on a valuation technique that uses unobservable inputs.

Bank *in thousands of Ghana Cedis*	**2024**				**2023**			
	Level 1	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Non-pledged trading assets	-	13	-	13	-	77,812	-	77,812
Investment Securities	-	-	361	361	-	-	312	312
	-	**13**	**361**	**374**	**-**	**77,812**	**312**	**78,124**

Group *in thousands of Ghana Cedis*	**2024**				**2023**			
	Level 1	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Non-pledged trading assets	-	13	-	13	-	77,812		77,812
Investment Securities	-	-	1,722	1,722	-	-	1,045	1,045
	-	**13**	**1,722**	**1,735**	**-**	**77,812**	**1,045**	**78,857**

The table below sets out information about the valuation techniques applied at the end of the reporting period in measuring assets and liabilities whose fair value is categorised as Level 2 in the fair value hierarchy. A description of the nature of the techniques used to calculate valuations based on observable inputs and valuations is set out in the table below:

Category	**Valuation technique applied**	**Assumptions used**
Fair value through profit or loss (Non derivative)	Assets consist mainly of trading bill and bonds which are valued using a valuation technique which consists of certain debt securities issued by the Government of Ghana. The Bank values the securities using discounted cash flow valuation models which incorporate observable and unobservable data.	Observable inputs include assumptions regarding current rates of interest and yield curves.

11. NET INTEREST INCOME

See accounting policy in Note: 4.3.

in thousands of Ghana Cedis	2024		2023	
	Bank	**Group**	**Bank**	**Group**
Interest Income				
Cash and cash equivalents	74,827	74,827	64,310	64,310
Loans and advances to customers	396,887	396,887	564,832	564,832
Investment securities at amortised cost	458,795	462,151	464,950	469,770
Total interest income calculated using the effective interest method	**930,509**	**933,865**	**1,094,092**	**1,098,912**
Interest Expense				
Deposit from banks and other financial institutions	1,003	1,003	1,052	1,052
Deposit from customers	274,318	274,318	400,665	399,507
Debt securities issued	203,193	203,193	157,018	157,018
Total interest expense	**478,514**	**478,514**	**558,735**	**557,577**
Net Interest Income	**451,995**	**455,351**	**535,357**	**541,335**

The net interest reported include interest income and expense, calculated using the effective interest method, that relate to the following financial assets and financial liabilities.

in thousands of Ghana Cedis	2024		2023	
	Bank	**Group**	**Bank**	**Group**
Financial assets measured at amortised cost	930,509	933,865	1,094,092	1,098,912
Total	**930,509**	**933,865**	**1,094,092**	**1,098,912**

in thousands of Ghana Cedis	2024		2023	
	Bank	**Group**	**Bank**	**Group**
Financial liabilities measured at amortised cost	478,514	478,514	558,735	557,577
Total	**478,514**	**478,514**	**558,735**	**557,577**

12. NET FEES AND COMMISSION INCOME

See accounting policy in Note: 4.4

in thousands of Ghana Cedis	2024		2023	
	Bank	**Group**	**Bank**	**Group**
Fees and commission income				
Customer fees	46,962	46,962	31,022	31,022
Credit related fees	20,709	20,709	27,889	27,889
Corporate financing and advisory fees	37,101	37,101	2,808	19,142
Others*	119,077	119,077	64,641	64,641
Total fee and commission income	**223,849**	**223,849**	**126,360**	**142,694**
Fees and commission expense				
Interbank transaction fees	39,305	39,305	25,056	25,056
* Other fees and commission expense	4,954	4,954	2,349	2,359
Total fee and commission expense	**44,259**	**44,259**	**27,405**	**27,415**
Net fees and commission income	**179,590**	**179,590**	**98,955**	**115,279**

* The 'Other fees and commission income' comprise largely of remittance fees, swift fees and foreign transfer fees among others

13. NET TRADING INCOME

See accounting policy in Note: 4.5.

in thousands of Ghana Cedis	2024		2023	
	Bank	**Group**	**Bank**	**Group**
Fixed income	67,202	67,549	62,951	62,951
Foreign exchange gain (loss)	22,972	22,974	113,856	113,856
Net trading income	**90,174**	**90,523**	**176,807**	**176,807**

14. OTHER (LOSS)/INCOME

See accounting policy in Note 4.7.

in thousands of Ghana Cedis	2024		2023	
	Bank	**Group**	**Bank**	**Group**
Loss from disposal of property and equipment	38,911	38,911	(2,032)	(2,032)
Sundry income	12,706	38,088	1,755	1,325
Dividend income	-	48	-	-
Other operating income	**51,617**	**77,047**	**(277)**	**(707)**

15. PERSONNEL EXPENSES

See accounting policy in Note: 4.24.

in thousands of Ghana Cedis	2024		2023	
	Bank	**Group**	**Bank**	**Group**
Salaries and allowances	88,151	91,519	71,896	74,264
Social security costs	9,202	9,434	6,314	6,462
Expenses related to post-employment defined benefit plans	6,557	6,694	11,542	11,597
Expenses related to long-service award scheme	1,230	1,308	751	751
Other personnel expenses	113,967	116,552	79,992	82,235
Total personnel cost	**219,107**	**225,507**	**170,495**	**175,309**
Average number of employees at 31 December	**939**	**960**	**866**	**882**

Other personnel expenses include payments for employee medical costs, temporary staff costs and other staff related costs.

Included within personal expenses for the year is a total of GHS 8.2 million (2023: GHS20.2 million) relating to executive directors.

16. OTHER EXPENSES

in thousands of Ghana Cedis	2024		2023	
	Bank	**Group**	**Bank**	**Group**
Software licensing and other IT cost	73,926	74,839	81,340	82,099
Auditors remuneration	1,000	1,050	782	806
Directors fees and allowances	12,916	13,794	13,568	14,214
Advert & Publication	25,237	25,784	42,583	42,583
Fuel & Lubricants	27,929	28,525	24,287	24,287
Outsource Cost	34,499	35,884	28,157	28,157
Communications	23,013	23,054	22,614	22,614
Other expenses	88,841	89,285	98,613	100,986
Total	**287,361**	**292,215**	**311,944**	**315,746**

Significant amounts included in other expenses includes general and deposit insurance, computer cost and printing & stationery.

17. INCOME TAXES

See accounting policy in 4.8

(a) Amounts recognised in profit or loss

in thousands of Ghana Cedis	2024		2023	
	Bank	**Group**	**Bank**	**Group**
Current tax expense				
Current year income tax	59,483	65,915	26,881	31,178
Deferred tax - See Note: 27	80,272	80,523	(306,446)	(306,308)
Total income tax expense	**139,755**	**146,438**	**(279,565)**	**(275,130)**

(b) Reconciliation of effective tax rate

in thousands of Ghana Cedis	2024		2023	
	Bank	**Group**	**Bank**	**Group**
Profit (Loss) before tax	**396,148**	**414,158**	**(959,843)**	**(946,198)**
Corporate income tax at applicable tax rate of 25%	99,037	103,540	(240,143)	(236,582)
Non-deductible expenses	32,016	33,125	95,849	96,937
Tax exempt income	(30,885)	(30,901)	(135,271)	(136,197)
Tax incentive	(27)	(27)	-	-
Financial Sector Recovery Levy at 5%	19,807	20,894	-	712
Growth and sustainability levy at 5%	19,807	19,807	-	-
Current year income tax	**139,755**	**146,438**	**(279,565)**	**(275,130)**
Effective tax rate	35.3%	35.4%	29.1%	29.1%

(c) Current tax assets/liabilities

in thousands of Ghana Cedis

2024 Bank	**Balance at 1 Jan**	**Charge for the year**	**Payments during the year**	**Balance at 31 Dec**
Corporate income tax				
2023	5,931	-	(15,360)	(9,429)
2024	-	19,869	(57,286)	(37,417)
	5,931	**19,869**	**(72,646)**	**(46,846)**
Financial Sector Recovery Levy				
2023	(23,708)	-	-	(23,708)
2024	-	19,807	(16,232)	3,575
	(23,708)	**19,807**	**(16,232)**	**(20,133)**
Growth and sustainability levy				
2023	(23,708)	-	-	(23,708)
2024	-	19,807	(16,232)	3,575
	(23,708)	**19,807**	**(16,232)**	**(20,133)**
Total	**(41,485)**	**59,483**	**(105,110)**	**(87,112)**

2023 Bank *in thousands of Ghana Cedis*	Balance at 1 Jan	Charge for the year	Payments during the year	Balance at 31 Dec
Corporate income tax				
2023	4,980	-	(4,455)	525
2024	-	26,881	(21,475)	5,406
	4,980	**26,881**	**(25,930)**	**5,931**
National fiscal stabilisation levy				
2023	(13,443)	-	-	(13,443)
2024	-	-	(10,265)	(10,265)
	(13,443)	**-**	**(10,265)**	**(23,708)**
National Reconstruction levy				
2023	(13,443)	-	-	(13,443)
2024	-	-	(10,265)	(10,265)
	(13,443)	**-**	**(10,265)**	**(23,708)**
Total	**(21,906)**	**26,881**	**(46,460)**	**(41,485)**

2024 Group *in thousands of Ghana Cedis*	Balance at 1 Jan	Charge for the year	Payments during the year	Balance at 31 Dec
Corporate income tax				
2023	6,964	-	(15,360)	(8,396)
2024	-	25,299	(62,212)	(36,913)
	6,964	**25,299**	**(77,572)**	**(45,309)**
Financial Sector Recovery Levy				
2023	(24,129)	-	-	(24,129)
2024	-	19,807	(16,232)	3,575
	(24,129)	**19,807**	**(16,232)**	**(20,554)**
Growth and sustainability levy				
2023	(23,708)	-	-	(23,708)
2024	-	20,816	(17,518)	3,298
	(23,708)	**20,816**	**(17,518)**	**(20,410)**
Total	**(40,873)**	**65,922**	**(111,322)**	**(86,273)**

2023 Group *in thousands of Ghana Cedis*	Balance at 1 Jan	Charge for the year	Payments during the year	Balance at 31 Dec
Corporate income tax				
2009 - 2020	(189)	-	-	(189)
2021	174	-	-	174
2023	6,041	-	(4,455)	1,586
2024	-	31,178	(25,785)	5,393
	6,026	**31,178**	**(30,240)**	**6,964**
National fiscal stabilisation levy				
2009 - 2020	-	-	-	-
2021	-	-	-	-
2023	(13,864)	-	-	(13,864)
2024	-	-	(10,265)	(10,265)
	(13,864)	**-**	**(10,265)**	**(24,129)**
National Reconstruction levy				
2023	(13,443)	-	-	(13,443)
2023	-	-	(10,265)	(10,265)
	(13,443)	**-**	**(10,265)**	**(23,708)**
Total	**(21,281)**	**31,178**	**(50,770)**	**(40,873)**

Liabilities up to and including 2021 for the Bank have been agreed with the tax authorities, liabilities up to and including 2023 for the subsidiaries have also been agreed. All liabilities are subject to agreement with the Ghana Revenue Authority.

18. EARNINGS PER SHARE

See accounting policy in Note: 4.28.

(a) Basic earnings per share

The calculation of basic EPS has been based on the following profit attributable to equity shareholders and weighted average number of equity shares outstanding.

in thousands of Ghana Cedis	**2024**		**2023**	
	Bank	**Group**	**Bank**	**Group**
Loss for the year attributable to equity holders of the Bank	256,393	267,717	(680,278)	(671,068)
Weighted average number of ordinary shares				
Issued ordinary shares at 1 January	626,500	626,500	627,539	627,539
Additional shares issued during the year	227,575	227,575	-	-
Bank's own shares held in treasury	-	-	(1,039)	(1,039)
Weighted average number of ordinary shares	**854,075**	**854,075**	**626,500**	**626,500**
Basic earnings per share (GHS)	**0.3002**	**0.3135**	**(1.0858)**	**(1.0711)**

(b) Diluted earnings per share

The calculation of diluted EPS has been based on the following profit attributable to equity shareholders and weighted average number of ordinary shares outstanding.

in thousands of Ghana Cedis	2024		2023	
	Bank	**Group**	**Bank**	**Group**
Profit (Loss) for the year attributable to equity holders of the Bank	256,393	267,717	(680,278)	(671,068)
Weighted average number of ordinary shares (diluted)				
Issued ordinary shares at 1 January	626,500	626,500	627,539	627,539
Additional shares issued during the year	227,575	227,575	-	-
Convertible Preference share	23,883	23,883	-	-
Bank's own shares issued (purchased) during the year	-	-	(1,039)	(1,039)
Weighted average number of ordinary shares (diluted)	**877,958**	**877,958**	**626,500**	**626,500**
Diluted earnings per share (GHS)	**0.2920**	**0.3049**	**(1.0858)**	**(1.0711)**

19. DIVIDEND PER SHARE

See accounting policy in Note: 4.26.2.

The directors do not recommend the payment of a dividend for the financial year 2024 (2023 : Nil)

20. CASH AND CASH EQUIVALENTS

See accounting policy in Note: 4.16.

in thousands of Ghana Cedis	2024		2023	
	Bank	**Group**	**Bank**	**Group**
Cash and Balances with Banks	502,731	502,731	413,347	413,347
Unrestricted Balances with Bank of Ghana	379,191	379,191	429,556	429,556
Mandatory reserve deposit with Bank of Ghana	1,886,305	1,886,305	1,131,654	1,131,654
Items in course of collection	40,392	40,392	27,909	27,909
Treasury bills with contractual maturities of 90 days and less	-	-	318,497	318,497
Total	**2,808,619**	**2,808,619**	**2,320,963**	**2,320,963**

At the reporting date, the Bank recorded a bank ledger balance of GHS 2,477 million (2023: GHS 1,739 million) in its statement of financial position as compared to the bank statement balance of GHS 2,435 million (2023: GHS1,907 million). The transactions making up the difference between the bank ledger balance and the bank statement balance totalling GHS42 million (2023: GHS168 million) were reflected as reconciling items in the bank reconciliation statements.

21. INVESTMENT SECURITIES

See accounting policy in Note 4.18.

in thousands of Ghana Cedis	2024		2023	
	Bank	**Group**	**Bank**	**Group**
Securities at amortised cost	4,875,883	4,903,947	2,982,370	3,007,324
Securities at FVTPL	361	1,722	312	1,045
Total	**4,876,244**	**4,905,669**	**2,982,682**	**3,008,369**
a) Securities at amortised cost				
Money Market Placements	1,629,020	1,629,020	20,050	22,784
Treasury Bills	9,735	11,101	30,350	30,350
Government Notes	568,935	568,935	-	-
Government Bonds	3,580,314	3,614,654	3,953,943	3,984,589
Corporate Bonds	-	-	7,369	7,369
Gross Investments in securities	**5,788,004**	**5,823,710**	**4,011,712**	**4,045,092**
Impairment				
Money Market Placements	-	-	-	-
Treasury Bills	(80)	(80)	-	-
Government Notes	(320)	(320)	-	-
Government Bonds	(911,721)	(919,363)	(1,029,342)	(1,037,768)
Corporate Bonds	-	-		
	(912,121)	**(919,763)**	**(1,029,342)**	**(1,037,768)**
Carrying amount	**4,875,883**	**4,903,947**	**2,982,370**	**3,007,324**
b) Securities at FVTPL				
Equities	361	1,722	312	1,045
Total	**361**	**1,722**	**312**	**1,045**
Current	1,638,755	1,667,227	857,825	857,825
Non-Current	3,237,489	3,238,442	2,124,857	2,150,544
Total	**4,876,244**	**4,905,669**	**2,982,682**	**3,008,369**

A total of GHS 295 million (2023: Nil) of Investment Securities have been used as security for interbank and short-term borrowing. In the event that, the Bank fails to make good the payment as and when it falls due, the collateral will not be released back to the Bank. The pledged assets cannot be used for any other trading purpose until the payment is done and the pledged assets are released by Central Securities Depository.

Eurobonds

In the year ending 31 December 2024, the bank participated in the Government of Ghana Eurobond Restructuring Programme (GGERP). The GGERP agreements in principle (AIP) offered bondholders two alternatives: a Par option and a Disco option.

The Par option provided a new bond in exchange for the old bonds, featuring a coupon rate of 1.5% per annum with no nominal haircut, along with a post-default interest (PDI) note for interest accrued up to December 2023. The new bond under the Par option had a maturity date of 2037.

The Disco option, on the other hand, exchanged the old bonds for three new bonds and a PDI note, after applying a nominal haircut of 37% to the principal value of the old bond. The new bonds under this option offered coupon rates ranging from 5% to 6%, with maturities spanning from 2029 to 2035.

The bank chose the Disco option, and the new bonds were issued to bondholders on 9 October 2024.

Classification and measurement

The Bonds were designated as financial assets at amortised cost. The table below shows the carrying value, fair value and the ECL re-measurement at the time of the exchange.

Description	Amount (GHS '000) 9 October, 2024
Carrying amount	669,830
Fair value of Eurobond exchanged	424,077
Modification loss	**245,753**

Fair value measurement on initial recognition of new bond

The group classified the new instruments in the exchange as level 3 assets in the fair valuation hierarchy. The fair value of the bonds in the exchange were determined using significant unobservable inputs. The table below shows the valuation technique and the significant unobservable inputs.

The bank considered the role of the non-market adjustment to the rates and deemed the valuation at level 3.

Valuation Technique	Unobservable input	Input range
Income approach using Discounted Cashflow	Discount rate	10.11% - 10.49%

The discounted cashflow method was chosen because of the following reasons:

1. The principal and coupon cashflow from the instrument can be readily ascertained
2. The discount rate estimation could be assessed using Ghana's risk-adjusted borrowing cost and sovereign credit or the United States long-term treasuries plus risk premiums.

In determining the appropriate discount rate, the bank benchmarked the US 10- year Treasury yields and adjusted for liquidity, inflation and country risk premia.

The bank used the 10-year treasury as the basis for determining the discount rate. As at the date of the exchange, the US 10-year Treasury yield was 3.7798%. The latest estimate of the credit default swap (CDS) for Ghana is 8.92%. This brought the rate to 12.7% as an approximation for the country's risk adjusted discount rate for equity valuation. But at the time, the bank has an incremental cost of US dollar borrowings of less than 5%. The average of these two rates was 8.8%. Management adjusted this average rate to 10.29% to cater for liquidity and other risk premium.

Sensitivity analysis of expected credit loss

The sensitivity of the expected credit loss to a 100-basis point (1%) change in the discount rate set out above.

Case	Amount (GHS '000) Bond Effective Date
1% increase	117,153
Base	101,222
1% decrease	84,251

The sensitivity only considered the impact of the discount rate because it was the only uncertain element in the valuation. All others were according to the features of the new bond.

Eurobond reconciliation

in thousands of Ghana Cedis	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount as at 31 December 2023	–	–	604,129	–	604,129
Restatement of the prior year	–	–	–	–	–
Gross carrying amount as at 1 January 2024	**–**	**–**	**604,129**	**–**	**604,129**
Changes in the gross carrying amount					
– Transfer to stage 1	–	–	–	–	–
– Transfer to stage 2	–	–	–	–	–
– Transfer to stage 3	–	–	–	–	–
– Changes due to modifications that did not result in derecognition	–	–	–	–	–
New financial assets originated or purchased	–	–	–	424,077	424,077
Financial assets that have been derecognised	–	–	(874,978)	–	(874,978)
Write -offs	–	–	–	–	–
Interest Accrued on Effective Interest Rate	–	–	225,015	113,228	338,244
Effect of Exchange rate movements	–	–	45,834	(10,881)	34,952
Gross carrying amount as at 31 December 2024	**–**	**–**	**–**	**526,424**	**526,424**
Gain (Loss) allowance as at 31 December 2024	–	–	–	(101,222)	(101,222)
Net Carrying Amount	**–**	**–**	**–**	**425,202**	**425,202**

22. NET GAINS ON DERIVATIVE ASSETS

See accounting policy in Note 4.30

The Bank did not hold derivative financial instruments for risk management and trading purposes as at the reporting period.

23. Non-pledged trading assets

in thousands of Ghana Cedis	2024		2023	
	Bank	**Group**	**Bank**	**Group**
Fixed income trading portfolio	13	13	77,812	77,812
	13	**13**	**77,812**	**77,812**

24. LOANS AND ADVANCES TO CUSTOMERS

See accounting policy in Note: 4.9.

in thousands of Ghana Cedis	2024		2023	
	Bank	**Group**	**Bank**	**Group**
(a) Analysis by portfolio				
Retail:				
Mortgage	68,095	68,095	49,796	49,796
Personal	98,265	98,265	95,725	95,725
SME	166,899	166,899	291,046	291,046
Retail Gross Loans and Advances	**333,259**	**333,259**	**436,567**	**436,567**
Corporate:				
Financial Institutions	108,714	108,714	117,706	117,706
Other Secured	3,024,327	3,024,327	3,296,059	3,296,059
Corporate Gross Loans and Advances	**3,133,041**	**3,133,041**	**3,413,765**	**3,413,765**
Total Gross Loans and Advances	**3,466,300**	**3,466,300**	**3,850,332**	**3,850,332**
Less:				
Stage 1 and 2 impairments - Retail	(33,957)	(33,957)	(12,319)	(12,319)
Stage 3 Impairment - Retail	(9,391)	(9,391)	(9,210)	(9,210)
Stage 1 and 2 impairments - Corporate	(15,004)	(15,004)	(26,840)	(26,840)
Stage 3 Impairment - Corporate	(1,305,952)	(1,305,952)	(1,047,184)	(1,047,184)
Total accumulated impairment	**(1,364,304)**	**(1,364,304)**	**(1,095,553)**	**(1,095,553)**
Carrying Amount	**2,101,996**	**2,101,996**	**2,754,779**	**2,754,779**
(b) Analysis by type				
Overdraft	1,497,470	1,497,470	903,105	903,105
Term Loans	1,968,830	1,968,830	2,947,227	2,947,227
Gross Loans and Advances	**3,466,300**	**3,466,300**	**3,850,332**	**3,850,332**
Less:				
Stage 1 and 2 impairments	(48,961)	(48,961)	(39,159)	(39,159)
Stage 3 Impairment	(1,315,343)	(1,315,343)	(1,056,394)	(1,056,394)
	(1,364,304)	**(1,364,304)**	**(1,095,553)**	**(1,095,553)**
Carrying Amount	**2,101,996**	**2,101,996**	**2,754,779**	**2,754,779**
Current	933,679	933,679	1,431,798	1,431,798
Non-Current	1,168,317	1,168,317	1,322,981	1,322,981

in thousands of Ghana Cedis	2024		2023	
	Bank	**Group**	**Bank**	**Group**
(c) Allowances for impairment				
Movement in impairment loss allowance on loans and advances				
Balance at 1 January	1,095,553	1,095,553	547,718	547,718
Impairment losses recognised on loans and advances	268,751	268,751	755,071	755,071
Amounts written off during the year	-	-	(207,236)	(207,236)
Balance at 31 December	**1,364,304**	**1,364,304**	**1,095,553**	**1,095,553**
Movement in impairment loss allowance on investment securities				
Balance at 1 January	1,029,342	1,037,768	1,139,550	1,148,573
(Release)/ Charge on old eurobonds	(103,926)	(103,926)	25,589	25,589
Impairment charge/(release) on investment securities	(13,295)	(14,079)	(135,797)	(136,394)
Balance at 31 December	**912,121**	**919,763**	**1,029,342**	**1,037,768**
Credit loss expense				
Impairment losses recognised on loans and advances	268,751	268,751	755,071	755,071
Impairment charge on off-balance sheet exposures	(601,896)	(601,896)	604,820	604,820
Impairment charge on investment securities	183,785	183,414	(110,208)	(110,805)
Amounts recovered previously written off	(43,444)	(43,444)	(20,185)	(20,185)
Net charge to the income statement	**(192,804)**	**(193,175)**	**1,229,498**	**1,228,901**
Loan ratios				
Impairment charge to gross loans	7.8%	7.8%	35.3%	35.3%
Loan loss provision ratio	39.4%	39.4%	28.5%	28.5%
Gross non-performing loan ratio	47.5%	47.5%	33.2%	33.2%
50 largest exposures to total exposure	91.7%	91.7%	93.4%	93.4%

Total non-performing loans amounted to GHS 1,646.7 million (2023: GHS1,276.9 million)

* The reconciliation reflected net impairment changes in one line in the 2023 financial statements. This line has been represented to enhance cross referencing to note 21.

25. INVESTMENTS IN SUBSIDIARIES

(a) The Principal Subsidiaries are:

2024	Nature of business	Country of incorporation	Amounts Invested	Percentage interest
CalAsset Management Company Limited (CAMCOL)	Fund Management	Ghana	2020	100
CalTrustee Company Limited (CTCL)	Trustee	Ghana	10	100
CalBank Nominees Limited (CBNL)	Custodial Service	Ghana	10	100
			3,540	

2023	Nature of business	Country of incorporation	Amounts Invested	Percentage interest
CalAsset Management Company Limited (CAMCOL)	Fund Management	Ghana	2,020	100
CalTrustee Company Limited (CTCL)	Trustee	Ghana	10	100
CalBank Nominees Limited (CBNL)	Custodial Service	Ghana	10	100
			3,540	

in thousands of Ghana Cedis	2024		2023	
	Bank	**Group**	**Bank**	**Group**
Investments in subsidiaries are measured at cost:				
Investments in Subsidiaries	3,540	-	3,540	-

(b) Summary of Subsidiary Financial Statements

2024 *in thousands of Ghana Cedis*	**CBL**	**CAML**	**CBNL**	**CTCL**
Operating income	-	33,429	-	-
Operating expenses	-	(11,682)	-	-
Income Tax and Levies	-	(6,683)	-	-
Profit for the year	**-**	**15,064**	**-**	**-**
Total Assets	1,500	70,118	10	10
Total Liabilities		(9,095)		
Shareholder's equity	**1,500**	**61,023**	**10**	**10**
Total Cash Inflows	-	139,752	-	-
Total Cash Outflows	-	(142,359)	-	-
Net Cash inflows	**-**	**(2,607)**	**-**	**-**

2023 *in thousands of Ghana Cedis*	**CBL**	**CAML**	**CBNL**	**CTCL**
Operating income	-	23,069	-	-
Operating expenses	-	(8,823)	-	-
Income Tax and National Fiscal Stabilization Levy	-	(4,296)	-	-
Profit for the year	**-**	**9,950**	**-**	**-**
Total Assets	1,500	47,843	10	10
Total Liabilities	-	(1,803)	-	-
Total Shareholder's Equity	**1,500**	**46,040**	**10**	**10**
Total Cash Inflows	-	1,540,760	-	-
Total Cash Outflows	-	(1,530,485)	-	-
Net Cash Inflow	**-**	**10,275**	**-**	**-**

26. OTHER ASSETS

in thousands of Ghana Cedis	2024		2023	
	Bank	**Group**	**Bank**	**Group**
Prepayments	12,887	17,223	97,255	98,343
Sundry Debtors	470,526	468,021	131,639	136,155
	483,413	**485,244**	**228,894**	**234,498**
Current	483,413	485,244	228,894	234,498

*Sundry debtors include amounts receivable from GHIPPS instant pay, VISA, Telcel Cash, and Pan-African payments and settlement systems.

27. DEFERRED TAX ASSETS/LIABILITIES

Movements in deferred income tax during the year is as follows:

Bank 2024 *in thousands of Ghana Cedis*	**Balance at 1 January**	**Recognised in P&L**	**Recognised in OCI**	**Balance at 31 December**	**Deferred tax assets**	**Deferred tax liabilities**
Property and Equipment	18,134	(16,154)	-	1,980	-	1,980
Other employee benefit liabilities	(8,235)	(1,914)		(10,149)	(10,149)	-
Impairment allowance	(734,581)	101,126		(633,455)	(633,455)	-
Leases	(12,387)	(2,786)		(15,173)	(15,173)	-
Revaluation reserve on property and equipment	70,945	-	-	70,945	-	70,945
	(666,124)	**80,272**	**-**	**(585,852)**	**(658,777)**	**72,925**

Group 2024 *in thousands of Ghana Cedis*	**Balance at 1 January**	**Recognised in P&L**	**Recognised in OCI**	**Balance at 31 December**	**Deferred tax assets**	**Deferred tax liabilities**
Property and Equipment	18,155	(16,099)		2,056	-	2,056
Other employee benefit liabilities	(8,258)	(1,914)		(10,172)	(10,172)	-
Impairment allowance	(736,688)	101,322		(635,366)	(635,366)	-
Leases	(12,387)	(2,786)		(15,173)	(15,173)	-
Revaluation reserve on property and equipment	70,945	-		70,945	-	70,945
	(668,233)	**80,523**	**-**	**(587,710)**	**(660,711)**	**73,001**

The Group recognised deferred tax assets of GHS587.7 million (2023: GHS668 million) and the Bank recognised deferred tax assets of GHS585.9 million (2023: GHS666 million) based on management's profit forecasts (which are based on the available evidence, including historical levels of profitability), which indicates that it is probable that the Group and Bank will have future taxable profits against which these assets can be utilised.

Bank 2023 *in thousands of Ghana Cedis*	**Balance at 1 January**	**Recognised in profit or loss**	**Recognised in OCI**	**Balance at 31 December**	**Deferred tax assets**	**Deferred tax liabilities**
Property and equipment	6,221	11,913	-	18,134	-	18,134
Other employee benefit liabilities	(5,537)	(2,698)	-	(8,235)	(8,235)	-
Impairment allowance	(422,127)	(312,454)	-	(734,581)	(734,581)	-
Leases	(9,180)	(3,207)	-	(12,387)	(12,387)	-
Revaluation reserve on property and equipment	70,945	-	-	70,945	-	70,945
	(359,678)	**(306,446)**	**-**	**(666,124)**	**(755,203)**	**89,079**

Group 2023 *in thousands of Ghana Cedis*	**Balance at 1 January**	**Recognised in profit or loss**	**Recognised in OCI**	**Balance at 31 December**	**Deferred tax assets**	**Deferred tax liabilities**
Property and equipment	6,239	11,916	-	18,155	-	18,155
Other employee benefit liabilities	(5,546)	(2,712)	-	(8,258)	(8,258)	-
Impairment allowance	(424,383)	(312,305)	-	(736,688)	(736,688)	-
Leases	(9,180)	(3,207)	-	(12,387)	(12,387)	-
Revaluation reserve on property and equipment	70,945	-	-	70,945	-	70,945
	(361,925)	**(306,308)**	**-**	**(668,233)**	**(757,333)**	**89,100**

28. PROPERTY PLANT AND EQUIPMENT

See accounting policy in Note: 4.19

(a) Reconciliation of carrying amount

Bank 2024 *in thousands of Ghana Cedis*	**Bank Premises**	**Furniture, Fixtures & Equipment**	**Motor Vehicles**	**Work in Progress**	**Total**
Cost/valuation					
Balance at 1 January	452,469	250,993	14,259	61,911	779,632
Additions	-	1,597	-	18	1,615
Disposal	(13,452)	-	-	(19,841)	(33,293)
Balance at 31 December	**439,017**	**252,590**	**14,259**	**42,088**	**747,954**
Accumulated depreciation					
Balance at 1 January	15,012	118,233	8,734	-	141,979
Depreciation for the year	7,262	27,301	1,269	-	35,832
Balance at 31 December	**22,274**	**145,534**	**10,003**	**-**	**177,811**
Carrying amounts					
Balance at 31 December	**416,743**	**107,056**	**4,256**	**42,088**	**570,143**

Group 2024 *in thousands of Ghana Cedis*	**Bank Premises**	**Furniture, Fixtures & Equipment**	**Motor Vehicles**	**Work in Progress**	**Total**
Cost/valuation					
Balance at 1 January	452,469	252,126	14,259	61,911	780,765
Additions	-	2,042	-	18	2,060
Disposal	(13,452)	-	-	(19,841)	(33,293)
Balance at 31 December	**439,017**	**254,168**	**14,259**	**42,088**	**749,532**
Accumulated depreciation					
Balance at 1 January	15,012	119,188	8,735	-	142,935
Depreciation for the year	7,262	27,379	1,269	-	35,910
Balance at 31 December	**22,274**	**146,567**	**10,004**	**-**	**178,845**
Carrying amounts					
Balance at 31 December	**416,743**	**107,601**	**4,255**	**42,088**	**570,687**

Bank 2023 *in thousands of Ghana Cedis*	**Bank Premises**	**Furniture, Fixtures & Equipment**	**Motor Vehicles**	**Work in Progress**	**Total**
Cost/valuation					
Balance at 1 January	456,893	172,519	16,039	89,539	734,990
Additions	285	1,547	–	51,558	53,390
Disposals	(4,709)	(491)	(1,780)	–	(6,980)
Transfers	–	77,418	–	(79,186)	(1,768)
Balance at 31 December	**452,469**	**250,993**	**14,259**	**61,911**	**779,632**
Accumulated depreciation					
Balance at 1 January	7,747	96,385	8,539	–	112,671
Depreciation for the year	7,311	22,335	1,623	–	31,269
Disposals	(46)	(487)	(1,428)	–	(1,961)
Balance at 31 December	**15,012**	**118,233**	**8,734**	**–**	**141,979**
Carrying amounts					
Balance at 31 December	**437,457**	**132,760**	**5,525**	**61,911**	**637,653**

Group 2023 *in thousands of Ghana Cedis*	**Bank Premises**	**Furniture, Fixtures & Equipment**	**Motor Vehicles**	**Work in Progress**	**Total**
Cost/valuation					
Balance at 1 January	456,893	173,524	16,039	89,539	735,995
Addition	285	1,675	–	51,558	53,518
Disposals	(4,709)	(491)	(1,780)	–	(6,980)
Transfers	–	77,418	–	(79,186)	(1,768)
Balance at 31 December	**452,469**	**252,126**	**14,259**	**61,911**	**780,765**
Accumulated depreciation					
Balance at 1 January	7,747	97,300	8,540	–	113,587
Depreciation for the year	7,311	22,375	1,623	–	31,309
Disposals	(46)	(487)	(1,428)	–	(1,961)
Balance at 31 December	**15,012**	**119,188**	**8,735**	**–**	**142,935**
Carrying amounts					
Balance at 31 December	**437,457**	**132,938**	**5,524**	**61,911**	**637,830**

There was no indication of impairment of property and equipment held by the Bank at 31 December 2024 (2023: Nil). None of the property, plant and equipment of the Bank had been pledged as security for liabilities and there were no restrictions on the title of any of the Bank's property and equipment at the reporting date and at the end of the previous year. There were no capitalised borrowing costs related to the acquisition of property and equipment during the year (2023: Nil)

Fair value hierarchy

The Group's leasehold Land and Buildings are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value measurements of the Group's leasehold land and buildings as at 31 December 2022 was performed by Apex Property Surveying Consult Limited who are external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The independent valuers provide the fair values of the Group's leasehold land and buildings every three years. The valuation in 2022 was based on an inspection on 2 August 2022 and estimates as of 5 August 2022.

The fair value measurements for all of the leasehold land and buildings have been categorised as Level 3 fair value measurements. In this valuation, the following general assumptions were made:

- That no deleterious or hazardous material or techniques were used.
- That the property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings and that good title can be shown.
- That the property and its value are unaffected by any matters which would be revealed by a local search and replies to the usual enquiries or by any statutory notice, and that neither the property nor its condition, nor its use, nor its intended use, is or will be unlawful.
- That the inspection of those parts which have not been inspected would neither reveal material defects nor cause the surveyor to alter the valuation.
- That all materials used in the construction of the subject property were bought brand new.

The fair value measurements for all of the leasehold land and buildings have been categorised as Level 3 fair value measurements.

Valuation techniques

The fair value of the leasehold land and buildings was determined using the depreciated replacement cost method which determines the construction cost of the building on the basis that the subject property is a unique building and therefore does not have similar properties in the area for comparison. The comparative method was also used to gather information on the prevailing land values in the area and making room for adjustments, taking into consideration the subject properties and their access to road network and amenities such as electricity and water.

Bank *in thousands of Ghana Cedis*	**2024**				**2023**			
	Leve 1	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Bank Premises	-	-	416,743	416,743	-	-	437,457	437,457
	-	**-**	**416,743**	**416,743**	**-**	**-**	**437,457**	**437,457**

Group *in thousands of Ghana Cedis*	**2024**				**2023**			
	Level 1	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Bank Premises	-	-	416,743	416,743	-	-	437,457	437,457
	-	**-**	**416,743**	**416,743**	**-**	**-**	**437,457**	**437,457**

(b) Depreciation and amortisation

in thousands of Ghana Cedis	**2024**		**2023**	
	Bank	**Group**	**Bank**	**Group**
Property and equipment See Note: 28(a)	35,832	35,910	31,269	31,309
Depreciation on right-of-use assets See Note: 33(a)	14,538	14,538	14,504	14,504
Intangible assets (Note 29)	8,393	8,557	8,324	8,492
	58,763	**59,005**	**54,097**	**54,305**

(c) Loss on disposal of property and equipment

in thousands of Ghana Cedis	**2024**		**2023**	
	Bank	**Group**	**Bank**	**Group**
Cost	33,293	33,293	6,980	6,980
Accumulated depreciation	-	-	(1,961)	(1,961)
Carrying value	**33,293**	**33,293**	**5,019**	**5,019**
Proceeds from disposal*	72,204	72,204	2,987	2,987
Profit (Loss) on disposal	**38,911**	**38,911**	**(2,032)**	**(2,032)**

* of this value only GHS 32.1 million has been received. The remaning is receivable.

29. INTANGIBLE ASSETS

See accounting policy in Note: 4.20.

2024 *in thousands of Ghana Cedis*	Software	Work in Progress	Bank Total	Software	Work in Progress	Group Total
Cost						
Balance at 1 January	87,640	26,629	114,269	89,312	26,629	115,941
Addition	840	8,275	9,115	840	8,275	9,115
Balance at 31 December	**88,480**	**34,904**	**123,384**	**90,152**	**34,904**	**125,056**
Accumulated amortisation						
Balance at 1 January	33,929	-	33,929	34,613	-	34,613
Amortisation for the year	8,393	-	8,393	8,557	-	8,557
Balance at 31 December	**42,322**	**-**	**42,322**	**43,170**	**-**	**43,170**
Carrying value	**46,158**	**34,904**	**81,062**	**46,982**	**34,904**	**81,886**

2023 *in thousands of Ghana Cedis*	Software	Work in Progress	Bank Total	Software	Work in Progress	Group Total
Cost						
Balance at 1 January	84,131	23,205	107,336	85,556	23,205	108,761
Addition	3,509	3,424	6,933	3,756	3,424	7,180
Balance at 31 December	**87,640**	**26,629**	**114,269**	**89,312**	**26,629**	**115,941**
Accumulated amortisation						
Balance at 1 January	25605	-	25,605	26121	-	26,121.00
Amortisation for the year	8324	-	8,324	8492	-	8,492.00
Balance at 31 December	**33,929**	**-**	**33,929**	**34,613**	**-**	**34,613.00**
Carrying value	**53,711**	**26,629**	**80,340**	**54,699**	**26,629**	**81,328**

Intangible assets represent licenses for computer software. There was no indication of impairment of intangible assets held by the Bank at reporting date and at the end of the previous year. There were no capitalised borrowing costs related to the acquisition of intangible assets during the year (2023: Nil).

30. DEPOSIT FROM BANKS AND OTHER FINANCIAL INSTITUTION

See accounting policy in Note: 4.22.

in thousands of Ghana Cedis	2024		2023	
	Bank	**Group**	**Bank**	**Group**
Time deposits	255,166	226,546	456,753	444,233
Current account	-	-	98,248	95,514
	255,166	**226,546**	**555,001**	**539,747**
Current	255,166	226,546	555,001	539,747

31. DEPOSITS FROM CUSTOMERS

See accounting policy in Note: 4.22.

in thousands of Ghana Cedis	2024		2023	
	Bank	**Group**	**Bank**	**Group**
Analysis by product				
Current account	7,016,881	7,016,881	4,086,409	4,086,409
Savings deposit	1,596,771	1,596,771	1,787,471	1,787,471
Time deposit	817,875	817,875	1,071,747	1,071,747
	9,431,527	**9,431,527**	**6,945,627**	**6,945,627**
Analysis by portfolio				
Retail				
Current account	3,313,407	3,313,407	2,093,481	2,093,481
Savings deposit	1,535,522	1,535,522	732,396	732,396
Time deposit	589,242	589,242	1,037,109	1,037,109
	5,438,171	**5,438,171**	**3,862,986**	**3,862,986**
Corporate				
Current account	3,703,474	3,703,474	1,992,928	1,992,928
Savings deposit	61,249	61,249	1,055,075	1,055,075
Time deposit	228,633	228,633	34,638	34,638
	3,993,356	**3,993,356**	**3,082,641**	**3,082,641**
Total deposits	**9,431,527**	**9,431,527**	**6,945,627**	**6,945,627**
Analysis by type				
Individuals and other private enterprises	9,431,527	9,431,527	6,789,174	6,789,174
Public enterprises	-	-	156,453	156,453
	9,431,527	**9,431,527**	**6,945,627**	**6,945,627**
Current	9,431,527	9,431,527	5,852,886	5,852,886
Non-current	-	-	1,092,741	1,092,741

Twenty largest depositors to total deposit ratio is 31% (2023: 38%).

32. BORROWINGS

See accounting policy in Note: 4.22.

in thousands of Ghana Cedis	2024		2023	
	Bank	**Group**	**Bank**	**Group**
Long-term borrowings				
Agence Francaise De Development	207,729	207,729	161,784	161,784
Development Bank Ghana Limited	92,607	92,607	109,416	109,416
Ghana Export - Import Bank	5,327	5,327	11,001	11,001
US International Development Finance Corporation	959,877	959,877	773,581	773,581
Total	**1,265,540**	**1,265,540**	**1,055,782**	**1,055,782**
Short-term borrowing				
Agence Francaise De Development	-	-	39,817	39,817
US International Development Finance Corporation	-	-	113,229	113,229
Interbank	271,622	271,622	20,050	20,050
	271,622	**271,622**	**173,096**	**173,096**
Surbordinated term borrowings				
PROPACO	-	-	63,840	63,840
	-	**-**	**63,840**	**63,840**
Carrying amount	**1,537,162**	**1,537,162**	**1,292,718**	**1,292,718**
Current	1,439,228	1,439,228	223,246	223,246
Non-Current	97,934	97,934	1,069,472	1,069,472
Reconciliation of borrowing per statement of cash flows				
Balance at 1 January	1,292,718	1,292,718	1,610,950	1,610,950
Proceeds from borrowings	39,846,108	39,846,108	173,308	173,308
Interest expense	203,193	203,193	174,596	174,596
Principal repayment	(39,606,715)	(39,606,715)	(491,540)	(491,540)
Interest payment	(203,966)	(203,966)	(172,660)	(172,660)
Foreign exchange loss	5,824	5,824	(1,936)	(1,936)
Balance at 31 December	**1,537,162**	**1,537,162**	**1,292,718**	**1,292,718**

32 Borrowings (Continued)

Agence Francaise De Development – This is a facility granted by Agence Francaise De Development to support the Sustainable Use of Natural Resources and Energy Financing (SUNREF) project. Interest is at a rate of 6 months Libor plus 2.05% per annum and matures in 2029.

Ghana Export – Import Bank – These are various facilities granted by the Ghana Export and Import Bank to be extended to customers in the export sector. Interest is at a rate of 2.5% per annum maturing in 2025.

U.S. International Development Finance Corporation (DFC) – This is a facility granted by OPIC for on-lending to SME's. Interest is at weekly US treasury bill rate plus 5.8% per annum and matures in 2031.

PROPACO (Subordinated Term Loan) – This is a Tier 2 facility granted by PROPARCO. Interest is at a rate of 6 months Libor plus 5.8% per annum and matured in 2024.

Development Bank Ghana – This facility is granted by Development Bank Ghana for on-lending to the private sector development. Interest rate on these facilities is 10.0% per annum maturing in 2032.

Development Bank Ghana – This facility is granted by Development Bank Ghana for on-lending to the private sector development. Interest rate on these facilities is 15.0% per annum maturing in 2026.

Interbank Borrowings – These are overnight borrowings for the purposes of liquidity management. The Interest rates of these facilities are usually set at policy rate minus 2.0% - 2.5%.

Breach of loan covenant

As at the end of year 2024, covenants with some of the borrowing counterparties were breached. The breaches emanated broadly from the adverse impact of the Domestic Debt Exchange Programme (DDEP) in Ghana and the adverse impact of the Asset Quality Review (AQR) in 2023.

The facilities from United States International Development Finance Corporation (DFC), contained in a covenant state that the amount of gross non-performing loans must not be more than ten per cent (10%) of total customer loans and advances.

However, the group exceeded its non-performing loan ratio as of 31 December 2024 as it recorded a ratio of 47.5%.

Also, the group exceeded the covenant relating to Financial Expenses Coverage Ratio, and Capital Adequacy ratio. The covenant states that, "Financial Expenses Coverage Ratio" shall not fall below 125%, and capital adequacy ratio shall be more than or equal to 10%

However, the group reported (1,136.0%) on Financial Expenses Coverage Ratio, and (9.1%) on Capital Adequacy ratio. The Group is going through the process to seek a waiver for the breaches while the necessary steps to cure the breaches are also ongoing concurrently.

33. LEASE LIABILITIES

See accounting policy in Note: 4.29.

Bank as lessee

The Bank leases a number of branch and office premises. These leases typically run for a period of five (5) years, usually with an option to renew the lease after that date. Payments are renogotiated as and when to reflect market rentals. The Bank has elected not to recognise right-of-use assets and lease liabilities for short-term and/or leases of low-value items. Previously, these leases were classified as operating leases under IAS 17.

Extension options

Some leases of office premises contain extension options exercisable by the Group up to one year before the end of the noncancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control. The Group exercised all extension option available in arriving at its lease liabilites.

Information about leases for which the Group is a lessee is presented below:

in thousands of Ghana Cedis	**2024**		**2023**	
	Bank	**Group**	**Bank**	**Group**
(a) Right-of-use assets				
Balance at 1 January	75,161	75,161	85,047	85,047
Additional right-of-use asset recognised	-	-	5,196	5,196
Remeasurement of right-of-use assets	77	77	(578)	(578)
Derecognition	-	-	-	-
Depreciation on right-of-use assets	(14,538)	(14,538)	(14,504)	(14,504)
Balance at 31 December	**60,700**	**60,700**	**75,161**	**75,161**
(b) Lease liabilities				
Balance at 1 January	68,188	68,188	66,288	66,288
Additional lease liabilities in the current year	-	-	5,196	5,196
Remeasurement of lease liabilities	77	77	-	-
Derecognition	-	-	(1,787)	(1,787)
Finance cost on lease liabilities	4,801	4,801	4,651	4,651
Losses from currency translation	8,464	8,464	11,088	11,088
Total lease payment	(6,181)	(6,181)	(17,248)	(17,248)
Balance at 31 December	**75,349**	**75,349**	**68,188**	**68,188**
(c) Low value assets and short term leases				
Expenses relating to low-value assets charged to profit or loss as part of other expenses	3,184	3,184	2,473	2,473
(d) Amounts recognised in statement of cash flows				
Lease liability finance charges paid	4,801	4,801	4,651	4,651
lease liability principal repayments	1,380	1,380	12,597	12,597
Total cash outflow for leases	**6,181**	**6,181**	**17,248**	**17,248**

34. OTHER LIABILITIES

in thousands of Ghana Cedis	2024		2023	
	Bank	**Group**	**Bank**	**Group**
Creditors	75,397	75,243	249,850	251,535
Accruals	8,322	11,952	11,347	11,411
Recognised liability for employee benfefit (note 34a)	40,594	40,748	34,037	34,054
Cash margin*	57	57	278,176	278,176
Others**	17,784	18,057	14,572	14,572
Impairment off-balance sheet items***	-	-	604,820	604,820
	142,154	**146,057**	**1,192,802**	**1,194,568**
(a) Movement in the liability for employee benefits				
Liability for employee benefit at 1 January	34,037	34,054	23,246	23,208
Benefit paid	(1,230)	(1,308)	(751)	(751)
Expenses charged to profit and loss	7,787	8,002	10,408	10,438
Expense charged to OCI (note 35e)	-	-	1,134	1,159
Liability for employee benefit at 31 December	**40,594**	**40,748**	**34,037**	**34,054**
(b) Expenses recognised in profit or loss				
Current service costs	6,698	6,865	9761	9777
Remeasurements	227	260		
Interest on obligation	862	877	647	661
	7,787	**8,002**	**10,408**	**10,438**
(c) Expense charged to OCI				
Remeasurement of employee benefit	-	-	(1,134)	(1,159)
Amounts related to executive directors included in expenses recognised in profit or loss	-	-	**9,057**	**9,057**
(d) Amount related to executive directors included in expenses recoganised in profit or loss	**3,631**	**3,631**	**9,057**	**9,057**
e) Acturial assumption				
Assumptions at reporting date (expressed in weighted averages)				
Discount rate at 31 December	24%	24%	24%	24%
Future salary increases	10%	10%	10%	10%
Mortality loading	10%	10%	10%	10%
Inflation rate	10%	10%	10%	10%

Assumptions regarding future mortality based on published statistics and mortality tables 1983 Unisex Group Annuity mortality

*** Cash Margin:**
These are customer funds set aside to meet customer obligations as and when they fall due.

**** Others:**
This category includes withholding taxes deducted from customers and suppliers, E-levy as well VAT deducted from suppliers and payable to Ghana Revenue Authority.

***** Impairment of Off-Balance Sheet Items**:
This category comprises impairment of letters of credit and financial guarantees.

The sensitivity analysis as at the year end for the Bank and Group is as follows:

2024 *in thousands of Ghana Cedis*	Main Basis	Discount rate (-2%)	Discount rate (+2%)	Salary scale (-2%)	Salary scale (+2%)	Mortality (10%)
Actuarial Liability	40,594	41,056	40,032	40,013	41,064	40,513
Percentage change	-	1.1%	(1.4%)	(1.4%)	1.2%	(0.2%)

2023 *in thousands of Ghana Cedis*	Main Basis	Discount rate (-2%)	Discount rate (+2%)	Salary scale (-2%)	Salary scale (+2%)	Mortality (10%)
Actuarial Liability	34,054	36,438	32,011	32,351	36,097	34,054
Percentage Change	-	7%	(6)%	(5)%	6%	-

The Groups long term employee benefit is valued every year. The valuation of the Group's long term employee benefit as at the year end 2024 was performed by Messrs Stallion Consultants Limited and signed by its Executive Chairman Mr. Charles Osei-Akoto, (ASA, MAAA). Stallion Consultants Limited has the appropriate qualification and experience in the fair value measurement of defined benefit.

35. CAPITAL AND RESERVES

See accounting policy in Note: 4.26.

a. Stated Capital	2024		2023	
	Number ('000)	Value	Number ('000)	Value
Authorised:				
Equity shares of no par value	2,500,000	-	2,500,000	-
Preference shares of no par value	500,000	-	500,000	-
Issued:				
For cash	935,750	239,151	414,871	93,305
Transfer from Retained Earnings	-	306,695	-	306,695
Bonus issue	212,668	-	212,668	-
	1,148,418	**545,846**	**627,539**	**400,000**

There is no call or instalment unpaid on any share.

As at 31 December 2024 the authorized share capital comprised of 2.5 billion equity shares (2023:2.5 billion) of no par value and 500 million preference shares (2023: 500 million).

The Group has a positive equity of GHS 272.6 million (2023: negative GHS 141.0 million) and a negative regulatory capital of GHS 447.1 million (2023: negative GHS 537.0 million) as at 31 December 2024. This was due to improved profitability and additional capital raise of GHS 145.8 million in 2024. (See note 7.6).

The holders of equity shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Bank. All shares rank equally with regard to the Bank's residual assets.

(b) Statutory reserve

in thousands of Ghana Cedis	2024		2023	
	Bank	**Group**	**Bank**	**Group**
Balance at 1 January	393,905	393,905	393,905	393,905
Transfer from retained earnings	64,098	64,098	-	-
Balance at 31 December	**458,003**	**458,003**	**393,905**	**393,905**

Statutory reserve represents the cumulative amounts set aside from annual net profit after tax as required by Section 34 of the Banks and Specialised Deposit Taking Institution Act 2016 (Act 930). The proportion of net profits transferred to this reserve ranges from 12.5% to 50% of net profit after tax depending on the ratio of existing statutory reserve fund to paid-up capital.

(c) Revaluation reserve

in thousands of Ghana Cedis	2024		2023	
	Bank	**Group**	**Bank**	**Group**
Balance at 1 January	227,085	227,085	227,085	227,085
Revaluation gain	-	-	-	-
Balance at 31 December	**227,085**	**227,085**	**227,085**	**227,085**

This refers to the effects from the fair value measurement after deduction of deferred taxes on unrealised surplus/gains on Property, Plant and Equipment. These unrealised gains or losses are not recognised in profit or loss until the asset has been sold/matured or impaired. Deferred tax on revaluation of the Bank's leasehold land and buildings is recognised directly in Other Comprehensive Income (OCI). The revaluation reserve is not a distributable reserve.

(d) Credit risk reserve

in thousands of Ghana Cedis	2024		2023	
	Bank	**Group**	**Bank**	**Group**
Specific Provision on Loans and Advances	1,465,769	1,465,769	1,011,166	1,011,166
General Provision on Loans and Advances	96,983	96,983	16,223	16,223
Provision required by Bank of Ghana	**1,562,752**	**1,562,752**	**1,027,389**	**1,027,389**
Amount provided per IFRS 9 (note 24)	(1,364,304)	(1,364,304)	(1,095,553)	(1,095,553)
Credit Risk Reserve	**198,448**	**198,448**	**-**	**-**

The regulatory credit risk reserve is a non-distributable reserve prescribed by Bank of Ghana to account for differences between impairment loss on financial assets per IFRS 9 and the specific and general impairment loss on loans and advances and contingent liabilities per the Central Bank's prudential guidelines.

(e) Other reserves

in thousands of Ghana Cedis	2024		2023	
	Bank	**Group**	**Bank**	**Group**
1. Fair value reserve – defined benefit				
Balance 1 January	(2,231)	(2,172)	(1,097)	(1,013)
Experience gain/loss on long-term employee benefit	–	–	(1,134)	(1,159)
Balance at 31 December	**(2,231)**	**(2,172)**	**(2,231)**	**(2,172)**
2. Share deals account				
Balance 1 January	(707)	(707)	(707)	(707)
Experience gain/loss on long-term employee benefit	–	–	–	–
Balance at 31 December	**(707)**	**(707)**	**(707)**	**(707)**
Total other reserves	**(2,938)**	**(2,879)**	**(2,938)**	**(2,879)**

in thousands of Ghana Cedis	2024		2023	
	Bank	**Group**	**Bank**	**Group**
Total other reserves	**(2,938)**	**(2,879)**	**(2,938)**	**(2,879)**

(f) Retained earnings

This represents the residual of cumulative annual profits that are available for distribution to shareholders.

(g) Dividends

At the reporting date, the Directors do not recommend the payment of a dividend (2023: Nil).

36. CONTINGENCIES AND COMMITMENTS

See accounting policy in Note: 4.9.10.

(a) Letters of credit, guarantees and indemnities

In common with banks, the Group conducts business involving acceptances, guarantees, performance bonds and indemnities. The majority of these facilities are offset by corresponding obligations of third parties. The Group also holds certain securities in its own name on behalf of customers. The values of these securities are not recognised in the consolidated balance sheet.

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

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

Contingencies and commitments not provided for in the financial statements as at 31 December 2024 in respect of the above amounted to GHS 3.4 billion (2023: GHS1,44 billion), as detailed below:

in thousands of Ghana Cedis	2024		2023	
	Bank	**Group**	**Bank**	**Group**
Undrawn loans and overdrafts	324,093	324,093	832,384	832,384
Letters of credit	80,466	80,466	91,070	91,070
Guarantees and indemnities	257,694	257,694	515,021	515,021
	662,253	**662,253**	**1,438,475**	**1,438,475**

The amount of unsecured contingencies and commitments in respect of these at 31 December 2024 was nil (2023: nil).

(b) Commitments for capital expenditure

There were no commitments to capital expenditures in relation to property and equipment as at 31 December 2024 (2023: nil).

(c) Claims and litigation

At the year end, there were some legal cases pending against the Group and the Bank. We do not expect judgment to go in favour of plaintiff. The Group and the Bank estimates the claims of the pending legal cases at GHS1.42 billion (2023: GHS61.94 million). Among several cases is the one involving IbisTek, the single largest exposure, along with seven (7) others, concerning a debt exceeding USD95 million owed to the Bank. No provisions in relation to these claims has been recognised in the consolidated financial statements as legal advice indicates that it is not probable that a significant liability will arise.

(d) Assets under management and custody

The Group provides custody, trustee, investment management and advisory services to third parties, which involves the Group making allocation and purchase and sale decisions in relation to a wide range of financial instruments. Those assets that are held in a fiduciary capacity are not included in these financial statements.

Assets managed by the Group on behalf of clients amounted to GHS 5.61 billion (2023: GHS4.29 billion). Corresponding fee income amount to GHS 33.0 million (2023 : GHS16.32 million).

Assets under custody amounted to GHS 7.4 billion (2023: GHS6.50 billion). Corresponding fee income amount to GHS 12.15 million (2023 : GHS6.80 million).

37. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial and operational decisions, or one other party controls both. The definition includes members of the Board, key management personnel and the close members of their family.

(a) Transactions with directors and key management personnel

Key Management Personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of CalBank PLC (directly or indirectly) and comprise the Directors and Officers of CalBank PLC.

In the ordinary course of business, the Group makes loans to companies where a Director or other member of Key Management Personnel (or any connected person) is also a Director or other member Key Management Personnel (or any connected person) of CalBank PLC. These loans are made on substantially the same criteria and terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons and did not involve more than the normal risk of collectibility or present other unfavourable features.

Details of transactions between directors and other key management personnel (and their connected persons) and the Bank are as follows:

in thousands of Ghana Cedis	2024	2023
Loans and advances to directors and their associates		
Balance at 1st January	**5,541**	**13,877**
Loans Advanced during the year	-	515
Loans repayments during the year	(270)	(8,850)
Balance at 31st December	**5,271**	**5,542**
Loans and advances to employees		
Balance at 1st January	**45,477**	**44,525**
Loans Advanced During the Year	49,810	14,025
Loans repayments during the year	(19,955)	(13,073)
Balance at 31st December	**75,332**	**45,477**

Included in loans and advances to employees is a total amount of GHS 9.2 million (2023: GHS2.4 million) of loans relating to key management personnel.

There were no new loans and advances granted to companies in which any of the Directors had an interest during the year. (2023: GHS0.51million)

A total provision of GHS 0.035 million (2023: GHS0.52 million) was made in respect of loans and advances to directors and key management personnel.

(b) Subsidiaries

Details of principal subsidiaries are shown in Note 25.

Included in deposits is GHS28.5 million (2023: GHS12.5million) due to our subsidiary companies. Interest paid on deposits from subsidiaries during the year amounted to GHS4.3 million (2023: GHS 1.2 million).

Dividend of nil (2023: GHS Nil) was paid to subsidiaries of the Bank during the year.

(c) Remuneration of Directors and other Key Management Personnel

The following information is presented in accordance with IAS 24 'Related Party Disclosure', which requires disclosure of the employee benefits of directors and other key management personnel. In line with section 132 of the Companies Act, 2019 (Act 992), the following are the individual and aggregate amounts of the directors' emoluments:

in thousands of Ghana Cedis	2024		2023	
	Bank	**Group**	**Bank**	**Group**
Non-executive directors				
Annual Fees	1,682	2,076	2,659	2,659
Sitting allowances	11,234	11,718	10,909	10,909
	12,916	**13,794**	**13,568**	**13,568**
Executive directors				
Basic salaries	5,496	5,924	7,760	8,026
Social security contributions	715	770	1,009	1,043
Defined benefit obligations	3,631	3,631	9,057	9,057
Other allowances	953	1,548	1,682	2,056
	10,795	**11,873**	**19,508**	**20,182**
Other key management personnel				
Basic salaries	5,310	5,310	3,850	3,850
Social security contributions	690	690	501	501
Other allowances	4,730	4,730	1,166	1,166
	10,730	**10,730**	**5,517**	**5,517**

(d) Employee termination benefits

The Bank has contract with key employees that entitles them to terminal benefits of three months salary for every year served.

38. DIRECTORS' SHAREHOLDINGS

The Directors named below held the following number of shares in the company at the year end.

	2024		2023	
	No. of Shares	**Percentage shareholding**	**No. of Shares**	**Percentage shareholding**
Joseph Rexford Mensah	22,955	-	22,955	-
Nana Otuo Acheampong	114	-	114	-
Total	**23,069**	**-**	**23,069**	**-**

39. KEY MANAGEMENT PERSONNEL SHAREHOLDING

Name	Position	Number of Shares 2024	Number of Shares 2023
Philip Owiredu*		-	1,429,246
Thomas Boasi-Sarpong*		-	235,840
Philip Duodu Fynn*		-	156,995
Barbara Banson	Chief Internal Control Officer	11,428	11,428
Joejo Wodow-Hammond	Head Special Projects	2,286	2,286

* These were no longer with the group at the end of December 2024.

The voting rights for directors and key management personnel are in tandem with those of other shareholders.

40. ANALYSIS OF SHAREHOLDING AS AT THE YEAR END 2024

	No. of Shareholders	Holders %	No. of Shares	% of Holding
1 - 1,000	16,884	71.49	8,483,341	0.78
1001 - 5,000	5,151	21.81	9,442,219	0.87
5001 - 10,000	621	2.63	4,232,969	0.39
10,001 - 20,000	392	1.66	5,353,442	0.49
20,001 - 30,000	153	0.65	3,723,523	0.34
30,001 - 40,000	64	0.27	2,223,309	0.21
40,001 - 50,000	35	0.15	1,578,763	0.15
Over 50,001	316	1.34	1,047,651,207	96.76
	23,616	**100**	**1,082,688,773**	**100**

ANALYSIS OF SHAREHOLDING AS AT THE YEAR END 2023

	No. of Shareholders	Holders %	No. of Shares	% of Holding
1 - 1,000	16,462	71.50	8,483,757	1.35
1001 - 5,000	5,136	22.31	9,259,592	1.48
5001 - 10,000	566	2.46	3,782,343	0.60
10,001 - 20,000	345	1.50	4,725,497	0.75
20,001 - 30,000	142	0.62	3,443,244	0.55
30,001 - 40,000	59	0.26	2,056,939	0.33
40,001 - 50,000	32	0.14	1,446,493	0.23
Over 50,001	281	1.22	594,340,399	94.71
	23,023	**100**	**627,538,264**	**100**

41. TWENTY LARGEST SHAREHOLDERS

Shareholder	No. of Shares	% Holding
Social Security And National Insurance Trust,	602,569,183	55.65
Arise B. V.,	173,520,791	16.03
Scgn/Jpmse Lux Re Robeco Afrika Fonds N.V. - Emj83 056898600288	24,772,824	2.29
Scgn/Citibank Kuwait Inv Authority	20,358,592	1.88
Apotica Limited Company,	19,900,310	1.84
Hfcn/ Glico Pensions Re: Cidan Investments Ltd	17,943,555	1.66
Adu Jnr, Frank Brako	16,928,544	1.56
Ofori, Daniel	15,377,194	1.42
Scgn/Enterprise Tier 2 Occupational Pension Scheme	12,918,252	1.19
Hfcn/ Ssnit Staff 2Nd Tier Occupational Pension Sc	12,249,289	1.13
Ofori, Daniel	9,135,449	0.84
Scgn/Citibank New York Re Allan Gray Africa, Ex - Sa Equity Fund Limited	8,302,600	0.77
Ges Occ Pension - Databank Financial Services	7,111,111	0.66
Scgn/Scb Difc Ac Fi.Br.Group Ac Double Di.Div.Fd.L	6,823,924	0.63
Gentrust Sankofa Master Trust Scheme, Gentrust Sankofa Master Trust Scheme	4,085,714	0.38
Ansah, Benjamin Fosu	4,038,915	0.37
Enterprise Tier 2 Occupational Pension Scheme	4,019,326	0.37
Scgn / Enterprise Life Ass. Co. Policy Holders/ E.L.A.C.P.H.	3,780,215	0.35
Hosi, Senyo Kwasi	3,188,781	0.29
Addison, Eugene Samuel	2,649,794	0.24
Top 20 Shareholders	**969,674,363**	**89.56**
Others	113,014,410	10.4
Grand Total	**1,082,688,773**	**100**

42. GOING CONCERN

The Bank and Group have made significant strides in improving their financial position, achieving a positive equity position as of the reporting date. This improvement reflects our commitment to financial sustainability and strategic capital management. As of 31 December 2024, the total liabilities of the Bank and Group were less than their total assets, marking a notable turnaround from the previous year's negative equity positions of GHS184.90 million (Bank) and GHS141.0 million (Group) to a positive equity position of GHS217.3 million (Bank) and GHS272.6 million (Group).

The positive equity position is primarily attributable to:

- The injection of additional capital in line with the approved capital restoration plan.
- The implementation of strategic measures to enhance operational efficiency and revenue diversification.
- The recovery of non-performing assets and prudent cost management initiatives.

The Board of Directors has assessed the Bank and Group's ability to continue as a going concern and is confident in the Bank's long-term viability. The Board has considered the Bank of Ghana's regulatory forbearance measures, which expire on 31 December 2025. These measures are aimed at mitigating the adverse impact of the Domestic Debt Exchange Programme (DDEP) on capital. Coupled with the Bank's internal capital recovery strategies, these measures provide a solid foundation for continued operations.

To reinforce our commitment to financial stability and sustainable growth, specific actions taken to enhance capital adequacy and maintain a positive equity position include:

- Bridging the capital gap through the issuance of a combination of financial instruments, with a proposal to be presented at the upcoming Annual General Meeting. This initiative aims to strengthen the Bank's capital base and operational resilience.
- Retaining profits to rebuild capital and ensure sustained equity growth.
- Implementing a revised strategic plan focused on revenue diversification, operational efficiency, and balance sheet optimization.

The Bank and Group reported a profit after tax for the year ended 31 December 2024 of GHS256.39 million and GHS267.72 million, respectively. This represents a significant improvement from the previous year's losses of GHS680.27 million (Bank) and GHS671.07 million (Group). Furthermore, the Bank and Group recorded positive operating cash flows of GHS 2.10 billion, a substantial increase from GHS 1.01 billion in 2023.

As a result of these initiatives, the Group's Capital Adequacy Ratio (CAR) improved but remained below the regulatory threshold, standing at (6.38%) at the reporting date. The existing regulatory forbearance allows for a phased recognition of DDEP-related losses, supporting a gradual recovery of capital levels.

The Board of Directors remains committed to restoring the Bank's capital position and ensuring compliance with regulatory requirements. To this end, a capital restoration plan has been presented to the Bank of Ghana, detailing a combination of capital-raising options, including balance sheet optimization, to achieve a CAR of 19.2% (without DDEP relief) by the end of 2025.

Key measures under the capital restoration plan include:

- Seeking approval from the Bank of Ghana for a strategic investor—a consortium of pension funds—to take up the renounced rights issue.
- Ensuring sustained profitable operations to attain a minimum CAR of 13% (without DDEP relief) by year-end 2025.

The Board and Management remain resolute in their commitment to restoring the Bank's capital, ensuring full regulatory compliance, and reinforcing the institution's resilience. These efforts will deliver sustainable value to all stakeholders, particularly shareholders.

The financial statements continue to be prepared under the assumption of a going concern, with the expectation that sufficient funds will be available to support future operations. Additionally, the realization of assets and settlement of liabilities are expected to occur in the normal course of business.

43. EVENTS AFTER THE REPORTING DATE

The following events happened between the date of the financial statements and the date of the auditor's report:

- Johnson Delali Oware was appointed as the Deputy Managing Director, effective 20th January 2025.

44. VALUE ADDED STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

in thousands of Ghana Cedis	2024		2023	
	Bank	**Group**	**Bank**	**Group**
Interest earned and other operating income	1,296,149	1,325,284	1,396,982	1,417,706
Direct cost of services	(802,019)	(805,995)	(889,167)	(891,175)
Value added by banking services	**494,130**	**519,289**	**507,815**	**526,531**
Impairments	192,804	193,175	(1,229,498)	(1,228,901)
Value added	**686,934**	**712,464**	**(721,683)**	**(702,370)**
Distributed as follows:	**(686,934)**	**(712,464)**	**721,683**	**702,370**
To Employees				
Non-Executive Directors	(12,916)	(13,794)	(13,568)	(14,214)
Executive Directors	(7,164)	(8,243)	-	-
Other employees	(211,943)	(217,264)	(170,495)	(175,309)
To Government				
Income tax	(139,755)	(146,438)	279,565	275,130
To providers of capital				
Dividends to shareholders	-	-	-	-
To expansion and growth				
Depreciation	(50,370)	(50,448)	(45,773)	(45,813)
Amortisation	(8,393)	(8,557)	(8,324)	(8,492)
Retained earnings	**256,393**	**267,720**	**(680,278)**	**(671,068)**

45. SOCIAL RESPONSIBILITY

Amounts spent on fulfilling social responsibility obligations amounted to GHS 4,838 (2023: GHS1.0 million)

Our Branches

- **Ashanti Region**
  Adum Branch
  Asafo Branch
  Kejetia Branch
  KNUST Branch
  Nhyiaeso Branch
  Suame Branch

- **Bono East Region**
  Techiman Branch

- **Central Region**
  Cape Coast Branch
  Kasoa Branch

- **Eastern Region**
  Koforidua Branch

- **Greater Accra Region**
  Achimota Branch
  Airport City Branch
  Ashaiman Branch
  Ashaley Botwe Branch
  Dansoman Branch
  Derby Avenue Branch
  East Legon Branch
  Graphic Road Branch
  Independence Avenue Branch (Head Office)
  Labone Branch
  Legon Branch
  Madina Branch
  Osu Branch
  Ring Road Central Branch
  Ring Road West Branch
  Spintex Road Branch
  Tema Community 1 Branch
  Tema Community 25 Branch
  Tema Industrial Area
  Weija Branch

- **Northern Region**
  Tamale Branch

- **Upper East Region**
  Bolgatanga Branch

- **Western Region**
  Ainyinase Agency
  Esiama Branch
  Sekondi Branch
  Takoradi Harbour Branch
  Takoradi Market Circle Branch
  Tarkwa Branch

- **Volta Region**
  Ho Branch

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