standard chartered

Annual Report 2020

Supporting our clients, colleagues and communities

Here for good

Standard Chartered Bank Ghana PLC is Ghana's premier bank drawing its history from the Bank of British West Africa established in 1896.

We are a member of a leading international banking group with presence in 59 markets worldwide. Our heritage and values are expressed in our brand promise, Here for good. Our operations reflect our purpose, which is to drive commerce and prosperity through our unique diversity.

Standard Chartered Bank Ghana PLC is made up of client segments supported by functions. The Bank is listed on the Ghana Stock Exchange.

Contents

Responding to COVID-19

In response to the COVID-19 crisis, the Bank has designed relief programmes including tenor extensions and interest rate reductions on eligible local currency loans for clients in vulnerable sectors highly impacted by the COVID-19 pandemic.

Globally, Standard Chartered Plc committed USD1 billion of preferential financing for companies across markets including Ghana, that provide goods and services (including those planning a switch into making such products) to help the fight against COVID-19.

We also invested GH¢4.3m in emergency relief and support to those affected by the COVID-19 pandemic in Ghana. Find out more about our responses to COVID-19, and how we have supported our clients, colleagues and communities on pages 8 to 10

Notice and Agenda

Notice is hereby given that the Annual General Meeting of Standard Chartered Bank Ghana PLC will be held virtually and streamed live from the Head Office of Standard Chartered Bank Ghana PLC, 87 Independence Avenue, Accra on **Wednesday 28th July 2021 at 11.00am** for the ordinary business of the Company.

Agenda

ORDINARY BUSINESS

1. To receive and consider the Annual Report and Audited Financial Statements of the Company for the year ended 31st December 2020 together with the reports of the directors and auditor thereon.
2. To declare a dividend
3. To elect a director
4. To approve directors' remuneration
5. To authorize the Directors to fix the remuneration of the auditor

SPECIAL BUSINESS

To consider and if thought fit, pass the following resolution as recommended by the directors, and as required by the Companies Act, 2019 (Act 992), which will be proposed as a Special Resolution:

a. That following the change of name of the Company to Standard Chartered Bank Ghana PLC, a new Constitution be adopted in line with Act 992, and be received and approved as the Constitution of the Company.

Dated this 29th April 2021
BY ORDER OF THE BOARD

SIGNED
ANGELA NAA SAKUA OKAI
(COMPANY SECRETARY)

NOTES:

i. In compliance with the current restrictions on public gatherings in force pursuant to the imposition of Restrictions Act, 2020 (Act 1012) and consequent Regulatory Directives, attendance and participation by all members and/or their proxies in this year's Annual General Meeting of the Company shall be strictly virtual (i.e. by online participation).

ii. A member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend (via online participation) and vote on his/her behalf. Such a proxy need not be a member of the Company.

iii. The appointment of a proxy will not prevent a member from subsequently attending and voting at the meeting (via online participation). Where a member attends the meeting in person (participates online), the proxy appointment shall be deemed to be revoked.

iv. A copy of the Form of Proxy can be downloaded from the Standard Chartered Bank Ghana PLC website https://www.sc.com/gh/about-us/investor-relations.html and may be filled and sent via email to shareregistry@gcb.com.gh or deposited at the registered office of the Registrars of the Company, GCB Bank Ltd., Head Office, No.2 Thorpe Road, P. O. Box 134, Accra to arrive no later than 48 hours before the appointed time for the meeting.

v. An electronic version of the Company's Financial Statements, Directors' and Auditors' Reports for the year ended 31st December 2020 may be accessed at the Company's website at https://www.sc.com/gh/about-us/investor-relations.html. The Company's Regulations and the proposed new Company's Constitution may also be accessed at the same website.

ACCESSING AND VOTING AT THE VIRTUAL AGM

vi. A unique token number will be sent to shareholders by email/ SMS or by post from 7th July 2021 to give them access to the meeting. Shareholders who do not receive this unique token number can contact the Registrars of the Company at their address GCB Bank Ltd., Head Office, No.2 Thorpe Road, P. O. Box 134, Accra or on the contact numbers listed below or by email shareregistry@gcb.com.gh at any time after 7th July, 2021 but before the date of the AGM to be sent the token number.

vii. To gain access to the **Virtual Annual General Meeting**, shareholders must visit https://scghanaagm.com on **Wednesday 28th July 2021** and input the unique token number shared with them.

viii. For shareholders who do not submit proxy forms to the Registrar of the Company prior to the meeting they may vote electronically during the Virtual AGM; again, using their unique token number. Further assistance on accessing the meeting and voting electronically can be found on https://scghanaagm.com

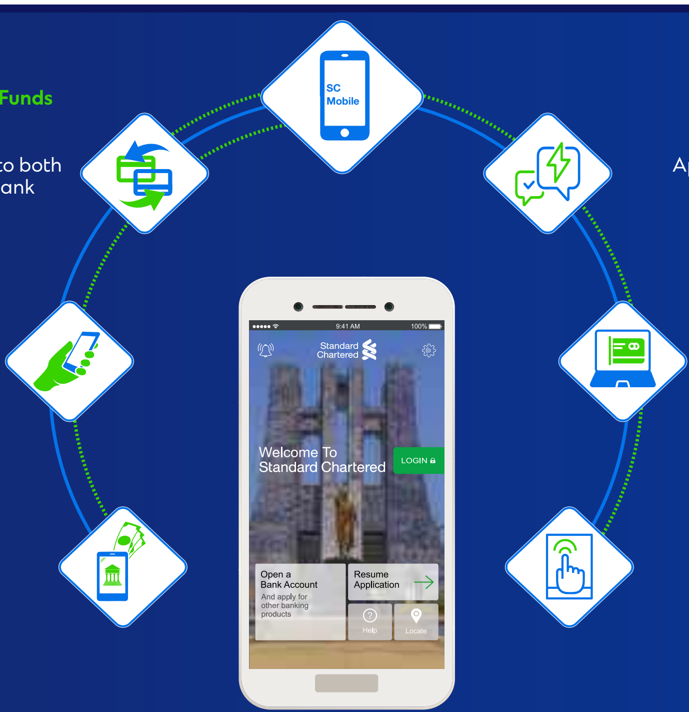
ix. Shareholders who have not already submitted their current email addresses and telephone numbers should submit / update these and other records with the Company's Registrar, GCB Bank Ltd., at their Head Office, No.2 Thorpe Road, P. O. Box 134, Accra or on their email address shareregistry@gcb.com.gh as soon as possible.

x. Shareholders are encouraged to submit their questions by email ahead of the Annual General Meeting to SCBGhana.Events@sc.com

For further information, please contact the Registrar:
GCB Share Registry
GCB Bank Ltd. Head Office
No. 2 Thorpe Road
P. O. Box 134, Accra
Telephone Nos:
0302 668712 / 0244-338508 / 0244-358514 / 0244-318079
Email: shareregistry@gcb.com.gh

Delivering future banking now through digitisation

Bank on the go with the SC Mobile Ghana App. Our advanced, seamless mobile banking platform makes banking simpler and more convenient.



Local and International Funds Transfer

Transfer Funds instantly to both local and International bank accounts.

Wealth on Mobile

Buy or sell Treasury Bills, Government securities or bonds.

Mobile Money

Send Mobile Money with ease across all networks.

Open an Account

Download the SC Mobile GH App and open an account from your mobile.

Transact with ease

Set up items such as fixed deposits and banker's drafts request. You can also buy your airtime and pay bills.

Services at your finger tips

SC Mobile comes with up to 70 in-branch requests digitised on your phone. Request Bank statements, cheque books and more.

SC Mobile App

Download the SC Mobile GH app, open an account from your mobile and receive a free debit card delivered to you.

Download the SC Mobile GH App to get started

Download on the App Store

GET IT ON Google play

Delivering our strategy

We have continued to make good progress against the strategic priorities we laid out in February 2019. As we accelerate our strategy, we have refined our focus onto four strategic priorities and three enablers (pages 22). We believe this new framework will enable us to focus on the key areas needed to transform our bank. We measure our progress against the Bank's key performance indicators (KPIs), a selection of which are below, as well as client KPIs, some of which can be found on pages 28 to 33. Our Bank's KPIs include non-financial measures reflecting our commitment to sustainability, focusing on sustainable finance, being a responsible company and promoting inclusive communities. Our 11 Sustainability Aspirations, aligned to the UN Sustainable Development Goals provide tangible targets to drive sustainable business outcomes.

Throughout this report, we use these icons to represent the different stakeholder groups for whom we create value.

Clients

Regulators and governments

Investors

Suppliers

Society

Employees

Read more on

Financial KPIs

Capital adequacy ratio

24.9% — 2020 (↓ 540 bps)

30.3% — 2019

Return on equity

32.6% — 2020 (↑ 710 bps)

25.5% — 2019

Leverage ratio

6.7% — 2020 (↓ 170 bps)

8.4% — 2019

Other financial measures

Operating income

GH¢1,022.7m — 2020 (↑ 20%)

GH¢853.0m — 2019

Profit before tax

GH¢675.4m — 2020 (↑ 59%)

GH¢424.2m — 2019

Earnings per share

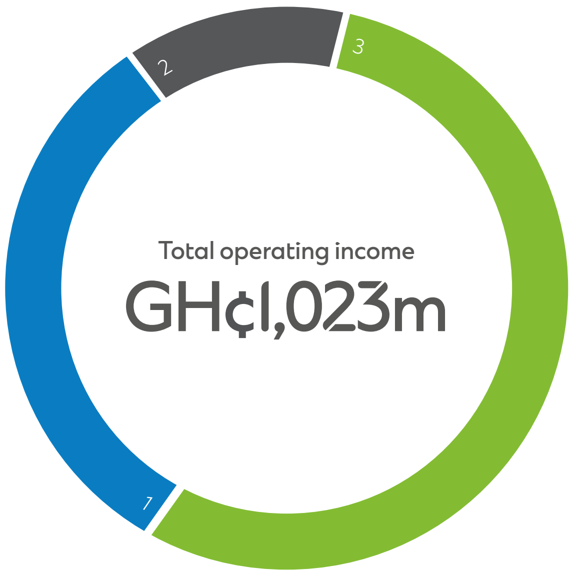
GH¢ 3.54 — 2020 (↑ 70%)

GH¢ 2.08 — 2019

Who we are and what we do

At Standard Chartered Bank Ghana PLC, our purpose is to drive commerce and prosperity through our unique diversity. We have client segments, supported by functions.

Our client segments



Local

1.
Retail Banking
Serving individuals and small businesses.

Operating income
GH¢298m

2.
Commercial Banking
Supporting local corporations and medium-sized enterprises.

Operating income
GH¢130m

Global

3.
Corporate & Institutional Banking
Serving large corporations, governments, banks and investors.

Operating income
GH¢595m

Guiding and supporting our businesses

Global functions

Our client-facing businesses are supported by our functions, which work together to ensure the Bank's operations run smoothly and consistently with our legal and regulatory obligations, our purpose and our risk appetite.

Human Resources
Enables business performance through recruiting, developing and engaging colleagues.

Legal
Enables sustainable business and protects the Bank from legal-related risk.

Technology & Innovation
Responsible for the Bank's operations, systems development and technology infrastructure.

Risk
Responsible for the sustainability of our business through good management of risk across the Bank and ensuring that business is conducted in line with regulatory expectations.

Operations
Responsible for all client operations, end-to-end, and ensures the needs of our clients are at the centre of our operational framework. The function's strategy is supported by consistent performance metrics, standards and practices that are aligned to client outcomes.

Finance
Comprises support functions: Finance, Supply Chain Management and Property.The leaders of these functions report directly to the Chief Financial Officer.

Corporate Affairs, & Brand and Marketing
Manages the Bank's communications and engagement with stakeholders in order to protect and promote the Bank's reputation, brand and services.

Internal Audit
An independent function whose primary role is to help the Board and Executive Management to protect the assets, reputation and sustainability of the Bank.

Conduct, Financial Crime and Compliance
Enables sustainable business by delivering the right outcomes for our clients and our business by driving the highest standards in conduct, fighting financial crime and compliance.

Our response to COVID-19

How we've supported our clients and communities during the pandemic

In March, globally, the bank committed $1 billion to help finance companies that provide goods and services to help in the battle against COVID-19. To date, the not-for-profit loan programme has helped businesses in Ghana manufacture and distribute sanitisers and augment the supply of diagnostic machines and drugs.

In April 2020, as companies ramped up the production of sanitizers locally, we were on hand to help.

Supporting widespread testing

We provided support to Ghanaian pharmaceutical Start up - Mpharma for the purchase and supply of PCR Molecular Diagnostic testing machines, Sample Preservation Reagent, Throat Swabs and other pharmaceutical and essential drugs and kits. This is to support availability of widespread testing for COVID 19 by making supplies to major hospitals and laboratories.

Our response to COVID-19 continued

How we have supported our communities during the pandemic

We provided emergency relief valued at GH¢4.3 million towards COVID 19 relief efforts. Working with our partner NGOs, our relief efforts were channeled to areas where they were needed most with particular focus on the vulnerable.

We donated PPE to frontline health workers in hospitals and isolation centers caring for COVID 19 patients, provided relief packs for vulnerable and supported children with no access to remote learning facilities.

Providing relief packs to vulnerable communities

Working with United Way Ghana, we distributed food boxes relief packs to 600 families in undeserved communities during the pandemic.

Supporting UNICEF activities in Ghana

We supported UNICEF programmes in Ghana including for communities impacted by the COVID-19 pandemic as part of Standard Chartered global pledge to support emergency relief activities by UNICEF that provide immediate protection and education of vulnerable children.

Virtual reading and literacy programme

Working with United Way Ghana we engaged children from vulnerable communities with no access to remote learning in literacy activities. Our employee volunteers also engaged children in a virtual reading programme reading remotely to the children.

Providing PPE to frontline healthcare workers

We provided PPE to frontline health workers in hospitals and isolation centers caring for COVID 19 patients in three regions in the country. Additionally, working with Operation Eyesight Universal 727 clinical and non-clinical staff across 15 hospitals were trained in infection prevention and control. These hospitals also received PPE to support frontline healthcare workers.

Donation of PPE to Ga East Hosptial Municipal

Providing employability skills for young women

We provided employability skills for young women from vulnerable communities. In partnership with Enactus Ghana we trained 800 young women on how to independently make, clean and care for reusable sanitary kits to improve girl's access to effective, sustainable, affordable, eco-friendly and safe menstruation products during the pandemic and beyond. They were also trained on making reusable facemasks. A packet of the reusable pads is enough to meet the sanitary needs of a girl for over a year. Beneficiaries of this can start their own business.

Feeding street children

The Bank partnered with Catholic Action for Street Children (CAS) to provide food, relief and sanitary packs for Street Children during the pandemic. In addition to the feeding, the street children receive free medication from a qualified nurse who also educates them on matters of hygiene, substance abuse, pregnancies and healthy living.

Chairman's statement

Dr. Emmanuel Oteng Kumah
Chairman

"Leading with our purpose to realise our full potential"

Distinguished ladies and gentlemen, it is my pleasure to present to you the Standard Chartered Bank Ghana PLC Annual Report and Financial Statements for the year ended 31 December 2020.

2020 was a year of unprecedented challenges with a devastating global health, economic and financial crisis. COVID 19 affected everyone - our clients, colleagues and communities in ways more than we could have ever imagined, completely changing the way we live and work.

As an organisation, in line with our brand promise, Here for good, we took timely action to support our colleagues, clients and communities as the health crisis unfolded and impacted the economy and society. At the onset of the crisis, the Management Team, supported by the Board quickly took a series of actions to prepare our staff to face the new emerging realities. These actions helped transition our colleagues to the new environment by, providing them with resources to enable them work efficiently from home thereby ensuring seamless service to our clients. Through dedication and resilience, our colleagues rallied together to support our clients navigate this challenging period. In particular, our staff increasingly adapted to serving clients in new and creative ways transitioning from in-person to virtual interactions using new technologies. Our staff have been proactively keeping close contact with clients to understand their needs and provide guidance and access to our unique capabilities, offering clients customised solutions to meet their needs. Management rolled out important and timely relief programmes including fee waivers, tenor extensions and interest rate reductions on eligible local currency loans for clients in vulnerable sectors highly impacted by the COVID-19 pandemic. Together these timely and targeted actions have helped deliver our financial goals and created increased shareholder value. Our Chief Executive will provide further details of our support to clients and our colleagues in her report.

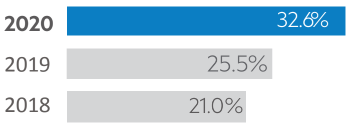
As a Bank we have always been alive to our global social responsibilities. In response to the social disruption brought about by the coronavirus, we took extensive actions to support our communities and underserved populations impacted by the pandemic.

We provided emergency relief valued at GH¢4.3million to support various interventions, in the economic and social sphere. Our relief efforts were directed to areas where they were needed

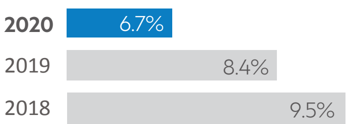
"Our milestone anniversary this year, presents us with a unique opportunity to set new aspirations powered by our purpose to address some of the big issues facing the social well-being of humanity"

Financial KPIs

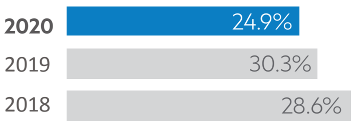
Return on equity (ROE)%



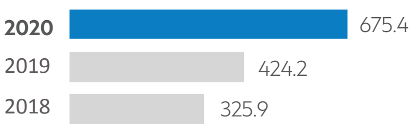
Leverage ratio (LR)%



Capital adequacy ratio (CAR)%



Profit before tax (GH¢'m)



most with particular focus on the vulnerable. These included:

- support for widespread testing - we donated PCR machines to the leading institutions mandated to carry out contact tracing and testing in the country at the onset of the pandemic ;
- provision of Personal Protective Equipment (PPE) to frontline health workers in selected hospitals and isolation centers caring for COVID 19 patients across the country;
- provision of relief packs comprising food and hygiene products to families hardest hit by the pandemic;

We partnered other organizations to provide assistance to identified vulnerable groups, namely;

- We contributed USD350,000 to UNICEF programmes in Ghana for communities impacted by the COVID-19 pandemic as part of Standard Chartered global pledge to support emergency relief activities by UNICEF.
- Working with our partner United Way Ghana we provided educational materials to 300 children in low income communities to keep them academically active while schools are closed;
- We supported 800 girls and young women from three regions with hands on employability skills training on how to independently make, clean and care for reusable sanitary kits to improve girls' access to effective sustainable, affordable, eco-friendly and safe menstruation products during the pandemic and beyond;
- We provided support to the Catholic Action for Street Children, to provide meals, relief and sanitary packs for street children during the pandemic. In addition to the feeding, the street children received free medication from a qualified nurse who also educated them on matters of hygiene, substance abuse, pregnancy and healthy living.

Together, these initiatives demonstrated our deep commitment to be Here for good, for our clients, employees, stakeholders and our larger communities particularly in times of adversity. I am proud of our outcomes and the positive impact we are making in the society during the crisis.

A resilient financial performance

2020 was another strong year for the Bank. Despite the global economic and financial crisis brought on by the pandemic, your Bank's revenue increased to GH¢1,022.7 million, some 20 percent increase over that of 2019. As our Chief Executive will explain in some detail, these results demonstrate that the actions we took over the past year in the midst of the crisis were appropriate, timely and well thought out. Indeed we can assert that the previous series of actions we took to turnaround, transform and improve the resilience of our business to external shocks over the last five years have indeed prepared us well for the current and future crisis. Despite the challenges brought by the pandemic, your Bank's key financial indicators are strong, balanced and well-respected and the envy of the financial community. We are highly liquid and well capitalised with a strong balance sheet.

We remain relentless in our quest to continuously deliver value to you, our shareholders. Return on Equity (ROE) remained strong at 32.6 per cent, while earnings per share increased to 3.54 from 2.08 in 2019.

Dividend

Given our commitment to continuously provide value to you, our shareholders, the Board is recommending a dividend payout of GH¢1.74 per ordinary share for the 2020 financial year. This represents 11 per cent increment over the 2019 payout.

Board Changes

During the year under review George Akello, was appointed Non-Executive Director. I am delighted to welcome George who brings considerable wealth of experience as a Chief Risk Officer and Regional Credit Officer for Africa, Middle East and Pakistan (including Jersey and Falklands). George has a significant understanding of credit and the risk landscape across many of our markets and will add great value to our team.

Unleashing the economic potential of our communities

Inequality within and between communities has been exacerbated by the COVID 19 pandemic reversing decades of social and economic progress. Vulnerable communities and young people are among the hardest hit by the pandemic's economic impact. We will continue to promote inclusive social and economic development by using our business to increase access to financial services, supporting economic opportunities for young people in our communities and developing community programmes that transform lives through Futuremakers by Standard Chartered, our global initiative to tackle inequality.

In line with this, we launched our Flagship Women in Technology Incubator Programme which seeks to support women-led or women-owned businesses to leverage business acumen and technology to grow their businesses. The programme is run in partnership with the Ghana Climate Innovation Centre, an Ashesi University business incubator. Following a rigorous selection process, a final 5 entrepreneurs are selected to to receive the cedi equivalent of USD10,000 monetary award as seed money to support their respective businesses. The special focus on women owned businesses recognizes the enormous potential for leveraging technology and new business models to drive economic growth and development.

With support from the Standard Chartered Foundation we rolled out a youth employability programme – Youth to Work, in partnership with Challenges Ghana to equip and provide young people with relevant skills and economic opportunities for sustainable and measurable impact. We continued to roll out the "GOAL" programme that targets adolescent girls. In 2020, we reached over 200 young girls equipping them with knowledge and skills they need to be economic leaders in their families, communities and societies.

During the year, we brought our flagship community engagement programme Seeing is Believing (SiB), to a close having invested GH¢13million in various eyecare projects across thirty-five districts in Ghana. SiB was launched in Ghana in 2007. Working with partner NGOs - Sight Savers International, Operation Eyesight Universal and Orbis International - between 2007 and 2020, SiB interventions and programmes have reached over 5 million Ghanaians and contributed immensely to the strengthening of the eye health care system in Ghana.

The success of our community engagement programmes would not be possible without the support of our employee volunteers. I would like to thank all our employees who volunteer their time, skills and expertise to support the communities we serve.

Chairman's statement continued

Leading with our purpose

This year we mark a significant milestone as we celebrate 125years of operation in this market. Standard Chartered Bank has a rich history that straddles the entire span of the history of banking in Ghana. Over the last twelve decades, we have been at the cutting edge of financial market development and supported the socio-economic development of the nation by putting our capital behind the opportunities to develop the country. Given our heritage and legacy in Ghana, we have acquired deep knowledge of the market and an understanding of the drivers of the real economy, offering us insights that help our clients reach their aspirations. Being part of an international banking group, we have also been connecting companies, institutions and individuals to some of the world's fastest growing and most dynamic regions. The events of 2020 have made our ambition more important than ever. The economic and social disruption brought by the COVID-19 pandemic has been quite devastating. As a Bank whose purpose is to drive commerce and prosperity, promoting sustainable development and well being of people has always been paramount. We believe that, our milestone anniversary this year, presents us with a unique opportunity to set new aspirations powered by our purpose to address some of the big issues facing the social well-being of humanity. We are duty bound to step up and take a stand on these issues and channel our resources to solve them. We have responded with new refreshed strategic priorities. This goes beyond social responsibility to transforming our business to create shareholder value led by our purpose and fulfilling our brand promise of Here for good. This will define the next stage of our journey by building on who we are and what we have achieved over the last 125 years and we are fully committed to making a difference.

Outlook

Having weathered the storm last year, we approach 2021 with cautious optimism as the economic and social impact of the pandemic continues to unravel. I believe however, that the speed of vaccine distribution globally and the easing back to normal in most countries will see a strengthening of the global economy albeit quite slowly as new variants emerge and threaten the progress made. Locally, we believe the expected significant vaccine drive coupled with recent measures taken to boost the economy will generate economic growth as the year progresses. Ghana's growth is expected to be moderately positive certainly below the pre-COVID-19 average trend growth of c.6.0per cent. The fiscal and external balance is expected to improve in 2021 compared to the situation in 2020, due to many government interventions. However restoring macroeconomic stability is essential to restoring durable growth and revamping fiscal revenues in the medium term is critical. Unquestionably, all sectors particularly services and industry have been impacted significantly by COVID-19. Restoration of output in 2021-23 will require resumption of key activities in major sub-sectors in services and industry. The upgrading and expansion of financial and other incentives to assist sectors, and actions to reduce cost of credit and improved market access are expected to have significant positive impact on the economy.

The banking sector post the clean-up remains stable and resilient, with strong liquidity and capital adequacy ratios. The sector played a significant role in supporting the economy during the COVID 19 crisis rolling out emergency relief measures as well as rallying to support communities impacted by the pandemic.

The sector is well positioned to support economic growth post the pandemic.

In conclusion

While our operating results for 2020 proves that we adopted the right strategy for these times, we are in a much rapidly evolving environment, hence we remain attentive to events that can influence and impact our efforts. To keep up with the constantly changing environment we must keep innovating and developing attractive value propositions for clients. We need to be agile and nimble, advancing our own digital revolution which has proven worthwhile during the pandemic. I assure you that the Board will continue to provide guidance on the execution of the strategy while providing the appropriate risk and governance oversight to ensure that we continue to deliver safe and sustainable value. As we build towards a sustainable future of being purpose-led, there are many exciting things to look forward to this year. In addition to our anniversary, we have refreshed our brand, with a vibrant, modern and distinctive expression that reflects our progress, sustainability agenda and innovation within the Bank. I trust you will continue to be ambassadors of our brand and provide us with timely feedback to enable us grow.

On behalf of the Board, I would like to express my sincere appreciation to all the colleagues of Standard Chartered Bank Ghana PLC for showing such character and resilience, supporting our clients and communities during the pandemic. Led by our Chief Executive, Mansa, and the Management Team, they showed fortitude, dedication and commitment to ensure business continuity and delivered great business outcomes in the midst of personal challenges and uncertainties. I would like to thank our clients, stakeholders and you, our shareholders for your continued support of the Bank and I wish us all a happy 125th anniversary.

Dr. Emmanuel Oteng Kumah
Chairman
18 February, 2021

Supporting frontline workers with PPEs.

Donation of PCR Equipment to the Noguchi Memorial Institute for Medical Research

Seeing is Believing draws to a close

Seeing is Believing is Standard Chartered's global initiative to tackle avoidable blindness and visual impairment.

Launched globally in 2003, Seeing is Believing (SiB) is a collaboration between Standard Chartered, the International Agency for the Prevention of Blindness (IAPB) and leading international eye health organisations.

SiB was launched in Ghana in 2007. Working with partner NGOs - Sight Savers International, Operation Eyesight Universal and Orbis International - between 2007 and 2020, SiB interventions and programmes have reached over 5 million Ghanaians. Under SiB, the first national blindness and visual impairment study was conducted.

SiB has contributed immensely to the strengthening of the eye health care system in Ghana. SiB programmes and initiatives have led to the integration of primary eye care (PEC) into all health activities at district, regional and the national level as well as the straightening of eye health indicators in the Hospital Management Systems (HMIS). We bring all SiB activities to a close this year.

We will continue to support the visually impaired to take part in programmes focused on education, employability and entrepreneurship as part of Futuremakers Programme.

SiB Achievements

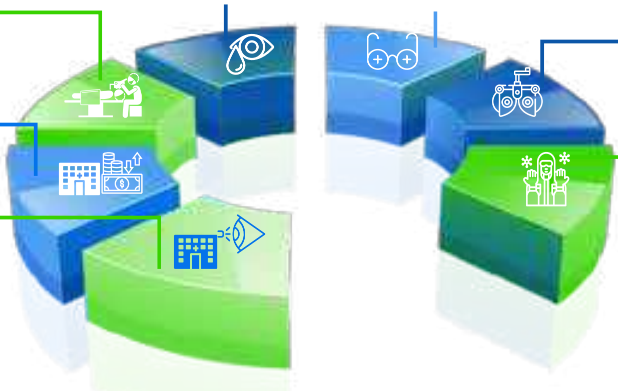
6 new eye units were constructed

Provided equipment and tools for the Ophthalmic Nursing School in Korle-Bu

2 existing eye units and 1 theatre were renovated

35 partner hospitals' outreach activities were funded

35 hospitals nation-wide were supplied with ophthalmic equipment



Supported the development of TVCs and IEC/BCC Materials on eye health

Provided PPE to hospitals to help fight COVID-19

Supporting Paediatric eye care

- 30,884 paediatric eye screenings at the primary level.
- 32,508 students screened from selected schools in the districts.
- 10,873 paediatric screenings at 5 district hospitals.
- 6 biomedical engineers were trained in equipment maintenance and servicing during a 6-week Flying Eye Hospital biomedical engineering workshop.

Supporting eye health work force

- 21 Optometrist trained in low vision.
- 71 Ophthalmic Nurses trained in the effective use of basic ophthalmic equipment.
- Capacity building of 4 tutors of the Ophthalmic Nursing School.
- Capacity building of 11 equipment technicians.
- 1,613 primary eye care workers trained.

Supporting Health Information Systems and access to essential medicine

- Supported the capacity building of Regional Health Information systems and process of populating eye health indicators in DHIMS.
- Supported 35 partner hospitals with essential eye health medicines.

Supporting Service delivery

- 20,581 surgeries conducted.
- Dispensation of 1,372 spectacles.
- Reached 5 million Ghanaians to take charge of their eye health.

SiB activities over the years


Eye screening at a basic school in Ashanti Region by Orbis in 2018


Staff volunteer assisting with Snellen Chart reading to mark World Sight Day 2019


Eye screening by employee volunteers at St. Kizito Basic School


Presentation of training equipment to Ophthalmic Nurses Training School, Korle-Bu in 2020


Walk for Sight by staff volunteers to raise awareness on avoidable blindness in 2018


Launch of results of the Ghana Blindness and Virtual Impairment Survey in 2017

Refurbished eye clinic at Weija.

Flying Eye Hospital in Ghana in 2019


Staff Volunteers registering pupils for eye screening at Kanda Cluster of Schools


Staff volunteers at a community outreach programme on eye screening in 2019


An ophthalmologist during a community outreach programme for eye health


Bake sale to raise funds for SiB


Staff volunteer registering a pupil for eye screening in 2019


Ophthalmic Nurse screening the eyes of a pupil in 2019

Chief Executive's review

Mansa Nettey
Chief Executive Officer

"Our outlook is bright"

I am pleased to share an account of how our Bank fared in 2020, responding to the financial, social and health care challenges brought about by the COVID-19 pandemic which continues to assume new dimensions in Ghana and around the world, even after the introduction of vaccines.

I would like to thank all my colleagues and our Management Team for their resilience throughout the period of uncertainty and difficulty. Our remarkable commitment to collectively support our clients and each other enabled us navigate the challenges of the period and deliver on our business goals with minimal impact. I would also like to thank our Board of Directors for their support and leadership throughout 2020.

Despite the extraordinary challenges of the year in review, we delivered a strong financial outcome, a testament to the disciplined focus on the execution of our strategic priorities underpinned by robust risk management and business efficiency.

Our Bank recorded profit before tax of GH¢675.3 million, representing 59 per cent year-on-year growth, while keeping a tight lid on our expenses. Operating expenses declined 12 per cent year-on-year to GH¢288million. Loan impairment was GH¢59.3 million which compares favourably to the 2019 provision of GH¢99.8 million.

Our results show the significant progress we have made on our transformation agenda, focused on offering a differentiated experience for our clients, while diversifying our sources of income.

Following the introduction of our refreshed priorities in 2018, we successfully built on the first phase of securing our foundations. During this second phase, through increased investments, we have delivered world class digital platforms with increased availability of products and services on our digital channels providing clients with greater convenience and seamless banking experience.

Backed by our international network, we continue to offer differentiated sovereign and sustainable finance solutions while connecting our clients – sovereign-related and corporate institutions to opportunities in some of the world's fastest growing economies across our footprint, as a Group.

We have and continue to invest in our colleagues, creating a more productive, future ready and agile workforce. We are ready to begin our next phase.

Resilience at our core

2020 was an extraordinary year with far reaching impact for our clients, colleagues and communities. The foundations we built over the last five years put us in a position of strength going into the COVID-19 pandemic. We focused on being resilient, helping our clients grow amid the economic challenges and supporting the wellbeing and safety of our colleagues.

With the pandemic disrupting many business cycles and impacting our clients, we supported our clients across all our business segments – Corporate, Commercial, Institutional, Business, Priority and Personal, with various assistance programmes to enable them navigate the challenging period.

As shared by the Chairman in his statement, through our relief programmes, we offered clients customised solutions commensurate with their needs. Our clients benefited from the Bank's global USD1 billion low-cost financing support to companies that provided goods and services in the fight against COVID-19.

We supported clients who manufactured sanitizers locally, to meet the increasing demand for low cost sanitizers. Through the programme we also supported a client to bring in Polymerase Chain Reaction (PCR) machines and help set up multiple testing centres in various local hospitals, making testing widely available to Ghanaians.

Our years of investment in digital capabilities, access and platforms across our client segments allowed us to seamlessly engage effectively with our clients during the period of restricted movement and beyond.

Clients were able to perform most of their transactions remotely without coming into our branches. Together with industry peers, we introduced fee waivers on our digital platforms to encourage increased usage. Our Corporate, Commercial and Business banking clients, through our Straight2Bank platform, were able to perform their banking transactions remotely ensuring that there were no interruptions to their businesses.

With increased digital transaction volumes, we also took robust action and invested in information and cyber security measures to ensure our platforms were strong and resilient.

Digitisation was also key in supporting our Wealth Management clients with expert advice on managing their investments in a constantly evolving environment. Our Investment Advisors found new ways of connecting virtually and delivering for our Priority Banking clients, helping them navigate the challenging period.

We also made available some of our Wealth Management products online - Online Fixed Income (OFI) has extended our reach and enhanced client convenience. The OFI platform as of November 2020 accounted for 54 per cent of total Fixed Income trade, highlighting its increasing importance within a short space of time.

We successfully integrated our digital platforms with the GHANA.GOV digital revenue collection developed by the Government of Ghana. This solution allows our clients to make payments to a variety of government agencies using the Straight2Bank online platform, or through our branches.

Being one of the world's top three trade banks, we continue to deliver sustainable growth for clients by leveraging our network to facilitate trade, capital and investment flows. During these uncertain times, we are focused on contributing to rebuilding trade and helping companies diversify their supply chains.

Supporting our colleagues

The health, safety and wellbeing of our colleagues is our priority. We put in measures to protect our colleagues and to support their families.

- o Our Chairman referenced how we transitioned our colleagues, including those identified as high risk, to work from home, providing them with tools and resources to effectively serve our clients.
- o We supported our colleagues to work flexibly, understanding there were many competing demands. By listening to our colleagues to understand their needs, we provided learning resources and guidance on wellbeing topics such as inclusion and parenting while working from home.
- o Mindful of the unique challenges of working remotely, we stepped up our internal communications and provided an avenue to stay in touch with each other through a buddy system, virtual team sessions and townhalls.
- o Throughout the year, we encouraged and enabled colleagues to come together to offer immense support for each other.

- To provide colleagues and their families with medical support, working with our partners,

Chief Executive's review continued

we made provision for mobile medical consultation and prescription delivery. We provided clinical and psychological resources to support employees, answering questions about COVID-19. We provided medical and social support to our colleagues and their families who tested positive for the virus, including isolation locations for those who were required to self-isolate but could not do so safely at home.

- To reduce the risk of infection, we made available transport services to critical staff who commuted daily via public transport, to enable them commute safely to and from work.
- For our critical and branch staff who needed to work from our office or branch premises, we enhanced on-site health, hygiene and safety protocols and measures to keep them and our clients safe.
- We introduced special compensation programmes for critical staff working in offices to serve clients during the period of restricted movement.

These are a few examples of the support we offered to our staff and their families, our clients and stakeholders. All our businesses contributed to the results, delivering year-on-year growth and had positive Economic Value-Add.

Our Commercial Banking business continued to perform well through 2020, benefitting from the effects of the support we offered mid to small businesses that had been disproportionately impacted by the pandemic and had to adjust to new business cycles.

Our team of relationship managers stayed in constant touch with their clients to better understand their needs and support them through the period providing them with timely and customised solutions.

Through our deep understanding of the market, we also reached out to new clients offering them unique solutions and supporting them with our digital capabilities to enable their businesses run smoothly. These initiatives led to the segment outperforming in 2020 with a significant number of new clients across several sectors added to the portfolio.

The Corporate and Institutional segment delivered revenue of 28 per cent over prior year resulting from continuous diversification and efficient management of the portfolio.

In collaboration with our global Research Team, we leveraged our digital capabilities to increase engagements with local and offshore investors, connecting them to key stakeholders and providing them with market expertise and insights.

By leveraging our network, we were able to provide structured financing to support critical infrastructure development, especially in the health sector.

We continue to transform our Retail Banking Business and enhance our digital proposition. We actively used feedback from our clients to upgrade our SC Mobile App with a range of innovative services which provided greater convenience for our clients.

In addition to increased investments in digital solutions, we also upgraded some of our branches, offering an optimised, modern and functional space design with lounges for consultation and advisory services as well as digital zones.

Our growth of the business remained within our established risk framework. Our principled approach to risk management allowed us to continue supporting our clients through the pandemic without compromising our operational and credit risk standards.

We maintained good Conduct as a central and critical enabler to delivering positive outcomes for our clients and stakeholders. In 2020, we enhanced our Conduct risk management and built on our approach to risk identification and mitigation.

Sustainable Finance

In collaboration with the Government of Ghana, World Economic Forum, United Nations representatives and the President's Sustainable Development Goal (SDG) Advisory Unit, we hosted the launch of Ghana's SDG Country Financing Roadmap (CFR). The event highlighted strategies to assist the Government of Ghana unlock capital to finance the SDGs. Ghana is the first African country to partner with the Sustainable Development Investment Partnership (SDIP) to implement the CFR project. We expect to leverage this collaboration to explore sustainable and blended finance opportunities, aligned with Ghana's SDGs.

We continue to use our core business to promote sustainable development. In September we published a report on the impact of manufacturing and infrastructure lending in Ghana aligned to our Sustainability Aspirations, which are linked to the United Nations SDGs and define targets to demonstrate how we are achieving sustainable outcomes; through our core business, our operations and our investment in communities.

The Report highlighted that our Bank's lending to manufacturing and infrastructure sectors generated Gross Domestic Product (GDP) impact of USD507 million, equivalent to GH¢2.8 billion, between 2009 and 2019. This translates to 1.1 per cent of Ghana's GDP.

Additionally, the lending supported 121,809 jobs in the Ghanaian economy, while directly and indirectly providing opportunities for our Bank to expand its impact by collaborating with clients on inclusion, diversity and environmental protection initiatives.

Earlier in the year, we published Opportunity2030: The Standard Chartered SDG Investment Map, which revealed an investment opportunity of about USD10 trillion for private-sector investors across all emerging markets, to help achieve the UN's SDGs.

The study identified opportunities for the private sector to contribute to three infrastructure-focused goals between now and 2030: SDG 6 — Clean Water and Sanitation, SDG 7 — Affordable and Clean Energy and SDG 9 — Industry, Innovation and Infrastructure across emerging markets. In Ghana the study showed opportunities in power, digital access, transportation, and clean water and sanitation estimated at USD20 billion.

Thought leadership

We provided thought leadership on key industry topics to help shape and build the banking and financial services industry by engaging key stakeholders such as regulators, policy makers and the Government. In 2020, we held several thought leadership events while our executives also participated in industry events sharing our expertise on various topics.

One of such was our engagement with the Ghana Police Criminal Investigations Department (CID) on Financial Crime Compliance. As a Bank, we recognize the criticality of protecting the integrity of the global financial system from financial crime activities, particularly the laundering of the proceeds of crime, terrorist financing, as well as bribery and corruption. In this regard, we continue to engage and partner key institutions in the fight against Financial Crime, with the objective of protecting our business, clients and the wider community from its damaging effects.

Other thought leadership events included:

- Business and economic round table discussions on the economy in partnership with our Global Research team.
- Webinars on information and cyber security, and fraud.
- Supporting small businesses to navigate the challenges of the global health crisis.

Awards

During the year we received the following local and international awards demonstrating our leadership in the market:

- Best Bank for Transformation in Africa — Euromoney Awards 2020
- Digital Bank of the Year — Ghana Information Technology & Telecom Awards (GITTA) 2020
- Best Retail Bank in Ghana 2020 — Asian Banker Middle East and Africa Regional Awards
- Most Helpful Bank During COVID-19 in Ghana and second most helpful in Africa — Asian Banker Middle East and Africa Regional Awards
- Most Recommended Retail Bank in Africa for Internet Banking — Asian Banker Middle East and Africa Regional Awards
- Best Consumer Digital Bank 2020 in Ghana — Global Finance Magazine Awards 2020
- Mobile Banking App of the Year — Ghana Information Technology & Telecom Awards (GIITA) 2020
- Best Wealth Management Bank — Global Business Outlook 2020

Outlook

Our performance in 2020, despite the distractions within the local and global operating environment, demonstrates that our strategy is right. We have a strong balance sheet, best-in-class suite of products and capabilities — including our industry-leading Straight2Bank and SC Mobile digital capabilities — and a team of dedicated colleagues committed to driving innovation and seeking out new opportunities in the market to benefit the aspirations of our clients and shareholders.

We remain strong and profitable and equipped to weather the remaining effects of the pandemic and well positioned to benefit from the subsequent return of favourable economic conditions.

Our refreshed strategic priorities.

Dr. Kumah expressed in his statement that, as a Group, we were pivoting to be a purpose-led organistaion. We have announced refreshed strategic priorities which connect directly to our purpose — driving commerce and prosperity through our unique diversity, and underpinned by our brand promise — Here for good, all of which will take our business to the next level and extend our impact within our community, especially as we mark 125 years of our existence in Ghana.

Our refreshed strategic priorities focus on four growth pillars and three transformational enablers

- Network: we will leverage the wealth of experience and expertise in our network to deliver best in class market capabilities and sustainable finance solutions to our clients. Our goal is to continue delivering a market-leading digital banking platform providing services such as investments, capital and trade; delivering consistent client experience; and driving income while lowering service costs.
- Affluent: being the Number One Wealth Management Bank in Ghana*, we will continue to offer our clients, unbiased, personalised wealth advice based on superior insight through our certified wealth advisors. We are working on making all our wealth solutions available on our SC Mobile, to provide greater convenience to our clients.
- Mass retail: with our enhanced digital capabilities, we aim to integrate our services into the digital lives of our clients by developing new digital solutions, strategic partnerships and advanced analytics to enable us serve our clients in a meaningful way.
- Sustainability: our aim is to become the world's most sustainable and responsible bank and the leading private-sector catalyser of finance for achieving the SDGs where it matters most. We would integrate sustainable finance as a core component of our customer value proposition and promote economic inclusion and tackle inequality.

Our strategic priorities and stands will be enabled by:

- People and Culture: we continue to invest in the wellbeing of our people, and building a culture of continuous learning to provide them with skills and re-skilling to better enable innovation and collaboration
- New Ways of Working: we are moving to a more nimble, agile and client-focused mindset to enable us make better and faster decisions and increase our speed-to market. We are organising along cross-functional teams to accelerate innovation and productivity.
- Innovation and Technology: we are putting innovation at the heart of what we do, and making it the lifeblood of the Bank, enabling us improve client experience and find new revenue streams. We have established an Innovation Board to drive this change.

The combined effect of our Stands, refreshed strategic priorities and enablers is expected to make our purpose and brand promise more tangible and measurable across the Group. They are expected to help us sustain our leadership in the business fields we choose to focus on, deliver return on tangible equity greater than 10 per cent as well as generate 50 per cent of our income from new business models in the medium term.

Conclusion

On behalf of my colleagues, the Management Team and the Board, I would like to thank our clients, shareholders, industry and community stakeholders and regulators for their immense support throughout a very challenging year.

I believe that as we focus on the execution of our refreshed priorities, we will continue to deliver sustainable value to our clients, colleagues, stakeholders and shareholders in 2021 and beyond.

Mansa Nettey

Chief Executive

18 February 2021

Opportunity2030

Launched in January 2020, known as the Standard Chartered Investment Map, Opportunity 2030, is a research document that sets out and prioritizes the potential private-sector investment opportunities in helping to tackle some of the world's most urgent and impactful challenges.

The document examines the opportunities for investors to contribute to three of the most tangible, infrastructure-focused UN Sustainable Development Goals in some of the world's fastest growing economies including Ghana.

It examines the most impactful opportunities for investing in three infrastructure-focused SDGs in 15 high-growth markets across Asia and Africa* between now and 2030: SDG 6: Clean Water and Sanitation, SDG 7: Affordable and Clean Energy and SDG 9: Industry, Innovation and Infrastructure

Highlights - Ghana

The total private-sector investment needed in Ghana is USD19.6bn

USD7.8bn

Total private-sector investment required for Ghana to achieve and maintain universal access to power by 2030

USD4.1bn

Potential private-sector investment opportunity to significantly improve transport infrastructure in Ghana

USD6.9bn

Potential private-sector investment opportunity to achieve universal access by 2030

USD0.8bn

Potential private-sector investment opportunity to achieve universal access to clean water and sanitation in Ghana

*the 15 markets are China, India, Indonesia, Vietnam, Malaysia, Thailand, Philippines, Bangladesh, Sri Lanka, Pakistan, Kenya, Nigeria, Uganda, Zambia and Ghana

Source: Opportunity2030: The Standard Chartered SDG Investment Map

Report on the socio-economic impact of manufacturing and infrastructure lending in Ghana.

Being part of an international banking group, we have the financial expertise, governance frameworks, technology and geographical reach to unlock capital for sustainable development. We are committed to the United Nations Sustainabke Development Goals (SDGs). We believe in being a force for good by promoting sustainable finance where it matters most.

In September we published a report on the impact of manufacturing and infrastructure lending in Ghana aligned to our Sustainability Aspirations, which are linked to the United Nations SDGs and define targets to demonstrate how we are achieving sustainable outcomes; through our core business, our operations and our investment in communities.

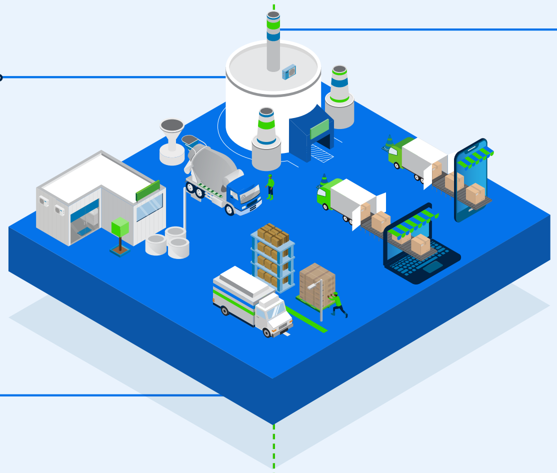
Our lending to infrastructure and manufacturing sectors supports Ghana's growth and prosperity

Contributing USD 507 million or 1.1 per cent of Ghana's GDP

GDP impact of infrastructure lending was **USD 265 million**

GDP impact of manufacturing lending was **USD 242 million**

Our clients creating a higher proportion of inclusive (female, youth, people with disabilities) opportunities for people in the labour market.



Supporting 121,809 jobs in the Ghanaian economy

- **74,348 jobs** from infrastructure lending
- **47,461 jobs** from manufacturing lending
- For every USD 1 million in loans provided to infrastructure **420 economy-wide jobs were supported**
- For every **USD 1 million** in loans provided to manufacturing **259 economy-wide jobs were supported**
- Jobs supported national development priority sectors: education, transportation and storage, the steel industry and Information Communication Technology.

WHY INFRASTRUCTURE AND MANUFACTURING?

Covers **24 per cent** of our lending in Ghana

Overlaps with our Sustainability Aspirations

Aligns to Ghana's national development priorities

Market environment

Trends in 2020

- Due to the coronavirus crisis, GDP growth contracted sharply to 0.9% in 2020
- Forecast fiscal deficit widened significantly in 2020 at 11.4%, due to revenue deterioration as a result of the COVID 19 crisis and funding for affected sectors.
- FX depreciation was 3.9%, with Gross FX reserves at 4.1 months imports cover
- Year end Inflation was 10.4%
- Monetary policy rate was reduced by 150bps to 14.5%
- Other monetary policy measures were introduced to support liquidity and credit to critical sectors of the economy

Outlook for 2021

The market environment report has been produced in collaboration with our Global Research team.

The forecasts reflect its projections, and not necessarily those of the Board.

- Post-COVID normalisation will drive faster growth in 2021, with Ghana's growth expected to accelerate to 4.2%. However, this remains below pre-COVID average trend growth of c.6.0%. Oil and gas developments are key to future growth.
- A higher average oil price in 2021 may attract new investments, although the planned shutdown of the Jubilee Field floating production, storage and offloading vessel for maintenance for some months could temporarily affect oil production levels. Further production guidance is expected in early 2021.
- Forecast current account (C/A) deficit in 2021, within a 3%-4% range. Ghana's plans to industrialise through the adoption of import substitution policies favour a narrow C/A deficit in the medium term.
- Fiscal developments in 2021 will be closely monitored, with a focus on how quickly Ghana can return to a more modest fiscal deficit path.
- More comprehensive budget plans for 2021 will likely be announced in March. The consensus view is that the post-election environment will allow the authorities to pursue deficit reduction more rapidly. However, with debt service payments accounting for c.40% of revenue, we see little fiscal flexibility.
- Risks to outlook including a slower return to post-COVID normalization due to vaccine distribution challenges, elevated inflation due to revenue measures including tax initiatives unprecedented stimulus and disruption to supply chains, or a geopolitical event resulting in an oil price spike
- 2021 forecast fiscal deficits of 8.8% in 2021, these projections are conditional on a sustained effort to achieve meaningful consolidation, which is likely to require tax increases and also assumes no Bank of Ghana deficit financing.
- Headline inflation should continue to decelerate in 2021, following elevated food prices in 2020 amid localised lockdowns. We expect a 50bps cut in the BoG's policy rate to 14.0% during the year.

Business model

Business model transformation on track:

In January 2021, we streamlined our two separate businesses into one: Corporate, Commercial and Institutional Banking (CCIB). The creation of the CCIB segment, bringing together Corporate & Institutional Banking and Commercial Banking, simplifies the way we work globally, keeping our distinct local client focus, with a less complex organisation on the ground and a single team to partner with our clients and other stakeholders.

During 2020, we implemented a number of initiatives to support existing and new clients fight the COVID – 19 pandemic. These included;

- Reduction of local currency interest rates for relevant and applicable clients
- Offering new moratoriums on loans for clients particularly in aviation and hospitality sectors
- Access to our global USD 1billion facility under concessionary terms.
- New loans to clients in manufacturing and particularly pharmaceuticals
- Prioritisation of transactions for clients directly involved in the COVID – 19 fight

Our business

Corporate, Commercial & Institutional Banking

We support companies from small and medium-sized enterprises

to large corporates and institutions, both

digitally and in person

Retail Banking

We work with small businesses and

individuals , from mass-market clients to high-net-worth individuals, both digitally and

in person

Products and services

Financial markets
- Investment
- Risk management
- Debt capital markets

Corporate Finance
- Structured and project financing
- Strategic advice

Transaction Banking
- Cash management
- Securities services
- Trade finance products

Wealth management
- Investments
- Portfolio management
- Insurance & advice
- Planning services

Retail Products
- Deposits
- Savings
- Credit cards
- Personal loans

How we generate returns

We earn net interest on the margin for loans & deposit products with clients. We also earn fees on our services & products. We earn trading income from providing risk management in financial markets.

Income
- Net interest income
- Fee income
- Trading income

Profits
- Income gained from providing our products & services minus expenses & impairments

Return on tangible equity
- Profit generated relative to tangible equity invested

What makes us different

Our purpose is to drive commerce and prosperity through our unique diversity – this is underpinned by our brand promise, **Here for good**.

Client focus

Our clients are our business. We build long-term relationships through trusted advice, expertise and best-in-class capabilities

Robust risk management

We are here for the long term. Effective risk management allows us to grow a sustainable business

Distinct proposition

Our understanding of our markets and our extensive international network allow us to offer a tailored proposition to our clients, combining global expertise and local knowledge

Sustainable and responsible business

We promote social and economic development by supporting sustainable finance, being a responsible company and promoting inclusive communities

How we are shaping our future

We have tailored our business model to meet future challenges and opportunities:

In January 2021, we streamlined our organisation by integrating our existing business units into two new segments: Corporate, Commercial & Institutional Banking (CCIB); and Consumer, Private and Business Banking (CPBB).

The creation of the CCIB segment, bringing together Corporate & Institutional Banking and Commercial Banking, simplifies the way we work globally, keeping our distinct local client focus, with a less complex organisation on the ground and a single team to partner with our clients and other stakeholders.

Our Retail and Private Banking units are now CPBB. The change will help our retail businesses deliver our services more effectively to our clients, having a more global approach while serving our clients locally.

We have also streamlined our four international regions. Our new Asia region (made up of our former Greater China & North Asia and ASEAN & South Asia regions) will allow us to make the most of regional opportunities and deliver our services more effectively across the different Asian markets.

Our other regions, Africa & the Middle East and Europe & Americas, will run as before, with Europe & Americas being more closely integrated with our new CCIB business unit.

Corporate & Institutional Banking

KPIs

Profit before taxation

GH¢431m
2020

GH¢353m
2019

Return on assets

6%
2020

5%
2019

Total assets

GH¢6,736m
2020

GH¢6,413m
2019

Clients that send instructions electronically

2020	93%
2019	87%
2018	83%

Aim: Provide needed convenience, flexibility and value desired by our clients and drive efficiency through our innovative platform solutions.

Analysis: Digital adoption remains a key driver of value for our clients. In 2020, 93 per cent of Corporate and Institutional Banking clients submitted instructions for transactions electronically compared to 87 per cent recorded for 2019.

Revenue Growth

2020	28%
2019	12%
2018	8%

Aim: Generate high-quality returns by growing capital-lite income and driving balance sheet growth within sound control environment.

Analysis: Annual percentage growth in revenue has increased from 8 per cent in 2018 to 28 per cent in 2020 driven largely by improved year-on-year performance from Trade and Financial Market Sales.

Supporting Infrastructure development in Ghana

In June 2020, as part of our efforts to drive sustainable finance that supports the UN SDG's Standard Chartered acted as the Sole Lead Arranger, Original Lender, Structuring Bank and Agent for the total financing package of EUR 78 million financing to the Ministry of Finance for the purpose of designing, constructing and equipping the new Eastern Regional Hospital at Koforidua in Ghana.

Segment overview

Corporate & Institutional Banking supports clients with their unique transaction banking, corporate finance, financial markets and borrowing needs laced with innovative technology platforms. We provide solutions to over 500 clients across the various sectors of the economy. These clients are segmented into (i) Global Subsidiaries which comprises multinational and regional corporates and (ii) Financial Institutions comprising banks, non-bank financial institutions, development organisations, the sovereign and public sector companies

Strategic Objectives

Our focus is to be a strategic partner to our clients supporting them with our diverse solutions to achieve their core business objectives. Leveraging on our extensive product and geographic coverage, deep experience in industries and segments, innovative platform solutions among others, we strive to be the leader and partner of choice to our clients.

Our value proposition to clients will continue to evolve with our clients' needs and macroeconomic trends. Our offerings will support clients in the management of key challenges their businesses face. Highlights of the priorities of the business include;

- **Structure financial solutions to drive balance sheet growth and increase our wallet share of clients' business and the market. Churn both new and existing assets to increase balance sheet efficiency and better mitigate risks.**
- **Aspire to be a lead bank across our portfolio in the provision of transaction banking platform, structuring of debt and risk management solutions and thought leadership.**
- **Leverage on our network capabilities across our global footprints to extend the reach of our clients and enable them benefit from our extensive capabilities and experience across the Group.**
- **Drive the government's agenda of industrialisation through manufacturing with our Transaction Banking proposition and provide efficient solutions across our clients via ecosystem banking.**
- **Continue to drive our corridor value proposition across key markets – mainly China, India, Europe and the America's trade with Ghana.**

Financial & Performance Highlights

- **Corporate and Institutional Banking (CIB) segment closed 2020 with revenues of GH¢ 595million which was 28 per cent better than the GH¢ 465million recorded in 2019. This top line**

performance in 2020 is the best in recent year for the CIB segment. This strong performance was anchored on good year-on-year performances from Transaction Banking and Financial Markets.

- **Our balance sheet remains liquid and robust with adequate capital to support clients.**
- **Total assets closed at GH¢ 6,736million, up 5 per cent from year 2019 reflecting adverse impact from the pandemic.**

Progress against Strategic Objectives

We continue to pursue our key strategic objectives amid challenges brought about by the COVID 19 pandemic.

There has been strong adoption of e-platform channels by our clients. Digital solutions rollout has been accelerated due to high demand necessitated by control of physical engagement as part of the COVID 19 prevention protocols.

Having a well-oiled ecosystem business proposal has become extremely relevant to serving our clients now and into the future. We continue to focus on providing an integrated solution across the value chain of our clients.

We co-create with our clients to ultimately pursue business opportunities towards sustainable goals. This will be pursued aggressively in 2021 and as well into the future.

Outlook for 2021

The impact of the pandemic remains a concern and would be watched closely. Analysts have projected a much stronger growth in Ghana's economy in 2021 and this is also reflected in Government's 2021 budget. It is believed that Government's recovery efforts and most importantly widespread vaccination would bring with it a good degree of normalcy.

We will continue to remain cautious as we seek to grow further in 2021. We would support opportunities which are in line with Ghana's evolving economy and leverage our unique position as a global bank to continue to play a key role in the provision of financial services within our risk appetite to grow our business.

The Corporate and Institutional Banking (CIB) business is well positioned for further growth in 2020. Nonetheless, we would like to highlight that 2020 has headwinds which may pose a risk to our performance especially with the coronavirus pandemic which is impacting global trade. While this remains a key challenge, we believe opportunities in line with Ghana's evolving economy places us in a unique position as a global bank to continue playing the financial intermediation role within our risk appetite to grow our business.

Retail Banking

KPIs

Profit before Taxation

GH¢ 121m
2020

GH¢ 70m
2019

Return on assets

18%
2020

11%
2019

Total assets

GH¢ 668m
2020

GH¢ 656m
2019:

Retail Digital Banking Adoption
43,903 digitally active clients, ↑18% year on year

2020	43,903
2019	37,289
2018	26,527

Aim: Become the digital main bank for our clients providing end to end digital capabilities with straight through processing to improve client experience.

Analysis: Total active digital clients went up by 18% in 2020 from 37,289 clients in 2019 to 43,903 clients. We will continue to offer clients seamless banking and access information on banking and financial trends through our digital platforms.

Priority and Business Banking Focus
Income of GH¢144 million, ↑12% year on year

2020	GH¢ 144m
2019	GH¢ 129m
2018	GH¢ 96m

Aim: Increase the proportion of income from Priority and Business Banking clients reflecting the strategic shift in client mix towards high value segment.

Analysis: The share of Retail Banking income from Priority and Business Banking clients increased to GH¢ 144million in 2020, an increase of 12% from 2019, supported by more than 1,500 new-to-bank Priority and Business clients in the year.

Helping clients navigate the pandemic

We provided our clients with convenient and secure banking channels during the pandemic.

Our digital capabilities, including our enhanced payment solutions and over 70 self-services on our flagship SC Mobile Banking app, ensured that our clients conducted their day to day banking needs without any disruptions.

Even though 70% of our staff worked from home, we ensured that

- Systems were operational 24/7,
- Staff proactively reached out to clients frequently and were available to provide solutions
- We communicated on how to maximize our digital capabilities including the non-face to face processes designed for client convenience.

Our relief packages offered to our clients also helped to minimize the impact of the COVID-19 pandemic on their businesses and investments

Segment overview

Retail Banking serves over two hundred thousand individuals and small businesses and represents a third of the Bank's income. We provide digital banking services with a human touch to our clients with services spanning across deposits, payments, financing products and Wealth Management. We build loyalty and trust through offering our clients personalised wealth products made up largely of Offshore Investments, Retail Forex and Bancassurance. We also support our clients with their business banking needs.

We are heading in the right direction with our commanding lead of the digital agenda. Our capabilities in the online and mobile banking space have seen significant improvements during the year under review.

We aim to improve productivity and client experience by driving digitisation, cost efficiencies and simplifying processes in our chosen segments.

Strategic objectives

We have made significant progress in transforming our business, channels and footprint. This has positioned us as Ghana's Best Retail Bank in the year under review.

Our priorities for the segment are:

- **Accelerate business momentum, growth and profitability. We continue to remain innovative in our product offers and back them with relationship deepening in our managed segments to drive business growth.**
- **Invest in our affluent clients with a focus on Wealth Management and Deposits, creating new opportunities for our clients to build and protect their wealth.**
- **We remain intently focused on building an increasingly more efficient business. Efficiency for us derives from accelerating towards all things digital for client acquisition whiles ensuring our channels of distribution are sized right.**
- **We have implemented a client experience which ensures that, we keep our service commitments to our clients. We are on a path of continuously improving our clients' experience through an enhanced end-to-end digital offering, with intuitive platforms, best-in-class products and service responding to the change in digital habits of clients in our markets.**
- **We will continue to build the right culture around risk, conduct and compliance. We will continue to build a business that assures stakeholders of the safety of the incomes the business generates.**

2020 Performance Highlights

Income

Retail Banking delivered a respectable financial performance in 2020, appreciable double-digit growth in income and operating profit. Total Income went up by 10 per cent year-on-year from GH¢ 271m to GH¢ 298m which was primarily driven by growth in income from Deposits and Wealth Management. Operating profit grew by 73 per cent year-on-year from GH¢ 70m to GH¢ 121m. The revenue streams of the business are well diversified by customer segments. Our performance is very much in line with our strategic direction to be the bank of choice for our clients. All customer segments delivered good performances and our business remains well positioned to deliver a superior performance in 2021.

Expenses

Expenses went down by 14 per cent year-on-year from GH¢ 181m to GH¢ 156m which is primarily attributable to business rationalisation saves and release of litigation provisions. We were able to manage cost very tightly due to the implementation of key cost efficiency initiatives throughout the business. We will continue to manage cost efficiently to release funds for further investment.

Impairments

Loan Impairment was flat year-on-year at GH¢ 21m. We will continue to monitor the portfolio quality through enhanced portfolio management and recoveries.

Balance Sheet

Deposits grew by 24% year-on-year from GH¢ 1,848m to GH¢ 2,291m. Growth in deposits was mainly driven by various initiatives including relationship deepening, competitive product offerings and sales campaigns. Loans and Advances went up by 5% from GH¢ 656m to GH¢ 668m mainly driven by personal loans. We experienced appreciable growth in lending to our Business Banking relationships during the year and this will continue to be our direction.

Updates on strategic objectives

- **We were committed to serving our clients better by listening and paying attention to their needs. In 2020, we offered relief packages for our clients to minimize the impact of the COVID–19 pandemic; waived and reduced charges on certain payment options, provided tenor extensions and interest rate reductions on eligible local currency loans and free Life Insurance cover for new and existing clients.**
- **The Retail business made significant progress in 2020 in driving its digital and transformation agenda. Various investments were made into our flagship digital banking platform - SC Mobile, which resulted in a range of other digital innovations including; Transaction limit enhancements, virtual card and other upgrades to make the platform more efficient and totally secure for our clients.**
- **We invested in our footprints with the optimisation and upgrade of our Opeibea House Branch and the relocation and upgrade of our Osu Branch. These branches boast of next generation branch designs with state-of-the-art consultation lounges and digital experiential zones to enhance the advisory services to our clients.**
- **Good progress was made in delivering on our strategic initiatives of deepening our share of market and wallet in our chosen segments. In 2020, we optimised and relocated some of our branches at key strategic locations to help us serve our clients better. The strategic shift towards banking the ecosystem is progressing steadily and will continue to remain one of the focus areas as we move into 2021.**

Outlook for 2021

2020 was a good year for Retail Banking despite the impact of reduced economic activities as a result of COVID-19. We remain strong and profitable and are clear on what we want to achieve as a business. We will continue to focus on the shift to build a more diversified and robust balance sheet to better hedge the book and work harder on providing superior wealth solutions that have become crucial in helping our clients build and manage their personal wealth. The investments and changes we have made over the last couple of years to transform the business have taken shape and placed us on a trajectory to accelerate towards achieving greater heights. In 2021, our primary focus will be to grow our customer base, roll out innovative and best in class product offerings to meet the ever-changing needs of our clients and revolutionise client experience. We will continue to invest heavily in our digital capabilities and agent banking to grow our footprints and provide convenient banking for our clients.

Commercial Banking

KPIs

Profit before taxation

GH¢123m
2020

GH¢2m
2019

Return on assets

20%
2020

0%
2019

Total assets

GH¢627m
2020

GH¢549m
2019

New to Bank clients onboarded

2020	53
2019	51
2018	34

Aim: Building scale by onboarding new to bank clients.

Analysis: We maintained strong momentum in the onboarding of new to bank clients, while deepening relationship with clients onboarded in prior years.

Capital Lite as a share of total income

2020	40%
2019	37%
2018	50%

Aim: Reshape the income mix towards capital-lite income.

Analysis: Share of capital-lite income increased from 37 per cent in 2019 to 40 per cent in 2020. We remain focused on cash rich sectors, non-borrowing clients and FX cross-sell opportunities to identify new businesses and expand the Bank's revenue streams.

Battling COVID 19

In September, 2020 we provided support to Ghanaian pharmaceutical start-up - Mpharma for the purchase and supply of PCR Molecular Diagnostic testing machines, Sample Preservation Reagent, Throat Swabs and other pharmaceutical and essential drugs and kits. This is to support availability of widespread testing for COVID 19 by making supplies to major hospitals and laboratories.

Segment overview

The Commercial Banking business is made up of High Value Small Businesses, Medium Enterprises and Local Corporates in Ghana. Internally we use clients' turnover to categorise these clients to ensure tailor-made solutions. Traditionally, these companies are engaged in productive sectors of the economy and looking to expand beyond Ghana. These companies also play critical roles in the ecosystem of our multinational and sovereign clients. All clients within our Commercial Banking segment have dedicated relationship managers and product experts providing financial solutions in Transaction Banking, Financial Markets and Corporate Finance.

Following the repositioning of this business segment in prior years, the goal is to grow and sustain returns. The strategy remains doing business with increasing number of clients (i.e. onboarding new clients) and deepening existing business with clients. Despite the effects of the pandemic we on-boarded more new clients during 2020 than preceding years. We continue to deploy our transaction banking and risk management solution to our Commercial Banking clients. Clients have benefitted from the use of our efficient, effective and secure online banking platform, Straight2Bank, and we will continue to emphasise this as one of our key competitive advantages.

Strategic Objectives

Commercial Banking is at the heart of the Group's shared purpose to drive commerce and prosperity through our unique diversity. Our clients represent a large and important part of the economy and are potential future multinational corporates at the dawn of the Africa Continental Free Trade Area. Our priorities are:

- **Drive quality sustainable growth by deepening relationships with existing clients and onboarding new clients, focusing on rapidly growing and international companies.**
- **Improve balance sheet and income mix, accelerating utilisation of growth in Cash and FX products.**
- **Continue to enhance capital allocation discipline and credit risk management.**
- **Improve client experience, using technology.**

Progress against Strategic Objectives

During 2020, the business continued to onboard new clients. The Bank's investment in staff, systems and platforms ensured that we remained opened and served our clients. The Commercial Banking business is now fully profitable with a good mix of both financing and non-financing revenues. Key highlights of the year included;

- **Expanded our business by increasing the number of clients especially in the**

manufacturing sector

- **Achieved the highest number of new clients in 2020 than any other year.**
- **Expanded our business to clients at the forefront of COVID-19 mitigation efforts.**
- **Significant reduction of the impact of non-performing loans on performance.**
- **Identified new areas such as the pharmaceutical industry and other sectors expected to drive economic growth.**

Financial & Performance Highlights

We indicated in our last year's report that the Commercial Banking segment achieved a break-even position in 2019. In 2020, the segment returned to full profitability, becoming the highest returning business in the Bank. The segment achieved healthy gains in both net interest income as well as net fees and commissions.

- **Overall income grew from GH¢ 116million in 2019 to GH¢ 130million in 2020. This revenue performance came from core activities and unlike 2019 did not include any one-offs and reflects a growing underlying business.**
- **Underlying profit before taxation grew from GH¢ 2million in 2019 to GH¢ 123million underscoring the inherent profitability of this segment and the significant effect of one-off loan recovery.**
- **Overall, the business achieved a return on assets of 20%.**
- **Increased focus on our chosen clients and strategy continue to yield dividends.**

Outlook for 2021

After a year during which we saw the adverse impact of the pandemic on certain sectors of the economy, we are optimistic about the recovery of business on the back of domestic activity. We have seen the continuous interest and focus on light manufacturing by our clients. Government remains committed to the One District One Factory initiative. These in addition to the birth of the African Continental Free Trade Area, we believe, are basis for strong performance by our local companies.

We will continue to focus on executing our supply chain agenda and deliver tailor made solutions to our clients.

Conveniently pay for Government Services through any Standard Chartered Branch

We have integrated our platforms with GHANA.GOV, the digital revenue collection service from the Government of Ghana. This solution allows our clients to make payments to a variety of government agencies using the Straight2Bank online platform, or through our branches.

Pay all taxes and custom duties, Passport application fees, Tourism levies, Greater Accra MMDAs New Business Operating Permits, Public Procurement Authority fees, National Information Technology Agency fees , Data Protection Commission fees and more.

For a full list of government ministries and agencies, visit: www.ghana.gov.gh

Ghana.GOV

standard chartered

Measuring our impact

In September 2020, we launched a report outlining the impact of **our lending to infrastructure and manufacturing sectors in Ghana. The report highlighted that our** Bank's lending to manufacturing and Infrastructure sectors which covers 24 percent of our book generated Gross Domestic Product (GDP) impact of USD507 million, equivalent to GH¢2.8 billion, between 2009 and 2019. This translates to 1.1 per cent of Ghana's GDP. Additionally the lending supported 121,000 jobs.

read more at https://www.sc.com/gh/about-us/sustainability/impact-study/

Chief Financial Officer's review

Kweku Nimfah-Essuman
Chief Financial Officer

" A resilient performance in extremely challenging conditions"

Summary of financial performance

We were making strong progress delivering our financial framework until the onset of COVID-19. Despite the challenging conditions caused by the pandemic, the Bank continued to be resilient with a strong financial performance for the year. Our focus over recent years on diversifying our sources of income was not quite enough to offset the effect of the significant reductions in interest rates that occurred mid-year and hence overall income was not where the Bank anticipated it to be.

The actions taken in recent years to improve the quality of our balance sheet sheltered us from some of the worst effects of COVID-19, as we recorded a lower credit impairment compared to prior year.

Overall, this resulted in underlying operating profit before tax increasing by 59 per cent. This is the highest percentage increment we have achieved in many years.

The Bank also retained a highly liquid balance sheet and consequently, we believe we enter 2021 well equipped to see through the remaining challenges of COVID-19 and, importantly, well positioned to benefit from the subsequent upturn in the global and local economies.

Highlights of the performance are as follows:

- **Operating income grew 20 per cent.**
- **Net interest income increased by 8 per cent with increased volumes more than offsetting the reduction in net interest margin.**
- **Non-funded income increased 48 per cent resulting from strong performance by Financial Markets.**
- **Operating expenses reduced by 12 per cent resulting from the release of previously accrued expenses which was off-set by the impact of COVID-19 related expenditure, and continued focus on investing in new digital capabilities.**
- **Credit impairment decreased by GH¢41 million to GH¢59 million. This was mainly driven by a GH¢43 million decrease in IFRS 9 impairments across all clients in addition to increased recoveries. This reflects the benefit of the work done in the intervening period to secure the Bank's foundations including tightening the Bank's risk management framework.**
- **Profit before tax increased by 59 per cent.**
- **Taxation was GH¢197 million resulting in an effective rate of 29.2 per cent.**
- **The Bank continued to create decent value for shareholders as various return metrics ended on**

a strong note for the year. Return on equity was 32.6 per cent compared to prior year of 25.5 per cent on the back of impressive growth in profit compared to a lower growth in equity invested in the Bank.

- **Return on net own funds was 35.3 per cent compared to 25.9 per cent recorded in 2019.**
- **Earnings per share (EPS) increased 70 per cent to GH¢3.54.**

The Bank's balance sheet remains strong, liquid and well diversified.

- **Loans and advances to banks decreased 87 per cent from 31 December 2019 to GH¢15 million as the Bank ran down its Financial Institutions trade loan book to optimise balance sheet returns in a low interest rate environment.**
- **Loans and advances to customers decreased 5 per cent from 31 December 2019 to GH¢1.7 billion driven mainly by repayment from clients.**
- **Customer accounts of GH¢5.7 billion increased 6 per cent from 31 December 2019 with an increase in operating account balances within current and saving accounts partly offset by a reduction in time deposits.**
- **The advances-to-deposits ratio decreased to 29.5 per cent from 32.7 per cent at 31 December 2019.**
- **Total risk-weighted assets (RWA) increased 22 per cent or GH¢0.7 billion from 31 December 2019 to GH¢4.0 billion.**
- **Credit Risk RWA increased by GH¢0.6 billion to GH¢2.6 billion, driven by an increase mainly from IFRS 16 implementation.**
- **Market Risk RWA decreased by GH¢2.3 million to GH¢36.1 million due to reduced levels of value-at-risk activities from moderate market volatility.**
- **Operational Risk RWA increased by GH¢150.6 million to GH¢1.4 billion.**

The Bank remains well capitalised and highly liquid with all metrics above regulatory thresholds. The Bank's capital adequacy ratio of 24.9 per cent was 540 basis points lower than as at 31 December 2019 and above the regulatory minimum limit of 11.5 per cent.

Outlook

Improving prospects for COVID-19 vaccines should enable the local economy to transition back to growth through 2021.

We believe that our decision to continue investing in the transformation of our business throughout the crisis will enable us to disproportionately benefit from that recovery over time.

Overall income percentage growth in 2021 is expected to be higher than that achieved in 2020 given that the economy is expected to experience a V-shaped recovery.

We will continue to manage our balance sheet prudently, particularly throughout the remainder of the pandemic.

The progress we were making up to the onset of the COVID-19 pandemic in every key financial and strategic metric gives us confidence that we can achieve our ambition to continuously protect the business and deliver increased shareholder value through strong operating leverage and disciplined capital management.

Engaging stakeholders

Clients

How we create value

We help our clients build and protect their wealth throughout the different life stages. We also offer our clients secure banking channels that save them money as well as offer them convenience and make them more efficient. We help our business clients trade, transact, invest and expand locally and globally.

How we serve and engage

Our clients continue to show us the way they want to do business. Building and fostering long-term relationships helps us to better understand our clients' needs, and enable us to offer innovative, tailored solutions to help our clients achieve their goals. We are on a path of continuously improving our processes and to ensure that client feedback leads to improvements in the way we serve.

The pandemic in 2020 led to a sudden disruption in the 'normal' way of banking. Having invested heavily in technology and digital platforms, we reorganised the way we serve our clients in order to ensure the safety of our clients and staff. We engaged our clients regularly on changes in our service hours as well as non-face to face processes designed to minimise any disruptions to their banking activities. We ensured that all systems were fully operational 24/7 and communicated our digital capabilities. Our Client Contact Centre, branches and teams were well equipped to provide 24-hour service to swiftly address the needs and concerns of our clients; to be empathetic to their situations and modified our processes to create solutions for their needs.

We offered relief packages for our clients to minimize the impact of the COVID-19 pandemic including waivers and reduced charges on frequently used payment options, tenor extensions and interest rate reductions on eligible local currency loans as well as free life insurance cover for new and existing clients.

The investment made into our digital capabilities paid off as our clients leveraged on the enhanced payment proposition and over 70 client journeys on our flagship SC Mobile Banking app. This led to a smooth transition into our new ways of banking for our clients.

In 2021, we will continue to strengthen our digital transformation and innovation capabilities to offer clients more convenience for their banking needs.

Their interests

- **Differentiated product and service offering**
- **Digitally enabled and totally secure platforms**
- **Memorable experiences**
- **Sustainable finance**
- **Real time market information**

People and Culture

Our people strategy is premised on creating a high performance culture, improving employee wellbeing, and upskilling and re-skilling our people to be future ready. We are doing this through:

- Upskilling and reskilling our people through self learning – more than 80% of employees have used our new digital learning platform, diSCover.
- Focusing on the wellbeing of our people to improve productivity and performance, through people leader support tools and our Employee Assistance Programme.
- Changing our performance management approach to enable continuous feedback and encourage innovation and collaboration.
- Embedding new ways of working, with 63% of colleagues currently working from home, and 83% expressing an interest in working flexibly.

How we serve and engage

Our employees are key to delivering a positive client experience and so creating a work environment that allows them to bring their whole being into their work is key. We recognise that opportunities that engender creative thinking among them would ultimately translate into the passion to be more and to do more; so we provide those opportunities that activate creative mindsets and enable our employees champion initiatives that gives them a sense of personal accomplishment. We engage our employees through various avenues such as the quarterly townhall meetings with management, engage them on various projects, create activities that give them exposure to senior leadership and the Board, and external exposures through short term and long term assignments.

Listening to employees

Our 'My Voice' survey (our employee engagement survey) continues to be our way of listening to our employees and assessing their level of engagement; and we always value the input and comments shared. Feedback from the surveys help us constantly improve on the overall employee experience.

Over the past four years, in response to the feedback from employees, we embarked on a culture transformation journey (Making Memorable Experiences). As a result, our engagement index has shown consistent improvement moving from 73% in 2017 to 83% in 2020, with employee net promoter score also improving from -7 in 2017 to an impressive 30.15 in 2020.

This year's 'My Voice' survey also revealed a commitment among employees to doing what is required to help the Bank succeed (99 per cent), and an increasing satisfaction with job impact (up 6 per cent), reward (up 11 per cent) and development opportunities (up 8 per cent) – all indicators that we are delivering our Employee Value Proposition.

The survey also gave us a view of how employees felt with respect to work related stress. It provided some insights into how post-COVID 19 work arrangement is creating a blurring of boundaries between work-life and home life; the extent to which the Bank supports employee wellbeing as well as expectations of their People Leaders. This feedback helped us design specific interventions including the roll out of a People Leaders Toolkit to equip our People Leaders to effectively manage virtual teams. Focus on employee wellbeing was key for us in 2020 as 40 per cent of our colleagues indicated that they were experiencing high or frequent levels of work related stress. To support their wellbeing, we revamped our Employee Assistance Programme, rolled out a Groupwide mental health app and mental health toolkits. We aslo dedicated a whole week to discussing employee wellbeing with focus on the 4 pillars of Wellbeing (mental, physical, social and financial); and recognising that our clients could benefit from

People and Culture continued

these sessions we ensured that they were also included in the various workshops that we held.

We applaud our employees for their continuous commitment to the feedback process, sharing honest and relevant perspectives to make the Bank a great place to work through the 'My Voice' survey.

Developing skills of future strategic value

Our people strategy recognises the changing world and industry we work within, and seeks to provide upskilling and re-skilling opportunities to make our employees acquire present and future skills needed to make them successful.

In 2020, while we provided content to make our people future ready, we also aimed to inculcate in them the need to take responsibility for their own development. We launched The 'GLocal Learning Week' dubbed "Invest in Yourself", with focus on listening to the voice of the customer, Innovation DNA, Future Readiness and other topical issues that helped to equip staff to position themselves appropriately in response to the changing world of work. We launched diSCover, our online learning platform which aims at empowering employees to adopt self-learning habits that will help them effectively build and develop future skills. We also organized a series of sessions under the theme 'Future Ready Series' all aimed at encouraging employees to give attention to building for themselves the relevant skills and competencies for the future.

Following from these interventions, we are excited to see a progressive shift by employees towards self-development through available online channels as evidenced by an 80% usage of the online learning channels.

Leading in the new world of work requires a unique set of skills which are quite different from the skills set required by leaders in the past. Consequently, we run targeted sessions for our senior leaders on the Future Ready Leader, and What Leaders Need to Know to Get Their People Future Ready. These sessions prepared the leadership of the Bank to better manage the uncertainties that come with the changing workplace as well as the workforce.

Creating an inclusive culture

Our commitment to enabling a diverse and inclusive culture is central to who we are, and we work with our Employee Resource Groups (ERGs) to help create awareness around inclusivity for our employees, clients and the society as a whole. Some of the initiatives we rolled out in 2020 include the following:

- Mentoring walk with Mentoring Women Ghana targeted at female students in tertiary institutions. This was attended by our CEO and the United States Ambassador to Ghana and Executive Director of Mentoring Women Ghana. The mentors included senior female staff from the American Embassy.
- Speed Mentoring session with female students of the Ghana Institute of Journalism – over 100 students participated in the event.
- Cyber Security training for female employees of our clients. Over 100 clients attended the event resulting in 5 sign ups and referrals.
- A talk on Cancer Awareness during the month of October as well as a Facebook live event held in conjunction with the Pink boys all aimed at broadening Breast Cancer Awareness within our society.
- Career workshop for tertiary institutions to improve their employability skills/CV Writing/ Staff coaching.

We continue to partner the Ghana Federation of Disability Organisations to provide career opportunities for persons with disability. In 2020 we worked with the GFD to deliver career workshops with Futuremakers, students and graduates with disability. To ensure that our branches and staff are disability friendly, we rolled out Disability Awareness training for staff across the Bank so

People and Culture continued

they know how to handle persons with disability and treat all our clients with dignity and respect. This has increased awareness amongst our staff. Our efforts in the disability space won us two different recognitions by the following bodies;

- The Ghana Disability Excellence Awards presented us with the Excellence in Employment Opportunity Award
- The 3rd Africa Human Resources Innovation Award presented us with the Excellence in Disability Employment Opportunities Award

We also celebrated some key Diversity and Inclusion dates to promote the culture of inclusion across the Bank, such as International Men's Day, International Day of Persons with disability and International Women's Day. We carried out some key initiatives on those days including speed mentoring, lunch time debate on sexual harassment at the workplace, and employee volunteering in a basic school, managing issues of disability in the work environment, financial literacy session with female secondary students and employee volunteering in some basic schools.

Learning Anywhere, Anytime

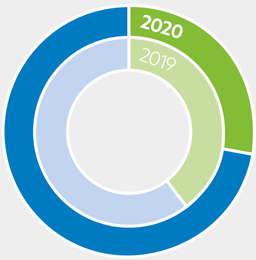
In June 2021, disCover, our new digital learning platform was launched in Ghana. This platform offered all our employees an opportunity for bespoke learning aimed at self-development at their own pace and time covering a wide range of subjects. Utilizing artificial intelligence and aligned to our future skills academies, this learning platform places in the hands of our employees access to courses from some of the top online learning content providers across the world. During the month when this platform was launched, Ghana was rated the 2nd highest user country within the Group. At present, over 75% of our staff (more than 640 unique users) have signed on to this learning platform.

Female representation

Board

Female
33.3%
(2019: 37.5%)

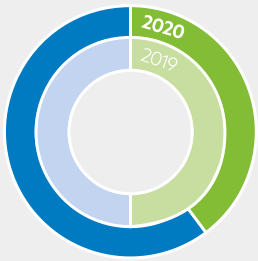
Female
3
Board members
9



Management Team

Female
46.7%
(2019: 50.0%)

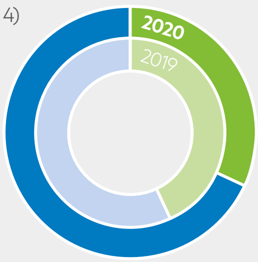
Female
7
Mgt. Team
15



Senior leadership
(Managing directors and band 4)

Female
35.0%
(2019:40.0%)

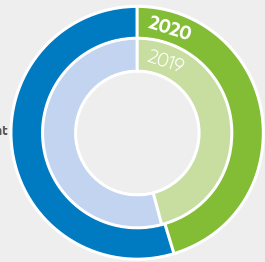
Female
7
Senior Leadership
20



Female staff

Female
49.6%
(2019: 49.3%)

Female
400
Total Head count
807



Sustainable and responsible business

Promoting Good Conduct and Combatting Financial Crime

In 2020, the Conduct, Financial Crime and Compliance (CFCC) function of the Bank continued to serve as business enablers without compromising controls. The other functions of the Bank also received the right support from CFCC to achieve their varied strategic objectives.

The promotion of good conduct and the combatting of Financial Crime formed the major bedrock of our support to our stakeholders.

Good Conduct

It is our firm belief that our clients and other stakeholders will only experience positive outcomes when good conduct is exhibited not only by the individual staff of the Bank but also by the Bank itself. In this regard, the Conduct risk management framework of the Bank was enhanced with a view to improving the quality of the management of Conduct risks across the Bank. To ensure that good conduct was an embedded culture within the Bank, every staff member was made to recommit to our Code of Conduct (which outlines in detail what is expected of each staff member in terms of conduct) only after they had completed a mandatory e-learning on Conduct. Also, the various businesses and functions put together their Conduct plans and controls having identified which Conduct risks pertained to their activities and implemented the plans within the timelines stipulated.

At Standard Chartered, ethical leadership is of paramount importance. In furtherance of this and as part of our good Conduct agenda, the Bank has among others put in place a framework for whistleblowing known as Speaking Up. This has created confidential avenues for staff, contractors, suppliers to raise concerns if they see a violation of the Bank's policies, valued behaviours or the Code of Conduct without fear of reprisals.

Combatting Financial Crime

Combatting Financial Crime protects our business, our clients, other stakeholders and ensures a sound global financial system. To this end, the Bank has put in place safeguards that ensure that our platforms are not used for financial crime such as money laundering, terrorist financing, sanctions compliance breaches, tax evasion among others. These actions by the Bank will also contribute to our regulators' quest to have the country removed from the grey list of the Financial Action Task Force (FATF) and a subsequent declassification of the country as a High Risk Third Country (HRTC) by the European Union (EU).

The fight against Financial Crime is led mainly by the CFCC function of the Bank which has the expertise in client due diligence processes, screening, monitoring and the ability to identify red flags for the effective management of financial crime risks.

Our Anti-Bribery and Corruption (ABC) policies and standards which are aimed at preventing staff or third parties working on the Bank's behalf, from engaging in bribery and corruption were actively promoted by the Bank in 2020. Thought leadership programmes in ABC and fraud risk were held in conjunction with external stakeholders for the benefit of clients and staff of the Bank. Majority of staff also completed trainings in ABC and fraud risk.

In 2021, we will continue to invest in the fight against Financial Crime through sustained training of our staff, continued introduction of innovation and technology and to partner other banks in the market, our regulators and other relevant stakeholders in thought leadership endeavours.

Managing environmental and social risk

We use our core business to promote sustainable development in our markets, while managing the environmental and social risks associated with our financing activities.

Our main impact on the environment and society is through the business activities we finance. Globally, the Bank aligns to our Group's seven Position Statements which outline the cross-sector standards we expect of ourselves and our clients, as well as sector-specific guidance for those clients operating in sectors with a high potential environmental or social impact.

We identify and assess environmental and social risks related to our Corporate & Institutional, Commercial and Business Banking clients and embed our Environmental and Social Risk framework directly into our credit approval process. All Relationship Managers and Credit officers are offered training in assessing Environmental and Social Risk against our criteria, as well as access to online resources. We continue to embed the Position Statements through e-learning and classroom based training for frontline and risk colleagues.

We work with clients, regulators and peers across the finance sector to continuously improve environmental social standards. We proactively engage with clients to mitigate identified risks and support them to improve their environmental and social performance over time. Where this is not possible, transactions have been, and will continue to be, turned down. In 2019, the Ghana Sustainable Banking Principles sponsored by the regulator of the industry was launched and this aligns with our Position Statements.

Climate change is a shared global challenge. We are committed to supporting clients through the low carbon transition in line with the Paris Agreement and supporting adaptation and resilience to tackle physical risk. In 2019, we began the process of integrating Climate Risk into our approach to risk management as a cross-cutting principal risk in recognition of the importance and significance of climate related concerns to our clients. Climate risk measures and manages financial and non-financial risks arising from climate change. We aim to reduce emissions related to our own activities and those related to the financing of clients in alignment with the Paris Agreement. We continue to engage clients on assessing climate risk and identifying low carbon opportunities through our Sustainable Finance team.

Our new approach to managing Reputational Risk going forward as a principal risk is to expand it to "Reputational and Sustainability" aimed to integrate Environmental, Social and Governance(ESG) risk management with a focus on "Do No Significant Harm" and "Responsible Business Conduct" across clients, third parties and our own operations.

Sustainable and responsible business continued

Inclusive Communities

We aim to create more inclusive economies by sharing our expertise and developing community programmes that transform lives.

In 2020 we increased support for our communities in response to the COVID 19 pandemic. We invested GH¢4.3million in communities and had 7per cent of our employees taking part in virtual volunteering activities. At the onset of the global health crisis we committed to providing emergency relief to support our communities focusing on:

- Supporting widespread testing – we donated portable Polymerase Chain Reaction (PCR) testing equipment to leading medical institutions mandated to provide diagnostic confirmation of the COVID 19 pandemic i.e the Noguchi Memorial Institute for Medical Research (NMIMR) and the Kumasi Centre for Collaborative Research (KCCR)
- Provision of Personal Protective Equipment(PPE) – we donated 10,000 PPE to frontline healthcare workers in hospitals in Greater Accra, Ashanti, Northern, Central and Eastern Regions to support and equip frontline healthcare workers in the fight against COVID 19.
- Provision of emergency relief packs to vulnerable households in Accra and educational materials for children who had no access to online learning.

Working with partner NGOs, United Way Ghana, Enactus Ghana, Operation Eyesight Universal, Catholic Action for Street Children and Sabre Education, we offered additional support for the vulnerable.

Through the Catholic Action for Street Children, we provided meals, relief and sanitary packs for street children during the pandemic. In addition to the feeding, the street children received free medication from a qualified nurse who also educated them on matters of hygiene, substance abuse, pregnancy and healthy living.

Working with Enactus Ghana we offered training to 800 young girls and women in 6 vulnerable communities in three regions i.e Northern, Eastern and Greater Accra, to develop reusable sanitary pads. Girls were taught how to independently make, clean and care for reusable sanitary kits to improve their access to effective, sustainable, affordable, eco-friendly and safe menstruation products during the pandemic and beyond. A packet of the reusable pads is enough to meet the sanitary needs of a girl for over a year.

In partnership with United Way Ghana we provided relief boxes to 600 households in Accra impacting over 2000 individuals. As part of efforts to support the most vulnerable, especially children, we leveraged our employee volunteering programme to promote and inspire reading among children in low-income communities. The Standard Chartered Virtual Reading Project brings together employee volunteers to read books approved by the Ghana Library Board, and in line with the school curriculum, to children who have been impacted by the closure of schools due to COVID-19, so they do not lag in school and academics. Through this project we reached 300 students.

In partnership with UNICEF, we are providing remote learning opportunities for children who are out of school during the pandemic and have no access to online learning.

We continued to roll out our Futuremakers programmes in 2020 which included support for COVID 19 economic recovery focusing on youth and women. The Standard Chartered Foundation is our lead partner in delivering Futuremakers. Due to the challenging environment most of the programmes were delivered virtually.

Goal, our girls' empowerment programme, replaced its sports-based sessions with a new digital curriculum delivered through MP3 players and mobile. In 2020, Goal reached 200 girls from 4 selected schools and 150 girls from 8 communities. We launched Youth to Work Programme funded by The Standard Chartered Foundation which focuses on providing youth and persons with disabilities with skills and opportunities for work.

We also launched our flagship programme – the Women in Technology Incubator. The Women in Tech Incubator Programme is specifically designed

Inclusive Communities continued

for women-led or women-owned businesses that are applying technological innovation to their operations, or women owned tech start-ups.

For the duration of the programme, Standard Chartered Bank, through Ghana Climate Innovation Centre (GCIC), an Ashesi Business Incubator, will offer a series of interventions to selected businesses including opportunities to pitch for and secure financial grants for scaling up their business and access to dedicated enterprise and portfolio managers.

Five winning businesses will be given equivalent of USD10,000 in Ghana cedis to scale up their business.

In 2020 we marked the final year of our global flagship programme Seeing is Believing (SiB) in partnership with the International Agency for the Prevention of Blindness (IAPB) and leading international eye health organisations operating in Ghana.

SiB was launched in Ghana in 2007. Working with partner NGOs - Sight Savers International, Operation Eyesight Universal and Orbis International - between 2007 and 2020, SiB interventions and programmes have reached over 5 million Ghanaians. Under SiB, the first national blindness and visual impairment study was conducted. SiB has contributed immensely to the strengthening of the eye health care system in Ghana. SiB programmes and initiatives have led to the integration of primary eye care (PEC) into all healthcare activities at district, regional and the national level as well as the straightening of eye health indicators in the Hospital Management Systems (HMIS).

We will continue to support the visually impaired to take part in programmes focused on education, employability and entrepreneurship as part of the Futuremakers Programme.

Notable achievements of SiB in Ghana include:

- construction of six new eye care units
- 2 existing eyecare and 1 theatre renovated
- 35 hospitals nationwide supplied with ophthalmic equipment
- Provision of equipment and tools to the Ophthalmic Nurses Training School in Korle-Bu
- Over 20,000 surgeries conducted
- 30,884 paediatric eye screenings at the primary level and 32,508 students screened from selected schools in the districts.
- 10,873 paediatric screenings at 5 district hospitals.
- 6 biomedical engineers trained in equipment maintenance and servicing during a 6-week Flying Eye Hospital biomedical engineering workshop.

In 2021, we will continue to roll-out Futuremakers programmes. To remain on track to deliver its aspiration, Goal will combine in-person and digital learning to reach more girls. We will launch a new programme – Youth Employability Skills funded by The Standard Chartered Foundation which will seek to train over 18,000 youth in Employability Skills across the country.

Banking from home

When COVID-19 struck, we had to move at pace to ensure we could successfully implement remote working. By end March, 70 per cent of our workforce was working from home, thanks to the provision of resources to enable staff seamlesly serve our clients from home. These included provision of laptops, head sets, data and increase in VPN capacity. We also introduced wellness programmes to help staff cope with the transition to working from home.

Corporate information

Corporate information

Board of Directors	Dr. Emmanuel Oteng Kumah	Chairman
	Mansa Nettey	Chief Executive / Managing Director
	Kweku Nimfah-Essuman	Executive Director
	Sheikh Jobe	Executive Director
	Professor Akua Kuenyehia	Independent Non-Executive Director
	Harriet-Ann Omobolanle Adesola	Non-Executive Director
	Ebenezer Twum Asante	Independent Non-Executive Director
	Kwabena Nifa Aning	Independent Non-Executive Director
	George Akello	Non-Executive Director (Appointed 29 October 2020)
Secretary	Angela Naa Sakua Okai Standard Chartered Bank Ghana PLC 87 Independence Avenue P.O. Box 768 Accra	
Auditor	KPMG Chartered Accountants Marlin House 13 Yiyiwa Drive, Abelenkpe P O Box GP 242 Accra	
Solicitor	Bentsi-Enchill Letsa & Ankomah #4 Momotse Avenue Adabraka, Accra P O Box GP 1632 Accra	
Registrar	Share Registry Department GCB Bank Limited Thorpe Road John Evans Atta Mills High Street P.O. Box 134 Accra	
Registered Office	Standard Chartered Bank Building 87 Independence Avenue P. O. Box 768 Accra	

Corporate governance

Board of Directors

Committee key

- Committee Chair shown in green
- (A) Audit Committee
- (Ri) Board Risk Committee
- (C) Cyber & Information Security Risk committee

Dr Emmanuel O. Kumah (65)

Chairman

Appointed: October 2013.

Career: Dr. Kumah is an International Economic Consultant and Advisor, and has served in several high profile roles including the International Monetary Fund (IMF), where he served for 25 years as Division Chief, IMF Resident Representative in Djibouti and Deputy Division Chief at the Balance of Payments and External Debt Division. During 1993-1994, he was Coordinator and Advisor of the Research Department of the Bank of Ghana. He also served as Senior Advisor, Bank of Ghana, from 1997 to 1999, where he provided key macroeconomic advice to the Government of Ghana.

Dr. Kumah has lectured at many institutions and written many articles on International Finance and Banking. He is currently Chairman of KEDSS Consulting, an economic and financial consulting company.

Mansa Nettey (54)

Chief Executive & Managing Director

Appointed: March 2017

Career: Mansa joined Standard Chartered Bank Ghana PLC in 1998 and rose to become the first female Chief Executive Officer in 2017.

Mansa is responsible for the overall formulation and execution of the Bank's business strategy and achievement of organisational goals within a sound control environment.

Prior to being appointed CEO, she held various senior roles in Corporate and Institutional Banking in Standard Chartered including managing across the West Africa sub-region. She was appointed first female Executive Director of Standard Chartered Bank Ghana Limited in 2013 and in 2015 was appointed a Non-Executive Director of the Board of Standard Chartered Bank, Nigeria Limited.

Mansa has extensive experience in financial and capital markets and has contributed significantly to financial markets development including pioneering risk management solutions for the government.

Her passion is empowering the youth and developing the next generation of leaders.

Mansa holds a Bachelor of Pharmacy Degree from the Kwame Nkrumah University of Science and Technology, Ghana and a Masters in Business Administration from Manchester Business School in the United Kingdom.

Director: Standard Chartered Ghana

Nominee, Zen Petroleum

President of the Ghana Association of Bankers

Kweku Nimfah-Essuman (52)

Executive Director & Chief Financial Officer

Appointed: October 2016

Career: Kweku is responsible for providing leadership and plays a critical role in the delivery of financial controls and maintenance of high standards in finance and regulatory reporting in addition to tax risk management of the Bank.

Kweku joined the Bank in 2005 and has held various positions including Financial Controller, Regulatory Reporting Manager, Financial Controls Manager. He also acted as Chief Financial Officer between August 2015 and October 2016.

Prior to this, he worked with the Banking Supervision Department of the Bank of Ghana for a period of eight (8) years as a Bank Examiner.

Kweku has a strong finance, regulatory and audit background.

He is a Chartered Accountant by profession and holds BSc Administration (Accounting option) and an Executive MBA in Finance from the University of Ghana Business School.

Judge Professor (Mrs) Akua Kuenyehia (73)
Independent Non-Executive Director

Appointed: July 2017

Career: Her Excellency Judge Professor (Mrs) Akua Kuenyehia retired in March 2015 from the International Criminal Court at The Hague (the ICC) after serving the maximum possible term of twelve years. She was elected an inaugural judge of the ICC at the inception of the court in 2003 serving as a judge and First Vice President from 2003 to 2009 and then as a judge of the Appeals Division of the Court from 2009 to March 2015.

Prior to the ICC, Her Excellency was in academia. She joined the law faculty of University of Ghana in 1972 and rose to become a Professor of Law. She was the first female to be employed by the Faculty, the first female Professor of Law and the first female Dean of the Faculty of Law. She has also been a visiting professor at the University of Pennsylvania School of Law, Temple University, Northwestern University, USA and Imo State University, Nigeria. She is an honorary fellow of Somerville College Oxford, her alma mater, and the life patron of the Akua Kuenyehia Foundation.

She has been the recipient of numerous awards and accolades including the Order of the Star of Ghana (the highest award conferred by the Government of the Republic of Ghana on an individual).

She holds a Bachelor of Laws (LLB) degree from the University of Ghana and a Bachelor of Civil Laws (BCL) degree from the University of Oxford. She has published widely in leading academic journals, written or edited books and book chapters and delivered over a hundred research papers. Together with Professor Cynthia Bowman of Cornell University she authored "Women and Law in Sub Saharan Africa".

Member of the University of Ghana Council

Committees A Ri C

Mr Kwabena Nifa Aning (53)
Independent Non-Executive Director

Appointed: December 2019

Career: Mr Kwabena Nifa Aning joins the Board of Standard Chartered Bank Ghana PLC as a seasoned finance professional with a background in accounting, business planning, projects, and corporate governance. He has over 25 years of international experience having worked with several world class organizations including De Beers, Boart Longear, African Minerals and Bunge Loders and Croklaan where he currently holds a leadership position as Regional Controller, West Africa.

He has worked on several projects delivering business and accounting solutions whilst working across sectors such as exploration and mining, agri business and financial services in the UK, where he worked for over 15 years. He also has extensive experience working in Europe, Asia, North America and many other African countries.

Mr Aning is a management consultant and former CEO, KAMONI Consult where he continues to serve as a director. He previously served as a board member of BLY Sierra Leone.

He holds a BA (Hons) Business Studies from University of Westminster, London and is an associate of the Chartered Institute of Management Accountants, UK. He enjoys reading, traveling, sports and charitable work.

Committees A Ri C

Sheikh Jobe (53)

Executive Director & Chief Operating Officer

Appointed: December 2019

Responsibility: Sheikh Jobe is an Executive Director and currently the Chief Operating Officer of Standard Chartered Bank Ghana PLC, with additional oversight of the West Africa Cluster. He is also a member of the Africa and Middle East Operations Management Team of the Bank.

Career: Prior to this role, he was the Bank's Chief Information Officer responsible for Ghana and West Africa from November 2015 to March 2019. He was responsible for providing leadership, strategic direction and support to the Information Technology & Operation teams as well as maintaining the Bank's operational and technology infrastructure in Ghana and West Africa.

Sheikh has 25 years of extensive banking experience, holding senior level positions at global, regional and country levels within Standard Chartered across technology, operations, operational risk management, financial crime risk management, compliance, audit and branch banking. He led the global roll-out of the Bank's advanced commercial banking system which is currently being used across the Bank's geographic footprint.

Prior to joining Standard Chartered in 1994, Sheikh worked with the National Audit Office of The Gambia.

Sheikh is passionate about people and philanthropy and is the Founder and President of 'Mboutou' Trust Fund for Education and Development.

Harriet-Ann Omobolanle Adesola (60)

Non-Executive Director

Appointed: July 2018

Career: Bola Adesola is the Senior Vice-Chairman, Africa at Standard Chartered Bank, where she supports the execution of the Group's strategic intent within the Africa region, including representing the Group on various boards in Africa; as well as leading as a Senior Banker on key relationships and transactions.

She joined the SCB Group in 2011 as Managing Director and Chief Executive Officer of Standard Chartered Bank Nigeria, leading the business by providing overall strategic direction.

Prior to joining the SCB Group, she was an Executive Director at First Bank of Nigeria Plc and prior to that Managing Director of Kakawa Discount House, Nigeria, where she drove record business performance. She also worked in Citibank for 9 years in senior leadership roles in Nigeria and Tanzania.

Bola Adesola has about 30 years banking experience and is an alumnus of Harvard Business School and Lagos Business School. She holds a Law degree from the University of Buckingham, UK and was called to the Nigerian Bar in 1985.

Bola is an Honorary Fellow of the Chartered Institute of Bankers Nigeria. She has previously sat on the Boards of the Financial Markets Dealers Association and Nigeria Interbank Settlement Systems Ltd, having served in various capacities in developing the Nigerian Money Market, the Interbank Settlement Systems and the Discount House subsector over the years. Bola also chairs the Central Bank of Nigeria Bankers' Sub-Committee on Economic Development, Sustainability and Gender and is the immediate past President of the Lagos Business School Alumni Association (LBSAA).

Bola Adesola was appointed to the United Nations Global Compact Board by the UN Secretary General in June 2015 and as Co Vice-Chair of the Board in February 2018. She is also a Non-Executive Director of Standard Chartered Bank Mauritius.

Committees C

Ebenezer Twum Asante (52)

Independent Non-Executive Director

Appointed: May 2019

Career: Ebenezer is the Vice President (VP) of Southern and East Africa and Ghana (SEAGHA) Region of the MTN Group with oversight over nine (9) countries and serves as a member of the MTN Group Executive Committee and Board representations for applicable MTN Group entities.

He has over fifteen years progressive and diversified experience in leadership as an accomplished Senior Executive and a Strategic Leader.

He was the CEO of MTN Ghana, a position he held from July 2015 to September 2017. Before his appointment as CEO of MTN Ghana, he was the CEO of MTN Rwanda. For both operations, he was responsible for providing sound human resource leadership and ensuring financial and organizational profitability and sustainability of the operating units.

Before joining MTN, he spent 13 years with Unilever, where he held various positions, including Managing Director for Zambia and Customer Development Director and member of the Unilever Ghana Board. He holds a BA (Hons) degree in Economics and Statistics from the University of Ghana, a Postgraduate Diploma in Management from Henley Management College and he was part of MTN's Global Advancement Programme (GAP) in 2010. He has also participated in several Executive level and General Management development programs. He serves on the boards of MTN Ghana, MTN, Uganda Limited, MTN Rwanda cell.

Committees A Ri C

Mr. George Akello (59)

Non-Executive Director

Appointed: October 2020

George Akello is the Chief Risk Officer for Standard Chartered Bank with risk oversight responsibilities for the Standard Chartered subsidiaries in East Africa. In this role he is responsible for overseeing the implementation of the Bank's Enterprise Risk Management Framework and associated policies in Kenya and across the East Africa Cluster. He is also the Regional Credit Officer for Africa, Middle East and Pakistan (including Jersey and Falklands).

George has over 20 years of experience working primarily in Senior Audit and Credit and Risk roles within Standard Chartered Bank Kenya, and East Africa.

He holds a BSc. in Statistics and Computer Science from the University of Nairobi, Kenya and is a Certified Public Accountant and member of the Institute of Certified Public Accountants in Kenya.

He is also a Non-Executive Director on the Board of Standard Chartered Bank Tanzania

Committees

Ri

Angela Naa Sakua Okai (47)

Company Secretary

Appointed: April 2014

Career: Angela is a lawyer with a wealth of experience in Branch banking having served in many roles, including Branch Manager, within the Retail Segment of the Bank. She joined the Legal and Compliance Department as a Compliance Officer in 2008, transitioning to the role of Legal Counsel for the Corporate and Institutional Clients Segment in 2010.

In her role as Company Secretary, Angela is the first female to have held this position in the Bank's history in Ghana. Angela has oversight responsibilities for Subsidiary Governance, West Africa (excluding Nigeria), with responsibility for providing leadership and support to Cameroon, Cote D'Ivoire, Gambia and Sierra Leone to ensure that the Group's subsidiary governance standards are fully implemented. Angela is a member of the Ghana Bar Association, the Commonwealth Lawyers Association and an alumni of the 2010 Fortune / US State Department Global Women's Mentoring Program.

Donating of PPE to LEKMA hospital

Supporting frontline healthcare workers with PPE

At the onset of the pandemic the Bank donated much needed PPEs to support frontline healthcare workers in hospitals and isolation centers designated to care for COVID 19 patients. Our aim was to ensure that frontlline healthcare workers who were sacrificing a great deal in the fight aganist the pandemic were adequately resourced to perform their duties. The donation of PPE was our way of giving back and showing our appreciation to all healthcare workers.

Management Team

Mansa Nettey
Chief Executive & Managing Director

Kweku Nimfah-Essuman
Executive Director & Chief Financial Officer

Sheikh Jobe
Executive Director & Chief Operating Officer

Xorse Godzi
Head, Corporate, Commercial & Institutional Banking (CCIB) Client Coverage

Appointed: July 2020

Career: Xorse joined the Bank in 2002 and has worked in various roles in several geographies.

During the year under review, we combined our Commercial Banking and Global Banking segments to become Corporate, Commercial & Institutional Banking (CCIB) Client Coverage.

Xorse was subsequently appointed Head, CCIB Client Coverage and now responsible for the execution of growth aspirations and efficiencies of this newly formed combined business. Prior to this appointment Xorse served as Country Head of Commercial Banking from December 2018. He also previously served as Country Head of Global Banking. Xorse has rich experience in client coverage having worked as Director, Global Corporates, London between 2006 and 2010. He was in charge of the Bank's coverage of commodity and agri-business clients in our footprints in Africa between 2013 and 2015 and was based in South Africa.

Michael Oseku-Afful
Head, Conduct, Financial Crime and Compliance

Appointed: January 2020

Career: Michael joined the Bank in November 2006 and has held many senior roles in Credit Risk, Credit Documentation, Legal and Compliance within the Bank.

He is responsible for leading and strengthening the Bank's compliance and regulatory framework.

He was the Head of Compliance for Corporate and Commercial Banking before assuming his current role.

Prior to joining Standard Chartered, he worked in Advertising and Public Relations.

Michael is a Lawyer by profession. He holds an LLB Degree from City University, London, a BA (Hons.) degree from the University of Ghana, a post graduate Diploma in Compliance (International Compliance Association) awarded by the University of Manchester, England and an Advanced Certificate in Marketing from the Chartered Institute of Marketing, UK.

Yvonne Fosua Gyebi
Head, Consumer, Private and Business Banking

Appointed: December 2019

Career: Yvonne is responsible for leading the strategic business growth agenda for the Retail Business now Consumer, Private and Business Banking(CPBB).

She has extensive experience in senior roles within the banking industry. Over the 10 years in Standard Chartered, Yvonne has served in various roles including Head of Medium Enterprises, General Manager Small & Medium Enterprises (SME), Head of Business Clients, Head of Client Relationships, Ghana & West Africa (excluding Nigeria), Country Head Commercial Banking. Prior to her appointment, She was the Value Centre General Manager for Retail Distribution, Priority and Digital Banking, where she deployed strategies to improve balance sheet growth and worked closely with the Regional and Country Digital Banking teams to implement the digital strategy including mobile client acquisition.

Yvonne started her banking career in 2005 as a Management Trainee through the Young Professional Program with Ecobank. She is a graduate of Kwame Nkrumah University of Science and Technology and also holds an MBA in Finance & Information Systems from A.B Freeman School of Business, Tulane University in the United States.

Kwame Asante
Head, Transaction Banking

Appointed: November 2015

Career: Kwame joined Standard Chartered Bank Ghana PLC in 2006 and has held a variety of roles across Africa including, Interim Head of Corporate Sales, Transaction Banking, South Africa; Country Head of Transaction Banking, Botswana and Director, Transaction Banking Sales, Ghana.

In his current role, he is responsible for leading the Transaction Banking product agenda for Corporate, Commercial and Institutional Banking in Ghana.

Prior to this , he was the Regional Head of Transaction Banking Sales, Commercial Clients, Africa.

Kwame is a graduate of Kwame Nkrumah University of Science and Technology in Ghana, and holds a postgraduate degree from the University of Leicester, UK.

Setor Quashigah
Head, Wealth Management

Appointed: November 2015

Career: Setor joined Standard Chartered in 2001 as a Management Trainee and has accumulated vast banking experience ranging from branch banking as a Sales Consultant, Customer Services Manager and Branch Manager.

Setor is responsible for delivering world class wealth products and solutions in Ghana.

Setor has held other managerial roles including Head, Direct Banking, Head, Proximity and Remote Banking, and General Manager, Preferred and Priority Banking. She built a team of high performing Relationship Managers, best in class Trusted Advisors managing our Priority Clients segment. Setor has an excellent track record in Sales, Relationship and Portfolio Management. Prior to joining Standard Chartered, Setor's career started in 1997 at Unilever Ghana Ltd.

She has an MBA from the University of Leicester, UK. and B.A from the Kwame Nkrumah University of Science and Technology in Ghana.

Asiedua Addae

Head, Corporate Affairs, Brand and Marketing

Appointed: November 2015

Career: Asiedua joined Standard Chartered Bank Ghana PLC in 2012 and has held various positions in the Bank including Head, Business Marketing and Head, Brand and Marketing.

She is responsible for managing the Bank's engagement with stakeholders in order to promote and protect the Bank's reputation, brand and services in Ghana.

Asiedua has over 18 years of experience working with a number of global brands across geographies. Prior to joining Standard Chartered Bank Ghana PLC, Asiedua worked with Unilever and L'Oreal. Asiedua is a graduate of the University of Ghana and has an MBA from Fordham University in New York.

Harry Dankyi

Head, Audit

Appointed: November 2015

Career: Harry joined the Bank in September 2002 and has held various roles within Finance, Risk and Compliance.

As the Head of Audit, he is responsible for providing independent assurance to the Board and Management on the state of the Bank's control environment.

In his previous role as Head of Compliance and Assurance, he was responsible for ensuring adherence to Group and local policies.

Prior to joining the Bank, he worked at the Volta River Authority (VRA), as a Financial Accountant and in various other capacities within the company.

He holds an MBA (Finance) and a B.Sc. Administration (Accounting Option), from the University of Ghana. He is a Fellow of the Association of Chartered Certified Accountants (ACCA) and a Certified Fraud Examiner (CFE)

Gifty Fordwuo

Head, Human Resources

Appointed: December 2016

Career: Gifty joined Standard Chartered Bank in 1997 as a Graduate Trainee and has since held several senior roles within the Human Resources Department and Retail Banking.

She is responsible for driving the strategic people agenda in Ghana.

Prior to her appointment, she held senior roles in the Bank including Head of Deposits and Transactional Products, Senior Manager for Branch Banking, Business Manager for Direct Banking, and Senior HR Business Partner, and from these roles she has gained an extensive track record in branch banking, product management and relationship management. Gifty is a Chartered Member of the Chartered Institute of Personnel and Development, UK, and holds a Post Graduate Degree in Human Resources from the University of Ghana, Legon.

Adoteye Anum
Head, Financial Markets

Appointed: May 2017

Career: Adoteye joined the Bank in 2015. He was previously the Head of Treasury Markets before assuming added responsibility of managing the Financial Markets business.

In his current role, he has oversight responsibility for the Financial Markets function in Ghana and Treasury Markets for West Africa (excluding Nigeria)

Adoteye has worked in other senior capacities in the Bank. He was Head of Global Markets in Uganda and Sierra Leone from 2007 to 2008.

Before joining the Bank, he worked in senior roles at Ecobank Transnational Incorporated and Treasury Warehouse, providing advisory services on treasury management, balance sheet, ALCO framework and ALM management

Alikem Adadevoh
Head, Legal

Appointed: January 2017

Career: Alikem joined the Bank in 2017 as the Head of Legal.

She is responsible for leading the Legal team in Standard Chartered Bank Ghana PLC.

She has over twenty-five (25) years of experience as a legal practitioner including over twelve (12) years of experience in private legal practice working with the law firm, Fugar and Company. She also has diverse and extensive experience in corporate and commercial law practice and worked with the African Development Bank (AfDB) at its headquarters in Cote D'lvoire and Tunisia respectively. Alikem also spent six years in the mining industry where she was the Legal and Compliance Manager of Golden Star Resources Limited, a Canadian mining company, based in Denver, Colorado, USA with key mining operations in Ghana.

Prior to joining Standard Chartered Bank, she worked as the Director, Legal Services of The First Group (Ghana) Limited, an investment and management services company.

She has a Master of Laws (LLM) Degree in International Banking and Finance Law from the University of London.

Kwabena Koranteng
Chief Risk Officer

Appointed: December 2018

Career: Kwabena joined Standard Chartered Bank Ghana PLC in December 2018 as the Chief Risk Officer.

He is responsible for managing the independent risk management function within the Bank.

Kwabena's previous roles include Head of Wholesale Credit Sanctioning at Barclays Bank Ghana Ltd (now ABSA) and Senior Credit Officer, Barclays Africa Group.

He has nineteen years' experience in the Banking Sector primarily with the Barclays Bank Group, with almost four years specific experience as a Head of Risk with Barclays Bank, Seychelles responsible for the Credit, Market and Operational Risk and Fraud Strategy.

He has good international exposure having worked in a number of countries within the Barclays Bank Group and possesses a holistic understanding of risk management discipline. Kwabena's areas of expertise include Credit Risk, Operational Risk, Market Risk, Financial Crime, Fraud Strategy and Business Restructuring.

He holds a first degree in BSc. Administration (Banking and Finance option) from the University of Ghana and a Master of Business Administration from the University of Leicester, U.K.

Sam Kwaku Peprah
Business Planning Manager

Appointed: December 2015

Career: Sam joined the Bank's Wholesale Banking International Graduate training programme in 2010 subsequently working as Business Planning Manager for the Transaction Banking business across West Africa and Product Sales Manager for the Bank's Global Corporate clients in Ghana.

As a Business Planning Manager, he supports the Chief Executive Officer in formulating and executing the business strategy, ensuring the achievement of performance indicators through strategic functional and business alignment and enforcing exemplary control and governance standards.

Prior to joining Standard Chartered Bank, he held sales and consulting roles with Fidelity Investments in Massachusetts, and Deloitte Touche Tomahatsu in New York respectively.

He holds an MPA in Finance and Fiscal Policy from Cornell University in Ithaca, New York.

Making an Impact, Changing the odds

Our employee volunteers engaged in virtual reading sessions with students from underserved communities to improve literacy levels. This was in partnership with United Way Ghana.

Corporate governance

Our stakeholders, their perspectives: Driving commerce and prosperity through our unique diversity

Clients

- Differentiated products across our unique footprint, preferred bank
- Digitally enabled and positive experience

Suppliers

- Open, transparent and consistent tender process
- Willingness to adopt supplier-driven innovations

Regulators and governments

- Robust capital base and strong liquidity position
- Standards for conduct and accountability for actions

Society

- Positive social and economic contributions
- Strong community outreach and sustainability programme

Investors

- Strong and sustainable performance
- Increased income, profit and return on investment

Employees

- Fair and competitive performance management and remuneration
- Engaged and diverse workforce

Standard Chartered Bank Ghana PLC ("the Company") is a key player in the banking industry in Ghana. The Company has consistently practised high standards of corporate governance in order to contribute to the promotion of an environment where such standards are upheld and practised by all industry players. The Company recognises that exemplary governance is key to sustaining the viability of the Company in the long term and is also at the heart of its committment to be "Here for Good".

To this end, the Company has committed resources to ensure that business is conducted in an ethical manner; in compliance with all legal and regulatory requirements. The Company maintains a Code of Conduct, the key principles of which underpin the conduct of all employees in their dealings with one another, clients, suppliers and other stakeholders. The Board is ultimately responsible for ensuring adherence to the Code of Conduct. The Code is reviewed and staff are required to recommit to the Code on an annual basis.

COVID-19 response

The pandemic crisis has significantly impacted people across the world, altering the way they work and how they live their lives.

Standard Chartered is no exception, with the ever-changing pandemic landscape affecting how we operate across all of our markets. During this challenging time, upholding effective governance remotely has been a key priority for the Board.

The Board has played a crucial role in steering the Bank's COVID-19 response, assessing and evaluating potential actions. The Board's focus, as the pandemic continued throughout this year, has been on protecting and advancing the interests of shareholders while also ensuring the wellbeing of colleagues, supporting clients, and showing solidarity with our communities. Most importantly, the Board has aspired to respond to the crisis, and everything it does, with humanity.

We invested GH¢4.3m in emergency relief and support to those affected by the COVID-19 pandemic in Ghana. Find out more about our responses to COVID-19, and how we have supported our clients,colleagues and communities on pages 8 to 10.

The COVID-19 crisis has reinforced the relevance of the Bank's strategic priorities and has not prevented the Board from interacting with key stakeholders. The Board continues to engage with stakeholders virtually.

All Board and committee meetings since March 2020 were adapted into virtual meetings, utilising interactive technology to ensure agile and robust engagement.

Continued

The Board

The Board is the ultimate decision making body for all material matters within the Company. It is responsible for providing leadership, setting the strategic direction of the Company and monitoring Management to ensure effective execution of such strategy. The Board's mandate is set out in its Charter and in the Schedule of Matters reserved for the Board. Key amongst this mandate are the approval, reviewing and tracking of the Company's strategy and financial performance, approving any changes to capital, ensuring a sound system of internal controls and risk management, delegation and monitoring of authorities for expenditure and other significant commitments. The Schedule of Matters reserved for the Board and the Board Charter are reviewed by the Board periodically.

The Board discharges some of its responsibilities directly and delegates other functions to its Committees. The Board also delegates authority for the operational management of the Company's business to the Chief Executive/Managing Director for further delegation by her in respect of matters which are necessary for the day to day running of the Company. The Board holds the CEO accountable for the effective discharge of her delegated responsibilities.

The Board is diverse, with a good mix of experience and skills. The areas of expertise and age of the directors are as follows:

Name	Status	Expertise	Age
Dr. Emmanuel Oteng Kumah	Chairman (Independent Director)	Economist	**65**
Mrs. Mansa Nettey	Executive Director	Banking/Financial Services	**54**
Professor Akua Kuenyehia	Independent Director	Lawyer	**73**
Mr. Kwabena Nifa Aning	Independent Director	Chartered Management Accountant	**53**
Mr. Ebenezer Twum Asante	Independent Director	Commercial/Economist	**52**
Mrs. Harriet-Ann Omobolanle Adesola	Non-Executive Director	Lawyer	**60**
Mr. George Akello	Non Executive Director	Chartered Accountant	**59**
Mr. Kweku Nimfah-Essuman	Executive Director	Chartered Accountant	**52**
Alhaji Sheikh Jobe	Executive Director	Banking/Financial Services	**53**

The Board has a total of 9 members; 6 non-executive directors (4 of whom, including the Chair are independent); and 3 executive directors. There is a very cordial working relationship between executive and non-executive directors, characterised by a healthy level of challenge and debate. Non-executive directors also have access to Management and staff at all levels.

Mr. George Akello, a non-executive director was appointed as an additional member of the Board on 29th October 2020. Mr. Akello's profile can be found on page 53 of the Annual Report.

Mr. Akello would be retiring at the 51st AGM of the Bank and would be up for election.

Roles of the Board Chair and Chief Executive Officer

The roles of the Board Chair and the Chief Executive Officer are kept separate. Except for direction and guidance on general policy, the Board has delegated the conduct of the day-to-day business to the Chief Executive Officer and the Executive Committee.

Independent Non-Executive Directors

Most of the non-executive directors are independent and free of any business relationship or other circumstances that could materially interfere with the exercise of objective or independent judgment. In determining their independence, the Board has considered the criteria set out in the Bank of Ghana Corporate Governance Directive, 2018 ("the Directive") and the contribution and conduct of directors at Board meetings, including how they demonstrate independent judgement. Directors are required to declare, on an ongoing basis, any interests that may give rise to a potential or perceived conflict of interest. The Board is made aware of the other commitments of the individual non-executive directors and is satisfied that largely, these do not conflict with their duties and time commitments as directors of the Company. Independent non-executive directors comprise forty four (44) percent of the board's composition, well within the regulatory requirement of at least thirty (30) percent.

Independent Non-executive directors are appointed for an initial term of three years with an option for renewal for a further two terms, subject to affirmation of one's independence after the first two terms.

Succession Plan

The Company has in place a succession plan for the directors which is updated regularly and a plan to maintain a balance of critical skills on the board of directors.

Professional Development and Training Activities

The Company has a very comprehensive and tailored induction process for new directors. The induction process covers the Company's business operations, the risk and compliance functions, as well as the legal, regulatory and other personal obligations and duties of a director of a listed company. Aside the induction programme, the Company ensures a continuous development programme which is needs-based and is designed for individual directors, Committees or for the Board as indicated by the annual Board training plan.

The Directors are kept updated on all regulations and laws that are enacted which may affect the operations of the Company and are also advised of the legal, regulatory and other obligations of a director of a listed company on an ongoing basis. The Directors have access to independent professional advice to enable them to discharge their duties.

In 2020, the Board focused on ensuring that each director had completed Bank of Ghana's mandatory Corporate Governance Certification programme which was conducted by the National Banking College. The certification programme comprised two modules which related to the following areas: Information Technology (IT) governance and the Implications of the Bank of Ghana Cyber Security Directive; Prudential Reporting and Emerging issues in banks; Sustainability Banking Principles and Practices (Role of the Board) and Corporate Governance Reporting and Disclosure. As at 31st March 2021 all directors except George Akello, who was appointed in October 2020, had completed all the two modules. Other areas of training for the Board for 2020 included Cloud Strategy, Cyber Security risk, and an annual refresher training on AML/CTF. Most of these trainings were conducted virtually due to the COVID pandemic.

Performance Evaluation Process

A performance evaluation of the Board is conducted on an annual basis. In line with the Company's policy and the Bank of Ghana Corporate Governance Directive, an internal board evaluation was conducted by the Directors in 2020. The evaluation process involved the use of the Linstock tool, a software managed by the Standard Chartered Group's third party service provider. The review covered members' views on overall Board interactions, the effectiveness of the Company's strategy, risk management and internal control, top risks facing the Company, conduct of business, meetings, effectiveness of the Board committees, understanding of the market, views of investors and stakeholders, succession planning for the Board and Management and scope of control exercised by the Directors, amongst others. Following the evaluation exercise, the Directors identified areas that required further consideration by the Board. These would be addressed through specific trainings and on site visits by directors.

In compliance with the Bank of Ghana Corporate Governance Directive a separate in-house evaluation of the Board on AML/CFT issues was conducted by the Directors for June and December 2020 and the results submitted to the Bank of Ghana. Members expressed the view that the Bank's AML/CFT framework was robust and fit for purpose.

Board meetings and attendance

The Board meets at least four times a year and has a special strategy session annually. A rolling agenda of matters to be discussed is maintained. There is a process in place to ensure that directors receive reports in a timely manner to enable them to ask appropriate questions and make informed decisions.

Aside the formal meetings, the Directors were engaged informally throughout the year. This creates an environment that encourages challenge, consultation, information sharing, innovative thinking and openness in communication. The directors are encouraged to interact with the Company's staff and senior staff from the Company's Group offices and to also broaden their understanding and knowledge of the Company's operations through their annual branch visits.

Due to the COVID 19 pandemic and Government's restrictions on public gatherings and travel, most of the board meetings were held virtually. The onsite branch visits were also held virtually.

The following table shows the number of Board meetings held during the year and the attendance by the directors:

Number of Board meetings held in 2020

Board members	Scheduled meetings 4	Other meetings 1	Remarks
Dr. Emmanuel Oteng Kumah	4/4	1/1	
Mrs. Mansa Nettey	4/4	1/1	
Mr. Kweku Nimfah-Essuman	4/4	1/1	
Professor Akua Kuenyehia	4/4	1/1	
Mrs. Harriet-Ann Omobolanle Adesola	4/4	1/1	
Mr. Ebenezer Twum Asante	3/4	1/1	
Mr. Kwabena Nifa Aning	4/4	1/1	
Alhaji Sheikh Jobe	4/4	1/1	
Mr. George Akello	1/4	1/1	(II) Appointed on 29th October 2020

- One other meeting was held to discuss and approve the Bank's strategy.

Board Committees

The Board has three Committees with specific delegated authorities. These are the Board Audit Committee, the Board Risk Committee and the Board Cyber and Information Security Committee. The respective Chairpersons present their reports to the Board at each scheduled meeting. The functions of the various committees and attendance of members can be found on pages 70 to 76 of this Report.

Directors' remuneration

The total remuneration for Directors is approved by Shareholders at General Meeting in accordance with the Companies Act. Remuneration for independent non-executive directors is reviewed every two years. The review is based on surveys carried out on the going market rates for non-executive directors. Depending on the results of the survey, a proposal is made to shareholders to either maintain or review directors' remuneration to ensure that the levels of remuneration and compensation are appropriate and competitive.

The independent non-executive directors are paid annual fees and a sitting allowance for meetings attended.

Executive directors' remuneration is based on the reward, support and benefits arrangements the Company has for all staff.

Information on the aggregate amount of emoluments and fees paid to directors is disclosed in Note 13(b)of the financial statements.

Conflicts of interest

The Company has a comprehensive policy on Conflicts of Interest. Staff as well as directors are required to abide by it. Directors are made aware of their obligation to avoid conflicts of interest at the induction and through ongoing training. There is a robust process which requires directors to disclose outside business interest before they are entered into. The provisions on conflict of interest are embodied in the directors' letters of appointment and Induction Handbook and is also a legal requirement under the Companies Act 2019, (Act 992). A conflicts of interest register is in place to keep record of any conflicts which are disclosed.

External Directorships and Other Business Interests

Details of the Directors' external directorships can be found in their biographies on pages 50 to 53 Per the Banks and Specialised Deposit Taking Institutions Act, 2016, (Act 930) and the Directive, directors cannot hold more than five (5) directorship positions at a time in both financial and non-financial companies (including offshore engagements). All directors have disclosed their external directorships and other professional interests to the Board, as required by Act 930 and are in compliance with the Act and the Directive.

Before committing to an additional role, directors are required to confirm that no conflicts will arise. They must also provide the necessary assurance that the appointment will not adversely impact their ability to continue to fulfil their role as director of the Company.

Internal controls

The Board is committed to managing risk and to controlling its business and financial activities in a manner which enables it to maximise profitable business opportunities, manage and ensure compliance with applicable laws and regulations and enhance resilience to external events. The Company has a process in place to ensure that any changes in legislation are captured and monitored effectively. A comprehensive gap analysis is conducted by the relevant parties once the laws are in place.

The Compliance Department ensures that the Business and Functional Units put in place controls to ensure compliance with the various laws and regulations. The effectiveness of the Company's internal control system is reviewed regularly by the Board through an Enterprise Risk Management framework and the Internal Audit function.

The Internal Audit Function monitors compliance with policies and standards and the effectiveness of internal control structures of the Company through its programme of business audits. The work of the Internal Audit function is focused on the areas of greatest risk as determined by a risk-based assessment methodology. The Internal Audit Function reports to the Board Audit Committee.

The Company has an independent risk management function headed by a Chief Risk Officer who is an independent senior executive with distinct responsibility for the risk management function and the execution of the Enterprise Risk Management framework across the entire organisation. The Chief Risk Officer reports directly to the Chief Executive Officer and indirectly to the Board Risk Committee.

Insider trading

The Company has a policy on insider trading which is strictly observed. Directors, management and staff are aware that they ought not to trade in the Company's shares while in possession of any insider information not available to the public or during a closed period. The closed period is the period between 1 January until the publication of the full year results, and 1 July until the publication of the half year results. The Dealing Policy requires specific staff to declare any dealings with securities all year round.

Going concern

The Board confirms that it is satisfied that the Company has adequate resources to continue in business for the foreseeable future. For this reason, it continues to adopt the going concern basis when preparing the financial statements.

Relations with shareholders

The Board recognises the importance of good communications with all shareholders. The Annual General Meeting (AGM) as well as the published annual report is used as an opportunity to communicate with all shareholders. The Company always gives shareholders the 21 days' notice of the AGM as provided for in the Companies Act 2019 (Act 992) and shareholders are encouraged to ask questions and also appoint proxies to represent them where they are unable to attend. Ad hoc shareholder requests for information are handled on an on-going basis and on the floor of the AGM. Shareholders are encouraged to visit www.sc.com/gh for general information on the Company as well as annual reports. In upholding and protecting shareholders' rights, the Board recognises that every shareholder has a right to participate and vote at the general shareholders meeting. The Board has engaged the services of a professional Registrar, Share Registry Department GCB Bank Ltd., to allow for quick resolution of all shareholder queries and smooth transfer of shares.

Whistle Blowing policy

All employees are encouraged to report irregularities of a general, operational and financial nature in the Company to the directors or designated official through the "Speak Up" portal. All "Speak Up" cases are investigated and the required action taken to ensure feedback is provided as appropriate.

Feeding Street Children

We supported the Catholic Action for Street Children (CAS) to provide food, relief and sanitary packs for street children during the pandemic.

Report of the directors

Report of the directors to the members of Standard Chartered Bank Ghana PLC

Directors' responsibility statement

The Directors have pleasure in submitting their reports and the financial statements of the Bank for the year ended 31 December 2020.

The Directors are responsible for preparing the Annual Report and the Bank's financial statements in accordance with applicable law and regulations.

The Companies Act, 2019 (Act 992) requires the Directors to prepare Company financial statements for each financial year.

The Directors are responsible for the preparation of financial statements that give a true and fair view of Standard Chartered Bank Ghana Plc comprising the statements of financial position at 31st December 2020, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

Under Act 992, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of their profit or loss for that period. In preparing the Company's financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable, relevant and reliable
- State whether they have been prepared in accordance with International Financial Reporting Standards and in a manner required by the Companies Act, 2019 (Act 992)
- Assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- Use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Bank's transactions and disclose with reasonable accuracy at any time the financial position of the Bank and enable them to ensure that its financial statements comply with Act 992. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Bank and to prevent and detect fraud and other irregularities.

On behalf of the Board, the Audit Committee has reviewed the annual report and the process by which the Bank believes that the annual report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the performance of the Bank. Following its review, the Audit Committee has advised the Board that such a statement can be made in the annual report.

Nature of business

The Bank is licensed by the Bank of Ghana under the Banks and Specialised Deposit Taking Institutions Act, 2016 (Act 930) to carry out universal banking business in Ghana. There was no change in the nature of the Bank's business during the year. The financial statements and the notes thereon as shown from pages 84 to 154 provide the business performance and position for the year ended 31 December 2020.

Particulars of entries in the Interests Register during the financial year

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

Related party transactions

Information regarding directors' interests in ordinary shares of the Company and remuneration is disclosed in notes 34 and 13(b) to the financial statements.

The Board and its Committees

The Board is accountable for the long-term success of the Bank and it is responsible for ensuring leadership, approving the strategy, and ensuring that the Bank is suitably resourced to achieve its strategic aspirations. In doing so, the Board considers its responsibilities to, and the impact of its decisions on its stakeholders including shareholders, employees, customers, suppliers, the environment and the communities the Bank operates in.

The Board also delegates certain responsibilities to its Committees to ensure its independent oversight. In addition, the Board also delegates authority for the operational management of the Bank to the Managing Director/Chief Executive and the Executive Committee in respect of matters which are necessary for the day to day running and management of the Bank.

The Board remains very diverse with a distinctive mixture of backgrounds, experience and skills with a mixture of Executive and Non-Executive directors. Risk and governance, shareholder and stakeholder relationships, strategy and budget, financial performance oversight, business development and people were some of the key activities the Board focused its time on in 2020 as it provided guidance to Management in steering the Bank through the financial sector clean up.

The Board met regularly throughout the year. In addition to substantial strategy discussions held at each meeting, the Board held an off-site strategy session in December 2020 at which it had a systematic and comprehensive discussion around the strategy and direction of the Bank.

During the year, Mr George Akello was appointed Non-Executive Director. All the necessary regulatory approvals have been received with respect to the changes.

Ongoing development plans

Training and development of our directors is ongoing and does not end following their induction. Continuous development of our Board of Directors is crucial to maintaining a highly engaged, well-informed and effective Board. During the year, all Directors received a combination of mandatory learning and training, internal and external briefings, presentations from guest speakers and papers on a range of topics to ensure the directors are well-informed and that the Board remains highly effective. The Directors' ongoing training in 2020 took the form of formal refresher sessions and informal meetings, covering a variety of topics throughout the year, the majority held virtually in light of the pandemic.

Schedule of Board meetings held in 2020

Board members	Standard	Ad-hoc	Remarks
Dr. Emmanuel Oteng Kumah	4/4	1/1	
Mansa Nettey	4/4	1/1	
Kweku Nimfah-Essuman	4/4	1/1	
Harriet-Ann Omobolanle Adesola	4/4	1/1	
Professor Akua Kuenyehia	4/4	1/1	
Ebenezer Twum Asante	4/4	1/1	
Sheikh Jobe	4/4	1/1	
Kwabena Nifa Aning	4/4	1/1	
George Akello	1/4	1/1	Appointed on 29 October 2020

At the time of approval of the 2020 Annual Report on 18 February 2021, the Board was made up of nine (9) Directors: three (3) Executive Directors and six (6) Non-Executive Directors. The list and their various committee representation are as stated below:

Board members	SCBG PLC Board	Board Audit Committee	Board Risk Committee	Cyber & Information Security Committee
Dr. Emmanuel Oteng Kumah (Chairperson)	Yes	No	No	No
Mansa Nettey	Yes	No	No	No
Kweku Nimfah-Essuman	Yes	No	No	No
Harriet-Ann Omobolanle Adesola	Yes	No	No	Yes
Professor Akua Kuenyehia	Yes	Yes	Yes	Yes
Ebenezer Twum Asante	Yes	Yes	Yes	Yes
Sheikh Jobe	Yes	No	No	No
Kwabena Nifa Aning	Yes	Yes	Yes	Yes
George Akello	Yes	No	Yes	No

Board roles and key responsibilities

Chairman

The Chairman is responsible for leading the Board and its overall effectiveness and governance, promoting high standards of integrity and ensuring effective communication between the Board, Management, shareholders and other stakeholders.

Managing Director (MD)/Chief Executive (CE)

The MD/CE is responsible for managing all aspects of the Bank's businesses, developing the strategy in conjunction with the businesses, the Chairman and the Board and leading its implementation.

Non-Executive Directors (NEDs)

NEDs provide an independent perspective, constructively challenge and monitor the performance and delivery of the strategy within the risk and controls set by the Board.

Board Committees

The Board made a conscious decision to delegate a broader range of issues to the Board committees, namely Audit, Risk, Cyber and Information Security. The linkages between the Committees and the Board are critical for the smooth running of the Bank.

The Board duly received the minutes and updates from each of the Committee's meetings throughout the reporting period.

The Bank has effective mechanisms in place to ensure that there are no gaps or unnecessary duplication between the remit of each Committee.

Audit Committee

The Committee has exercised its authority delegated by the Board for ensuring the integrity of the Bank's published financial information by discussing and challenging the judgements made by Management and the assumptions and estimates on which they are based. The Committee has exercised judgement in deciding which of the issues we considered in the financial statements as being significant and this report sets out the material matters that we have considered in these deliberations.

In addition to discharging its responsibilities as set out in its Terms of Reference in accordance with the requirements of the Corporate Governance Directive, the Committee spent a significant amount of time discussing the root causes of control weaknesses and regulatory breaches and the resulting remediation and mitigating action taken by management.

The Committee reviewed and discussed the work undertaken by the Internal Audit (GIA) function against a backdrop of significant programmes to understand and fully challenge where GIA has been focusing and how it maximises value from GIA resource to be as productive as possible. It also discussed resourcing for GIA and the GIA Plan.

Audit Committee composition in 2020

Committee members	Scheduled meetings (4)
Kwabena Nifa Aning (Chairperson)	4/4
Professor Akua Kuenyehia	4/4
Ebenezer Twum Asante	4/4

Other attendees at Committee meetings in 2020 included: Chief Financial Officer, Head of Internal Audit, Chief Risk Officer, Head of Compliance, Company Secretary.

Committee responsibilities

The Committee's role is to review, on behalf of the Board, the Bank's internal financial controls. It is also responsible for oversight and advice to the Board on matters relating to financial reporting and exercised oversight of the work undertaken by Compliance, Internal Audit and the Bank's statutory auditor, KPMG. This is to ensure that the interest of shareholders is properly protected in relation to financial reporting. Financial internal control is fundamental to the Committee's role.

Risk Committee

The Committee's role is to exercise oversight on behalf of the Board on wide risks facing the Bank and to provide assurance to the Board that the overall framework for complying with the Risk Management Principles and the Board's approved Risk Appetite is operating effectively.

The Committee recognises that good risk management is not static but responds to internal and external pressures and is intrinsically linked to strategy. The Committee has discharged its responsibilities through receiving a combination of routine and regulatory reporting, requesting reports on specific matters from Management and ensuring that the management information to the Committee is not just data but also provides analysis and enables the Committee to have deeper discussions.

The Committee continued to review the quality of the Bank's loan portfolio to ensure that the quality is improved. The Committee continually sought and received assurance that Management actively manages the loan portfolio particularly given the unpredictable nature of the external environment.

Through its work the Committee has considered and challenged whether there are any gaps in risk coverage and sought and received assurance concerning the mitigating action being taken to address any such gaps. The Committee has examined the effectiveness of the Bank's risk management and how risk management has responded to internal and external pressures.

The Bank manages its dominant risks through the overarching Enterprise Risk Management Framework ("Framework") which sets out the principles and standards across the entire organisation. The Framework highlights the objectives, policies and processes for managing the principal risk types taking into consideration local regulations and directives. The full implementation and adoption of the framework over the last three years have contributed to the year on year stable risk environment. The Framework provides a robust strategy and forms the backbone for the strong corporate governance standards leading to decreasing defaults in prudential requirements across all the principal risks areas.

The Committee also discussed the progress that had been made in embedding a strong risk culture in the Bank.

Risk Committee composition in 2020

Risk Committee members	Scheduled meetings (4)	Remarks
Professor Akua Kuenyehia (Chairperson)	4/4	
Ebenezer Twum Asante	4/4	
Kwabena Nifa Aning	4/4	
George Akello	0/4	Appointed to the Committee membership on 29 October 2020

Other attendees at Committee meetings in 2020 included: Chief Financial Officer, Head of Internal Audit, Chief Risk Officer, Operational Risk Officer, Company Secretary, Retail Credit Head, Head Retail Banking, Commercial, Corporate and Institutional Banking Head, Head Financial Crime Compliance, Legal Head, GSAM Head.

Committee responsibilities:

The Committee is responsible for the oversight and review of prudential risk. The Committee's responsibilities also include reviewing the appropriateness and effectiveness of the Bank's risk management systems, considering the implications of material regulatory change proposals, review reports on principal risks to the Bank's business and ensuring effective due diligence on material acquisitions and disposals.

Cyber and Information Security

Given high profile cyber security breaches and the rising level of cyber threats across the industry, the Board committee focused on the steps being taken by the Bank to improve its defences, create stronger control frameworks and improve intelligence sharing.

The Committee exercises oversight on behalf of the Board of the cyber and information security risks faced by the Bank and to make recommendations to the Board on the Company's overall cyber and information security risk appetite. Additionally, to provide an independent review and critique of:

1. The cyber and information security risk management strategy of the Company
2. The risk-taking decisions of the Company covering all aspects of cyber and information security.

Cyber Security Committee composition in 2020

Committee members	Scheduled meetings 4
Ebenezer Twum Asante (Chairperson)	4/4
Harriette-Ann Omobolanle Adesola	4/4
Professor (Mrs.) Akua Kuenyehia	4/4
Kwabena Nifa Aning	4/4

Report of the directors continued

Only members of the Committee are entitled to attend Committee meetings. Other individuals such as any director of the Board, the Chief Risk Officer, the Chief Operating Officer, Chief Information Security Officer or any member of the country senior management team may be invited to attend all or part of any meeting by invitation from the Committee Chairman.

Interaction with Management

On an annual basis, the Committee members meet individually with our statutory auditor, KPMG, Chief Financial Officer, Head of Internal Audit, Head of Compliance and Chief Risk Officer. These meetings allow the Committee members to discuss freely matters relating to the auditor's remit and issues arising from the audit.

Directors' securities transactions

The Directors' beneficiary interest in the ordinary shares of the Bank as at 31 December 2020 is as shown in note 34 of the financial statements.

Going concern

The Bank's Management has assessed its ability to continue as a going concern having regard to the business impact of COVID 19 and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, Management is not aware of any threats that may cast significant doubt upon the Bank's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

Viability statement

The Directors are required to issue a viability statement regarding the Bank, explaining their assessment of the prospects of the Bank over an appropriate period of time and state whether they have reasonable expectation that the Bank will be able to continue in operation and meet its liabilities as they fall due.

The Directors are to also disclose the period for which they have made the assessment and the reason they consider that period to be appropriate.

In considering the viability of the Bank, the Directors have assessed the key factors, including the current and anticipated impact of COVID-19 likely to affect the Bank's business model and strategic plan, future performance, capital adequacy, solvency and liquidity taking into account the emerging risks as well as the principal risks.

The viability assessment has been made over a period of three years, which the Directors consider appropriate as it is within both the Bank's strategic planning horizon and, the basis upon which its regulatory capital stress tests are undertaken and is representative of the continuous level of regulatory change affecting the financial services industry. The Directors will continue to monitor and consider the appropriateness of this on a continuous basic.

The Directors have reviewed the corporate plan, the output of the Bank's formalised process of budgeting and strategic planning. For the 2021 Corporate Plan, the forward-looking performance and balances include the longer-term impact of COVID-19, specifically with regards to expected credit loss and the impact of global lower interest rates impact on revenues. The corporate plan is evaluated and approved each year by the Board with confirmation from the Chief Risk Officer that the Plan is aligned with the Enterprise Risk Management Framework and Risk Appetite Statement and considers the Bank's future projections of profitability, liquidity, capital requirements and resources, liquidity ratios and other key financial and regulatory ratios over the period. The corporate plan details the Bank's key performance measures, of forecast profit, capital adequacy ratio forecast, return on equity forecasts, cost to income ratio forecasts and cash investment projections. The Board has reviewed the ongoing performance management process of the Bank by comparing the statutory results to the budgets and corporate plan.

The Bank performs enterprise-wide stress tests to explore the resilience of the Bank to shocks to its balance sheet and business model.

To assess the Bank's balance sheet vulnerabilities and capital and liquidity adequacy, severe but plausible macro-financial scenarios explore shocks that trigger one or more of:

- Local economy slowdowns via financial and other linkages
- Material and persistent declines in commodity prices
- Financial market turbulence, including a generalised sharp fall in risky asset prices

This year, the primary focus has been on the evolving macro financial stress caused by the response of the government, businesses and individuals to COVID-19, to ensure that the Bank has sufficient capital to withstand this shock.

Under this range of scenarios, the results of these stress tests demonstrate that the Bank has sufficient capital and liquidity to continue as a going concern and meet regulatory minimum capital and liquidity requirements.

The Board Risk Committee ("BRC") exercises oversight on behalf of the Board of the key risks of the Bank and makes recommendations to the Board on the Bank's Risk Appetite Statement. These risks include, amongst others; credit, traded, capital and liquidity, operational and technology, reputational and sustainability, compliance, information and cyber security model risks.

The BRC receives regular reports that inform it of the Bank's key risks, as well as updates on the macroeconomic environment, geo-political outlook, market developments, and regulatory updates in relation to capital, liquidity and risk.

Based on the information received, the Directors considered the emerging risks as well as the principal risks in their assessment of the Bank's viability, how these impact the risk profile, performance and viability of the Bank and any specific mitigating or remedial actions necessary.

Having considered all the factors outlined above, the Directors confirm that they have a reasonable expectation that the Bank will be able to continue in operation and meet its liabilities as they fall due over the period of the assessment up to 31 December 2025.

Parent company

The Bank is a subsidiary of Standard Chartered Holdings (Africa) B.V., a company incorporated in The Netherlands.

Area of operation

The Bank comprises a network of 21 branches and Head Office as at the time of signing this account.

Subsidiary

The Bank maintains a special purpose legal entity, Standard Chartered Ghana Nominee Limited, to warehouse assets held in trust on behalf of custody clients in the conduct of its fiduciary activities. The assets and income due to such clients arising thereon are not the bona fide property of the Bank. These assets have not been included either in the books of the Bank or its subsidiary company. Refer to Note 22(b) for the necessary disclosures on this nominee company.

The subsidiary's financial statements have not been consolidated with that of the parent as the Directors are of the opinion that it is insignificant and would present no real value to the members. No balances have been transferred from the income statement of the subsidiary to the retained earnings of the Bank.

Disclosure of information to auditor

As far as the Directors are aware, there is no relevant audit information of which the Bank's statutory auditor, KPMG, is unaware. The Directors have taken all reasonable steps to ascertain any relevant audit information and ensured that the Bank's statutory auditor is aware of such information.

Auditor

The Audit Committee has the responsibility delegated from the Board of Directors for making recommendations on the appointment, reappointment, removal and remuneration of the external auditor. Messrs KPMG has been the auditor of the Bank commencing with the financial statements for the year ended 31 December 2018. KPMG did not provide non-audit service to the Bank during the year.

The approved auditor fee for the 2020 audit is **GH¢600,000** (2019: GH¢549,000).

Auditor's responsibility

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

Sufficiency of public float

As at the date of this report, the Bank has maintained the prescribed public float governing the listing of securities on the Ghana Stock Exchange based on the information publicly available to the Bank and within the knowledge of the Directors.

Political donations

No political donations were made in the year ended 31 December 2020 (2019: Nil).

Business performance

- Operating income increased by 19.9 per cent from GH¢853.0 million to GH¢1,022.7 million.
- Profit before tax increased to GH¢675.4 million from GH¢424.2 million recorded in 2019, representing 59.2 per cent increase.
- Earnings per share increased to GH¢3.54 from GH¢2.08 per share in 2019.
- Overall balance sheet grew by 5.4 per cent to GH¢8.03 billion

Minimum paid up capital

The Bank's paid up capital complies with the regulatory minimum paid up capital requirement of GH¢400 million.

Reserve fund

In accordance with Section 34(1)(b) of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) a cumulative amount of GH¢513.6 million (2019: GH¢370.1 million) has been set aside in a Reserve fund from the Income surplus. The cumulative balance includes the amount set aside from the net profit for the year.

Dividend

Based on the Bank's performance and the approval from the Bank of Ghana, Directors will recommend an ordinary share dividend of GH¢1.74 (2019: GH¢1.56) per share amounting to GH¢234,349,000 (2019: GH¢210,182,829).

Unclaimed dividend account

In accordance with the Companies Act, 2019 (Act 992) any unclaimed dividend for a period of three months will be transferred to an interest-bearing account. The unclaimed dividend together with the accrued interest thereon will be transferred to the Registrar within a further period of twelve months. The unclaimed dividend amounts to

GH¢ 14,640,000.

Responsibility statement of the directors in respect of the annual financial report

We confirm that to the best of our knowledge:

- The financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- The Strategic report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the emerging risks and uncertainties that they face.
- We consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Approval of the Report of the Directors

The Report of the Directors of the Bank were approved by the Board of Directors and authorised for issue on 18 February 2021 and signed on its behalf by

Dr. Emmanuel Oteng Kumah
Chairman

Mansa Nettey
Executive Director

Kweku Nimfah- Essuman
Executive Director

Independent Auditor's report

Independent Auditor's Report to the members of Standard Chartered Bank Ghana PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Standard Chartered Bank Ghana PLC ("the Bank"), which comprise the statement of financial position as at 31 December 2020, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, as set out on pages 84 to 154.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Bank as at 31 December 2020, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit–Taking Institutions Act, 2016 (Act 930).

Basis for Opinion

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

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.

Impairment of loans and advances to customers GH¢ 184m
Refer to Note 21b to the financial statements

The key audit matter	*How the matter was addressed in our audit*
Loans and advances to customers amounted to GH¢ 1,879 million at 31 December 2020 (GH¢ 1,910 million at 31 December 2019), and the total impairment allowance account for the Bank amounted to GH¢ 184 million at 31 December 2020 (GH¢ 139 million at 31 December 2019). The Bank is required to recognise expected credit losses (ECL) on financial instruments which involves significant judgement and estimates to be made by the Bank. The carrying value of financial instruments within the scope of IFRS 9 ECL may be materially misstated if judgements or estimates made by the Bank are inappropriate. In 2020, the global COVID-19 pandemic has also significantly impacted businesses of customers and this could consequently impact the performance of credit portfolios.	Based on our risk assessment and industry knowledge, we have examined the impairment allowances for loans and advances to customers and evaluated the methodology applied as well as the assumptions made according to the description of the key audit matter. Our procedures included the following: · Assessing and testing the design, implementation and operating effectiveness of key controls over the capture, monitoring and reporting of loans and advances to customers. · Assessing and testing the design and operating effectiveness of controls over the Bank's loan impairment process regarding management's review process over impairment calculations. · Assessing the completeness and accuracy of key data inputs used in the ECL calculation through testing a sample of relevant data fields and their aggregate amounts against data in the source system considered the impact of COVID-19.

The key audit matter	*How the matter was addressed in our audit*
The effect of these matters is that, as part of our risk assessment, we determined that the value of ECL has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole. Measurement of impairment under IFRS 9 is deemed a key audit matter because impairment is based on an expected credit loss model, which the Bank estimates on both an individual and a collective basis. This calculation entails a considerable level of judgement as this is a significant and complex estimate.	· Assessing and testing the effectiveness of the SICR thresholds employed by the Bank across material retail and corporate portfolios. · Assessing the appropriateness of the Bank's methodology for determining the base case economic scenario for material macroeconomic variables to determine whether these have sufficiently considered the impact of COVID-19, and to challenge the base case forecast against market information. · Assessing individual exposures: We selected a sample (based on quantitative thresholds) of larger clients where impairment indicators had been identified by the Bank focusing on industries which were severely affected by COVID-19. We obtained the Bank's assessment of the recoverability of these exposures and challenged whether individual impairment allowance, or lack of, were appropriate. · Using a KPMG specialist to independently assess and substantively validate the impairment models by re-performing calculations for certain aspects of material models. · Assessing the appropriateness of overlays (qualitative adjustments) to model-driven ECL by taking into account the judgements and estimates the Bank has made through the ECL calculation process (including macroeconomic forecasts). · Assessing the adequacy of the Bank's disclosures in relation to impairment about changes in estimates occurring during the period and its sensitivity to key assumptions. In addition, we assessed whether the disclosure of the key judgements and assumptions made were appropriate.

Independent Auditor's Report continued

Other Information

The Directors are responsible for the other information. The other information comprises the Report of the Directors as required by the Companies Act, 2019 (Act 992) and corporate information which we obtained prior to the date of this auditor's report and the Statement on Corporate Governance, Strategic Report and Supplementary information which is expected to be made available to us after that date, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express 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.

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, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930), and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Directors are responsible for overseeing the Bank'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 judgment 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 Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures

- are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with 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 communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with 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

Compliance with the requirements of Section 137 of the Companies Act, 2019 (Act 992) and Section 85 of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930)

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

In our opinion, proper books of account have been kept, so far as appears from our examination of those books.

The statements of financial position and comprehensive income are in agreement with the accounting records and returns.

We are independent of the Bank under audit pursuant to Section 143 of the Companies Act, 2019 (Act 992). The Bank's transactions were within its powers and the Bank generally complied with the relevant provisions of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

The Bank has generally complied with the provisions of the Anti-Money Laundering Act, 2008 (Act 749) and all relevant amendment and regulations until it was replaced with the Anti-Money Laundering Act, 2020 (Act 1044) issued on 29 December 2020.

The Bank has also generally complied with the provisions of the Anti-Terrorism Act, 2008 (Act 762) and all relevant Amendments and Regulations governing the Act.

The engagement partner on the audit resulting in this independent auditor's report is Frederick Nyan Dennis (ICAG/P/1426).

kpmg

FOR AND ON BEHALF OF:
KPMG: (ICAG/F/2021/038)
CHARTERED ACCOUNTANTS
13 YIYIWA DRIVE, ABELENKPE
P O BOX GP 242
ACCRA

31 March 2021

Unleashing economic potential

Our community programmes, Youth to work, Goal for Girls and our Women in Tech Incubators aim to build young peoples skills confidence and networks, provide access to finance and support and create an enabling environment by helping to break down barriers.

Financial Statements

Statement of comprehensive income

For the year ended 31 December 2020

	Notes	2020 GH¢'000	2019 GH¢'000
Interest income	8	**795,374**	749,703
Interest expense	8	**(154,856)**	(154,974)
Net interest income	8	**640,518**	594,729
Fees and commission income	9	**153,045**	121,096
Fees and commission expense	9	**(13,606)**	(18,192)
Net fee and commission income		**139,439**	102,904
Net trading income	10	**246,622**	168,027
Net loss from other financial instruments carried at fair value through profit/loss	11	**(6,331)**	(13,641)
Other income		**2,488**	1,013
Operating income		**1,022,736**	853,032
Net impairment loss on financial asset	12	**(59,284)**	(99,868)
Operating income net of impairment charges		**963,452**	753,164
Personnel expenses	13a	**(209,281)**	(177,005)
Depreciation and amortisation	23b	**(32,808)**	(31,925)
Other expenses	14	**(45,973)**	(120,031)
Total operating expenses		**(288,062)**	(328,961)
Profit before income tax		**675,390**	424,203
Income tax expense	15(i)	**(163,325)**	(121,137)
Nationalfiscal Stabilization Levy	15(i)	**(33,769)**	(21,210)
Total tax and levy		**(197,094)**	(142,347)
Profit for the year		**478,296**	281,856
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Debt instruments at fair value through other comprehensive income-Net changes in fair value		**33,484**	(21,122)
Total comprehensive income for the year		**511,780**	260,734
Basic earnings per share (Ghana Cedi per share)	16(i)	**3.54**	2.08
Diluted earnings per share (Ghana Cedi per share)	16(i)	**3.54**	2.08

The notes on 88 to 154 are an integral part of these financial statements.

Statement of financial position

For the year ended 31 December 2020

	Notes	2020 GH¢'000	2019 GH¢'000
Assets			
Cash and cash equivalents	18	**2,724,718**	2,588,820
Derivative assets held for risk management	19a	**5,675**	13,834
Trading assets non- pledged	20	**406,254**	165,741
Loans to other banks	21a	**15,000**	116,208
Loans and advances to customers	21b(i)	**1,695,213**	1,770,666
Investment securities	22a	**2,419,537**	2,349,385
Current tax assets	15(ii)	**60,857**	63,240
Property and equipment	23a	**258,440**	285,596
Equity investments	22b(i)	**1**	1
Other assets	25	**445,979**	265,131
Total assets		**8,031,674**	7,618,622
Liabilities			
Derivative liabilities held for risk management	19b	**161**	5,382
Deposits from banks	26	**84,980**	170,967
Deposits from customers	27	**5,751,627**	5,419,304
Borrowings	28	**86,403**	276,685
Provisions	29b	**69,060**	55,858
Deferred tax liabilities	24	**9,978**	23,390
Other liabilities	29a	**562,661**	500,176
Total liabilities		**6,564,870**	6,451,762
Shareholders' funds			
Stated capital	31(i)	**400,000**	400,000
Income surplus	31(ii)	**440,014**	317,043
Reserve fund	31(iii)	**513,611**	370,122
Credit risk reserve	31(iv)	**109,518**	109,518
Other reserves	31(v)	**3,661**	(29,823)
Total shareholders' funds		**1,466,804**	1,166,860
Total liabilities and shareholders' funds		**8,031,674**	7,618,622
Net assets value per share (Ghana Cedis per share)	37	**10.82**	8.59

The notes on 88 to 154 are an integral part of these financial statements

Approval of financial statements

These financial statements were approved by the Board of Directors on 18 February 2021 and signed on its behalf by

Mansa Nettey
Director

Kweku Nimfah-Essuman
Director

Statement of changes in equity

For the year ended 31 December 2020

2019	Stated capital GH¢ '000	Income Surplus GH¢ '000	Reserve Fund GH¢ '000	Credit risk reserve GH¢ '000	Other reserves GH¢ '000	Total Shareholders' Funds GH¢ '000
Balance at 1 January 2019	400,000	230,215	299,658	126,647	(8,701)	1,047,819
Total Comprehensive income						
Profit for the year	-	281,856	-	-	-	281,856
Other comprehensive income						
Debt instruments at fair value through other comprehensive income-Net changes in fair value	-	-	-	-	(21,122)	(21,122)
Total comprehensive income	-	281,856	-	-	(21,122)	260,734
Transfers:						
Transfer from credit risk reserve	-	17,129		(17,129)	-	-
Transfer to reserve funds	-	(70,464)	70,464	-	-	-
Total transfers		(53,335)	70,464	(17,129)	-	-
Transactions with owners of the bank						
Dividends	-	(141,693)	-	-	-	(141,693)
Total Transactions with owners of the bank		(141,693)				(141,693)
Balance at 31 December 2019	400,000	317,043	370,122	109,518	(29,823)	1,166,860
2020						
Balance at 1 January 2020	**400,000**	**317,043**	**370,122**	**109,518**	**(29,823)**	**1,166,860**
Total Comprehensive income						
Profit for the year	**-**	**478,296**	**-**	**-**	**-**	**478,296**
Other comprehensive income						
Debt instruments at fair value through other comprehensive income-Net changes in fair value	**-**	**-**	**-**	**-**	**33,484**	**33,484**
Total comprehensive income	**-**	**478,296**	**-**	**-**	**33,484**	**511,780**
Transfers:						
Transfer to credit risk reserve	**-**	**-**	**-**	**-**	**-**	**-**
Transfer to reserve funds	**-**	**(143,489)**	**143,489**	**-**	**-**	**-**
Total Transfers		**(143,489)**	**143,489**	**-**	**-**	**-**
Transactions with owners of the bank						
Dividends	**-**	**(211,836)**	**-**	**-**	**-**	**(211,836)**
Total Transactions with owners of the bank	**-**	**(211,836)**	**-**	**-**	**-**	**(211,836)**
Balance at 31 December 2020	**400,000**	**440,014**	**513,611**	**109,518**	**3,661**	**1,466,804**

The notes on 88 to 154 are an integral part of these financial statements.

Statement of cash flows

For the year ended 31 December 2020

	Notes	2020 GH¢'000	2019 GH¢'000
Cash flows from operating activities			
Profit before tax		**675,390**	424,203
Adjustments for:			
Depreciation and amortisation	23b	**32,808**	31,925
Impairment on financial assets	12	**59,284**	99,868
Net interest income	8	**(640,518)**	(594,729)
Other income		**(2,488)**	(1,013)
Unrealised exchange gains/loss on trading		**(86,260)**	(16,005)
Effect of exchange		**191,685**	219,974
		229,901	164,223
Change in trading assets		**(154,253)**	(94,670)
Change in derivative assets held for risk management		**8,159**	-
Change in other assets		**(180,848)**	(16,692)
Change in loans to other banks		**101,208**	28,392
Change in loans and advances to customers		**(75,453)**	(568,439)
Change in derivative liabilities held for risk management		**(5,221)**	-
Change in deposits from banks		**85,987**	126,363
Change in deposits from customers		**332,323**	1,117,233
Change in other liabilities and provisions		**(144,729)**	23,133
		197,074	779,543
Interest received		**767,365**	702,217
Interest paid		**(134,730)**	(88,687)
Income tax paid	15(ii)	**(208,123)**	(119,155)
Net cash from operating activities		**621,586**	1,273,918
Cash flows from investing activities			
Purchase of investment securities		**(2,490,223)**	(2,471,234)
Sale/redemption of investment securities		**2,420,071**	1,786,761
Purchase of property and equipment	23a	**(12,015)**	(25,465)
Net cash used in investing activities		**(82,167)**	(709,938)
Cash flows from financing activities			
Dividend paid	32	**(211,836)**	(141,693)
Net cash used in financing activities		**(211,836)**	(141,693)
Net increase in cash and cash equivalents		**327,583**	422,287
Effect of exchange fluctuation on cash held		**(191,685)**	(219,974)
Cash and cash equivalents at 1 January		**2,588,820**	2,386,507
Cash and cash equivalents at 31 December	18	**2,724,718**	2,588,820

The notes on pages 88 to 154 are an integral part of the financial statements.

Notes to the financial statements

For the year ended 31 December 2020

1. Reporting entity

Standard Chartered Bank Ghana PLC is a company incorporated in Ghana. The Bank operates with a universal banking license that allows it to undertake banking and related activities. Its registered office is Standard Chartered Bank Building situated at No. 87 Independence Avenue, Accra. The financial statements comprise the separate financial statements of the Bank as at and for the year ended 31 December 2020.

The Bank is listed on the Ghana Stock Exchange.

2. Basis of preparation

2.1 Statement of compliance

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

2.2 Basis of preparation

Basis of measurement

The financial statements are prepared using the historical cost basis except for the following assets and liabilities that are measured at their fair value: derivative financial instruments, financial instruments at fair value through profit or loss and debt instruments classified as fair value through other comprehensive income.

Functional and presentation currency

The financial statements are presented in Ghana Cedis which is the Bank's functional currency. All values are rounded to the nearest thousand GH¢ except otherwise indicated.

2.3 Use of judgements and estimates

COVID-19 considerations

Paragraph 125 of IAS 1 requires disclosure about the assumptions that a Bank makes about the future and other sources of estimation uncertainty at the reporting date that have a significant risk of resulting in a material adjustment within the next financial year. COVID-19 is to significantly impact such assumptions. During the pandemic, the Bank has started facing significant disruption to business operations and economic activity, particularly where there has been implementation of stringent measures to contain or reduce the spread of the virus, with cascading impacts on both upstream and downstream supply chains; a more volatile capital, commodity and foreign exchange markets; and disrupted business relations with companies that operate in the non-essential sectors as determined by the Central Government.

The above economic and business impact will have significant and pervasive financial reporting implications on financial statements resulting in increased complexity, subjectivity and uncertainty which will impact the recognition, measurement, presentation and disclosure in the financial statements including but not limited to increased estimation uncertainty and changes to estimation techniques and assumptions for measuring expected credit loss(ECL), measuring fair values of financial instruments, and recognising deferred tax assets. No impairment has been recognised on non-financial assets specifically property and equipment as there has been no indicators of impairment such as market value decline, obsolescence or physical damage, worse economic performance than expected among others. Management has therefore assessed that the assets, useful life, depreciation method or residual value as earlier determined remains the same.

In preparing these financial statements, Management made judgements, estimates and assumptions that affect the application of the Bank's accounting policies and the reported amounts. Actual results may sometimes differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis.

a. Judgements

Information about judgements in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in Note 4.4.2 – establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining the methodology for incorporating forward-looking information into the measurement of ECL and selection and approval of models used to measure ECL.

b. Assumptions and estimation uncertainties

Information about assumptions and estimating uncertainties that have the most significant risk of resulting in a material adjustment in the year ended 31 December 2020 is included in notes 4.4.2-impairment of financial instruments: determination of inputs into the ECL measurement model, including determination of stage 3 individually assessed impairment, recoverable cash flows and incorporation of forward-looking information and notes 7.2 – measurement of fair value of financial instruments with significant unobservable units.

3. Accounting policies

3.1 New standards effective from 1 January 2020

The following standards which became effective from 1 January 2020 do not have a material effect on the Bank's financial statements

a. Amendments to References to Conceptual Framework in IFRS Standards

The IASB revised the Conceptual Framework because certain important issues were not covered and certain guidance was unclear or out of date. The revised Conceptual Framework, issued by the IASB in March 2018, includes:

- A new chapter on measurement;
- Guidance on reporting financial performance;
- Improved definitions of an asset and a liability, and guidance supporting these definitions; and
- Clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting

The IASB updated references to the Conceptual Framework in IFRS Standards by issuing Amendments to References to the Conceptual Framework in IFRS Standards. This was done to support transition to the revised Conceptual Framework for companies that develop accounting policies using the Conceptual Framework when no IFRS Standard applies to a particular transaction.

b. Definition of material (Amendments to IAS 1 and IAS 8)

The Bank does not intend to use the Framework as a reference for selecting its accounting policies in the absence of specific IFRS requirements and therefore does not expect this to impact it significantly.

The IASB refined its definition of material to make it easier to understand. It is now aligned across IFRS Standards and the Conceptual Framework.

The changes in Definition of Material (Amendments to IAS 1 and IAS 8) all relate to a revised definition of 'material' which is quoted below from the final amendments:

"Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

The Board has also removed the definition of material omissions or misstatements from IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

The amendments are effective from 1 January 2020 but may be applied earlier. However, the Board does not expect significant change -the refinements are not intended to alter the concept of materiality.

It is not expected that this will impact the Bank significantly.

c. Interest rate benchmark reform (Amendments to IFRS 9, IAS 39 and IFRS 7)

Amendments to IFRS 9, IAS 39 and IFRS 7 have now been issued to address uncertainties related to the ongoing reform of interbank offered rates (IBOR). The amendments provide targeted relief for financial instruments qualifying for hedge accounting in the lead up to IBOR reform.

The amendments address issues affecting financial reporting in the period leading up to IBOR reform, are mandatory and apply to all hedging relationships directly affected by uncertainties related to IBOR reform.

3. Accounting policies continued

The amendments are effective from 1 January 2020. Early application is permitted.

It is not expected that this will impact the Bank significantly.

3.2 New and amended standards issued 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 2020 and have not been applied in preparing these financial statements. Those which may be relevant to the Bank are set out below. The Bank does not plan to early adopt these Standards. The Bank is yet to assess the impact of there standards on the financial statements.

a. COVID-19-Related Rent Concessions (Amendments to IFRS 16)

The amendments introduce an optional practical expedient that simplifies how a lessee accounts for rent concessions that are a direct consequence of COVID-19. A lessee that applies the practical expedient is not required to assess whether eligible rent concessions are lease modifications, and accounts for them in accordance with other applicable guidance. The resulting accounting will depend on the details of the rent concession.

The practical expedient will only apply if:

- **the revised consideration is substantially the same or less than the original consideration;**
- **the reduction in lease payments relates to payments due on or before 30 June 2021; and**
- **no other substantive changes have been made to the terms of the lease.**

Lessees applying the practical expedient are required to disclose:

- **that fact, if they have applied the practical expedient to all eligible rent concessions and, if not, the nature of the contracts to which they have applied the practical expedient; and**
- **the amount recognised in profit or loss for the reporting period arising from application of the practical expedient.**

The amendments are effective for periods beginning on or after 1 June 2020, with earlier application permitted. A lessee applies the amendments retrospectively and recognises the cumulative effect of initially applying them in the opening retained earnings of the reporting period in which they are first applied.

b. Onerous Contracts: Cost of Fulfilling a Contract (Amendments to IAS 37)

Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets, issued by the International Accounting Standards Board, clarify that the 'costs of fulfilling a contract' when assessing whether a contract is onerous comprise both:

- **the incremental costs – e.g. direct labour and materials; and**
- **an allocation of other direct costs – e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract.**

The amendments apply for annual reporting periods beginning on or after 1 January 2022 to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments will be recognised as an opening balance adjustment to retained earnings or other component of equity, as appropriate. The comparatives will not be restated. Earlier application is permitted.

c. Annual Improvements to IFRS Standards 2018-2020

IFRS 1 First-time Adoption of International Financial Reporting Standards	The amendment permits a subsidiary (as a first-time adopter of IFRS that applies IFRS later than its parent) that applies IFRS 1.D16(a) to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.
IFRS 9 Financial Instruments	The amendment clarifies that for the purpose of performing the "10 per cent test" for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

IFRS 16 Leases	The amendment removes the illustration of payments from the lessor relating to leasehold improvements. As currently drafted, this example is not clear as to why such payments are not a lease incentive.
IAS 41 Agriculture	The amendment removes the requirement to exclude cash flows for taxation when measuring fair value, thereby aligning the fair value measurement requirements in IAS 41 with those in IFRS 13 Fair Value Measurement.

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

d. Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)

The amendment prohibits deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.

Proceeds from selling items before the related item of property, plant and equipment is available for use should be recognised in profit or loss, together with the costs of producing those items. IAS 2 Inventories should be applied in identifying and measuring these production costs.

Companies will therefore need to distinguish between:

- **costs associated with producing and selling items before the item of property, plant and equipment is available for use; and**
- **costs associated with making the item of property, plant and equipment available for its intended use.**

Making this allocation of costs may require significant estimation and judgement.

The amendments apply for annual reporting periods beginning on or after 1 January 2022, with earlier application permitted. The amendments apply retrospectively, but only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the financial statements in which the company first applies the amendments.

e. Reference to the Conceptual Framework (Amendments to IFRS 3)

The amendment has:

- **updated IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework;**
- **added to IFRS 3 a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination and**
- **added to IFRS 3 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.**

The amendment is effective for annual periods beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

3.3 Interest income and expense

a. Effective interest rate

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

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

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

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

3. Accounting policies continued

3.3 Interest income and expense continued

b. Amortised cost and gross carrying amount

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

The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

c. Calculation of interest income and expense

The effective interest rate of a financial asset or financial liability is calculated on initial recognition of a financial asset or a financial liability. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating rate instruments to reflect movements in market rates of interest.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

d. Presentation

Interest income calculated using the effective interest method presented in the statement of comprehensive income includes:

- interest on financial assets and financial liabilities measured at amortised cost;
- interest on debt instruments measured at FVOCI;

Interest expense presented in the statement of comprehensive income comprise financial liabilities measured at amortised cost;

Interest income and expense on all trading assets and liabilities are considered to be incidental to the Bank's trading operations and are presented together with all other changes in the fair value of trading assets and liabilities in net trading income.

Interest income and expense on other financial assets and financial liabilities at FVTPL are presented in net income or loss from other financial instruments at FVTPL.

3.4 Fees and commissions

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

Other fees and commission income, including account servicing fees, investment management fees, sales commission, placement and arrangement fees and syndication fees - is recognised as the related services are performed. If a loan commitment is not expected to result in the draw-down of a loan, then the related loan commitment fee is recognised on a straight-line basis over the commitment period.

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

3.5 Net trading income

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

3.6 Net income from other financial instruments at FVTPL

Net income from other financial instruments at FVTPL relates to non-trading derivatives held for risk management purposes that do not form part of qualifying hedging relationships and financial assets held at FVTPL. The line item includes fair value changes, interest, and foreign exchange differences.

3.7 Foreign currency transaction

Transactions in foreign currencies are translated into the functional currency of the Bank at the average exchange rate at the date of the transactions. The transaction rates used are the average of the buying and selling of the underlying inter-bank foreign exchange rate as quoted by the Ghana Bankers Association. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in statement of comprehensive income. Non-monetary assets and liabilities are translated at historical exchange rates if held at historical cost or exchange rates at the date the fair value was determined if held at fair value, and the resulting foreign exchange gains and losses are generally recognised in statement of comprehensive income.

3.8 Leases

Bank acting as a lessee

At commencement or on modification of a contract that contains a lease component, the Bank allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for leases of branches and office premises, the Bank has elected not to separate non-lease components and accounts for the lease and non-lease components as a single lease component.

The Bank recognises a right-of-use asset and a lease liability at the commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before commencement date, plus any initial direct costs attributable to the lease contract.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using interest rate implicit in the lease or, if that rate cannot be readily determined, the Bank's incremental borrowing rate. Generally, the Bank uses its incremental borrowing rate as the discount rate.

The Bank determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed repayment, including in-substance fixed payments
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Bank is reasonably certain to exercise, lease payments in an optional renewal period if the Bank is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Bank is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. A re-measurement of the lease liability and right-of-use asset is required under the following circumstances:

a. change in future lease payments arising from a change in an index or rate,
b. if there is a change in the Bank's estimate of the amount expected to be payable under a residual value guarantee,
c. if the Bank changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in substance fixed lease payment.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Bank presents right-of-use asset in property and equipment and lease liabilities in other liabilities in the statement of financial position.

3. Accounting policies continued

3.8 Leases continued

Short term leases and leases of low-value assets

The Bank has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Bank recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The Bank presents interest on lease liability in other expenses in the statement of comprehensive income.

3.9 Financial instruments

3.9.1 Recognition and initial measurement

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

On initial recognition, a financial asset is classified as measured at: amortised cost, Fair value through other comprehensive income (FVOCI) or Fair value through profit or loss.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are Solely Payment of Principal and Interest (SPPI) on the principal amount outstanding.

A debt instrument is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

All other financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

In addition, on initial recognition, the Bank may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment - financial assets

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

i. The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
ii. How the performance of the portfolio is evaluated and reported to the Bank's management;
iii. The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
iv. How managers of the business are compensated e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected;
v. The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Bank's stated objective for managing the

financial assets is achieved and how cash flows are realised.

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

3.9.2 Classification and subsequent measurement

Assessment of whether contractual cash flows are solely payments of principal and interest on principal – Financial Assets

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Bank considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Bank considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Bank's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- Features that modify consideration of the time value of money – e.g. periodical reset of interest rates.

The Bank holds a portfolio of long-term fixed rate loans for which the Bank has the option to propose a revision of the interest rate at periodic reset dates. These reset rights are limited to the market rate at the time of revision. The right to reset the rates of the loans based on the revision in market rates is part of the contractually agreed terms on inception of the loan agreement; therefore, the borrowers are obligated to comply with the reset rates without any option of repayment of the loans at par at any reset date. The Bank has determined that the contractual cash flows of these loans are solely payments of principal and interest because the option varies with the interest rate in a way that is considered a consideration for the time value of money, credit risk, other basic lending risks and costs associated with the principal amount outstanding.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period the Bank changes its business model for managing financial assets.

a. Amortised cost

Financial assets at amortised cost comprises cash and cash equivalents, loans to other Banks, loans and advances to customers, other assets and other investments.

They are initially recognised at fair value plus incremental direct transaction costs and are subsequently measured at amortised cost using the effective interest method less any impairment losses. Interest income determined using the effective interest method, foreign exchange gains and losses and impairment are reported in profit or loss. Any gain or loss on derecognition is recognised in statement of comprehensive income.

b. Fair value through other comprehensive income (FVOCI)

Debt Instruments

The debt instrument is initially recognised at fair value plus direct transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment gains or losses, interest revenue and foreign exchange gains and losses are recognised in profit or loss. Upon disposal or derecognition, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss.

Interest income from these financial assets is determined using the effective interest method and recognised in the profit or loss as 'Interest income using the effective interest method'.

The measurement of credit impairment is based on the three-stage expected credit loss model as applied to financial assets at amortised cost.

3. Accounting policies continued

3.9.2 Classification and subsequent measurement continued

c. Fair value through profit or loss (FVTPL)

The gain or loss arising from changes in fair value of a debt investment that is subsequently measured at fair value through the profit or loss and is not part of a hedging relationship is included directly in statement of comprehensive income and reported as 'Net gains/(losses) in financial instruments classified as FVTPL' in the period in which it arises. Interest income from these financial assets is recognised in profit or loss as 'net income or loss financial asset at fair value through profit or loss.

d. Other financial liabilities

Deposits, debt securities issued, and subordinated liabilities are the Bank's sources of debt funding.

When the Bank sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (sale-and-repurchase agreement), the arrangement is accounted for as a deposit, and the underlying asset continues to be recognised in the Bank's financial statements.

The Bank classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

Other financial liabilities are initially measured at fair value minus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest method.

3.9.3 Derecognition

Financial assets are derecognised when the right to receive cash flows from the financial assets has expired or where the Bank has transferred substantially all the risks and rewards of ownership. Any interest in the transferred financial assets that is created or retained by the Bank is recognised as a separate asset or liability.

On derecognition of a financial asset, the difference between the carrying amount of the asset and the consideration received is recognised in statement of comprehensive income. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Bank is recognised as a separate asset or liability. Any interest in such derecognised financial asset that is created or retained by the Bank is recognised as a separate asset or liability.

Financial liabilities are derecognised when the contractual obligations are discharged, cancelled or expire.

3.9.4 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market is accessible by the Bank.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Bank measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- **Level 1:** Quoted market price (unadjusted) in an active market for an identical instrument.
- **Level 2:** Valuation techniques based on observable inputs, either directly (i.e., as prices) or indirectly (i.e., derived from prices).This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- **Level 3:** Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant

- unobservable adjustments or assumptions are required to reflect differences between the instruments.

For complex instruments such as swaps, the Bank uses proprietary models, which are usually developed from recognised valuation models. Some or all of the inputs into these models may be derived from market prices or rates or are estimates based on assumptions.

The value produced by a model or other valuation technique may be adjusted to allow for a number of factors as appropriate, because valuation techniques cannot appropriately reflect all factors market participants take into account when entering into a transaction. Management believes that these valuation adjustments are necessary and appropriate to fairly measure financial instruments carried at fair value on the statement of financial position.

3.9.5 Offsetting

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

Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions such as in the Bank's trading activity.

3.9.6 Modification

Financial assets

If the terms of a financial asset are modified, then the Bank evaluates whether the cash flows of the modified asset are substantially different.

If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows:

- fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset; and
- other fees are included in profit or loss as part of the gain or loss on derecognition.

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

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

If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses.

Financial liabilities

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

If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in profit or loss.

3. Accounting policies continued

3.9.6 Modification continued

For floating rate financial liabilities, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs and fees incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by re computing the effective interest rate on the instrument.

3.9.7 Identification and measurement of impairment

The Bank recognises loss allowances for ECL on the following financial instruments that are not measured at FVTPL:

- financial assets that are debt instruments;
- financial guarantee contracts issued; and
- loan commitments issued.

No impairment loss is recognised on equity investments.

The Bank's expected credit loss (ECL) calculations are outputs of complex models with a number of underlying assumptions. The significant judgements and estimates in determining expected credit loss include:

The Bank's criteria for assessing if there has been a significant increase in credit risk; and development of expected credit loss models, including the choice of inputs relating to macroeconomic variables.

The calculation of credit-impairment provisions also involves expert credit judgement to be applied by the credit risk management team based upon counterparty information they receive from various sources including relationship managers and on external market information.

The Bank measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments (other than lease receivables) on which credit risk has not increased significantly since their initial recognition.

a. Significant accounting estimates and judgements

The Bank considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Bank does not apply the low credit risk exemption to any other financial instruments.

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which a 12 month ECL is recognised are referred to as 'Stage 1 financial instruments'.

Life- time ECL are the ECL that result from all possible default events over the expected life of the financial instrument. Financial instruments for which a lifetime ECL is recognised but which are not credit impaired are referred to as 'Stage 2 financial instruments.

b. Expected credit losses

Expected credit losses are determined for all financial debt instruments that are classified at amortised cost or fair value through other of comprehensive income, undrawn commitments and financial guarantee contracts issued.

An expected credit loss represents the present value of expected cash shortfalls over the residual term of a financial asset, undrawn commitment or financial guarantee.

A cash shortfall is the difference between the cash flows that are due in accordance with the contractual terms of the instrument and the cash flows that the bank expects to receive over the contractual life of the instrument.

Measurement

Expected credit losses are computed as unbiased, probability weighted amounts which are determined by evaluating a range of reasonably possible outcomes, the time value of money, and considering all reasonable and supportable information including that which is forward looking. They are measured as follows:

- financial assets that are not credit impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Bank expects to receive);
- financial assets that are credit impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Bank if the commitment is drawn down and the cash flows that the Bank expects to receive; and
- financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Bank expects to recover.

When discounting future cash flows, the following discount rates are used:

financial assets other than purchased or originated credit-impaired (POCI) financial assets and lease receivables: the original effective interest rate or an approximation thereof;

POCI assets: a credit-adjusted effective interest rate;

- undrawn loan commitments: the effective interest rate, or an approximation thereof, that will be applied to the financial asset resulting from the loan commitment; and
- financial guarantee contracts issued: the rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows.

For material portfolios, the estimate of expected cash shortfalls is determined by multiplying the probability of default (PD) with the loss given default (LGD) with the expected exposure at the time of default (EAD). There may be multiple default events over the lifetime of an instrument. Further details on the components of PD, LGD and EAD are disclosed in the credit risk section. For less material Retail Banking loan portfolios, the Bank has adopted simplified approaches based on historical roll rates or loss rates.

Forward-looking economic assumptions are incorporated into the ECL Computation where relevant and where they influence credit risk, such as GDP growth rates, interest rates, house price indices and commodity prices among others. These assumptions are incorporated using the Bank's most likely forecast for a range of macroeconomic assumptions. These forecasts are determined using all reasonable and supportable information, which includes both internally developed forecasts and those available externally, and are consistent with those used for budgeting, forecasting and capital planning.

To account for the potential non-linearity in credit losses, multiple forward-looking scenarios are incorporated into the range of reasonably possible outcomes for all material portfolios. For example, where there is a greater risk of downside credit losses than upside gains, multiple forward-looking economic scenarios are incorporated into the range of reasonably possible outcomes, both in respect of determining the PD (and where relevant, the LGD and EAD) and in determining the overall expected credit loss amounts. These scenarios are determined using a Monte Carlo approach centred around the Bank's most likely forecast of macroeconomic assumptions.

The period over which cash shortfalls are determined is generally limited to the maximum contractual period for which the bank is exposed to credit risk. However, for certain revolving credit facilities, which include credit cards or overdrafts, the bank's exposure to credit risk is not limited to the contractual period. For these instruments, the bank estimates an appropriate life based on the period that the bank is exposed to credit risk, which includes the effect of credit risk management actions such as the withdrawal of undrawn facilities.

For credit-impaired financial instruments, the estimate of cash shortfalls may require the use of expert credit judgement. As a practical expedient, the Bank may also measure credit impairment on the basis of an instrument's fair value using an observable market price.

The estimate of expected cash shortfalls on a collateralised financial instrument reflects the amount and timing of cash flows that are expected from foreclosure on the collateral less the costs of obtaining and selling the collateral, regardless of whether foreclosure is deemed probable.

Cash flows from unfunded credit enhancements held are included within the measurement of expected credit losses if they are part of, or integral to, the contractual terms of the instrument (this includes financial guarantees, unfunded risk participations and other non-derivative credit insurance). Although non-integral credit enhancements do not impact the measurement of expected credit losses, a reimbursement asset is recognised to the extent of the expected credit losses recorded.

Cash shortfalls are discounted using the effective interest rate on the financial instrument as calculated at initial recognition or if the instrument has a variable interest rate, the current effective interest rate determined under the contract.

3. Accounting policies continued

3.9.7 Identification and measurement of impairment continued

Recognition

12 months expected credit losses (Stage 1)

Expected credit losses are recognised at the time of initial recognition of a financial instrument and represent the lifetime cash shortfalls arising from possible default events up to 12 months into the future from the balance sheet date. Expected credit losses continue to be determined on this basis until there is either a significant increase in the credit risk of an instrument or the instrument becomes credit- impaired. If an instrument is no longer considered to exhibit a significant increase in credit risk, expected credit losses will revert to being determined on a 12-month basis.

Significant increase in credit risk (Stage 2)

If a financial asset experiences a significant increase in credit risk (SICR) since initial recognition, an expected credit loss provision is recognised for default events that may occur over the lifetime of the asset.

Significant increase in credit risk is assessed by comparing the risk of default of an exposure at the reporting date to the risk of default at origination (after taking into account the passage of time). Significant does not mean statistically significant nor is it assessed in the context of changes in expected credit loss. Whether a change in the risk of default is significant or not is assessed using a number of quantitative and qualitative factors such as lending placed on non-purely precautionary early alert and observed changes in external indicators such as external credit rating, the weight of which depends on the type of product and counterparty. Financial assets that are 30 or more days past due and not credit-impaired will always be considered to have experienced a significant increase in credit risk. For less material portfolios where a loss rate or roll rate approach is applied to compute expected credit loss, significant increase in credit risk is primarily based on 30 days past due.

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

The Bank compares the residual lifetime PD at the statement of financial position date to the residual lifetime PD that was expected at the time of origination for the same point in the term structure and determine whether both the absolute and relative change between the two exceeds predetermined thresholds. To the extent that the differences between the measures of default outlined exceed the defined thresholds, the instrument is considered to have experienced a significant increase in credit risk.

Qualitative factors assessed include those linked to current credit risk management processes, such as lending placed on non-purely precautionary early alert (and subject to closer monitoring).

A non-purely precautionary early alert account is one which exhibits risk or potential weaknesses of a material nature requiring closer monitoring, supervision, or attention by management. Weaknesses in such a borrower's account, if left uncorrected, could result in deterioration of repayment prospects and the likelihood of being downgraded. Indicators could include a rapid erosion of position within the industry, concerns over management's ability to manage operations, weak/deteriorating operating results, liquidity strain and overdue balances among other factors.

Credit impaired (or defaulted) exposures (Stage 3)

Financial assets that are credit impaired (or in default) represent those that are at least 90 days past due in respect of principal and/or interest. Financial assets are also considered to be credit impaired where the obligors are unlikely to pay on the occurrence of one or more observable events that have a detrimental impact on the estimated future cash flows of the financial asset. It may not be possible to identify a single discrete event but instead the combined effect of several events may cause financial assets to become credit impaired.

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

- Significant financial difficulty of the issuer or borrower;
- Breach of contract such as default or a past due event;
- For economic or contractual reasons relating to the borrower's financial difficulty, the lenders of the borrower have granted the borrower concessions that lenders would not otherwise consider. This would include forbearance actions;
- Pending or actual bankruptcy or other financial reorganisation to avoid or delay discharge of the borrower's obligation/s;

- The disappearance of an active market for the applicable financial asset due to financial difficulties of the borrower; and
- Purchase or origination of a financial asset at a deep discount that reflects incurred credit losses.

Loss provisions against credit impaired financial assets are determined based on an assessment of the recoverable cash flows under a range of scenarios, including the realisation of any collateral held where appropriate. The loss provisions held represent the difference between the present value of the cash flows expected to be recovered, discounted at the instrument's original effective interest rate, and the gross carrying value of the instrument prior to any credit impairment. The Bank's definition of default is aligned with definition of default as set out in IFRS 9.

Expert credit judgement

For Corporate & Institutional and Commercial, borrowers are graded by credit risk management on a credit grading (CG or Grade) scale from CG1 to CG14. Once a borrower starts to exhibit credit deterioration, it will move along the credit grading scale in the performing book and when it is classified as CG12 the credit assessment and oversight of the loan will normally be performed by Group Special Assets Management (GSAM).

Borrowers graded CG12 exhibit well-defined weaknesses in areas such as management and/or performance but there is no current expectation of a loss of principal or interest. Where the impairment assessment indicates that there will be a loss of principal on a loan, the borrower is graded a CG14 while borrowers of other credit impaired loans are graded CG13. Instruments graded CG13 or CG14 are regarded as non-performing loans, i.e. Stage 3 or credit impaired exposures.

For individually significant financial assets within Stage 3, Group Special Asset Management (GSAM) will consider all judgements that have an impact on the expected future cash flows of the asset. These include: the business prospects, industry and geo-political climate of the customer, quality of realisable value of Against impaired assets, the bank's legal position relative to other claimants and any renegotiation/ forbearance/ modification options. The difference between the loan carrying amount and the discounted expected future cash flows will result in the stage 3 credit impairment amount. The future cash flow calculation involves significant judgements and estimates. As new information becomes available and further negotiations/forbearance measures are taken the estimates of the future cash flows will be revised and will have an impact on the future cash flow analysis.

For financial assets which are not individually significant, such as the Retail Banking portfolio or small business loans, which comprise many homogenous loans that share similar characteristics, statistical estimates and techniques are used, as well as credit scoring analysis.

Retail Banking clients are considered credit impaired and written off where they are 90 days past due. Retail. Retail Banking products are also considered credit impaired if the borrower files for bankruptcy or other forbearance programme, the borrower is deceased, or the business is closed in the case of a small business, or if the borrower surrenders the collateral, or there is an identified fraud on the account.

Additionally, if the account is unsecured and the borrower has other credit accounts with the bank that are considered credit impaired, the account may be also be credit impaired.

Techniques used to compute impairment amounts use models which analyse historical repayment and default rates over a time horizon. Where various models are used, judgement is required to analyse the available information provided and select the appropriate model or combination of models to use.

Expert credit judgement is also applied to determine whether any post-model adjustments are required for credit risk elements which are not captured by the models.

Write-offs of credit impaired instruments and reversal of impairment

To the extent a financial debt instrument is considered irrecoverable, the applicable portion of the gross carrying value is written off against the related loan provision. Such loans are written off after all the necessary procedures have been completed, it is decided that there is no realistic probability of recovery and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off decrease the amount of the provision for loan impairment in the income statement. If, in a subsequent period, the amount of the credit impairment loss decreases, and the decrease can be related objectively to an event occurring after the credit impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised credit impairment loss is reversed by adjusting the provision account. The amount of the reversal is recognised in profit or loss. All credit facility write-off shall require the endorsement by the Board of Directors and the Central Bank.

3. Accounting policies continued

Improvement in credit risk

A period may elapse from the point at which instruments enter lifetime expected credit losses (stage 2 or stage 3) and are reclassified back to 12 month expected credit losses (stage 1). For financial assets that are credit-impaired (stage 3), a transfer to stage 2 or stage 1 is only permitted where the instrument is no longer considered to be credit-impaired. An instrument will no longer be considered credit-impaired when there is no shortfall of cash flows compared to the original contractual terms.

For financial assets within stage 2, these can only be transferred to stage 1 when they are no longer considered to have experienced a significant increase in credit risk.

Where significant increase in credit risk was determined using quantitative measures, the instruments will automatically transfer back to stage 1 when the original PD based transfer criteria are no longer met. Where instruments were transferred to stage 2 due to an assessment of qualitative factors, the issues that led to the reclassification must be cured before the instruments can be reclassified to stage 1. This includes instances where management actions led to instruments being classified as stage 2, requiring that action to be resolved before loans are reclassified to stage 1. A customer needs to demonstrate consistently good payment behaviour over a regulatory maximum of six (6) months before the exposure is no longer considered to be credit-impaired or in default or the PD is considered to have decreased such that the loss allowance reverts to being measured at an amount equal to 12-month ECL.

Restructured financial asset

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

If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.

If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Presentation of allowance for ECL in the statement of financial position

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

- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- loan commitments and financial guarantee contracts: generally, as a provision;
- where a financial instrument includes both a drawn and an undrawn component, and the bank cannot identify the ECL on the loan commitment component separately from those on the drawn component: The Bank presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision; and
- debt instruments measured at FVOCI: The loss allowance is charged to profit or loss and is recognised in other comprehensive income

3.10 Cash and cash equivalents

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

3.11 Investment securities

This comprises investments in short-term Government securities and medium-term investments in Government and other securities such as treasury bills and bonds and other investments. Investment securities are categorised as debt securities at FVOCI, trading financial assets and carried in the statement of financial position at fair value.

3.12 Loans and advances

This is made up of loans and advances to customers and banks. These are initially measured at fair value plus incremental direct transaction costs and subsequently at their amortised cost using effective interest method in the statement of financial position, i.e. gross receivable less impairment allowance.

3.13 Derivative assets and liabilities

The Bank uses derivatives to manage its exposure to foreign currency, interest rate, equity market and credit risks. The instruments used principally include interest rate swaps, cross-currency swaps, forward contracts, interest rate futures, interest rate options, credit swaps and equity swaps. Derivatives held for risk management purposes include all derivative assets and liabilities that are not classified as trading assets or liabilities. All derivatives are measured at fair value in the statement of financial position.

3.14 Property and equipment

3.14.1 Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and any impairment losses.

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

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

3.14.2 Subsequent costs

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

3.14.3 Work-in-progress

Property and equipment may be classified as work-in-progress if it is probable that future economic benefits will flow to the Bank and the cost can be measured reliably. Typically, these are items that have not yet been brought to the location and/or condition necessary for it to be capable of operating in the manner intended by management.

Amounts held within work-in-progress that are substantially complete, in common with other property and equipment, are required to be assessed for impairment. Where asset lives are short (technological assets for example) and the assets are held as WIP for a significant period, impairment (through technological obsolescence) is more likely to occur. In such situations, if the assets are generic in nature and do not require significant modification to bring them into use, it would be more appropriate to hold the assets within property and equipment and depreciate them. Assets that would typically fall into this category are Computers, screens and other items that require little modification to bring them into use.

In general, assets should not be held in work in progress for a significant period unless it relates to a significant construction project (a building for example).

3.14.4 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. Leased assets are depreciated over the shorter of the lease term and the useful life of the asset when it is reasonably certain that the asset will revert to the lessee at the end of the lease term. Freehold Land is not depreciated.

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

Buildings	-	50 years
Leasehold improvements	-	life of lease up to 50 years
IT equipment and vehicles	-	3 - 5 years
Fixtures and fittings	-	5 - 10 years

3. Accounting policies continued

3.14.4 Depreciation continued

Depreciation methods, useful lives and residual values are reassessed at the reporting date and prospectively adjusted if appropriate, at the end of each reporting period.

Property and equipment is derecognised on disposal or when no future economic benefits are expected from its use

Gains and losses on disposal of property and equipment are determined by comparing proceeds from disposal with the carrying amounts of property and equipment and are recognised in the profit or loss as other income.

3.15 Intangible assets

3.15.1 Software

Software acquired by the Bank is measured at cost less accumulated amortisation and accumulated impairment losses. Subsequent expenditure on software is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The estimated useful life of software is three to five years. Amortisation methods, useful lives and residual values are reassessed at the reporting date and prospectively adjusted if appropriate, at the end of each reporting period.

3.16Taxation

Tax expense comprises current and deferred tax. Income tax is recognised in statement of comprehensive income except to the extent that it relates to items recognised in other comprehensive income or directly in equity

Current tax comprises the expected tax payable or receivable on taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

This is measured using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

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

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at 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.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences.

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.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Bank expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

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

3.17 Events after the reporting date

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

3.18 Dividend

Dividend payable is recognised as a liability in the period in which they are declared. Dividend 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.

3.19 Provisions and contingencies

Provision

A provision is recognised if, as a result of a past event, the Bank 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.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the bank, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. If the likelihood of an outflow of resources is remote, the possible obligation is neither a provision nor a contingent liability and no disclosure is made.

3.20 Financial guarantee and loan commitments

Financial guarantee contracts are contracts that require the Bank to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Loan commitments are firm commitments to provide credit under pre-specified terms and conditions.

Liabilities arising from financial guarantees or commitments to provide a loan at below-market interest rates are initially recognised at fair value and amortised over the life of the guarantee or commitment. Subsequently, they are measured at the higher of the loss allowance determined in accordance with IFRS 9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15.

Other loan commitments issued are measured at the sum of (i) the loss allowance determined in accordance with IFRS 9 and (ii) the amount of any fees received, less, if the commitment is unlikely to result in a specific lending arrangement, the cumulative amount of income recognised. Liabilities arising from financial guarantees and loan commitments are included within other liabilities

3.21 Employee benefits

3.21.1 Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in personnel expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

a. Social Security

Under a national defined contribution pension scheme, the Bank contributes 13% of employees' basic salary to the Social Security and National Insurance Trust (SSNIT) for employee pensions. Obligations for contributions are recognised as an expense in profit or loss when they are due. The Bank's obligation is limited to the relevant contributions, which were settled on due dates. The pension liabilities and obligations, however, rest with SSNIT.

b. Provident Fund

The Bank has a provident fund scheme for staff under which it contributes 14% of staff basic salary. The obligation under the plan is limited to the relevant contribution and these are settled on due dates to the Fund Manager.

3. Accounting policies continued

3.21.2 Retired staff medical plan

The Bank has a scheme to pay the medical cost of some retired staff and their spouses from the date of retirement till death. Under the scheme, the Bank pays the medical cost of eligible persons with a cost cap of GH¢3,878 per person per annum. The Bank has taken an insurance policy to cover the scheme. The entity does not have any legal or constructive obligation to cover any loss on the policy. The obligation to the company is limited to the annual insurance premiums payable. The premiums paid under the policy are recognised as an expense in personnel expenses.

3.21.3 Termination benefits

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

3.21.4 Short-term benefits

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

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

3.21.5 Share-based payments

A share based payment can either be cash-settled share based payment or equity-settled share based payment.Cash-settled share based payment refers to a share-based payment transaction in which the entity acquires goods or services by incurring a liability to transfer cash or other assets to the supplier of those goods or services for amounts that are based on the price (or value) of the entity's shares or other equity instruments of the entity.Equity-settled share based payment transaction in which the entity receives goods or services as consideration for equity instruments of the entity (including shares or share options).

The grant date-fair value of equity-settled share-based payment arrangements granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

3.22 Impairment of non-financial assets

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

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessment of the time value of money and risks specific to the asset. Impairment losses are recognised in the Statement of comprehensive income.

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 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.

3.23 Shared capital

3.23.1 Ordinary share capital

Ordinary issued shares are classified as shareholders' funds. The Bank's share capital is not redeemable by holders in the normal course of business and bears an entitlement to distributions that is non-cumulative and at the discretion of the Directors. Accordingly, they are presented as a component of issued capital within equity. Proceeds from issue of ordinary shares are classified as shareholders' funds. Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

3.23.2 Preference share capital

The Bank's non-redeemable preference shares are classified as equity, because they bear discretionary dividends, do not contain any obligations to deliver cash or other financial assets and do not require settlement in a variable number of the Bank's equity instruments. Discretionary dividends thereon are recognised as equity distributions on approval by the Bank's shareholders.

3.24 Earnings per share

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

3.25 Net asset value per share

The Bank presents net asset value per share (NAPS) data for its ordinary shares. NAPS is calculated by dividing the net assets attributable to ordinary shareholders of the Bank after adjustments for preference shares by the weighted average number of ordinary shares outstanding during the period.

3.26 Segment reporting

Segment results that are reported to the Bank's Managing Director (being the chief operating decision maker) include items that are directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Bank's property and equipment), head office expenses and tax assets and liabilities.

The Bank has three reportable segments: Retail Banking, Commercial Banking and Corporate and Institutional Banking which are the Bank's strategic operations. For each reportable segment, the Bank's Managing Director reviews internal management reports on the performance of each segment.

4. Financial risk management

4.1 Introduction and overview

The management of risk lies at the heart of the Bank's business. One of the main risks we incur arises from extending credit to customers through our trading and lending operations. Beyond credit risk, we are also exposed to a range of other risk types such as country cross-border, market, liquidity, operational, pension, reputational and other risks that are inherent to our strategy and product range.

4.2 Risk management framework

Ultimate responsibility for setting our risk appetite and for the effective management of risk rests with the Board. Acting within an authority delegated by the Board, the Board Risk Committee (BRC), whose membership is comprised exclusively of non-executive directors of the Board, has responsibility for oversight and review of prudential risks to credit, market, and liquidity, operational and reputational. It reviews the country's overall risk appetite and makes recommendations thereon to the Board.

Its responsibilities also include reviewing the appropriateness and effectiveness of the Bank's risk management systems and controls, considering the implications of material regulatory change proposals, ensuring effective due diligence on monitoring the activities of the Bank Executive Risk Committee (RiskCo) and Asset and Liability Committee (ALCO).

The BRC receives quarterly reports on risk management, including portfolio trends, policies and standards, liquidity and capital adequacy, and is authorised to investigate or seek any information relating to an activity within its terms of reference.

The Executive Risk Committee (RiskCo) is responsible for the management of all risks other than ALCO. RiskCo is responsible for the establishment of, and compliance with, policies relating to credit risk, market risk, operational risk, and reputational risk. The RiskCo also defines our overall risk management framework. RiskCo oversees committee such as Country Operational Risk Committee, Group Special Asset Management, Early Alert (Corporate and Institutional Banking (CIB), Retail Banking (RB) and Commercial Banking (CB), and Credit Approval Committee.

ALCO is responsible for the management of capital and the establishment of, and compliance with, policies relating to statement of financial position management, including management of liquidity, capital adequacy and structural foreign exchange and interest rate risk.

The committee governance structure ensures that risk-taking authority and risk management policies are cascaded down through to the appropriate functional, divisional and country-level committees.

4. Financial risk management continued

4.2 Risk management framework continued

Information regarding material risk issues and compliance with policies and standards is communicated to the functional committees and country-level sub-committees.

Roles and responsibilities for risk management are defined under a Three Lines of Defence model. Each line of defence describes a specific set of responsibilities for risk management and control.

The first line of defence is that all employees are required to ensure the effective management of risks within the scope of their direct organisational responsibilities. Business and function governance heads are accountable for risk management in their respective businesses and functions.

The second line of defence comprises the Risk Control Owners, supported by their respective control functions. Risk Control Owners are responsible for ensuring that the risks within the scope of their responsibilities remain within appetite. The scope of a Risk Control Owner's responsibilities is defined by a given Risk Type and the risk management processes that relate to that Risk Type. These responsibilities cut across and are not constrained by functional and business boundaries.

The third line of defence is the independent assurance provided by the Country's Internal Audit function. Its role is defined and overseen by the Audit Committee. The findings from the country audits are reported to management and governance bodies – accountable line managers, relevant oversight function or committee and committees of the Board. The country's internal audit provides independent assurance of the effectiveness of management's control of its own business activities (the first line) and of the processes maintained by the Risk Control Functions (the second line). As a result, Internal Audit provides assurance that the overall system of control effectiveness is working as required within the Risk Management Framework.

Credit risk

Credit risk is the potential for loss due to the failure of counterparty to meet its obligations to pay theBank in accordance with agreed terms. Credit exposures may arise from both the banking and trading books. Credit risk is managed through a framework that sets out policies and procedures covering the measurement and management of credit risk. There is a clear segregation of duties between transaction originators in the businesses and approvers in the Risk function. All credit exposure limits are approved within a defined credit approval authority framework.

COVID-19 considerations

IFRS 7 Financial Instruments: Disclosures requires disclosure of the nature and extent of risks arising from financial instruments and how the company manages those risks.

Regulatory changes

Banks, per COVID-19 induced regulatory directives, introduced changes to the way they did their businesses, which in turn impacted the credit risk that arose from the transactions that they entered into and the way they managed those risks. Banks changed the terms and conditions of the loans that they originated, changed their debt collection processes, received government guarantees in respect of its credit exposures among others (restructured timing and amounts of repayments), reduced provisions for loans in the "Other Loans Especially Mentioned" (OLEM) category from 10 percent to 5 percent for all banks and SDIs as a policy response to loans that may experience difficulty in repayments due to slowdown in economic activity. These impacted the qualitative considerations in impairment computation as well as the regulatory credit reserve of the banks.

Bank-specific changes

In line with the measures taken by the Regulator, The Bank also amended its regulatory loan provision requirement for OLEM category of loans from 10% to 5%. There were other changes introduced as a result of COVID-19. Tenor extensions and interest rate reductions on eligible local currency loans for clients in vulnerable sectors highly impacted by the COVID-19 pandemic. Quantitatively, these modifications (mainly restructuring of terms) resulted in a modified loss which was assessed as immaterial.

Credit monitoring

We regularly monitor credit exposures, portfolio performance, and external trends that may impact risk management outcomes. Internal risk management reports are presented to risk committees, containing information on key environmental, political and economic trends across major portfolios; portfolio delinquency and loan impairment performance; including credit grade migration.

4.3 Problem credit management and provisioning

4.3.1 Commercial, Corporate & Institutional Businesses

Credit mitigation

Potential credit losses from any given account, customer or portfolio are mitigated using a range of tools such as collateral, netting agreements, credit insurance, and other guarantees. The reliance that can be placed on these mitigants is carefully assessed in light of issues such as legal certainty and enforceability, market valuation correlation and counterparty risk of the guarantor. Risk mitigation policies determine the eligibility of collateral types.

Traded products

Credit risk from traded products is managed within the overall credit risk appetite for corporates and financial institutions. The credit risk exposure from traded products is derived from the positive mark-to-market value of the underlying instruments, and an additional component to cater for potential market movements.

A non-performing loan is any loan that is individually impaired (which represents those loans against which individual impairment provisions have been raised) and past due by 90 days or more and excludes:

- Loans renegotiated before 90 days past due and on which no default in interest payments or loss of principal is expected.
- Loans renegotiated at or after 90 days past due, but on which there has been no default in interest or principal payments for more than 180 days since renegotiation, and against which no loss of principal is expected.

The loan loss provisions are established to recognise expected credit losses on specific loan assets or within a portfolio of loans and receivables. Individually impaired loans are those loans against which individual impairment provisions have been raised.

Estimating the amount and timing of future recoveries involves significant judgment and considers the level of arrears as well as the assessment of matters such as future economic conditions, court processes and the value of collateral, for which there may not be a readily accessible market.

The total amount of the Bank's impairment allowances is inherently uncertain being sensitive to changes in economic and credit conditions. It is possible that actual events over the next year differ from the assumptions built into the model resulting in material adjustments to the carrying amount of loans and advances

The Bank of Ghana (BoG) prudential guidelines prescribes the following principles for calculating impairment allowance.

- 1% of the aggregate outstanding balance of all current advances.
- 5% of the aggregate net unsecured balance of all OLEMs,
- 25% of the aggregate net unsecured balance of all sub-standard advances;
- 50% of the aggregate net unsecured balance of all doubtful advances;
- 100% of the aggregate net unsecured balance of all loss advances.

	Category	% Provision	No. of Days of Delinquency
1	Current	1	0 - less than 30
2	Olem	5	30 - less than 90
3	Substandard	25	90 - less than 180
4	Doubtful	50	180 -less than 360
5	Loss	100	360 and above

Any difference between the impairment allowance per IFRS and that calculated per BoG guidelines is reported in our statement of financial position under Credit Risk Reserve.

4. Financial risk management continued

4.3.2 Retail Business

In Retail Business, where there are large numbers of small value loans, a primary indicator of potential impairment is delinquency. A loan is considered delinquent (past due) when the counterparty has failed to make a principal or interest payment when contractually due.

However, not all delinquent loans (particularly those in the early stage of delinquency) will be impaired. For delinquency reporting purposes we follow industry standards, measuring delinquency as of 1, 30, 60, 90, 120 and 150 days past due. Accounts that are the definition of default as stated above continues to apply. All Financial assets that are credit impaired (or in default) represent those that are at least 90 days past due in respect of principal and/or interest.

Provisioning within Retail Business reflects the fact that the product portfolios consist of a large number of comparatively small exposures.

For the main unsecured products and loans secured, the entire outstanding amount is generally written off at 150 days past due. Unsecured consumer finance loans are written off at 90 days past due. For secured loans individual impairment provisions (IIPs) are generally raised at either 150 days (Mortgages) or 90 days (Wealth Management) past due.

The provisions are based on the estimated present values of future cash flows, in particular those resulting from the realisation of security. Following such realisation any remaining loan will be written off. The days past due used to trigger write-offs and IIPs are broadly driven by past experience, which shows that once an account reaches the relevant number of days past due, the probability of recovery (other than by realising security where appropriate) is low. For all products there are certain situations where the individual impairment provisioning or write-off process is accelerated, such as in cases involving bankruptcy, customer fraud and death. Write-off and IIPs are accelerated for all restructured accounts to 90 days past due (unsecured and automobile finance) and 120 days past due (secured) respectively.

4.4 Analysis of credit concentration risk

Loans and advances

The concentration of loans and advances by business segment and customer types are disclosed in Note 21(b).

Investments securities

Investment securities amounting to GH¢2.42 billion (2019: GH¢2.35 billion) are held in Government of Ghana Treasury Bills and bonds.

Non-pledged trading assets

Investment securities amounting to GH¢406.2 million (2019: GH¢165.7 million) are held in Government of Ghana Treasury Bills and bonds.

Loans and advances to banks

Amount due from banks of GH¢15 million (2019: GH¢116 million) are held with correspondant banks and financial institutions and therefore impairments on these are not considered significant. These amounts are with regulated reputable institutions. The amounts due from banks and other financial institutions set out in Note 21a represent the maximum credit risk exposure of the Bank by holding these placements.

4.4.1 Maximum credit exposure

At 31 December 2020, the maximum credit risk exposure of the Bank in the event of other parties failing to perform their obligations is detailed below. No account has been taken of any collateral held for non-derivative off-balance sheet transactions, their contractual nominal amounts.

	2020 GH¢'000	2019 GH¢'000
Loans to other banks	**15,000**	116,208
Placements with other banks	**-**	32,924
Loans and advances to customers	**1,695,213**	1,770,666
Commitments and Guarantees	**1,157,973**	987,626
Investment securities	**2,419,537**	2,349,385
	5,287,723	5,256,809

i. Credit quality analysis

The following table sets out information about the credit quality of financial assets measured at amortised cost and FVOCI debt investments. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts. For loan commitments and financial guarantee contracts, the amounts in the table represent the amounts committed or guaranteed, respectively. Explanation of the terms “Stage 1”, “Stage 2” and “Stage 3” is included in Note 3.8.8(b).

	2020			
	Stage 1 GH¢’000	Stage 2 GH¢’000	Stage 3 GH¢’000	Total GH¢’000
Loans and advances to banks at amortised cost				
Grade 1–6	15,000	-	-	15,000
Gross carrying amount	15,000	-	-	15,000
Loss allowance	-	-	-	-
Carrying amount	15,000	-	-	15,000
Loans and advances to customers at amortised cost				
Grade 1–6 Normal (current)	1,388,608	122,859	-	1,511,467
Grade 7–9Watchlist (OLEM)	2,368	39,082	-	41,450
Grade 10 Impaired (substandard)	7,482	35,996	-	43,478
Grade 11 Impaired (doubtful)			49,158	49,158
Grade 12-14 Impaired (loss)	-	15	234,206	234,221
Gross carrying amount	1,398,458	197,952	283,364	1,879,774
Loss allowance	(7,129)	(10,494)	(166,939)	(184,562)
Carrying amount	1,391,329	187,458	116,425	1,695,212

Loans and advances to banks are amounts held with correspondant banks and financial institutions and therefore impairments on these are not considered significant given that these regulated reputable institutions and there is no history of losses recognised against these amounts.

	2019				
	Stage 1 GH¢’000	Stage 2 GH¢’000	Stage 3 GH¢’000	Total GH¢’000	Total GH¢’000
Loans and advances to banks at amortised cost					
Grade 1–6		116,208	-	-	116,208
Gross carrying amount		116,208	-	-	116,208
Loss allowance		-	-	-	-
Carrying amount		116,208	-	-	116,208
Loans and advances to customers at amortised cost					
Grade 1–6 Normal (current)		1,401,202	179,563		1,580,765
Grade 7–9Watchlist (OLEM)		-		85,430	85,430
Grade 10 Impaired (substandard)		-	-	20,263	20,263
Grade 11 Impaired (doubtful)		-		15,581	15,581
Grade 12 Impaired (loss)		-	-	207,977	207,977
Gross carrying amount		1,401,202	179,563	329,251	1,919,016
Loss allowance		(18,440)	(3,760)	(117,150)	(139,350)
Carrying amount		1,382,762	175,803	212,101	1,770,666

4. Financial risk management continued

Commitments and guarantees

To meet the financial needs of customers, the Bank enters various irrevocable commitments and contingent liabilities. Even though these obligations may not be recognised on the statement of financial position, they do contain credit risk and are, therefore, part of the overall risk of the Bank.

The table below shows the Bank's maximum credit risk exposure for commitments and guarantees. The maximum exposure to credit risk relating to a financial guarantee is the maximum amount the Bank would have to pay if the guarantee is called upon. The maximum exposure to credit risk relating to a loan commitment is the full amount of the commitment.

	2020 GH¢'000	2019 GH¢'000
Guarantees	1,026,704	889,106
Letters of credit	168,089	137,923
	1,194,793	1,027,029
Margins against contingents	(36,820)	(39,403)
	1,157,973	987,626

	2020			
	Stage 1 GH¢'000	Stage 2 GH¢'000	Stage 3 GH¢'000	Total GH¢'000
Letters of credit, undrawn commitments and guarantee				
Grades 1-6	1,157,973	-	-	1,157,973
Gross carrying amount	1,157,973	-	-	1,157,973
Loss allowance	(2,133)	-	-	(2,133)
Carrying amount	1,155,840	-	-	1,155,840

	2019			
	Stage 1 GH¢'000	Stage 2 GH¢'000	Stage 3 GH¢'000	Total GH¢'000
Letters of credit, undrawn commitments and guarantees				
Grade 1–6	987,626	-	–	987,626
Gross carrying amount	987,626	-	–	987,626
Loss allowance	(651)	-	–	(651)
Carrying amount	986,975	-	–	986,975

Cash and cash equivalents

The Bank held cash and cash equivalents of GH¢2,555,473 at 31 December 2020 (2019: GH¢ 2,425,670). The cash and cash equivalents are held with the central bank and financial institution counterparties which have strong credit quality. None of these balances were impaired at the year end and at 31 December 2020 (2019: Nil).

Investment securities at FVOCI

The Bank held investment securities of GH¢2,419,537 at 31 December 2020 (2019: GH¢ 2,349,385). The investment securities are held with the Government of Ghana and with no history of default.

Non pledged trading assets

The following table sets out the credit quality of trading debt securities measured at FVTPL.

	2020 GH¢'000	2019 GH¢'000
Gross carrying amount	**406,254**	165,741
Loss allowance	**-**	-
Carrying amount	**406,254**	165,741

i. Credit quality analysis

At 31 December 2020, the maximum exposure to credit risk of the non-pledged trading assets are their carrying amount of GH¢406,254 (2019: GH¢ 165,741)

The following table shows an analysis of counterparty credit exposures arising from derivative transactions. Derivative transactions of the Bank are generally fully collateralised by cash.

			Over-the-counter/exchange traded			
	Total		**Financial Institution**		**Others**	
	Notional amount GH¢'000	**Fair value GH¢'000**	**Notional amount GH¢'000**	**Fair value GH¢'000**	**Notional amount GH¢'000**	**Fair value GH¢'000**
2020						
Derivative assets	**399,485**	**5,675**	**348,898**	**4,478**	**50,587**	**1,197**
Derivative liabilities	**611,511**	**161**	**611,511**	**28**	**-**	**133**
2019						
Derivative assets	356,559	13,834	183,750	8,214	172,809	5,620
Derivative liabilities	167,487	(5,382)	-	-	167,487	(5,382)

The Bank holds collateral and other credit enhancements against certain types of its credit exposures. The table below sets out the principal types of collateral held against different types of financial assets.

Type of exposure

	Percentage of exposure that is subject to collateral requirement		Principal type of collateral held
	December 2020	December 2019	
Loans and advances to customers			
Corporate term loans and overdraft	**100%**	100%	Legal mortgages over commercial and residential properties; debentures and floating charges
Personal loans	**0%**	0%-	
Staff loans	**66%**	68%-	Residential properties
Balances with other Banks	**0%**	0%-	
Loans to Banks	**0%**	0%-	

Collateral on impaired exposures

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

Collateral on impaired exposures continued

Because of the Bank's focus on corporate customers' creditworthiness, the Bank does not routinely update the valuation of collateral held against all loans to corporate customers. Valuation of collateral is performed at the time of borrowing and generally are not updated except when a loan is individually assessed as impaired. Valuation of collaterals is updated in a three-year cycle for loans whose credit risk has deteriorated significantly and are being monitored more closely. There were no financial assets for which the Bank has not recognised a loss allowance because of collateral.

Collateral is not normally held for loans and advances to banks, except when securities are held as part of reverse repurchase and securities borrowing activity. Collateral is not usually held against investment securities, and no such collateral was held at 31 December 2020. Collateral values of impaired loans are at cash flows of the forced sale values less estimated costs of sale and relevant haircut as discounted to present values.

For impaired loans, the Bank obtains appraisals of collaterals because the current values of the collaterals are an input to the impairment measurement. An estimate of the fair value of collateral and other credit enhancements held against loans and advances to customers and Banks is shown below:

ii. Collateral held and other credit enhancements, and their financial effect

	Loans & advances to customers		Loans to banks	
	2020 GH¢'000	2019 GH¢'000	**2020 GH¢'000**	2019 GH¢'000
Against individually impaired				
Property	**5,321,117**	5,016,823	**-**	-
Against past due but not impaired				
Property	**-**	-	**-**	-
	5,321,117	5,016,823		

iii. Loans and advances renegotiated

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.

Loans and advances to customers

	2020 GH¢'000	2019 GH¢'000
Carrying amount of financial assets that continue to be impaired after restructuring (included in non-performing loans)	**513,220**	283,916

The Bank restructured the terms of loans of its customers. Quantitatively, these modifications (mainly restructuring of terms) resulted in a modified loss which was assessed as immaterial and therefore not recognised in the financial statement for the year ended 31 December 2020. There were no financial assets for which the loss allowance was measured at an amount equal to lifetime expected credit losses and subsequently changed during the reporting period to an amount equal to 12-month expected credit losses as a result of the modification of the gross carrying amount at the end of the reporting period.

iv. Assets obtained by taking possession of collateral

The Bank's policy is to pursue timely realisation of the collateral in an orderly manner. The Bank does not generally use the non-cash collateral for its own operations. Repossessed items are expected to be sold within one year of repossession. Repossessed items are not recognised in the Bank's books. Proceeds from their sale are used to reduce related outstanding indebtedness.

The Bank did not hold any financial and non-financial assets resulting from taking possession of collaterals held as security against loans and advances at the reporting date (2019:Nil).

v. Offsetting financial assets and financial liabilities

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

4.4.2 ECL analysis

Inputs, assumptions and techniques used for estimating impairment

IFRS 9 expected credit loss models have been developed for the Corporate & Institutional Banking and Commercial Banking businesses on a global basis, in line with their respective portfolios. However, for some of the key countries, country-specific models have also been developed. The calibration of forward-looking information is assessed at a region level to take into account local macro-economic conditions.

Significant increase in credit risk

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Bank considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Bank's historical experience and expert credit assessment and including forward-looking information.

The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing:

- the remaining lifetime probability of default (PD) as at the reporting date; with
- the remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure (adjusted where relevant for changes in prepayment expectations).

The Bank uses three criteria for determining whether there has been a significant increase in credit risk:

- quantitative test based on movement in PD;
- qualitative indicators; and
- a backstop of 30 days past due.

Credit risk grades

The Bank allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of default and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of borrower.

Credit risk grades are defined and calibrated such that the risk of default occurring increases exponentially as the credit risk deteriorates so, for example, the difference in risk of default between credit risk grades 6 and 7 is smaller than the difference between credit risk grades 1 and 12.

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

Corporate and retail exposures

- Information obtained during periodic review of customer files – e.g. audited financial statements, management accounts, budgets and projections. Examples of areas of focus are gross profit margins, financial leverage ratios, debt service coverage, compliance with covenants, quality of management, senior management changes
- Actual and expected significant changes in the political, regulatory and technological environment of the borrower or in its business activities
- Internally collected data on customer behaviour
- Payment record – this includes overdue status as well as a range of variables about payment ratios
- Utilisation of the granted limit
- Requests for and granting of forbearance
- Existing and forecast changes in business, financial and economic conditions

4. Financial risk management continued

Determining whether credit risk has increased significantly

The Bank assesses whether credit risk has increased significantly since initial recognition at each reporting date. Determining whether an increase in credit risk is significant depends on the characteristics of the financial instrument and the borrower, and the geographical region. What is considered significant differs for different types of lending, in particular between corporate and retail.

As a general indicator, credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Bank's quantitative modelling:

- the remaining lifetime PD is determined to have increased by more than a stated threshold of the corresponding amount estimated on initial recognition; or,
- if the absolute change is annualised, lifetime PD since initial recognition is greater than a stated threshold of basis points.

In addition, irrespective of the relative increase since initial recognition, credit risk of an exposure is deemed not to have increased significantly if its remaining annualised lifetime PD at the reporting date is grade 7.

The credit risk may also be deemed to have increased significantly since initial recognition based on qualitative factors linked to the Bank's credit risk management processes that may not otherwise be fully reflected in its quantitative analysis on a timely basis. This will be the case for exposures that meet certain heightened risk criteria, such as placement on a watch list. Such qualitative factors are based on its expert judgment and relevant historical experiences. As a backstop, the Bank considers that a significant increase in credit risk occurs no later than when an asset is 30 days past due. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower.

If there is evidence that there is no longer a significant increase in credit risk relative to initial recognition, then the loss allowance on an instrument returns to being measured as 12-month ECL. Some qualitative indicators of an increase in credit risk, such as delinquency or forbearance, may be indicative of an increased risk of default that persists after the indicator itself has ceased to exist. In these cases, the Bank determines a probation period during which the financial asset is required to demonstrate good behaviour to provide evidence that its credit risk has declined sufficiently. When contractual terms of a loan have been modified, evidence that the criteria for recognising lifetime ECL are no longer met includes a history of up-to-date payment performance against the modified contractual terms.

The Bank monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- the criteria are capable of identifying significant increases in credit risk before an exposure is in default;
- the criteria do not align with the point in time when an asset becomes 30 days past due;
- the average time between the identification of a significant increase in credit risk and default appears reasonable;
- exposures are not generally transferred directly from 12-month ECL measurement to credit- impaired; and
- there is no unwarranted volatility in loss allowance from transfers between 12-month PD (Stage 1) and lifetime PD (Stage 2).

Definition of default

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

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

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

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

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

The definition of default largely aligns with that applied by the Bank for regulatory capital purposes.

Incorporation of forward-looking information

The evolving economic environment is a key determinant of the ability of a bank's clients to meet their obligations as they fall due. It is a fundamental principle of IFRS 9 that the provisions banks hold against potential future Credit risk losses should depend not just on the health of the economy today but should also take into account potential changes to the economic environment. For example, if a bank was to anticipate a sharp slowdown in the world economy over the coming year, it should hold more provisions today to absorb the credit losses likely to occur in the near future. To capture the effect of changes to the economic environment, the PDs and LGDs used to calculate expected credit loss, incorporate forward-looking information in the form of forecasts of the values of economic variables and asset prices that are likely to have an effect on the repayment ability of the Bank's clients.

The 'Base Forecast' of the economic variables and asset prices is based on management's view on the five-year outlook, supported by projections from the Standard Chartered Group's in-house research team and outputs from a third-party model that project specific economic variables and asset prices. The research team takes consensus views into consideration and senior management review projections for some core country variables against consensus when forming their view of the outlook. For the period beyond five years, management utilises the inhouse research view and outputs and third-party model outputs which allow for a reversion to long-term growth rates or norms. All projections are updated on a quarterly basis. To assess the range of possible outcomes, the Bank simulates a set of 50 scenarios around the Base Forecast and calculates the expected credit loss under each of them and assigns an equal weight of 2 per cent to each of the scenario outcomes. These scenarios are generated by a Monte Carlo simulation, which considers the degree of uncertainty (or volatility) around economic outcomes and how these outcomes have tended to move in relation to one another (or correlation).

The Bank has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro economic variables and credit risk and credit losses.

The key drivers for credit risk for retailers' portfolios are GDP growth, unemployment rates, interest rates, household income, household debts, residential property prices. For exposures to corporate portfolios, the key drivers also include GDP growth, interest rates, corporate sector indebtedness, foreign exchange rates, corporate profits and equity index.

ECL Measurement

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

- probability of default (PD);
- loss given default (LGD); and
- exposure at default (EAD).

ECL for exposures in Stage 1 is calculated by multiplying the 12-month PD by LGD and EAD. Lifetime ECL is calculated by multiplying the lifetime PD by LGD and EAD.

The methodology of estimating PDs is discussed above under the heading 'Generating the term structure of PD'.

LGD is the magnitude of the likely loss if there is a default. The Bank estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset.

EAD represents the expected exposure in the event of a default. The Bank derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract and arising from amortisation.

4. Financial risk management continued

ECL Measurement continued

The EAD of a financial asset is its gross carrying amount at the time of default. For lending commitments, the EADs are potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts. For financial guarantees, the EAD represents the amount of the guaranteed exposure when the financial guarantee becomes payable. For some financial assets, EAD is determined by modelling the range of possible exposure outcomes at various points in time using scenario and statistical techniques.

As described above, and subject to using a maximum of a 12-month PD for Stage 1 financial assets, the Bank measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for credit risk management purposes, the Bank considers a longer period. The maximum contractual period extends to the date at which the Bank has the right to require repayment of an advance or terminate a loan commitment or guarantee.

Amounts arising from expected credit losses (ECL)

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument.

	Stage 1 GH¢'000	Stage 2 GH¢'000	Stage 3 GH¢'000	Total GH¢'000
2020				
Loans and advances to customers at amortised cost				
Balance at 1 January	**18,440**	**3,760**	**117,150**	**139,350**
Transfer to 12 - Month ECL	**355**	**(355)**	**-**	**-**
Transfer to Lifetime Not Credit Impaired	**(1,118)**	**1,145**	**(27)**	**-**
Transfer to Lifetime ECL Credit Impaired	**-**	**(391)**	**391**	**-**
Net remeasurement of loss allowance	**(10,548)**	**6,335**	**49,789**	**45,212**
Balance at 31 December	**7,129**	**10,494**	**166,939**	**184,562**
2019				
Loans and advances to customers at amortised cost				
Balance at 1 January	12,780	3,040	176,572	192,392
Transfer to 12 - Month ECL	3,655	3,655	-	-
Transfer to Lifetime Not Credit Impaired	(1,045)	2,457	(1,412)	-
Transfer to Lifetime ECL Credit Impaired	(2,610)	1,198	1,412	-
Net remeasurement of loss allowance	5,660	720	101,095	107,475
Write-offs	-	-	(160,517)	(160,517)
Balance at 31 December	18,440	3.760	117, 150	139,350

2020

	Stage 1 GH¢'000	Stage 2 GH¢'000	Stage 3 GH¢'000	Total GH¢'000
Letters of credit, undrawn commitments and guarantees				
Balance at 1 January	5,191	-	-	5,191
Net remeasurement of loss allowance	(3,142)	-	-	(3,142)
Balance at 31 December	2,049	-	-	2,049
2019				
Letters of credit, undrawn commitments and guarantees				
Balance at 1 January	4,576	-	-	4,576
Net remeasurement of loss allowance	615	-	-	615
Balance at 31 December	5,191	-	-	5,191

	Stage 1 GH¢'000	Stage 2 GH¢'000	Stage 3 GH¢'000	Total GH¢'000
2020				
Investment securities				
Balance at 1 January	**-**	**-**	**-**	**-**
Net remeasurement of loss allowance	**(219)**	**-**	**-**	**(219)**
Balance at 31 December	**(219)**	**-**	**-**	**(219)**
2019				
Investment securities				
Balance at 1 January	-	-	-	-
Net remeasurement of loss allowance	-	-	-	-
Balance at 31 December	-	-	-	-

The following table provides a reconciliation between:

- amounts shown in the above tables reconciling opening and closing balances of loss allowance per class of financial instruments; and
- the 'impairment losses on financial instruments' line item in the statement of comprehensive income.

2020	Loans and advances to banks at amortised cost GH¢'000	Loans and advances to customers at amortised cost GH¢'000	Investment securities at FVOCI GH¢'000	Letters of credit, undrawn commitments and guarantees GH¢'000	Total GH¢'000
Net remeasurement of loss allowance	**1**	**45,212**	**(219)**	**(3,142)**	**41,852**
Charge-off	**-**	**34,485**	**-**	**-**	**34,485**
Recoveries of amounts previously written off	**-**	**(17,053)**	**-**	**-**	**(17,053)**
Amounts recognised in profit or loss	**1**	**62,644**	**(219)**	**(3,142)**	**59,284**

2019	Loans and advances to banks at amortised cost GH¢'000	Loans and advances to customers at amortised cost GH¢'000	Investment securities at FVOCI GH¢'000	Letters of credit, undrawn commitments and guarantees GH¢'000	Total GH¢'000
Net remeasurement of loss allowance	-	107,745	(15,965)	651	92,161
Charge-off		23,235			23,235
Recoveries of amounts previously written off		(15,528)			(15,528)
Amounts recognised in profit or loss	-	115,182	(15,965)	651	99,868

Charge-off loans are retail loans that are past due 90 days and above and have been written off in line with the Bank's credit risk policy.

The table below provides an explanation of how significant changes in the gross carrying amount of financial instruments during the year contributed to changes in loss allowance.

	2020		
	Impact: increase/ (decrease)		
	Stage 1 GH¢'000	**Stage 2 GH¢'000**	**Stage 3 GH¢'000**
Loans and advances to customers at amortised cost			
Write off of banking exposures that have been in the regulatory "loss" category for more than 2 years	-	-	-

	2019		
	Impact: increase/ (decrease)		
	Stage 1 GH¢'000	Stage 2 GH¢'000	Stage 3 GH¢'000
Loans and advances to customers at amortised cost			
Write off of banking exposures that have been in the regulatory "loss" category for more than 2 years	-	-	160,517

At 31 December the Bank had requested approval from Bank of Ghana to write off non-performing loans totalling 365,868 (2019: 168,224)

4.5 Liquidity risk

The Bank defines liquidity risk as the risk that the Bank will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

It always the policy of the Bank to maintain adequate liquidity and for all currencies. Hence the Bank aims to be able to meet all obligations, to repay depositors, to fulfil commitments to lend and to meet any other commitments.

Liquidity risk management is governed by the Bank's Asset and Liability Management Committee (ALCO), which is chaired by the Chief Executive Officer. ALCO is responsible for both statutory and prudential liquidity. These responsibilities include the provision of authorities, policies and procedures.

ALCO has primary responsibility for compliance with regulations and Bank policy and maintaining a liquidity crisis contingency plan.

A substantial portion of the Bank's assets are funded by customer deposits made up of current and savings accounts and other deposits. These customer deposits, which are widely diversified by type and maturity, represent a stable source of funds. Lending is normally funded by liabilities in the same currency.

The Bank also maintains significant levels of marketable securities either for compliance with local statutory requirements or as prudential investments of surplus funds.

ALCO oversees the structural foreign exchange and interest rate exposures that arise within the Bank. These responsibilities are managed through the provision of authorities, policies and procedures that are co-ordinated by ALCO. Compliance with Bank ratios is also monitored by ALCO.

Refer to Note (31) for key ratios of the Bank.

COVID-19 considerations

IFRS 7 requires disclosure of quantitative data about liquidity risk arising from financial instruments. The Bank of Ghana reduced the cash reserve requirement from 10% to 8%. The Bank managed its liquid assets accordingly to stay within regulatory liquidity limits.

4.6 Maturities of assets and liabilities

The table below presents the cash flows payable by the Bank under non derivative financial liabilities and assets held for managing liquidity risk by remaining contractual maturities at the date of the statement of financial position. The amounts disclosed in the table are the contractual undiscounted cash flow.

The Net liquidity gap is the difference between the total assets and total liabilities for the various time brackets, while the cumulative gap is sum of the net difference of the net liquidity gap over the time brackets.

	2020				
	0-3 months GH¢'000	3-6 months GH¢'000	6-12 months GH¢'000	over 1 year GH¢'000	Total GH¢'000
Cash and cash equivalents	2,724,718	-	-	-	2,724,718
Trading asset (non-pledge)	30,346	23,277	61,177	291,454	406,254
Loans to other banks	15,000	-	-	-	15,000
Loans and advances to customers	431,861	25,151	17,580	1,220,621	1,695,213
Investment securities	904,314	18,000	412,623	1,084,600	2,419,537
Equity investment	-	-	-	1	1
Other assets	441,797	-	-	-	441,797
Total asset	4,548,036	66,428	491,380	2,596,676	7,702,520
Liabilities					
Deposits from banks	84,980	-	-	-	84,980
Deposits from customers	5,565,424	83,488	102,415	300	5,751,627
Borrowings	86,403	-	-	-	86,403
Other liabilities	336,389	-			336,389
Lease liability	-	-	-	253,171	253,171
Total liabilities	6,073,196	83,488	102,415	253,471	6,521,570
Net liquidity gap	(1,525,160)	(17,060)	388,965	2,344,505	1,180,950
Cumulative gap	(1,525,160)	(1,542,220)	(1,153,255)	1,180,950	-

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	2019				
	0-3 months GH¢'000	3-6 months GH¢'000	6-12 months GH¢'000	over 1 year GH¢'000	Total GH¢'000
Assets					
Cash and cash equivalents	2,588,820	-	-	-	2,588,820
Trading asset (non-pledge)	135,082	70	30,589	-	165,741
Loans to other banks	116,208	-	-	-	116,208
Loans and advances to customers	699,523	41,241	21,763	1,008,139	1,770,666
Investment securities	758,152	110,000	311,010	1,170,223	2,349,385
Equity investment	-	-	-	1	1
Other assets	265,131	-	-	-	265,131
Total asset	4,562,916	151,311	363,362	2,178,363	7,255,952
Liabilities					
Deposits from banks	170,967	-	-	-	170,967
Deposits from customers	5,228,231	97,356	93,348	369	5,419,304
Borrowings	193,680	-	83,005	-	276,685
Other liabilities	500,176	-	-	-	500,176
Total liabilities	6,093,054	97,356	176,353	369	6,367,132
Net liquidity gap	(1,530,138)	53,955	187,009	2,177,994	888,820
Cumulative gap	(1,530,138)	(1,467,183)	(1,289,174)	888,820	-

The table below shows the contractual expiry by maturity of the Bank's contingent liabilities and commitments. For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.

	2020				
	On demand GH¢'000	Less than 3 months GH¢'000	3 to 12 months GH¢'000	Over 12 months GH¢'000	Total GH¢'000
Financial guarantees	**97,780**	**44,451**	**460,881**	**423,593**	**1,026,705**
Letters of credit	**25**	**148,370**	**19,694**	**-**	**168,089**
Total	**97,805**	**192,821**	**480,575**	**423,593**	**1,194,794**

	2019				
	On demand GH¢'000	Less than 3 months GH¢'000	3 to 12 Months GH¢'000	Over 12 months GH¢'000	Total GH¢'000
Financial guarantees	85,475	99,212	620,951	83,468	889,106
Letters of credit	1,275	95,664	40,984	-	137,923
Total	86,750	194,876	661,935	83,468	1,027,029

	2020				
	On demand GH¢'000	Less than 3 months GH¢'000	3 to 12 months GH¢'000	Over12 months GH¢'000	Total GH¢'000
Undrawn loan commitments	**303,189**	**1,487,512**	**-**	**-**	**1,790,701**
	2019				
Undrawn loan commitments	186,686	1,140,857	-	-	1,327,543

i. Assets held for managing liquidity risk

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

- Cash and balances with the Bank of Ghana;
- Government bonds and other securities that are readily acceptable in repurchase agreements with the Bank of Ghana; and
- Secondary sources of liquidity in the form of highly liquid instruments in the Bank is trading portfolios.

ii. Derivative assets and liabilities

The Bank's derivatives that will be settled on a gross basis is the forward foreign exchange contracts. The table below analyses the Bank's derivative financial assets and liabilities that will be settled on a gross basis into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. Contractual maturities are assessed to be essential for an understanding of all derivatives. Some of the Bank's derivatives are subject to collateral requirements. Cash flows for those derivatives could occur earlier than the contractual maturity. The amounts disclosed in the table are the contractual undiscounted cash flows:

31 December 2020	On demand GH¢'000	Not more than three months GH¢'000	Over 3 months but not more than 1 year GH¢'000	Over 1 year but not more than 5 years GH¢'000	Over 5 years GH¢'000	Total GH¢'000
Interest rate and currency swap						
Inflow	**-**	**202,665**	**1,969**	**-**	**-**	**204,634**
Outflow	**-**	**(206,365)**	**(2,027)**	**(1,394)**	**-**	**(209,786)**
Inflow/ (outflow)	**-**	**(3,700)**	**(58)**	**(1,394)**	**-**	**(5,152)**

31 December 2019	On demand GH¢'000	Not more than three months GH¢'000	Over 3 months but not more than 1 year GH¢'000	Over 1 year but not more than 5 years GH¢'000	Over 5 years GH¢'000	Total GH¢'000
Interest rate and currency swap						
Inflow	-	-	202,240	10,736	-	212,976
Outflow	-	-	(193,898)	(10,681)	-	(204,579)
Inflow/ (outflow)	-	-	8,342	55	-	8,397

The amounts in the table above have been compiled as follows.

Type of financial instrument	Basis on which amounts are compiled
Non-derivative financial liabilities and financial assets	Undiscounted cash flows, which include estimated interest payments.
Issued financial guarantee contracts, and unrecognised loan commitments	Earliest possible contractual maturity. For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.
Derivative financial liabilities and financial assets held for risk management purposes	Contractual undiscounted cash flows. The amounts shown are the gross nominal inflows and outflows for derivatives that have simultaneous gross settlement (e.g. forward exchange contracts and currency swaps) and the net amounts for derivatives that are net settled.

iii. Exposure to liquidity risk

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

	2020	2019
Weekly liquid position		
At 31 December	**66%**	75%
Compliance with regulatory requirements		
a. Default in statutory liquidity (GH¢)	**-**	-
b. Default in statutory liquidity (number of defaults)	**-**	-

4.7 Market Risks

i. Management of Market Risk

The Bank recognises market risk as the exposure created by potential changes in market prices and rates, such as interest rates, equity prices and foreign exchange rates. The Bank is exposed to market risk arising principally from customer driven transactions.

Market risk is governed by the Bank's Market Risk unit which is supervised by ALCO, and which agrees policies, procedures and levels of risk appetite in terms of Value at Risk ("VaR"). The unit provides market risk oversight and guidance on policy setting. Policies cover both the trading and non-trading books of the Bank. The non-trading book is defined as the Banking book. Limits are proposed by the businesses within the terms of agreed policy.

The unit also approves the limits within delegated authorities and monitors exposures against these limits. Additional limits are placed on specific instruments and currency concentrations where appropriate. Sensitivity measures are used in addition to VaR as risk management tools.

VaR models are back tested against actual results to ensure pre-determined levels of accuracy are maintained. The Bank's Market Risk unit complements the VaR measurement by regularly stress testing market risk exposures to highlight potential risks that may arise from extreme market events that are rare but plausible. Stress testing is an integral part of the market risk management framework and considers both historical market events and forward looking scenarios. Ad hoc scenarios are also prepared reflecting specific market conditions. A consistent stress testing methodology is applied to trading and non-trading books.

Stress scenarios are regularly updated to reflect changes in risk profile and economic events. The unit has responsibility for reviewing stress exposures and, where necessary, enforcing reductions in overall market risk exposure. It also considers stress testing results as part of its supervision of risk appetite. The stress test methodology assumes that management action would be PLC during a stress event, reflecting the decrease in liquidity that often occurs. Contingency plans are in place and can be relied on in place of any liquidity crisis. The Bank also has a liquidity crisis management committee which also monitors the application of its policies.

COVID-19 considerations

IFRS 7 requires disclosure of quantitative data about market risk arising from financial instruments. The Bank's market risk increased slightly as an outcome of various management steps taken in response to COVID 19 economic interventions and interruptions. The Bank held a lot of long duration bonds with higher yields to offset the effect of general decrease in yield, thus increasing interest rate risk. Additionally, the Bank held high net positions in foreign currency to benefit from currency appreciations, which subsequently increased the Bank's market risk arising from foreign exchange exposure.

ii Foreign Exchange Exposure

The Bank's foreign exchange exposures comprise trading and non-trading foreign currency translation exposures. Foreign exchange exposures are principally derived from customer driven transactions. Concentration of Ghana cedi equivalent of foreign currency denominated assets and liabilities and off statement of financial position items are disclosed below:

	2020				
	USD'000	GBP'000	EUR'000	Others GH¢'000	Total GH¢'000
Assets					
Cash and cash equivalents	1,338,791	72,703	78,188	2,536	1,492,218
Derivative assets held for risk management	6,967	327	2,272	576	10,142
Loans to other banks	-	-	-	-	-
Advances to customers	486,093	640	48,198	-	534,931
Investment securities	49,966	-	-	-	49,966
Other assets	252,231	159	10,544	90	263,024
Total assets	2,134,048	73,829	139,202	3,202	2,350,281
Liabilities					
Deposits from banks	93	-	-	338	431
Deposits from customers	1,787,211	71,367	118,575	57	1,977,210
Borrowings	86,403	-	-	-	86,403
Derivative liabilities	8,214	45	2,175	2,303	12,737
Other liabilities	443,810	2,315	18,453	506	465,084
Total liabilities	2,325,731	73,727	139,203	3,204	2,541,865
Net-on statement of financial position	(191,683)	102	(1)	(2)	(191,584)
Off-statement of financial position credit and commitments	822,989	-	359,616	1,035	1,183,640

4. Financial risk management continued

4.7 Market Risks continued

ii Foreign Exchange Exposure continued

	2019				
	USD GH¢'000	GBP GH¢'000	EUR GH¢'000	Others GH¢'000	Total GH¢'000
Assets					
Cash and cash equivalents	1,550,116	57,035	111,239	1,588	1,719,978
Derivative assets held for risk management	197,903	-	-	-	197,903
Loans to other banks	116,208	-	-	-	116,208
Advances to customers	467,913	-	20,439	-	488,352
Investment securities	168,428	-	-	-	168,428
Other assets	41,979	-	5,890	-	47,869
Total assets	2,542,547	57,035	137,568	1,588	2,738,738
Liabilities					
Deposits from banks	79,805	1	-	21	79,827
Deposits from customers	2,109,428	57,938	127,640	48	2,295,054
Borrowings	276,685	-	-	-	276,685
Derivative liabilities	36	-	-	-	36
Other liabilities	295,817	1,019	9,931	343	307,110
Total liabilities	2,761,771	58,958	137,571	412	2,958,712
Net-on statement of financial position	(219,224)	(11,923)	(3)	1,176	(219,974)
Off-statement of financial position Credit and Commitments	778,651	453	152,072	-	931,176

4.8 Sensitivity Analysis

A 5% strengthening of the Cedi against the following currencies at 31 December 2020 would have an impact on equity and profit or 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 2019.

Sensitivity analysis

Effect in cedis

31 December 2020

	Profit/(loss) GH¢'000	Equity net of tax GH¢'000
USD	**31**	**23**
GBP	**2,774**	**2,081**
EUR	**289**	**217**
Others	**33,640**	**25,230**

31 December 2019

	Profit/(loss) GH¢'000	Equity net of tax GH¢'000
USD	681	511
GBP	40	30
EUR	106	80
Others	25,327	18,995

A best case scenario 5% weakening of the Ghana cedi against the above currencies at 31 December 2020 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Interest Rate Exposure

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

The management of interest rate risk against interest rate gap limits is supplemented by monitoring the sensitivity of the Bank's financial assets and liabilities to various standard and non-standard interest rate scenarios. Standard scenarios that are considered on a monthly basis include a 100-basis point (bp) parallel fall or rise in market interest rates.

A change of a 100 basis points in interest rates at the reporting date would have impacted equity and profit or loss by the amounts shown below:

31-Dec-20	**100 bp Increase GH¢'000**	**100 bp Decrease GH¢'000**
Interest income impact	**48,113**	**(48,113)**
Interest expense impact	**(58,365)**	**58,365**
Net impact	**(10,252)**	**10,252**

31-Dec-19	100 bp Increase GH¢'000	100 bp Decrease GH¢'000
Interest income impact	43,300	(43,300)
Interest expense impact	(55,450)	55,450
Net impact	(12,150)	12,150

4.9 Operational risk

Operational risk is the risk of direct or indirect loss due to an event or action resulting from the failure of internal processes, people and systems, or from external events. The Bank seeks to ensure that key operational risks are managed in a timely and effective manner through a framework of policies, procedures and tools to identify, assess, monitor, control and report such risks.

The Bank's Country Non-Financial Risk Committee (CNFRC) has been established to supervise and direct the management of operational risks across the Bank. CNFRC is also responsible for ensuring adequate and appropriate policies, and procedures are in place for the identification, assessment, monitoring, control and reporting of operational risks.

The CNFRC is responsible for establishing and maintaining the overall operational risk framework and for monitoring the Bank's key operational risk exposures. This committee is supported by Corporate & Institutional Clients and Retail Clients Operational Risk units.

4. Financial risk management continued

4.9 Operational risk continued

These units are responsible for ensuring compliance with policies and procedures in the business, monitoring key operational risk exposures, and the provisions of guidance to the respective business areas on operational risk.

4.10 Compliance and regulatory risk

Compliance and Regulatory risk include the risk of non-compliance with regulatory requirements. The Bank's compliance and Regulatory Risk function is responsible for establishing and maintaining an appropriate framework of the Bank's compliance policies and procedures. Compliance with such policies and procedures is the responsibility of all managers.

4.11 Capital Management

i. 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 of Ghana requires each bank to maintain a ratio of total regulatory capital to the riskweighted asset of at least 10%, with an additional capital conservation buffer of 3% reduced to 1.5% as a result of COVID19 relief measures by BoG. The Bank of Ghana can also prescribe additional capital buffers based on their view of the entity. However, no such buffer has been required of the Bank.

In compliance with the capital requirement directive issued by the Bank of Ghana in June 2018, the Bank changed its calculation of the capital adequacy ratio from the Banking Supervisory Department framework (BSD) to the Capital Requirements Directive (CRD) framework in the current year.

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

- Tier 1 capital, which includes ordinary share capital, income surplus/retained earnings, statutory reserve and minority interests after deductions for goodwill and intangible assets, and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes.
- Tier 2 capital, which includes qualifying subordinated liabilities.

  The Bank did not have any tier 2 capital during the period under review.

Various limits are applied to elements of the capital base. Qualifying tier 2 capital cannot exceed tier 1 capital; and qualifying term subordinated loan capital may not exceed 50 percent of tier 1 capital. Other deductions from capital include the carrying amounts of investments in subsidiaries that are not included in the regulatory consolidation, investments in the capital of banks and certain other regulatory items.

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

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

The Bank and its individually regulated operations have complied with all externally imposed capital requirements throughout the period. There have been no material changes in the Bank's management of capital during the period.

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

	Notes	2020 GH¢'000	2019 GH¢'000
Ordinary share paid up capital	31(i)	**390,910**	390,910
Income surplus	31(ii)	**440,014**	317,043
Reserve fund	31(ii)	**370,122**	299,658
		1,201,046	1,007,611
Regulatory adjustments		**(208,687)**	(17,105)
CET 1 Capital		**992,359**	990,506
Preference shares	31(i)	**9,091**	9,091
Total regulatory capital		**1,001,449**	999,596
Risk-weighted assets			
Credit risk		**2,591,480**	2,013,383
Market risk		**36,101**	38,378
Operational risk		**1,397,837**	1,247,284
Total risk-weighted assets		**4,025,418**	3,299,045
Total regulatory capital expressed as a percentage of total risk-weighted assets		**24.9%**	30.3%

For comparative purposes, the capital adequacy ratio of 27.52% calculated using the Banking Supervisory Department (BSD) framework in the financial statements for the year ended 31 December 2019 has been re-presented using the Capital Requirements Directive (CRD) framework issued by the Bank of Ghana in 2018. The requirements of the new directive was adopted in the current year as allowed by the Bank of Ghana.

ii Capital allocation

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

The process of allocating capital to specific operations and activities is undertaken independently of those responsible for the operation and is subject to review by the bank's ALCO.

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

5.Contingencies and commitments

	2020 GH¢'000	2019 GH¢'000
i. Contingent liabilities		
***Pending legal suits**	**912**	912

5.Contingencies and commitments continued

* There are a number of legal proceedings outstanding against the Bank as at 31 December 2020. Provisions have been recognised for those cases where it is probable the Bank will be unsuccessful in its defence and the potential liabilities can be reliably estimated. There were contingent liabilities amounting to GH¢912,000 with respect to legal cases for the year (2019: GH¢ 912,000).

ii Commitments for capital expenditure

There was no commitment for significant capital expenditure at the statement of financial position date (2019: Nil).

iii Unsecured commitments

	2020 GH¢'000	2019 GH¢'000
This relates to commitments for trade letters of credit and guarantees. (Net of margin deposits)	**1,157,973**	987,626

6. Segmental Reporting

The Bank has three main business segments: Retail Banking, Commercial Banking, and Corporate Institutional Banking. These segments offer varying products and services and are managed separately based on the Bank's management and internal reporting structure.

i. Retail Banking

Retail Banking business serves the banking needs of Personal, Priority and International and Business banking clients, offering a full suite of innovative products and services to meet their borrowing, wealth management and transactional needs.

A client-focused approach enables a deeper understanding of clients' evolving needs and provision of customised financial solutions.

ii. Commercial Banking

Commercial Banking focuses on helping mid-sized local companies grow, especially as they expand across borders. This group of clients is already a key contributor to trade and investment in our footprint markets today and presents a large and growing opportunity.

iii. Corporate and Institutional Banking

Corporate and Institutional Banking focuses on driving origination by building core banking relationships with clients across the full range of their product needs. The SCB network is fundamental to our strategy, structured to provide clients with Global expertise delivered through local support.

Some of the Bank's corporate costs are managed centrally and standardised basis are used to allocate these costs to the business segments on a reasonable basis.

	2020			
Operating Segments	**Corporate &Institutional Banking GH¢ '000**	**Retail Banking GH¢ '000**	**Commercial Banking GH¢ '000**	**Total GH¢ '000**
Net interest income	**375,328**	**187,138**	**78,052**	**640,518**
Net fee and commission income	**36,129**	**78,077**	**21,390**	**135,596**
Net trading income and income from financial instruments carried at FVTPL	**183,592**	**32,837**	**30,193**	**246,622**

Operating Segments	2020 Corporate &Institutional Banking GH¢ '000	Retail Banking GH¢ '000	Commercial Banking GH¢ '000	Total GH¢ '000
Total segment revenue	**595,049**	**298,052**	**129,635**	**1,022,736**
Net impairment loss	**(67,662)**	**(20,716)**	**29,094**	**(59,284)**
Segment operating expenses	**(96,368)**	**(155,987)**	**(35,707)**	**(288,062)**
Profit before tax	**431,019**	**121,349**	**123,022**	**675,390**
Segment assets	**6,736,293**	**668,151**	**627,230**	**8,031,674**
Segment liabilities	**3,580,592**	**2,290,889**	**693,389**	**6,564,870**

Operating Segments	2019 Corporate &Institutional Banking GH¢ '000	Retail Banking GH¢ '000	Commercial Banking GH¢ '000	Total GH¢ '000
Net interest income	351,312	171,033	73,397	595,742
Net fee and commission income	20,056	42,593	40,255	102,904
Net trading income and income from financial instruments carried at FVTPL	93,658	57,706	3,022	154,386
Total segment revenue	465,026	271,332	116,674	853,032
Net impairment loss	(1,667)	(20,639)	(77,562)	(99,868)
Segment operating expenses	(110,725)	(180,911)	(37,325)	(328,961)
Profit before tax	352,634	69,782	1,787	424,203
Segment asset	6,413,478	656,441	548,703	7,618,622
Segment liabilities	4,092,836	1,848,306	510,520	6,451,762

Interest income is reported net as management primarily relies on net interest revenue as a performance measure, not the gross income and expense.

No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Bank's total revenue in 2019.

No operating segments have been aggregated in arriving at the reportable segment of the Bank.

The executive management committee monitors operating results of its business units separately for the purpose of decision making about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss.

Transfer prices between operating segments are on arm's length basis in a manner similar to transactions with third parties.

Segment revenue above represents revenue generated from external customers. There were no inter – segments sales in the current year (2019: nil)

The accounting policies of the reportable segments are the same as the Bank's accounting policies.

For the purpose of monitoring segment performance and allocating resources between segments:

- All assets are allocated to reportable segments
- All liabilities are allocated to reportable segments

iv. Reconciliations of information on reportable segments to the amounts reported in the financial statements

	2020 GH¢ '000	2019 GH¢ '000
i. Revenues		
Total revenue from reportable segments	**1,022,736**	853,032
Total revenue per statement of comprehensive income	**1,022,736**	853,032
ii. Profit before tax		
Total profit or loss for reportable segments	**675,390**	424,203
Total profit before tax per statement of comprehensive income	**675,390**	424,203
iii. Assets		
Total assets for reportable segments	**8,031,674**	7,618,622
Total assets per statement of financial position	**8,031,674**	7,618,622
iv. Liabilities		
Total liabilities for reportable segments	**6,564,870**	6,451,762
Other unallocated amounts	**-**	-
Total liabilities per statement of financial position	**6,564,870**	6,451,762

7 Financial assets and liabilities

7.1 The Bank's classification of its principal financial assets and liabilities are summarised below:

The table below provides reconciliation between the items in the statement of financial position and the classification of financial instrument.

31 December 2020	Fair Value through OCI GH¢ '000	Amortised cost GH¢ '000	Fair Value through P/L GH¢ '000	Total carrying amount GH¢ '000
Cash and cash equivalents	-	2,724,718	-	2,724,718
Derivative assets	-	-	5,675	5,675
Trading assets (non- pledged)	-	-	406,254	406,254
Loans to other banks	-	15,000	-	15,000
Loans and advances to customers	-	1,695,213	-	1,695,213
Investment in securities	2,419,537	-	-	2,419,537
Other assets	-	445,979	-	445,979
Assets	2,419,537	4,880,910	411,929	7,712,376
Deposits from customers	-	5,751,627	-	5,751,627
Deposits from banks	-	84,980	-	84,980
Derivative liabilities	-	-	161	161
Borrowings	-	86,403	-	86,403
Other liabilities	-	562,661	-	562,661
Liabilities	-	6,485,671	161	6,485,832

	Fair Value through OCI GH¢ '000	Amortised cost GH¢ '000	Fair Value through P/L GH¢ '000	Total carrying amount GH¢ '000
31 December 2019				
Cash and cash equivalents	-	2,588,820	-	2,588,820
Derivative assets	-	-	13,834	13,834
Trading assets (non- pledged)	-	-	165,741	165,741
Loans to other banks	-	116,208	-	116,208
Loans and advances to customers	-	1,770,666	-	1,770,666
Investment securities	2,349,385	-	-	2,349,385
Other assets	-	265,131	-	265,131
Assets	2,349,385	4,740,825	179,575	7,269,785
Deposits from customers	-	5,419,309	-	5,419,309
Deposits from banks	-	170,967	-	170,967
Derivative liabilities	-	-	5,382	5,382
Borrowings	-	276,685	-	276,685
Other liabilities	-	500,176	-	500,176
Liabilities	-	6,367,132	5,382	6,372,519

7.2 Fair value categorisation of financial instruments

COVID-19 considerations

The COVID-19 coronavirus pandemic has significantly affected financial markets and may impact valuation techniques used by banks and classification of financial instruments in the fair value hierarchy. Given the impact of the increase in economic uncertainty on forecasting cash flows and other unobservable inputs used in valuation techniques (e.g. certain risk-adjusted discount rates), the Bank has provided additional sensitivity disclosures – together with disclosure of the key assumptions and judgements made by management – to enable users to understand how fair value has been determined. These disclosures are required under both IFRS 13 Fair Value Measurement and IAS 1. IFRS 13 also contains specific disclosure requirements when amounts are transferred into Level 3 of the fair value hierarchy, including sensitivity disclosures.

i. Valuation principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. Valuation techniques used include discounted cash flow analysis and pricing models and where appropriate, comparison with instruments that have characteristics similar to those of instruments held by the Bank.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained below.

The Valuation Control function is responsible for independent price verification, oversight of fair value and appropriate value adjustments and escalation of valuation issues. Independent price verification is the process of determining that the valuations incorporated into the financial statements are validated independent of the business area responsible for the product.

The Valuation Control function has oversight of the fair value adjustments to ensure that the financial instruments are priced to exit. These are key controls in ensuring the material accuracy of the valuations incorporated in the financial statements. The market data used for price verification may include data sourced from recent trade data involving external counterparties or third parties such as Bloomberg, Reuters, brokers and consensus pricing providers.

7 Financial assets and liabilities continued

7.2 Fair value categorisation of financial instruments continued

Valuation Control performs a semi-annual review of the suitability of the market data used for price testing. Price verification uses independently sourced data that is deemed most representative of the market the instruments trade in. To determine the quality of the market data inputs, factors such as independence, relevance, reliability, availability of multiple data sources and methodology employed by the pricing provider are taken into consideration.

ii. Valuation governance

The Bank's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. All new product initiatives (including their valuation methodologies) are subject to approvals by various functions of the Bank including the risk and finance functions. The responsibility of ongoing measurement resides with the business and product line divisions.

Once submitted, fair value estimates are also reviewed and challenged by the Risk and Finance functions. The independent price verification process for financial reporting is ultimately the responsibility of the independent price verification team within Finance which reports to the Chief Financial Officer.

Financial instruments measured at fair value – fair value hierarchy

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

	2020			
	Level 1 GH¢'000	**Level 2 GH¢'000**	**Level 3 GH¢'000**	**Total GH¢'000**
Trading assets (Non- Pledged)	**406,254**	**-**	**-**	**406,254**
Derivative assets (Foreign exchange contracts)	**-**	**5,675**	**-**	**5,675**
Investment in securities	**2,419,537**	**-**	**-**	**2,419,537**
Total at 31 December 2020	**2,825,791**	**5,675**	**-**	**2,831,466**

	2019			
	Level 1 GH¢'000	Level 2 GH¢'000	Level 3 GH¢'000	Total GH¢'000
Trading assets (Non- Pledged)	165,741	-	-	165,741
Derivative assets (Foreign exchange contracts)	-	13,834	-	13,834
Investment in securities	2,349,385	-	-	2,349,385
Total at 31 December 2019	2,515,126	13,834	-	2,528,960

iii. Trading assets (non- pledged)

These instruments are generally highly liquid and traded in active markets resulting in a Level 1 classification.

iv. Derivative - Foreign exchange contracts

Foreign exchange contracts include open spot contracts, foreign exchange forward and swap contracts and over-the-counter foreign exchange options. These instruments are valued by either observable foreign exchange rates, observable or calculated forward points and option valuation models. The Bank classifies foreign exchange contracts as Level 2 financial instruments when no unobservable inputs are used for their valuation or the unobservable inputs used are not significant to the measurement (as a whole).

Financial instruments not measured at fair value

The following table sets out the fair values of financial instruments not measured at fair value in the statement of financial position, analysed by reference to levels in the fair value hierarchy into which each fair value measurement is categorized:

31 December 2020	Level 1 GH¢'000	Level 2 GH¢'000	Level 3 GH¢'000	Total fair value GH¢'000	Total carrying amount GH¢'000
Assets					
Cash and cash equivalents	-	2,724,718	-	2,724,718	2,724,718
Loans to other banks	-	-	15,000	15,000	15,000
Loans and advances to customers	-	-	1,695,213	1,695,213	1,695,213
Other assets	-	-	385,122	385,122	385,122
	-	2,724,718	2,095,335	4,820,053	4,820,053
Liabilities					
Customer deposits	-	5,751,627	-	5,751,627	5,751,627
Deposits from banks	-	84,980	-	84,980	84,980
Borrowings	-	-	86,403	86,403	86,403
Other liabilities	-	-	562,661	562,661	562,661
	-	5,836,607	649,064	6,485,671	6,485,671

31 December 2019	Level 1 GH¢'000	Level 2 GH¢'000	Level 3 GH¢'000	Total fair value GH¢'000	Total carrying amount GH¢'000
Assets					
Cash and cash equivalents	-	2,588,820	-	2,588,820	2,588,820
Loans to other banks	-	-	116,208	116,208	116,208
Loans and advances to customers	-	-	1,770,666	1,770,666	1,770,666
Other assets	-	-	265,131	265,131	265,131
	-	2,588,820	2,152,005	4,740,825	4,740,825
Liabilities					
Customer deposits	-	5,419,304	-	5,419,304	5,419,304
Deposits from banks	-	170,967	-	170,967	170,967
Other liabilities	-	-	500,176	500,176	500,176
Borrowings	-	-	276,685	276,685	276,685
	-	5,590,271	776,861	6,367,132	6,367,132

Where applicable, the fair value of loans and advances to customers is based on observable market transactions. Where observable market transactions are not available, fair value is estimated using valuation models such as discounted cash flow techniques which 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. For collateral-dependent impaired loans, the fair value is measured based on the value of the underlying collaterals.

The fair value of advances to and from Banks is based on discounted cash flow techniques applying the rates of similar maturities and terms.

The fair value of term deposits by customers is estimated using discounted cash flow techniques, applying the rates that are offered for deposits of similar maturities and terms. The fair value of deposits payable on demand is the amount payable at the reporting date.

Fair values of borrowings are estimated using discounted cash flow techniques, applying rates that are offered for borrowings of similar maturities and terms.

8. Net interest income

	2020 GH¢ '000	2019 GH¢ '000
Interest income calculated using the effective interest method		
Cash and cash equivalents	**24,217**	46,837
Loans and advance to customers	**373,029**	294,244
Investment securities	**398,128**	408,622
Total interest income	**795,374**	749,703
Interest expense		
Deposits from bank	**(65,558)**	(35,624)
Deposits from customers	**(89,298)**	(119,350)
Total interest expense	**(154,856)**	(154,974)
Net interest income	**640,518**	594,729

The amounts reported above include interest income and expense, calculated using the effective interest method, that relate to the following financial assets and liabilities:

	2020 GH¢ '000	2019 GH¢ '000
Financial assets measured at amortised cost	**397,246**	341,081
Financial assets measured at FVOCI	**398,128**	408,622
Total	**795,374**	749,703
Financial liabilities measured at amortised cost	**154,856**	154,974

9. Net fees and commissions income

	2020 GH¢ '000	2019 GH¢ '000
Fees and commissions income		
Retail banking customer fees	**78,887**	50,686
Corporate banking credit related fees	**74,158**	70,410
Total fee and commission incomes	**153,045**	121,096
Fees and commission expense		
Brokerage	**(1)**	(1)
Visa interchange fees	**(13,605)**	(18,192)
Total fee and commission expense	**(13,606)**	(18,192)
Net fees and commissions income	**139,439**	102,904

The fees and commissions presented include income of GH¢153,045,000 (2019: GH¢ 121,096,000) and expense of GH¢ 13,606,000 (2019: GH¢ 18,192,000) related to financial assets and financial liabilities not measured at FVTPL. These figures excluded amounts incorporated in determining the effective interest rate on such financial assets and financial liabilities.

10. Net trading income

	2020 GH¢ '000	2019 GH¢ '000
Fixed income (debt instruments)	**111,779**	41,758
Foreign exchange	**117,914**	117,468
Other	**16,929**	8,801
Net trading income	**246,622**	168,027

11. Net loss from other financial instruments carried at fair value through P/L

	2020 GH¢ '000	2019 GH¢ '000
OTC structured derivatives	**(6,331)**	(13,641)

12. Impairment loss on financial assets

	2020 GH¢ '000	2019 GH¢ '000
Impairment charge on financial assets	**41,852**	92,161
charge-off	**34,485**	23,235
Recovery	**(17,053)**	(15,528)
	59,284	99,868

13a. Personnel costs

	2020 GH¢ '000	2019 GH¢ '000
Wages, salaries, bonus and allowances	**153,394**	132,792
Social security costs	**14,389**	12,168
Provident Fund	**9,611**	7,024
Other staff costs	**24,631**	19,630
Training	**681**	1,478
Directors' emolument (13b)	**6,575**	3,913
	209,281	177,005

The average number of persons employed by the Bank during the year was **811**. (2019: 837).

13b. Particulars of directors' emoluments

In line with section 185 of the Companies Act, 2019 (Act 992), the following are the aggregate of the directors' emoluments:

	2020 GH¢ '000	2019 GH¢ '000
Salaries, allowances and benefits in kind	**4,650**	2,726
Pension contributions	**352**	150
Bonuses paid or payable	**1,573**	1,037
	6,575	3,913

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14. Other expenses

	2020 GH¢ '000	2019 GH¢ '000
Advertising and marketing	**7,713**	8,989
Premises and equipment	**4,854**	18,543
Legal and consultancy fees	**3,045**	2,450
Utilities and office supplies	**8,159**	9,082
Professional fees	**3,685**	4,737
Postage and telephone	**6,999**	6,432
Subscription	**5,512**	2,813
Losses and insurance	**463**	447
Fines and penalties	**14,319**	-
VAT/GST	**11,370**	9,006
Auditors' remuneration	**600**	549
Donations and sponsorship	**2,055**	47
Redundancy cost	**7,887**	8,208
Lease finance cost	**17,667**	17,588
Management service fee/(reversal)*	**(54,077)**	15,601
Lease expense	**670**	568
Others	**5,053**	14,972
	45,973	120,031

*During the year, the Bank released previously recognised provisions of GH¢54m in respect of recharges payable to SCB Group for technological service agreement that was subject to regulatory approval. This was occasioned by additional information on the regulatory approval that was made available to the Bank during the year.

15. Taxation

i. Income tax expense

	2020 GH¢ '000	2019 GH¢ '000
Corporate tax charge for the year	**176,737**	95,491
Current Tax	**176,737**	95,491
Deferred Tax	**(13,412)**	25,646
	163,325	121,137

National Fiscal Stabilisation Levy	2020 GH¢ '000	2019 GH¢ '000
Charge for the year (5% of profit before tax)	**33,769**	21,210

ii. Taxation payable

Current tax	2020 Balance at 1/1/2020 GH¢'000	Payment during the year GH¢'000	Charge for the year GH¢'000	Balance at 31/12/20 GH¢'000
Corporate Tax	**(52,853)**	**(174,455)**	**176,737**	**(50,571)**
National Fiscal Stabilisation Levy	**(10,387)**	**(33,668)**	**33,769**	**(10,286)**
	(63,240)	**(208,123)**	**210,506**	**(60,857)**

Current tax	2019 Balance at 1/1/2019 GH¢'000	Payment during the year GH¢'000	Charge for the year GH¢'000	Balance at 31/12/20 GH¢'000
Corporate Tax	(49,048)	(99,296)	95,491	(52,853)
National Fiscal Stabilisation Levy	(11,738)	(19,859)	21,210	(10,387)
	(60,786)	(119,155)	116,701	(63,240)

iii. Reconciliation of Effective Tax Rate

Analysis of tax charge in the year:

The charge for taxation based upon the profit for the year comprises:

	2020 GH¢ '000	2019 GH¢ '000
Profit before tax	**675,390**	424,203
Tax at 25% (2019:25%)	**168,847**	106,051
Non-deductible expenses	**(5,522)**	15,086
	163,325	121,137
National Fiscal Stabilization Levy	**33,769**	21,210
Tax charge	**197,094**	142,347
Effective tax rate	**29.2%**	33.6%

Tax liabilities up to 2017 have been agreed with the Ghana Revenue Authority. The 2018 to 2020 liabilities are subject to agreement with the Ghana Revenue Authority.

National Fiscal Stabilisation Levy is a levy introduced by the Government as a charge on profit before tax effective July 2013. This is at the rate of 5% on the profit before tax.

16. Earnings per share

i. Basic and diluted earnings per share

The calculation of basic and diluted earnings per share of GH¢3.54 (2019: GH¢2.08) was based on the profit attributable to ordinary shareholders of GH¢ 476.6 million (2019: GH¢ 208.2 million) and a weighted average number of ordinary shares outstanding of 134.8 million (2019: 134.8 million). Diluted earnings per share was calculated after adjusting for the effects of all dilutive potential ordinary shares.

16. Earnings per share continued

i. Basic and diluted earnings per share

Profit attributable to ordinary shareholders

	2020 GH¢ '000	2019 GH¢ '000
Net profit for the period (after tax)	**478,296**	281,856
Preference share dividend proposed	**(1,647)**	(1,646)
Profit attributable to equity holders	**476,649**	280,210
	'000	'000
Weighted average number of ordinary shares at 31 December	**134,758**	134,758
Basic earnings per share	**3.54**	2.08
Diluted earnings per share	**3.54**	2.08

17. Dividend per share

The Directors are recommending an ordinary share dividend of **GH¢1.74** per share (2019: GH¢1.56 per share) subject to approval by the Bank of Ghana and the shareholders.

	2020 GH¢ '000	2019 GH¢ '000
Net profit for the period (after tax)	**478,296**	281,856
Less preference share dividend	**(1,647)**	(1,646)
Deferred tax credit	**(13,412)**	-
Transfer to Reserve fund	**(143,489)**	(70,464)
Income Surplus	**(85,398)**	-
Profit attributable to equity holders	**234,350**	209,746
	'000	'000
Weighted average number of ordinary shares at 31 December	**134,758**	134,758

Payment of dividends is subject to withholding tax at the rate of 8 percent for residents and 7.5 percent for non-resident shareholders in countries with Double Taxation Agreement (DTA) with Ghana.

18. Cash and cash equivalents

	2020 GH¢ '000	2019 GH¢ '000
Cash and balances with banks	**436,800**	239,311
Unrestricted balances with BoG	**2,122,973**	1,631,437
Mandatory reserve deposit with BoG	**164,945**	685,148
Money Market Placements	**-**	32,924
	2,724,718	2,588,820

19. Derivatives

19.a Derivatives assets held for risk management

For risk management purposes, the Bank entered into foreign exchange rate swaps and interest rate swaps (IRS). The following describes the fair value of derivatives held for risk management purposes.

The Bank's approach to managing market risk including interest rate risk and foreign currency risk is discussed in note 4(iii).

	2020 GH¢ '000	2019 GH¢ '000
Foreign exchange swap	3,758	8,214
Interest rate swap	1,917	5,620
OTC Structured derivatives	5,675	13,834

19.b Derivatives liabilities held for risk management

	2020 GH¢ '000	2019 GH¢ '000
Foreign exchange swap	28	-
Interest rate swap	133	5,382
OTC Structured derivatives	161	5,382

20. Trading assets (non-pledged)

	2020 GH¢ '000	2019 GH¢ '000
Government securities	406,254	165,741

21. Loans to other banks and customers

21.a Loans to other banks

	2020 GH¢ '000	2019 GH¢ '000
Loans to banks	15,000	116,208

21.b Loans and advances

i. Analysis by Type

The table below constitutes loans and advances (including credit bills negotiated) to customers and staff.

	2020			2019		
	Gross amount GH¢'000	Impairment allowance GH¢'000	Carrying amount GH¢'000	Gross amount GH¢'000	Impairment allowance GH¢'000	Carrying amount GH¢'000
Retail customers						
Mortgage lending	112,383	(610)	111,774	103,880	(82)	103,798
Personal loans	568,240	(12,412)	555,829	550,213	(12,564)	537,649
Corporate customers						
Term loan	1,135,816	(114,282)	1,021,532	1,113,256	(89,147)	1,024,109
Trade	63,336	(57,258)	6,078	142,667	(37,557)	105,110
Total	1,879,775	(184,562)	1,695,213	1,910,016	(139,350)	1,770,666

ii.a Total impairment on loans and advances to customers

	2020 GH¢ '000	2019 GH¢ '000
Impairment at 1 January	139,350	192,392
Provision charged in the year	45,212	107,475
Impairment release for assets written-off	-	(160,517)
At 31 December	184,562	139,350

21.b Loans and advances continued

ii.b Reconciliation between BOG and IFRS

	2020 GH¢ '000	2019 GH¢ '000
BOG provisions	**294,080**	248,868
Excess of BOG over IFRS provisions – credit risk reserve	**(109,518)**	(109,518)
IFRS Provisions	**184,562**	139,350

iv. Analysis by business segments

	2020 GH¢ '000	2019 GH¢ '000
Agriculture, forestry and fishing	**82**	81
Mining and quarrying	**7,047**	13,963
Manufacturing	**333,460**	365,683
Construction	**46,255**	45,645
Electricity, gas and water	**-**	97
Commerce and finance	**395,305**	470,471
Transport, storage and communication	**154,367**	105,400
Services	**204,035**	206,934
Miscellaneous	**164,713**	151,530

	2020 GH¢ '000	2019 GH¢ '000
Individuals	**574,511**	550,212
Gross loans and advances	**1,879,775**	1,910,016
Impairment allowance	**(184,562)**	(139,350)
Net carrying amount of loans and advances	**1,695,213**	1,770,666

v. Types of collateral held

	2020 GH¢ '000	2019 GH¢ '000
Asset based	3,437,688	3,074,903
Cash	224,274	358,797
Guarantees	5,823,665	6,688,519
Insurance/protection	1,019,719	300,690
Property	2,504,509	2,413,554
	13,009,855	12,836,463

vi. Assets held as collateral

This comprises the following:

	2020 GH¢ '000	2019 GH¢ '000
Against impaired assets	**5,321,117**	5,016,823
Against performing assets	**7,688,738**	7,819,640
	13,009,855	12,836,463

vii. Loan write-off

	2020 GH¢ '000	2019 GH¢ '000
Balance at 1 January	**468,597**	308,080
Charge off for the year	**-**	160,517
Balance at 31 December	**468,597**	468,597

The contractual amount outstanding on financial assets that were written off during the year ended 31 December 2020 and that are still subject to enforcement activity is Nil (2019: GH¢ 160 million).

22. Investment securities

22a. Treasury bills and securities	2020 GH¢ '000	2019 GH¢ '000
Treasury bills	**49,847**	780,641
Debt securities	**2,369,690**	1,568,744
Total	**2,419,537**	2,349,385

Investment securities as presented on the Statement of cash flows

	2020 GH¢ '000	2019 GH¢ '000
Opening balance	**2,349,385**	1,664,912
Purchase of Government securities	**2,490,223**	2,471,234
Sale of Government securities	**(2,386,587)**	(1,807,883)
Fair value gains/loss of investments at FVOCI	**(33,484)**	21,122
Total	**2,419,537**	2,349,385

Investment securities comprise of Government Treasury bills and bonds classified as Fair value through other comprehensive income.

The Bank pledged GH¢50,162,498 (2019: GH¢40,099,999) of its investments in Government securities as collateral to a financial institution. The Bank has not received collateral that it is permitted to sell or re-pledge in the absence of default. In the event that, the entity fails to make good the payment as and when it falls due, the collateral will not be released back to the entity. The pledged assets could not be used for any other trading until the payment is done and the pledged assets are released by Central Securities Depository.

22b(i) Equity investment

	2020 GH¢ '000	2019 GH¢ '000
Investment in Subsidiaries	**1**	1

Investment in subsidiaries represents the Bank's equity interest in Standard Chartered Ghana Nominees PLC, which is a wholly owned subsidiary incorporated in Ghana that was specifically set-up to warehouse assets held in trust on behalf of custody clients in the conduct of its fiduciary activities. The assets and income due to such clients arising thereon are not the bona fide property of the Bank and have not been included in either the books of the Bank or the subsidiary company.

The results of the company are insignificant and have not been consolidated with that of the Bank.

(ii) Fiduciary Activities

The Bank commonly acts as trustee and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefits plans and other institutions.

	2020 GH¢ '000	2019 GH¢ '000
The total assets under the Bank's management which wholly relates to investments in Ghana is	**25,175,554**	25,897,139

23. Property and equipment

2020	Land and building GH¢'000	Furniture and equipment GH¢'000	Computer GH¢'000	Motor vehicle GH¢'000	Capital work in progress GH¢'000	Right of use assets GH¢'000	Total GH¢'000
Gross value							
At 1 January 2020	**45,422**	**15,218**	**27,689**	**16**	**15,866**	**236,250**	**340,461**
Additions**	**5,083**	**1,567**	**5,373**	**-**	**-**	**7,464**	**19,487**
Adjustments*	**-**	**-**	**-**	**-**	**(13,836)**	**-**	**(13,836)**
Write offs	**-**	**-**	**(637)**	**-**	**-**	**-**	**(637)**
At 31 December 2020	**50,505**	**16,785**	**32,425**	**16**	**2,030**	**243,714**	**345,475**
Depreciation							
At 1 January 2020	**17,689**	**5,964**	**11,560**	**16**	**-**	**19,636**	**54,865**
Charges for the year	**2,419**	**3,075**	**7,788**	**-**	**-**	**19,526**	**32,808**
Writes offs	**-**	**-**	**(637)**	**-**	**-**	**-**	**(637)**
At 31 December 2020	**20,108**	**9,039**	**18,711**	**16**	**-**	**39,162**	**87,036**
Net book value	**30,397**	**7,746**	**13,714**	**-**	**2,030**	**204,552**	**258,440**

2019	Land and building GH¢'000	Furniture and equipment GH¢'000	Computer GH¢'000	Motor vehicle GH¢'000	Capital work in progress GH¢'000	Right of use assets GH¢'000	Total GH¢'000
Gross value							
At 1 January 2019	42,340	18,920	17,897	231	24,906	-	104,294
Additions/(transfers)	6,598	4,720	14,147	-	(9,040)	236,250	252,675
Write offs	(3,516)	(8,422)	(4,355)	(215)	-	-	(16,508)
At 31 December 2019	45,422	15,218	27,689	16	15,866	236,250	340,461
Depreciation							
At 1 January 2019	18,449	11,638	9,130	231	-	-	39,448
Charges for the year	2,756	2,748	6,785	-	-	19,636	31,925
Writes offs	(3,516)	(8,422)	(4,355)	(215)	-	-	(16,508)
At 31 December 2019	17,689	5,964	11,560	16	-	19,636	54,865
Net book value	27,733	9,254	16,129	-	15,866	216,614	285,596

*Adjustments represent assets that were previously capitalised items that have been expensed in the current period in line with the Bank's capitalisation policy.

**Additions from Right of use constitutes non-cash movement and therefore has not been considered in the additions to property and equipment in the statement of cashflows.

There was no indication of impairment of property and equipment held by the Bank at 31 December 2020 (2019: Nil). None of the property and equipment of the Bank had been pledged as security for liabilities and there were no restrictions on the title of any of the Bank's property and equipment at the reporting date and at the end of the previous year.

b. Depreciation

	2020 GH¢ '000	2019 GH¢ '000
Depreciation	**32,808**	31,925

24. Deferred taxation

	2020 GH¢ '000	2019 GH¢ '000
Balance at 1 January	**23,390**	(2,256)
Charge to profit or loss	**(13,412)**	25,646
Balance at 31 December	**9,978**	23,390

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	2020				
	Balance at 1/1 GH¢'000	Recognised in profit or loss GH¢'000	Balance at 31/12 GH¢'000	Deferred tax assets GH¢'000	Deferred tax liabilities GH¢'000
Property and equipment	**(4,223)**	**874**	**(3,349)**	**(3,349)**	**-**
Impairment provision	**27,373**	**(14,182)**	**13,191**	**-**	**13,191**
Holiday pay	**(399)**	**(104)**	**(503)**	**(503)**	**-**
Leases	**639**	**-**	**639**	**-**	**639**
	23,390	**(13,412)**	**9,978**	**(3,852)**	**13,830**

	2019				
	Balance at 1/1 GH¢'000	Recognised in profit or loss GH¢'000	Balance at 31/12 GH¢'000	Deferred tax assets GH¢'000	Deferred tax liablities GH¢'000
Property and equipment	(1,838)	(2,385)	(4,223)	(4,223)	-
Impairment provision	(418)	27,791	27,373	-	27,373
Holiday pay	-	(399)	(399)	(399)	-
Leases	-	639	639	-	639
	(2,256)	25,646	23,390	(4,622)	28,012

25. Other assets

	2020 GH¢ '000	2019 GH¢ '000
Accounts receivable and prepayments	**122,409**	49,914
LC Acceptance	**136,925**	89,985
Accrued interest receivable	**126,794**	113,281
Impersonal accounts	**59,851**	11,951
	445,979	265,131

26. Deposits from banks

	2020 GH¢ '000	2019 GH¢ '000
Balances from financial entities	**84,980**	170,967

27. Deposit from customers

Analysis by type and product

	2020 GH¢ '000	2019 GH¢ '000
Current accounts	**3,881,454**	3,743,072
Time deposit	**230,188**	247,684
Savings deposit	**1,194,500**	882,310
Call deposit	**445,485**	546,238
Total	**5,751,627**	5,419,304

28. Borrowings

	2020 GH¢ '000	2019 GH¢ '000
Balances due to other SCB associated entity	**86,403**	276,685

These are short term deposits held with the Bank with contractual maturities of less than a year. These are denominated in foreign currency with an interest rate of 0.254% per annum.

29. Other liabilities and provisions

29a. Other liabilities

	2020 GH¢ '000	2019 GH¢ '000
Accrued interest payable	**21,394**	14,825
Other creditors and accruals	**178,070**	167,544
LC acceptance	**136,925**	89,985
Lease liability	**226,272**	227,822
	562,661	500,176

29b. Provisions

	Staff related GH¢'000	Others GH¢'000	Total GH¢'000
Balance at 1 January	**25,624**	**30,234**	**55,858**
Charged to profit or loss	**27,577**	**25,537**	**55,114**
	53,201	**57,771**	**110,972**
Utilised during the year	**(19,854)**	**(22,058)**	**(41,912)**
Balance at 31 December	**33,347**	**35,713**	**69,060**

Staff related

This relates to provisions for staff bonus and other staff costs. Provisions recognised management's best estimate of expenses to be made after the year end but relating to the year under review.

Others

This relates to provisions for legal cases (fraud related, and other customer cases brought against the bank) and other incidental business costs.

Provision for legal cases is the best estimate of claims from legal actions brought against the Bank for which the Bank has assessed that it is probable judgement may go against the Bank. Provision for incidental business cost relates to business expenses for which the timing and amount is uncertain.

30. Leases

a. Leases as a lessee (IFRS 16)

The Bank leases a number of branches, ATM site and office premises. The leases typically run for two years or more, with an option to renew the lease after that date. For some leases, payments are renegotiated periodically to reflect market rentals. Some leases provide for additional rent changes that are based on changes in local price indices.

The Bank also leases IT equipment with contract terms of one to three years. These leases are short-term and /or leases of low value items. The Bank has elected not to recognise right-of-use assets and lease liabilities for these leases.

Information about leases for which the Bank is a lessee is presented below

i. Right-of-use asset

Right-of-use assets related to leased branches, ATM space and offices which do not meet the definition of investment property are presented as property and equipment (see Note 23a)

	Branch, ATM space and operating premises	
	2020 GH¢'000	2019 GH¢'000
Balance at 1 January	**216,614**	236,250
Additions	**7,464**	-
Depreciation charge for the year	**(19,526)**	(19,636)
Balance at 31 December	**204,552**	216,614

ii. At 31 December 2020, the future minimum lease payments under non-cancellable leases were payable as follows:

Maturity analysis- Contractual undiscounted cash flows	**2020 GH¢ '000**	2019 GH¢ '000
Less than one year	**-**	-
Between one to five years	**39,946**	15,644
More than five years	**213,225**	352,035
Total undiscounted lease liability	**253,171**	367,679

iii. Amounts recognised in profit or loss:

Leases under IFRS 16	**2020 GH¢ '000**	2019 GH¢ '000
Interest expense on leases	**17,667**	17,588
Expenses relating to leases of low-value assets	**670**	568
Depreciation charge for the year	**19,526**	19,636

iv. Amounts recognised in cash flows:

	2020 GH¢ '000	2019 GH¢ '000
Total cash outflow for leases	26,281	7,017

v. Movement in lease liability:

	2020 GH¢ '000	2019 GH¢ '000
Balance at 1/1	227,822	217,251
Additions	7,464	-
Interest expense	17,667	17,588
Payment	(26,681)	(7,017)
Balance at 31/12	226,272	227,822

vi. Extension options

Some leases of office premises contain extension options exercisable by the Bank up to one year before the end of the non-cancellable contract period. Where practicable, the Bank seeks to include extension options in new leases to provide operational flexibility. The extension options held exercisable by both the Bank and the lessors. The Bank assesses at commencement date whether it is reasonably certain to exercise the extension options. Subsequently, the lease term is re-assessed on at least an annual basis, considering contractually available lease extension options.

31. Capital and reserves

(i) Stated capital

	2020		2019	
	No of Shares '000	Proceeds GH¢000	No of Shares '000	Proceeds GH¢000
a. Ordinary shares				
Authorised				
No. of ordinary shares of no par value	250,000	-	250,000	-
Issued and fully paid				
Issued for cash consideration	5,655	48,001	5,655	48,001
Transferred from income surplus account	109,852	64,540	109,852	64,540
Recapitalisation from income surplus	19,251	278,369	19,251	278,369
	134,758	390,910	134,758	390,910
b. Preference Shares				
Issued and fully paid				
No. of preference shares	17,489	9,090	17,489	9,090
Total share capital		400,000		400,000

There is no share in treasury and no call or instalment unpaid on any share.

a. Ordinary shares

Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All rights attached to the Company's shares held by the Company are suspended until those shares are reissued.

b. Non-redeemable preference shares

Holders of these shares receive a non-cumulative dividend at the Company's discretion, or whenever dividends to ordinary shareholders are declared. They do not have the right to participate in any additional dividends declared for ordinary shareholders. These shares do not have voting rights.

(ii) Income surplus

This represents the residual of cumulative annual profits that are available for distribution to shareholders.

	2020 GH¢ '000	2019 GH¢ '000
Balance at 1 January	**317,043**	230,215
Profit for the year	**478,296**	281,856
Transfer from/to reserve fund	**(143,489)**	(70,464)
Dividend declared	**(211,836)**	(141,693)
Transfer from credit risk reserves	**-**	17,129
Balance at 31 December	**440,014**	317,043

(iii) Reserve fund

This represents amounts set aside as a non-distributable reserve from annual profits in accordance with section 34 (1)(b) of the Banks and Specialised Deposit Taking Institutions Act, 2016 (Act 930) and guidelines from the Bank of Ghana. A cumulative amount of GH¢513.6 million (2019: GH¢370.1 million) has been set aside in a Reserve Fund from each year's profit. The cumulative balance includes an amount set aside from the retained earnings during the year.

	2020 GH¢ '000	2019 GH¢ '000
Balance at 1 January	**370,122**	299,658
Transfers from income surplus during the year	**143,489**	70,464
Balance at 31 December	**513,611**	370,122

(iv) Credit risk reserve

This represents amounts set aside from the retained earnings account to meet Bank of Ghana's requirement for loan loss allowance for loans and advances and off balance sheet items where Bank of Ghana's provision is higher than the requirement under the International Financial Reporting Standards (IFRS).

	2020 GH¢ '000	2019 GH¢ '000
BOG provisions	**294,080**	248,868
IFRS provisions	**(184,562)**	(139,350)
Transfer to income surplus	**294,080**	248,868
Balance at 1 January	**(184,562)**	(139,350)
Balance at 31 December	**109,518**	109,518

v) Other reserves

This comprises financial instruments held at fair value through other comprehensive income

	2020 GH¢ '000	2019 GH¢ '000
Marked-to-market gains/loss on fair value securities (Net of tax)	**3,661**	(29,823)

32. Dividend paid

	2020 GH¢ '000	2019 GH¢ '000
Ordinary dividend	**210,189**	140,149
Preference dividend	**1,647**	1,544
Payments during the year	**211,836**	141,693

33. Related party transactions

(i) Parent and ultimate controlling party

The Bank is a subsidiary of Standard Chartered Holdings (Africa) B.V and its ultimate parent company is Standard Chartered PLC.

Transactions with parent company include dividend and share based payment. There were no outstanding balances in respect of dividend at year end and prior year. Share based payment of GH¢1,501,574 (2019:GH¢1,110,299) was payable for the year to the Holding company in respect of value of equity settled share-based payments allocated to employees of the Bank on a group arrangement basis.

(ii) Key management compensation

IAS 24 "Related party disclosures" requires the following information for key management compensation. Key management personnel have been identified as the management team, executive and non-executive directors of the Bank.

	2020 GH¢ '000	2019 GH¢ '000
Short term	**23,622**	17,979
Post-employment (SSNIT/Provident Fund and other)	**1,182**	1,519
	24,804	19,498

(iii) Transactions with Key Management and Directors

The following are loan balances and deposits due from related parties:

	2020 GH¢ '000	2019 GH¢ '000
Loans	**8,101**	5,499
Deposits	**5,495**	2,772

The movement of the key managers accounts is as follows:

	2020 GH¢ '000	2019 GH¢ '000
Balance at 1 January	**5,499**	8,133
Loans advanced during the year	**4,119**	6,402
Loans repayments	**(1,517)**	(9,036)
Balance at 31 December	**8,101**	5,499

Interest earned on key managers loans during the year amounted to **GH¢ 309,000** (2019: GH¢293,000).

(iv) Associated companies

	2020 GH¢ '000	2019 GH¢ '000
Nostro account balances	**267,453**	76,169
Due from group entities	**74,910**	31,814
	342,363	107,983

Nostro account balances are current account balances with SCB affiliate banks that are available on demand.Amounts due from group entities are in respect of intra-group recharges that are receivable on demand based on invoices. Outstanding amounts are settled in cash.

Amounts due to associated companies at the balance sheet date were as follows:

	2020 GH¢ '000	2019 GH¢ '000
Short-term borrowing	**86,403**	276,685
Due to group entities	**68,922**	161,132
	155,325	437,817

These are short term deposits held with the Bank with contractual maturities of less than a year. These are denominated in foreign currency with an interest rate of 0.254% per annum.

Amounts due to group entities are in respect of intra-group recharges that are payable on demand based on invoices. Outstanding amounts are settled in cash.

vi) Share based payments

Included in staff cost is an amount of GH¢1,501,574 (2019:GH¢1,110,299) payable for the year to the Holding company in respect of value of equity settled share-based payments allocated to employees of the Bank on a group arrangement basis.

For equity settled options the Bank is required to measure the fair value of the shares granted at the date the options were granted. This fair value is determined using option-pricing models and does not change once determined. The fair value is amortised to profit or loss over the vesting period (and in certain circumstances over the period in which services were provided to earn that award), with a corresponding credit to equity.

The inputs used in the measurement of the fair values at grant date of the equity settled options plans were as follows

	Key management personnel	
	2020	2019
Fair value at grant date (GBP)	**0.69**	1.62
Share price at grant date (GBP)	**3.52**	6.84
Exercise price (GBP)	**4.14**	4.98
Vesting period (years)	**3-7**	3-7
Expected volatility (%)	**31.8**	25.3
Expected option life (years)	**3.33**	3.33
Expected dividend yield (%)	**4.2**	4.2
Risk-free interest rate (%)	**(0.07)**	0.26

(vii) Financial guarantees

Guarantees of the Bank that have been counter guaranteed (Back-to-Back) by other SCB offices for the period was Nil (2019: Nil).

34. Directors' shareholding

The Bank's Director Ebenezer Twum Asante held 614 shares in the Bank as at 31 December 2020 (2019: 614).

35. Regulatory disclosures

(i) Key loans ratio

a. Percentage of gross non-performing loans ("substandard to loss") to total loans/advances portfolio (gross) BoG-23.11 percent, (2019: BoG 17.20 percent).

b. Loan loss provision ratio was 10.19 percent (2019: 9.1 percent).

c. Non-performing loan ratio excluding loss category with respect to Bank of Ghana prudential guidelines was 7.21 percent (2019: 2.02 percent)

35. Regulatory disclosures continued

(i) Key loans ratio continued

d. Ratio of fifty (50) largest exposures (gross funded and non-funded) to total exposures was 62.25 percent (2019: 60 percent).

e. Loan to deposit ratio 29.47 percent (2019: 32.67 percent)

(ii) Capital adequacy ratio

The capital adequacy ratio has been disclosed at note 4.12

(iii) Liquidity ratio

The liquidity ratio as at 31 December 2020 was calculated at approximately 66% percent (2019: 75 percent).

(iv) Regulatory breaches

Penalty for a regulatory breach GH¢169,800 (2019: GH¢54,000) was recorded during the period under review .The breach relates to the Bank's failure to report its exposure to the Ghana Education Trust Fund in the monthly return on Fifty Largest Exposures to Non-Monetary Sector(MBK500) from September 2019 to March 2020. The breach has been rectified at the end of the period.

(v) Year end rates used for foreign exchange translations

		Rate	
Currency		**2020**	2019
USD	**US Dollar**	**5.7602**	5.5337
EUR	**Euro**	**7.0643**	6.2114
GBP	**Pound Sterling**	**7.8742**	7.3164

36. Subsequent events

Unclaimed balances and dormant accounts directive, 2021

The Bank of Ghana issued a new directive on unclaimed and dormant accounts in February 2021. This directive is issued pursuant to Section 92 of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

The objectives of this Directive are to operationalise Section 143 of Act 930, establish processes and procedures for reclaim of funds by dormant account holders or their legal representatives and to ensure adequate protection of customers' funds that that have become dormant.

The Directive requires, amongst others, that the regulated entity should:

- Create and maintain a dormant account register;
- Contact holders of dormant accounts or next of kin;
- Publish dormant accounts in newspapers; and
- Transfer the funds on dormant accounts to Bank of Ghana after three years.

The Bank is assessing the impact of the directive on its business. No other events have occurred since the end of the reporting period that would have had a material effect on the financial statements or require disclosure.

37. Net asset value per share

The calculation of net asset value per share GH¢ 10.82 (2019: GH¢8.59) at 31 December 2020 was based on the net assets attributable to ordinary shareholders of GH¢ 1,457 million (2019: GH¢ 1,158 million) and a weighted average number of ordinary shares outstanding of 134.8 million (2018: 134.8 million)

Net assets attributable to ordinary shareholders

	2020 GH¢ '000	2019 GH¢ '000
Net assets	**1,466,804**	1,166,860
Less Preference shares	**(9,090)**	(9,090)
Net assets attributable to equity holders	**1,457,714**	1,157,770

	2020 GH¢ '000	2019 GH¢ '000
Weighted average number of ordinary shares at 31 December	**134,758**	134,758

37(a) Number of shares in issue

Number of shareholders

The company had ordinary and preference shareholders as at 31 December 2020 distributed as follows:

(i) Ordinary shares

Range of shares	Number of shareholders	Holding	Percentage
1 - 1,000	3,716	1,235,514	0.92
1,001 - 5,000	1,554	3,440,884	2.55
5,001 - 10,000	276	1,840,494	1.37
Over 10,000	207	128,246,575	95.16
	5,753	**134,763,467**	**100.00**

(ii) Preference shares

1-1,000	771	278,599	1.59
1,001 – 5000	146	317,679	1.82
5001 - 10,000	20	167,017	0.95
Above 10,000	27	16,725,171	95.64
	964	**17,488,466**	**100.00**

37b. 20 Largest Ordinary and preference shareholders

(i) 20 Largest Ordinary shareholders

Name of shareholder	Number of shares held	(%) Holding
Standard Chartered Holdings (Africa) B. V	93,544,612	69.42
Social Security and National Insurance Trust	19,605,509	14.55
SCGN/SSB& Trust as Cust For Kimberlite Frontier, Africa Master Fund, L.P-Rckc/O Standard Chartered Bank Gh Ltd High Street-Accra	2,335,084	1.73
STD Noms/ Credit Suisse Ag – Singapore	1,166,667	0.87
SCGN/SSB&Trust as Cust for Conrad N Hilton	620,629	0.46
STD Noms /Bnym Vanderbilt University	617,685	0.46
SCGN / Enterprise Life Ass. Co Policy Holders Scgn / E.L.A.C.P.H.	599,783	0.45
Ghana Union Assurance Co. Ltd	507,248	0.38
STD Noms/Bnymsanv Re Bnymsanvfft Re Oddo Kil	499,705	0.37
SCGN/'Epack Investment Fund PLC Transaction E I F L	426,901	0.32
Council of University of Ghana Endowment Fund	422,730	0.31
Teachers Fund	362,845	0.27
Kojo Anim-Addo	323,518	0.24
SCGN/Citibank Kuwait Inv Authority	298,628	0.22
SCGN/SSB Eaton Vance Tax Managed Emerging Market Fund	283,150	0.21

Name of shareholder	Number of shares held	(%) Holding
HFCN/ EDC Ghana Balanced Fund PLC	274,106	0.20
EDC/Teachers Equity Fund	271,929	0.20
SCGN/SSB Eaton Vance Structured, Emerging Market Fund	215,500	0.16
University of Science & Technology	173,250	0.13
Ssnit Informal Sector Fund	149,100	0.11
	122,698,579	**91.05**

(ii) Details of 20 largest preference shareholders

Name of shareholder	Number of Shares held	(%) Holding
Standard Chartered Holdings (Africa) Bv	15,220,598	87.03
Barton Kwaku Glymin	451,419	2.58
SSNIT SOS Fund	307,692	1.76
Kojo Anim-Addo	128,089	0.73
Ghana Union Assurance Co. Ltd	99,351	0.57
Mr Norbert Kwasivi Kudjawu	68,775	0.39
Akosah-Bempah F Ophelia	54,150	0.31
Akosah- Bempah Kwaku Mr	40,654	0.23
Nii Kwaku Sowa	30,000	0.17
Std Noms/Cs Sec (Us) Llc/Africa Oppt Fund L.P	29,366	0.17
Aryee Clifford Edward	25,000	0.14
Ebenezer Magnus Boye	25,000	0.14
E3A Holdings Company Ltd	20,661	0.12
Mr Anthony Minkah	20,268	0.12
Nyako John Percival Awuku Mr	20,000	0.11
Safo Kwakye Eddie Mr	20,000	0.11
Edem Yankson	20,000	0.11
HFCN / Glico Pensions Re: Fidelity Securities	19,231	0.11
NTHC Securities PLC	19,231	0.11
Nelson Aruna	19,230	0.11
	16,638,715	**95.12**

38. Value added statements

Description	2020		2019	
	GH¢'000	(%)	GH¢'000	(%)
Revenue (operating income)	**1,022,736**		853,032	
Other expenses	**(45,303)**	**4%**	(119,463)	14%
Impairments	**(59,284)**	**6%**	(99,868)	12%
Value Add:	**918,149**		633,701	
Distributed as follows:				
To employees				

Supplementary Information

Supplementary financial information

Five year summary

	2020	2019	2018	2017	2016
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Interest income	**795,374**	749,703	612,784	587,093	549,942
Interest expense	**(154,856)**	(154,974)	(123,970)	(116,256)	(89,687)
Net interest income	**640,518**	594,729	488,814	470,837	460,237
Fees and commission income	**139,439**	102,904	98,589	85,216	80,259
Other operating income	**242,779**	155,399	125,518	120,718	80,285
Non-interest income	**382,218**	258,303	224,107	205,934	160,544
Operating income	**1,022,736**	853,032	712,921	676,771	620,781
Operating expenses	**(288,062)**	(328,961)	(286,292)	(244,982)	(194,115)
Impairment charges	**(59,284)**	(99,868)	(100,758)	(9,511)	(81,108)
Profit before taxation	**675,390**	424,203	325,871	422,278	345,558
Taxation	**(197,094)**	(142,347)	(115,217)	(138,680)	(121,047)
Profit for the year	**478,296**	281,856	210,654	283,598	224,511
Total statutory and other transfers	**(143,489)**	(53,335)	(42,388)	(61,101)	(93,894)
Retained profit/available for distribution	**334,807**	228,521	168,266	222,497	130,617
Networth	**1,466,804**	1,166,860	1,047,819	920,756	765,216
Net own funds	**1,353,625**	1,087,165	911,211	726,077	603,317
Investments	**2,825,791**	2,515,126	1,719,978	1,300,022	1,346,424
Deposits	**5,836,607**	5,590,271	4,346,676	3,486,250	3,207,375
Total assets	**8,031,674**	7,618,622	5,961,495	4,776,984	4,373,564
Total liabilities	**6,564,870**	6,451,762	4,913,676	3,856,228	3,197,673
Loans & advances	**1,710,213**	1,886,874	1,446,695	1,385,696	1,262,636
Information on ordinary shares	**GH¢**	GH¢	GH¢	GH¢	GH¢
Earnings per share	**3.54**	2.08	1.54	2.09	1.92
Proposed final dividend per share	**1.74**	1.56	1.04	-	1.12
Key ratios					
Returns on assets (PAT/Assets)	**6%**	4%	4%	6%	6%
Return on equity (PAT/ Equity)	**33%**	25%	21%	34%	34%
Capital adequacy ratio	**25%**	30%	29%	26%	22%
Cost/income ratio	**28%**	39%	40%	36%	31%

standard chartered

Form of Proxy

I...
(Block Capitals Please)

Of

....
being Member/Members of **STANDARD CHARTERED BANK GHANA PLC** hereby appoint

....

or failing him the duly appointed Chairman of the Meeting, as my/our Proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held **VIRTUALLY at 11.00 am on the 28th July 2021** and at every adjournment thereof.

Please indicate with an X in the spaces below how you wish your votes to be cast.

ORDINARY RESOLUTION		FOR	AGAINST
1.	Electing the following Director: • MR. GEORGE AKELLO		
2.	Declaration of Dividend		
3.	Approving remuneration of Directors		
4.	Authorising Directors to fix remuneration of the Auditor		
SPECIAL RESOLUTION			
5.	Approving new Standard Chartered Bank Ghana PLC Constitution		

Signed the.................. day of .... 2021.   Signature ....

cut here   cut here

IMPORTANT: Before posting the Form of Proxy above, please tear off this part and retain it – see over. If you wish to insert in the blank space on the form the name of any person, whether a Member of the company or not, who will attend the meeting and vote on your behalf, you may do so; if you do not insert a name, the Chairman of the Meeting will vote on your behalf. If this Form is returned without any indication as to how the person appointed a proxy shall vote, he will exercise his discretion as to how he votes or whether he abstains from voting. To be valid, this Form must be completed and sent via email to **shareregistry@gcb.com.gh** or deposited at the registered office of the Company or the Registrars of the Company at GCB Bank Limited, Head Office, No. 2 Thorpe Road, P.O. Box 134, Accra **not less than 48 hours before the time fixed** for holding the Meeting or adjourned Meeting.

Shareholders are urged to submit their current email addresses and telephone numbers to have these updated. The email addresses, telephone numbers and other records are to be submitted to the Company's Registrar, **GCB Bank Ltd., at their Head Office, No.2 Thorpe Road, P. O. Box 134, Accra** or on their email address **shareregistry@gcb.com.gh** as soon as possible.

This Form is only to be completed if you will NOT attend the Meeting

FIRST FOLD HERE

PLEASE
AFFIX
STAMP
HERE

SECOND FOLD HERE

The Company Secretary
Standard Chartered Bank Ghana Plc
Head Office
P. O. Box 768
Accra

THIRD FOLD HERE

CUT HERE

CUT HERE

IMPORTANT: A person attending the meeting should not produce this form

Thank you

For making us Number 1.

We dedicate these awards to all our clients and stakeholders.

Head Office

Standard Chartered Bank Building
Standard Chartered Bank Ghana PLC.
No. 87 Independence Avenue
Accra, Ghana

telephone: +233 (0)302 610750
facsimile: +233 (0)302 667751

Registrar Information

GCB Bank Limited
Share Registry Department, Head Office
Thorpe Road
Accra, Ghana

Digital Annual Report

sc.com/gh/about-us/investor-relations