

INNOVATING FOR A  
SUSTAINABLE FUTURE

Access Bank (Ghana) Plc  
2017 Annual Report



SPEED SERVICE SECURITY

# Contents

## 01 | Overview

Welcome	8
Business and Financial Highlights	9
Location and Offices	10
Chairman's Statement	12
Managing Director's Review	15

## 02 | Business Review

Corporate Philosophy	21
Milestones	22
Our Year in Review	23
Commercial Banking	27
Retail Banking	29
Corporate Banking	33
Public Sector	34
Investment Banking	35
Digital Banking	36
Operations and I.T.	38
Service Quality	39
Our People, Culture and Diversity	42

## 03| Sustainability and Risk Management

Sustainability	50
Risk Management	54

## 06| Shareholder Information

Shareholder Engagement	142
Notice of Annual General Meeting	143
Proxy Form	145

## 04| Governance

The Board	60
Directors, Officers and Professional Advisors	64
Management Team	65
Directors' Report	66
Independent Auditor's Report	68
Directors' Responsibilities	72
Authority of the Board	72
Board Effectiveness Review	73
Committees of the Board	74

## 07| Corporate Information

Branch Network	150
ATM Network	152
International Network	153

## 05| Financials

Statement of Comprehensive Income	78
Statement of Financial Position	79
Statements of Changes in Equity	80
Statement of Cash Flows	82
Notes	83
Top 20 Shareholders	133
Other Financial Information	134
Value Added Statement	138



Welcome	8
Business and Financial Highlights	9
Location and Offices	10
Chairman's Statement	12
Managing Director's Review	15

# Welcome



The year 2017 has demonstrated both the strength and potential of our Bank in building an enduring franchise here in Ghana.

By putting our customers at the heart of our business, we are delivering value to our shareholders and creating a future for those who dare to seize it. Today, our Bank is leading the way with innovative digital solutions that do not only meet the financial and lifestyle expectations of clients but also address significant social and economic issues.

As a flagbearer of sustainable business, the next phase of our growth will be under-pinned by an unrelenting commitment to create a future that is sustainable and makes future generations proud.

## Our Brand Promise



### SPEED

Rapid response and quick access to advice, information and products are important to all customers.

Our ability to translate effective governance and leverage employees' competence to deliver swift and appropriate responses to customers is a significant competitive advantage.



### SERVICE

Service matters to our customers, whose expectations have risen dramatically.

Service is both a qualitative and quantitative measure: it has much to do with how customers feel and how long they have to stand in a queue.

Our customers appreciate that we treat everyone with respect and consideration.



### SECURITY

Security is fundamental to customers. They need to be able to trust us to manage their finances responsibly. 95% of customers surveyed say that security is the most important factor in choosing to bank with us.

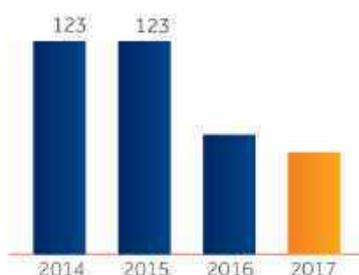
# Business and Financial Highlights

	2017	2016	
	GHS'000	GHS'000	% Change
Revenue	466,351	487,852	-0.49%
Profit before income tax	58,597	69,070	-15.16%
Profit after income tax	29,599	41,949	-29.44%
Shareholders' funds	469,757	429,562	9.36%
Capital expenditure (including intangible assets and other prepayments)	27,225	35,416	5.35%
Total assets	3,199,809	2,679,839	19.40%
Earnings per share (GHS)	0.25	0.38	-34.04%
Net assets per share (GHS)	3.98	3.64	9.25%
Number of shares	118,093,134	118,093,134	

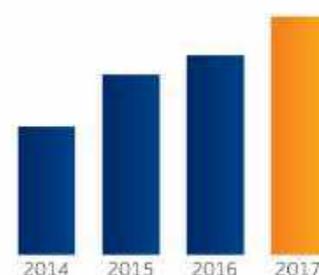
**Shareholders' Funds** 9.36%  
GHS'MMM



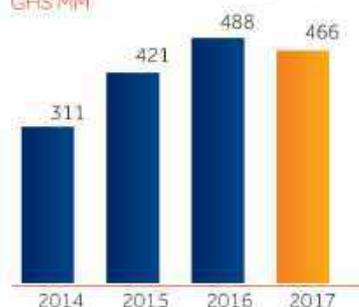
**PBT** 15.20%  
GHS'MMM



**Total Assets** 19.40%  
GHS'MMM



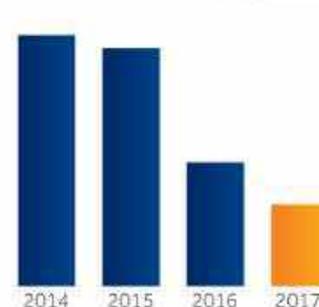
**Gross Earnings** -4.51%  
GHS'MMM



**Customers' Deposits** 6.04%  
GHS'MMM



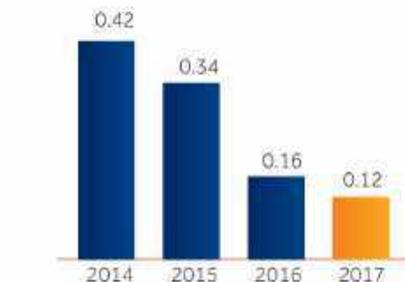
**EPS** -34.04%



**Net Loans and Advances** -31.75%  
GHS'MMM



**Pre-tax ROE** -22.04%



# Locations and Offices

Access Bank Ghana is ranked as the 12th largest Bank in Ghana by assets and is operating one of the largest branch networks in the country. Our Bank is today reputed for its strong bias for excellent service delivery and comprehensive range of financial product offerings.

With our expert knowledge in Trade Finance, Treasury and Digital banking services, we have built the capacity to help customers reach their full potentials. Today, we are strengthening our wholesale banking business and putting the power of banking in the hands of thousands across the country.

We service customers across five (5) business segments:

- Corporate Banking
- Investment Banking
- Commercial Banking
- Retail Banking
- Public Sector



## Our Nationwide Network

### Greater Accra Region

- Abeka Lapaz
- Accra Newtown
- Achimota
- Adjiringanor
- Alajo
- Ashaiman
- Castle Road
- Darkuman
- East Cantonments
- Ghana Airport Cargo Centre (GACC)
- Haatso
- Iris
- Kaneshie Main
- Kaneshie Post Office
- Kantamanto
- Lashibi
- Legon
- Madina
- Nima (2)
- North Industrial Area
- Octagon
- Odorkor
- Okaishie
- Osu Oxford Street
- Osu Watson House
- Ring Road Central
- South Industrial Area (SIA)
- Spintex Road
- Tema Community 1
- Tema Industrial Area (TIA)
- Tema Main
- UPSA

### Central Region

Kasoa (2)

### Ashanti Region

Adum

Alabar

Kejetia

KNUST

New Amakom

Suame

### Western Region

Enchi Branch

Sefwi Wiawso

Takoradi (2)

### Eastern Region

Koforidua (2)

Tarkwa Branch

### Volta Region

Ho Branch

### Upper East Region

Bolgatanga Branch

### Upper West Region

Wa Branch

### Northern Region

Tamale Branch

### Brong Ahafo Region

Techiman Branch

## Our International Network

Our Bank is a member of the Access Bank Group, which has a presence within West and East Africa and the United Kingdom. The Bank also has business offices in the Republic of China, Lebanon and the United Arab Emirates.



# Chairman's Statement



**Frank W. K. Beecham III**  
Chairman

**We delivered sustainable growth in most of our core market segments in line with our strategic growth plan, despite the challenges we faced and the legacy issues we resolved.**

## **Esteemed Members of Access Bank (Ghana) Plc,**

It is an honour to welcome you to the 10th Annual General Meeting of your Bank and incidentally, its second as a publicly traded company. At this meeting, it will be my privilege to present the Audited Accounts of your Bank for the year ended 31st December 2017.

2017 was a challenging year for the Ghanaian banking industry in general and for us at Access Bank (Ghana) Plc. But it was also a year in which we demonstrated our resilience in the market and changed much for the better.

On behalf of the Board of Directors, Management and Staff, I would like to report that your Bank managed to stay its course, while maintaining its focus of re-aligning its business to the industry demands. We believe that we are now better positioned to capture any growth and business opportunities whenever they arise.

## **Our Operating Environment**

Ghana's economy enjoyed relative stability in the past year. In particular, the country experienced a rebound in the oil sector, partly due to favourable prices and oil production from new fields such as Sankofa. This accounted majorly for the sharp increase in the country's GDP from 3.5% in 2016 to 8.5% in 2017. It is worthy to note that the sectorial growth for industry spiked to 17% from negative 1.2% in 2016 as a result of increased economic activity spearheaded by the government's industrialisation agenda such as the One District, One Factory initiative.

Improvement in the general macro-economic environment has seen inflation and interest rates trending downwards. The past year was also characterised by a relatively stable Ghana Cedi as compared to the previous year; and to other currencies in the West African subregion. Between January and December 2017, the depreciation of the Ghana Cedi was 4.45% compared to 9.2% during the same period in 2016.

## **Our Industry**

The banking industry was most probably one of the hardest hit within the services sector during the past year. Though asset quality remained a critical area of concern, the industry as a whole continued to be liquid and profitable.

- The first half of 2017 witnessed a slowdown in private sector activity as it coincided with the immediate post-election period. Though this had an adverse impact on banks during the period, the 2nd half of the year saw private sector activity pick up with a modest rebound.
- The past year witnessed a capitalisation drive by banks in the industry with the imminent deadline of 31st December 2018 to recapitalise to a minimum of GHS 400 million. The industry is likely to see significant consolidation in the form of mergers and acquisitions as banks take steps to meet the new minimum paid-up capital.
- Introduction of new policies and directives such as the Treasury Single Account which led to the closure of several government accounts had an impact on liquidity in the industry.
- Tighter regulation by the Central Bank and the issuance of new guidelines to improve the operations of Banks was evident. The implementation of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) and the Ghana Deposit Protection Act, 2016 (Act 931) should improve the overall stability and soundness of the financial sector.
- The Bank was awarded and recognised with a number of prestigious national and international awards throughout the year. Some of these include:
  - Citibank Straight Through Processing Award;
  - Best Financial Services Provider, Ghana Manufacturing Awards
  - Highest Engagement Award for Women, Global Banking Alliance Awards; and
  - Most Influential Bank on Social Media, Ghana Social Media Rankings.

### Achieving Sustainable Growth

Sustainability has continued to be an integral part of Access Bank's identity for a long time – it is embedded in our DNA. For us to be successful and create the needed shareholder value over the long term, we are today striking a balance between economic, social and environmental aspects in all our decision-making processes to protect and enhance shareholder value.

- A solid capital base is essential if we are to succeed in our future strategy and capture growth opportunities for Access Bank. For that reason, we are embarking on the 2nd phase of our capital raising exercise by raising an additional Ghs450 million in bonds and rights issue. We are confident of concluding this process ahead of the deadline.
- Our Bank has once again demonstrated its leadership in the area of transparency and disclosures by committing to issue a sustainability report following the world acclaimed Global Reporting Initiative (GRI) sustainability reporting standards. The initiative will enable our shareholders and customers assess our non-financial performance.

### Our Performance

We delivered sustainable growth in most of our core market segments in line with our strategic growth plan, despite the challenges we faced and the legacy issues we resolved. The non-resolution of energy related debts especially with respect to the Bulk Distribution Companies for instance, impacted on our liquidity for investments.

As such, we recorded a drop in our profits by 15% to GHS 58 million after making significant provisions to ensure a healthy loan book. Despite this, our results show the resilience of your Bank in an environment which continues to be characterised by stiff competition, changing regulatory landscape, weak consumer demand and market volatility.

Total Assets grew by 19.4%, rising from GHS 2.679 billion in 2016 to GHS 3.199 billion in 2017, while Customers' Deposits increased by 6% from GHS 2.01 billion in 2016 to GHS 2.131 billion in 2017. We however witnessed a decline in Gross Earnings of 0.5% from GHS 487million in 2016 to GHS 485 million in 2017 and Net Loans and Advances dropped significantly by 31% from GHS 1.29billion in 2016 to GHS 878million in 2017.

### Dividends

In view of the Bank's performance over the course of 2017 and the fact that your Bank will be coming back to shareholders this year for additional investments to shore up its capital position to meet the new minimum paid-up capital requirement by December 2018, it will not be prudent to pay dividends to shareholders this year.

This is to fulfil our potential in delivering returns to shareholders by maintaining sufficient levels of capital reserves to deliver a solid balance sheet for increased business opportunities and sustainable shareholder returns.

## Investing in Society

Your Bank aims to have a positive impact in people's lives, now and for generations to come. To achieve this, we will continue our corporate citizenship efforts in the areas where we believe we can have the most impact: the UN Sustainable Development Goals (SDGs). Since 2015, we have aligned most of our community interventions to the SDGs, the recent being Maternal Health under Goal number 3 – Good Health & Well-being.

Our interventions under Maternal Health in the past year has been supported by over 1,200 employee volunteers. We have also used the Maternal Health Scheme under our award winning "W" initiative, to empower women by giving them access to quality healthcare across the country.

## 2018 Onwards

2018 marks the continuation of our journey and will take us to our next destination of becoming one of the leading retail banks in Ghana. This will be the year to redefine our mark as a truly sustainable bank as we commence the implementation of our next 5-Year Corporate Strategy (2018 – 2022).

Going into the future, the Board is poised for growth and is focused on sustaining resilience by enhancing reputation and performance. We will further develop our strategy to deliver value to all of our stakeholders within a governance framework that provides stability, prudence and effective oversight. As a well-diversified Bank underpinned by historically stable revenue generation and significant capital strength, our Bank is well equipped to manage anticipated risks and uncertainties in the market.

## Appreciation

We would not be where we are today without the consistent, unwavering support of our several stakeholders. The Board, Management and Staff highly appreciate the support of our over 1,800 shareholders. Your support has allowed the Bank to continue making critical investments to ensure sustained growth.

We also remain highly appreciative of our customers, business partners and the regulators, who continue to provide invaluable support. On behalf of the Board, I also wish to thank all staff members of Access Bank (Ghana) Plc for their extraordinary team work, energy and dedication, in making 2017 a progressive year, despite the considerable challenges that it presented. Finally, please permit me to thank my colleague Directors for their camaraderie, contributions, commitment and passion for service to the Bank.

**Esteemed Members, your Bank has a solid foundation and I am very optimistic about its future.**

**God bless Ghana**

**God bless Access Bank (Ghana) Plc**

**Thank you.**

**Frank W. K. Beecham III**  
Chairman

# Managing Director's Review



**Dolapo Ogundimu**  
Managing Director

**We are continuously investing in change and innovation, with the goal of improving our customer experience, lowering our costs and reshaping our business for the long term.**

2017 was an eventful and important year for our Bank. It was a year in which we took considerable steps to further build a sustainable business for the future. Strict capital discipline, substantial cost efficiencies and our integrated business model helped support our growth during another challenging year for our Bank.

I am pleased to report that most of our businesses made steady progress in delivering on their strategic targets during the past year.

## **Innovating our Business**

In today's operating environment, adhering to the status quo is no longer an option. As such, we are continuously investing in change and innovation, with the goal of improving our customer experience, lowering our costs and reshaping our business for the long term.

In the year under review, we deployed several service enhancement initiatives to improve the banking experience. The introduction of our "Slip free" and "Instant Card" banking services were crucial in delivering value to our teeming customers. The initiatives led to reduced waiting times for card requests and further underscored our paperless banking drive.

Within the Bank, the paperless drive was also reinforced with the full implementation of an Enterprise Resource Management System (ERMS) ensuring that the Bank's support processes are transacted through a paperless medium to reduce transaction turnaround time for the end-customer and also allow internal approval processes electronically. Today, we are processing transactions more speedily than ever before.

## **Strengthening our Business**

During the past year, we have also strengthened our resolve to run a more efficient Bank by maximising available resources and encouraging the use of digital platforms by our customers. Today, we are serving thousands of our customers through our e-banking platforms such as USSD \*901#, Mobile app and Online banking. By the end of 2017, subscriptions across these products had exceeded 100,000.

In line with our retail focus, we also combined our personal and business banking groups into our new divisional retail banking segment. The combination of both groups was to allow for a lot more synergy between cross functional teams within the division to effectively support Individual and SME business growth.

As we have done consistently over the years, our Bank continued to spread its footprints across the country to take advantage of what will accrue from the scale and status of a large retail bank. These investments are paying off today as we serve our teeming customers across 52 locations in all ten regions of Ghana.

In the past year, we also stepped up our financial inclusion initiatives to achieve the desired impact of widening the bankable population in Ghana. Initiatives such as the Female Leadership Journey, which was in partnership with the Dutch Development Bank (FMO) for women empowerment, continues to yield impressive results. The programme brought together female leaders in finance from across the world to work alongside customers and staff of the Bank to drive impact in gender finance.

### Reshaping our business

As part of reshaping our business for the long haul, the Bank completed its 5-year strategic plan to support the next phase of its growth from 2018 to 2022. We have crafted a strategy with an unrelenting and ambitious goal of becoming one of the leading retail banks in Ghana by 2022. Though audacious, I have every reason to remain confident that this will be achieved given our financial and human resources.

Despite the continuing difficulties within the year, we delivered a healthy operating result, produced a higher value of new business and maintained robust liquidity and capital positions.

However, we witnessed a significant drop in our profits and other performance indicators largely due to the incidence of legacy debts, reduction in interest yields and low levels of economic activities in the real sector.

I am confident that given the solid foundation our Bank has built for the future, we can expect to bounce back in the coming year and beyond to deliver sustained growth across all parameters.

I would like to thank our customers for their continued loyalty towards our products and services, our regulators, partners, shareholders and other stakeholders for their long-term relationships, support and investments especially in these times of change and growth.

I am also proud to be working alongside our over 1,200 colleagues who are dedicated to working in a professional way, striving to deliver excellence in all we do.





Corporate Philosophy	<b>21</b>
Milestones	<b>22</b>
Our Year in Review	<b>23</b>
Commercial Banking	<b>27</b>
Retail Banking	<b>29</b>
Corporate Banking	<b>33</b>
Public Sector	<b>34</b>
Investment Banking	<b>35</b>
Digital Banking	<b>36</b>
Operations and I.T.	<b>38</b>
Service Quality	<b>39</b>
Our People, Culture and Diversity	<b>42</b>

# Corporate Philosophy



## VISION

To be the world's most respected African Bank.



## MISSION

To set standards for sustainable business practices that unleash the talents of our employees, deliver superior value to customers and provide innovative solutions for the markets and communities we serve.

## Our Core Values

At Access Bank, our values play a vital role in our decision-making processes. Our culture is defined by a set of values and which gives us a unique identity and drives us to deliver on our promise to our customers and stakeholders.



### Excellence

- Surpassing ordinary standards to be the best in all that we do
- Setting the standard for what it means to be exceptional
- Our approach is not that of excellence at all costs—it is excellence on all fronts, so that we deliver out comes that are economically, environmentally and socially responsible



### Innovation

- Pioneering new ways of doing things, new products and services, and new approaches to customers
- Being first, testing the waters and pushing boundaries
- Anticipating and responding quickly to market needs with the right technology, products and services to achieve customer objectives



### Leadership

- Leading by example and leading with guts
- Being first, being the best and sometimes being the only
- Challenging the status quo



### Passion for Customers

- Doing more than just delivering excellent customer service
- Helping people to clearly understand how our products and services work
- Treating customers fairly. Building long-term relationships based on trust, fairness and transparency



### Professionalism

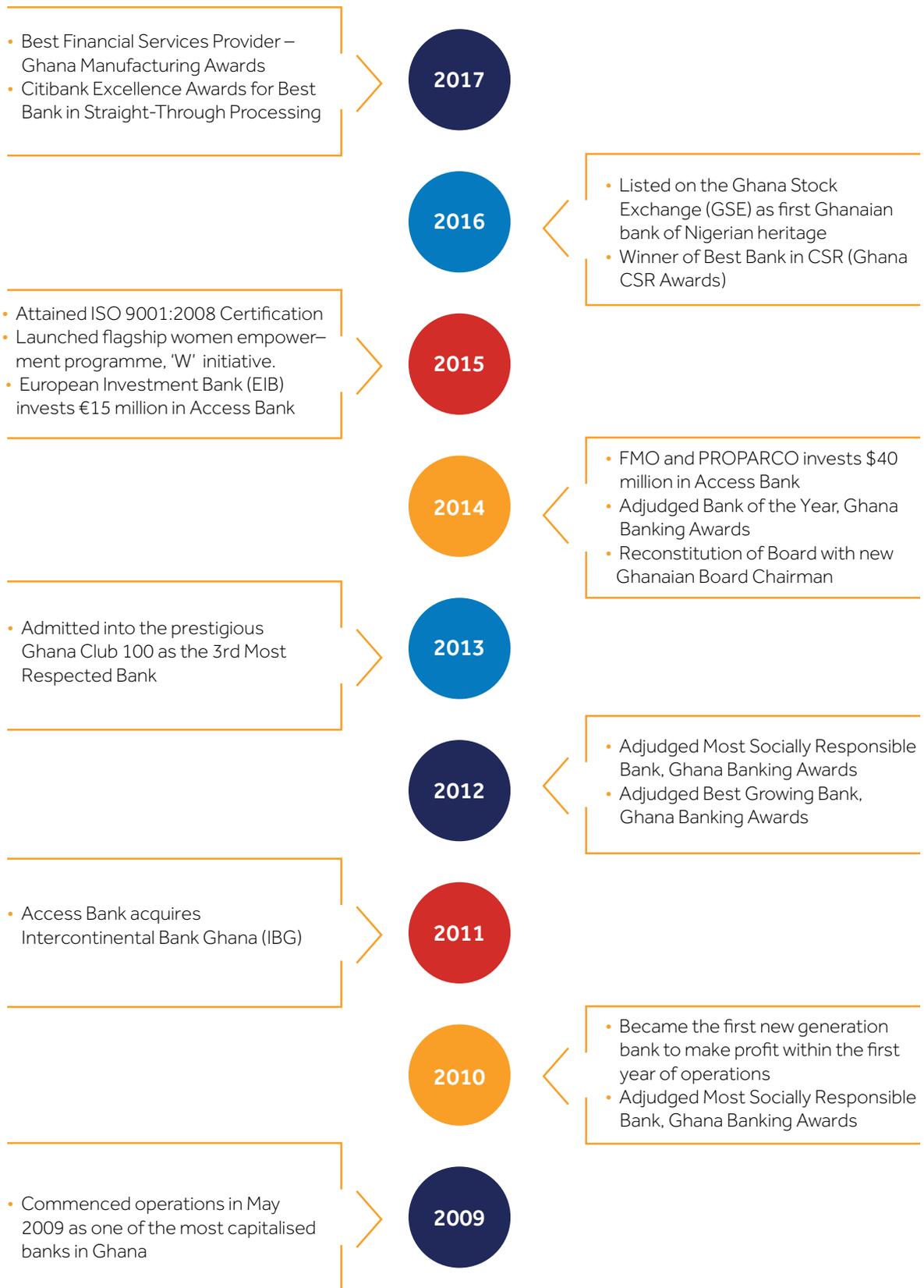
- Putting our best foot forward in everything we do, especially in high pressure situations
- Consistently bringing the best of our knowledge and expertise to the table in all our interactions with our stakeholders
- Setting the highest standards in our work ethics, behaviours, activities and in the way we treat our customers and, just as importantly, one another



### Empowered Employees

- Based on shared values and vision
- Developing our people to become world-class professionals
- Encouraging a sense of ownership at individual levels, whilst fostering team spirit and commitment to a shared vision

# Milestones



# Our Year in Review

## A Year of Several Innovations

The past year was another fulfilling year for all our stakeholders: shareholders, employees, customers and our suppliers as we intensified our activities on developing innovative solutions through strategic partnerships and product improvements.

### Women Entrepreneurs Receive Financial Lifeline from Access Bank and FMO Partnership

As part of efforts to improve its lending portfolio in the Ghanaian economy, the Bank entered into another strategic partnership with its long-standing financial partner, FMO, the Dutch Development Bank, for a US\$25 million facility.

An amount of US\$3.5 million out of the facility has been dedicated to supporting women entrepreneurs in Ghana under Access Bank's flagship and award winning women empowerment initiative – 'W'.

The facility, which is a conventional senior unsecured loan of 7 years, was closed on the sidelines of the Power for Partnership programme held in Amsterdam on March 12, 2018.

This new facility will further strengthen Access Bank's partnership with FMO and reinforce the Bank's SME and women banking strategy as the Bank advances its role as a catalyst for socio-economic development in Ghana.



### Financial Literacy for Early Savers

Access Bank launched the first ever 'Kids Coin Day' in the country as part of its objective to promote savings through a series of financial literacy programmes for kids. The coin day allows young savers to deposit their piggy bank savings at designated banking halls while they benefit from an educational tour and various literacy sessions.

Over 200 young savers – below the age of 18, who attended the maiden event in Accra were full of excitement as they were also treated to various fun and learning activities. Young savers who emerged tops after depositing their savings from their piggy banks also received various prizes for cultivating healthy savings habits.

The 'Early Savers' account assists parents and guardians to plan towards their children/wards financial future. Account holders get the privilege to be part of the 'Early Savers' club and enjoy discounts from partner retail outlets and many benefits from the Write from the Heart book club.



# Our Year in Review (continued)

## First Ever Family Savings Promo Launched

In July 2017, Access Bank unveiled an industry first family savings promotion tagged "Abusua Aky3de3" to support families in creating the future they envision for themselves through a healthy savings habit.

The promo, which was later tuned to "Aky3de3 K3se3" to include individuals, had the Tinalet Family emerging as ultimate winners with a whopping GHS 150,000 in the final draw.

Under the campaign theme "Save today, take tomorrow", the promotion was also run across other markets in Africa where Access Bank has presence.

In total, over 2,000 customers of the Bank were rewarded with various prizes including GHS150,000 cash prize, a brand new Hyundai Tucson, family vacations, educational scholarships and money counting machines among others.



## Staff Thrill Customers to a Stage Play for Customer Service Week

Climaxing an exciting Customer Service Week (CSW) for customers, staff of the Bank treated customers to a hilarious stage play titled "Regimental Sergeant Major", an Efo Kojo Mawubge play, at the Accra International Conference Centre.

The play, which had an all staff cast and directed by Scarlet productions with support from the Efo Kojo Mawubge Foundation, had customers cheering and applauding staff for a good performance.

Under the theme, "An all-inclusive experience", the CSW was a weeklong celebration marked with activities across all the Bank's branches nationwide. Customers were treated to special appreciation packages including drinks and souvenirs.

Highlights of the week included a Service Quiz competition for our staff while Management members took the opportunity to interact with customers within and outside the banking halls.

The annual celebrations of Customer Service Week is used to bring focus on issues facing consumers and finding innovative ways of addressing them.



### Women Entrepreneurs Participate in Industry First Female Leadership Journey

Under the Bank's flagship women empowerment programme, the 'W' Initiative, women entrepreneurs participated in an industry first Female Leadership Programme in partnership with FMO, the Dutch Development Bank.

The maiden edition of this one-week leadership journey brought together female leaders in finance from across the world to work alongside customers and staff of Access Bank to drive impact in gender finance.

Facilitated by Better Future – one of FMO's collaborators, the leadership journey engaged with local female entrepreneurs to gain an understanding of their needs and challenges while supporting the development of Access Bank Ghana's gender finance platform and business proposition. This is to help develop female leaders' capabilities and build a global peership network of women committed to catalysing gender finance and supporting one another.



### Access Bank Supports First National Women's Summit

In fulfilment of its pledge to empower women of all ages, Access Bank's 'W' hosted the first edition National Women's summit to celebrate International Women's Day and the 2nd anniversary of Access Bank's 'W'. The event, which was in partnership with Charterhouse, received commendations from leading women advocates for highlighting key issues that are affecting women development in Ghana.

Under the theme, "Celebrating Ghanaian Women, 60 years after Independence, the Achievements and the Future", the event attracted over 1,000 participants comprising traditional female leaders, students, corporate and women entrepreneurs and a few gentlemen.

High-profile women personalities such as Dr. Joyce Aryee, Chairperson for the event, the former CEO of Airtel Ghana, Lucy Quist, CEO of FC Group, Grace Amey-Obeng and Pioneer of Spelling Bee in Ghana, Eugenia Tech-Menson (who are all 'W' ambassadors) and several other panellists took turns to motivate young entrepreneurs who attended the event.



# Our Year in Review (continued)

## Citibank Honours Access Bank

In the year under review, Access Bank received international recognition from the Citibank Group for the prestigious Straight-Through Processing (STP) Excellence Award.

The award acknowledges the Bank for its superior and excellent service through consistent and efficient processing of international funds transfer requests from its customers.

It further underscores the Bank's continuous commitment in providing customers with seamless and efficient transactions for their international business.

STP enables the entire trade process and payment transactions to be conducted electronically without the need for rekeying or manual intervention.



## Shareholders Give Greenlight for Rights Issue

In line with the Bank's recapitalisation process and commitment to meet the Bank of Ghana deadline for all universal banks to recapitalise, an Extraordinary General Meeting was held to seek shareholder's approval to raise additional capital.

The additional capital being raised by the Bank, which will be implemented through the combination of a bond programme and rights issue, will subsequently be listed on the Ghana Fixed Income Market (GFIM) on the Ghana Stock Exchange.

The Bank's recapitalisation journey began in 2016, when it became the first Ghanaian bank of Nigerian origin to list on the Ghana Stock Exchange.



# Commercial Banking

The Commercial Banking group has grown and proven to be one of the most formidable teams in the Bank.

The group supports its stakeholders with tailored financial solutions and services to allow them operate efficiently and grow market share within their respective economic domains.

Ghana continues to be an import driven economy, and this continues to create a large vital market for foreign exchange and trade finance services. Rising income levels have also driven up the demand for fast moving consumer goods. Modest economic growth and the relatively stable monetary market during the year fuelled growth amongst key sectors, thereby providing opportunities for packaged finance and transaction facilitation opportunities for banks and financial institutions.

We have identified the commercial sector as being the main driver of the Ghanaian economy, so we ensure that we play a vital role in the Bank's quest to support the growth of the Ghanaian economy through bespoke and innovative financial services. This further makes us the bank of choice for our clients.

To ensure we are able to adapt and sustain our business strategy, our operational structures are designed to consistently train, highlight, empower and enhance the skills of our staff.

## The Sectors

The Commercial Banking group was restructured to provide a dedicated focus to the Agriculture and Agro-allied business sector as well as the Chinese business community in Ghana; an ever-growing sector. In all, our business focus is segmented across six major markets with the aim of delivering a unique experience at each service touchpoint.

Our focus areas are:

- General Commerce industries
- Manufacturing
- Fast Moving Consumer Goods (Importers and Distributors)
- Pharmaceuticals and Chemicals
- Chinese Markets
- Agro-allied

## Services

- Lending Services
- Cash Management Services including Cash Pickups, Teller Implants and Point of Sales Devices.
- Trade Finance including Import and Export Letters of Credit, Guarantees and International Payment Services
- Working Capital Support
- LPO Financing
- Receivables Discounting
- On-lending Facilities
- Asset Finance and Leases
- Bonds and Guarantees



# Commercial Banking (continued)

## Highlights

- The Commercial Banking group contributed significantly to the Bank's total revenue in 2017. Their contribution helped the Bank to remain a dominant player in the FMCG market, handling large ticket transactions for dominant players in the industry. A merger of the import sector of the FMCG industry with the distribution sector ensured that we fully harnessed the inherent benefits of the value chain model that drives and underpins the Bank's business model.
- The Manufacturing team continued to support local manufacturing concerns, with particular emphasis on export-oriented customers as a means to conserve and/or generate vital foreign exchange required to support the Bank's business and the overall economy.
- The Bank continued to remain a key partner for quality health delivery in the country with the Pharmaceutical desk further growing its portfolio by actively supporting companies engaged in import and manufacture of ethical drugs and health-related products. Players within the fast-growing services sector, managed by the General Commerce units, also continued to receive support from the Group in terms of invoice discounting, working capital support, etc.

## Looking Forward

The group, in alignment with the Bank's overall strategic intent, aspires to make Access Bank the bank of choice for customers within the commercial banking business segment in the Ghanaian Banking industry. We will continue to enhance our customer-centric engagement strategies, increase efficiency and flexibility in our drive to create value for our stakeholders, build competencies amongst all cadres of staff within the unit and deliver cutting-edge innovative solutions for our clients using an encompassing risk management framework. We are proud of our role in helping to develop the commercial subsector which is a driving force behind the Ghanaian economy.



# Retail Banking

The Retail Banking division is the largest market facing division within the Bank after a merger of the Personal Banking and business banking groups during the year. The focus was to give a broader thrust and an all-in-one offering to our personal and SME customers whose needs were interwoven and across our business locations. The complete array of marketing segments under the previous business banking segment is now catered to across all our business locations, bringing tailor-made solutions to our growing portfolio of SME customers across all sectors wherever they may be.

Overall, the Retail Banking division increased its contribution to the Bank's bottom line during 2017, demonstrating the benefit of the business combination.

## Business Segments

The Business Segments group is one leg of the Retail Banking division which focuses exclusively on small and medium scale enterprises with emphasis on businesses with a turnover of GHS5million and below. We provide SMEs with financial training and advisory services to support their needs. We believe SMEs hold the key to propelling Ghana's employment growth, hence with the support of our Business segments unit these SMEs can explore and break through the boundaries of what is possible with their enterprises.

## The Sectors

Even though SME businesses can be found in varying sectors, the business segments unit currently focuses on the following:

1. Religious and Faith-based Institutions
2. Health Institutions (Hospitals and Pharmacies)
3. Education (Primary, Secondary and Tertiary)
4. Professional Firms (Law, Auditing, etc.)
5. Associations (Professional, Trade and Alumni)
6. Sports Clubs
7. Hospitality Services (Hotels, Restaurants, Car Hire, etc.)
8. Traders and Distributors (Importers and Exporters)



# Retail Banking (continued)

## Services

There are different value propositions for each sector, and in collaboration with our digital banking team, we continue to roll out various electronic products suited for each sector.

- Products such as the Point of Sale Terminal (POS), Access Pay and Easy Cheque Manager are targeted at traders and distributors and professional firms. Many educational institutions, primary through to tertiary, have benefited greatly from our Transflow and Web acquiring collection solutions.
- The hospitality industry has also seen a boost in patronage with the introduction of our state-of-the-art web online payment systems as well as our hybrid POS capability of handling payments from both local and international cards.
- The Mpower Biz account continues to be a must-have for most SMEs because of the zero COT charge feature which makes it attractive to businesses with thin margins.

## Looking Forward

Going into 2018, the group will continue to focus on cutting-edge electronic products to provide value-added services to its customers. The group is positioned to go beyond offering traditional banking services to SMEs.

Our approach to growing our SME businesses and ensuring a sustainable business for our customers, and consequently ourselves, involves leveraging our robust IT systems to provide up-to-date capacity building, networking and information sharing opportunities to small and medium-sized business owners.

We will also maximise cross-selling opportunities across the value chain of the Bank's corporate customers. In today's banking landscape, innovation has come to be the differentiator. Customers should be on the lookout for a new and revolutionary card payment system that will be of benefit to all our customers as well as non-account holders of Access Bank.



## Personal Banking

Personal Banking is the second leg in the Retail Banking division. It delivers timely and innovative financial products and services to individuals and families. The group is mindful of the varying and unique needs of customers and does its bit to ensure that all those needs are met, whatever it takes.

As the largest market facing division, Personal Banking is heavily supported by various channels including e-banking, ATMs and our branch network. Our approach to value creation in the Personal Banking group remains consistent. We provide relevant banking products and services to our ever-growing base of customers in the markets and communities we serve. With a retail focus, we offer an array of integrated products and services in our Personal and Private Banking segments complemented by a Products team which responds to the financial and lifestyle needs of customers with bespoke banking products and services plus wealth management solutions.

### Business Focus

- Children
- Students
- Salaried Workers
- Pensioners
- Women
- High Earning Individuals



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## Our Market Segments

**Private Banking** - Our Private Banking provides exclusive product offerings to High Net Worth individuals through innovative and sustainable banking processes. From basic banking products and services to sophisticated financing structures and programmes, we are committed to understanding the evolving needs of our clients while providing innovative solutions and unmatched personal service that ensures we repeatedly surpass their expectations. In doing this, we apply skills and capabilities in the context of each client's personal wealth management goals and objectives. We work with our clients to build long-term relationships based on knowledge, trust and accountability to establish a secure tomorrow.

**Inclusive Banking** - This segment caters for sections of the market that require special focus and attention including children, students, pensioners, women, the unbanked, etc. This also includes the Bancassurance services.

**Employee Banking** - In pursuit of our drive to ensure employees create a sustainable source of income for their future, we offer value-driven services through the everyday banking product. We are committed to helping affluent professionals and the employees of Corporates and SMEs to optimise their active and productive days. We have also streamlined our business model to better serve this class of customers.

**Franchise Banking** - Our Franchise Banking segment focuses on the remittance business of the Bank. The unit keeps growing with fresh mandates and deepening relationships where the Bank either serves as an agent or utilises institutions as agents in delivering quality services to customers and the public.

Some key partners are MoneyGram, Western Union and RIA while capitalising on the Bank's wide network for Cross Border transfers to Nigeria. Through this channel, we have continued to create valuable alliances with reputable institutions and provide unique service offerings that meet specific business objectives.

**Customer Engagement and Analytics** - This segment is focused on driving product activation and usage. Our staff also engage customers through various multimedia channels that is social media, emails, among others.

# Retail Banking (continued)

## Personal Banking (continued)

### Services Offered

- Current Accounts for day-to-day money management.
- Flexible savings account options with competitive interest rates for children, students and employees.
- Bancassurance products to secure life and property.
- Lending services including salary advance (overdraft facility), personal and vehicle.
- Local and international debit cards available in Gh-link and VISA.
- Credit Cards.

### Highlights of the Past Year

1. The Personal Banking Group, in 2017, focused on providing exciting product offerings to our various customer segments. The Bank launched the industry's first family promotion which also included the SME segment of the Bank's customers. The promo, which was the fourth major customer rewards campaign, gave over 2,000 customers the opportunity to be rewarded with various prizes including GHS 150,000 cash prize.
2. The group also leveraged on the Bank's award of being the Most Influential Bank on Social Media a third consecutive time, to increase awareness on our Solo (student) Account and encourage students patronise the benefits it offers as well as our various card products.
3. Our innovations on mobile banking services were also extended to our newly unveiled USSD service – \*901#, which helps customers to perform all their banking transactions away from the banking hall. This service helps customers to also move funds from their mobile wallets to the traditional bank accounts and vice versa.
4. Beyond our electronic banking services, the Bank also invested in increasing its physical presence through the roll out of two new branches in Lashibi and the Octagon, both in Accra. These innovations and activities contributed immensely to the growth in customer base and deposit mobilisation efforts of the Bank.

5. In May 2017, we partnered FMO (The Dutch Development Bank) to pioneer a Female Leadership Journey in Africa. This brought together 14 female leaders across the world to work with female entrepreneurs under the Initiative mainly to unlock their potential in order to drive impact in developing a gender finance agenda.
6. Today, our Maternal Health Support Scheme is making available to women who wish to experience motherhood concessionary financial support so they can access the best of treatment whether in Ghana or anywhere in the world. This is an industry first, and we are proud to be setting the pace in giving women the financial capability to pay for fertility related medical expenses and pursue their dreams of motherhood.
7. In 2017, 4 out of every 10 newly acquired customer accounts were for women and it gets better by the day. 'W' demonstrates our commitment for financial inclusion and our strategy to promote gender equality, ensure social and economic welfare and play a catalyst role in helping women meet their aspirations.

### Looking Forward

In 2018, the Personal Banking group will focus on driving our bouquet of electronic products to cherished customers. Through extensive customer engagements and analytics, the team will drive the utilisation of electronic and other products as a means of delivering cutting-edge banking solutions and enhanced customer experience.

We will roll out dedicated Digital Banking centres to enhance customer experience and transaction processing. These centres will be fitted with state-of-the-art smart terminals and free Wi-Fi to cater for the banking needs of our customers. The Wi-Fi service will also be rolled out at selected branches during the year.



# Corporate Banking

Our Corporate Banking group continues to be at the cutting edge of distinctive and high-quality financial services to multinationals and large local clients spanning several industries. Our realigned Corporate Banking portfolio now includes the Oil and Gas market segment to recognise the growing importance and scale of players within the sector.

We focus on building strong and mutually beneficial partnerships with our clients. Our well-trained and responsive staff have the capacity to meet the dynamic and specific needs of our customers, whom we see as partners. The Corporate Banking division has emerged as one of the largest support bases for major institutional clients that are driving change in Ghana. Mindful of the challenging operating environment, we have continued to strengthen our risk management framework whilst developing innovative and value-adding solutions for these corporates.

Corporate Banking was the highest contributor to the Bank's profits for the year under review. The restructuring of the Corporate Banking market segments for 2018, coupled with a significant resolution of the energy sector exposures, places the group on course for an improved performance in 2018.

## The Sectors

- Multinationals and Telecoms
- Mining and Construction
- Cocoa and Exports
- Metal Fabrication
- Aviation and Hospitality
- Maritime
- Oil and Gas

## Services

- Cash Management Services
- Treasury Services for attractive rates on Low Risk Money Market Instruments
- Trade Finance Services
- Current Accounts to manage day-to-day Cash Flow
- E-Banking Services for Funds Transfers, Payroll Management and Collections
- Mobile Money Services

## Highlights

In 2017, the group made significant inroads into the Aviation and other key sectors of the economy through the provision of asset financing and working capital support for our clients. Our concentration was geared towards deepening existing relationships and acquisition of new customers through the provision of high-quality financial services and value chain management.

The major challenge in 2017 for the country was in the energy sector, which the country has been grappling with for the past 4 years. This had adverse effects on industries, particularly those in the metal fabrication sector, which rely heavily on power. Despite these challenges, we retained our business and consummated new deals through effective relationship management and the provision of business advisory services to our cherished customers.

## Looking Forward

In 2018, the division will focus on deepening the already existing relationships with our stakeholders through the provision of timely management information and effective customer service while continuing to partner and support new relationships through our value chain model.



# Public Sector

In 2017, the Public Sector unit was restructured and separated from the Commercial Banking group. The unit focuses on this part of the national economy which provides basic goods or services that are either not or cannot be provided by the private sector. They are defined to include government-related organisations and institutions.

## Focus

- Ministries, Departments and Agencies (MDAs)
- Metropolitans, Municipals and District Assemblies (MMDAs)
- State-Owned Enterprises (SOEs)

## Highlights

- The Unit, in 2017, focused on growing the Bank's business from collection mandates to being a key partner to government such as managing funds for key government initiatives.
- However, part of its activities were affected by the implementation of the Treasury Single Account (TSA) by the government.
- The Bank's collections platform was upgraded to improve the systems capabilities and this helped to meet the demands of the volumes of our collection service.

## Looking Ahead

The new Public Sector, going into 2018, will seek to deepen its partnership with the government to offer solutions that will ensure an efficient public sector machinery in the provision of public services and innovative e-payment platforms that eliminate revenue leakages.



# Investment Banking

Our Investment Banking group is made up of the Treasury and Financial Institution business segments.

## Financial Institutions

The Financial Institution Unit (FI) is a specialised unit established and equipped with the appropriate competencies and capacity to handle the sophisticated needs of our customers in the financial services sector of the Ghanaian economy. The unit offers financing, advisory and transaction services to clients in this industry with special emphasis on non-bank financial institutions. The non-bank Financial Services industry in Ghana is a fast growing one with a huge potential. The unit plans in four main sectors within this market space namely:

- Savings and Loans Institutions
- Finance Houses
- Insurance Companies
- Life Insurance
- Non-Life Insurance
- Asset Management Institutions.

The Financial Institutions unit increased its contribution to the Bank's revenue during the year under review. The steady improvement in fortunes was a result of the unit's restructured offering to its broad clientele base, the full spectrum of both traditional and non-traditional products and services that cut across Financing, Advisory, Correspondent Banking and Settlement, Transaction Services amongst others.

## Business Focus

Financial Institutions under the Investments Banking group is responsible for tapping into opportunities presented by financial intermediation including corresponding banking services to Non-Bank Financial Institutions (NBFIs) licensed by the approved authorities. The unit partners NBFIs in areas of clearing, money transfer (Franchise), issuance of cards and deployment of ATMs, international trade business, working capital support, cash management and investments. Our customer base covers:

- Savings and Loans Companies
- Finance Houses
- Asset Management Institutions
- Insurance Companies.

In delivering its mandate, the unit takes into consideration the risk appetite of the Bank with our customers' need for quick and flexible service delivery. Ultimately, the Bank is positioning itself to be the reference point for all corresponding banking activities in respect of NBFIs in Ghana.

Our customers trust us to assist them maximise the value of their hard-earned money, grow their businesses and, ultimately, make the best choices for their financial welfare.

## Treasury

Treasury has always been a key player in the Bank's service delivery, providing cutting-edge financial services to all the Bank's customers to meet their funding, foreign exchange, investment, liquidity and risk management needs. The group takes pride in delivering first-class products and services to customers. Working closely with relationship managers, we provide our customers with financial solutions ranging from currency swaps, outright purchase and sales of fixed-income instruments, repurchase agreements, liquidity and yield enhancement products.

The Treasury group has historically contributed significantly to the Bank's bottom line and has accounted for a significant amount of bank-wide profits before tax year-on-year. It also maintained a steady growth in profits over 2017 and is expected to improve its arrowhead status in 2018.



# Digital Banking

Digital Banking is a key driver of innovation in today's financial services industry. The influx of digital technology and smartphones to hundreds of millions, formerly excluded from the economy, has provided access to finance, created new job opportunities and is at the forefront of sustainable business practices.

Through digital technology, we are driving our sustainability objective by providing the precision, transparency and connectivity to enable more resource-efficient business models. Our Digital Banking solutions support open unified multichannel integration that enables the Bank to deliver seamless customer service on any device or channel to third parties and external partners.

Digital payments are also increasingly becoming significant in Ghana, particularly with mobile money. As a forward-looking bank, Access Bank is positioning itself to meet customer demands for online and mobile interaction by putting digital distribution at the heart of its retail banking proposition. Our digital banking strategy is to incorporate multichannel integration with emphasis on creating new business models and digital assets that are valuable to the customer.

The Bank, in the period under review, opened an ultramodern digital branch on the University of Ghana, Legon campus, in line with its desire to provide unparalleled digital banking services to its customers. This is but one of the many Digital Banking centres to be rolled out in the coming year to enhance customer experience and transaction processing.

In our bid to position the Bank as the payment gateway to Africa and increase our customer base, the Bank through innovation has introduced new, as well as enhanced existing various services to improve customer experience through our digital banking solutions. Below are a few highlights:

## **\*901# - USSD Mobile Banking (Unstructured Supplementary Service Data)**

This service was introduced in 2017, to drive financial inclusion by providing banking services to the unbanked society. This service allows customers at all levels, through the USSD feature on phones, to access our complete banking services at their convenience and on the go. This technology has the potential to meet the twin goals of vastly reducing the cost of providing banking services and servicing our customers in a faster and more convenient manner.



By lowering servicing costs, \*901# will have a positive impact on Ghana's economic development, promoting financial inclusion amongst the unbanked and underbanked. Some of the services available on this channel are:

- Account to Account Transfer
- Merchant and Bill Payment
- Airtime Top-up
- Instant Transfer to other Bank Accounts
- Account Opening
- Self Onboarding Process
- Enquiries.

## **Access Mobile App**

The mobile application, which was enhanced in 2016, is a game changer in the industry. The Mobile Banking application provides customers with, superior mobile banking service experience in line with our promise to deliver Speed, Service and Security. This newest addition adapts all the functionalities and features of the existing App and more features fully optimised for smart phones:

- A key differentiator for the app is its ability to initiate the account opening process
- Cheque Management System
- Card Management System
- Branch and ATM Locator

- LiveChat to Contact Centre
- Fund transfer to Mobile Wallet
- Instant Fund Transfers to all banks in Ghana
- View all your accounts balances at a go
- Airtime Top-Up
- Fingerprint authentication.

### Access Pay

Access Pay, which is an e-payments management platform that enables corporates to make payments from their account to beneficiaries, was enhanced to integrate Corporate Internet Banking Functionalities. This means that customers can now perform Account Management functions such as viewing multiple account balances and printing statements in different formats.

### Payment Gateway Services (e-Pay)

We were recently licensed to acquire the online use of Payment cards (Visa, MasterCard, Diners and Discover card) in 7 various currencies. This solution has bolstered our value proposition to serve customers with an enhanced electronic platform.

Mobile Money acceptance was added to our payment gateway, in 2017, to ensure customers without cards can also perform online transactions at our online merchant portals.

### Access Trade

Access Trade is an interface designed to help customers initiate foreign transfer transactions from their respective locations. These instructions are received and processed seamlessly to the intended beneficiaries by the Bank. This service provides convenience, speed and security. It also allows an online tracking of transactions, easy access to trade-related transactions history and the ability to track shipment and documents for importing customers.

### GHIPPS Instant Pay

Access Bank, in 2017, successfully completed integration to become an authorised sending and receiving institution for GHIPPS Instant Pay. This service allows customers to initiate instant transfers from their account to other approved receiving banks instantly. It also allows approved sending institutions to transfer funds to Access Bank and value is remitted to the customer instantly.

This service is currently available in our Mobile Banking solution (Access Mobile App and \*901#).

### Card Services

**Instant Issuance** - A key value proposition of the Bank to customers is providing service with optimum turnaround time.

The introduction of the Instant Card Issuance service across all branches nationwide is helping the Bank provide customers with a better level of service while reducing the time for obtaining their debit cards. We currently provide instant issuance for GH-Link card, Visa debit Card and Prepaid cards.

**Credit Card** - We also welcomed our Visa Gold and Platinum Credit Cards unto the Ghanaian market. With our wide network of partners, the credit cards can be used at over 24 million Merchant locations and on over 1million ATMs in more than 220 countries. The Visa Credit Cards are linked to a line of credit separate from the customer's main bank account. It also affords the cardholder various discounts and other lifestyle rewards.

**Verified By Visa** - The Bank's brand promise is to provide speed, service and security for its customers. In pursuing this promise, the Bank has deployed Verified by Visa service to its Visa Classic, Prepaid and Credit cards. This service allows customers to set an extra security feature on their cards when performing online transaction.

### Live Chat

Customer feedback and prompt attention to customer queries is very vital to the Bank's operations. In view of this, the Bank activated the Live Chat feature on its Contact Centre service making the centre one of a complete solutions provider as we strive for exceptional customer experience. Customers can chat live with our service agents via our website and the mobile banking app.

### Implementation of the FINTRAK ERMS Project

The Bank believes strongly in sustainable business practises being cognisant of the environment we're situated in. Internally, it has implemented an automation system known as the FINTRAK ERMS (Enterprise Resource Management System). This is an embedded process improvement management system that will ensure the Bank's support processes are transacted through a paperless medium thereby reducing transaction turnaround time while allowing approval processes electronically.



# Operations and I.T.

The year 2017 was a rewarding year for the Bank's Operations and IT unit. In line with the Bank's objective of driving technology-based sustainable growth, the unit's focus was to further improve our transaction platforms, deepen channels adoption and improve customer experience while optimising our revenue. On these fronts, the Bank achieved remarkable success driven by effective execution and our ability to take full advantage of emergent opportunities in the operating environment. There was a significant improvement in service delivery across our 52 business offices and other channels. This was driven by our understanding and identification of service channels that are of utmost importance to our customers and our focus on migrating customers to our numerous self-service platforms that provide convenience to customers.

## Key Projects Undertaken Include:

### Enhancement of Security:

The Network Access Control (NAC), as its name implies, aims to control internal vulnerability by controlling users' and devices' access to the Bank's network. This helps to protect customers' data and maintain the integrity of our data at all times. Other benefits of the NAC implementation on the network includes enforced network security by encrypting traffic to wireless and wired connections, authorisation, authentication and accounting of network connections among others.

### Enterprise Monitoring Solution

As the focus on technology has evolved overtime, the traditional approach to service management cannot meet the requirements of the complex, fast-moving modern data centre already deployed by the Bank. To this end, the continuous practice of a conventional approach would expose the bank to incur higher costs and attract increased risks such as performance, availability and compliance risks.

A new proactive operations management platform has been put in place to support this rapid change in our complex environment with the principal aim of minimising cost, risk and equally managing issues proactively in a consistent way from a service perspective. This model will drive superior service delivery, cost reduction and improved operational efficiency as well as the following gain a comprehensive view of application performance from the end-user perspective, proactively identify errors affecting customers, automatically trend and baseline "normal" performance for discovered applications and services (dynamic baselining).

This approach will further help to identify difficult, intermittent issues that cannot be readily reproduced before customers are affected, define priorities based on who is affected, where they are and what the impact is and effectively isolate application problems, including failed transactions among others.

### Instant Account Opening

This is an innovative way for which accounts can be opened automatically. This innovation seeks to simplify the already existing account opening process and enable customers get account numbers instantly via existing platforms i.e. USSD (\*901#), Access Mobile, Internet Banking, Mo-Bank and any other platforms that the Bank may choose. The solution allows business units to define account classes (product) to be availed on the application for automated account creation.



# Service Quality

As a restatement of our commitment to always place customers first, the Bank focused on unique ways to improve service by leveraging on innovation to offer new and refreshing experiences. With this enhanced approach, we harmonised our processes through technology and fostered synergy amongst customer-impacting teams to ensure distinguished value for our customers. The chosen path was a strategic decision in line with our brand promise to maintain relevant touch with our customer base as well as improve their businesses and activities. While these were internally driven, we also opened up for customer feedback through our multichannel contact points to serve as a foundation to engineer service change in line with customer expectations, our business proposition and a regulatory regime that dictated the financial space.

Our customers continue to be at the heart of our business; therefore, we are dedicated to meeting their expectations with speed, service and security. As a customer-focused Bank, the daily pledge to provide customers with extreme value is the basis for the Bank's decision to put emphasis on service and innovation as a leverage to strengthen our position in the industry. The Service and Innovative culture continues to bind us as a unified customer Bank dedicated to bringing the most value to our customers, businesses and stakeholders.

## Highlights

Access Bank Ghana has embraced the Customer Experience (CX) concept as the foundation of its organisational strategy. The paradigm shift from "customer service" to "customer experience" is based on the desire to create an "enjoyable" experience at all our touchpoints and channels that goes beyond the routine of meeting the expectations of our customers.

With this new strategic direction, the Bank has positioned itself as the most user-friendly financial institution. This is to be a clear differentiator for competitive advantage. In the past year, a series of activities were rolled out to reinforce this direction.

- **Internal Customer Satisfaction Survey (ICSS)**

Several online Internal Customer Satisfaction Survey (ICSS) was conducted to measure staff experiences and perceptions on internal service providers (Generic Alternative Channel). This survey sought to serve as a measure of perceptions of services and to provide internal business groups with a comprehensive picture of internal customers' perceptions and expectations, as well as team strengths, weaknesses and areas for improvement. The ICS survey is used by Management, HR, Customer Experience and Marketing to draw out feedback

from internal customers in benchmarking internal customer satisfaction, solicit suggestions for improvement and try to identify trends related to performance. In general, employee participation was enthusiastic, and the results of the survey indicate a general improvement in communication, productivity and responsiveness as well as overall Employee Satisfaction.

- **Voice of the Customer Analysis (VOC)**

The Voice of Customer (VOC) programme is an initiative being developed to bring customer's experience and insights closer to the Bank on a near real-time basis. It is aligned to our core value – "Passion for Customers", and the process entails gathering information so as to capture the changing requirements of the customer.

### The VOC is All About:

- Delivering more than an exceptional service to our customers.
- Treating customers fairly.
- Building long-term relationships based on trust, fairness and transparency.

VOC results will be translated into meaningful objectives that will help in closing the gap between customer expectations and the Bank's offerings.

- **Customer Relationship Management Tool (CRM)**

The CRM solution is an innovative initiative aimed at enhancing the management of a customer's life cycle. The deployment of this solution is at an advanced stage and will ensure a speedy and an accurate handling of customer requests and complaints with unique features to provide real-time tracking mechanisms for all customer requirements. The analytics module of this solution uses customers' history with Access Bank to improve business relationships and introduce new services and loyalty schemes, all focusing on increased customer satisfaction, retention and growth.

## Employee Engagement

**Monthly Service Quiz/Puzzle:** The monthly service quiz is one of the key initiatives that underpins the Bank's efforts to establish a culture of continuous organisational learning. The Quiz, which is hosted on the intranet, seeks to deepen staff knowledge about the Access brand, policies, products and services. Employees who excel in this endeavour are rewarded monthly. The exercise has generated the desire for continuous learning amongst employees while promoting healthy competition and increased product knowledge.

# Service Quality (continued)

**Quest for Excellence Hour (Q4EH):** This is a periodic service forum which serves as a platform to sensitise and educate Access Bank staff on topical issues of the Bank. At each Q4EH session, representatives from various units and branches bank-wide are invited to participate. In the year under review, five sessions of Q4EH were conducted to enlighten staff on the following pertinent topics: Winning with Channels, Winning the Women Market, Mobilising Savings to Grow Liquidity, Risk Management and Service Delivery and Insights into Treasury Services.

## Customer Service Week

The Bank joined thousands of organisations across the world to celebrate the Global Customer Service Week from October 2-7, 2017. The celebration was held under the theme, "An All Inclusive Experience". Over the past eight years, Access Bank has leveraged on this event as a viable platform to reinforce its "Passion for Customers".

The celebration rewarded customers for their valued patronage and loyalty to the Bank, strengthened the company-customer bond and reaffirmed the Bank's commitment to excellent service delivery.

The celebrations were climaxed in grand style on October 7 when customers and staff of the Bank were treated to a thrilling theatrical rendition of the play "Regimental Sergeant Major" (RSM) by an All-Staff cast.



## External Customer Satisfaction Survey

The Bank, in 2017, undertook a Customer and Channels User Satisfaction Survey to understand the strength of the Bank's relationship with customers and gauge the levels of satisfaction at various touchpoints and remote channels.

The survey findings among other things, indicated that a majority of customers are satisfied with Account products and its management with a few concerns to be addressed.

It also showed that, besides trailing competition on alternative channels, a significant portion of customers expressed satisfaction on alternative channels. As more options become available, the survey findings indicate that customers are increasingly shifting their preferences towards these channels. Usage of card services is less than half of Access Bank customers, although satisfaction remains high.

## Mystery Shopping Exercise

Several mystery shopping exercise were conducted in 2017, with the aim of assessing the following:

- Access Bank and Competition Banks
- Alternative Channel Services
- Product knowledge and completeness on service delivery
- Areas of Measurement and the overall score of service delivery for each branch.

Findings of the study show that Customer Care Officers (CCOs) demonstrated a good knowledge of products and they rightly communicated these to customers. Furthermore, frontline agents interacted very well with customers in providing solutions over calls and in-branch environments with a lot of courtesy and high service satisfaction. Customers gave satisfactory ratings with ATMs and other alternative channel usage.

### Complaints Handling and Reporting

We relied on customer feedback to redefine our products and service offerings in a way that delivered value. Our complaints handling process helped to put in place prompt interventions for customer complaints resolution in line with agreed and satisfactory service levels. We keep records of all complaints reported, document root causes and continue to build a knowledge base from the resolution of these complaints for continuous learning and improvement. Owing to the importance of complaints handling, reports of all interventions are shared with Executive Management and discussed with relevant process improvement committees to ensure a total commitment to complaints resolution at all levels.



# Our People, Culture and Diversity

As a Bank, we know achieving our objectives as a sustainable business largely depends on our people. They are inevitably interwoven as a successful sustainability strategy that can drive improvements in many human capital areas including employee engagement and diversity, recruitment and talent management. In 2017, we continued to pursue our strategy of becoming the employer of choice within the Ghanaian market through result-driven and innovative programmes that help to unleash the talents of our employees. Our priorities have been to build capacity within key disciplines, manage talents, plan succession and improve the efficiency and cost-effectiveness of Human Resources in terms of service delivery.

## 2017 Highlights

### Career Development and Recruitment

In 2017, our Entry Level Training Programme (ELTP) produced Forty-Two (42) graduates. These graduates were selected through our annual career fairs and from the country's premier universities as well as top universities in the United Kingdom (UK). They were taken through Nineteen (19) weeks of intensive training at the Access Bank School of Banking Excellence in Lagos, Nigeria. The robust curriculum for the trainees covered key areas of banking including Financial Statement Analysis, International Trade Finance, Banking Operations, Credit Analysis, Accounting, Anti-Money Laundering and our Credit Policy Guide (CPG).

To date, Two Hundred and Eight (208) trainees from Ghana have graduated from the programme since 2009, and each year, our trainees excel and return with various impressive awards.

### Training

In our quest for excellence, we ensure that we develop leaders who impact and transform our environment through cutting-edge personal development programmes. We, therefore, employ a blended learning approach to ensure that the right skills and content offerings are mapped to match the skills gap at any given time.

In line with our dedication to a continuous growth and career development, all 547 staff participated in various local and international training programmes aimed at enhancing their skills and knowledge on the job. Notable courses rolled out in the year included Anti-Bribery and Corruption and Anti-Money Laundering, ACI Dealing/Operations Certification for treasury staff, Moody's Advanced/Intermediate Credit Training by Moody's Analytics as well as other specialist trainings.



During the year under review, we also partnered with leading global organisations such as Wharton Business School in Pennsylvania, Moody's Analytics and Global Media Alliance to deliver the best programmes for our Senior Management intended to enhance their managerial and leadership competencies.

In addition, the Bank partnered with other local and international institutions such as AISEC, University of Ghana, Ashesi University, University of Mines and Technology and Lancaster University through career fairs, seminars and internship opportunities in order to obtain and keep the right talents for the Bank.

A total of about 51,500 hours, approximately, was dedicated to the training of our staff across the Bank in the 2017 financial year.

### Productivity and Rewards

Consistent with the Access culture, we recognise and reward employees who make substantial contributions to the growth of the business through an established fair and transparent performance management system. This system provides a basis for evaluating the performance and contribution of staff to the business. As such, high performing staff are duly recognised and rewarded for their achievements.

Many of our staff were rewarded during the year for their exceptional performance and contributions to promoting the Access brand of speed, service and security. A total of 99 staff, representing 16.8% of our professional staff, were promoted.

In addition, the Bank participated in the Annual CEO and Country Awards in which some staff won various awards including 'Employee of the Year', 'Best Employee Voluntarism Group', 'Brand Ambassador', 'Excellence in Leadership' and 'Best Customer Service Staff'.



### Employee Engagement

To unearth the rich talents of staff and promote a sense of belonging, the Access Social Clubs initiative continues to foster camaraderie. So far, six clubs have been formed and this includes the CulinaryMinds, Access Tour, Writers and Debaters Club, Theatre Arts Club, Etiquette club and Football Club, etc.



The Access Theatre club performed the first ever all-staff stage play entitled, "Regimental Sergeant Major" (RSM) in October, to entertain customers during the Bank's Customer Service Week. The stage play was touted as very hilarious by customers who were in attendance and the audience were amazed by the talents staff exhibited.



The Annual Access Games was held bank-wide at various locations during the third quarter. The aim of this event was to promote a healthy lifestyle amongst staff whilst fostering teambonding. Activities for the day included aerobic exercises, football matches, relay races, dancing competitions, sack races, musical chairs among others. We also partnered our health care providers to offer free dental health screening, weight management tips and checks.

# Our People, Culture and Diversity (continued)

## Employee Engagement (continued)

This year, the Bank together with Run for the Cure Africa (RFCFA) which is a non-profit organisation, for the eradication of Breast Cancer, engaged in a Breast Cancer awareness walk at the Lincoln Community School. A seminar on Breast Cancer awareness was also organised and staff, had the opportunity to undergo free Breast Cancer Screening. The Bank also partnered with Total House Clinic to hold a session for the male staff on prostate cancer.

As part of giving back to our community, the Bank celebrated Valentine's Day with children at various orphanages, hospitals and schools across the country through an initiative known as "Love a Child". These children received various gifts and cash donations. The Access Women Network (AWN) also used the opportunity to visit their adopted school (Tetteh Ocloo School for the Deaf) and spent time bonding with the students.

The Bank-wide Toastmasters Club was launched in June 2017. The objective of the club is to develop and teach staff the art of public speaking, thereby making them good and effective communicators, leaders and fast thinkers. Five (5) Toastmasters groups have been set up in Accra, Kumasi, Takoradi and Tamale and club officers trained and mentored by representatives of Toastmasters International. The clubs have currently gone live.



## Access Women Network

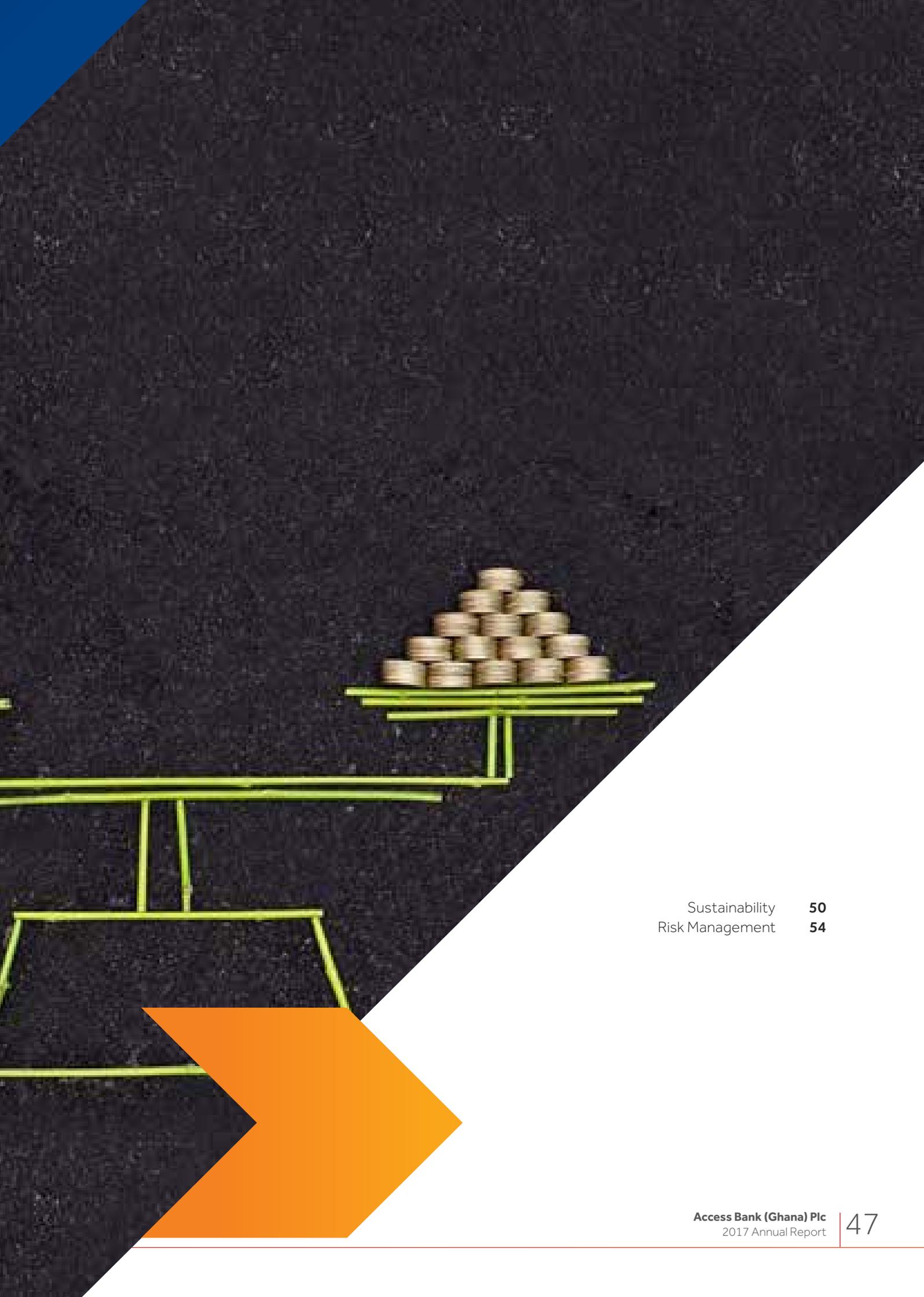
The Access Women Network is a platform used positively to impact female staff through various mentoring and coaching activities. As part of International Women's Day, 'W' and AWN partnered with Charterhouse to host the International Women's Summit, an event themed, 'Be Bold for Change'. It was a clarion call to women across the country to come together on International Women's Day to share ideas across various fields and areas of interest.

It was aimed at celebrating, supporting and encouraging women to achieve their fullest potentials and enable them make an impact in their homes, families, businesses, the economy, society and the country as a whole.

As part of the month-long commemoration for W @ 2 and International Women's Day, AWN, in collaboration with the Women Banking Team, organised a series of events:

- Aerobics session for all female staff in the Bank. Staff were educated on healthy eating habits and encouraged to follow a consistent exercise routine as this helps to reach and maintain a healthy weight, reduce the risk of chronic diseases and promote overall well-being.
- AWN partnered with Joy FM for their Easter Soup Kitchen to serve lunch to the less privileged on Easter Sunday at the A.M.A Car Park in Accra. In addition, they donated food items and clothing to them.
- AWN had a grooming session with Paba Cosmetics as part of the Mother's Day celebration.
- A Maternal Health Awareness walk was organised by AWN in collaboration with Glitz Africa. The walk was to raise awareness on obstetric fistula in Ghana as the condition was on the ascendancy. The session began with aerobics, followed by a 7km walk and a female empowerment session at the Alisa Hotel.





Sustainability	50
Risk Management	54

# Sustainability

## Overview

Sustainability remains an integral part of Access Bank Ghana's operations encompassing not only making profit but also influencing our social, economic and environmental systems. It serves as a cornerstone of our business philosophy and is administered with a long-term view in mind.

The Bank's sustainability strategy driver for the long term is highly embedded in its mission of "setting standards for sustainable business practices that unleash the talents of our employees, deliver superior value to our customers and provide innovative solutions for the markets and communities we serve".

This has further informed the Bank's sustainability vision, "to be the most sustainable and respected bank in Africa, financing and facilitating brighter futures for all our stakeholders through innovative services and best-in-class operations".



This report outlines how Access Bank engages with its various stakeholders, with highlights of the progress we made on our commitments in 2017. It also showcases our performance and achievements related to our environmental, social and governance (ESG) factors.

## Our Approach to Sustainability

Access Bank Ghana actively drives the sustainability agenda in how we set our standards for responsible business practices throughout the entire organisation, as well as how we relate with our people, customers, the environment, our suppliers and communities. We have also embedded relevant targets of the United Nation's 17 Sustainable Development Goals (SDGs) in our operations and activities as a major player in the financial services industry.



Stakeholders	How We Have Engaged Them In 2017
<p><b>Our People</b></p>	<p>As a motivation tool to help them achieve their goals, buy-in on proposed activities and promote diversity among our entire workforce, employees have been engaged in various ways including:</p> <ul style="list-style-type: none"> <li>• Training and capacity building.</li> <li>• Retreats and town hall meetings.</li> <li>• Employee volunteering programmes - adding value to communities by investing resources to champion sustainable initiatives.</li> <li>• Occupational health and safety training on the highest standards such as sensitisation and first aid support for employees across the Bank by the Ghana Red Cross Society.</li> <li>• Our Health and Safety newsletters, training materials and email blasts across the Bank continue as the forum for drawing employees' attention to such critical issues.</li> <li>• Sensitisation on critical health topics and screening in partnership with Access Women Network.</li> </ul>
<p><b>Our Customers</b></p>	<p>We are passionate about delivering sustainable value-added solutions to our customers and creating a positive impact in the communities in which we serve. Our customers have benefited immensely through the following engagements in the year 2017:</p> <ul style="list-style-type: none"> <li>• Adoption of a Service Mantra and Pledge which consists of our commitment to delivering exceptional service to our customers.</li> <li>• Guest tellering by top management of the Bank.</li> <li>• Business Forums/Meetings: Meetings organised for certain categories of clients for relationship building purposes whenever it is required.</li> <li>• Publications/Customer digest: Providing information on happenings about Access Bank or other relevant information.</li> <li>• Social Media: Contacting customers/prospects daily via Twitter, Facebook, Instagram and the Bank's website to resolve issues or provide information on enquiries made by customers.</li> <li>• Surveys: Qualitative research groups are formed whenever required by the Bank to obtain perceptions, expressions and opinions on products/services.</li> <li>• Circulars: Notices to inform customers about policies, regulations or process changes when required.</li> <li>• Marketing calls: These are daily visits or calls to follow up on prospects and customers.</li> <li>• Customer Service Week and Valentine campaigns.</li> <li>• Complaint resolution by the Contact Centre: Resolving customers' complaints quickly and effectively.</li> <li>• Financial Inclusion: Development of products and services with an objective to help reduce poverty, increase economic opportunities and boost national savings. We are committed to developing and harnessing the strength of underserved segments of the market including women.</li> <li>• Health and Safety: Sensitisation on critical health topics.</li> <li>• Responsible Marketing: Acting in the interest of our customers such as prohibiting transactions that are not in their interest.</li> </ul>

# Sustainability (continued)

<p><b>The Environment</b></p>	<p>Sustainable Environmental Management forms part of Access Bank’s strategy and business model. As major funders of businesses, we use our influence to make sure companies become more sustainable by raising their standards in this area.</p> <ul style="list-style-type: none"> <li>• We assist our clients to manage their own environmental impact and risks by providing them with the advice, products and innovative solutions that help resolve their Sustainability challenges.</li> <li>• We have also consciously minimised the adverse environmental impact of our own activities including active waste and carbon emission management.</li> </ul>
<p><b>Our Investors and Shareholders</b></p>	<p>In a bid to maintain good relationships and deepen trust, our investors and shareholders are continuously updated via the following channels:</p> <ul style="list-style-type: none"> <li>• Annual reports and accounts</li> <li>• Access Bank’s website</li> <li>• Public announcement of quarterly and annual results</li> <li>• Emails to shareholders and investors</li> <li>• Annual General Meetings (AGMs) and Extraordinary General Meetings (EGMs)</li> </ul>
<p><b>Our Suppliers</b></p>	<p>We aim to achieve cost savings, improved cycle times for service delivery, improved service levels for internal and external customers and improved productivity of internal resources.</p>
<p><b>Communities</b></p>	<p>In a bid to give back to the environment where we operate and also create awareness of our Sustainability initiatives, we have made significant strides to develop the society around us through the following ways:</p> <ul style="list-style-type: none"> <li>• Community-focused projects through our employee volunteering initiatives.</li> <li>• Partnerships with community-facing non-governmental organisations (NGOs).</li> <li>• Charitable donations and sponsorships.</li> <li>• Other Community investment and development efforts by the Bank.</li> </ul>



## CSR and Employee Volunteering Initiatives

Employees remain a key pillar in driving the realisation of the Bank's strategic goal for delivering sustainable growth that is profitable, environmentally responsible and socially relevant. Since its inception in 2010, the Employee Volunteering Programme (EVP) has provided several avenues for our staff to use their time, energy and resources in tackling some of the pertinent issues in our societies in line with Sustainable Development Goals (SDGs) adopted by the United Nations.

Over 1,223 employees partook in volunteering projects that impacted an estimated 23,000 beneficiaries in 185 communities. Treating maternal health as a key focus in line with SDG No 3 (Good Health and Well-being), projects were executed across all ten regions of the country. They include the organisation of maternal health workshops, payment of hospital bills, provision of maternity fixtures and free medical services to pregnant mothers.

Some of these hospitals that benefitted from the initiatives include: Adjiringanor Health Centre, Adukrom Health Centre, Akrofrom Community Health Centre, Apinto Government Hospital, Ashaiman Polyclinic, Gbagble-Ando Community Health Centre, Kasoa Government Clinic, Lekma Hospital, Maamobi General Hospital, Nima Polyclinic, Nweneso No.2 Community Clinic, Osedzi Health Centre, Osu Maternity Home, Pokuase Community Clinic, Ussher Polyclinic and Wa Regional Hospital.

Notable among a considerable number of CSR initiatives spearheaded by Access Bank Ghana is the massive financial support given to the Ghana government on the occasion of Ghana's 60th Independence Anniversary for the building of sixty (60) e-libraries. The project is expected to benefit over 5,000 children in sixty (60) rural communities with a key objective of empowering children and young people in the rural areas with knowledge to improve their reading and learning.

The Bank also donated towards the development of an ultramodern Maternity Unit under the "Save a Mother, Save a Child" project championed by Ghana's current first Lady, Mrs. Rebecca Akufo-Addo. The maternity unit which was commissioned earlier in January 2018, has over 15 incubators and 3 emergency wards, and will allow the hospital to take in four times the current number of infants and mothers as well as reduce avoidable deaths by 60-80%.

## Environmental and Social Risk Management

As we seize new business opportunities, our top priority is to mitigate environmental and social (EandS) risks arising from our business operations. Access Bank is consciously working on reducing the adverse environmental impact of its operations through consistent reductions in its carbon footprints.

In a bid to put the right systems in place to fortify all our environmental and social risk management processes, we continue to adapt a coherent environmental and social risk management policy that involves five distinct phases of screening, risk assessment, decision and documentation, monitoring and reporting of EandS risk factors.

Over the past few years, Access Bank Ghana has adopted a Sustainability Toolkit aimed at categorising the Bank's EandS risks. The toolkit has three main risk categories (A, B and C). Category A consists of projects with potential significant adverse environmental and social risks and/or impacts that are diverse, irreversible or unprecedented; whereas Category B includes projects with potential limited adverse environmental and social risks and/or impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures. Projects with minimal or no adverse environmental and social risks and/or impacts fall under Category C.

In addition to the toolkit, the Bank has amended its credit processes to include more in-depth analysis of our EandS risks. To facilitate integration of Environmental and Social Risk Management (ESRM) into our credit processes, the Bank made significant amendments to its Facilities approval process to that effect. This has enabled the Bank to effectively manage and monitor risks associated with transactions and clients as well as track and report EandS risks.

As a Bank, we believe these implementations affirm our compliance with Environmental and Social Risk Management practices which in turn consolidates our leadership position in the sustainability journey.

Also, in line with our commitment to the UN Sustainable Development Goals and also to ensure conformity with sustainable banking principles, the Bank is working in tandem with the Bank of Ghana, International Finance Corporation and the FMO Entrepreneurial Development Bank on all issues relating to regulatory support and compliance.

# Risk Management

We recognise the role of responsible risk management practices in achieving our strategic vision, and have a well-established risk governance structure and experienced team to deliver on this mandate.

Our risk management framework provides essential tools to enable us take timely and informed decisions to maximise opportunities and mitigate potential threats.

## Our Approach to Risk Management

Risk is an inherent part of the Bank and its business activities. Access Bank's overall risk tolerance is established in the context of the Bank's earning power, capital and diversified business model.

Effective risk management is critical to any Bank for achieving financial soundness. In view of this, aligning risk management to the Bank's organisational structure and business strategy has become an integral part of our business. Access Bank's risk management framework and governance structure are intended to provide comprehensive controls and ongoing management of the major risks inherent in its business activities. It is also intended to create a culture of risk awareness and personal responsibility throughout the Bank.

The Board of Directors and Management of the Bank are committed constantly to establishing, implementing and sustaining tested practices in risk management to match those of leading international banks. The Bank is convinced that the long-term sustainability of its franchise depends critically on the proper governance and effective management of our business.

The evolving nature of risk management practices and the dynamic character of the banking industry necessitate a regular review of the effectiveness of each enterprise risk management component. As such, the Bank's Enterprise Risk Management (ERM) framework is subject to continuous review to ensure effective and cutting-edge risk management.

## Responsibility

The Chief Risk Officer has the primary responsibility for risk management and the review of the ERM framework. All amendments to the Bank's ERM framework require Board's approval. The Risk Management and Compliance group is responsible for the enforcement of the Bank's risk policy by constantly monitoring risk, with the aim of identifying and quantifying significant risk exposures and acting upon such exposures as necessary. Access Bank Ghana has adopted

(with relevant modifications) the risk management framework of its parent company which is based on the guidelines of the Basel II Capital Accord. The overall objective is to ensure that robust and appropriate framework and scenario stress testing to assess the potential impact on the Capital adequacy and the Bank's strategic plans are put in place.

## Risk Culture and Appetite

The Bank's risk management philosophy is that a moderate and guarded risk attitude ensures sustainable growth in shareholder value and reputation. The Bank believes that enterprise risk management provides the superior capabilities to identify and assess the full spectrum of risks and to enable staff at all levels to better understand and manage risks.

The Bank's risk appetite can be expressed in terms of how much variability of return the Bank is prepared to accept in order to achieve a desired level of result. It is determined by considering the relationship between risk and return. The Bank's risk appetite is always set at a level that minimises the erosion of earnings or capital due to avoidable losses in the banking and trading books or from frauds and operational inefficiencies.

## Risk Management Strategy and Objectives

The strategy for the management of risk is to empower all our staff actively to identify, control, monitor and regularly report risk issues to management.

The broad risk management objectives of the Bank are:

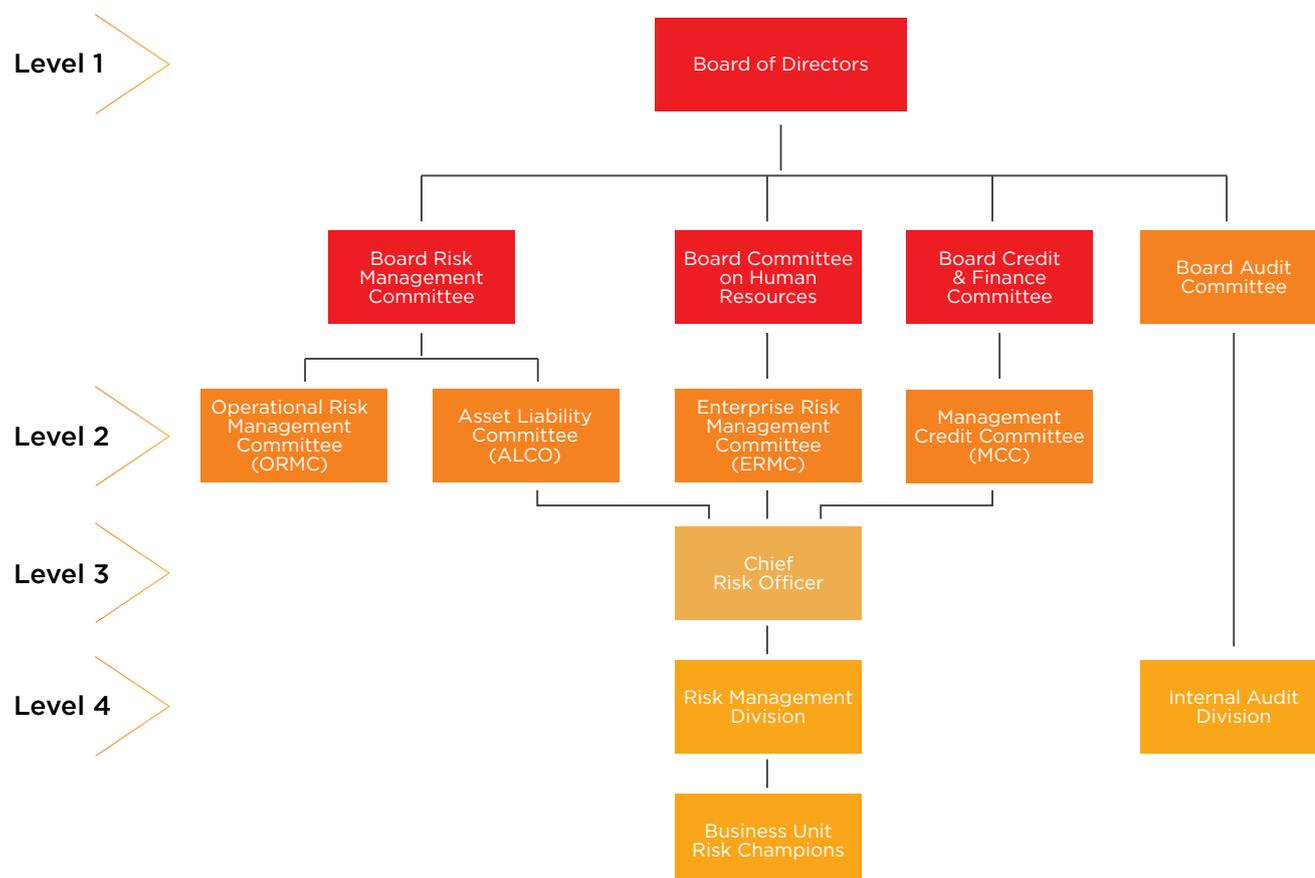
- To identify and manage existing and new risks in a planned and coordinated manner with minimum disruption and cost.
- To protect against unforeseen losses and ensure stability of earnings.
- To maximise earnings potential and opportunities.
- To maximise share price and stakeholder protection.
- To enhance credit ratings and stakeholder perception.
- To develop a risk culture that encourages all staff to identify risks and associated opportunities and to respond to them with cost effective actions.

## Scope of Risks

The scope of risks that are directly managed by the Bank is as follows: Credit risk, Operational risk, Market and Liquidity risk, Legal and Compliance risk, Strategic risk, Reputational risk and Capital risk.

## Risk Management Governance Structure

Access Bank's Risk Management Governance Structure is depicted below:



### Anti-Money Laundering and Combating the Fight against Terrorism and Fraud (AML/CFT):

Risk is an inherent part of the Bank and its business activities. Access Bank's overall risk tolerance is established in the context of the Bank's earning power, capital and diversified business model.

The Bank, in 2017, continued in its efforts at addressing Money Laundering and Terrorist Financing (ML/TF) related issues. The objective was to enable the Bank enhance its resolve to stay abreast with the ever evolving AML/CFT landscape with a particular emphasis on preventive controls.

• **Policies:** In line with the Bank's position on policy review, a comprehensive annual review of all policies of the Bank was carried out in the period under review with the aim of being ahead of the menacing scourge of fraud. This included the review of its AML/CFT Policy, Compliance Manual and Internal Risk Assessment Framework.

• **Training:** As part of the annual Compliance Programme, Bank wide trainings were organised for all employees in line with the Bank of Ghana and Financial Intelligence Centre's AML CFT Guideline which mandates financial institutions to design comprehensive employee education and training programmes. The training covered both existing and newly recruited

staff to improve their knowledge in AML/CFT and further empower them in the fight against Money Laundering.

The topics covered included:

- Effective Risk Categorisation of Customers
- AML/CFT Regulations and Guidelines for Money Transfer
- Identifying Suspicious Transactions- The Role of the Processor
- Relevance of Effective Customer Due Diligence and Employee Code of Conduct and Ethics
- Identifying and Reporting Suspicious Activities in Trade-related Transactions

# Risk Management (continued)

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- AML/CFT Framework – Best Practices, AML/CFT Laws and Regulations Implementation, the Role of the Board of Directors and Executive Committee Members
- Investigating Suspicious Transaction–Money Laundering and Financing of Terrorism and
- Identification and Verification of Legal Documents.

## **Anti-Bribery and Corruption (ABC):**

As part of the Bank's ABC Programme for 2017, Anti-Bribery and Corruption Resource Officers were taken through the annual training on bribery and corruption, and they in turn cascaded the training to their respective constituents across all the Bank's locations.

## **Anti-Fraud:**

Our robust anti-fraud mechanisms championed by the Anti-fraud unit has enabled the Bank record a massive success in clamping down the activities of fraudsters, whilst collaborating with various stakeholders such as Financial Intelligence Centre (FIC) and the Ghana Police Service in the fight against fraud.

We continuously enforce sensitisation of our customers via emails, SMS and other communication channels in a bid to throw light on fraud prevention and mitigate all risks associated with fraud. In line with keeping our brand promise of offering customers Speed, Service and Security, customers are constantly advised not to disclose their PIN, password, internet banking secret code or any other personal account information to anyone.

## **FATCA:**

The Foreign Account Tax Compliance Act (FATCA) requires that all foreign financial institutions identify American tax payers who hold or intend to hold accounts with them and report information on these accounts to the United States Internal Revenue Service.

In 2017, reviews were continuously carried out on all accounts opened with FATCA indicia, to confirm whether or not they were properly classified in the Bank's database and, to that end, if they qualified for FATCA reporting, given the level of activity on them per FATCA reporting requirements. Measures were also put in place to ensure that all FATCA customers have the requisite documents (W9 and Indemnity).



The Board	<b>60</b>
Directors, Officers and Professional Advisors	<b>64</b>
Management Team	<b>65</b>
Directors' Report	<b>66</b>
Independent Auditor's Report	<b>68</b>
Directors' Responsibilities	<b>72</b>
Authority of the Board	<b>72</b>
Board Effectiveness Review	<b>73</b>
Committees of the Board	<b>74</b>

# The Board



## Frank W. K. Beecham III

Chairman

Mr. Beecham holds an LLB from the University of Ghana and a Professional Qualifying Certificate from the Ghana School of Law. He was appointed as the Board Chairman on November 18, 2011. He is a lawyer by profession, a past president of the Ghana Bar Association and partner at Bram-Larbi, Beecham and Company.

Mr. Beecham worked at Merchant Bank (Ghana) Limited—now known as Universal Merchant Bank—and its subsidiaries in 1977 where he served as General Manager (Corporate Business Development), Company Secretary, Legal Adviser and Registrar.

Mr. Beecham was instrumental in setting up several companies by Merchant Bank including Merban Finance and Leasing Company, Universal Company Limited and Universal Insurance Consultants Limited.

## Joyce Dimkpa

Non-Executive Director



Joyce is an experienced banker whose work spans over 17 years in the industry. Before joining Access Bank Plc some 14 years ago, she worked with FSB International Bank where she started her career.

Her outstanding performance over the years earned her a one-year secondment with the Netherlands Development Finance Company (FMO) where she was responsible for leading FMO participation in originating several project finance and equity transactions across Africa, Europe and the Middle East. She has held various portfolios managing corporate and investment banking clients.

Joyce holds a Bachelor's degree from University of Port Harcourt and is a qualified Chartered Accountant (ACCA) and a Chartered Financial Analyst (CFA) with a diverse professional background and extensive experience in International Corporate Banking, Finance Analysis and Project Finance. She has attended several Executive Leadership Programmes from leading educational Institutions.



## **Abena Amoah**

Non-Executive Director

Abena Amoah is an accomplished financial and investment advisor with over 15 years of work experience. She started her career with Strategic African Securities where she worked for ten years, rising to the position of Executive Director. She is currently the Chief Executive Officer of Baobab Advisors, a financial advisory services company she founded in 2011. Prior to that, she headed the Ghana office of Renaissance Capital; a leading investment bank in Moscow.

## **Dela Selormey**

Non-Executive Director

Dela Selormey is a Chartered Accountant and Banker par excellence. His rich experience in banking spans close to four decades during which period he rose to become the Head of Banking Supervision at the Central Bank of Ghana. Dela has also consulted widely in banking and international financing. He consulted for the International Fund for Agricultural Development (IFAD) and the National Project Coordinating Unit of the Ministry of Agriculture of Sierra Leone, a project that is ongoing.



# Board of Directors



## Ernest Mintah

Non-Executive Director

Ernest Mintah has over three decades of experience working in the banking and finance sectors in Ghana and the United States. He is currently the Chief Executive Officer of Ghana Leasing Company Limited and has been involved in long-term lending of asset-based financing to several sectors in Ghana.

Ernest serves on the Boards of the Ghana's Export Development and Agricultural Investment Fund. He is also the president of the Ghana Association of Leasing Companies.

## Kolawole A. Ajimoko

Executive Director

Kolawole Ajimoko has a wealth of experience spanning over two decades in the banking industry, having worked in various fields including Compliance and Internal Control, Risk Management and Branch Operations.

Currently serving as the Chief Risk Officer for Subsidiaries, he previously was the Executive Director for Operations and Information Technology at Access Bank Ghana. Kola was also previously responsible for Risk Management (Subsidiaries) and served as Group Head for Operational Risk Management at Access Bank Plc. He worked at Citibank in Nigeria, Senegal and Kenya before joining Access Bank Plc. in 2017.

Kola is a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN) and a Certified Risk Specialist. He holds a BSc. Banking and Finance from Ondo State University and an MBA from Rivers State University of Science and Technology. He has attended several professional and leadership training programmes in leading Business Schools including Wharton School – University of Pennsylvania, the London Business School (LBS) and INSEAD among others.





## **Kris Ifeanyi Njoku**

Executive Director

Kris Ifeanyi Njoku is the Executive Director in charge of Business Development with 22 years cognate banking experience, 16 of which were attained in Guaranty Trust Bank (GT Bank), Nigeria and UK. Prior to his appointment as Executive Board Director of Access Bank (Ghana) Plc in 2017, he was the Country Managing Director of Access Bank DR Congo (2014-2017) and is credited with transforming the Bank into profitability.

He joined Access Bank Plc in 2012 and managed the Dangote Conglomerate as Group Head in the Corporate and Investment Banking Division of the Bank.

Ifeanyi who has an MSc in Public Management from the University of Birmingham, UK, started his banking career in GT Bank working in various sectors including Commercial Banking, Corporate Banking, Public Sector, Financial Institutions, etc. He was the pioneer Head of Institutional Banking at GTBank, UK Limited (2008-2010) and is a fellow of the British Chevening Scholarship Programme of the British Government.

## **Dolapo Ogundimu**

Managing Director

Dolapo Ogundimu is a seasoned banker with almost three decades of high-level professional banking experience in the sub-region. He has been recognised as a change manager and contributor to the development of the financial service industry in Nigeria, Sierra Leone and Ghana.

Until his appointment in 2012 as the Managing Director of Access Bank Ghana, Dolapo pioneered Guaranty Trust Bank to become one of the most successful banks in the industry. He was also the pioneer Managing Director of Guaranty Trust Bank, Sierra Leone and prior to that appointment had held several management positions with Guaranty Trust Bank Plc.

Dolapo is an alumnus of the Kellogg School of Management, Executive Management Programme of the Columbia Business School (USA), Harvard Business School, International Institute for Management Development (IMD), Switzerland and the Lagos Business School. He holds a BSc and an MBA from the Ogun State University in Nigeria.



# Directors, Officers and Professional Advisors

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**Board of Directors** Frank Beecham (Chairman)  
Dolapo Ogundimu (Managing Director)  
Dela Selormey  
Abena Amoah  
Ernest Mintah  
Kola Ajimoko  
Joyce Dimkpa  
Kris Ifeanyi Njoku

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**Secretary** Albert Kwame Gyan

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**Auditor** PricewaterhouseCoopers  
No. 12 Airport City  
UNA Home, 3rd Floor  
PMB CT 42, Cantonments  
Accra

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**Registered Office** Access Bank (Ghana) Plc  
Starlets '91 Road  
Opp. Accra Sports Stadium,  
P. O. Box GP 353  
Osu, Accra

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**Correspondent Banks** Access Bank UK  
Citibank, New York  
Ghana International Bank, UK  
Commerzbank, Germany  
Bank of Beirut, UK  
Standard Bank, SA  
Deutsche Bank, Germany  
Sumitomo Mitsui Banking Corporation

# Management Team

Dolapo Ogundimu	-	Managing Director
Kris Ifeanyi Njoku	-	Executive Director, Business Development
Stephen Abban	-	Divisional Head, Retail Banking
Kafui Bimpe	-	Group Head, Business Banking
Matilda Asante-Asiedu	-	Head, Personal Banking
Thelma Dormon	-	Head, Public Sector
Angela Okugo	-	Head, Commercial Banking
Calleb Osei	-	Head, Financial Control and Strategy
Victor Akangbe	-	Head, Information Technology
Abiodun Aponbiede	-	Head, Conduct and Compliance
Andrea Dumfeh	-	Head, Remedial Assets
Phillip Ampofo	-	Head, Corporate Banking
Albert Gyan	-	Head, Corporate Counsel
Kenneth Chijioke Mba	-	Head, Risk Management
Ama Somuah-Boateng	-	Head, General Resource Management
Katherine Ampomah	-	Head, Retail Segment and Franchise Banking
Peace Selorm Jilani	-	Head, Global Trade
Pascal Anklu	-	Head, Retail Banking, Northern Zone
Yvonne Antonio	-	Head, Financial Institutions
Omoloua Aikpokpo	-	Head, Treasury
Theophilus Asamoah-Sakyi	-	Head, Channel Services

# Directors' Report

## Report of the Directors

The directors present their report together with the audited financial statements for the year ended 31 December 2017 in accordance with the Companies Act, 1963 (Act 179) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) which discloses the state of the affairs of the Bank and the Group.

## Statement of Directors' Responsibility

The directors are responsible for the preparation of financial statements for each financial year, which gives a true and fair view of the state of affairs of the Group and the profit or loss and cash flows for that period. In preparing these financial statements, the directors have selected suitable accounting policies and applied them consistently, made judgements and estimates that are reasonable and prudent and followed International Financial Reporting Standards and complied with the requirements of the Companies Act, 1963 (Act 179) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

The directors are responsible for ensuring that the Group keeps proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Bank. The directors are also responsible for safeguarding the assets of the Bank and taking reasonable steps for the prevention and detection of fraud and other irregularities.

We have no plans or intentions, for example, to dispose of the business or cease operations that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.

## Financial Report

The financial results for the year ended 31 December 2017 are as follows:

In Thousands of Ghana Cedis	The Group	The Bank
	2017	2017
<b>Profit before tax</b>	58,597	58,587
from which is deducted taxation of:		
National Fiscal Stabilisation Levy of	(2,930)	(2,929)
Income tax expense of	(26,068)	(26,066)
<b>Leaving a net profit after tax of</b>	29,599	29,592
When added to the balance brought forward on income surplus of	14,119	13,105
Leaving a balance of	43,718	42,697
Less transfers to credit risk reserve	7,999	7,999
Less transfers to statutory reserve	(7,398)	(7,398)
Gives a balance carried forward of	44,319	43,298

In accordance with Section 34(1) of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930), an amount of GHS 7,398,000 was transferred to the statutory reserve fund from the income surplus, bringing the cumulative balance on the statutory reserve fund to GHS 129,281,000 at the year-end. The board of directors do not recommend the payment of dividend for the year ended 31 December 2017.

## Directors and their Interests

**The present membership of the Board is set out on page 64.**

The directors' interests in the issued ordinary shares of the Bank at 31 December 2017 is as follows:

Name	No. of shares
Mr. Ogundimu Oludolapo Omotayo	10,000

### Directors' Interests in Contracts

The directors have no material interest in contracts entered into by the Bank.

### Nature of Business

The Bank is authorised by the Bank of Ghana to carry on the business of universal banking.

### Subsidiaries

The Bank has two wholly owned subsidiaries: Big Ticket Holdings Limited (BTH) and Triumph Properties Limited (TPL). BTH is currently operating as a leasing company. TPL is dormant.

### Holding Company

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

### Auditor

The auditor Messrs PricewaterhouseCoopers has expressed willingness to continue in office in accordance with Section 134 (5) of the Companies Act, 1963 (Act 179).

### Approval of the Consolidated Financial Statements

The Board of Directors approved the consolidated financial statements on 9 March 2018 and were signed on their behalf by:



Frank Beecham  
Chairman



Dolapo Ogundimu  
Managing Director

17 February 2018  
Accra

# Independent Auditor's Report

To the Members of Access Bank (Ghana) Plc

## Report on the Audit of the Financial Statements

### Our Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Access Bank (Ghana) Limited (the "Bank") and its subsidiaries (together the "Group") as at 31 December 2017, and of the financial performance and the cash flows of the Bank standing alone and the Group for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 1963 (Act 179) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

### What we have Audited

We have audited the financial statements of Access Bank (Ghana) Plc (the "Bank") and its subsidiaries (together the "Group") for the year ended 31 December 2017.

The financial statements on pages 76 to 138 comprise:

- The consolidated and separate statements of financial position as at 31 December 2017;
- The consolidated and separate statements of comprehensive income for the year then ended;
- The consolidated and separate statements of changes in equity for the year ended;
- The consolidated and separate statements of cash flows for the year then ended; and
- The notes to the consolidated and separate financial statements which include a summary of significant accounting policies.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the separate and consolidated financial statements section of our report.

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

### Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Key Audit Matter

The calculation of impairment of loans and advances to customers for the Bank is inherently judgemental. Individual and collective impairment provisions (identified and unidentified) may not reflect recent developments in credit quality and the historical loss experience of the loan portfolio. The directors make judgements over both the timing of recognition of impairment and the estimation of any such impairment. At year-end the Bank reported total gross loans and advances of GHS 950.7 million and impairment provisions of GHS 73 million.

The key assumptions used in the impairment models are:

- Completeness and timing of recognition of loss events in accordance with criteria set out in IAS 39;
- Those relating to the valuation of the collateral securities used and their realisation periods (time to collect proceeds from the collateral securities);
- Ability to repossess collateral and recovery rates;
- The emergence period (average period for impairment triggers or hidden loss events to be identified in a loan portfolio);
- The loss given default (percentage exposure at risk that is not expected to be recovered in an event of default) and
- The probability of default (estimate of the likelihood that a borrower will be unable to meet their debt obligations over a particular time horizon).

The accounting policies, critical estimates and judgements and impairment charge are set out in notes 2.11, 4(a), 11 and 18 to the financial statements.

### How Our Audit Addressed the Key Audit Matter

We updated our understanding of and evaluated key controls within the loan origination, approval, monitoring and recovery processes.

We tested management process for the identification of impaired loans.

We tested the design and operating effectiveness of the controls over impairment data and calculations. These controls included those over the calculation of the impairment provisions.

- For specific impairment charges on individual loans, this included controls over the compilation and review of the loan portfolio and valuation of collateral securities.
- For collective impairment, this included controls over the appropriateness of models used to calculate the charge, the process of determining key assumptions and the identification of loans to be included within the calculation.

We examined a sample of loans and advances which had not been identified by management as potentially impaired and formed our own judgement.

For individually calculated impairment, we tested the loans and advances for which impairment triggers have been identified to assess whether the loss event (that is the point at which impairment is recognised) had been identified appropriately.

For impairment identified, we independently reperformed the calculation, challenging the assumptions and comparing estimates to external evidence where available.

Where impairment is collectively determined, we tested the appropriateness of the methodology applied by reference to the Bank and market experience for the assumptions made such as the emergence period, the loss given default and the probability of default.

# Independent Auditor's Report (continued)

## Other Information

The directors are responsible for the other information. The other information comprises the Financial Highlights, Corporate Governance Report, Report of the Board of Directors, Shareholders Information, Other Financial Information and the Value Added Statement but does not include the financial statements and our auditor's report thereon which we obtained prior to the date of this auditor's report and the Chairman's Statement, Managing Director's Review Report, Report on how and where the Group does business, Business Review Report and the Sustainability Report which are expected to be made available to us after that date.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Chairman's Statement, Managing Director's Review Report, Report on how and where the Group does business, Business Review Report and the Sustainability Report and we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

## Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 1963 (Act 179) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The directors are responsible for overseeing the Group's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

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

to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control;
- Obtain an understanding of internal 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 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 ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the

financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation and
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are, therefore, the key audit matters. We describe these matters in our auditor's report

unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

The Companies Act, 1963 (Act 179) requires that in carrying out our audit we consider and report on the following matters. We confirm that:

- i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii. In our opinion proper books of account have been kept by the Bank, so far as appears from our examination of those books; and
- iii. The Group's Balance Sheet (Group's Statement of Financial Position) and Group's Profit and Loss Account (part of the Group's Statement of Comprehensive Income) are in agreement with the books of account.

In accordance with section 85(2) of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) we hereby confirm that:

- i. In our opinion, the accounts give a true and fair view of the state of affairs of the Bank and the results of operations for the period under review;
- ii. We were able to obtain all the information and explanations required for the efficient performance of our duties as auditor;

- iii. In our opinion, the Bank's transactions were within its powers;
- iv. In our opinion, the Bank has, in all material respects, complied with the provisions of this Act and
- v. In our opinion, the Bank has, in all material respects, complied with the provisions of the Anti-Money Laundering Act, 2008 (Act 749) (as amended), the Anti-Terrorism Act, 2008, (Act 762) and the Regulations made under these enactments.

The engagement partner on the audit resulting in this independent auditor's report is Oseini Amui (ICAG/P/1139).



**PricewaterhouseCoopers  
(ICAG/F/2018/028)**

**Chartered Accountants**

**Accra, Ghana**

**27 March 2018**



# Directors' Responsibilities

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The Board shall be accountable and responsible for the performance and affairs of the Bank. The Board shall define the Bank's strategic goals and ensure the effective deployment of human and financial resources towards the attainment of these goals. The Board shall ensure the proper management of the Bank through oversight of management performance to ensure protection and enhancement of shareholder value and attainment of the Bank's obligations to its employees and other stakeholders. The Board shall ensure that the Bank observes the highest ethical standards and carries on its business in accordance with the Bank's Regulations and in conformity with the Laws of the Republic of Ghana. The Board shall define a framework for the delegation of its authority or duties to management. The delegation of any duty or authority to management shall, however, not in any way diminish the overall responsibility of the Board and its Directors as being accountable and responsible for the affairs and performance of the Bank.

## Authority of the Board

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The Board is authorised to undertake the following functions:

- Formulation of policies and overseeing the management and conduct of the business;
- Formulation and management of the Risk Management Framework;
- Succession planning and the appointment, training, remuneration, performance appraisal and replacement of board members and senior management;
- Overseeing the effectiveness and adequacy of internal control systems;
- Overseeing the maintenance of the Bank's communication and information dissemination policy;
- Ensuring effective communication with shareholders;
- Ensuring the integrity of financial reports;
- Ensuring maintenance of ethical standards and
- Ensuring compliance with the Laws of the Republic of Ghana.

# Board Effectiveness Review

The Board conducts an annual evaluation of its own performance, that of its committees, the chairman and individual directors.

To effectively perform its oversight function and monitor management's performance, the Board meets at least once every quarter, with two additional meetings to focus on long-range strategies of the Bank. Every Director is required to attend all board meetings. Such attendance is a criteria for the renomination of a director except when there are cogent reasons which the Board must notify the shareholders of at the annual general meeting.

In 2017, attendance by directors at the meetings of the Board and its committees are as stated below:

<b>Board Members</b>	<b>Board</b>	<b>Audit</b>	<b>Risk</b>	<b>Governance</b>	<b>Credit</b>
Frank W. K. Beecham III	6/6	N/A	N/A	N/A	N/A
Abena Amoah	6/6	4/4	3/4	4/4	4/4
Ernest Mintah	6/6	4/4	4/4	N/A	4/4
Dela Selormey	6/6	4/4	4/4	4/4	4/4
Kris Ifeanyi Njoku	6/6	N/A	4/4	4/4	4/4
Joyce Dimkpa	6/6	4/4	4/4	4/4	4/4
Kolawole A. Ajimoko	6/6	N/A	4/4	4/4	4/4
Dolapo Ogundimu	6/6	N/A	4/4	4/4	4/4

# Committees of the Board

To strengthen its corporate governance, the Board has in place the Audit, Governance, Credit and Risk Management Committee.

## Audit Committee

The Audit Committee is chaired by Mr. Dela Selormey and has Abena Amoah, Joyce Dimkpa and Mr. Ernest Mintah as members. The Audit Committee assists the Board in fulfilling its oversight responsibility relating to: the integrity of the Bank's financial statements and the financial reporting process; the independence and performance of the Bank's internal and external auditors and the Bank's system of internal control and mechanism for receiving complaints regarding the Bank's accounting and operating procedures.

## Credit Committee

The Committee is made up of four Non-Executive Directors and Two (2) Executive Directors. The Committee is chaired by Ms. Abena Amoah and its members are Joyce Dimkpa, Kolawole Adjimoko, Mr. Ernest Mintah, Mr. Dela Selormey, Ifeanyi Njoku and Dolapo Ogundimu.

The Credit Committee has the responsibility of advising the Board on its oversight responsibilities in relation to the Bank's credit exposure and management and lending practices and provide strategic guidance for the development and achievement of the Bank's credit and lending objectives.

## Governance and Remuneration Committee

The Committee has Joyce Dimpka as its Chairman and Kolawole Adjimoko, Mr. Dela Selormey, Ifeanyi Njoku and Dolapo Ogundimu as its members. The objectives of the Governance and Remuneration Committee is to advise the Board on its oversight responsibilities in relation to compensation, benefits and all other human resource matters affecting the directors and employees of the Bank. Specifically, the Committee is responsible for determining and executing the processes for Board appointments, membership of the Board and recommending appropriate remuneration for directors (both executive and non-executive) and approving remuneration for all other staff.

## Risk Management Committee

The Committee is made up of four (4) non-executive and two (2) executive Board members with Mr. Dela Selormey as the Chairman and Abena Amoah, Joyce Dimkpa, Kolawole Adjimoko, Mr. Ernest Mintah, Ifeanyi Njoku and Dolapo Ogundimu as members.

The Committee assists the Board in fulfilling its oversight responsibility relating to the establishment of policies, standards and guidelines for risk management and compliance with legal and regulatory requirements in the Bank. Its core functions are:

- i. Oversee the establishment of a formal written policy on the overall risk management system. The policy should define risks and risk limits that are acceptable and unacceptable to the Bank. It should provide guidelines and standards to administer the acceptance and ongoing management of all risks;
- ii. Ensure that adequate policies are in place to manage and mitigate the adverse effects of both business and control risks in its operations;
- iii. Ensure compliance with established policy through periodic review of reports provided by management, internal and external (statutory) auditors and the supervisory authorities;
- iv. Ensure the appointment of qualified officers to manage the risk function;
- v. Oversee the functions of the Risk Management Department in the Bank and
- vi. Re-evaluate the Risk Management Policy of the Bank on a periodic basis to accommodate major changes in internal or external factors.



Statement of Comprehensive Income	<b>78</b>
Statement of Financial Position	<b>79</b>
Statements of Changes in Equity	<b>80</b>
Statement of Cash Flows	<b>82</b>
Notes	<b>83</b>
Top 20 Shareholders	<b>133</b>
Other Financial Information	<b>134</b>
Value Added Statement	<b>138</b>

# Statement of Comprehensive Income

(All amounts are in thousands of Ghana Cedis)

Year Ended 31 December	Note	The Group		The Bank	
		2017	2016	2017	2016
Interest income	7	411,071	414,068	411,071	414,068
Interest expense	7	(196,001)	(215,208)	(196,001)	(215,208)
<b>Net interest income</b>		215,070	198,860	215,070	198,860
Commission and fees	8	18,080	36,021	18,080	36,021
Net trading income	9	34,219	34,927	34,219	34,927
Other operating income	10	2,981	2,836	2,969	2,812
<b>Total operating income</b>		270,350	272,644	270,338	272,620
Impairment loss on financial assets	11	(40,816)	(55,702)	(40,816)	(55,702)
Personnel expenses	12	(62,576)	(58,050)	(62,576)	(58,050)
Depreciation and amortisation	19	(17,217)	(14,793)	(17,217)	(14,793)
Other operating expenses	13	(91,144)	(75,029)	(91,142)	(75,026)
<b>Profit before tax</b>		58,597	69,070	58,587	69,049
Income tax expense	14	(28,998)	(27,121)	(28,995)	(27,115)
<b>Profit after tax</b>		29,599	41,949	29,592	41,934
<b>Other comprehensive income</b>					
Items that may be reclassified to profit or loss					
Change in fair value of available-for-sale financial assets, net of tax	28	10,597	1,200	10,597	1,200
<b>Total comprehensive income for the year</b>		40,196	43,149	40,189	43,134
Profit is attributable to:					
Controlling interest		40,196	43,149	-	-
<b>Earnings per share</b>					
Basic and diluted (Ghana pesewas)	15	25	38	25	38

The notes on pages 83 to 132 are an integral part of these financial statements.

# Statement of Financial Position

(All amounts are in thousands of Ghana Cedis)

Year Ended 31 December	Note	The Group		The Bank	
		2017	2016	2017	2016
<b>Assets</b>					
Cash and cash equivalents	16	1,107,576	728,355	1,107,576	728,355
Investment securities	17	906,238	422,801	906,238	422,801
Loans and advances to customers	18	877,675	1,285,612	877,675	1,285,612
Investment other than securities	23	-	-	20	20
Property and equipment	19	121,419	110,356	121,419	110,356
Intangible assets	20	4,206	5,992	4,206	5,992
Deferred income tax asset	21	2,517	13,163	2,517	13,163
Other assets	22	180,178	113,560	179,915	113,309
<b>Total assets</b>		<b>3,199,809</b>	<b>2,679,839</b>	<b>3,199,566</b>	<b>2,679,608</b>
<b>Liabilities</b>					
Deposits from banks	24	187,294	-	187,294	-
Deposits from customers	25	2,131,482	2,009,099	2,131,529	2,009,146
Borrowings	26	341,328	203,668	341,328	203,668
Current income tax	14	19,891	16,515	19,721	16,348
Deferred income tax liabilities	21	8,161	4,564	8,161	4,564
Other liabilities	27	41,895	16,431	42,796	17,334
<b>Total liabilities</b>		<b>2,730,051</b>	<b>2,250,277</b>	<b>2,730,829</b>	<b>2,251,060</b>
<b>Equity</b>					
Stated capital	28	144,738	144,738	144,738	144,738
Statutory reserve	28	129,279	121,881	129,279	121,881
Credit risk reserve	28	139,625	147,624	139,625	147,624
Income surplus	28	44,319	14,119	43,298	13,105
Fair value reserve	28	11,797	1,200	11,797	1,200
<b>Total equity</b>		<b>469,758</b>	<b>429,562</b>	<b>468,737</b>	<b>428,548</b>
<b>Total equity and liabilities</b>		<b>3,199,809</b>	<b>2,679,839</b>	<b>3,199,566</b>	<b>2,679,608</b>

The notes on pages 83 to 132 are an integral part of these financial statements.

The financial statements on pages 83 to 132 were approved by the Board of Directors on 9 March 2018 and signed on its behalf by



**Frank Beecham**  
Chairman



**Dolapo Ogundimu**  
Managing Director

# Statement of Changes in Equity

(All amounts are in thousands of Ghana Cedis)

## The Group

### Year Ended 31 December 2017

	Stated capital	Fair value reserve	Statutory reserve	Credit risk reserve	Income surplus	Total
<b>At 1 January 2017</b>	144,738	1,200	121,881	147,624	14,119	429,562
Profit for the year	-	-	-	-	29,599	29,599
Changes in fair value of available-for-sale financial assets, net of tax	-	10,597	-	-	-	10,597
<b>Total comprehensive income</b>	-	10,597	-	-	29,599	40,196
Transfer to credit risk reserve	-	-	-	(7,999)	7,999	-
Transfer to statutory reserve	-	-	7,398	-	(7,398)	-
<b>Total transactions with owners</b>	-	-	7,398	(7,999)	601	-
<b>At 31 December 2017</b>	144,738	11,797	129,279	139,625	44,319	469,758

### Year Ended 31 December 2016

<b>At 1 January 2016</b>	118,275	-	111,394	75,758	54,523	359,950
<b>Profit for the year</b>	-	-	-	-	41,949	41,949
Changes in fair value of available-for-sale financial assets, net of tax	-	1,200	-	-	-	1,200
<b>Total comprehensive income</b>	-	1,200	-	-	41,949	43,149
Transfer to credit risk reserve	-	-	-	71,866	(71,866)	-
Transfer to statutory reserve	-	-	10,487	-	(10,487)	-
Proceeds from issue of shares	26,463	-	-	-	-	26,463
<b>Total transactions with owners</b>	26,463	-	10,487	71,866	(82,353)	26,463
<b>At 31 December 2017</b>	144,738	1,200	121,881	147,624	14,119	429,562

The notes on pages 83 to 132 are an integral part of these financial statements.

## The Bank

### Year Ended 31 December 2017

	Stated Capital	Fair value Reserve	Statutory Reserves	Credit risk Reserve	Income Surplus	Total
<b>At 1 January 2017</b>	144,738	1,200	121,881	147,624	13,105	428,548
Profit for the year	-	-	-	-	29,592	29,592
Changes in fair value of available-for-sale instruments net of tax	-	10,597	-	-	-	10,597
<b>Total comprehensive income</b>	-	10,597	-	-	29,592	40,189
Transfer to credit risk reserve	-	-	-	(7,999)	7,999	-
Transfer to statutory reserve	-	-	7,398	-	(7,398)	-
<b>Total transactions with owners</b>	-	-	7,398	(7,999)	601	-
<b>At 31 December 2017</b>	144,738	11,797	129,279	139,625	43,298	468,737

### Year Ended 31 December 2016

<b>At 1 January 2017</b>	118,275	-	111,394	75,758	53,524	358,951
Profit for the year	-	-	-	-	41,934	41,934
Changes in fair value of available-for-sale financial assets, net of tax	-	1,200	-	-	-	1,200
<b>Total comprehensive income</b>	-	1,200	-	-	41,934	43,134
Transfer to credit risk reserve	-	-	-	71,866	(71,866)	-
Transfer to statutory reserve	-	-	10,487	-	(10,487)	-
Proceeds from issue of share	26,463	-	-	-	-	26,463
<b>Total transactions with owners</b>	26,463	-	10,487	71,866	(82,353)	26,463
<b>At 31 December 2015</b>	144,738	1,200	121,881	147,624	13,105	428,548

The notes on pages 83 to 132 are an integral part of these financial statements.

# Statement of Cash Flows

(All amounts are in thousands of Ghana Cedis)

For the Year Ended 31 December

	Note	The Group		The Bank	
		2017	2016	2017	2016
<b>Cash flows from operating activities</b>					
Profit before tax		58,597	69,070	58,587	69,049
Adjustments for:					
Depreciation of property, plant and equipment	19	13,576	11,883	13,576	11,883
Amortisation of intangible assets	20	3,641	2,910	3,641	2,910
Interest expense on borrowings	26	13,921	8,660	13,921	8,660
Impairment on loans and advances		40,816	55,702	40,816	55,702
Profit on disposal of property and equipment	19	(55)	(193)	(55)	(193)
Change in loans and advances		367,121	(129,489)	367,121	(129,489)
Change in investment securities		(578,238)	191,249	(578,238)	191,249
Change in other assets		(66,618)	(42,542)	(66,606)	(42,518)
Change in deposits from customers		122,383	282,920	122,383	282,919
Change in deposits from banks		187,294	(162,852)	187,294	(162,852)
Change in other liabilities		25,464	(36,203)	25,462	(36,205)
Change in mandatory reserve deposit		(12,238)	(28,287)	(12,238)	(28,287)
Effects of exchange rate changes on cash held		(42,317)	(20,218)	(42,317)	(20,218)
Exchange loss on borrowings	26	6,366	15,085	6,366	15,085
Tax paid	14	(14,911)	(32,074)	(14,911)	(32,074)
<b>Net cash generated from operating activities</b>		<b>124,802</b>	<b>185,621</b>	<b>124,802</b>	<b>185,621</b>
<b>Cash flows from investing activities</b>					
Purchase of property and equipment	19	(25,639)	(32,658)	(25,639)	(32,658)
Purchase of intangible assets	20	(1,586)	(2,758)	(1,586)	(2,758)
Proceeds from sale of property and equipment	19	786	2,981	786	2,981
<b>Net cash used in investing activities</b>		<b>(26,439)</b>	<b>(32,435)</b>	<b>(26,439)</b>	<b>(32,435)</b>
<b>Cash flows from financing activities</b>					
Drawdown on borrowings	26	288,496	94,732	288,496	94,732
Repayment of borrowings	26	(171,123)	(20,181)	(171,123)	(20,181)
Proceeds from issue of shares	28	-	26,463	-	26,463
<b>Net cash generated from (used in) financing activities</b>		<b>117,373</b>	<b>101,014</b>	<b>117,373</b>	<b>101,014</b>
<b>Net increase in cash and cash equivalents</b>		<b>215,736</b>	<b>254,200</b>	<b>215,736</b>	<b>254,200</b>
Effects of exchange rate changes on cash held		42,317	20,218	42,317	20,218
Cash and cash equivalents at 1 January	16	818,206	543,788	818,206	543,788
<b>Cash and cash equivalents at 31 December</b>	<b>16</b>	<b>1,076,259</b>	<b>818,206</b>	<b>1,076,259</b>	<b>818,206</b>

The notes on pages 83 to 132 are an integral part of these financial statements.

# Notes

## 1. Reporting Entity

Access Bank (Ghana) Limited (the Bank) is a public limited liability company incorporated in Ghana, licensed to carry out universal banking. The address of the Bank's registered office is Starlets '91 Road, Opposite Accra Sports Stadium, P. O. Box GP 353, Osu-Accra. The consolidated financial statements of the Bank as at, and for the year ended 31 December 2017 comprises the Bank and its subsidiary BTH Limited (together as the Group). The Group's principal activity is corporate and retail banking as well as leasing operations. The Bank is listed on the Ghana Stock Exchange and has Access Bank Plc incorporated in the Federal Republic of Nigeria as its majority shareholder.

For Companies Act, 1963 (Act 179) reporting purposes, the balance sheet is represented by the statement of financial position and the profit and loss account by part of the income statement, in these separate and consolidated financial statements ("financial statements").

## 2. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 2.1 Basis of Preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policy below.

Additional information required under the Companies Act, 1963 (Act 179) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) have been included, where appropriate.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

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

### 2.2 Changes in Accounting Policies and Disclosures

#### a) New Standards, Amendments and Interpretations Adopted by the Group

The following amendments and International Financial Reporting Interpretation Committee (IFRIC) interpretations were adopted by the Bank for the first time for the financial year beginning on or after 1 January 2017 and have an impact on the Bank's financial statements.

#### Amendments to IAS 7 – Statement of Cash Flows – Disclosure Initiative

Going forward, entities will be required to explain changes in their liabilities arising from financing activities. This includes changes arising from cash flows (e.g. drawdowns and repayments of borrowings) and noncash changes such as acquisitions, disposals, accretion of interest and unrealised exchange differences.

Changes in financial assets must be included in this disclosure if the cash flows were, or will be, included in cash

flows from financing activities. This could be the case, for example, for assets that hedge liabilities arising from financing liabilities.

Entities may include changes in other items as part of this disclosure, for example by providing a 'net debt' reconciliation. However, in this case, the changes in the other items must be disclosed separately from the changes in liabilities arising from financing activities.

The information may be disclosed in tabular format as a reconciliation from opening and closing balances, but a specific format is not mandated.

#### Amendments to IAS 12 - Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. Specifically, the amendments confirm that:

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
- An entity can assume that it will recover an amount higher than the carrying amount of an asset to estimate its future taxable profit.
- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.

Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profit that is used to evaluate the recoverability of those assets.

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# Notes (continued)

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## b) New and Amended Standards not yet Adopted by the Bank

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2018, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except the following sets out below:

### IFRS 15, 'Revenue from Contracts with Customers'

IFRS 15, 'Revenue from Contracts with Customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and, thus, has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted. The Bank is yet to assess IFRS 15's full impact:

### IFRS 16, 'Leases'

IFRS 16, 'Leases' sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, that is the customer (lessee) and the supplier (lessor). IFRS 16 is effective from 1 January, 2019 and the Group can choose to apply IFRS 16 before that date, but only if it also applies IFRS 15 "Revenue from Contracts with Customers". IFRS 16 replaces the previous leases standard, IAS 17 "Leases" and related interpretations. The Bank is yet to assess IFRS 16's full impact.

### IFRS 9, 'Financial Instruments'

IFRS 9, 'Financial Instruments' published in July 2014, replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, as well as new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018. Based on an initial assessment carried as at 31 December 2017, the impact of the implementation of IFRS 9 is as follows:

#### Classification and Measurement

IFRS 9 requires all financial assets, except equity instruments and derivatives, to be assessed based on a combination of the entity's business model for managing the assets and the instruments' contractual cash flow characteristics. The IAS 39 measurement categories will be replaced by: fair value through profit or loss (FVPL), fair value through other comprehensive income (FVOCI) and amortised cost. IFRS 9 will also allow entities to continue to irrevocably designate instruments that qualify for amortised cost or fair value through OCI instruments as FVPL, if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Equity instruments that are not held-for-trading may be irrevocably designated as FVOCI, with no subsequent reclassification of gains or losses to the income statement.

The accounting for financial liabilities will largely be the same as the requirements of IAS 39, except for the treatment of gains or losses arising from an entity's own credit risk relating to liabilities designated at FVPL. Such movements will be presented in OCI with no subsequent reclassification to the income statement, unless an accounting mismatch in profit or loss would arise.

The Bank concluded from its initial assessment that there are no changes in the measurement basis of these financial assets and liabilities as set out below

Financial Assets and Liabilities	Classification Under IAS 39	Classification Under IFRS 9	Measurement Under IAS 39 and IFRS 9
Cash and cash equivalents	Loans and receivables	Hold to collect	Amortised cost
Available-for-sale financial assets	Fair value through other comprehensive income	Hold to collect and sell	Fair value
Held-to-maturity investments	Held-to-maturity	Hold to collect	Amortised cost
Loans and advances	Loans and receivables	Hold to collect	Amortised cost
Other assets	Loans and receivables	Hold to collect	Amortised cost
Deposits from banks	Financial liabilities - other	Financial liabilities - other	Amortised cost
Deposits from customers	Financial liabilities - other	Financial liabilities - other	Amortised cost
Borrowings	Financial liabilities - other	Financial liabilities - other	Amortised cost
Other liabilities	Financial liabilities - other	Financial liabilities - other	Amortised cost

### Impairment of Financial Assets

IFRS 9 will fundamentally change the loan loss impairment methodology. The standard will replace IAS 39's incurred loss approach with a forward-looking expected loss (ECL) approach. The Bank will be required to record an allowance for expected losses for all loans and other debt financial assets not held at FVPL, together with loan commitments and financial guarantee contracts. The allowance is based on the expected credit losses associated with the probability of default in the next twelve months, unless there has been a significant increase in credit risk since origination, in which case, the allowance is based on the probability of default over the life of the asset.

In preparation for implementation of IFRS 9, the Bank has established a policy to perform an assessment at the end

of each reporting period to determine whether 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.

To calculate ECL, the Bank will estimate the risk of a default occurring on the financial instrument during its expected life. ECLs are estimated based on the present value of all cash shortfalls over the remaining expected life of the financial asset, i.e., the difference between: the contractual cash flows that are due to the Bank under the contract and the cash flows that the Bank expects to receive, discounted at the effective interest rate of the loan. In comparison to IAS 39, the Bank expects the impairment charge under IFRS 9 to be more volatile than under IAS 39 and to result in an increase in the total level of current impairment allowances.

The Bank will categorise its loans into Stage 1, Stage 2 and Stage 3, based on the applied impairment methodology, as described below:

### Stage 1 – Performing Loans

When loans are first recognised, the Bank will recognise an allowance based on a 12-month expected credit losses. This will also be applicable to financial assets that are not considered to have suffered a significant increase in their credit risk since the end of the previous reporting period.

### Stage 2 – Underperforming Loans

When a loan shows a significant increase in credit risk, the Bank will record an allowance for the lifetime expected credit loss. The Bank will consider whether there has been a significant increase in credit risk of an asset by comparing the lifetime probability of default upon initial recognition of the asset against the risk of a default occurring on the asset as at the end of each reporting period. In each case, this assessment will be based on a forward-looking assessment that takes into account a number of economic scenarios, in order to recognise the probability of higher losses associated with more negative economic outlooks. In addition, a significant increase in credit risk will be assumed if the borrower falls more than 30 days past due in making its contractual payments.

When estimating lifetime ECLs for undrawn loan commitments, the Bank will estimate the expected portion of the loan commitment that will be drawn down over the expected life of the loan commitment and calculate the present value of cash shortfalls between the contractual cash flows that are due to the entity, if the holder of the loan commitment draws down that expected portion of the loan and the

## Notes (continued)

cash flows that the entity expects to receive if that expected portion of the loan is drawn down. For financial guarantee contracts, the Bank will estimate the lifetime ECLs based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the guarantor expects to receive from the holder, the debtor or any other party. If a loan is fully guaranteed, the ECL estimate for the financial guarantee contract would be the same as the estimated cash shortfall estimate for the loan subject to the guarantee.

### Stage 3 – Impaired Loans

The Bank will recognise the lifetime expected credit losses for these loans. Financial assets will be included in Stage 3 when there is objective evidence that the loan is credit impaired. The criteria of such objective evidence are the same as under the current IAS 39 methodology. Accordingly, the Bank expects the population to be generally the same under both standards. The impairment calculation will be the same as for Stage 2 loans with the probability of default set to 100%. When forbearance results in the derecognition of the original loan, the new loan will be classified as originated credit-impaired. Other than originated credit-impaired loans, loans will be transferred from out of Stage 3 if they no longer meet the criteria of credit-impaired after a probation period of not more than two years.

### Other Financial Assets

The Bank will record impairment for FVOCI debt securities, depending on whether they are classified as Stage 1, 2, or 3, as explained above. However, the expected credit losses will not reduce the carrying amount of these financial assets in the statement of financial position which will remain at fair value. Instead, an amount equal to the allowance that would arise if the asset were measured at amortised cost will be

recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss.

For 'low risk' FVOCI debt securities, the Bank will apply a policy which assumes that the credit risk on the instrument has not increased significantly since initial recognition and will calculate ECL as explained in Stage 1 above. Such instruments will generally include traded, investment grade securities where the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Bank will not consider instruments to have low credit risk simply because of the value of collateral. Financial instruments are also not considered to have low credit risk simply because they have a lower risk of default than the Bank's other financial instruments.

### Forward-Looking Information

The Bank will incorporate forward-looking information in both the assessment of significant increase in credit risk and the measurement of ECLs. Forward-looking information such as macroeconomic factors (e.g., unemployment, GDP growth and interest rates) and economic forecasts will be considered. To evaluate a range of possible outcomes, the Bank intends to formulate three scenarios: a base case, a worse case and a better case. The base case scenario represents the more likely outcome resulting from the Bank's normal financial planning and budgeting process, while the better and worse case scenarios represent more optimistic or pessimistic outcomes. For each scenario, the Bank will derive an ECL and apply a probability weighted approach to determine the impairment allowance. The additional impairment is set out below:

Component	IFRS 9	IAS 39	Additional Impairment
Loans and advances	94,641	73,054	21,587
Letters of credit, guarantees and undrawn commitments	645	-	645
Investment securities	1,800	-	1,800
<b>Total</b>	<b>97,086</b>	<b>73,054</b>	<b>24,032</b>

## 2.3 Foreign Currency Transactions

Transactions in foreign currencies are translated into the functional currency using exchange rates prevailing at the dates of the transactions or valuation where the items are remeasured.

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

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from translation at year-end exchange rates of foreign currency denominated monetary assets and liabilities are recognised in profit or loss.

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

## 2.4 Consolidation

### a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group 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. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Intercompany transactions, balances and unrealised gains on transactions between group companies are

eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies.

### b) Changes in Ownership Interests in Subsidiaries without Change of Control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

### (c) Disposal of Subsidiaries

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

## 2.5 Interest Income and Expense

Interest income and expense are recognised in profit or loss using the effective interest method. The effective interest method is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument

# Notes (continued)

or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

When calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument, including prepayment options, but does not consider future credit losses. The calculation includes all transaction costs and fees paid or received that are an integral part of the effective interest rate.

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

## 2.6 Fee and Commission

Fees and commission income are recognised on an accrual basis when the related services are performed. Loan commitment fees for loans that are not likely to be drawn down are deferred, together with related direct costs and recognised on a straight line basis over the commitment period. Fees and commission expenses, which relate mainly to transaction and service fees, are expensed as the related services are received.

## 2.7 Net Trading Income

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

## 2.8 Dividend Income

Dividend income is recognised when the right to receive income is established.

## 2.9 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight line basis over the period of the lease.

The Group leases certain property, plant and equipment. Leases of property, plant and equipment, where the Group has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset and the lease term.

## 2.10 Financial Assets

### 2.10.1 Classification

The Group classifies its financial assets in the following categories: loans and receivables, held-to-maturity and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

### a) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:

- Those that the Group intends to sell immediately or in the short term which are classified as held-for-trading and those that upon initial recognition are designated at fair value through profit or loss;
- Those that upon initial recognition are designated as available-for-sale or
- Those for which the holder may not recover substantially all of the initial investment, other than because of credit deterioration.

Loans and receivables are initially recognised at fair value, which is the cash consideration to originate or purchase the loan including any transaction costs, and measured subsequently at amortised cost using the effective interest method. In the case of impairment, the impairment loss is reported as a deduction from the carrying value of the loan and recognised in profit and loss as 'loan impairment charges'.

### b) Held-to-Maturity

Held-to-maturity assets are non-derivative assets with fixed or determinable payments and fixed maturity that the Group has the positive intention and ability to hold to maturity and which are not designated at fair value through profit or loss or available-for-sale.

Held-to-maturity assets are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method less any impairment losses. Any sale or reclassification of a significant amount of held-to-maturity assets not close to their maturity would result in the reclassification of all held-to-maturity

assets as available-for-sale with the difference between amortised cost and fair value being accounted for in other comprehensive income.

#### **c) Available-for-Sale Financial Assets**

Available-for-sale financial assets are financial assets that are intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices that are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Available-for-sale financial assets are initially recognised at fair value, which is the cash consideration including any transaction costs, and measured, subsequently, at fair value with gains and losses being recognised in other comprehensive income, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognised. If an available-for-sale financial asset is determined to be impaired, the cumulative gain or loss previously recognised in other comprehensive income is recognised in profit and loss. Dividends on available-for-sale equity instruments are recognised in profit and loss in 'Dividend income' when the Group's right to receive payment is established.

#### **d) Financial Liabilities**

The Group's holding in financial liabilities represents mainly deposits from banks and customers and other liabilities. Such financial liabilities are initially recognised at fair value, and subsequently, measured at amortised cost.

### **2.10.2 Determination of Fair Value**

For financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations. This includes listed equity securities quoted on stock exchanges.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry bank, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive. Indicators that a market is inactive are when there is a wide bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions.

For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques and using inputs (for example, yield curve, foreign exchange rates and counterparty spreads) existing at the reporting dates.

### **2.10.3 Derecognition**

Financial assets are derecognised when the contractual rights to receive cash flows from the financial asset expire or the Group transfers substantially all the risks and rewards of ownership. Any interest in the transferred financial asset that is created or retrieved is recognised as a separate asset or liability. Financial liabilities are derecognised when contractual obligations are discharged, cancelled or expire.

### **2.10.4 Reclassification of Financial Assets**

The Group may choose to reclassify a non-derivative financial asset held for trading out of the held-for-trading category, if the financial asset is no longer held for the purpose of selling in the near-term. Financial assets other than loans and receivables are permitted to be reclassified out of the held for trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near-term. In addition, the Group may choose to reclassify financial assets that meet the definition of loans and receivables out of the held-for-trading or available-for-sale categories, if the Group has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made.

Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

### **2.11 Impairment of Financial Assets**

#### **a) Assets Carried at Amortised Cost**

The Group assesses whether there is objective evidence that a financial asset or group of financial assets is impaired at each reporting date. A financial asset or a group of financial assets is considered impaired only if there is objective evidence of impairment as a result of one or more events that occurred after initial recognition of the

# Notes (continued)

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

asset (a 'loss event') and that loss event (or events) has an impact on estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria used to determine whether there is objective evidence of an impairment loss include:

- Significant financial difficulty faced by the issuer or obligor;
- A breach in the form of default or delinquency in interest or principal payments;
- Granting the borrower, as a result of financial difficulty, a concession that the lender would not otherwise consider;
- A likely probability that the borrower will become insolvent or other financial reorganisation and
- The disappearance of an active market for that financial asset because of financial difficulties.

The Group assesses whether objective evidence of impairment exists individually for financial assets that are individually significant and individually or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

The amount of loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective

interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of loss is recognised in profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

The calculation of the present value of estimated future cash flows of a collateralised financial asset reflects cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (that is, on the basis of the Group's grading process that considers asset type, industry, geographical location, collateral type, past-due status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

Future cash flows in groups of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of assets in the group and historical loss experience for assets with credit risk characteristics similar to those in the group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which historical loss experience is based and to remove the effects of conditions in the historical period that do not currently exist.

Estimates of changes in future cash flows for groups of assets should reflect and be consistent with changes

in related observable data from period to period including property prices, payment status and other factors indicative of changes in the probability of losses and their magnitude. The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Group to reduce any differences between loss estimates and actual loss experience.

When a loan is uncollectible, it is written off against the related allowance for loan impairment. Such loans are written off after all necessary procedures have been completed and the amount of loss has been determined. Impairment charges relating to loans and advances are recognised in loan impairment charges whilst impairment charges relating to investment securities (held-to-maturity and loans and receivables categories) are recognised in 'Net gains/ (losses) on investment securities'.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can objectively be related to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in profit or loss.

## b) Assets Classified as Available-for-Sale

The Group assesses whether there is objective evidence that a financial asset or a group of financial assets is impaired at each reporting date. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is objective evidence of impairment resulting in the recognition of an impairment loss. If any such evidence exists for available-for-sale financial assets, the cumulative

loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses recognised in profit or loss on equity instruments are not reversed through profit or loss. If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can objectively be related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through other comprehensive income.

### c) Renegotiated Loans

Loans that are either subject to collective or individually significant impairment assessment and whose terms have been renegotiated are considered to be past due unless renegotiated terms are adhered to and current repayments suggest otherwise.

### 2.12 Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount reported when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

### 2.13 Cash and Cash Equivalents

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

## 2.14 Property and Equipment

### a) Recognition and Measurement

Property and equipment are measured at 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, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs. 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 gain or loss on disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount of the item of property and equipment and is recognised in other income/other expenses in profit or loss.

### b) 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.

### c) 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 since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets under finance leases are depreciated over the shorter of the lease term and their useful lives.

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

Leasehold land and buildings	<b>2%</b>
Leasehold improvements	<b>over the lease period</b>
Furniture, fittings and equipment	<b>20%</b>
Computers	<b>33.33%</b>
Motor vehicles	<b>25%</b>

### 2.15 Computer Software

Software acquired by the Group is stated 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 the income statement 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 three years. Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

# Notes (continued)

## 2.16 Impairment of Non-Financial Assets

The carrying amounts of the Group's non-financial assets other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset that generates cash flows that are largely independent from other assets. Impairment losses are recognised in profit or loss.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

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

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

## 2.17 Deposits and Debt Securities Issued

Deposits and debt securities issued are sources of funding. The Group classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instrument.

Deposits and debt securities issued are initially measured at fair value plus transaction costs, and, subsequently, measured at their amortised cost using the effective interest method, except where the Group chooses to carry the liabilities at fair value through profit or loss.

## 2.18 Provisions

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

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating costs are not provided for. A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

## 2.19 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 items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future.

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

## 2.20 Stated Capital

### a) Issued Shares

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

### b) Dividend on Ordinary Shares

Dividends on ordinary shares are recognised in the period in which they are approved by the shareholders. Dividend proposed, which is yet to be approved by shareholders, is disclosed by way of notes.

## 2.21 Earnings Per Share

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

## 2.22 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's Managing Director (being the chief operating decision-maker). The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions. Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly operating expenses, tax assets and liabilities.

## 2.23 Financial Guarantees

Financial guarantees are contracts that require the Group to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee liabilities are initially recognised at their fair value, and the initial fair value is amortised over the life of the financial guarantee. The guarantee liability is, subsequently, carried at the higher of this amortised amount and the present value of any expected payment (when a payment under the guarantee has become probable). Financial guarantees are included within other liabilities.

## 2.24 Employee Benefits

### a) Defined Contribution Plans

A defined contribution plan is a retirement benefit plan under which the Group pays fixed contributions into a separate entity. The Group's contributions to the defined contribution schemes are charged to profit or loss in the year in which they fall due. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

### b) Provident Fund

The Group has a Provident Fund Scheme for all employees who have completed their probation period with the Group. Obligations under the scheme are limited to the relevant contributions which are remitted on due dates to the fund custodian.

### c) Other Employee Benefits

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

Bonuses are recognised to the extent that the Group has a present obligation to its employees that can be measured reliably.

## 2.25 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

## 3. Financial Risk Management

The Bank's activities expose the business to risks. These risks are managed in a targeted manner. Key risks arising from core functions are identified and measured to facilitate managing and determining risk positions and capital allocations. The Bank has exposure to the following types of risks from its use of financial instruments: credit risk, liquidity risk and market risks. The Bank continues to assess its overall risk management framework and governance structure.

### 3.1 Risk Management Framework

The Board of Directors has an overall responsibility for the establishment and oversight of the Group's risk management framework. The Audit and Risk Management Committee of the Board is responsible for developing and monitoring the Group's risk management policies over specified areas.

The Committee is complemented by the Risk Management unit in co-ordinating the process of monitoring and reporting of risks in the Group.

# Notes (continued)

The Group has adopted the concept of Enterprise-wide Risk Management (ERM). The ERM is a structured approach to identifying opportunities, assessing the risk inherent in these opportunities and managing these risks proactively in a cost effective manner. It is an integrated approach to events identification and analysis for proper assessment, monitoring and identification of business opportunities. These include the:

- Establishment of the Group's risk philosophy, culture and objectives;
- Establishment of the Group's risk management governance framework;
- Articulation of the Group's risk management to stakeholders and development of an action plan to meet their risk management expectations and
- Establishment of policies and procedures to identify, measure, monitor, report and control the risks the Group faces.

The Group's Risk Management framework places a significant emphasis on:

- Establishing a strong, independent Risk Management Function to champion, coordinate and monitor the enterprise-wide risk methodology across the Bank and its subsidiaries;
- Formally assigning accountability and responsibility for risk management and
- Breaking the Bank's risk universe down into manageable, tailored, well-resourced and specialised components.

## 3.2 Credit Risk Management

Credit risk is the risk of financial loss to the Group if a customer 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 all elements of credit risk exposure.

The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or group of borrowers, and to industry segments. Such risks are monitored on a revolving basis and subject to annual or more frequent reviews. Limits on the level of credit risk by product and industry sector are approved by the Board of Directors.

The exposure to any one borrower including banks is further restricted by sublimits covering on-and-off balance sheet exposures. Actual exposures against limits are monitored daily.

The Group employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advances, which is common practice. The Group reviews the acceptability of specific classes of collateral for credit risk mitigation. The principal collateral types for loans and advances are mortgages over residential properties, charges over business assets such as premises, inventory and accounts receivable and charges over financial instruments such as debt securities and equities.

### 3.2 Credit Risk Management (continued)

Credit risk exposure relating to financial assets are as follows:

	2017	The Group 2016	2017	The Bank 2016
<b>Cash and cash equivalents</b>				
- Cash and balances with Bank of Ghana	293,081	334,386	293,081	334,386
- Balances with foreign banks	25,953	113,060	25,953	113,060
- Money market placements	788,542	280,909	788,542	280,909
Loans and advances to customers	877,675	1,285,612	877,675	1,285,612
Investment securities				
Available-for-sale				
- Treasury Bills	46,141	84,706	46,141	84,706
- Bonds	315,538	43,994	315,538	43,994
Held-to-maturity				
- Treasury Bills	237,933	290,615	237,933	290,615
- Bonds	306,626	1,886	306,626	1,886
Other assets (accounts receivable)	150,944	92,977	150,731	92,726
<b>Total</b>	<b>3,042,433</b>	<b>2,528,145</b>	<b>3,042,220</b>	<b>2,527,894</b>

# Notes (continued)

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

## 3.2.1 Exposure to Credit Risk on Loans and Advances

### Risk Grading

A risk rating is a grade given to loans and advances (or group of loans) reflecting its quality. The ratings are either stated in numbers or as a description from one (1) to eight (8).

The Group's internal rating scale is as follows:

Description	Ratings	Characteristics of Credits
Superior Credits	1	They are credits that have overwhelming capacity to repay obligations. The business has adequate cash flow and high-quality revenue from continuing business. It has strong equity when related to the quality of its assets with a track record of at least consistent profit for three (3) years. Full cash collateralised credits are classified as Superior Credits.
Above Average Credits	2	These have, majority of attributes of Superior Credits but may have weaknesses in not more than two of the characteristics of superior credits. These weaknesses should not impair the repayment capacity of the borrower.
Acceptable Credits	3	Average credits have most of the attributes of Above Average Credits but may have one or more of the following weaknesses which, if not closely managed, could impair the repayment capacity of the borrower: Low capitalisation and equity base, short track record, low market share, price control on its products and highly cyclical demand.
Watchlist Credits/ Other Loans Exceptionally Mentioned (OLEM)	4	This category applies to existing credits that have shown signs of deterioration because they have well-defined weaknesses which could affect the ability of the borrower to repay. Immediate corrective actions are set in motion to avoid complete loss.
Substandard and Doubtful	5	This rate is applied where a strong doubt exists that a full repayment of principal and interest will occur. The exact extent of the potential loss is not however, certain at the time of classification. Some attributes are interest and principal past due for 90 days or more, borrower has recorded losses consistently for 2 years, borrower's net worth is grossly eroded due to a major business failure or disaster and security offered has deteriorated.
Bad and Lost	6-8	This applies when all or part of the outstanding loans are uncollectible based on present conditions. Attributes are principal and interest overdue and unpaid for more than 180 days, legal processes do not guarantee full recovery of outstanding debt, client's request for a waiver of part of interest accrued has been granted, borrower is under receivership or in the process of liquidation, borrower has absconded and or documentation is shoddy or incomplete to pursue recovery through legal means.

### 3.2.1 Exposure to Credit Risk on Loans and Advances (continued)

Credit risk exposure relating to loans and advances are as follows:

	2017	2016
<b>Gross amount</b>	<b>950,729</b>	<b>1,338,261</b>
<b>Individually past due and impaired</b>		
Grade 6: Impaired	74,577	71,589
Grade 7: Impaired	3,139	86,085
Grade 8: Impaired	68,353	22,205
Gross amount	146,069	179,879
Allowance for impairment	(62,988)	(46,544)
Carrying amount	83,081	133,335
<b>Neither past due nor impaired</b>		
Grade 1-3: Low-fair risk	390,712	819,845
Grade 4-5: Watch list	252,800	174,340
Gross amount	643,512	994,185
Allowance for impairment	(1,418)	(2,503)
Carrying amount	642,094	991,682
<b>Past due but not impaired</b>		
Grade 6: Impaired	149,743	89,717
Grade 7: Impaired	8,113	28,212
Grade 8: Impaired	3,292	46,268
Gross amount	161,148	164,197
Allowance for impairment	(8,648)	(3,602)
Carrying amount	152,500	160,595
<b>Aging analysis of credit quality</b>		
Past due but not impaired		
Past due up-to 30 days	149,743	89,717
Past due up-to 60 days	8,113	28,212
Past due up-to 90 days	3,292	46,268
Gross amount	161,148	164,197
<b>Credit risk exposure relating to off balance sheet items are as follows:</b>		
Contingent liabilities:		
Bonds and guarantees	235,537	168,230
Commitments:		
Clean line facilities for letters of credit	192,015	142,387

# Notes (continued)

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

## 3.2.2 Impaired Loans

Individually impaired loans are loans and advances for which the Group determines that there is an objective evidence of impairment and it does not expect to collect all principal and interest due according to the contractual terms of the loan/security agreement(s). These loans are graded 6 to 8 in the Group's internal credit risk grading system.

## 3.2.3 Past Due but not Impaired Loans

Past due but not impaired loans are those for which contractual interest or principal payments are past due, but the Group believes that impairment is not appropriate on the basis of the level of security/collateral available and/or the stage of collection of amounts owed to the Group.

## 3.2.4 Allowances for Impairment

The Group establishes an allowance for impairment losses carried at amortised cost that represents its estimate of incurred losses in its loan portfolio carried at amortised cost. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loan loss allowance, established for banks of homogeneous assets in respect of losses that have been incurred but have not been identified on loans subject to individual assessment for impairment.

## 3.2.5 Loans and Advances with Renegotiated Terms

Restructuring activities include extended payment arrangements, approved external management plans, modification and deferral of payments. Restructuring policies and practices are based on indicators or criteria which, in the judgment of management, indicate that payment will most likely continue. These policies are kept under continuous review. Restructuring is most commonly applied to term loans.

## 3.2.6 Write-Off Policy

The Group writes off a loan (and any related allowances for impairment losses) when the Group's Credit Committee determines that the loans/securities are uncollectible. This determination is reached after considering information such as the occurrence of significant changes in the borrower/issuer's financial position such that the borrower/issuer can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure. For smaller standardised loans, charge-off decisions are generally based on a product specific past due status. All write-off decisions are sanctioned by the Board of Directors with a subsequent approval in writing by the Bank of Ghana before they are effected.

### 3.2.7 Collateral held and their Financial Effect

The Group holds collateral against loans and advances to customers in the form of mortgage interests over property, other registered securities over assets and guarantees. Estimates of force sale value are based on the value of collateral assessed at the time of borrowing, and generally are not updated except when a loan is individually assessed as impaired. Collateral, generally, is not held over loans and advances to banks except when securities are held as part of reverse repurchase and securities borrowing activity.

The financial effect of collateral held by the Bank as at 31 December 2017 was a reduction in impairment charge of GHS 222,385,942 (2016: GHS 95,026,896). An estimate made of the force sale value of collateral at the time of borrowing and other security enhancements held against loans and advances to customers and banks is shown below:

<b>The Group and The Bank</b>	<b>2017</b>	<b>2016</b>
<b>Against individually impaired:</b>		
Property	112,812	110,434
Others	23,812	204,346
<b>Against collectively impaired:</b>		
Property	881,253	728,784
Cash	117,865	125,074
Securities		83,775
Others	1,311,213	1,207,850
<b>Total</b>	<b>2,446,955</b>	<b>2,460,263</b>

No financial or non-financial assets were obtained by the Group during the year by taking possession of collateral held as security against loans and advances as well as calls made on credit enhancements and held at the year ended 31 December. The Group's policy is to pursue timely realisation of the collateral in an orderly manner. The Group generally does not use the non-cash collateral for its own operations.

### Financial Effect of Collateral Held and other Credit Enhancements

The general creditworthiness of a customer tends to be the most relevant indicator of the credit quality of a loan extended to it. However, collateral provides an additional security and the Group generally requests that corporate borrowers provide it. The Group may take collateral in the form of a first charge over real estate, floating charges over all corporate assets and other liens and guarantees.

The Group does not sell or repledge the collateral in the absence of a default by the owner of the collateral. In addition to the Group's focus on credit worthiness, the Group aligns with its credit policy to periodically update the validation of collaterals held against loans to customers. For impaired loans, the Group obtains appraisals of collaterals because the fair value of the collaterals is an input to the impairment measurement.

# Notes (continued)

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

## 3.2.8 Concentration of Credit Risk

The Group monitors concentrations of credit risk by product, by industry and by customer. An analysis of concentrations of credit risk in respect of loans and advances to customers at the reporting date is shown below:

	2017	2016
<b>Carrying amount</b>	<b>877,675</b>	<b>1,285,612</b>
<b>Concentration by product</b>		
Overdraft	449,454	432,082
Term loan	496,883	903,695
Staff loan	4,392	2,484
Gross loans and advances	950,729	1,338,261
Less: Impairment	(73,054)	(52,649)
Carrying amount	877,675	1,285,612
<b>Concentration by industry</b>		
Financial institutions	39,225	26,030
Agriculture	79,789	84,075
Manufacturing	269,969	238,292
Public sector	-	3,378
Transport and Communication	37,778	37,864
Energy	11,606	160,377
Staff	4,392	3,889
General commerce	177,981	217,255
Construction and real estate	169,491	174,298
Mining, Oil and Gas	109,939	340,467
Miscellaneous	50,553	52,336
Gross loans and advances	950,729	1,338,261
Less: Impairment	(73,054)	(52,649)
Carrying amount	877,675	1,285,612
<b>Concentration by customer</b>		
Individuals	14,883	27,216
Corporates and enterprise	935,846	1,311,045
Gross loans and advances	950,729	1,338,261
Less: Impairment	(73,054)	(52,649)
Carrying amount	877,675	1,285,612

Concentration by industry for loans and advances are measured based on the industry in which the customer operates. Where the nature of business operation of a client cannot be clearly identified, it is classified as miscellaneous.

### 3.2.9 Key Ratios on Loans and Advances

The loan loss provision made by the Bank is 7.68% (2016: 3.93%) of the gross loans and advances. The gross non-performing loans classified under the guideline amounting to GHS307.2million (2016:GHS344.1million) constitute 32.31% (2016: 25.71%) of the total gross loans and advances. The fifty (50) largest exposure (gross funded and non-funded) constitute 94% (2016: 90%) of the Bank's total exposure.

### 3.2.10 Investment Securities

The maximum credit risk exposure with respect to investment securities amounts to GHS906,238,000 (2016: GHS422,801,000). These are held in Bank of Ghana Treasury Bills and bonds and are not considered exposed to credit risk.

### 3.2.11 Due from other Financial Institutions

Cash and cash equivalents include an amount of GHS 814,495,000 (2016; GHS393,969,000) in respect of placements with other financial institutions at the year-end. The placements representing the maximum credit risk exposure are held with only reputable established financial institutions and are not considered impaired.

## 3.3 Liquidity Risk

The Group defines liquidity risks as the risk that the Group will encounter difficulty meeting obligations associated with financial liabilities that are settled by delivering cash or other financial assets. The Bank maintains liquidity limit imposed by the regulator, Bank of Ghana.

Treasury monitors compliance of all branches to ensure that the Bank maintains optimum liquid assets. The Group aims to be in a position to meet all obligations, repay depositors, fulfil commitments to lend and meet any other commitments.

Treasury unit receives information from other business units regarding the liquidity profile of their financial assets and liabilities and of other projected cash flows arising from projected future business. Treasury unit 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 interbank facilities, to ensure that sufficient liquidity is maintained within the Bank.

The liquidity policies and procedures are subject to review and approval by the Asset and Liability Committee (ALCO). Daily reports on the liquidity position of the Bank is submitted to senior management and, summary report, including any exceptions and remedial action taken, is submitted regularly to ALCO on, monthly basis.

### 3.3.1 Exposure to Liquidity Risk

The key measure used by the Group for managing liquidity risk is the composition of net liquid assets to deposits from customers. For this purpose, net liquid assets are considered as including cash and cash equivalents and investment for which there is an active and liquid market less any deposits from banks. The Group also uses gap analysis to determine the liquidity position of the Group and, where necessary, recommend remedial action.

The Bank's liquid ratio determined by the total deposit liabilities covered by the total liquid assets is set out below:

	2017	2016
<b>Liquid assets</b>		
Cash on hand	68,887	79,832
Balance with banks	25,953	113,060
Due from Bank of Ghana	224,194	254,554
Placements with foreign banks	788,542	280,909
Treasury Bills and notes - maturing in 1 year	619,554	378,295
Government bonds - maturing in 1 year	286,684	44,506
Total liquid assets	2,013,814	1,151,156
<b>Deposits</b>		
Demand deposits	941,588	933,254
Savings deposits	205,218	165,785
Time and term deposits	984,723	910,107
Takings from banks	187,294	-
Total deposit liabilities	2,318,823	2,009,146
<b>Liquid ratio</b>	86.84%	57.30%

# Notes (continued)

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

### 3.3.1 Exposure to Liquidity Risk (continued)

The Bank holds a diversified portfolio of cash and high-quality highly-liquid securities to support payment obligations and contingent funding in a stressed market environment. The Bank's assets held for managing liquidity risk comprise cash and balances with central banks, due from other banks and investment securities. Others include Government bonds and securities that are readily acceptable in repurchase agreements with the central bank.

### 3.3.2 Contractual Maturity of Financial Liabilities and Assets

The table below presents cash flows payable under non-derivative financial liabilities and assets held for managing liquidity risk by remaining contractual maturities at the reporting date adjusted to reflect behavioural character of deposits. The amounts disclosed in the table are the contractual undiscounted cash flows, whereas the Bank manages liquidity risk taking into account the behavioural characteristics of deposits.

#### The Group

At 31 December 2017

	Total Amount	Less than 1 Month	1 month to 3 months	3 Months to 1 Year	1-5 Years
<b>Non-derivative liabilities</b>					
Deposits from banks	187,887	187,887	-	-	-
Deposits from customers	2,178,824	900,466	496,018	631,003	151,337
Borrowings	352,206	7,325	16,753	207,287	120,841
Other liabilities	41,895	41,895	-	-	-
	2,760,812	1,137,573	512,771	838,290	272,178
<b>Non-derivative assets</b>					
Cash and cash equivalents	1,107,576	1,107,576	-	-	-
Investment securities	906,238	275,542	143,245	200,767	286,684
Loans and advances to customers	877,675	264,699	48,340	100,690	463,946
	2,891,489	1,647,817	191,585	301,457	750,630

At 31 December 2016

	Total Amount	Less than 1 Month	1 month to 3 months	3 Months to 1 Year	1-5 Years
<b>Non-derivative liabilities</b>					
Deposits from customers	2,040,612	1,336,987	393,539	300,662	9,424
Borrowings	229,752	418	392	9,711	219,231
Other liabilities	16,431	1,763	2,064	10,656	1,948
	2,286,795	1,339,168	395,995	321,029	230,603
<b>Non-derivative assets</b>					
Cash and cash equivalents	728,355	728,355	-	-	-
Investment securities	422,801	289,103	1,658	87,534	44,506
Loans and advances to customers	1,285,612	543,420	70,808	147,490	523,894
	2,436,768	1,560,878	72,465	235,024	568,400

### 3.3.2 Contractual Maturity of Financial Liabilities and Assets (continued)

#### The Bank

##### At 31 December 2017

	Total Amount	Less than 1 Month	1 month to 3 months	3 Months to 1 Year	1-5 Years
<b>Non-derivative liabilities</b>					
Deposits from customers	187,887	187,887	-	-	-
Deposits from customers	2,178,927	900,569	496,018	631,003	151,337
Borrowings	352,206	7,325	16,753	207,287	120,841
Other liabilities	42,796	42,796	-	-	-
	2,761,816	1,138,577	512,771	838,290	272,178
<b>Non-derivative assets</b>					
Cash and cash equivalents	1,107,576	1,107,576	-	-	-
Investment securities	906,238	275,542	143,245	200,767	286,684
Loans and advances to customers	877,675	264,699	48,340	100,690	463,946
	2,891,489	1,647,817	191,585	301,457	750,630

##### At 31 December 2016

	Total Amount	Less than 1 Month	1 month to 3 months	3 Months to 1 Year	1-5 Years
<b>Non-derivative liabilities</b>					
Deposits from customers	2,040,660	1,336,987	393,539	300,710	9,424
Borrowings	229,752	418	392	9,711	219,231
Other liabilities	17,334	1,763	2,064	11,559	1,948
	2,287,746	1,339,168	395,995	321,980	230,603
<b>Non-derivative assets</b>					
Cash and cash equivalents	728,355	728,355	-	-	-
Investment securities	422,801	289,103	1,658	87,534	44,506
Loans and advances to customers	1,285,612	543,421	70,807	147,490	523,894
	2,436,768	1,560,879	72,466	235,024	568,400

# Notes (continued)

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

## 3.4 Market Risk

The Group is exposed to market risk arising from changes in market prices such as interest rate, equity prices and foreign exchange which can 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.

### 3.4.1 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 Treasury Group, 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 the ALCO. The Risk Management unit is responsible for the development of detailed risk management policies (subject to review and approval by ALCO) and for the day-to-day review of their implementation.

### 3.4.2 Interest Rate Risk

The principal risk to which the Bank is exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates. Interest rate risk is managed principally through monitoring interest rate gaps and by having preapproved limits for repricing bands. The ALCO is the monitoring body for compliance with these limits and is assisted by Risk Management in its day-to-day monitoring activities. A summary of the Group's exposure to interest rate risk on non-trading portfolios is as follows:

## The Group and Bank

At 31 December 2017

	Carrying Amount	Less than 3 Months	3-6 Months	6-12 Months	1-5 Years
Cash and cash equivalents	1,107,576	1,107,576	-	-	-
Investment securities	906,238	418,787	143,245	57,522	286,684
Loans and advances to customers	877,675	313,039	48,340	52,350	463,946
	2,891,489	1,839,402	191,585	109,872	750,630
Deposit from banks	187,294	187,294	-	-	-
Deposit from customers	2,131,482	880,899	485,241	617,302	148,040
Borrowings	341,328	23,334	56,236	144,649	117,109
Total liabilities	2,660,104	1,091,527	541,477	761,951	265,149
Total interest repricing gap	231,385	747,875	(349,892)	(652,079)	485,481

**The Group and Bank**  
**At 31 December 2016**

	<b>Carrying Amount</b>	<b>Less than 3 Months</b>	<b>3-6 Months</b>	<b>6-12 Months</b>	<b>1-5 Years</b>
Cash and cash equivalents	728,355	728,355	-	-	-
Investment securities	422,801	290,761	1,111	86,423	44,506
Loans and advances to customers	1,285,612	614,228	135,488	12,002	523,894
<b>Total assets</b>	<b>2,436,768</b>	<b>1,633,344</b>	<b>136,599</b>	<b>98,425</b>	<b>568,400</b>
Deposits from customers	2,009,099	1,709,941	287,091	3,254	8,813
Borrowings	203,668	810	4,515	5,196	193,147
<b>Total liabilities</b>	<b>2,212,767</b>	<b>1,710,751</b>	<b>291,606</b>	<b>8,450</b>	<b>201,960</b>
<b>Total interest repricing gap</b>	<b>224,001</b>	<b>(77,407)</b>	<b>(155,007)</b>	<b>89,975</b>	<b>366,440</b>

**Sensitivity Analysis**

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

**The Group and Bank**

	<b>2017</b>	<b>2016</b>
Interest income impact	6,022	5,295
Interest expenses impact	(5,066)	(4,903)
<b>Net impact</b>	<b>956</b>	<b>392</b>

A decrease of a 100 basis points in interest rates at the reporting date would have had the equal but opposite effect on the amount shown above. The interest rate sensitivities are based on simplified scenarios and assumptions, including that all other variables remaining constant. The figures represent a 100 basis point effect on the non-trading portfolio using the average interest rate on these portfolios.

The Group monitors live interest and exchange rates to facilitate trading by the Treasury department. This will help the Group to know what is happening at any moment in time on the markets and where opportunities are present to make gains from high interest rates. The Group does not embark on hedging of its interest rate risk and foreign currency risk.

# Notes (continued)

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

### 3.4.3 Foreign Exchange Risk

The Group takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. All foreign exchange risk within the Group are monitored by the Treasury Group. Accordingly, the foreign exchange position is treated as part of the Group's trading portfolio for risk management purposes. The Board sets limits on the level of exposure by currency and in aggregate for both overnight and intraday positions which are monitored daily. The table below summarises carrying amounts of the Group's exposure to foreign exchange risk at 31 December 2017 categorised by currency.

#### The Group and the Bank

At 31 December 2017

	GHS	US\$	GBP	EURO	Total
<b>Assets</b>					
Cash and cash equivalents	462,734	463,539	109,374	71,929	1,107,576
Investment securities	906,238	-	-	-	906,238
Loans and advances	632,622	231,426	-	13,627	877,675
	2,001,594	694,965	109,374	85,556	2,891,489
<b>Liabilities</b>					
Deposits from banks	-	179,531	7,763	-	187,294
Deposits from customers	1,529,126	402,931	121,263	78,162	2,131,482
Borrowings	6,026	302,780	-	32,522	341,328
	1,535,152	885,242	129,026	110,684	2,660,104
<b>Net on-balance sheet financial position</b>	466,442	(190,277)	(19,652)	(25,128)	231,385
<b>Credit commitments</b>	180,614	243,313	-	3,625	427,552

**The Group and Bank**  
**At 31 December 2016**

	GHS	US\$	GBP	EURO	Total
<b>Assets</b>					
Cash and cash equivalents	294,708	256,405	113,846	63,396	728,355
Investment securities	411,310	11,491	-	-	422,801
Loans and advances	1,032,850	238,844	-	13,918	1,285,612
	1,738,868	506,740	113,846	77,314	2,436,768
<b>Liabilities</b>					
Deposits from customers	1,537,332	279,021	114,874	77,872	2,009,099
Borrowings	7,770	195,898	-	-	203,668
	1,545,102	474,919	114,874	77,872	2,212,767
<b>Net on-balance sheet financial position</b>	193,766	31,821	(1,028)	(558)	224,001
<b>Credit commitments</b>	112,839	195,609	977	1,192	310,617

**Sensitivity Analysis**

A 5% strengthening of the cedi against foreign currencies at 31 December 2017 would have impacted equity and profit / (loss) by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2016.

	2017	2016
Profit/(loss)	(11,753)	1,512

A best case scenario of 5% weakening of the Ghana cedi against foreign currencies at 31 December would have had the equal but opposite effect on the amount shown above, on the basis that all other variables remain constant. The analysis illustrates the impact on the Bank's reported profit to a 5% strengthening of the cedi computed on the net on balance sheet financial position at 31 December 2017.

The Bank applied the Bank of Ghana midrates indicated below to translate balances denominated in foreign currencies to Ghana cedi as at 31 December 2017.

	2017	2016
USD	4.4157	4.2002
GBP	5.9669	5.1965
EUR	5.2964	4.4367

# Notes (continued)

## 3.5 Capital Management

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.

There is no prescribed regulatory capital for the subsidiaries.

### 3.5.1 Regulatory Capital

The Bank's regulator, the Bank of Ghana, sets and monitors capital requirements for the Bank as a whole. In implementing current capital requirements, the Bank of Ghana requires the Bank to maintain a prescribed ratio of total capital to total risk-weighted assets.

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

- Tier 1 capital, also referred to as core/primary capital is made up of equity and disclosed reserves. Equity includes issued and fully paid ordinary share capital and perpetual cumulative preference shares. Disclosed reserves relate to those created

or increased by appropriation of after tax income surplus, retained profits and general statutory reserves but excludes credit risk reserve.

- Tier 2 capital, also referred to as supplementary/secondary capital, includes revaluations reserves, latent revaluation reserves and hybrid capital instruments. Latent revaluation reserves relate to unrealised gains on equity instruments classified as available-for-sale.

Various limits are applied to elements of the capital base. The qualifying tier 2 capital cannot exceed tier 1 capital.

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

	The Group		The Bank	
	2017	2016	2017	2016
<b>Tier 1 capital</b>				
Ordinary issued share I	144,738	144,738	144,738	144,738
Disclosed reserves	173,598	136,000	172,577	134,986
Qualifying reserves	318,336	280,738	317,315	279,724
Less:				
Intangible assets	(42,291)	(36,835)	(42,291)	(36,835)
Total qualifying tier 1 capital	276,045	243,903	275,024	242,889
<b>Tier 2 capital</b>				
Fair value reserve for available-for-sale securities	-	-	-	-
Total regulatory capital	276,045	243,903	275,024	242,889
Adjusted risk-weighted assets	1,242,125	1,570,014	1,241,882	1,569,782
Risk-weighted contingent liabilities	427,552	310,617	427,552	310,617
Risk adjusted net open position	762	1,851	762	1,851
100% of 3-year average annual gross income	406,651	306,387	406,651	306,387
Risk-weighted assets	2,077,090	2,188,869	2,076,847	2,188,637
Total regulatory capital expressed as a percentage of total risk-weighted assets is	13.29%	11.14%	13.24%	11.10%

### 3.5.2 Capital Allocation

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

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

The Bank's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors.

## 4. Critical Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

### a) Allowances for Credit Losses

Assets accounted for at amortised cost are evaluated for impairment on a basis described in accounting policy Note 2.11.

The specific 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 counterparty 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 Criticised Assets Committee (CAC).

Collectively assessed impairment allowances cover credit losses inherent in portfolios of credits with similar economic characteristics when there is objective evidence to suggest that they contain impaired credits, and to determine the required input parameters, based on historical experience and current economic conditions. The accuracy of the allowances depends on how well these estimated future cash flows for specific allowances and the model assumptions and parameters used in determining collective allowances. Were the net present value of estimated cash flows to differ by +/-1%, the impairment loss is to be estimated at GHS 836,234 higher or lower.

### b) 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 2.10.2.

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. The Bank's accounting policy on fair value measurements is discussed in Note 2.10.2.

### c) Financial Assets and Liabilities Classification

The Bank's accounting policies provide a scope for assets and liabilities to be designated at inception into the accounting categories respectively described in Notes 2.10. The Group's classification of financial assets and liabilities are given in Note 6.

# Notes (continued)

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

In classifying financial assets as held-to-maturity, the Bank has determined that it has both the positive intention and ability to hold the assets until their maturity date as required by accounting policy 2.10.

In accordance with IAS 39 guidance, the Bank classifies some non-derivative financial assets with fixed or determinable payments and fixed maturity as held-to-maturity. This classification requires significant judgement. In making this judgement, the Bank evaluates its intention and ability to hold such investments to maturity. If the Bank were to fail to keep these investments to maturity other than for the specific circumstances – for example, selling an insignificant amount close to maturity – the Bank is required to reclassify the entire category as available-for-sale. Accordingly, the investments would be measured at fair value instead of amortised cost. If all held-to-maturity investments were to be so reclassified, the carrying value would increase by GHS 27,173,000 (2016: decrease by GHS 26,325,000) with a corresponding entry in the fair value reserve in shareholders' equity.

#### d) Determining Impairment of Property and Equipment and Intangible Assets

Management is required to make judgements concerning the cause, timing and amount of impairment. In the identification of impairment indicators, management considers the impact of changes in current competitive conditions, cost of capital, availability of funding, technological obsolescence, discontinuance of services and other circumstances that could indicate that impairment exists. The Bank applies the impairment assessment to its separate cash-generating units. This requires management to make significant judgements and estimates concerning the existence of impairment indicators, separate cash-generating units, remaining useful lives of assets, projected cash flows and net realisable values. Management's judgement is also required when assessing whether a previously recognised impairment loss should be reversed.

## 5. Segment Reporting

The Group has four reportable segments, as summarised below, which are the Group's strategic business divisions. These divisions offer different products and services, and are managed separately based on the Group's management and internal reporting structure. For each of the divisions, the Group's Managing Director (being the chief operating decision-maker) reviews the internal management reports on at least a monthly basis. The segments are: Institutional Banking, Commercial Banking, Personal and Business Banking and Treasury.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment operating income included in the internal management reports that are reviewed by the Managing Director. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other divisions in the Group. Intersegment pricing is determined as in the normal course of business.

### The Group Segment Information for Year Ended 31 December 2017

There are no adjustments to any of the performance indicators which require reconciliation back to an amount disclosed in these financial statements. Also, all other expense items not allocated to particular segments are managed by the central treasury. There are no intersegment assets or liabilities based on assets and liabilities allocated to specific segments which also call for a reconciliation. No segment reconciliation is required.

	Institutional Banking	Commercial Banking	Personal and Business Banking	Treasury	Total
<b>Revenue:</b>					
From external customers	106,029	75,949	172,178	112,195	466,351
From other business segments	-	-	-	-	-
Interest expense	(19,846)	(25,176)	(132,906)	(18,073)	(196,001)
Operating income	86,183	50,773	39,272	94,122	270,350
<b>Assets and liabilities:</b>					
Segment assets	700,090	813,599	60,479	1,625,641	3,199,809
Total assets	700,090	813,599	60,479	1,625,641	3,199,809
Segment liabilities	849,345	628,655	1,047,968	204,083	2,730,051
Total liabilities	849,345	628,655	1,047,968	204,083	2,730,051
Net assets	(149,255)	184,944	(987,489)	1,421,558	469,758

### The Group Segment Information for Year Ended 31 December 2016

	Institutional Banking	Commercial Banking	Personal and Business Banking	Treasury	Total
<b>Revenue:</b>					
From external customers	148,953	132,549	93,823	112,527	487,852
From other business segments	-	-	-	-	-
Interest expense	(79,003)	(32,923)	(47,521)	(55,761)	(215,208)
Opening income	69,950	99,626	46,302	56,766	272,644
<b>Assets and liabilities:</b>					
Segment assets	1,737,459	660,182	198,374	83,824	2,679,839
Total assets	1,737,459	660,182	198,374	83,824	2,679,839
Segment liabilities	711,504	586,037	271,727	681,009	2,250,277
Unallocated segment liabilities	-	-	-	-	-
Total liabilities	711,504	586,037	271,727	681,009	2,250,277
Net assets	1,025,955	74,145	(73,353)	(597,185)	429,562

# Notes (continued)

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

## 6. Financial Assets and Liabilities

### 6.1 Accounting Classification, Measurement Basis and Fair Values

The table below sets out the Group's classification of each class of financial assets and liabilities and their fair values.

#### At 31 December 2017

	Held-to-Maturity	Available-for-Sale	Loans and Receivables	Amortised Cost	Total	Fair Value
Cash and cash equivalents	-	-	1,107,576	-	1,107,576	1,107,576
Investment securities						
- Held-to-maturity	544,559	-	-	-	544,559	556,480
- Available-for-sale	-	361,679	-	-	361,679	361,679
Loans and advances to customers	-	-	877,675	-	877,675	897,247
	544,559	361,679	1,985,251		2,891,489	2,922,982
Deposits from banks	-	-	-	187,294	187,294	188,181
Deposits from customers	-	-	-	2,131,482	2,131,482	2,144,058
Borrowings	-	-	-	341,328	341,328	342,009
	-	-	-	2,660,104	2,660,104	2,674,248

#### At 31 December 2016

	Held-to-Maturity	Available-for-Sale	Loans and Receivables	Amortised Cost	Total	Fair Value
Cash and cash equivalents	-	-	728,355	-	728,355	728,355
Investment securities						
- Held-to-maturity	292,501	-	-	-	292,501	318,826
- Available-for-sale	-	130,300	-	-	130,300	130,300
Loans and advances to customers	-	-	1,285,612	-	1,285,612	1,240,616
	292,501	130,300	2,013,967		2,436,768	2,418,097
Deposits from customers	-	-	-	2,009,009	2,009,009	1,948,826
Borrowings	-	-	-	203,668	203,668	200,691
	-	-	-	2,212,677	2,212,677	2,149,517

### 6.1.1 Loans and Advances to Customers

Loans and advances to customers are net of charges for impairment. The estimated fair value of loans and advances represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine the fair value.

### 6.1.2 Investment Securities

The fair value of investment securities is based on market prices or broker/dealer price quotations. Where this information is not available, fair value is rated using quoted market prices for securities with similar credit, maturity and yield characteristics. All available-for-sale assets are measured and carried at fair value.

### 6.1.3 Deposits from Banks and Customers

The estimated fair value of deposits with no stated maturity dates, which includes non-interest bearing deposits, is the amount repayable on demand. The estimated fair value of fixed interest-bearing deposits is based on discounted cash flows using interest rates for new debts with similar maturity profiles.

## 6.2 Fair Value Hierarchy

The fair value hierarchy section explains the judgements and estimates made in determining the fair values of the financial instruments. To provide an indication about the reliability of the inputs used in determining fair value, the Bank has classified its financial instruments into the three levels prescribed under the accounting standards.

The table below sets out the fair values of financial assets and liabilities that are recognised and measured at fair value in the financial statements. An explanation of each level follows underneath the tables.

#### At 31 December 2017

	Level 1	Level 2	Level 3	Total
Financial assets				
Investment securities				
- Available-for-sale securities	-	361,679	-	361,679

#### 31 December 2016

	Level 1	Level 2	Level 3	Total
Financial assets				
Investment securities				
- Available-for-sale securities	-	130,300	-	130,300

# Notes (continued)

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

The fair values of financial assets and liabilities that are not measured at fair value in the financial statements are shown below:

## At 31 December 2017

	Level 1	Level 2	Level 3	Total
Financial assets				
Cash and cash equivalents	-	-	1,107,576	1,107,576
Investment securities				
- Held-to-maturity securities	-	556,480	-	556,480
Loans and advances to customers	-	-	897,247	897,247
Financial liabilities				
Deposits from banks	-	-	188,181	188,181
Deposits from customers	-	-	2,144,058	2,144,058
Borrowings	-	-	342,009	342,009

## At 31 December 2016

	Level 1	Level 2	Level 3	Total
Financial assets				
Cash and cash equivalents	-	-	728,355	728,355
Investment securities				
- Held-to-maturity securities	-	292,501	-	292,501
Loans and advances to customers	-	-	1,240,616	1,240,616
Financial liabilities				
Deposits from customers	-	-	1,948,826	1,948,826
Borrowings	-	-	200,691	200,691

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year.

There were no transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

**Level 1:** The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Bank is the current bid price. These instruments are included in level 1.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. The inputs used include the Bank of Ghana published rates and discounted cash flow techniques.

**Level 3:** If one or more of the significant inputs is/are not based on observable market data, the instrument is included in level 3.

## 7. Net Interest Income

	The Group		The Bank	
	2017	2016	2017	2016
<b>Interest income</b>				
Loans and advances to customers	272,645	306,983	272,645	306,983
Placement with other banks	34,434	15,749	34,434	15,749
Investment securities	103,992	91,336	103,992	91,336
	411,071	414,068	411,071	414,068

Accrued interest on impaired loans amounts to GHS 925,442 during the year (2016: GHS 5,125,000).

	2017	2016	2017	2016
<b>Interest expense</b>				
Demand deposits	6,901	1,575	6,901	1,575
Time and other deposits	169,241	195,885	169,241	195,885
Savings deposits	19,859	17,748	19,859	17,748
	19,859	17,748	19,859	17,748
<b>Net interest income</b>	<b>215,070</b>	<b>198,860</b>	<b>215,070</b>	<b>198,860</b>

## 8. Commission and Fees

	2017	2016	2017	2016
Fees on loan and advances	9,805	26,516	9,805	26,516
Customer account servicing fees	4,338	4,144	4,338	4,144
Letters of credit issued	3,937	5,361	3,938	5,361
	18,080	36,021	18,080	36,021

## 9. Net Trading Income

	2017	2016	2017	2016
Income from dealing in foreign exchange	34,219	34,927	34,219	34,927

## 10. Other Operating Income

	2017	2016	2017	2016
Profit on disposal of property and equipment	55	193	55	193
Recovered bad debts	276	86	276	86
Preterm liquidation fees	427	478	427	478
Special clearance and transfer fee	397	203	397	203
Sundry income	1,826	1,876	1,814	1,852
	2,981	2,836	2,969	2,812

# Notes (continued)

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

## 11. Net Impairment Loss on Financial Assets

	The Group		The Bank	
	2017	2016	2017	2016
Specific impairment loss	36,856	54,955	36,856	54,955
Collective impairment loss	3,960	747	3,960	747
	40,816	55,702	40,816	55,702

## 12. Personnel Expenses

	2017	2016	2017	2016
Wages and salaries	15,969	14,452	15,969	14,452
Directors' emoluments	605	453	605	453
Allowances	36,625	34,137	36,625	34,137
Pensions cost	1,893	1,661	1,893	1,661
Other staff costs	7,484	7,347	7,484	7,347
	62,576	58,050	62,576	58,050

The average number of persons employed by the Group during the year ended 31 December 2017 was 525 (2016: 570).

## 13. Other Operating Expenses

	2017	2016	2017	2016
Administrative expenses	79,999	66,699	79,997	66,696
Auditor's remuneration	585	492	585	492
Operating lease rentals on office premises	9,279	7,303	9,279	7,303
Donations and sponsorship	1,281	535	1,281	535
	91,144	75,029	91,142	75,026

Beneficiaries of donations and sponsorships are as follows:

	2017	2016
Ghana at 60 Secretariat	600	-
Save a Child, Save a Mother Project – RAA Foundation	100	-
Muslim Community	48	10
Public and Private Universities	75	100
National Women's Summit	30	-
Accra Polo Club	98	23
Funeral of the Asante Queen Mother	17	-
Bok Nam Kim Golf Tournament	10	10
Ghana Bar Association	-	30
Other donations	257	345
Other funeral donations	46	17
	1,281	535

## 14. Income Tax Expense

	The Group		The Bank	
	2017	2016	2017	2016
National fiscal stabilisation levy	2,930	3,452	2,929	3,452
Current year income tax	15,357	30,394	15,355	30,388
Deferred income tax (Note 21)	10,711	(6,725)	10,711	(6,725)
	28,998	27,121	28,995	27,115

National Fiscal Stabilisation Levy is a levy of 5% applied on profit before tax of financial institutions.

The movement in current income tax and the National Fiscal Stabilisation Levy is as follows:

### The Group

#### Year Ended 31 December 2017

	Balance at 1 January	Payments during the Year	Charge for the Year	Balance at 31 December
<b>Current income tax</b>				
Up to 2016	17,916	-	-	17,916
2017	-	(12,426)	15,357	2,931
	17,916	(12,426)	15,357	20,847
<b>National Fiscal Stabilisation Levy</b>				
Up to 2016	(1,401)	-	-	(1,401)
2017	-	(2,485)	2,930	445
	(1,401)	(2,485)	2,930	(956)
<b>Total</b>	16,515	(14,911)	18,287	19,891

#### Year Ended 31 December 2016

##### Current income tax

Up to 2015	14,346	-	-	14,346
2016	-	(26,824)	30,394	3,570
	14,346	(26,824)	30,394	17,916

##### National Fiscal Stabilisation Levy

Up to 2015	397	-	-	397
2016	-	(5,250)	3,452	(1,798)
	397	(5,250)	3,452	(1,401)
<b>Total</b>	14,743	(32,074)	33,846	16,515

# Notes (continued)

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

## 14. Income Tax Expense (continued)

### The Bank

#### Year Ended 31 December 2017

	Balance at 1 January	Payments during the Year	Charge for the Year	Balance at 31 December
<b>Current income tax</b>				
Up to 2016	17,750	-	-	17,750
2017	-	(12,426)	15,355	2,929
	17,750	(12,426)	15,355	20,679
<b>National Fiscal Stabilisation Levy</b>				
Up to 2016	(1,402)	-	-	(1,402)
2017	-	(2,485)	2,929	444
	(1,402)	(2,485)	2,929	(958)
<b>Total</b>	16,348	(14,911)	18,284	19,721

#### Year Ended 31 December 2016

### Current income tax

Up to 2015	14,186	-	-	14,186
2016	-	(26,824)	30,388	3,564
	14,186	(26,824)	30,388	17,750

### National Fiscal Stabilisation Levy

Up to 2015	396	-	-	396
2017	-	(5,250)	3,452	(1,798)
	396	(5,250)	3,452	(1,402)
<b>Total</b>	14,582	(32,074)	33,840	16,348

The tax on the profit before tax differs from the theoretical amount that would arise using the tax rate applicable to profit as follows:

### Reconciliation of Effective Tax Rate

#### The Group

	2017	2017	2016	2016
Profit before tax	%	58,597	%	69,070
Income tax using the statutory tax rate	25.00	14,649	25.00	17,268
National fiscal stabilisation levy	5.00	2,930	5.00	3,452
Non-deductible expenses	19.49	11,419	9.27	6,401
Income tax expense	49.49	28,998	39.27	27,121

#### The Bank

	2017	2017	2016	2016
Profit before tax	%	58,587	%	69,049
Income tax using the tax rate	25	14,647	25.00	17,262
National Fiscal Stabilisation Levy	5.00	2,929	5.00	3,452
Non-deductible expenses	19.49	11,419	9.27	6,401
Income tax expense	49.49	28,995	39.27	27,115

# Notes (continued)

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

## 15. Earnings Per Share

The calculation of basic and diluted earnings per share is based on the profit attributable to ordinary shareholders of the Bank of GHS 29,599,000 (2016: GHS 41,949,000) and a weighted average number of ordinary shares outstanding of 118,093,134 (2016: 110,688,559) calculated as follows:

### The Bank

	2017	2016
Profit for the year attributable to equity holders of the Bank	29,599	41,934
Weighted average number of ordinary shares at 1 January ('000)	111,437	110,689
Weighted average number of new shares issued ('000)	6,656	748
Weighted average number of ordinary shares at 31 December ('000)	118,093	111,437
Basic and diluted earnings per share (Ghana pesewas)	25	38

There are no potentially dilutive shares outstanding at 31 December 2017. Diluted earnings per share are, therefore, the same as the basic earnings per share.

## 16. Cash and Cash Equivalents

### The Group and The Bank

	2017	2016
Cash in hand	68,887	79,832
Balances with Bank of Ghana	224,194	254,554
Cash and balances with Bank of Ghana	293,081	334,386
Balances with foreign banks	25,953	113,060
Money market placements	788,542	280,909
Cash and cash equivalents	1,107,576	728,355
Investment securities maturing within 90 days of purchase	181,831	290,761
Less: Mandatory reserve deposit	(213,148)	(200,910)
Cash and cash equivalents for the purposes of the statement of cash flows:	1,076,259	818,206

The balances held with Bank of Ghana include mandatory reserve deposit of GHS 213,148,000 (2016: GHS 200,910,000) which is not available for use in the Bank's day-to-day operations.

Cash in hand and balances with Bank of Ghana are non-interest bearing.

## 17. Investment Securities

### The Group and the Bank

#### Held-to-Maturity Securities

	2017	2016
Government bonds	306,626	1,886
Treasury Bills	237,933	290,615
	544,559	292,501

#### Available-for-Sale Securities

Government bonds	301,381	43,994
Treasury Bills	46,169	84,706
Carrying amount	347,550	128,700
Changes in fair value recognised in other comprehensive income	14,129	1,600
Carrying amount	361,679	130,300
Total investment securities	906,238	422,801
Current	619,554	378,295
Non-current	286,684	44,506

Investment securities are Treasury Bills and bonds issued by the Bank of Ghana. The investment securities classified as held-to-maturity are carried at amortised. Investment securities classified as available-for-sale are carried at fair value.

At 31 December, Government securities pledged to counterparties amount to GHS 201,849,090 (2016: Nil).

# Notes (continued)

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

## 18. Loans and Advances to Customers

### The Group and the Bank

	2017			2016		
	Gross Amount	Impairment Allowance	Carrying Amount	Gross Amount	Impairment Allowance	Carrying Amount
Overdrafts	449,454	(18,336)	431,118	433,488	(17,054)	416,434
Term loans	496,883	(54,673)	442,210	901,202	(34,415)	866,787
Staff loans	4,392	(45)	4,347	3,571	(1,180)	2,391
Total loans and advances	950,729	(73,054)	877,675	1,338,261	(52,649)	1,285,612
Current			413,729			761,718
Non-current			463,946			523,894

Loans and advances to customers are carried at amortised cost.

Allowances for impairment are as follows:

	2017	2016
<b>Specific Allowance for Impairment</b>		
At 1 January	46,544	15,402
Charge for the year	36,856	54,955
Loan write off	(20,412)	(23,813)
At 31 December	62,988	46,544
<b>Collective Allowance for Impairment</b>		
At 1 January	6,105	5,358
Charge for the year	3,961	747
At 31 December	10,066	6,105
<b>Total Allowances for Impairment</b>	73,054	52,649

## 19. Property and Equipment

### The Group and the Bank

	Leasehold Improvement	Furniture and Equipment	Computers	Motor Vehicles	Capital work in progress	Total
<b>Cost</b>						
<b>Year Ended 31 December 2016</b>						
At 1 January	32,120	36,509	13,351	9,542	37,458	128,980
Additions	12,447	4,559	4,787	1,209	9,656	32,658
Disposals	(2,571)	(722)	(387)	(415)	-	(4,095)
Transfer to intangible assets	-	-	-	-	(748)	(748)
Transfer	22,370	220	-	-	(22,590)	-
At 31 December	64,366	40,566	17,751	10,336	23,776	156,795

### Year Ended 31 December 2017

At 1 January	64,366	40,566	17,751	10,336	23,776	156,795
Additions	1,033	2,625	2,698	4,475	14,808	25,639
Disposals	(651)	(195)	(3)	(125)	-	(974)
Transfer to intangible assets	-	-	-	-	(269)	(269)
Transfer	9,282	317	611	148	(10,358)	-
At 31 December	74,030	43,313	21,057	14,834	27,957	181,191

### Depreciation

#### Year Ended 31 December 2016

At 1 January	5,378	15,987	9,152	5,346	-	35,863
Charge for the year	1,893	5,471	2,894	1,625	-	11,883
Disposal	(29)	(493)	(387)	(398)	-	(1,307)
At 31 December	7,242	20,965	11,659	6,573	-	46,439

#### Year Ended 31 December 2017

At 1 January	7,242	20,965	11,659	6,573	-	46,439
Charge for the year	2,058	6,119	3,596	1,803	-	13,576
Disposal	-	(153)	(3)	(87)	-	(243)
At 31 December	9,300	26,931	15,252	8,289	-	59,772

### Net Book Amount

At 1 January 2016	26,742	20,522	4,199	4,196	37,458	93,117
At 31 December 2016	57,124	19,601	6,092	3,763	23,776	110,356
At 31 December 2017	64,730	16,382	5,805	6,545	27,957	121,419

# Notes (continued)

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

## 19. Property and Equipment (continued)

### The Group and the Bank

	2017	2016
<b>Depreciation and Amortisation Expense</b>		
Property and equipment (Note 19)	13,576	11,883
Intangible assets (Note 20)	3,641	2,910
	17,217	14,793
<b>Profit on Disposal</b>		
Cost	974	4,095
Accumulated depreciation	(243)	(1,307)
Carrying amount	731	2,788
Proceeds from disposal	(786)	(2,981)
Profit on disposal	(55)	(193)

## 20. Intangible Assets

### The Group and the Bank

	2017	2016
<b>Cost</b>		
At 1 January	15,028	11,522
Additions	1,586	2,758
Transfers	269	748
At 31 December	16,883	15,028
<b>Amortisation</b>		
At 1 January	9,036	6,126
Amortisation for the year	3,641	2,910
At 31 December	12,677	9,036
<b>Net Book Amount</b>		
At 1 January	5,992	5,396
At 31 December	4,206	5,992

Intangible assets are in respect of purchased computer software.

## 21. Deferred Tax Assets and Liabilities

Deferred income tax assets and liabilities are attributable to the following:

### The Group and the Bank

	Assets 2017	Liabilities 2017	Net 2017	Assets 2016	Liabilities 2016	Net 2016
Property, equipment and software	-	(8,161)	(8,161)	-	(4,164)	(4,164)
Changes in fair value gain on available-for-sale financial assets	-	-	-	-	(400)	(400)
Allowances for loan losses	2,517		2,517	13,163	-	13,163
<b>Net tax assets/(liabilities)</b>	<b>2,517</b>	<b>(8,161)</b>	<b>(5,644)</b>	<b>13,163</b>	<b>(4,564)</b>	<b>8,599</b>

Movement in temporary differences during the year is as follows:

### The Group and the Bank

31 December 2017	Balance at January 1	Recognised in other Comprehensive income	Recognised in Profit or Loss	Balance at December 31
Changes in fair value gain on available-for-sale financial assets	(400)	(3,532)	-	(3,932)
Property, equipment and software	(4,164)	-	(65)	(4,229)
Allowances for loan losses	13,163	-	(10,646)	2,517
Net deferred tax assets	8,599	(3,532)	(10,711)	(5,644)

31 December 2016	Balance at January 1	Recognised in other Comprehensive income	Recognised in Profit or Loss	Balance at December 31
Changes in fair value gain on available-for-sale financial assets	-	(400)	-	(400)
Property, equipment and software	(2,916)	-	(1,248)	(4,164)
Allowances for loan losses	5,190	-	7,973	13,163
Net deferred tax assets	2,274	(400)	6,725	8,599

## Notes (continued)

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

### 22. Other Assets

	The Group		The Bank	
	2017	2016	2017	2016
Prepayments	29,184	20,583	29,184	20,583
Accounts Receivables	150,994	92,977	150,731	92,726
	180,178	113,560	179,915	113,309
Current	161,286	101,779	161,023	101,528
Non-current	18,892	11,781	18,892	11,781

### 23. Investment other than Securities

Investment other than securities represents the Bank's investment in its subsidiaries: Big Ticket Holdings Limited (BTH) and Triumph Properties Limited (TPL). The subsidiaries are wholly owned by the Bank. BTH undertakes real estate business and the hiring of vehicles and equipment and is wholly owned. TPL is dormant.

### 24. Deposits from Banks

	The Group		The Bank	
	2017	2016	2017	2016
Money market deposits	187,294	-	187,294	-

Money market deposits are overnight and short-term placements received from local commercial banks.

All money market deposits from banks are current.

## 25. Deposits from Customers

	The Group		The Bank	
	2017	2016	2017	2016
Demand deposits	941,541	933,207	941,588	933,254
Savings deposits	205,218	165,785	205,218	165,785
Term deposits	984,723	910,107	984,723	910,107
	2,131,482	2,009,099	2,131,529	2,009,146
Current	1,983,442	2,000,286	1,983,489	2,000,333
Non-current	148,040	8,813	148,040	8,813
Analysis of depositors by type				
Financial institutions	534,623	534,214	534,623	534,214
Individual and other private enterprises	1,489,638	1,411,984	1,489,685	1,412,031
Public enterprises	107,221	62,901	107,221	62,901
	2,131,482	2,009,099	2,131,529	2,009,146
Composition of 20 largest depositors to total deposits	38%	29%	38%	29%

# Notes (continued)

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

## 26. Borrowings

### The Group and the Bank

#### Year Ended 31 December 2017

	At 1 January	Drawdown	Exchange Difference	Interest	Repayment	At 31 December
DANIDA	84	-	-	-	-	84
Export Development and Investment Fund	7,559	127	-	148	(3,635)	4,199
FMO/PROPARCO	97,050	-	4,064	6,444	(25,663)	81,895
European Investment Bank	35,585	-	2,548	1,595	(8,840)	30,888
Ghana International Bank	63,263	134,976	(1,797)	3,344	(132,985)	66,801
Ghana Private Sector Development Fund	127	-	-	-	-	127
Cargill	-	153,393	1,551	2,390	-	157,334
	203,668	288,496	6,366	13,921	(171,123)	341,328
Current	10,521					224,219
Non-current	193,147					117,109

#### Year Ended 31 December 2016

	At 1 January	Exchange Difference	Interest	Repayment	At 31 December
DANIDA	84	-	-	-	84
Export Development and Investment Fund	9,178	1,879	247	(3,745)	7,559
FMO/PROPARCO	95,951	-	6,838	(15,399)	97,050
European Investment Bank	-	33,267	323		35,585
Ghana International Bank	-	59,586	1,252	(1,005)	63,263
Ghana Private Sector Development Fund	159	-	-	(32)	127
	105,372	94,732	8,660	(20,181)	203,668
Current	9,140				10,521
Non-Current	96,232				193,147

The Export Development and Investment Fund (EDIF) facility is for purposes of onward lending to qualifying institutions. Interest is at 2.5% per annum and is payable at the end of May 2019.

The Bank secured the FMO/PROPARCO facility to support lending to the private sector. Interest is at a rate of 6 month LIBOR plus margin payable semi-annually. The facility is repayable by October 2021.

The Ghana Private Sector Development facility is for purposes of onward lending to qualifying institutions. Interest is at a rate of 3% per annum.

The facility with Ghana International Bank attracts interest at a rate of 1 month LIBOR plus margin and is to support working capital needs. The facility is payable at the end of March 2018.

The facility with the European Investment Bank is to finance private sector small and medium sized enterprises. Interest is at a rate of 6 month LIBOR plus margin payable semi-annually. The facility is repayable by October 2022.

The facility with Cargill, Incorporated is payable on demand. Interest is at a rate of LIBOR plus 3.5% p.a.

## 27. Other Liabilities

	The Group		The Bank	
	2017	2016	2017	2016
Creditors and accruals	41,895	16,431	42,796	17,334
Current	40,436	15,890	41,337	16,793
Non-current	1,459	541	1,459	541

## 28. Capital and Reserves

### Stated Capital

The authorised shares of the Bank is 200,000,000 ordinary shares of no par value of which 118,093,134 shares have been issued. The movement is as follows:

	2017	2016	2017	2016
	Number of shares		Proceeds '000	
At 1 January	118,093,134	110,688,559	144,738	118,275
Issue of shares	-	7,404,575	-	26,463
At 31 December	118,093,134	118,093,134	144,738	144,738

There are no calls or unpaid liability on any shares and there are no treasury shares. All shares were issued for cash consideration.

# Notes (continued)

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

## Capital and Reserves (continued)

### Income Surplus

Income surplus represents the residual of cumulative annual profits that are available for distribution to shareholders. The movement in the income surplus account is shown as part of the statement of changes in equity.

### Statutory Reserve

Statutory reserve represents transfer from income surplus to reserve in accordance with the regulatory requirement of Section 34(1) of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). The movement is included in the statement of changes in equity.

### Credit Risk Reserve

Credit risk reserve represents the excess of the total provisions for loans and advances provision determined in accordance with the Bank of Ghana prudential guidelines over the impairment loss for loans and advances recognised in the income statement under the IFRS framework. As at the reporting date, total provision for losses under the Bank of Ghana provisioning norms amount to GHS 212,678,287 (2016: GHS 200,273,707). This exceeds the impairment allowance for loans and advances recognised under the IFRS framework of GHS 73,053,784 (2016: GHS 52,649,389), by GHS 139,624,503 (2016: GHS 147,624,318).

### Fair Value Reserve

	2017	2016
Gain on sale available-for-sale investments		
At 1 January	1,200	-
Change in fair value gain of available-for-sale financial assets	14,129	1,600
Deferred tax liability (Note 21)	(3,532)	(400)
At 31 December	11,797	1,200

## 29. Operating Leasing Arrangements

The Bank leases offices, branches and other premises under non-cancellable operating lease arrangements. The lease rentals are paid in advance and amortised on a straight line basis over the lease period. The unexpired lease payment is accounted for as a prepayment in other assets. There are no contingent rents payable.

	The Group		The Bank	
	2017	2016	2017	2016
Less than one year	12,918	6,445	12,918	6,445
Between one and five years	14,606	11,701	14,606	11,701
More than five years	839	652	839	652
	28,363	18,798	28,363	18,798

## 30. Contingencies

### 30.1 Claims and Litigation

The Bank is defending legal actions brought by various persons for claims amounting to GHS 14,497,645 (2016: GHS 16,547,060). No provision in relation to these claims has been recognised in the separate and consolidated financial statements as legal advice indicates that it is not probable that a significant liability will arise.

### 30.2 Contingent Liabilities and Commitments

In common with other banks, the Bank conducts business involving acceptances, performance bonds and indemnities. The majority of these facilities are offset by corresponding obligations of third parties. Contingent liabilities and commitments comprise acceptances, guarantees and letters of credit.

#### Nature of Instruments

An acceptance is an undertaking by a bank to pay a bill of exchange drawn on a customer. The Bank expects most acceptances to be presented, but reimbursement by the customer is normally immediate.

Guarantees and letters of credit are given as security to support the performance of a customer to third parties. As the Bank will only be required to meet these obligations in the event of the customer's default, the cash requirements of these instruments are expected to be considerably below their nominal amounts.

Other contingent liabilities include transactions related to performance bonds and are, generally, short-term commitments to third parties which are not directly dependent on the customer's creditworthiness.

Documentary credits commit the Bank to make payments to third parties, on production of documents, which are usually reimbursed immediately by customers.

The following table summarises the nominal principal amount of contingent liabilities and commitments with off balance sheet risk:

Contingent liabilities	The Group 2016	The Bank 2016
Bonds and guarantees	235,537	168,230
Letters of credit	192,015	142,387
	427,552	310,617

### 30.3 Commitments for Capital Expenditure

The Bank had no capital commitments at 31 December 2017 (2016: Nil).

# Notes (continued)

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

## 31. Related Parties

Access Bank Plc is the immediate and ultimate parent company. 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 Access Bank Plc group.

The outstanding balances arising and transactions with the related parties were as follows:

<b>Amounts due from related party</b>		<b>2017</b>	<b>2016</b>
Access Bank Plc – Nigeria	Cash and cash equivalents	8,156	17,352
Access Bank Plc – Nigeria	Placement	663,668	176,319
Access Bank Plc – Nigeria	Account receivable	-	4,101
Access Bank – UK	Cash and cash equivalents	2,017	23,074
Access Bank – UK	Placement	119,041	103,929
BTH	Account receivable	721	721
Amounts due to related party			
Access Bank Plc – Nigeria	Accounts payable	332	1,059
Transactions with related parties include:			
Access Bank Plc – Nigeria	Interest on placement	2,316	622
Access Bank – UK	Interest on placement	40	39

### Transactions with Key Management Personnel

The Bank's key management personnel includes directors (executive and non-executive) members of the Executive Committee, the company secretary and the head of internal audit.

Key management personnel and their immediate relatives have the following outstanding loan balances with the Bank at the reporting period.

	<b>The Group 2017</b>	<b>The Bank 2016</b>
Officers and employees (short-term employee benefits)	796	1,412
Interest income on loans to officers and employees	40	46

Interest rates charged on loans to management personnel are at concessionary rates and lower than the rates that would be charged in the normal course of business. The loans granted are secured over real estate and other assets of the respective borrowers.

No impairment losses have been recorded against balances outstanding during the year with key management personnel, and no specific allowance has been made for impairment losses on balances with key management personnel at the year-end. These balances have, however, been collectively impaired as part of the portfolio impairment assessment for unidentified loans and advances.

# Top 20 Shareholders and their Composition

The twenty largest shareholders in the Bank and the respective number of shares held at 31 December 2017 are as follows:

<b>Names</b>	<b>Number of Shares</b>	<b>% Shareholding</b>
Access Bank Plc	106,918,967	90.54
Staff Pension Trustees	2,029,128	1.72
Joseph Siaw Agyepong	1,500,000	1.27
Messers Nabil Moukarzel and F Halawi FN Investment	1,430,000	1.21
Nabil Moukarzel	1,000,000	0.85
Daniel MC Korley	620,000	0.53
Anatsui Emmanuel Kwame	600,000	0.51
Salma Okwonkwo	333,333	0.28
Woodfields Energy Resources Limited	324,173	0.27
Albert Mmegwa	300,029	0.25
Mawuli Ababio	269,669	0.23
Lyndhurst Corporation	269,669	0.23
Julius Debrah	250,000	0.21
Herbert Osei Baidoo	242,701	0.21
Adobe Group	237,378	0.20
Wapic Insurance Ghana Limited	225,880	0.19
Nana Asante Bediatuo	221,667	0.19
Allied Investments	138,471	0.12
Sentuo Steel Company Limited	100,000	0.08
George Victor Okoh	97,542	0.08
Reported totals	117,108,607	99.17
Not reported	984,527	0.83
	118,093,134	100.00

# Other Financial Information

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

## The Group

	2017	2016	2015	2014	2013
<b>Assets</b>					
Cash and cash equivalents	1,107,576	728,355	681,366	509,613	278,383
Investment securities	906,238	422,801	356,734	212,184	187,573
Loans and advances to customers	877,675	1,285,612	1,211,825	853,055	433,690
Investment in associates	-	-	-	-	-
Property and equipment	121,419	110,356	93,117	52,953	29,199
Intangible assets	4,206	5,992	5,396	4,437	2,238
Deferred tax assets	2,517	13,163	5,190	5,627	2,916
Other assets	180,178	113,560	71,018	81,033	57,059
<b>Total assets</b>	<b>3,199,809</b>	<b>2,679,839</b>	<b>2,424,646</b>	<b>1,718,902</b>	<b>991,058</b>
<b>Liabilities</b>					
Deposits from banks	187,294	-	162,852	78,089	15,000
Deposits from customers	2,131,482	2,009,099	1,726,179	1,199,653	725,593
Borrowings	341,328	203,668	105,372	94,226	15,339
Tax payable	19,891	16,515	14,743	15,428	9,338
Deferred tax liabilities	8,161	4,564	2,916	1,982	2,498
Other liabilities	41,895	16,431	52,634	38,321	6,745
<b>Total liabilities</b>	<b>2,730,051</b>	<b>2,250,277</b>	<b>2,064,696</b>	<b>1,427,699</b>	<b>774,513</b>
<b>Equity</b>					
Stated capital	144,738	144,738	118,275	118,275	118,275
Statutory reserve	129,279	121,881	111,394	91,291	48,682
Credit risk reserve	139,625	147,624	75,758	36,033	38,962
Retained earnings	44,319	14,119	54,523	45,604	10,626
Fair value reserve	11,797	1,200	-	-	-
<b>Total equity</b>	<b>469,758</b>	<b>429,562</b>	<b>359,950</b>	<b>291,203</b>	<b>216,545</b>
<b>Total equity and liabilities</b>	<b>3,199,809</b>	<b>2,679,839</b>	<b>2,424,646</b>	<b>1,718,902</b>	<b>991,058</b>

	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Gross earnings	485,454	487,852	420,870	311,355	187,107
Profit before income tax	58,597	69,070	122,751	123,191	71,791
Profit from continuing operations	-	69,070	122,751	123,191	71,791
Discontinued operations	-	-	-	-	-
Profit for the period	29,599	41,949	80,435	85,284	45,598
Non-controlling interest	-	-	-	-	-
Profit attributable to equity holders	29,599	41,949	80,435	85,284	45,598
Dividend paid	-	-	-	11,688	10,626
Earnings per share - Basic (Ghana pesewas)	0.25	0.38	0.73	0.77	0.41
- Adjusted (Ghana pesewas)	0.25	0.38	0.73	0.77	0.41
Number of ordinary shareholders	118,093,134	118,093,134	110,688,559	110,688,559	110,688,559

## Other Financial Information (continued)

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

### The Bank

	2017	2016	2015	2014	2013
<b>Assets</b>					
Cash and cash equivalents	1,107,576	728,355	681,366	509,613	278,383
Investment securities	906,238	422,801	356,734	212,184	187,573
Loans and advances to customers	877,675	1,285,612	1,211,825	853,055	433,690
Investment in associates	-	-	-	-	-
Investment other than securities	20	20	20	20	20
Property and equipment	121,419	110,356	93,117	52,953	29,161
Intangible assets	4,206	5,992	5,396	4,437	2,238
Deferred tax assets	2,517	13,163	5,190	5,627	2,916
Other assets	179,915	113,309	70,791	80,823	57,353
<b>Total assets</b>	<b>3,199,566</b>	<b>2,679,608</b>	<b>2,424,439</b>	<b>1,718,712</b>	<b>991,334</b>
<b>Liabilities</b>					
Deposits from banks	187,294	-	162,852	78,089	15,000
Deposits from customers	2,131,529	2,009,146	1,726,227	1,199,681	726,982
Borrowings	341,328	203,668	105,372	94,226	15,339
Tax payable	19,721	16,348	14,582	15,277	9,197
Deferred tax liabilities	8,161	4,564	2,916	1,982	2,437
Other liabilities	42,796	17,334	53,539	39,228	6,742
<b>Total liabilities</b>	<b>2,730,829</b>	<b>2,251,060</b>	<b>2,065,488</b>	<b>1,428,483</b>	<b>775,697</b>
<b>Equity</b>					
Stated capital	144,738	144,738	118,275	118,275	118,275
Statutory reserve	129,279	121,881	111,394	91,291	48,682
Credit risk reserve	139,625	147,624	75,758	36,033	38,962
Retained earnings	43,298	13,105	53,524	44,630	9,718
Fair value reserve	11,797	1,200	-	-	-
<b>Total equity</b>	<b>468,737</b>	<b>428,548</b>	<b>358,951</b>	<b>290,229</b>	<b>215,637</b>
<b>Total equity and liabilities</b>	<b>3,199,566</b>	<b>2,679,608</b>	<b>2,424,439</b>	<b>1,718,712</b>	<b>991,334</b>

	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Gross earnings	485,442	487,831	420,829	311,297	187,107
Profit before income tax	58,597	69,070	122,751	123,191	71,791
Profit from continuing operations	58,587	69,049	122,716	123,176	71,763
Discontinued operations	-	-	-	-	-
Profit for the period	29,592	41,934	80,410	85,218	45,578
Non-controlling interest	-	-	-	-	-
Profit attributable to equity holders	29,592	41,934	80,410	85,218	45,578
Dividend paid		-	-	11,688	10,626
Earnings per share - Basic (Ghana pesewas)	0.25	0.38	0.73	0.77	0.41
- Adjusted (Ghana pesewas)	0.25	0.38	0.73	0.77	0.41
Number of ordinary shareholders	118,093,134	118,093,134	110,688,559	110,688,559	110,688,559

# Value Added Statement

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

	The Group		The Bank	
	2017	2016	2017	2016
Interest and other operating income	463,370	485,016	463,370	485,016
Direct cost of services	(287,145)	(290,237)	(287,143)	(290,234)
<b>Value added by banking services</b>	176,225	194,779	176,227	194,782
Non-banking income	2,981	2,836	2,969	2,812
Impairments	(40,816)	(55,702)	(40,816)	(55,702)
<b>Value added</b>	138,390	141,913	138,380	141,892
Distributed as follows:				
<b>To employees</b>				
Directors (without executives)	605	453	605	453
Executive directors	638	638	638	638
Other employees	61,333	56,959	61,333	56,959
<b>To government</b>				
Income taxes	28,998	27,121	28,995	27,115
<b>To expansion and growth</b>				
Depreciation	13,576	11,883	13,576	11,883
Amorisation	3,641	2,910	3,641	2,910
	29,599	41,949	29,592	41,934



Shareholder Engagement	<b>142</b>
Notice of Annual General Meeting	<b>143</b>
Proxy Form	<b>146</b>

# Shareholder Engagement

The Board and Management of Access Bank Ghana are committed to ensuring transparency in their dealings with stakeholders. Accordingly, we provide shareholders with a continuous and timely flow of financial and non-financial information in order to ensure that their expectations are aligned with the Bank's corporate objectives.

Access Bank continues to carry out several enhancements of its investor relations programme to effectively communicate with Shareholders. The Bank, in keeping with best practice, employs various channels of communication to provide information to its shareholders:

Channel	Description
Annual Report and Accounts	The Annual Report and Accounts is a comprehensive report on the Bank's activities through the preceding year. This is made available to shareholders prior to the AGM.
Website	The Bank's website <a href="http://www.ghana.accessbankplc.com">www.ghana.accessbankplc.com</a> serves as a go-to resource and is continuously updated with relevant information for our shareholders.
Result Announcement	To ensure complete access to the Bank's financial information, quarterly financial performance is published in the papers and on the Bank's website.
Facts Behind Figures	This is a periodic event organised to bring together shareholders, investors and analysts to gain a better understanding of the Bank's performance.
Annual General Meetings	The AGM is an annual event where the Bank's Board and Management meet shareholders to discuss the Bank's performance.

## Contact Information

Registrar	Investor Relations
Central Securities Depository (Gh) Ltd. 4th Floor Cedi House Accra-Ghana  Tel: +233 (0) 302 689 313/302 689 314 Fax: +233 (0) 302 689 315 Email: <a href="mailto:info@csd.com.gh">info@csd.com.gh</a>	Investor Relations Desk Starlets '91 Road Opp. Accra Sports Stadium Osu, Accra-Ghana  T: +233 (0) 302 661 630/302 742 699 Toll Free: 0800 004 400 E: <a href="mailto:info@ghana.accessbankplc.com">info@ghana.accessbankplc.com</a>

# Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 10th Annual General Meeting of Access Bank (Ghana) Plc will be held at the Swiss Spirit Hotel and Suites Alisa, North Ridge Accra on the 8th of May, 2018 at 3:00 pm to transact the following business:

- To receive the Audited financial statements of the Company for the year ended 31st December, 2017 together with the Reports of the Directors and Auditors thereon.
- To re-elect Directors of the Company
- To authorise the Directors to fix the fees of the Auditors
- To approve the conversion of Income surplus to Stated Cap

Dated this 16th day of April, 2018

BY ORDER OF THE BOARD



**Albert Kwame Gyan**

Company Secretary

## Proxy

A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a Proxy to attend and vote in his/her stead. A Proxy need not be a member of the Bank.

The appointment of a proxy will not prevent a member from subsequently attending and voting at the Meeting in person. Where a member attends the Meeting in person, the proxy appointment shall be deemed to be revoked.

All instruments of proxy must be completed and deposited at the registered office of Access Bank (Ghana) Plc, Starlets '91 Road, Accra (Opposite the Ohene Gyan Sports Stadium), not later than 48 hours before the time of the meeting.

Where a member attends the Meeting in person, the proxy appointment shall be deemed to be revoked.





Branch Network	150
ATM Network	152
International Network	153



# Branch Network

## Head Office

Access Bank (Ghana) Plc  
Starlets' 91 Road,  
Opposite Accra Sports Stadium, Osu  
P. O. Box GP 353, Accra, Ghana  
T: +233 (0) 302 661630/  
+233 (0) 302 742699  
Toll Free: 0800 004400  
E: info@ghana.accessbankplc.com  
contactcentreg@ghana.access  
bankplc.com  
www.ghana.accessbankplc.com

## Greater Accra Region

### Abeka Lapaz Branch

Former Bambolino Restaurant  
Accra- Akweteman Road  
T +233 (0) 289 555369  
+233 (0) 302 420072 – 3

### Accra Newtown Branch

Accra Newtown Road,  
T +233 (0) 307 021253  
+233 (0) 302 201615

### Achimota Branch

Nsawam Road,  
Near Neoplan Station, Achimota  
T+233 (0) 302 419080 - 3  
+233 (0) 302 419085  
+233 (0) 289 700506

### Adjiringanor Branch

Baby Jet Heights, East Adjiringanor  
near East Legon  
T+233 (0) 307 002975  
+233 (0) 307 002634

### Alajo (Agency)

Star Oil Refueling Service Station

### Ashaiman Branch

Off the Accra-Ada Road  
T +233 (0) 303 968075  
+233 (0) 276 477088  
+233 (0) 303 300139

### Castle Road Branch

Opp Accra Sports Stadium  
T +233 (0) 302 661630  
+233 (0) 302 666036  
+233 (0) 244 335923  
F +233 (0) 302680499

### Darkuman (Agency)

Shop No.3, Darkuman High Street

### East Cantonments Branch

9 La Tebu Crescent  
East Cantonments  
T: +233 (0) 289 530150  
+233 (0) 307 010873

### Ghana Airport Cargo Centre (GACC)

Opposite CFAO/Mitsubishi  
Showroom Airport  
T +233 (0) 307 012021  
+233 (0) 307 012020

### Haatso Branch

Ebenezer Plaza, Haatso- Papao  
On the Haatso-Atomic Road  
T: + 233 (0) 367 010197

### Iris Branch

No. Z49, Volta Street  
Airport Residential Area  
T: +233 (0) 289 559 104

### Kaneshie Main Branch

Winneba Road  
Near Pamprom, Traffic Light  
T +233 (0) 302 662351  
+233 (0) 302 662347  
+233 (0) 244 335936

### Kaneshie Post Office Branch

General Post Office Premises  
T +233 (0) 302 247849  
+233 (0) 302 247850

### Kantamanto Branch

Tarzan House  
Kantamanto Market  
T +233 (0) 303 972156  
+233 (0) 303 972157  
+233 (0) 244 33593

### Lashibi Branch

Lashibi Opposite Farm Vivien  
T: +233 (0) 307 002 974

### Legon Branch

Jubilee Road Banking Square  
University of Ghana, Legon  
T: +233 (0) 397 010 103  
+233 (0) 3039 751 18/9

### Madina Branch

Hollywood Shopping Centre  
Accra - Aburi Road  
T +233 (0) 302 520713  
+233 (0) 302 520725  
+233 (0) 244 339245  
+233 (0) 244 339244  
F +233 (0) 302520715

### Nima Branch

Nima Roundabout  
T: +233 (0) 289 555654

### Nima (Agency)

House No. 114/12 Nima Market

### North Industrial Area Branch

Dadeban Road  
T +233 (0) 307 012016  
+233 (0) 307 012018  
+233 (0) 302 247855  
+233 (0) 302 247944  
F +233 (0) 302238157

### Octagon Branch

Suite 209, The Octagon  
Accra Central  
T +233 (0) 302 742699  
+233 (0) 302 908776

### Odorkor (Agency)

No. 9 at House No. B158/11  
Kwashieman Road

### Okashie Branch

Beach Avenue  
Tudu, Okashie  
T +233 (0) 289 330050  
+233 (0) 243 700629

### Osu Oxford Street Branch

41 Cantonments Road  
Next to Osu Food Court  
T: +233 (0) 302 787319

### Osu Watson House Branch

Watson House  
Osu, La Road  
T: +233 (0) 302 779152  
+233 (0) 302 779530  
+233 (0) 244 335932  
F: +233 (0) 302 784856

### Ring Road Central Branch

Abena Ateaa Towers  
T +233 (0) 302 254741  
+233 (0) 289 530020

**South Industrial Area Branch**

Sikkens House Old Fadama Road  
South Industrial Area  
T +233 (0) 302 663818  
+233 (0) 302 674654  
+233 (0) 289 554093

**Spintex Road Branch**

Finatrade Building, Blue Gate  
Near Coca Cola Roundabout  
Spintex Road  
T: +233(0) 307 079280

**Tema Community 1 Branch**

Tema Community 1 Market  
T: +233 (0) 302 978769

**Tema Industrial Area**

TT Brothers Premises  
T +233 (0) 208 556208  
+233 (0) 289 557388

**Tema Main**

Town Centre, Mansell Building  
T: +233 (0) 244 335939  
+233 (0) 244 335941  
F: +233 (0) 303 202211

**UPSA Branch**

UPSA Premises, Legon  
T +233 (0) 302 522196 - 8

**Central Region****Kasoa Branch**

I See Shopping Mall  
Opposite Petrosol Filling Station  
Bawjiase Road - Kasoa  
T +233 (0) 307 079279  
+233 (0) 289 700506

**Kasoa (Agency)**

Kasoa High Tension  
Near Kia Station  
Off Kasoa Bawjiase Road

**Ashanti Region****Adum Branch**

Plot No.14 Block II  
Prempeh II Street  
Adum - Kumasi  
T +233 (0) 322 083871 - 7  
+233 (0) 322 083870

**Alabar Branch**

House No. ZE Alabar, Kumasi  
T: +233 (0) 307 021262

**Kejetia Branch**

No. 1 Block 4 Section 5036  
Krobo, Kumasi  
T +233 (0) 327 010645  
+233 (0) 327 010710

**KNUST Branch**

Victory Towers  
Ayeduase, Kumasi  
T: +233 (0) 327 010 548

**New Amakom Branch**

Near Anloga Traffic Light  
T: +233 (0) 322 049250 - 1  
+233 (0) 322 049253

**Suame Branch**

Off Ofinso Road  
T: +233 (0) 322 083975  
+233 (0) 322 083976

**Western Region****Enchi Branch**

On the Enchi Main Road  
Adjacent the former Court Building  
T +233 (0) 303 968879  
+233 (0) 577 682223

**Sefwi Wiawso Branch**

Opposite the Ghana Sefwi  
Mpomamu Road  
T +233 (0) 322 192520  
+233 (0) 303 968857

**Takoradi Branch (1)**

Opposite Bank of Ghana  
T +233 (0) 312 032032  
+233 (0) 312 291062  
+233 (0) 312 024850  
+233 (0) 312 030244

**Takoradi Branch (2)**

Adjacent Rural Friends & MyBet  
Takoradi Market Circle  
T +233 (0) 312035451  
+233 (0) 312035450

**Tarkwa Branch**

Post Office Road  
T: +233 (0) 312 322606  
+233 (0) 312 322616  
F: +233 (0) 312 322593

**Eastern Region****Koforidua (Agency)**

Store Number AT16A  
Near 'B' Foster Bakery  
Koforidua

**Koforidua Branch**

House No. 116  
Broadway Street, Koforidua  
T +233 (0) 342031373  
T +233 (0) 342031372

**Volta Region****Ho Branch**

Independence Street  
Civic Centre to OLA Main Road  
Near Asogli Traditional Council  
T +233 (0) 307 021252  
+233 (0) 553 226050

**Upper East Region****Bolgatanga Branch**

Alhaji Danladi Palace 6  
House No. A334  
Commercial Street  
T: +233 (0) 382 024155  
+233 (0) 387 010120

**Upper West Region****Wa Branch**

House No. 188 Kabanye  
Next to AshFoam  
High Street  
T: +233 (0) 392 024439  
+233 (0) 392 024440

**Northern Region****Tamale Branch**

No. 2 Bank Street  
Bank of Ghana Road  
T: +233 (0) 372 027121-3  
F: +233 (0) 372 027 120

**Brong Ahafo Region****Techiman Branch**

Block J, Sector 1 Tamale Road  
T: +233 (0) 352 522062  
+233 (0) 352 522063

# ATM Network

## Offsite Locations

### Greater Accra Region

ACP Estates  
Kwabanya

Burma Camp Goil  
Burma Camp Goil Station  
Burma Camp

Civil Service  
CLOGSAG Office  
Ministries

Dzorwulu  
Osu Badu St.  
Adjacent Say Cheers  
Dzorwulu

Ghana Airport Cargo Centre  
(GACC)  
Opposite CFAO/Mitsubishi  
Showroom Airport  
Airport City

Goil Gbaw  
Mallam

Goil Dome  
Kwabanya

Goil Agbogba Junction  
Agbogba

High Street  
Opposite National Lotteries  
Accra Art Centre

Korle Bu Hospital  
Korle-bu ATM Farm  
Korle-bu

University of Ghana, Legon  
Central Cafeteria  
Adjacent SRC Union Building  
Legon

Marina Mall  
Mall Entrance, Marina Shopping  
Mall  
Airport City

MaxMart  
Family Shopping Centre  
Opposite Golden Tulip Hotel  
37 Liberation Road

Nungua Goil C5  
Nungua

Spintex Glory Oil Filling Station  
Spintex Road

Tema Oil Refinery  
On the Premises of TOR  
Tema

Tantra Hills Goil  
Tantra Hills Goil Station  
Tantra Hills

UPSA Hostel  
Opposite Presec Gate  
On UPSA Road

WAPIC  
35 Aviation Road  
Adjacent Nyaho Medical Centre  
Airport Residential Area

**Central Region**  
Goil Kasoa Bypass Road  
Nyanyano

**Eastern Region**  
Goil Anlo Town  
Opposite Vodafone  
Koforidua

**Ashanti Region**  
Goil Kumasi  
Santasi Roundabout  
Santasi

Goil Bekwai Roundabout  
Bekwai

KNUST  
Near Republic Hall, KNUST  
Tech

KNUST 2  
Near Parade Ground, KNUST  
Tech

Kumasi City Mall  
Asokwa

Kwadaso SDA Nursing Training  
Kwadaso

**Northern Region**  
Tamale Polytechnic  
Campus of Tamale Poly  
Tamale

**Western Region**  
Chirano Mines  
Chirano

Goil Takoradi Airport  
Roundabout  
Takoradi

University of Mines and  
Technology (UMAT)  
Tarkwa

**Volta Region**  
Ho Polytechnic  
Ho

**Branches**  
**Greater Accra Region**  
Abeka Lapaz Branch  
Accra Newtown Branch  
Achimota Branch  
Adjirniganor Branch  
Iris Branch - Airport  
Alabar Branch  
Ashaiman Branch  
Castle Road Branch (3)  
Dansoman Branch  
East Cantonments Branch  
Haatso  
UPSA Branch

Kaneshie Branch  
Kantamanto Branch  
Kaneshie Post Office Branch  
Lashibi Branch  
Legon Branch  
Madina Branch (2)  
North Industrial Area Branch  
Nima Branch

Okaishie Branch  
Osu Oxford Branch  
Osu Watson Branch  
Ring Road Central Branch  
South Industrial Area Branch  
Spintex Branch  
Tema Community 1 Branch  
Tema Main Branch  
Tema Industrial Area Branch

**Central Region**  
Kasoa Branch

**Brong Ahafo Region**  
Techiman Branch

**Ashanti Region**  
Adum Branch  
Alabar Branch  
Amakom Branch  
Asafo Branch  
KNUST Branch  
Suame Branch

**Western Region**  
Enchi Branch  
Sefwi Branch  
Tarkwa Branch  
Takoradi Branch

**Northern Region**  
Tamale Branch (2)

**Volta Region**  
Ho Branch

**Upper East**  
Bolga Branch

**Upper East**  
Wa



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# International Network

## Group Head Office

### Access Bank Plc RC 125384

Plot 999c, Danmole Street, P.M.B 80150  
Victoria Island, Lagos, Nigeria

T +234 1 461 9264-9/ +234 1 271 2005-7  
F +234 1 461 8811

E [info@accessbankplc.com](mailto:info@accessbankplc.com)  
[www.accessbankplc.com](http://www.accessbankplc.com)

## Banking Subsidiaries

### The Access Bank (UK) Limited

Head Office

1 Cornhill, London, EC3V 3ND  
United Kingdom

Mailing address

The Access Bank UK Limited  
4 Royal Court  
Gadbrook Park

Northwich, Cheshire

CW9 7UT

United Kingdom

E [info@theaccessbankukltd.co.uk](mailto:info@theaccessbankukltd.co.uk)

[www.theaccessbankukltd.co.uk](http://www.theaccessbankukltd.co.uk)

### Access Bank Dubai Rep. Office

Unit 43 , Level 15 Dubai International  
Financial Centre (DIFC), 121208 United  
Arab Emirates

### Shanghai Representative Office

Unit 3005, 3006 Bank of China (BOC) Tower

NO 200 Yincheng (M)

### The Access Bank (R.D. Congo) SA

158, Avenue de la Démocratie  
Kinshasa – Gombe  
Democratic Republic of the Congo

T +243 81 2222111-14

F +243 81 2222116

E [info.rdcongo@accessbankplc.com](mailto:info.rdcongo@accessbankplc.com)  
[www.accessbankplc.com/cd](http://www.accessbankplc.com/cd)

### The Access Bank (Rwanda) Limited

3rd Floor, UTC Building, Avenue de la Paix

P. O. Box 2059, Kigali, Rwanda

T +250 252 500089/90-94

F +250 252 575761, 572501

E [info.rwanda@accessbankplc.com](mailto:info.rwanda@accessbankplc.com) or  
[rwandacontactcenter@accessbankplc.com](mailto:rwandacontactcenter@accessbankplc.com)

[www.accessbankplc.com/rw](http://www.accessbankplc.com/rw)

### The Access Bank (Zambia) Limited

Plot 682, Cairo Road Northend

P. O. Box 35273

Lusaka, Zambia

T +260 211 227941

F +260 211 229967/227956

E [info.zambia@accessbankplc.com](mailto:info.zambia@accessbankplc.com)

[www.accessbankplc.com/zm](http://www.accessbankplc.com/zm)

### The Access Bank (Sierra Leone) Limited

30 Siaka Stevens Street, Freetown  
Sierra Leone

T +232 25 334933

F +232 22 220119

E [info.sierraleone@accessbankplc.com](mailto:info.sierraleone@accessbankplc.com)

[www.accessbankplc.com/sl](http://www.accessbankplc.com/sl)

### The Access Bank (Gambia) Limited

47 Kairaba Avenue

Fajara, K.S.M.D

T +220 4398227, 4399022

F +220 4396640

E [info.gambia@accessbankplc.com](mailto:info.gambia@accessbankplc.com)

[www.accessbankplc.com/gm](http://www.accessbankplc.com/gm)

## Corresponding Banks

- Access Bank, UK
- Citibank, New York
- Ghana International Bank, UK
- Commerzbank, Germany
- Bank of Beirut, UK
- Standard Bank, S.A
- Deutsche Bank, Germany
- Sumitomo Mitsui Banking Corporation

SWIFT Code: ABNGGHAC

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