standard chartered

Annual Report 2022

Connecting the world's most dynamic markets

here for good™

We are a member of a leading international cross-border bank

Standard Chartered is a bank like no other.

We are a member of a leading international banking group with presence in 59 dynamic markets. Our unique footprint, diverse experience, capabilities and culture set us apart. They enable us to capitalise on opportunities for our business, our customers and the communities we serve.

We are guided by our Purpose - to drive commerce and prosperity through our unique diversity.

Our heritage and values are expressed in our brand promise, Here for good.

Financial KPIs

	Capital adequacy ratio (%)	Return on tangible equity (%)	Leverage ratio (%)
2022	23.0% ↓1040bps	(22.4)% ↓4900bps	11.5% ↓10bps
2021	33.4%	26.6%	11.6%

Other financial measures

	Operating income	(Loss)/Profit before tax	(Loss)/Earnings per share
2022	GH¢1,215m ↑16%	GH¢(381)m ↓155%	(2.21) ↓168%
2021	GH¢1,051m	GH¢695m	3.23

Stakeholders

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

1. Group refers to Standard Chartered PLC

2. The Group refers to Standard Chartered Bank Ghana PLC and its subsidiaries.

NOTICE AND AGENDA

Notice is hereby given that the 53rd Annual General Meeting of Standard Chartered Bank Ghana PLC will be held at the **National Theatre,** opposite the Efua Sutherland Children's Park, Accra on **Wednesday, 26th July 2023** at 11.00a.m for the ordinary business of the Company.

Agenda

1. To receive and consider the reports of the Annual Report and the Audited Financial Statements for the year ended 31st December 2022 together with the report of the Directors and auditors thereon.
2. To elect a Director
3. To re-elect Directors retiring by rotation
4. To approve Directors' remuneration
5. To authorize the Directors to fix the remuneration of the auditors

SPECIAL BUSINESS

6. To consider and if thought fit, pass the following resolution as recommended by the Directors, and as required by the Securities and Exchange Commission's Directive on discontinuation of the usage of dividend warrants as a means of dividend payment, which will be proposed as a Special Resolution:

a. That Section 65 (1) of the Company's Constitution be amended as follows:
"Any dividend, interest or other moneys payable in respect of shares may be paid electronically to such bank accounts or such other electronic devised modes of transfer as the shareholder may have advised and as by law recognized or as may be approved by the Securities and Exchange Commission and in the case of joint holders, to the account or other mode of the first holder named on the Register of shareholders or to such account or other electronic transfer mode that the joint holders may in writing direct.
b. That Section 65 (2) of the Company's registered Constitution be deleted.
c. That Section 65 (3) of the Company's registered Constitution be deleted
d. That Section 65 of the Company's registered Constitution be re-numbered accordingly

Dated this 11th day of May 2023
BY ORDER OF THE BOARD

SIGNED
ANGELA NAA SAKUA OKAI
(COMPANY SECRETARY)

Note: A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of him/her. Such a proxy need not be a member of the Company. A form of proxy is attached. (Please see page 204 of the Annual report)

A copy of the Annual Report and the proxy form can be viewed/downloaded from the Standard Chartered Bank Ghana PLC website www.sc.com/gh. The Proxy form may be filled and sent via email to shareregistry@gcb.com.gh or deposited at the registered office of the Company or the Registrar of the Company, GCB Bank PLC, 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.

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Explanatory notes on the special resolutions

The notes below provide an explanation to the proposed resolutions set out in item 6 (a-d) of the Notice and Agenda of the Annual General Meeting. These resolutions require 75% of the votes to be cast in favour. The resolutions are proposed to enable the Company to comply with the provisions of the Securities and Exchange Commission's Directive on discontinuation of the usage of dividend warrants as a means of dividend payment, which was issued on 6th February 2023. Per the Directive, effective 1st February 2024, all dividend payments are to be made through electronic payments means such as mobile money, bank transfers and other forms of payments as may be approved by the Commission. The Company is therefore required to amend its registered Constitution in line with the Securities and Exchange Commission's directive.
Below are the sections in the Company's registered Constitution for which amendments are proposed:

(a) Section 65(1)

"Any dividend, interest, return of stated capital or other moneys payable in cash in respect of shares may be paid by cheque or warrant or electronic transfer sent through the post, directed to the registered address of the member or in the case of joint members, to the registered address of the person who is first named on the Register of Members or to such person and to such address as the holder or joint holders may in writing direct."

The amended Section is to read as follows:

Any dividend, interest or other moneys payable in respect of shares may be paid electronically to such bank accounts or such other electronic devised modes of transfer as the shareholder may have advised and as by law recognized or as may be approved by the Securities and Exchange Commission and in the case of joint holders, to the account or other mode of the first holder named on the Register of shareholders or to such account or other electronic transfer mode that the joint holders may in writing direct.

(b) Section 65(2)

Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

This section is to be deleted as it is not in compliance with the Securities and Exchange Commission's Directive.

(c) Section 65 (3)

Any one two or more joint holders may give effectual receipts for any dividends, interest, returns of capital or other moneys payable in respect of the shares held by them as joint holders. Every such cheque or warrant shall be sent in all respects at the risk of the person entitled to the money represented thereby and payment of the cheque or warrant if purporting to be endorsed shall be a good discharge to the Company.

This Section is to be deleted as it is not in compliance with the Securities and Exchange Commission's Directive.

(d) Re-numbering of Section 65 of the registered Company Constitution

The Old Section 65 reads as follows:

65.(1) Any dividend, interest, return of stated capital or other moneys payable in cash in respect of shares may be paid by cheque or warrant or electronic transfer sent through the post, directed to the registered address of the member or in the case of joint members, to the registered address of the person who is first named on the Register of Members or to such person and to such address as the holder or joint holders may in writing direct.
(2) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
(3) Any one two or more joint holders may give effectual receipts for any dividends, interest, returns of capital or other moneys payable in respect of the shares held by them as joint holders. Every such cheque or warrant shall be sent in all respects at the risk of the person entitled to the money represented thereby and payment of the cheque or warrant if purporting to be endorsed shall be a good discharge to the Company.
(4) A dividend payment shall be accompanied by a statement showing the gross amount of the dividend, and the tax deducted or deemed to be deducted from the gross amount.
(5) The Company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by: (a) the terms on which the share was issued or (b) any applicable law or regulation mandating the Company to do so.

The new Section 65 to read as follows:

65 (1) Any dividend, interest or other moneys payable in respect of shares may be paid electronically to such bank accounts or such other electronic devised modes of transfer as the shareholder may have advised and as by law recognized or as may be approved by the Securities and Exchange Commission and in the case of joint holders, to the account or other mode of the first holder named on the Register of shareholders or to such account or other electronic transfer mode that the joint holders may in writing direct.
(2) A dividend payment shall be accompanied by a statement showing the gross amount of the dividend, and the tax deducted or deemed to be deducted from the gross amount.
(3) The Company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by: (a) the terms on which the share was issued or (b) any applicable law or regulation mandating the Company to do so.

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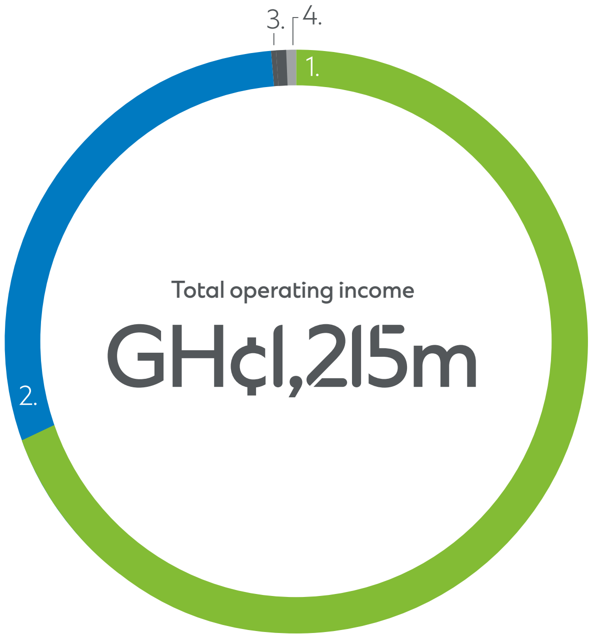
Who we are and what we do

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.

Our client segments



	Operating income
1. **Corporate, Commercial and Institutional Banking** Corporate, Commercial and Institutional Banking supports clients with their transaction banking, financial markets, corporate finance and borrowing needs.	GH¢831m
2. **Consumer, Private and Business Banking** Consumer, Private and Business Banking serves individuals and small businesses, with a focus on the affluent, emerging affluent and mass retail.	GH¢376m
3. **Standard Chartered Wealth Management Limited Company** Standard Chartered Wealth Management Limited Company offers a full range of investment and wealth planning products to grow and protect the wealth of high-net-worth individuals by selling mutual funds and providing advisory services.	GH¢5m
4. **Others** Unallocated Revenue	GH¢3m

Guiding and supporting our businesses

Functions

Our client-facing businesses are supported by our global functions, which work together to ensure the Group's operations run smoothly and consistently.

Transformation, Technology & Operations
Responsible for leading bank wide transformation and for reshaping the Bank's systems and technology platforms to ensure we provide robust, responsive, and innovative technology digital solutions. Also manages all client operations, seeking to provide an optimal client service and experience across the board.

Legal
Provides legal advice and support to the Group to manage legal risks and issues.

Human Resources
Maximises the value of investment in people through recruitment, development and employee engagement.

Risk
Responsible for the overall second-line-of-defence responsibilities related to risk management, which involves oversight and challenge of risk management actions of the first line.

Finance
Comprises the following support functions:

Finance, Strategy, Investor Relations, Corporate Development, 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 marketing, communications and engagement with stakeholders to protect and promote the Group's reputation, brand and services.

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

Conduct, Financial Crime and Compliance
Partners internally and externally to achieve the highest standards in conduct and compliance to enable a sustainable business and fight financial crime.

Valued behaviours

Our valued behaviours ensure that we do things differently in order for us to succeed. Only then will we realise our potential and truly be Here for good.

Never settle

- Continuously improve and innovate
- Simplify
- Learn from your successes and failures

Better together

- See more in others
- "How can I help?"
- Build for the long term

Do the right thing

- Live with integrity
- Think client
- Be brave, be the change

standard chartered priority

I want a bank that makes building my legacy their priority

Join our Priority Banking today. Your priorities get our priorities.

Speak to your Relationship Manager or contact us on

+233202220499 | +233501516682

Prioritybanking.Gh@sc.com

Chairman's statement

Pursuing our ambitions with deeper resilience

Ebenezer Twum Asante
Chairman

Distinguished Shareholders, it is an honour and privilege to present to you the Annual Report and Financial Statements of Standard Chartered Bank Ghana PLC and its subsidiaries for the year ended 31 December 2022, my first as Chairman of the Board. Pursuant to our ambition to expand our wealth management business, we received approval in July 2022 from the Securities and Exchange Commission to set up our Investment Advisory Services and were duly awarded Investment Advisory Representative Licences through a newly incorporated Standard Chartered Wealth Management Limited Company, a wholly owned subsidiary of Standard Chartered Bank Ghana PLC. The financial statements in this report comprise the consolidated and separate statements of Standard Chartered Bank Ghana PLC (The Group & Bank).

Ladies and Gentlemen, I joined the Board in 2019 as an Independent Non-Executive Director and was appointed Chairman on March 1, 2023. Over the 3-year period, I have served as a member of the Board's Risk and Audit Committees and more recently, as Chair of the Board's Cyber Security Committee. These roles have enabled me to gain a deep understanding and appreciation for Standard Chartered as an organisation. We have a valuable franchise with strength and quality at its core, great client relationships, and the right team of people backed by a great network & Group.

For over 126 years, Standard Bank Ghana PLC, has been at the forefront of financial market development in Ghana, while supporting and investing in the productive sectors of the economy. Guided by our purpose – to drive commerce and prosperity through our unique diversity – we capitalise on value-creation opportunities for our business, our customers, and the communities we serve. As Chairman, I will continue to work with my colleagues on the Board, and with Management and Staff to build on the Bank's dynamic role in Ghana to deliver long- term sustainable value to our shareholders. I will focus my efforts on these five areas:

- Improving resilience to external shocks while driving strong, safe and long-term sustainable growth
- Strengthening governance and ethical standards
- Pursuing our ambitions to deliver sustainable financing solutions
- Leveraging our network to drive global and intra-regional (AfCTFA) trade opportunities for businesses
- Creating value and new opportunities through innovation and technology

I would like to take this opportunity to express my gratitude to my predecessor Dr. Emmanuel Oteng Kumah for his leadership during some of the most challenging and disruptive periods we have experienced.

2022 Financial performance

2022 is on record as being one of the most challenging years for the local and global economy. Ghana experienced a sharp deterioration in various economic indicators leading to fiscal imbalances, which were further exacerbated by global economic and geopolitical shocks. Additionally, Government had to implement a Domestic Debt Exchange programme (DDEP) as part of conditions required to secure Balance of Payment support from the International Monetary Fund (IMF) to ensure the economy is put back on track. Naturally, these events posed capital, liquidity and credit risk challenges for the banking sector as all banks in the country needed to sign up to the DDEP. The shock reverberated across several sectors of the economy, severely affecting some of our clients as well. The effect of the Domestic Debt Exchange programme together with the prudent accounting measures we took had a negative impact on our full year 2022 performance. Though our income grew by 16 per cent to GH¢1.21bn, we posted a loss before tax of GH¢381m on account of the impact of the DDEP and the effects of the external environment.

Mansa Nettey, our Chief Executive, will provide more details in her statement, on our financial results and the proactive actions taken by Management in response to the economic challenges.

Let me assure you, however, that despite the challenging economic environment, which reflected in our performance in 2022, we remain a resilient bank with a strong underlying business. We ended 2022 with a capital adequacy ratio of 23 per cent, well above the regulatory threshold and maintained a strong balance sheet and liquidity position.

I must commend all our colleagues - led by Mansa and the Management Team for their tenacity and resilience throughout the difficult period .They have focused on supporting our clients, protecting the interest of shareholders while preserving our operational and financial resilience. Additionally, the Management Team ensured the wellbeing of colleagues, providing them with much needed renumeration adjustment to augment the impact of the tough economic conditions.

Our strategic priorities remain relevant

In spite of the impact of these unprecedented factors in 2022, it remains clear to us that the

Chairman's statement continued

refreshed priorities we set in 2021 remain relevant. Our focus has been on executing against those four priorities; Network, Affluent, Mass Retail and Sustainability while exploring areas of opportunistic growth. Our strategy is underpinned by our Stands, the areas where we have set long-term ambitions for impact: Accelerating Zero, Resetting Globalisation and Lifting Participation.

Accelerating Zero – globally the bank is committed to reaching net zero across our operations, supply chain and financed emissions by 2050. We believe that climate change is one of the greatest challenges facing the world today and that its impact will hit hardest in emerging markets, many of which are currently reliant on carbon intensive industries for their continued economic growth. We support a just transition where climate objectives are met without depriving emerging markets of their opportunity to grow and prosper.

Resetting Globalisation - our goal is to help companies improve working and environmental standards and give everyone the chance to participate in the world economy, so growth becomes fairer and more balanced. As one of the world's largest trade banks, we leverage our network to create a fairer and more inclusive model of regional and global growth.

Lifting Participation - we strive to expand the reach and scale of financial services by expanding accessible banking and connecting clients to opportunities that promote access to finance and economic inclusion. Through Futuremakers, we are implementing programmes that improve economic inclusion, with a focus on women and girls.

Enhancing governance and culture

Given the vulnerable external environment last year, it was important for the Board to strengthen its oversight, challenging appropriately while also providing support to the Management team in carrying out their operations. We had a robust mid-year review of the Bank's strategy and corporate plan to ensure it was fit for purpose and could adequately withstand the economic headwinds. Additionally, we took action to understand how the short-term challenges and global megatrends affect the Bank and conducted several scenario planning to ensure we were well prepared for any unforeseen eventualities. The Board's Risk and Audit subcommittees focused on emerging risks, while providing the needed scrutiny of internal controls and financial reporting mechanics.

With the easing of covid-19 restrictions, members of the Board resumed in-person engagement with staff across our branch network including upcountry. We were also able to resume face-to-face interactions with clients. Last year's Annual General Meeting was also the first opportunity in two years, to re-engage shareholders in-person.

Once again, on behalf of the Board, I extend my gratitude to my predecessor Dr. Emmanuel Kumah, who retired last October after serving his full tenure. Mr. Albert Asante, Chief Financial Officer joined the Board in March 2023 to fill a casual vacancy on the Board. He will step down during this Annual General Meeting and be presented for re-election.

Dividend

The Bank of Ghana issued policy and regulatory reliefs for banks that fully participated in the Domestic Debt Exchange Programme to address potential impact from participation and preserve financial stability.

In compliance with the directive, the Board will not be recommending any dividend payments for the 2022 financial year.

Driving impact in our communities

Inequality along with gaps in economic inclusion means that many young people particularly young women and girls struggle and fall short of their potential. In some cases, they are stuck in low-income poverty. We continue to support communities though Futuremakers, our global initiative to tackle youth economic inclusion. Since its launch in 2019, together with the Standard Chartered Foundation, we have invested over GH¢13 million through various programmes to support over 40,000 young people to learn, earn and grow.

In 2022, we completed Cohort 2 of our flagship Women in technology incubator programme. Nineteen (19) women-owned businesses across agriculture, hospitality and e-commerce sectors participated in the Incubator. Five of the most outstanding businesses received the equivalent of USD 10,000 each to scale up their businesses. These businesses employ over 290 people with revenues of over GH¢770,000.

With funding support from the Standard Chartered Foundation, our Youth Employability skills programme, which provides entrepreneurial and employability skills to young people has now reached over 28,000 young people, including over 2,000 persons living with disability, across Ghana. 237 start-ups were launched by the beneficiaries and 118 existing jobs were expanded through the programme.

To mark 5 years of running Goal, our global education programme for girls and young women, (teaching life skills through sport), we organised a Girls Empowerment Summit for the beneficiaries of the programme. This provided mentoring opportunities for the girls as well as learning from young role models. Since its launch in 2017, the programme has reached over 10,000 girls in low-income communities in Greater Accra and Eastern Regions. Through the Goal modules, 94 per cent of the participants reported having gained the confidence to make decisions about their future with another 84 per cent knowing where to report issues of abuse or violence.

During the year, the Bank provided educational grants to 31 brilliant but needy students in 5 public universities. These students, who are beneficiaries of the Standard Chartered Science Education Trust Fund and Standard Chartered Kenneth Dadzie Memorial Education Trust Fund, will receive a total of GH¢ 285,000 over a three-year period.

In 2022, over 34 per cent of our employees volunteered their time and skills, contributing a total of 363 days of their time to support worthwhile causes in our communities. Activities included delivering financial skills training, mentoring and coaching to young people and small businesses; engaging in tree planting to protect our environment and spending time with children with special needs under our 'Day of Caring' programme.

Looking ahead

We are seeing signs of a rebound in our business and anticipate stronger results in the first quarter of 2023. However, the challenging operating environment still persists. The uncertain global macroeconomic and geopolitical environment, coupled with the domestic fiscal consolidation under an eventual International Monetary Fund (IMF) programme, will lead to a general slowdown in business activity.

Your Bank is well equipped to navigate these challenging times. We have a robust business model and a clear strategy. We will continue to focus on opportunities that exist within our redefined risk appetite while taking advantage of technology to open new opportunities.

On behalf of the Board, I would like to express our appreciation to you, our shareholders and all our other stakeholders, including our clients, for the continued support and confidence in us. I would also like to thank our staff for their resilience, tremendous effort and dedication throughout this period.

I look forward to working together with my fellow Board members and supporting the Management Team to deliver on our strategic priorities, returning the business to profitable growth and creating long-term sustainable value.

Ebenezer Twum Asante

Chairman

25 April 2023

The Standard Chartered Digital Banking, Innovation and FinTech Festival

The second edition of the Standard Chartered Digital Banking, Innovation and Fintech Festival brought together seasoned experts and practical FinTech innovators from Ghana, Singapore, Africa and the Middle East. The festival covered a series of plenary discussions with speakers sharing insights and knowledge and highlighting opportunities that exist in using digital technology to accelerate Africa's economic growth.

30 speakers – Industry leaders across Ghana, Africa, UK & Singapore

4 panel sessions on Powering Africa's Digital economy

Dedicated sessions on Women in Technology

Human-Centred Design session for young innovators

42 participating FinTechs from Ghana, Africa & Asia including 10 graduates from Women in Technology Incubator programme

- **H.E Alhaji Dr. Mahamudu Bawumia**
  Vice President, Republic of Ghana opened the festival. Other notable speakers included:
- **Bill Winters**
  Group CEO Standard Chartered PLC
- **Sunil Kaushal**
  Regional CEO, Africa & Middle East Standard Chartered Bank
- **Mansa Nettey**
  Chief Executive - Standard Chartered Ghana
- **Dr. Maxwell Opoku-Afari**
  First Deputy Governor - BOG
- **Sopnendu Mohanty**
  Chief Fintech Officer - Monetary Authority of Singapore

This event is focused on:

- Africa's digital transformation - leading the right engagement and conversation on financial services powering the digital economy.
- Standard Chartered digital development and progress across the region through our innovation and strong tech foundations. Our investments in technology and how we are solving the financial inclusion agenda on the continent.
- Opportunities that exist in using digital technology to unlock Africa's economic growth and regulations that protect and enhance digital trade.
- Future of banking, money and payments in solving the complex financial inclusion challenge.
- Women in Technology - supporting female-owned businesses to scale up by adopting technology.

Chief Executive's review

Remaining resilient in challenging times

Mansa Nettey
Chief Executive

The year 2022 was exceptional on many fronts. The global economy experienced a slowdown due to multiple crises including the effects of geopolitical tensions and the continued tightening of monetary policy across countries to stem inflationary pressures. In addition to grappling with double-digit inflation, global liquidity challenges made access to financing especially difficult for several Sub-Saharan African economies.

The combination of external shocks and domestic fiscal distress resulted in significant challenges for the local economy. Multiple downgrades of the sovereign by rating agencies in the third quarter arising from defaults, elevated inflation, a sharp spike in interest rates and a rapidly weakening currency further negatively impacted on the country's ability to finance its Balance of Payments. With no alternatives available for external financing, Ghana had to seek support from the International Monetary Fund (IMF). A key requirement of the IMF bailout package was a debt sustainability plan to achieve a Debt-to-GDP ratio of 55 per cent by 2028. This led to the implementation of an aggressive Domestic Debt Exchange Programme (DDEP), which adversely affected both individual and domestic institutional investors and had ripple effects on the financial sector.

Standard Chartered delivered a positive top line growth of 16 per cent over the previous year to GH¢1.21 billion. This is consistent with our growth trends for the past 5 years. Our second half performance (H2), however, was adversely impacted by the rapid deterioration of the economy and the implementation of the DDEP. We had to make exceptional impairment provisions on account of the DDEP, and expected credit loss charges from Ghana's sovereign downgrade, which together with our prudent accounting measures led to an impairment charge of GH¢1.16 billion compared to a recovery of GH¢5.9 million in the previous year. This culminated in a loss after tax of GH¢297.8 million. Despite the loss, key metrics on capital and liquidity remained strong, and within regulatory thresholds.

The strong underlying health of the business is mainly a result of our forward-looking enterprise risk management approach. Indeed, we began to take proactive actions earlier when we noticed key drivers of domestic growth had started showing signs of strain. In 2022, Management remained laser focused on monitoring developments within the macro economy and ensuring that the country's strategies remained relevant. In June 2022, we held an extraordinary session to realign our strategy in line with the economic outlook.

The outcome was a set of strategic actions aimed at protecting our franchise. These included a cautious reduction of our foreign exposure, ensuring assets and liabilities remained within tolerable limits and constant engagement and retooling of our staff, especially sales teams, to aid their product decisions and ongoing interaction with clients.

In our Corporate, Commercial and Institutional Banking Business, we repositioned our asset book following an in-depth review of our exposure. Leveraging on our capabilities and network, we proactively engaged our clients and offered support in navigating the challenges. For example, at the onset of the Russia-Ukraine war, we held a thought leadership economic round table for our clients in the manufacturing sector on how to plan for their businesses amid the supply chain disruptions. Similarly, in our Consumer, Private and Business Banking Business, we stepped up to support clients while taking actions on selected product lines including credit cards and personal loans to protect the business.

We developed a holistic and proactive approach in dealing with client issues and queries on the DDEP through our crisis communication team and ensured our frontline staff were educated and equipped to support clients. I must commend our frontline colleagues for their adaptiveness and resilience over the last 12 months.

Progress on our strategic actions

Network

Backed by our unique network, we connect client businesses to global opportunities while facilitating trade and capital flows. We facilitated several transactions to support our clients, including the Sovereign. In 2022, the Bank was mandated as lead arranger for COCOBOD Annual Syndication raising in excess of USD 1 billion.

As a network bank, which understands that Digital connectivity is a catalyst for business growth, we continuously invest in our digital capabilities to deliver market leading digital platforms. Our goal is to be a long-term partner to our clients, providing digital touchpoints for their transaction and trading needs.

Chief Executive's review
continued

Our Straight2Bank (S2B) online platform connects directly to Ghana.gov providing greater convenience for clients to access Ghana's digital payment and services platform. S2B utilisation is currently at 85 per cent and has transformed the way our clients transact with the Bank. Into 2023, we will roll out enhanced digital payment offerings through Straight2Bank go live with our Pan-African Payment and Settlement System (PAPSS) integration.

During the year, we also organised a series of client engagements on the operationalisation of the Africa Continental Free Trade Area (AfCFTA). With an enviable footprint across the region, we are uniquely positioned to support local clients to scale up and enter new markets on the continent. One of the engagements involved bringing together our Commercial and Business Banking clients and representatives from the AfCFTA Secretariat to explore support mechanisms and specific ways to take advantage of opportunities provided by AfCFTA.

Affluent
Our Affluent Business grew by 22 per cent in 2022 largely driven by wealth management. We continue to unlock the value of our Affluent Client portfolio with suitable client propositions, coverage models and advisory capabilities. As an international wealth manager, we deliver digital first wealth solutions to our clients anchored in investment thought leadership, an open architecture approach, supported by scalable platforms. Through our Global Market outlook publications and webinars, we provide thought leadership advisory on global economic trends.

Mass Retail
We focus on driving digital solutions, strategic partnerships and advanced data analytics for our Mass Retail business. We scale-up our Personal Segment acquiring customers from partnerships and employees of our corporate clients, engaging and cross-selling digitally, and serving them through low-cost channels. During the year, we saw a significant jump in digital client acquisition with 95 per cent of our newly onboarded clients sourced digitally. Major enhancements have been introduced to ensure a seamless and effective process for our clients with over 90 per cent of client service requests received through digital channels. We retained the Digital Bank of the Year award and SC Mobile was named Mobile Banking App of the Year for the third consecutive year at the Ghana Information Technology & Telecom Awards (GITTA) 2022.

Sustainability
In line with our Stands, our focus is on delivering Sustainable Finance opportunities in the market. We are integrating Sustainable Finance into our customer value proposition and delivering associated product solutions. In line with this, we facilitated a number of sustainability projects to support the provision of critical infrastructure via Export Credit Agency (ECA) backed facilities. These include:

- The construction of Phase 1 of the Sunyani Water Supply Project. This project, which provides affordable basic infrastructure, also contributes towards meeting the UN Sustainable Development Goal 6, which ensures access to Clean Water & Sanitation for all.
- The construction of a new 400-bed maternity block at Korle-Bu Teaching Hospital, the premier public tertiary hospital in Ghana. The project comprises, the design, construction and equipping of a new 400-bed maternity, gynaecology and In Vitro Fertilization (IVF) block and also contributes towards meeting the UN Sustainable Development Goal 3, which ensures good health and well-being for all, by supporting Ghana's healthcare infrastructure development.

We provided access to finance, networks and training for young people and supported companies in improving their environmental, social and governance standards. We aim to be a force for good for our clients, people and communities. This means not only minimising our own environmental impact but also striving to be a responsible company by utilising our skills, experience, and network to fight financial crime, embed our values, and promote economic inclusion through Futuremakers by Standard Chartered.

We made progress on our critical enablers during the year.

People and culture: the year under review was not only challenging for the business but also for our people. In line with our Fair Pay Charter, we adjusted employee remuneration in the fourth quarter to reflect the impact of high inflationary pressures on disposable income. We took the opportunity to organise personal financial management sessions for employees, supporting them with tools to help manage their finances during the challenging economic period and beyond.

As we work towards achieving our strategic ambitions, we have reviewed the way we manage, recognise and reward performance, placing more emphasis on outstanding performance that is driven by collaboration and innovation. We aim to build a strong culture of ambition, action and accountability.

We continue to implement the flexi-working model that we initiated in 2021, combining flexibility in working patterns and locations, enabling us to be more supportive of the wellbeing of our colleagues. This helps balance individual choice and flexibility with business priorities and client needs.

Our new ways of working – our goal is to be client-centric and empower our people to offer memorable experiences at every client encounter. We embarked on a Bank-wide service revolution through an intensive training for all staff with the aim of improving client experience across the Bank. We also provided additional training to frontline staff to support clients as they migrate to using digital channels.

Innovation – our three-pronged innovation approach, which is to transform via digitalisation, leverage partnerships and build new business models, is well underway. Given the challenges, the innovation streams are focused on finding areas of opportunistic growth within our risk appetite.

As part of our leadership in innovation, we held the second edition of our flagship Innovation and Fintech Festival in collaboration with the Bank of Ghana, The Monetary Authority of Singapore (MAS) and SC Ventures (innovation, ventures and Fintech investment unit of Standard Chartered). It provided a platform to showcase Africa's digital transformation and highlight Standard Chartered's digital development and progress across the region through our innovations, strong tech foundations and our contribution towards solving the financial inclusion agenda on the continent. There were plenary discussions that provided insights on uncovering opportunities in the digital economy and accelerating the Women in Technology agenda.

Outdooring a new venture

During the year under review, we received approval in July 2022 from the Securities and Exchange Commission to set up our Investment Advisory Services and were duly awarded Investment Advisory Representative Licenses. The new company – Standard Chartered Wealth Management Limited (SCWML) - is a subsidiary of Standard Chartered Bank Ghana PLC. As a wholly owned subsidiary of the Group, SCWML is incorporated to provide investment advisory services to clients and promote the distribution of investment and other wealth products. Operating income for the first six months (second half of 2022) of the entity's operations was GH¢4.8 million in spite of the challenges within the domestic and global economies.

A force for good

Our main impact on society and the environment is through the businesses we finance. We aim to be a force for good for our clients, people and communities. Beyond ensuring that we are minimising our own environmental impact, we also strive to be a responsible company by utilising our skills, experience and network to fight financial crime and embedding our values across the organisation. Given the vulnerabilities in the external environment, we continue to put in efforts to ensure that the control environment remains stable. We continue to enhance our stress testing and scenario analyses and sharpen our focus on emerging non-financial risks. We have made significant investment to ensure our employees are properly equipped to combat financial crime.

Additionally, we have zero tolerance for breaches of laws and regulations that impact the Bank and we strive to ensure that this is achieved. In the past year, we unfortunately had a breach relating to sections of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). While this event occurred in 2020, we were penalised by the regulator in 2022 and this has been captured in the financial statements. We have since implemented measures to ensure nonrecurrence.

Summary & Outlook

In summary, whereas global and domestic challenges continue to affect the businesses of our clients and that of The Group (Standard Chartered Bank Ghana PLC and its subsidiaries) in 2023, we remain focused on our refreshed strategy and the proactive measures we have put in place to protect the franchise. Although we expect a resilient financial performance for 2023, our outlook remains cautious given the fiscal consolidation expected to be implemented as part of the IMF programme. Our focus on, and strict adherence to our risk management framework will remain paramount in ensuring that we keep

Chief Executive's review
continued

exposures within tolerable levels whilst we look out for opportunities for measured growth.

In Conclusion

We expect to see gradual signs of recovery in 2023, however, we are mindful of the challenges that lie ahead. We continue to embed a culture of innovation that will help us navigate the ongoing challenges while finding areas of opportunities.

Finally, I would like to thank you, our shareholders for your continued support and feedback throughout this period of great uncertainty. I trust that as we make progress on our strategy and maintain the right financial framework, we will be able to create sustainable value and strong shareholder returns.

I would like to thank our colleagues for their continued resilience and unwavering commitment in supporting and delivering seamless service to our clients.

Mansa Nettey

Chief Executive

25 April 2023

Management Team

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1. **Mansa Nettey**
   Chief Executive & Managing Director
2. **Sheikh Jobe**
   Chief Technology & Operations Officer
3. **Xorse Godzi**
   Head, Client Coverage, Corporate, Commercial and Institutional Banking
4. **Yvonne Fosua Gyebi**
   Head, Consumer, Private and Business Banking
5. **Albert Larweh Asante**
   Chief Financial Officer
6. **Kwame Asante**
   Head, Transaction Banking
7. **Dr. Setor Quashigah**
   Head, Affluent & Wealth Management
8. **Asiedua Addae**
   Head, Corporate Affairs, Brand and Marketing
9. **Harry Dankyi**
   Head, Audit
10. **Gifty Fordwuo**
    Head, Human Resources
11. **Adoteye Anum**
    Head, Financial Markets
12. **Alikem Adadevoh**
    Head, Legal
13. **Chris Bidokwu**
    Chief Risk Officer
14. **Angela Naa Sakua Okai**
    Company Secretary
15. **Michael Oseku-Afful**
    Head, Conduct, Financial Crime and Compliance
16. **Seth Boateng**
    Business Planning Manager

Helping female entrepreneurs thrive

Our Women in Tech Incubator Programme supports female-led entrepreneurial teams with business management training, mentoring and seed funding. Since 2020, 35 businesses have gone through the incubator with 10 businesses receiving a total of USD100,000 equivalent in Ghana Cedis to scale up their businesses.

The businesses cut across different sectors of the Ghanaian economy including Agriculture, Manufacturing, Construction and Creative. The programme is implemented by Ghana Climate Innovation Centre (GCIC) an institute of Ashesi University.

standard chartered

Market environment

Ghana Market Outlook; Trends in 2022 and Outlook for 2023

Trends in 2022

- Ghana's economy was severely hit by a myriad of factors in 2022; notably a fallout of the Russian-Ukraine conflict, strengthening US dollar, inflationary pressures etc. These contributed to exposing the country's fiscal and external vulnerabilities.
- GDP growth was initially projected to be +5.8 per cent but was later revised to +3.7 per cent due to the slowdown in economic activity. Real GDP for the first three quarters of 2022 expanded at an annual growth rate of 3.6 per cent.
- The Fiscal deficit was projected at 6.6 per cent of GDP due to revenue constraints and elevated expenditure, however, data from the Ghana Statistical Services shows January-November 2023 fiscal deficit at 9.8 per cent.
- Gross International Reserves have been on a declining trend; from $9.77 billion (4.4months import cover) in January 2022 to $6.24 billion (2.7 months import cover) in December as a result of the country being locked out of the international capital markets.
- Inflation has maintained its upward trend from 13.90 per cent at the start of the year to close at 54.10 per cent. The underlying drivers include high energy prices, supply chain challenges, currency depreciation and imported food inflation owing to the Ukraine-Russia conflict.
- Monetary Policy Rate which was 14.50 per cent at the start of the year ended the year at 27 per cent (+1,250bps) driven by the elevated inflation outlook.
- Due to Ghana's deteriorating fiscals and unsustainable debt levels, the country approached the IMF in July 2022 to help restore macroeconomic stability and debt sustainability. In December, a staff level agreement was reached with the IMF for a $3bn bailout under the Extended Credit Facility. As part of the conditions for IMF Board approval, Ghana announced a Domestic Debt Exchange Programme to restructure local debt followed by a plan to restructure external debt.

Outlook 2023

- The situation in Ghana remains fluid given that the country is undergoing a Domestic Debt Exchange Programme. FX volatility may be moderated in the first half of 2023 despite historical, seasonal pressures in Q1.
- The authorities expect real GDP to grow by 2.8 per cent in 2023 compared to the revised 3.7 per cent the prior year, as the economy is still struggling to recover from the recent economic challenges.
- Headline inflation is expected to remain above the Central Bank's 6-10 per centage target band in 2023, due to the lagging effect of increase in utility prices. Government projects inflation rate to be at 18.9 per cent for full year 2023.
- The Government projects fiscal deficit at 7.7 per cent in 2023. The 2023 budget has planned expenditure increase of GH¢205 billion from GH¢125.4 billion in 2022 while revenue has been projected at GH¢144 billion from GH¢84 billion the previous year.
- Declining offshore investor appetite for LCY bonds motivated by the Domestic Debt Exchange Programme could see pressure on the Cedi. The success of the gold for oil initiative by the government would be positive to preserve reserves, reducing the strain from oil importations and dampening the immediate pass-through from Ghana Cedi weakness to fuel prices, which was a major driver of inflation in the previous year.
- Looking ahead into the first half of 2023, the stability of the Ghana Cedi will hinge on the success of the Debt Exchange programme which would help secure an IMF Board level approval. and a subsequent release of the first tranche. This could be further bolstered by the Pass-through in bilateral/multi-lateral deals during the period, to increase fund reserves in the face of limited funding sources.

Medium – Long Term View

- Overall Real GDP is projected to grow at an average rate of 4.3 per cent in the medium term (2023-2026) while Non-oil GDP is projected at 4.0 per cent within the same period.
- The Government and the BoG expect inflation to return to targeted band of 8(+-2) in the medium term, though it is currently at 53.6 per cent.
- Primary Balance on Commitment basis, according to Government is set to average at a surplus of 1.3 per cent of GDP during the 2023-2026 period.
- The World Bank projects fiscal deficit for Ghana to remain high at 9.2 per cent in 2023 and beyond, a less optimistic view than - Government's 7.7 per cent.
- The budget indicated that Gross International Reserves is projected cover at least 4 months of import cover. This is based on an optimistic view of completing the IMF deal which should unlock about $1bn in the first year, and $2 billion thereafter.
- The Government projects Ghana's Debt-to-GDP to fall from the current over 90 per cent level to 55 per cent by 2028. This projection is in line with Ghana's estimated debt carrying capacity.
- The Medium-term debt strategy will focus on obtaining relatively low-cost funds to finance government projects, and this should be achievable considering the ongoing domestic debt exchange programme.

Business model

We help international companies connect across our global network and help individuals and local businesses grow their wealth

Our business

Corporate, Commercial and Institutional Banking (CCIB)

We support companies across the world, from small and medium-sized enterprises to large corporates and institutions, both digitally and in person.

Consumer, Private and Business Banking (CPBB)

We support small businesses and individuals, from Mass Retail clients to affluent and high-net-worth individuals, both digitally and in person.

Our products and services

Financial Markets

- Macro, commodities and credit trading
- Financing and securities services
- Sales and structuring
- Debt capital markets and leveraged finances
- Project and transportation finance

Transaction Banking

- Cash management
- Trade finance
- Working capital

Wealth Management

- Investments
- Portfolio management
- Insurance
- Wealth advice

Retail Products

- Deposits
- Credit cards
- Personal loans

How we generate returns

We earn net interest on the margin for loans and deposit products, fees on the provision of advisory and other services, and trading income from providing risk management in financial markets.

Income
Net interest income
Fee income
Trading income

→

Profits
Income gained from providing our products and services minus expenses and 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. Our Stands – aimed at tackling the world's biggest issues – Accelerating Zero, Lifting Participation and Resetting Globalisation (see page 24 for more), challenge us to use our unique position articulated below.

Client focus

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

Distinct proposition

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

Robust risk management

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

Sustainable and responsible business

We are committed to sustainable social and economic development across our business, operations and communities.

How we are shaping our future

We remain committed to executing against our strategy to accelerate returns

We continue to review our business models to drive performance. A review of our strategy in mid 2022 indicates that our strategy is still relevant.

We will continue to increase focus on:

- Four strategic priorities: Network business, Affluent client business, Mass Retail business, and Sustainability
- Three critical enablers: People and Culture, Ways of Working, and Innovation

Our strategic priorities and enablers will continue to be supported by our three Stands: Accelerating Zero, Lifting Participation and Resetting Globalisation.

Business model
continued

The sources of value we rely on

We aim to use our resources in a sustainable way to achieve the goals of our strategy.

How we are enhancing our resources

Human capital
Diversity differentiates us. Delivering our Purpose and Stands rests on how we continue to invest in our people, the employee experience we further enhance and the culture we strengthen.

- We continue to create a work environment that supports resilience, innovation and inclusion, with an ongoing focus on mental, physical, social and financial wellbeing. This includes rolling out hybrid working across the bank.

Strong brand
We are Ghana's premier bank established in 1896. We have been at the forefront of financial market development in Ghana.

- In 2022, we continued to embed our refreshed brand identity across client and employee touchpoints. We also introduced a sonic identity to bring to life the sound of Standard Chartered in interactive digital interfaces.
- We have been successful in leveraging our brand and insights to support business growth.

International network
We have an unparalleled international network, connecting companies, institutions and individuals to, and in, some of the world's fastest-growing and most dynamic regions.

- We continue to invest in transforming our core business into a leading digital-first and data-driven platform, positioning us to deliver superior client experiences, access new high-growth segments, grow wallet with existing clients and create new business model opportunities.
- Our network remains one of our key competitive advantages and we continue to leverage our network to drive growth in Transaction Banking and Financial Markets solutions for our clients.

Local expertise
We have a deep knowledge of our market and an understanding of the drivers of the real economy, offering us insights that help our clients achieve their ambitions.

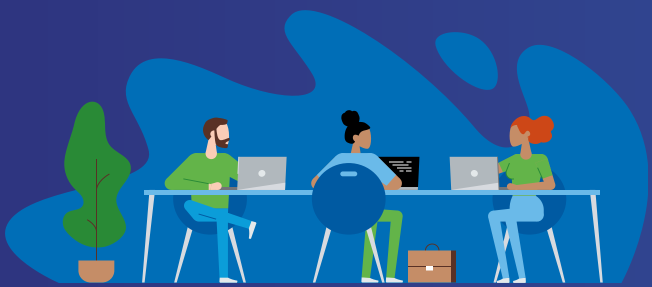
- In Business Banking, we continue to support the growth of SMEs by meeting their trade and working capital, supply chain financing, cash management and investment needs.
- We launched Lift by Standard Chartered to offer unique client value proposition to support female business owners offering innovative solutions to meet their evolving needs.

Technology
We possess leading technological capabilities to enable best-in-class customer experience, operations and risk management.

- We continue to invest in our engineering capabilities, providing best-in-class tools and creating an automated and scalable technology stack capable of continuously delivering value to our clients.
- We are accelerating the simplification and harmonisation of our technology estate to reinforce strong digital foundations.

Our Stands

The impact of climate change, stark inequality and the unfair aspects of globalisation impact us all. We're taking a stand by setting long-term ambitions on these issues where they matter most. This works in unison with our strategy, stretching our thinking, our action and our leadership to accelerate our growth.



Accelerating Zero

We aim to help communities reduce carbon emissions as fast as possible, without slowing development, putting the world on a sustainable path to net zero by 2050. We stand for a rapid, just transition to net zero where it matters most. Our plan to achieve net zero targets has three aims: reduce emissions, catalyse finance and partnerships, and accelerate new solutions

Lifting Participation

Inequality, along with gaps in economic inclusion, mean that many young people, women and small businesses struggle to gain access to the financial system to save for their futures and grow their businesses. We want to democratise access to finance and make it easily accessible at low cost.

We strive to expand the reach and scale of financial services – expanding accessible banking and connecting clients to opportunities that promote access to finance and economic inclusion.

Resetting Globalisation

Our goal is to help companies improve working and environmental standards and give everyone the chance to participate in the world economy, so growth becomes fairer and more balanced. We stand for a new model of globalisation based on transparency, inclusion and dialogue.

Globalisation has lifted millions out of poverty, but too many people have been left behind. We advocate a new, more inclusive model of globalisation based on transparency and fairness. We aim to increase transparency across supply chains to enable consumer choice and drive responsible trade. In addition, we want to make global trade more equitable by improving access to finance for smaller suppliers that often lack adequate financing.

Equipping young girls with confidence

In August, we held a Girls Empowerment Forum as part of activities to mark the 5th anniversary of Goal in Ghana. The forum brought together Goal beneficiaries and key stakeholders in girl child empowerment & development to share best practices on the work being done to prepare girls to be leaders in their communities and on the world stage. 100 beneficiaries of the Goal programme took part in a speed mentoring session during the programme.

The GOAL programme empowers girls in the areas of financial education, leadership, communication, confidence & life skills as well health and hygiene.

Over the course of 5 years,

our Goal initiative has combined sports with life-skills training to empower girls with the confidence, knowledge, and skills they need to become integral economic leaders in their families and communities.

From 2017 to 2022, we have impacted over:

10,000 girls aged **10-18** years

in underserved communities in Greater Accra and Eastern Regions.

The Goal programme has impacted:

10,292 girls and young women

109 schools

201 graduates

1,200 girls during the COVID-19 pandemic period

30 graduates through skills and entrepreneurship training

Corporate, Commercial and Institutional Banking

KPIs

(Loss)/Profit before taxation

GH¢(466)m 2022

GH¢566m 2021

Return on assets

(5)% 2022

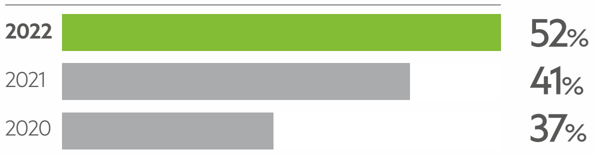
6% 2021

Total assets

GH¢9,637m 2022

GH¢9,342m 2021

Capital Lite as a share of total income



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

Analysis: Share of capital-lite income increased from 41 per cent in 2021 to 52 per cent in 2022. We remain focused on cash rich sectors, non-borrowing clients and FX cross-sell opportunities to identify new businesses to expand the Bank's revenue streams.

Digital penetration

Aim: Grow and deepen client relationships, improve investment penetration and attract new clients.

Analysis: digital penetration increased from 87 per cent in 2021 to 90 per cent in 2022. We remain focus on deploying digital solution to our clients.

Facilitating sustainability projects

In 2022, we facilitated a number of sustainability projects to support the provision of critical infrastructure via Export Credit Agency (ECA) backed facilities.

The construction of Phase 1 of the Sunyani Water Supply Project. This project, which provides affordable basic infrastructure, also contributes towards meeting the UN Sustainable Development Goal 6, which ensures access to Clean Water & Sanitation for all.

Segment Overview

Corporate and Institutional Banking (CIB) supports our clients with Cash Management, Trade, Securities Services, Lending, Financial Markets, Corporate Finance, Syndications and Lending services laced with innovative technology platforms.

The solutions we offer cover over 500 clients across the various sectors of the economy. These clients are segmented into Global Subsidiaries made up of Multinational Corporates, and Financial Institutions which cover banking activities with Banks, Non-bank financial institutions, Development Organisations as well as Sovereign and Government-related entities.

We are committed to sustainable finance, delivering on our ambition to increase support and funding for financial products and services that have a positive impact on our communities and the environment and support sustainable economic growth.

Strategic Objectives

Our value proposition to clients will continue to evolve in response to our clients' needs and macroeconomic trends. We will support the client in the management of key challenges their businesses face with the plethora of offerings we have. Additionally, we aim to support clients in expanding their presence into new markets within the sub-region and beyond.

Highlights of the key priorities for the business include:

- Aspiring to be a leading bank across our portfolio by providing top-notch transaction banking platforms, debt structuring risk management solutions, and thought leadership.
- Leveraging our network capabilities across our global footprints to extend the reach of our clients and enable them to benefit from our extensive capabilities and experience within the Group.
- Renewed focus on supporting the export industry across the country through our trade and working capital offerings. Our aspiration to be the lead bank in Cash and Trade Products will be our driving force for this initiative.
- Our primary franchise strength lies in continually supporting the government's Sustainable Financing and ECA-backed transactions agenda throughout the country. We aim to solidify this position within the year based on the favourable economic conditions and credit risk appetite.

Actions against Macroeconomic Conditions
The country has faced turbulent times over the last year and uncertainties persist in our environment. As a bank, we find ourself at the centre of the impact, as both our sovereign and corporate clients are affected. Our business has made critical and timely decisions to safeguard the integrity of our franchise. These decisions have allowed us to secure the foundation of our franchise while positioning ourselves for future growth when benign economic conditions return.

In response to the downgrading of the credit environment, we have taken the following key actions:

- Conducted a complete review of our portfolio guidelines in respect of credit underwriting
- Rationalized our net-at-risk exposure across the entire portfolio, reducing the potential for higher-than-expected credit losses.
- Implemented a rationalization of our overall exposures.
- Increased our attention to client businesses during this period, enabling us to deepen client relationships and provide support through other product and service offerings where possible.

Financial & Performance Highlights

- Corporate, Commercial & Institutional Banking (CCIB) segment closed 2022 with revenues of GH¢ 831 million which is an improvement from the GH¢ 733million recorded in 2021. However, this fell short of our internal budget expectations of GH¢ 895million as result of the economic downturn in the second half of the year.
- Our client income grew by 40 per cent year-on-year, demonstrating strong growth potential despite the economic challenges. We continue to attract and retain liabilities culminating in a 50 per cent growth of our cash and trade revenues, ending the year at GH¢ 308 million.
- Our balance sheet remains liquid and robust with adequate capital to support clients. Our franchise remains a significant player in the financial markets, as evidenced by a 79 per cent growth in income ending at GH¢ 320 million for 2022 against GH¢ 179 million in 2021.
- We have had to be prudent and comply with Accounting Standards by recognising Expected Credit Losses (ECLs) on our client exposures (and our holding of government bonds) following repeated downgrades in the economic environment. However, we noticed majority of our clients are showing signs of resilience and we might potentially conduct reversal of portions of ECL during 2023. This would be positive to our bottom-line.
- The second half of 2022 was muted as we held back on further risk exposures to minimize any adverse impact from the economic challenges.

Outlook for 2023
We continue to see strong headwinds in the macroeconomics of Ghana, therefore, we will closely monitor and be cautious in our approach to credit transactions. The portfolio risk appetite will remain measured until we experience significant progress in the economy to restore credit limits to clients.

Our portfolio growth will be muted for the first quarter of the year. This is reflective of the inherent credit risk we see within the economy which has potential to create disruptions in our loan book. Notwithstanding, we will remain close to clients and be at the forefront of client advisory to ensure that we take advantage when the situation improves.

Our primary focus will be onboarding export clients and acquiring new revenue-generating partnerships to expand our client base and increase revenues across all income lines. By doing so, we aim to deepen our involvement in the export industry.

Further, we will pursue opportunities to implement Sustainable Finance frameworks across our client segments to drive our Group Sustainability agenda. This will include undertaking Sustainable Finance transactions that fall within the right frameworks and meet credit risk criteria.

Consumer, Private and Business Banking

KPIs

Profit before taxation

GH¢129m 2022

GH¢128m 2021

Return on Asset

18% 2022

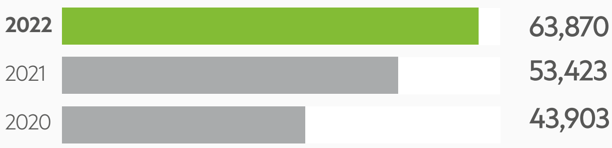
16% 2021

Total assets

GH¢729m 2022

GH¢778m 2021

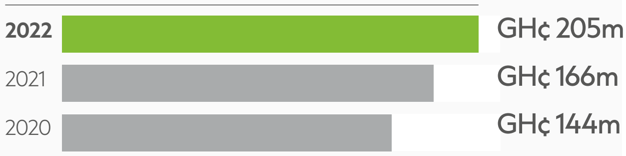
Retail Digital Banking Adoption



Aim: Continue to invest in digital capabilities and partnerships to enhance and reinvent banking experience for our clients.

Analysis: Total active digital clients went up by 20% in 2022 to 63,870 clients. We will continue to offer clients seamless banking and access to information on banking and financial trends through our digital platforms.

Priority and Business Banking Focus



Aim: Reshape the income mix. Increase the proportion of income from Priority and Business Banking clients to reflect the strategic shift in client mix towards affluent and emerging affluent clients.

Analysis: The share of CPBB income from Priority and Business Banking clients grew to GH¢205m in 2022, representing a 23% increase from 2021.

Lift by Standard Chartered

In March 2022, we launched Lift by Standard Chartered to offer unique client value proposition to support female business owners and offering innovative solutions to meet their evolving needs.

Segment overview

Consumer, Private and Business Banking serves more than two hundred thousand individuals and small businesses, with focus on affluent, emerging affluent and mass retail. We represent a third of the Bank's income. We provide digital banking services with a personal touch and ensure a seamless banking experience for our clients. Our service offering encompass a wide range of financial solutions including deposits, payments and Wealth Management. Our Wealth Management proposition is a differentiator, and we offer a range of investment as well as wealth planning products to grow and protect the wealth of our individual and business clients. We also support our clients with their business banking transactions and financing needs.

We are closely integrated with other client segments; for example, we offer employee banking services to our Corporate, Commercial and Institutional Banking clients. We continue to dominate the Digital Banking space and our digital platforms provide clients the ultimate control over their financial and non-financial interactions with the Bank anytime and anywhere.

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

Strategic Objectives

Our priorities for the segment are:

- Accelerate growth of our affluent and wealth business: We continue to remain innovative in our product offerings and augment them with value-adding client relationships in our managed segments to drive business growth.
- Mass Market acquisition and digitization: Our digital platforms allow us to drive financial inclusion by providing clients within our communities' access to financial services and connecting them to the broader economy.
- Optimize our network to improve efficiency: We remain focused on building a more efficient business. Efficiency for us comes from accelerating towards a digital first strategy for client acquisitions while ensuring our channels of distribution are appropriately sized.
- We are on a path to continuously improving our clients' experience through an enhanced end-to-end digital offering with intuitive platforms, best-in-class products, and services that respond to the changing digital habits of clients in our markets.
- We remain focused on building a sustainable business through effective risk management and good conduct.

2022 Performance Highlights

- Total income increased by 18 per cent from GH¢318m to GH¢376m, primarily driven by growth in income from "capital-lite" products. The revenue streams of the business are well diversified across customer segments.
- Underlying Operating Profit marginally went up by 1 per cent from GH¢128m toGH¢129m benefitting from strong revenue growth in Wealth Management products (Retail FX, Bancassurance, Wealth Lending and Retail Fixed Income).
- There is continued growth momentum in the balance sheet, with a 27 per cent growth in Liabilities.
- Revenue growth was observed across all segments, with Affluent growing by 22 per cent, Personal by 15 per cent and Business Banking by 26 per cent.
- Underlying Return on Tangible Equity (ROTE) increased from 30.8 per cent to 35.9 per cent.
- Loan Impairments increased year-on-year from GH¢7m to GH¢38m. The growth is related to provisions made for Portfolio Exposures. We will continue to monitor the portfolio quality through enhanced portfolio management and recoveries.

Updates on strategic objectives

- We are accelerating the growth of our Affluent & Wealth Business. Share of income from Wealth Business increased from 21 per cent to 31 per cent due to a strong Wealth Management proposition and growth in client numbers.
- Digital continues to be a key priority. We have seen a significant increase in client acquisition numbers; 93 per cent of our newly onboarded clients were sourced digitally. We have introduced major enhancements to ensure a seamless and effective process for our clients.
- We have achieved increased convenience and efficiency, with over 90 per cent of client service requests coming through digital channels and 93 per cent of investment transactions booked through SC Mobile.
- Sustainability remains a priority for us. Our sustainability agenda continues to gather pace. In 2022, we deployed solar panels in 3 additional branches, bringing our total to 5 branches.
- Service excellence remains a vital differentiator in our operations. In 2022, we strengthened our Service Revolution by conducting a Pan Bank Service Excellence Training. These engaging sessions covered communication as an art and explored turning communication into a disciplined approach to maintain existing clients, attract new ones, meet our overall aspirational objectives and become the market leader.

Outlook for 2023

The business demonstrated resilience in the face of harsh macroeconomic conditions. The headwinds that our economy faced in 2022 are likely to persist in the coming months. They include the impact of high inflation and interest rates, ongoing geopolitical tensions and debt restructuring.

We remain confident in the long-term strategic growth plan and are committed to achieving our 2023 targets. As a bank, we have implemented interventions to strengthen our foundations and position ourselves for expected growth. We will continue to build a diversified and robust balance sheet and provide superior wealth solutions to help our clients manage their personal wealth in these challenging times. Our primary focus will be mass market acquisition, accelerating the growth of our affluent and wealth business, optimizing our network and rolling out innovative and best-in-class product offerings to meet the ever-changing needs of our clients.

Standard Chartered Wealth Management Limited Company

Overview

Standard Chartered Wealth Management Limited Company (SCWML) is a subsidiary of Standard Chartered Bank Ghana PLC incorporated to provide investment advisory services to the Bank's clients. It is a wholly owned subsidiary of the Bank and promotes the distribution of investment and other wealth products to the Bank's clients. SCWML opens the doors of global financial markets to Ghanaians allowing them to diversify their investment portfolios more broadly with products across different asset classes, currencies and geographies.

Ghanaians can now invest in securities from any part of the world without having to travel to those locations. Leveraging the Bank's global footprints and partnerships, SCWML brings to the doorsteps of the Ghanaian investor mutual funds from nine credible asset managers including BlackRock, the world's largest fund manager. All these mutual funds can be purchased, monitored and sold conveniently on the bank's award-winning SC Mobile app.

Strategic Priorities

- Be the market leader in providing tailored investment advisory services
- Produce and nurture certified investment professionals to support clients through their investment and wealth journeys
- Support financial literacy efforts to help promote risk-reward awareness among Ghanaian investors
- Promote convenience and speed of execution by making digital platforms available to clients.

Progress

- The entire management and staff of Standard Chartered Wealth Management Limited Company (SCWML) have attained the full Chartered Institute for Securities and Investments (CISI) certification levels required to offer investment advice of any kind
- Active in the rollout of new products and strategies with the changing landscapes of the global economy to enable clients maximise portfolio returns

Financial Performance (2022)

- Operating income for the first six months (second half of 2022) of the entity's operations was GH¢4.8 million.
- The above performance was achieved despite some challenges within the domestic and global economies. Investor uncertainty over Ghana's Domestic Debt Exchange Programme (DDEP) was exacerbated by high global inflation and hawkish policy responses by major developed economies which resulted in considerable selloffs in financial markets.
- The entity's decision to temporarily put on hold currency conversions for investment purposes means performance would have been much better.
- Operating expenses was GH¢ 2.2 million with Direct cost impacted by some significant one-off cost outlays. The company also had a cost recharge of GH¢ 0.5 million from Standard Chartered Bank Ghana PLC for services received in second half of 2022 in line with agreed service level agreement (SLA).
- The above resulted in a Working Profit of GH¢2.6 million and a Net Profit after Tax of GH¢ 1.9 million for the first six months of SCWML's business commencement

Accelerating to Net Zero in our communities

We're playing our part in putting the world on a sustainable path to net zero by rolling out initiatives through partnerships, creating awareness for staff, communities and engaging like-minded stakeholders in the fight to mitigate the impact of climate change.

In 2022 we partnered with the Wildlife Division of the Forestry Commission and Sabon Sake, a regenerative agricultural company which is into the sustainable manufacturing of bio-carbon soil solutions to plant 1,100 trees at the Sakumono Ramsar Site.

Beyond the planting of trees we aimed to restore the soil health of the Ramsar ecosystem by supporting soil health for tree survival by incorporating RawBiochar blend and other organic soil amendments into the planting holes.

Local farmers are involved in the planting to ensure the survival, protection and sustenance of the trees planted.

Chief Financial Officer's review

Positioned for a rebound

Albert Larweh Asante
Chief Financial Officer

Summary of financial performance

The Group delivered GH¢ 1.21 billion operating income in 2022 compared to GH¢ 1.05 billion in the previous year. The 16 per cent growth was against a backdrop of rise in volumes for term and trade loans although increase in interest rates also played a material role in the build-up in net interest income. Growth was broad-based, with all product revenues – that is, Transaction Banking, Wealth Management, Retail Products, Financial Markets as well as Lending and Treasury Markets contributing positively. This was achieved despite the deliberate decision to reduce exposures to the sovereign and specific clients on the back of deterioration in sovereign credit rating and increasing macroeconomic uncertainty. These actions led to a shrinkage in the balance sheet. The 2022 year end position, nonetheless, reflected a marginal growth of 2 per cent relative to 2021. The Group's asset quality as measured by the Non-Performing Loan (NPL) ratio on gross basis, however, improved substantially from 24 per cent in 2021 to 12 per cent in 2022, the lowest in the last five years.

Expenses increased by 20 per cent due to a high inflationary environment, leading to a marginal rise in cost-to-income ratio by 1 per centage point to close at 36 per cent. The impact of the curtailed risk appetite on revenues also contributed to a deterioration of this ratio. Once the sovereign rating improves, we anticipate increase in revenues to outpace growth in cost. The effects of the external environment and Domestic Debt Exchange Programme (DDEP) - announced in December 2022, is reflected in the credit impairment charge of GH¢1.11 billion booked while lease impairment of GH¢50m explains the rest of the GH¢1.16 billion of overall impairment in the profit and loss statement. Hence, the Group recorded an after-tax loss of GH¢297.78m for the period compared to the GH¢436.93m after-tax profit for 2021.

Despite having recorded a loss, our Capital Adequacy Ratio (CAR) remained strong at 23 per cent significantly above the 10 per cent regulatory limit, but below the 33 per cent recorded in 2021.

Excluding the effects of the regulatory forbearance for CAR on the back of the DDEP, this ratio remained at a high teen of 19 per cent.

Highlights of the performance are as follows for the Group

- **Operating income** grew by 16 per cent from GH¢1.05 billion to GH¢ 1.21 billion.
- **Net interest income** increased by 29 per cent from GH¢ 627.50 million to GH¢ 807.79 million due to improvement in net interest margins as well as volumes.
- **Non-funded income** decreased by 3 per cent from GH¢ 424.35 million to GH¢ 413.45 million on account of reduction in income from Fixed Income debt instruments as well as Foreign Exchange although Fees and Commissions increased.
- **Operating expenses** expanded by 20 per cent from GH¢ 362.87 million to GH¢ 437.09 million. This was mainly due to a higher inflationary environment. Staff costs rose by 22 per cent, while other costs inclusive of depreciation also increased by 17 per cent
- **Operating Profit before impairment charge** of GH¢ 777.87 million was recorded in 2022 compared to GH¢ 688.61 million posted for the same period in 2021. This represents 13 per cent growth year-on-year.
- **Impairment** was GH¢ 1.16 billion compared to a recovery of GH¢ 5.90 million in the prior year. The higher charge was on the back of Expected Credit Loss charge of GH¢ 1.04 billion emanating from the Domestic Debt Exchange Programme (GH¢ 602 million) and sovereign downgrade (GH¢ 440 million); specific provision of GH¢ 68 million and impairment of GH¢ 50 million of Right-of-Use assets for leases.
- An after-tax loss of GH¢ 297.78 million was recorded compared to GH¢ 436.93 million after tax profit recorded in the prior year. Dividends will not be paid for 2022 on account of a directive from the Central Bank to all banks because of the impact of DDEP on capital.
- **Return on equity** was (22) per cent compared to prior year of 27 per cent
- **Return on net own funds** of (27) per cent compares to prior year of 29 per cent

Chief Financial Officer's review
continued

Balance Sheet

The Group's balance sheet remained well capitalised and liquid.

- Net customer loans increased from GH¢1.89 billion to GH¢2.05 billion representing 9 per cent year-on-year growth due to a rise in term and trade Loans
- Customer deposits grew from GH¢ 7.55 billion to GH¢8.18 billion, representing an 8 per cent increase. This was on the back of consistent growth in retail deposits, increased inflows from transaction banking clients, build-up in custody deposits and impact of depreciation on Fcy deposits.
- Loans and Advances to other banks was nil compared to GH¢ 241.25 million in 2021
- The advances-to-deposit ratio was flat at 25 per cent.
- Overall balance sheet size also expanded marginally by 2 per cent - to close 2022 at GH¢10.37 billion.
- Total risk weighted assets (RWA) increased by 40 per cent from GH¢ 4.34 billion to GH¢6.08 billion.
  - Credit RWA increased by 56 per cent from GH¢ 2.71 billion to GH¢ 4.24 billion.
  - Market RWA dropped by 74 per cent from GH¢26.72 million to GH¢6.95 million.
  - Operational RWA also increased by 14 per cent from GH¢ 1.61 billion to GH¢1.83 billion.
- All capital and liquidity metrics were within regulatory thresholds.
- Capital adequacy ratio of 23 per cent was well above regulatory minimum of 10.00 per cent.
- Liquidity ratio for the period was 63 per cent compared to 71 per cent from previous year.

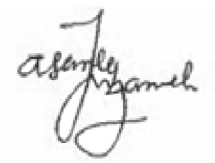
Outlook

Having navigated the seemingly unchartered economic path in the second half of 2022, we are forecasting an equally challenging H1 2023 due to the curtailed risk appetite against a backdrop of the sovereign rating. Our team of experts in the Stressed Asset Group continue to monitor the performance of our clients to support them where necessary and reduce ECLs from crystalizing into actual provisions. This will help build upon the gains achieved in our asset quality ratio.

We will continue to protect our margins through effective Asset and Liability Management practices and grow volumes for products with lower expected credit loss impact on our Profit and Loss account. While navigating the challenging economic environment, management continues to focus on revenue streams that are capital-lite. The expectation is for us to revert to an aggressive growth mode once the International Monetary Fund Board approves the Extended Credit Facility for Ghana, leading to improved investor confidence and subsequent upgrade in the credit rating of the country and our clients to enable us to underwrite more business.

While we are yet to get out of the woods, we will leverage on the experience gained in riding the economic curve in second half of 2022 to make our foundations even stronger in 2023 and beyond.

Finally, we will remain disciplined with our cost, ensure robust structural liquidity on the balance sheet and maintain adequate capitalization to seize relevant opportunities to improve the Return on Tangible Equity for the Group.



Albert Larweh Asante

Chief Financial Officer

25 April 2023

Day of caring - Persons with Albinism

We view Diversity and Inclusion and respect for all as critical to our success and are committed to promoting equality in the workplace as well as creating an inclusive culture for everyone to reach their full potential.

In June, as part of our Day of Caring Initiatives, together with the Disability Wellness and Mental Health Network, Engage Now Africa and the Ghana Association of Persons Living with Albinism, staff volunteered their time to celebrate International Albinism Awareness Day to create awareness and inclusion of people living with Albinism.

Chief Risk Officer's review

Resilient despite adverse macroeconomic environment

Chris Bidokwu
Chief RiskOfficer

The world grappled with a very difficult risk landscape in 2022, triggered by a challenging external environment, macroeconomic uncertainty, and geopolitical turbulence with its knock-on effects on developing economies. Russia's invasion of Ukraine in Feb 2022 and the lingering COVID-19 pandemic weighed heavily on global economic activities, affecting commodity prices and amplifying supply chain challenges. Rising interest rates and persistently high inflation weakened consumer confidence and investor sentiment, further blurring near-term growth prospects of the world economy.

On the domestic front, convergence of pre-existing vulnerabilities, external shocks including the COVID-19 and Russian's war in Ukraine put public finances under significant pressure. Depleting international reserves, cedi depreciation, rising inflation and weakening investor confidence ultimately sparked off a debt crisis. High inflation and interest rates depressed private consumption and investment. Government demand was weakened by lack of access to capital markets and high debt service obligations.

Against this backdrop, the government initiated discussions with the International Monetary Fund (IMF) in September 2022 for a $3 billion balance of payment support over a three-year period. A staff level agreement was reached in December 2022, with Board level approval expected in May/June 2023; contingent upon the government meeting outstanding IMF conditions and making progress on negotiations with external creditors. The expectation is that the $3 billion Extended Credit Facility (ECF) will help restore macroeconomic stability, ensure debt sustainability, and lay the foundations for stronger and more inclusive growth.

As part of a comprehensive agenda to alleviate the excessive burden created by the country's unsustainable public debt on the economy and achieve the debt sustainability targets defined by the IMF, the government in December announced a Domestic Debt Exchange Programme (DDEP). The DDEP was concluded in Feb 2023 with eligible bonds exchanged for new ones. It was reported that approximately 85 per cent of the eligible bonds were exchanged.

To manage the potential impact of the DDEP and preserve financial stability, the Bank of Ghana designed several regulatory reliefs for banks which fully participated in the debt exchange effective 24th January 2023. The Ghana Financial Stability Fund (GFSF) is also being established with a target size of GH¢ 15 billion to be provided by the government and its development partners. It is expected that the fund will provide liquidity support where required, to financial institutions that participate fully in the debt exchange.

Despite the impact of the DDEP, sovereign downgrade by external rating agencies and our internal Standard Chartered Group ratings, resulting in significant impairments, our business remains resilient, underpinned by our compliance with all regulatory and internal liquidity and capital metrics during the financial year. Asset quality remains good, and we continue to monitor these closely due to the challenging operating environment.

Fundamental to our business strategy and core to achieving sustainable growth and performance, is our risk management approach and principles. We continue to make good progress on our key risk priorities including:

i. Strengthening our risk culture and conduct

   Our Enterprise Risk Management Framework (ERMF) of which risk culture and conduct are integral components of, sets out our overarching principles and standards for risk management across our businesses and functions, enabling every staff across the three lines of defence to pursue and demonstrate the highest standards of conduct and integrity in the transparent and proactive disclosure and management of risks within their scope of responsibilities. Our risk culture reinforces an enterprise level ability to identify and assess, openly discuss, and take prompt action to address existing and emerging risks.

ii. Continuous enhancement of our Information and Cybersecurity (ICS) capabilities and governance

   Acceleration of digital adoption increases vulnerability to cybersecurity risks across all markets and industries. We continue to enhance our capabilities and have deployed the Threat Scenario-led Risk Assessment (TSRA) enabling a more comprehensive ICS risk identification and management across businesses and functions. We are also partnering with the regulator in its drive to provide a safer cybersecurity environment for the industry.

iii. Managing Climate and ESG Risks

   As an integrated risk type within the ERMF, it manifests through existing risk types and is managed in accordance with the impacted risk type frameworks. We are making good progress in embedding climate risk considerations into the relevant frameworks and processes and in our compliance with regulatory requirements on the Ghana Sustainable Banking Principles.

Chief Risk Officer's review
continued

iv. Managing Financial Crime Risk

Financial crimes are constantly on the rise due to the velocity of digital adoption. We continue to manage and monitor financial crime risks through our Financial Crime Risk type framework and Risk and control self-assessments, assurance reviews and internal audits.

Emerging Risks
Globally, the following risks will remain topical in 2023.

i. Monetary policy tightening in response to rising inflation poses risk of economic recession and tougher external financing conditions.

ii. Russian-Ukraine war and its impact on energy and food markets, supply chain and expanding geopolitical alliances and tensions.

iii. Persistent high inflation and interest rates depressing private consumption and investment.

Locally, the underlisted risks will amongst others, continue to command attention and demand remediating actions.

i. Public debt sustainability & fiscal consolidation

ii. Impact of high inflation and monetary policy response on economic growth for the country and declining household disposable income

iii. Impact of DDEP on banks liquidity and capital positions

iv. Social unrest due to rising food and energy prices

We continue to scan the horizon for other emerging risks and take appropriate actions to mitigate such risks as they are identified.

Risk Management Approach
Our Enterprise Risk Management Framework identifies nine Principal Risk Types that are inherent in our strategy and business model and provides us the structure to manage existing and emerging risks effectively in accordance with our Board-approved Risk Appetite. We will not compromise adherence to our Risk Appetite in order to pursue revenue growth or higher returns.

We maintain a dynamic risk scanning process with inputs on the internal and external environment, as well as potential threats and opportunities from the business and client perspectives, facilitating a proactive management of our portfolio.

The Enterprise Risk Management Framework is supported by Risk Type Frameworks (RTFs), policies and Standards.

The table below provides an overview of our principal and integrated risks and risk appetite statements.

Principal Risk Types	*Risk Appetite Statements*
Credit risk Potential for loss due to the failure of a counterparty to meet its agreed obligations to pay the group.	We manage our credit exposures following the principle of diversification across products, geographies, client segments and industry sectors.
Traded risk Potential for loss resulting from activities undertaken by the Group in financial markets.	We control our financial markets activities to ensure that Traded Risk losses do not cause material damage to the Group's franchise.

Principal Risk Types	*Risk Appetite Statements*
Treasury risk Potential for insufficient capital, liquidity, or funding to support our operations, the risk of reductions in earnings or value from movements in interest rates impacting banking book items and the potential for losses from a shortfall in the Group's pension plans	We maintain sufficient capital, liquidity, and funding to support its operations, and an interest rate profile ensuring that the reductions in earnings or value from movements in interest rates impacting banking book items does not cause material damage to the Group's franchise. In addition, the Group should ensure its Pension plans are adequately funded.
Operational and Technology risk Potential for loss from inadequate or failed internal processes, technology events, human error, or from the impact of external events (including legal risks).	We aim to control operational and technological risks to ensure that operational losses (financial, reputational), including any related to conduct of business matters, do not cause material damage to the franchise.
Reputational and Sustainability risk Potential for damage to the Standard Chartered franchise (the franchise) (such as loss of trust, earnings, or market capitalisation), because of stakeholders taking a negative view of the Group through actual or perceived actions or inactions, including a failure to uphold responsible business conduct or lapses in our commitment to do no significant environmental and social harm through our client, third party relationships, or our own operations.	We aim to protect the franchise from material damage to its reputation by ensuring that any business activity is satisfactorily assessed and managed by the appropriate level of management and governance oversight. This includes a potential failure to uphold responsible business conduct or lapses in our commitment to do no significant environmental and social harm.
Compliance risk Potential for penalties or loss to the Group or for an adverse impact to our clients, stakeholders or to the integrity of the markets we operate in through a failure on our part to comply with laws, or regulations.	We have no appetite for breaches in laws and regulations related to regulatory non-compliance, recognising that whilst incidents are unwanted, they cannot be entirely avoided.
Information and Cyber Security risk Risk to the Group's assets, operations, and individuals due to the potential for unauthorised access, use, disclosure, disruption, modification, or destruction of information assets and/or information systems.	We have zero appetite for very High ICS residual risks and low appetite for High ICS residual risks which result in loss of services, data, or funds. SCB Ghana will implement an effective ICS control environment and proactively identify and respond to emerging ICS threats in order to limit ICS incidents impacting the franchise.
Model Risk Potential loss that may occur as a consequence of decisions or the risk of mis-estimation that could be principally based on the output of models, due to errors in the development, implementation or use of such models.	We have no appetite for material adverse implications arising from misuse of models or errors in the development or implementation of models, while accepting model uncertainty

Chief Risk Officer's review
continued

Financial Crime risk Potential for legal or regulatory penalties, material financial loss or reputational damage resulting from the failure to comply with applicable laws and regulations relating to International Sanctions, Anti-Money Laundering and Anti-Bribery and Corruption and Fraud.	We have no appetite for breaches in laws and regulations related to Financial Crime, recognising that whilst incidents are unwanted, they cannot be entirely avoided.

In addition to the PRTs, we may be exposed to certain Integrated Risk Types (IRTs) that are significant in nature and materialise primarily through the relevant PRTs, they include Climate, Digital Assets and Third Party.

Principal Risk Types	*Risk Appetite Statements*
Climate Risk Potential for financial loss and non-financial detriments arising from climate change and society's response to it.	We aim to measure and manage financial and non-financial risks from climate change, and reduce emissions related to our own activities and those related to the financing of clients in alignment with the Paris Agreement.
Digital Asset Risk Potential for regulatory penalties, financial loss and or reputational damage to the Group resulting from digital asset exposure or digital asset related activities arising from the Group's clients, products, and projects.	This integrated risk type is currently supported by Risk Appetite metrics embedded within relevant PRTs.
Third Party Risk Potential for loss or adverse impact from failure to manage multiple risks arising from the use of Third Parties and is the aggregate of these risks.	This integrated risk type is currently supported by Risk Appetite metrics embedded within relevant PRTs.

We continue to enhance our operational resilience and defences against these risks through robust system and procedural enhancements and remain vigilant of sovereign risks and vulnerabilities and their impact on our franchise.

Country Strategic Risk Management

Risk Identification: Preparation of an impact analysis of risks which arise from growth plans, strategic initiatives, and vulnerabilities in the business model. This analysis aims to determine whether existing or new risks have changed in terms of relative importance.

Risk Appetite: Preparation of an impact analysis to confirm that the growth plans and strategic initiatives align with the Board-approved Risk Appetite. It also highlights areas where additional Risk Appetite should be considered.

Stress Testing: The strategy and outcomes from the risk identification processes are used to develop the scenarios for the stress tests in order to ensure that the strategy remains within the Board-approved Risk Appetite. The stress test results are used to recommend strategic actions and are considered in setting the Risk Appetite.

We acknowledge that banking inherently involves risk taking and adverse outcomes may occur from time to time. When they do, we seize the opportunity to learn from such experiences and formalise the necessary actions to improve and be better.

Supporting educational needs of tertiary students

31 tertiary students across 5 public universities received grants from the Bank's endowment funds to support their educational needs. Through the Standard Chartered Science Education Trust Fund and Standard Chartered Kenneth Dadzie Memorial Education Trust Fund, the students will receive a total amount of GH¢230,000 over a three-year period.

Stakeholders and responsibilities

Having operated in the market for over 126 years, we continuously engage all our stakeholders.

Our stakeholders

- Clients
- Regulators and governments
- Suppliers
- Employees
- Communities

Clients

How we create value

We want to deliver easy, everyday banking solutions to our clients in a simple and cost-effective manner. We strive to enable individuals achieve their ambitions, grow and protect their wealth by offering them more efficient and secured banking channels. We help businesses to trade, transact, invest, and expand.

How we serve and engage

Our clients are at the heart of everything we do as a Bank, and we take our responsibility to support their everyday financial needs seriously. Building and fostering long-term relationships with our clients is a priority for us. We believe that by understanding their unique needs, goals, and challenges, we can serve them more effectively. This involves actively listening to their feedback, anticipating their needs, and providing tailored financial solutions that meet their requirements. Deepening our relationships with clients is not only beneficial for them but also for us as a bank. Strong client relationships contribute to our reputation as a trusted financial institution and attract new customers to our business.

We intensified our efforts in transitioning from face-to-face interactions to virtual interactions. We also enhanced our digital platforms supported by a fully operational Client Care Centre. We maintained our sharp focus on improving client experience across the bank.

In 2022, we enhanced our Service Revolution through the implementation of a Bank-wide Service Excellence Training. These engaging sessions focused on communication as an art, allowing participants to explore their experiences and transform communication into a discipline. Ultimately, the goal of the intervention was to enable us maintain existing clients, attract new ones and meet our overall objectives, and become the market leader.

For individual and business banking clients, we consider each client's financial needs and personal circumstances in offering suitable product recommendations. Clients are also provided with clear and simple documentation that outlines key product features and risks prior to execution of a transaction.

Our commitment to digitization is reflected in our ongoing efforts to enhance and update our digital platforms, reducing or eliminating paper-based services to improve convenience and turnaround times for our clients. Our dedication to digital transformation continues to be recognised, as we retained our position as Ghana's Digital Bank of the Year.

Going forward, we will continue to strengthen our digital transformation and innovation capabilities to enhance client experience, improve efficiency, grow market share, and build a future-proof retail bank.

Their interests

We understand that our clients value differentiated product and service offerings, digitally enabled and secure platforms, memorable experiences, and sustainable finance. We aim to meet these interests and deliver on their expectations, ensuring that we remain at the forefront of the industry and provide exceptional value to our clients.

Regulators and Government

How we create value

We support the effective functioning of the financial system and the broader economy by regularly engaging with public authorities and relevant stakeholders.

How we serve and engage

We share insights and contribute to the development of best practice in the financial industry through active and regular engagement with government, policymakers and regulators. In 2022, we engaged with regulators, government officials and trade associations on topics such as Africa Continental Free Trade Area, sustainability, innovation and cyber security. We also provided thought leadership in innovation, conduct and financial crime compliance as well as sustainability framework. We held the second edition of our Flagship Innovation and Fintech Festival on harnessing digitalisation to accelerate economic growth in Africa.

To deepen our relationship with key stakeholders we have a Group Public and Regulatory document which details senior executives who lead the engagement at different levels.

Engaging stakeholders continued

Regulators and Government continued

Their interests

There are a number of thematic areas that we continue to engage and explore including •

- Sustainable banking
- Digital innovation in financial services
- Operational resilience
- Customer protection
- Robust standards for regulatory compliance and financial crime

Conduct, Financial Crime and Compliance

We aim to deliver the right outcomes for our clients and communities by collaborating with internal and external stakeholders to achieve the highest standards in conduct, compliance and in our efforts to combat financial crime. This commitment is essential for ensuring the long-term sustainability of our business.

We are a responsible Company

We believe in the principles of responsible business conduct and are committed to acting ethically towards stakeholders, the environment, and the communities in which we operate. The Bank's policy frameworks and position statements reflect, among others, our commitment to climate change and human rights. Our net zero aspirations and Diversity and Inclusion agenda, which contribute to reducing carbon emissions and fostering an inclusive and collaborative work culture respectively, are a testament to this commitment, which will ultimately lead to a sustainable franchise.

It is our firm belief that as we undertake our business activities responsibly; by ensuring that we do no significant environmental and social harm through our operations, the bank would be protected from losses in terms of earnings, market capitalization and trust.

The management of sustainability and reputational risk will continue to be an area of importance for the Bank as this will drive the strategic transformation of the bank from a risk management perspective.

We uphold good conduct

We consider Conduct Risk as the risk of detriment to our clients, investors, shareholders, counterparties, employees, and to market integrity and competition arising from (a) the business activities performed by the Group, or (b) individual behaviour and actions including instances of wilful or negligent misconduct.

Standard Chartered Bank Ghana PLC believes in the promotion of good conduct. In this regard, the bank continues to drive good conduct in our business activities and expects all staff to always exhibit good conduct. Good conduct is fundamental to achieving our brand promise, here for good and is essential for the delivery of positive outcomes for our clients, our markets, and our stakeholders.

Our Code of Conduct helps our staff exhibit the highest standards of conduct in our day-to-day endeavours. In this regard, the staff of the bank are required to re-commit to the bank's code of conduct by undertaking a refresher e-learning on Conduct on an annual basis. The Board also undergoes regular refresher training on Conduct. In addition to the conduct training, the Bank has introduced a training titled "Respect at Work" which is aimed at establishing and maintaining an organisational culture where respect and civility are promoted within the Bank.

Increasingly, customers all over the world are desirous of dealing with trustworthy businesses. The Bank's policy of promoting good conduct, both at an individual and organisational level, assures our customers that we will always act in their best interest.

The Bank has strengthened its conduct risk management framework through the roll-out of an annual Conduct Risk Management Effectiveness Review and this has enhanced our capacity to identify and alleviate Conduct Risk.

Our Speaking Up Programme provides a safe, secure, independent, and confidential platform for reporting known or suspected concerns. We encourage all staff to actively contribute to maintaining a culture of strong ethics, integrity, transparency, and openness. This channel certainly strengthens our commitment to upholding high standards of conduct.

We manage Compliance Risk

We define compliance risk as the potential for penalties or loss to the bank; or for an adverse impact to our clients, stakeholders; or to the integrity of the markets which we operate in through a failure on our part to comply with laws or regulations. We have zero tolerance for breaches of laws and regulations that impact the bank, even though we recognise that such breach incidents cannot be entirely avoided.

In view of the above, coupled with the recent posture of the regulator in terms of applying penalties where there are breaches, we ensure compliance with all applicable laws, regulations and directives that impact our operations both in letter and spirit. Where there have been breach incidents, we take remedial actions to ensure such incidents do not arise in the future. We also ensure implementation of internal standards and policies for the management of compliance risks and the programme for monitoring compliance risk. This is how we demonstrate our commitment of being here for good and to collaborate better with our regulators.

To achieve this, the Bank has adopted the Obligation Workflow Lifecycle System (OWLS), which enables us to promptly handle new and amended laws and regulations received from our regulators. Additionally, we have streamlined our regulatory reporting process by adopting the Non Financial Regulatory Reporting Enhanced workflow System (NEWs) which is a platform for reporting specifically, non-financial regulatory returns in a timely and consistent manner.

Through consistent regulatory engagements, we obtain further clarity and guidance on relevant laws and regulations, and these help the Bank in remaining compliant with all regulatory requirements.

We fight financial crime

Financial Crime Risk is defined by the Bank as potential for legal or regulatory penalties, material financial loss or reputational damage resulting from the failure to comply with applicable laws and regulations relating to international sanctions, anti-money laundering and anti-bribery & corruption, and fraud.

At Standard Chartered, we recognise that combating Financial Crime is essential for maintaining a sound financial sector as it makes the financial system a hostile environment for illicit activities.

We have zero tolerance for breaches of laws and regulations related to International Sanctions, Money Laundering, Bribery and Corruption, Tax Evasion and Fraud as these activities undermine the integrity of the global financial system and may result in penalties from regulators should the Bank allow its platforms to be used for such activities. We have, therefore, put in place a Financial Crime prevention programme involving skilled staff, robust governance structures, systems, and policies that enable the Bank to fight financial crime daily.

For example, the Bank conducts an annual risk assessment, which evaluates the inherent Financial Crime Risks and implements mitigating measures to address the identified risks. Also, our Client Due Diligence (CDD) procedures for both individual and corporate clients include a robust Know-Your-Customer (KYC) and client screening processes which ensure that clients are appropriately risk profiled in line with the Bank's risk appetite. Further, the bank has a very robust transaction monitoring programme that adequately enables the identification of financial crime risks for an appropriate resolution.

Through the implementation of these processes, we ensure our platforms are not exploited for facilitating financial crime activities, and this contributes to the global fight against financial crime.

Engaging stakeholders continued

Suppliers

How we create value

We seek to create value by engaging suppliers both locally and globally, ensuring the provision of efficient sustainable goods and services that support our business.

How we serve and engage

Our supplier selection, due diligence and contract management processes are guided by our comprehensive Third-Party Risk Management Policy and Standards. In 2022, we further strengthened our supplier governance given potential increased risk and regulatory scrutiny. Our Supplier Charter sets out our aspirations in relation to ethics, human rights, diversity, and inclusion (D&I), and environmental performance. All newly onboarded suppliers are expected to agree to adhere to the principles set out in our Supplier Charter. We seek to reinforce this through the terms of our standard contract templates, where possible, and we further encourage alignment to this by sending an annual letter to all our active suppliers. This also includes guidance regarding our technology platforms, sustainability aspirations, payment processes and other relevant principles such as Anti-Bribery and Corruption.

In line with our commitment to D&I, we collaborated with international NGOs to engage our suppliers, clients, and other third parties, creating awareness and educating them about the Bank's D&I initiatives and the mutual benefits they bring. The D&I awareness creation session was also extended to minority groups such as Association of the Disabled and Albinism.

Looking ahead to 2023, we will continue to prioritize supplier sustainability agenda. Our focus includes expanding our diverse supplier base and integrating environmental and social risks into our Third-Party Risk Management Framework. We will also introduce new initiatives to create social impact and further reduce carbon emissions within our operations and supply chain. Our Supplier Charter can be viewed at **sc.com/suppliercharter.** For more information about our supplier diversity standard, please visit, **sc.com/supplierdiversity.**

Their interests

- Sustainability and diversity
- Open, transparent, and consistent tendering process
- Willingness to adopt supplier-driven innovations
- Accurate and on-time payments

Employees

How we create value

The Bank is dedicated to fostering a supportive environment that enables our colleagues to thrive, characterised by inclusivity, innovation, and a commitment to high performance. The importance of this is to model and to embody our valued behaviours in achieving our expected outcomes for our people, clients, and shareholders. We expect our leaders to serve as role models, inspiring others to continuously strive for excellence, fostering collaboration, and executing with determination and purpose. Our goal is to make it easier to accomplish tasks while always prioritizing good conduct.

How we serve and engage

We value creating exceptional experiences for both internal and external stakeholders. To enhance these experiences, our "Work with Your Stakeholder Day" initiative allowed non-client facing colleagues to gain frontline exposure and increasing their understanding of client impact. The initiative resulted in heightened frontline appreciation, improved collaboration, and enhanced re-skilling efforts. Our goal is to foster stronger connections with colleagues and stakeholders, creating memorable experiences and a client-centric mindset.

Listening to Our Employees

We prioritise investing in our employees and fostering an environment that supports their personal and professional growth. Our ongoing commitment to creating a great workplace has yielded positive results, as evidenced by the feedback received through our annual employee survey, My Voice. We are thrilled to report significant improvements in our engagement and people management scores since 2017. In 2022, our Employee Net Promoter Score (eNPS) reached 30.89 per cent, a notable increase from the previous year's score of 18.67 per cent. Furthermore, our employee Engagement Index reached an impressive 81 per cent. These achievements, demonstrate the success of our bold employee engagement initiatives leading to 89 per cent of colleagues confirming their intention to stay with the Bank. We are proud of these outcomes and will continue to provide opportunities that enable our employees to thrive and contribute their best.

In 2022, we introduced our maiden Career Development Month, themed '#MyCareer'. This month-long initiative focused on various aspects of career development. Through interactive sessions, we covered relevant career topics on personal growth, panel discussions, and insights into the leadership journey. The concept was developed and rolled out to prepare colleagues for their next career move, explore opportunities within the network while creating awareness on relevant skills required for the future of work. The initiative was in response to feedback received in the My Voice Survey, where our colleagues expressed the need for career support.

Adapting to a hybrid world of work

We prioritise providing best-in-class flexible working arrangement for our colleagues. In response to the COVID-19 pandemic, we introduced Future Workplace, an initiative that allowed employees to work from both the office and home on specific days. Currently, 45 per cent of our workforce has opted for three (3) days in the office and two (2) days at home, which has resulted in positive working experiences and increased productivity. Our My Voice employee survey reflects this success, with 73 per cent satisfaction rate for work-life balance, showing a 10 per cent improvement from previous results. This model allows us to support the diverse needs and mental well-being of our workforce while maintaining a balance between individual preferences, business priorities, and client demands. We remain committed to collaborating with our colleagues to deliver the best experiences and achieve optimal outcomes for our people and clients.

The challenges posed by COVID-19 have underscored the importance of prioritizing employee well-being. As a Bank, we have taken significant initiatives to proactively address the wellness of our colleagues, ensuring we stay ahead of the curve in finding effective solutions.

To support employee health and well-being, the Bank partnered with Compsych, our Employee Assistance Programme vendor, to offer targeted sessions addressing various employee needs, including:

- Preventing employee burnout: A session designed to help colleagues recognise the causes and early signs of burnout, enabling effective management or prevention of burnout altogether. Financial well-being has gained significant importance in the face of global economic challenges post-pandemic. At the Bank, we have made progress in promoting the importance of investing in one's future and that of one's family, both during and beyond active work life.
- Dealing with difficult people: A session focused on identifying complex behaviours and providing strategies and coping mechanisms for effective relationship management.
- Conflict resolution ccapability building: A session aimed at equipping colleagues with skills and techniques to navigate conflicting situations, reconcile emotions, and foster understanding, leading to improved well-being and productivity.

Strengthening our culture of high-performance

At the Bank, we prioritise the development of future leaders to ensure our long-term success. Our focus on guiding and empowering our millennial population is crucial in preparing them for the challenges ahead. Through our Reverse Mentoring initiative, we harness the energy and passion of millennials, fostering personal and professional growth while promoting cross-learning and networking. This platform facilitates the exchange of knowledge and ideas, enabling mentors to positively impact the lives and careers of millennials. Additionally, our Leadership Coaching Circles provide a valuable experience-sharing platform for our People Leaders. Peer coaching within these circles promotes capability building, encouraging leaders to challenge and support each other, fostering self-awareness and finding solutions for optimal business performance.

Developing skills of future strategic value

The pace of change is accelerating, and it is crucial for us to seize emerging opportunities for our business, communities, and colleagues. Learning is

Engaging stakeholders continued

Employees continued

a vital component in adapting to these changes, and the Bank consistently provides tools to support our colleagues' upskilling. During our Global Learning Week, themed "Reimagine the Future," we focused on equipping colleagues with the skills necessary for the evolving world of work. The week featured sessions on topics such as the Global Economy, Sustainable Finance, Leading for Performance, and Accelerating Execution. This initiative aimed to bring our strategic priorities to life, enhance leadership skills, foster connections with the wider world, and reinforce our commitment to sustainability and responsibility. Furthermore, the Bank continues to drive programmes that provide career opportunities through succession planning and development interventions such as international assignments, job rotations, talent swaps, and the Talent Marketplace. These initiatives aim to showcase our talent, advance our readiness for the future, and provide colleagues with valuable cross-functional work experience.

Creating an inclusive workplace

Our D&I agenda aims to create an exceptional banking and working environment revolving around these pillars: Gender, Disability, Wellness and Mental Health and Generations.

We have achieved remarkable milestones this year:

Gender

- We continue to focus on gender diversity. We currently have 37 per cent of our female staff sitting in senior positions in the Bank. Our management team also comprises of 47 per cent women. We are committed to continuous improvement in this area. Other milestones achieved include:
- Speed mentoring sessions were conducted for senior high school students, and financial literacy sessions were provided for young women who received cosmetology and cookery training.
- To commemorate International Women's Day 2022, a motivational engagement session was held with Prof. Akua Kuenyehia, an accomplished Judge and a female Board member of the Bank, focusing on sharing experiences and inspiration.
- During the year under review, we launched LIFT, a programme offering free business training, seminars, and networking events for women entrepreneurs.
- To mark International Men's Day, an all-male Employee Volunteering event was held at St. Thomas Aquinas Senior High School. This "Men Mentoring Young Men" engagement session involved sharing leadership and development lessons while encouraging the young men to aspire to achieve their goals.

Disability, mental health & wellbeing:

- In June, the Bank sponsored eye screening sessions for over 100 Persons with Albinism (PWAs) in Tamale to mark World Autism Awareness Day.
- In July, we participated in an Albinism sensitization workshop at Nungua Landing Beach in collaboration with Engage Now Africa GH. The aim was to address misconceptions and promote acceptance of persons with albinism within the local community.
- In partnership with Engage Now Africa and doctors from the Dermatology clinic of Korle Bu, we provided guidance to over 100 PWAs on reducing the risk of skin cancers due to the absence of melanin.
- In celebration of the International Day of Disabled Persons, the Bank collaborated with the Ghana Federation of Disability Organisations (GFD) and other partners to organise a career fair for Persons with Disability. The fair facilitated meaningful connections between employers and qualified individuals with disabilities. Panel discussions on "Employee and Employer Perspectives in hiring Persons with Disabilities" highlighted best practices and success stories. Employers were encouraged to create disability-friendly workplaces to facilitate the hiring of individuals with disabilities, who have consistently demonstrated their competencies and contributed positively to organisational success.

Generations:

- The Future Leaders Network conducted employability skills training for students at the University for Development Studies (UDS) and the University of Media, Arts and

Employees continued

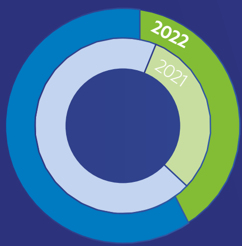
Communication. The training focused on preparing students for the digitalized world of work and enhancing their soft skills. Resources were shared on optimising online presence, Curriculum Vitae writing, and interview success strategies. Approximately 200 students benefitted from the programme, with positive feedback received.

- Two sessions of Mentor's Den were organised as part of the Youth to Work programme, providing entrepreneurial and managerial skills to young graduates. Around 150 participants from two cohorts took part in the programme, aligning with the FutureMakers initiative.
- During the year under review, a new employee resource group - Talent Vault was launched, with a focus on talent mobility within the network.
- The Future Leaders Network, in association with Talent Vault, organised a programme titled "A Time with Leaders: The Macros, Our Lives, and The Way Forward." The objective was to equip young leaders with information on how to lead during uncertain times, putting Ghana's economic challenges in perspective.

Female representation

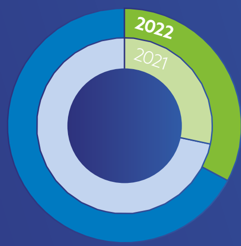
Board

	2022	2021
Female	2	2
Male	4	5



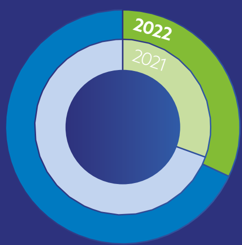
Management Team and their direct reports

	2022	2021
Female	28	28
Male	45	47



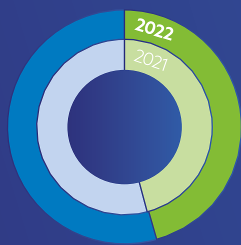
Senior leadership
(Managing Director and Band 4)

	2022	2021
Female	7	7
Male	13	10



All employees

	2022	2021
Female	326	361
Male	355	369



Impact in our communities

We seek to amplify our social impact and continue to support communities through Futuremakers, our global initiative to tackle youth economic inclusion. Futuremakers supports disadvantaged young people, especially girls and people with visual impairments, to learn new skills and improve their chances of getting a job or starting their own business. We believe everyone should be able to contribute to, and benefit from, sustainable economic growth in their community. Social and economic inequality limits individual and collective potential, stifling growth and creating disharmony. It significantly affects disadvantaged young people who cannot access the skills and opportunities needed to close the income gap.

With our partners we deliver programmes on education, employability and entrepreneurship. The programmes are Women in Tech incubator, Goal, Youth to Work and Youth Employability Skills. In 2022, a total of nineteen female owned start-ups went through our Women in Technology incubator with five businesses receiving $50,000 equivalent in Ghana Cedis to scale up their businesses. The programme is being implemented by the Ghana Climate Innovation Centre, an Institute of Ashesi University.

Our Youth to Work (Y2W) creates opportunities to support young graduates to become job-ready. It is designed around an enterprise-based model that incorporates youth skill development. Participants are enrolled into intensive training on key business consultancy skills using accredited

Engaging stakeholders continued

Impact in our communities

training from the Chartered Management Institute (CMI) before being placed into SMEs where they develop their training in real world environment supporting the enterprises. In 2022, 81 young graduates went through the programme as junior associates and supported 43 SMEs. The Junior associates reached over 1300 young people. This programme is being funded by the Standard Chartered Foundation and implemented by Challenges Ghana.

During the year under review, we brought our Youth Employability Skills (YES) programme to a close. The Youth Employability Skills Project empowers young people to enhance employment readiness and entrepreneurship development skills in various sectors in Ghana. Over the last 2 years, the project has trained over 28,000 Youth and professionals to increase their knowledge of new career opportunities in emerging businesses, while enhancing technical skills to qualify for relevant job functions, exploring part-time and freelance/ self-employed working opportunities, and mastering basic resume and interview skills as well as setting up their own business in a preferred sector of the Ghanaian economy.

We marked the 5th year anniversary of our Goal programme which teaches girls and young women, life skills through sport. We reached 2,900 girls with Goal in low income areas in Greater Accra and Eastern Regions in 2022. Over the five-year period the goal programme has reached over 10,000 girls. The programme is hinged on four modules including financial education, communication, health & hygiene, confidence and life skills. Survey showed that 81 per cent of girls who participated in the programme reported that they know where to report gender-based violence and 94 per cent indicate they know how to keep healthy during menstruation.

Futuremakers draws on the Bank's unique skills and expertise and those of our employees, to support young people. Our aim is to build the capacity of young people to access jobs and economic opportunities that will help close the inequality gap. We encourage all employees to get involved and share their skills through employee volunteering, delivering financial education, taking part in mentoring, coaching as well as fundraising. In 2022, 34 per cent of our employees volunteered their time and skills giving back to our communities. Other initiatives included blood donation exercise, spending time with children with special needs and reading to children.

We held our first ever Mentors Den where 100 young people participated in a speed mentoring exercise with colleagues from across the Bank.

In support of the educational needs of young people, the Bank provided grants to 31 brilliant but needy students from 5 public universities; University of Ghana, Kwame Nkrumah University of Science and Technology, University College of Education, University of Development Studies and University of Cape Coast to enable them pay for their educational needs. The grant, a total of GH¢230,000 to be disbursed over a three-year period are from the Bank's two endowment funds - the Standard Chartered Science Education Trust Fund and Standard Chartered Kenneth Dadzie Memorial Education Trust Fund. The Kenneth Dadzie Fund focuses on postgraduate programmes; Economics and business courses, the Science Education Fund, covers both Undergraduate and Post graduate students pursuing Science.

The Bank also rolled out initiatives through our partners to create awareness for staff, communities and stakeholders to mitigate the impact of climate change thereby putting the world on a sustainable path to net zero by 2050. To mark world environment day we partnered with Forestry Commission and Sabon Sake, a regenerative agricultural company which is into the sustainable manufacturing of bio-carbon soil solutions. They do this by turning biomass waste which will otherwise be abandoned and/or openly burnt into organic soil blends rich in stable carbon to enhance degraded soils. We planted over 1,000 trees and also incorporated RawBiochar blend and other organic soil amendments into the soil to restore the soil health of the Ramsar ecosystem.

Into 2023, we will continue to focus on empowering young people in the communities we operate in to learn, earn and grow.

Driving & promoting inclusiveness

The Disability Career Fair

In November, we held a Disability Career Fair which brought together sixty (60) Persons with Disability (PWDs) and twenty (20) employers to support PWDs with the skills needed for employment as well as provide access to employment opportunities. Prior to the event a training bootcamp was organised for the PWDs focusing on interview skills, workplace etiquette, elevator pitching and relevant networking conversations.

The fair was in partnership with the Ghana Federation for Disability Organizations (GFD) and other institutions including the Foreign Commonwealth and Development Office (FCDO), British Council, Altruistic Foundation, Promoting Equal Rights for Women and Girls with Disabilities in Ghana (PERD), United Nations Ghana, Limitless and Multimedia Group.

Supporting the youth with entrepreneurial and employability skills

The Youth Employability Skills Programme empowers young people to enhance employment readiness and entrepreneurship development skills in various sectors in Ghana. Over the last 2 years, the project has trained over 28,000 young people including persons with disability to increase their knowledge of new career opportunities in emerging businesses, while enhancing technical skills to qualify for relevant job functions, exploring part-time and freelance/self-employed working opportunities, and mastering basic resume and interview skills as well as setting up their own business in a preferred sector of the Ghanaian economy.

Project Impact

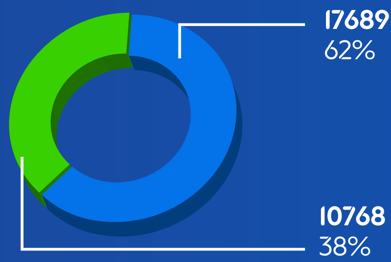
Summary

Total Reached	28, 457
Gender Impact	M- 17,689 F – 10,768
National Spread	16 Regions
Economic Impact (Employed Jobs)	1,218
Persons Living with Disability (PWD)	2,345

About Youth Employability Skills

Develop a balanced mix of digital and in-person training opportunities for disadvantaged youth directly and indirectly affected by Covid-19 to increase employability and entrepreneurial skills.

Impact by Gender



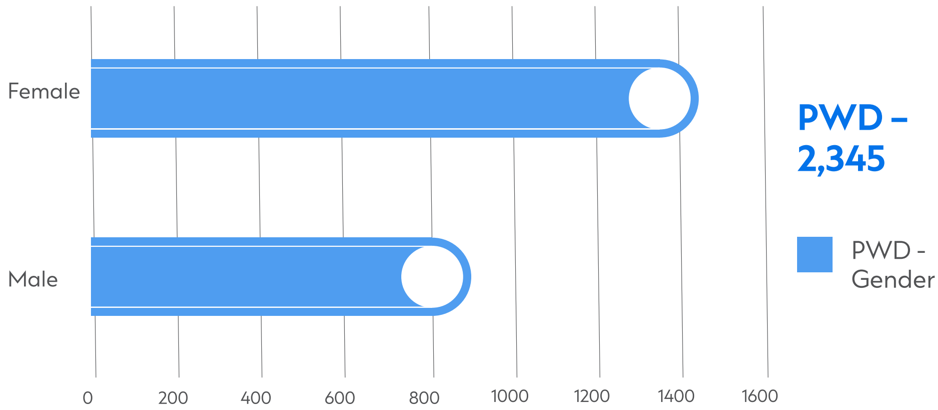
Overall Impact

28,457

Jobs Created

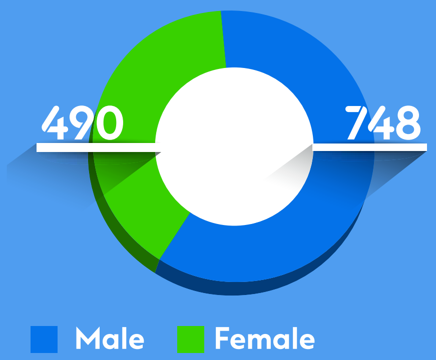
Start-Ups	Expansion
237	118

Persons Living with Disability (PWD)



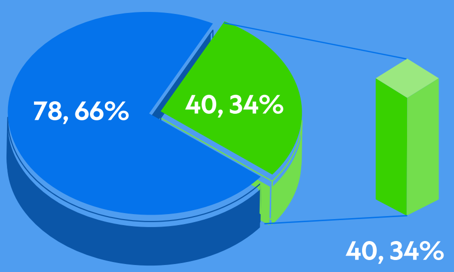
Employment by Gender

Jobs - 1,238



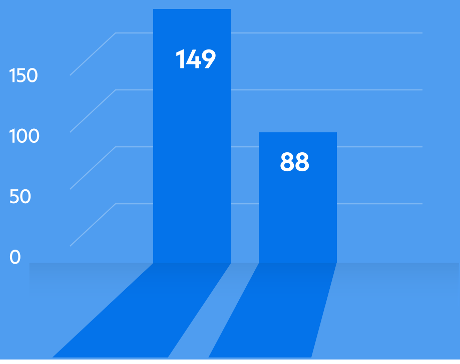
Business by Expansion

Total Businesses by expansion - 118

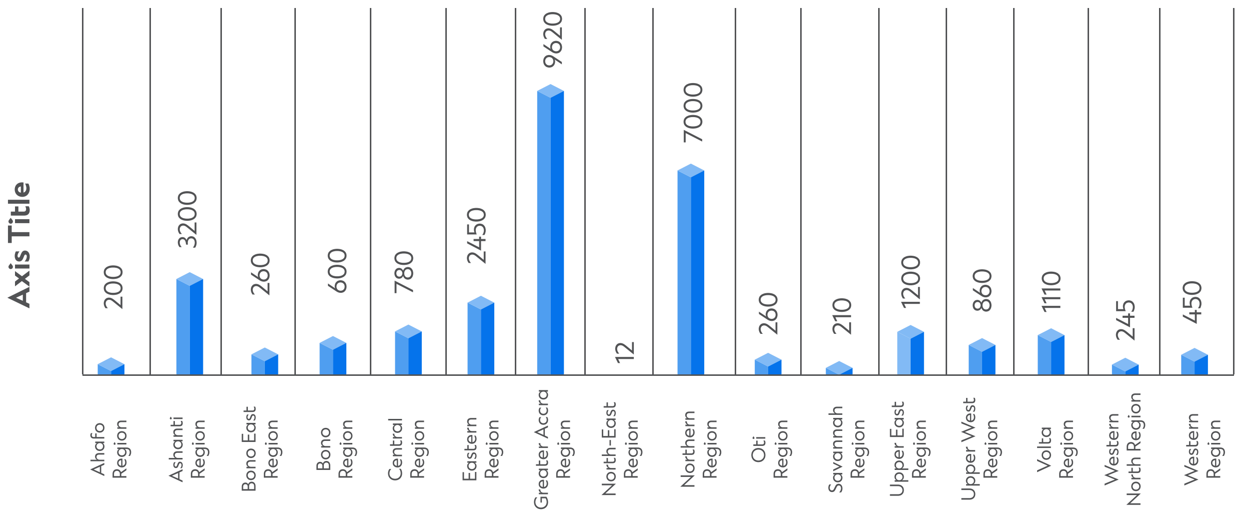


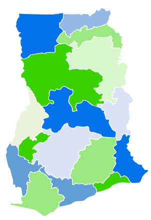
Start-ups by Gender

Total start-ups – 237



National Reach





Corporate information

Board of Directors	Dr. Emmanuel Oteng Kumah	Chairman (tenure ended on 29th October 2022)
	Mansa Nettey	Chief Executive / Managing Director
	Sheikh Jobe	Executive Director and Chief Technology & Operations Officer
	Albert Larweh Asante	Executive Director and Chief Financial Officer (appointed on 21st March 2023)
	Professor Akua Kuenyehia	Independent Non-Executive Director
	Ebenezer Twum Asante	Independent Non-Executive Director
	Kwabena Nifa Aning	Independent Non-Executive Director
	George Akello	Non-Executive Director
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 PLC 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	

Preparing young people for the world of work

95 SMEs and 124 Junior Associates completed the 2 cohorts of the Youth to Work programme this year. As part of the programme, the Junior Associates run an Active Citizenship programme with tailormade employability and entrepreneurial sessions for different groups of young people in senior high schools and vocational institutes. 2900 young people benefited this year.

The Youth to Work programme is designed around an enterprise placement-based model that incorporates youth skill development. Participants are enrolled into intensive training on key business consultancy skills using accredited training from the Chartered Management Institute (CMI) before being placed into Small and Growing Businesses where they develop their training in the real-world, supporting the enterprises.

Directors' report

Standard Chartered Wealth Management Limited Company

Standard Chartered Wealth Management Limited Company (SCWML) is a subsidiary of Standard Chartered Bank Ghana PLC incorporated to provide investment advisory services.

Read more online at **scwealthmanagementgh.com**

Board of Directors

Committee key

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

Ebenezer Twum Asante (54)

Chairman

Appointed: May 2019 and Board Chairman in March 2023

Experience: Ebenezer has significant General Management & Corporate leadership experience across FMCG, Fintech and Mobile Telecommunications sectors.

Career: Ebenezer began his career as a Management trainee with Unilever in 1995. He held key senior management roles in Sales & Brand and Category management inlcuding Customer Development Director in Ghana and later the Managing Director of Unilever Zambia.

Ebenezer joined MTN Ghana in 2008 as a Sales and Distribution Executive and became CEO of the Rwandan business in 2013 where he led a business turnaround. He was appointed CEO of MTN Ghana in 2015. His tenure was marked not only by consistent, profitable and sustainable business growth, but also visionary and transformative leadership, best exemplified by the scaling up of the disruptive Fintech platform: mobile money (MoMo) services which has revolutionised payment services and improved financial inclusion. Ebenezer is currently the Senior Vice President of MTN Group Markets, comprising 18 countries. Prior to this, Ebenezer was the Southern, and East Africa and Ghana (SEAGHA) Regional Vice President (2017) and later West and Central Africa Vice President.

External Appointments: Ebenezer serves as a Non-Executive Director on the boards of MTN Ghana, Cote D'Ivoire, and Cameroon.

Mansa Nettey (56)

Chief Executive & Managing Director

Appointed: March 2017

Experience: Mansa is an innovative leader with a breadth of corporate and investment banking, sustainable corporate governance, and risk management experience. Her passion for making an impact, and belief that purpose is central to success continues to transform organisational culture and shape the next generation of talent.

Career: Mansa joined Standard Chartered in 1998, having previously worked with a global financial consulting and advisory firm, and practiced as a Pharmacist. Until her appointment as the first female Chief Executive of the Bank in its 125-year history, Mansa held various senior positions including serving as a Non-Executive Director of the Board of Standard Chartered Bank Nigeria Limited, Head of Financial Markets for West Africa, and Co-Head for the Wholesale Banking business in Ghana.

Mansa is widely credited with contributing to the development of the financial markets in Ghana and several other West African markets and advancing Ghana's digital economy and financial inclusion agenda.

External Appointments: Mansa is the current President of the Ghana Association of Banks and also serves on Charities and Boards including the Leukaemia Project Foundation, the Ghana Petroleum Funds Investment Advisory Council, Zen Petroleum, and the Ghana Interbank Payment and Settlement Systems Limited.

Judge Professor (Mrs) Akua Kuenyehia (75)
Independent Non-Executive Director

Appointed: July 2017

Experience: A highly decorated Professor, judge and author of international renown, Her Excellency Judge Professor (Mrs) Akua Kuenyehia has five decades of academic and legal experience across Africa and Europe.

Career: Prof. Akua Kuenyehia enrolled in the Faculty of Law at the University of Ghana in 1972 and later become its first female Professor of Law and Dean. In 2013, the Faculty Building which she is credited with envisioning and successfully sourcing funds for was named in joint honour of her and Ghana's 10th President, Professor John Atta Mills.

Professor Kuenyehia was elected an inaugural judge of the International Criminal Court (ICC) in 2003 and served as First Vice President for 6 years. Thereafter she was appointed judge of the Appeals Division of the Court for another 6 years, retiring in 2015 after serving the maximum 12-year term.

In addition to several publications and research papers, Professor Kuenyehia co-authored "Women and Law in Sub Saharan Africa" with Professor Cynthia Bowman of Cornell University.

Judge Professor Kuenyehia is an honorary fellow of Somerville College Oxford, her alma mater and the recipient of the Order of the Star of Ghana, the highest award conferred by the Government on a citizen.

External Appointments: Judge Professor Kuenyehia is a Member of the Crimes Against Humanity Initiative Advisory Council.

A Ri C N

Mr Kwabena Nifa Aning (55)
Independent Non-Executive Director

Appointed: December 2019

Experience: Kwabena has over 25 years of international finance experience with particular focus on accounting, business planning, project management and corporate governance across several mining, agribusiness and financial service value chains.

Career: Beginning in commerce in the UK, Kwabena transitioned into industry: first as a Cost Controller with Marriot Hotels and later on as a Management Accountant at CSO Valuations, a De Beers Group Company, from 1995 to 2002. After a stint with DTC limited, he returned to assume a Senior Management role for De Beers, UK with responsibility for their business planning and strategic finance projects. Subsequent to that, he provided critical functional leadership during his tenure at African Minerals; overseeing various business process improvements including SAP Implementation. In 2012 Kwabena was appointed Regional Controller, Africa at Boart Longyear. He later joined Bunge Loders Croklaan Industries (a subsidiary of a US listed global food manufacturing company) in 2019, and until recently headed their West African finance operations.

Kwabena is also the CEO and Lead Managing Consultant for Kamoni Consult which provides advisory and technical support to SMEs across industry.

External Appointments: None

A Ri C N

Directors' report

Sheikh Jobe (55)

Executive Director & Chief Technology & Operations Officer

Appointed: December 2019

Experience: Sheikh has extensive in–country, regional and global experience across technology, operations, risk management, compliance, audit and branch banking.

Career: Prior to joining Standard Chartered, Sheikh spent 5 years in the National Audit Office of The Gambia. From 1994 to 2002, he worked in a variety of roles in West Africa. He became Chief Information Officer in Standard Chartered Bank Nigeria in 2002 and later, Global Head – Lending GTO, Wholesale banking from 2007 to 2012. During this period, he led the global roll-out of the Bank's Advanced Commercial Banking System which is currently in use across the Group. Sheikh was appointed Regional Chief Information Officer for Africa in 2014. During his tenure he provided strong leadership and support to the Information Technology & Operation teams and helped maintain the Bank's operational and technology infrastructure on the continent.

Sheikh Jobe is currently the Chief Technology & Operations Officer of Standard Chartered Bank Ghana PLC, with oversight of the West Africa Cluster.

External Appointments: Sheikh is the Founder and President of Mboutou Trust Fund for Education and Development. He is also a Non-Executive Director of JS Morlu Gambia Ltd.

Mr. George Akello (61)

Non-Executive Director

Appointed: October 2020

Experience: George has over 20 years of audit, credit and risk management experience mainly in East Africa, with exposure to selected markets in Middle East and South Asia.

Career: George, a certified public accountant, began his career with Ernst & Young. He is currently the Chief Credit Officer, CPBB for Africa Middle East and Europe. In this role George is responsible for overseeing the credit risk management and the implementation of the Bank's associated policies in Africa, Middle East and Pakistan (including Jersey and Falklands). He previously combined this responsibility with the role of Chief Risk Officer, East Africa. George is a member of the Africa & Middle East Risk Committee and the Standard Global CPBB Risk Leadership Team.

External Appointments: George is a Non-Executive Director on the Board of Standard Chartered Bank Tanzania.

Ri

Albert Larweh Asante (39)

Executive Director & Chief Financial Officer

Appointed: Albert was appointed as Chief Financial Officer in April 2022. He is responsible for providing functional leadership for Finance and governance oversight for the Supply Chain and Property functions. He is also a trustee of Standard Chartered Science Education Trust Fund and Standard Chartered Kenneth Dadzie Memorial Education Trust Fund.

Career: Albert joined Standard Chartered Bank Ghana PLC in 2006 and has held various senior roles including: Head, Wholesale Banking Business Finance, Ghana; Financial Controller and Chief Financial Officer (CFO) for Standard Chartered Bank Angola S.A. He was an Executive Director of the Bank in Angola and acted as Chief Executive Officer for nearly a year. Until his appointment, he acted as CFO for six (6) months and prior to that was the Cluster Head of Finance for Corporate, Commercial & Institutional Banking, West Africa with oversight responsibility for Nigeria, Ghana, Cameroon, Cote d'Ivoire, Gambia and Sierra Leone.

Education: Albert is a Fellow of the Institute of Chartered Accountants, Ghana; a CFA Charterholder, holds an MBA from the University of Warwick, United Kingdom and Bachelor of Science in Administration (Accounting) from the University of Ghana, Legon.

Management Team

Mansa Nettey
Chief Executive & Managing Director

Sheikh Jobe
Executive Director & Chief Technology & Operations Officer

Albert Larweh Asante
Executive Director & Chief Financial Officer

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

Appointed: Xorse was Country Head Commercial Banking from 2018 until the merger of the Commercial Banking and Global Banking segments in 2020, he assumed leadership of the newly created Client Coverage, Corporate, Commercial & Institutional Banking (CCIB).

Career: A career banker, Xorse has worked in various roles across the Standard Chartered Group over the last 20 years. Some of these include: Director, Global Corporates London; Head, Commodity Traders and Agribusiness Africa based in Johannesburg and Country Head, Global Banking Ghana. He has diverse experience in client coverage having worked in a number of the Bank's footprint markets across Africa and Europe.

Education: He holds a B.Sc Admin (Accounting) and is an affiliate of Association of Chartered Certified Accountants (ACCA)

Yvonne Fosua Gyebi
Head, Consumer, Private and Business Banking

Appointed: Yvonne was appointed Head Consumer, Private and Business Banking in December 2019.

Career: Prior to her most recent appointment, Yvonne was the Value Centre General Manager for Retail Distribution, Priority and Digital Banking. During this period, she deployed strategies to improve balance sheet growth and worked closely with the Regional and Country Digital Banking teams to implement the bank's digital strategy – which included mobile client acquisition. The bank is well positioned to become a Digital first Retail bank, and this transformative shift, under Yvonne's leadership, has been duly recognised in the form of numerous national and global industry awards.

Yvonne has held a number of senior roles in the bank including: General Manager Small & Medium Enterprises (SME) and Country Head of Commercial Banking. She joined Standard Chartered in 2012 after 7 years at Ecobank Ghana.

Education: Yvonne holds an MBA in Finance & Information Systems from the A.B Freeman School of Business, Tulane University, United States and a Bachelor's degree from the Kwame Nkrumah University of Science and Technology, Kumasi.

Kwame Asante
Head, Transaction Banking

Appointed: Kwame was appointed Head, Transaction Banking in November 2015 and is responsible for leading the Transaction Banking product agenda for our Commercial, Corporate and Institutional clients.

Career: Kwame has extensive experience working across Africa Region in his 15-year career with the bank. Prior to his current role, Kwame was responsible for leading the Transaction Banking business for commercial clients segment across Africa. Some of the other senior roles he has held over the period include: Interim Head of Corporate Sales, Transaction Banking, Southern Africa; Country Head of Transaction Banking, Botswana and Director of Transaction Banking Sales, Ghana.

Kwame has expertise in corporate banking including, structured trade and value chain finance, corporate treasury solutions and leveraging innovation and digitization through partnerships to optimize client's internal work flows, balance sheet and revenue.

Education: Kwame holds a Master's degree from the University of Leicester, United Kingdom and a Bachelor's degree in Agric. Economics from the Kwame Nkrumah University of Science & Technology.

Dr. Setor Quashigah
Head, Affluent & Wealth Management

Appointed: Dr Setor Quashigah was appointed Head, Affluent & Wealth Management in November 2015.

Career: Setor is an experienced banker and leadership coach with a reputation for developing superior talent. Over the course of her 20 year career with the bank, she has held a number of senior roles including: Head of Direct Banking, Head of Proximity and Remote Banking and General Manager for Preferred and Priority Banking.

In her current role, Setor is responsible for delivering world class wealth products and solutions. She has successfully built a team of high performing Relationship Managers and best in class Advisors who have contributed to the success of the overall Consumer, Private and Business Banking Segment.

Education: Setor has a Doctorate in Business Leadership from Swiss Business School and is a certified Wealth Manager from INSEAD, France. Setor also 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: Asiedua was appointed Head, Corporate Affairs, Brand and Marketing in November 2015.

Career: Asiedua is a seasoned Marketing & Communications expert with considerable experience managing global brands and consumer segments across geographies. She joined Standard Charted Bank Ghana PLC in 2012 as Head of Marketing for the Consumer Banking Business. She later assumed additional responsibility as Head of Brand and Marketing for the Bank.

Prior to joining the bank, Asiedua worked with Unilever, Ghana and North America and L'Oréal, West Africa. She has leveraged relevant brand platforms to drive impactful community programmes which empower women and the youth. More recently she has been instrumental in leading the bank's digital agenda efforts through leveraging consumer insights to fuel growth, amplifying successful digital transformation stories and executing relevant thought leadership events.

Education: Asiedua is a graduate of the University of Ghana, Legon and has an MBA (Marketing) from Fordham University in New York.

Harry Dankyi
Head, Audit

Appointed: Harry was appointed Head, Audit in November 2015.

Career: Harry is a Chartered Accountant with over 25 years of experience spanning finance, risk, compliance and assurance. He has developed a track record of leading and managing complex audits across markets. Prior to his current role, Harry was Head of Compliance and Assurance, responsible for driving both Group and local compliance policies. Harry joined Standard Chartered Bank Ghana PLC in 2002 from the public utility company, The Volta River Authority (VRA) where he was a Financial Accountant.

Education: Harry holds an MBA in Finance and a B.Sc. in 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: Gifty was appointed Head, Human Resources in December 2016.

Career: Gifty joined Standard Chartered Bank Ghana PLC as a Graduate trainee 25 years ago.

She has since had a rewarding career with the bank; deepening her domain expertise in Human Resources and gaining relevant frontline banking experience in-country.

Prior to her appointment as Head, Human Resources (HR), Gifty was the Senior HR Business Partner to the Retail Banking Business in Ghana. She had previously worked as the HR Lead with the business in Mauritius. Other leadership roles Gifty has held in the bank- most of which have been in the Retail Banking Business - include: Head of Deposits and Transactional Products, Senior Manager for Branch Banking, Branch Manager and Business Manager for Direct Banking.

Education: Gifty is a Member of the Chartered Institute of Personnel and Development in the United Kingdom. She holds a Post Graduate Degree in Human Resources and a Bachelor of Arts (Sociology) Degree both from the University of Ghana, Legon.

Adoteye Anum
Head, Financial Markets

Appointed: Adoteye was appointed Head, Financial Markets in May 2017.

Career: Adoteye was previously Head of Treasury Markets until May 2017 when he assumed additional responsibility of managing the Financial Markets for Ghana, Cameroon, Gambia and Sierra Leone.

Adoteye has 30 years of banking experience majority of which have been with Standard Chartered Bank across West and Central Africa. Some of the senior roles he has held within the Group include Head of Global Markets in Uganda and Sierra Leone from 2007 to 2008.

Before rejoining Standard Chartered Bank Ghana PLC in 2015, Adoteye worked in a number of senior roles at Ecobank Transnational Incorporated and Treasury Warehouse where he provided advisory services on treasury management, balance sheet, ALCO framework and ALM management.

Education: Adoteye holds an EMBA in Finance from CEIBS ; BSc Admin (Marketing) from Central University College, Ghana and holds an ACI Dealing Certificate

Alikem Adadevoh
Head, Legal

Appointed: Alikem joined Standard Chartered Bank Ghana PLC as Head, Legal in January 2017. She is responsible for leading the Legal team in Standard Chartered Bank Ghana PLC.

Career: Alikem has over 25 years of experience as a Legal Practitioner of which 12 were spent working with the private 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) in Cote D'lvoire and Tunisia. 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.

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

Chris Bidokwu
Chief Risk Officer

Appointed: Chris joined Standard Chartered Bank Ghana PLC in July 2022 as the Chief Risk Officer. He is responsible for overseeing the independent risk management function within the Bank.

Career: Prior to joining Standard Chartered Bank Ghana PLC, he held the position of Cluster lead for Operational Risk in West Africa, and has vast experience in providing holistic, Board and executive-level risk management support and governance within the West African Cluster and the Africa and Middle East (AME) Region enabling the alignment of business strategy and Risk appetite.

A career banker with over twenty-five years' experience, he joined Standard Chartered Bank Nigeria in 2001 and spent the first five years in Consumer Banking across different roles. Chris moved into Operational Risk and Assurance function in 2006 supporting the Wholesale Banking Business. Between 2010 and 2012 he was the Regional Head of Operational Risk for Origination & Client Coverage for Africa, ensuring a strong risk control environment.

Prior to joining Standard Chartered, Chris worked in Fidelity Bank Nigeria acquiring experience in Treasury Operations & Branch Operations.

Education: Chris holds a Master of Business Administration (MBA) in Banking & Finance and a Bachelor of Science, Sociology from Ambrose Alli University, Ekpoma, Nigeria and a certificate in complete risk management from the Kellogg's School of Management, Northwestern University, Illinois, USA.

He is an Honorary Senior Member (HCIB) of the Chartered Institute of Bankers, Nigeria and a Member of the Global Association of Risk Professionals (GARP).

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

Appointed: Michael was appointed Head, Conduct and Financial Crime Compliance in January 2020.

Career: Michael joined Standard Chartered in 2006 as a Credit Documentation Officer within the Credit Risk Control function and rose to become Head of the Credit Documentation Unit.

He later joined the Compliance team as Head of Legal and Compliance for Retail Banking.

Prior to his current role, he was the Head of Compliance for Corporate and Commercial Banking.

Michael is a Lawyer by profession, having been called to the Ghana Bar in 2010.

Education: Michael holds an LLB Degree from City University, London, a BA (Hons.) degree from the University of Ghana as well as a post graduate Diploma in Compliance (ICA) awarded by the University of Manchester, England. He also holds an Advanced Certificate in Marketing awarded by the Chartered Institute of Marketing, UK.

Angela Naa Sakua Okai
Company Secretary

Appointed: April 2014

Experience: Angela is a lawyer and Corporate Governance practitioner. She has functional oversight experience in the sub-region and frontline banking experience in Ghana.

Career: Beginning in 1997, Angela worked in various capacities within the Bank's branch network. She transitioned into the Compliance Officer role in 2008 and laterb became Legal Counsel for the Corporate and Institutional Clients Segment in 2010. Angela was appointed Company Secretary in 2014 – the first female to hold this position in the Bank's 125 year history in Ghana. In this role Angela has oversight responsibilities for Subsidiary Governance in West Africa (excluding Nigeria), and provides leadership support to Cameroon, Cote D'Ivoire, Gambia and Sierra Leone, to ensure that the Group's subsidiary governance standards are fully implemented

Education: Angela holds a Master of Laws (LLM) Degree in International Banking and Finance Law from the University of Liverpool. Angela is a member of the Ghana Bar Association, the Commonwealth Lawyers Association, an alumna of the 2010 Fortune- U.S. Department of State Global Women's Mentoring Partnership and a Fellow of the Chartered Governance Institute, UK and Ireland.

Seth Boateng
Business Planning Manager

Appointed: Seth was appointed Business Planning Manager in June 2022. He supports the Chief Executive in formulating and executing business strategy, monitoring performance metrics, and enforcing exemplary control and governance standards.

Career: Seth joined Standard Chartered in 2012 and has since held roles in the Finance Function and the CPBB Business. He has considerable experience in strategy formulation and evaluation, business analytics and management reporting. Prior to joining the Bank, he was a Teaching Assistant at the University of Cape Coast School of Business.

Education: Seth is a Fellow of the Association of Chartered Certified Accountants (ACCA) and a member of the Institute of Chartered Accountants, Ghana (ICAG). He holds a Master of Science degree from Sheffield Hallam University, UK and a Bachelor of Commerce from the University of Cape Coast.

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 Group and Bank for the year ended 31 December 2022. The Directors are responsible for preparing the consolidated and separate financial statements in accordance with applicable laws and regulations.

The Companies Act, 2019 (Act 992) requires the Directors to prepare 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. The financial statements comprises the financial position as at 31 December 2022, the statements of comprehensive income, changes in equity and cash flows for the just ended year, and notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and in the manner as required by the Companies Act, 2019 (Act 992), the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) and Securities Industries Act 2016, Act 929.

Under Act 992 the Directors must not approve the financial statements unless they are satisfied that they give a true and fair reflection of the state of affairs of the Bank, including their profit or loss position for that period. In preparing the Bank'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 Bank'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 Bank 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 Group's transactions and disclose with reasonable accuracy at any time the financial positions of the Bank and Group and enable them to ensure that its financial statements comply with Act 992. They are also responsible for other internal control as they agree is necessary to enable the preparation of financial statements. The prepared financial statements should be free from material misstatement, whether due to fraud or error, and should have general responsibility for taking steps that 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 Group 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 Group. 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 nature of business of the Group is as follows:

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.

Standard Chartered Wealth Management Limited Company is licensed by the Securities and Exchange Commission of Ghana under the Securities Industry Act 2016, (Act 929) to distribute mutual funds, sell investment and wealth management products, and provision of advisory services.

The financial statements and the notes thereon as shown from pages 103 to 202 provide the business performance and position for the year ended 31 December 2022.

Particulars of entries in the Interests Register during the financial year

No Director had any interest in contracts and proposed contracts with the Group 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).

Report of the directors continued

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 Conduct, Financial Crime Compliance (CFCC), Chief Information Security Officer and Chief Risk Officer. These meetings allow the Committee members to discuss freely matters relating to the auditor's remit of the various officers and their function.

Directors' securities transactions

The Directors' beneficiary interest in the equity shares of the Bank as at 31 December 2022 is as shown in note 33 to the financial statements:

Going concern and subsequent events

The Directors have made an assessment of the ability of the Bank and its subsidiaries ("the Group") to continue as going concerns and have no reason to believe that the businesses will not be going concerns in the year ahead. Refer to Note 37 for details on going concern assessment.

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 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 the Domestic Debt Exchange Programme (DDEP) on the Bank's business model and strategic plan, future performance, capital adequacy, solvency, and liquidity considering 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 period.

The Directors have reviewed the corporate plan, the output of the Bank's formalised process of budgeting and strategic planning. For the 2023 Corporate Plan, the forward-looking cash flows and balances include longer-term impact of DDEP, specifically with regards to expected credit loss and the impact of lower global 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, cash flows, 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 adequacy and liquidity, severe but plausible macro-financial scenarios explore shocks that trigger one or more of the following:

- 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 was to navigate a very challenging macro environment. The balance sheet was positioned to minimise losses and adverse impact on capital.

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 considering the forbearances provided by the central bank.

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 this 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. Standard Chartered Holdings (Africa) B.V. holds 69.42% of equity shares.

Area of operation

The Bank comprises a network of 21 branches, Main Head Office, and Standard Chartered Wealth Management Limited Company Office at Opeibea as at the time of signing this account.

Subsidiaries

Standard Chartered Ghana Nominee Limited is a special purpose legal entity 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.

Standard Chartered Wealth Management Limited Company (SCWML) is a wholly owned subsidiary of Standard Chartered Bank Ghana PLC, established to distribute mutual funds, sell investment and wealth management products and to provide advisory services. SCWML is authorised to operate as an investment advisor under the Securities Industry Act, 2016 (Act 929).

Refer to note 22b of the financial statements for the necessary disclosures on this nominee company and wealth management company.

The Standard Chartered Ghana Nominee Limited'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.

Standard Chartered Wealth Management Limited Company's financial statement have been consolidated with that of the Parent (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 were appointed by the Commercial Division of the High Court, Accra, to provide services regarding the reconciliation of accounts in respect of emoluments payable to two former staff of the Bank.

The approved fee for the 2022 audit is GH¢865,000 (2021: GH¢630,000).

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 2022 (2021: Nil).

Business performance (Bank)

- Operating income increased by 15 per cent from GH¢ 1,051.47 million to GH¢ 1,210.13 million.

Report of the directors continued

- Loss before tax was GH¢ 383.54 million from profit of GH¢694.50 million recorded in 2021, representing 155 per cent decline.
- Loss per share was GH¢ (2.22) compared to earnings per share of GH¢3.23 in 2021.
- Overall total assets grew by 2.4 per cent to GH¢10.37 billion from GH¢10.12 billion in 2021.

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¢568.23 million (2021: GH¢568.23 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 previous year. Due to the loss recorded no amount has been set aside for the current year.

Dividend

Based on the performance and as directed by the central bank, there will be no payment of ordinary and preference dividend.

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 Office of the Registrar after a further period of twelve months. The unclaimed dividend amounts to GH¢31.80 million.

Responsibility statement of the Directors in respect of the annual report and financial statements

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 Group and Bank and the undertakings as a whole.
- We consider the annual report and financial statements, taken as a whole, is fair, balanced, and understandable, and provides the information necessary for shareholders to assess the Group and Bank's position and performance, business model and strategy.

Corporate Social Responsibility

A total of GH¢1,056,268 (2021: GH¢ 1,403,923) was spent under the Group's social responsibility programme with key focus on education, health, financial inclusion, and other local initiatives.

The parent sponsored some initiatives during the year, The Standard Chartered Women in Technology (SC Women in Tech) Incubator programme was launched in collaboration with the Ghana Climate Innovation Centre of Ashesi University and is specifically designed to support women-led or women-owned businesses who want to or are using technology to grow their business but lack the requisite support. These women are taken through entrepreneurship skill training, and this was sponsored with GH¢ 1.33 million.

Futuremakers by Standard Chartered is the Bank's global initiative that aims to tackle inequality and promote greater economic inclusion for disadvantaged young people in our communities. Funded by the Standard Chartered Foundation there are three Futuremakers projects running in Ghana. Namely: Youth-to-Work, GH¢ 2.0 million; Youth Employability Skills, GH¢ 1.20 million and Goal, GH¢ 1.79 million.

Approval of the Report of the Directors

The Report of the Directors of the Bank and the Group were approved by the Board of Directors and authorised for issue on 25 April 2023 and signed on its behalf by

Mansa Nettey	Sheikh Jobe
Managing Director	Executive Director

Corporate governance report

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 practiced 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 commitment to be "Here for Good".

Code of Conduct

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, regulators, and other stakeholders. The Board is ultimately responsible for ensuring adherence to the Code of Conduct. The Code has been made available to all staff and Directors and is reviewed annually. Staff and Directors are required to recommit to the Code on an annual basis. The last such review and recommitment was in September/October 2022. Staff who breach the code are subject to disciplinary proceedings.

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 is 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 annually. The last review was in October 2022.

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 and 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 Chief Executive and Managing Director 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	Date of Appointment
Dr. Emmanuel Oteng Kumah	Chairman (Independent Director)	Economist	67	31st Oct. 2013
Mansa Nettey	Executive Director	Banking/Financial Services	56	20th Feb. 2014
Professor Akua Kuenyehia	Independent Director	Lawyer	75	27th July 2017
Kwabena Nifa Aning	Independent Director	Chartered Management Accountant	55	4th Dec. 2019
Ebenezer Twum Asante	Independent Director	Commercial/Economist	54	2nd May 2019
George Akello	Non-Executive Director	Chartered Accountant	61	29th Oct. 2020
Sheikh Jobe	Executive Director	Banking/Financial Services	55	4th Dec.2019
Albert Larweh Asante	Executive Director	Banking/Financial Services	39	21st Mar. 2023

The Board continued

The Board has sought and obtained regulatory approval in 2023, to appoint Mr. Ebenezer Twum Asante and Mr. Albert Larweh Asante as Chairman of the Board and Executive Director respectively. Steps have also been taken to appoint an additional Independent Non-Executive Director, in line with the Board's succession plan.

Three Directors, Mr Albert Larweh Asante, Mr. Sheikh Jobe and Mr. Kwabena Nifa Aning would be retiring at the 53rd AGM of the Bank and would be up for re-election.

The Board established a Board Diversity Policy in 2021 which sets out the approach the Company takes to diversity on its Board to ensure that diversity, in its broadest sense, remains a central feature of the Board. The Company strives to maintain a diverse Board recognising the benefits of having a Board made up of individuals with a diverse mix of gender, social and ethnic backgrounds, knowledge, personal attributes, skills, and experience.

The composition of the Board complies with Section 3 sub paragraphs 2, 5 and 7 of the Securities and Exchange Commission's Corporate Governance code for listed companies (SEC Code).

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/ Managing Director 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, 2022 ("the Directive"); the SEC Code 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. As at 31st December 2022, Independent Non-Executive Directors comprise 50 per cent of the Board's composition, well within the regulatory requirement of at least 30 per cent.

Independent Non-executive Directors are appointed in line with the Company's registered constitution, 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, and shareholder's approval.

Succession Plan

The Company has in place a succession plan for the Directors and key management personnel which is updated regularly and a plan to maintain a balance of critical skills on the Board of Directors and within the Company.

Professional Development and Training Activities

The Company has a very comprehensive and tailored induction process for new Directors. The 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. Besides the induction programme, the company has put in place a needs-based continuous development programme specifically designed for individual Directors and Board Committees, in line with the annual Board training plan. In 2022, there were no new Directors appointed unto the Board.

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 2022, the Board focused on ensuring that each Director had completed Bank of Ghana's mandatory Corporate Governance Certification programme which was conducted by the

Professional Development and Training Activities

National Banking College. The certification programme comprised three modules which related to the following areas: Risk Governance & Implications of the Bank of Ghana Risk Management Directive, 2021; Ethical Leadership & Conduct Challenges in the Boardroom; Internal Board Effectiveness Evaluation: Action Before, During and After. As at 31st March 2023, all Directors on the Board had completed all three modules.

Additionally, the National Banking College provided training for the Executive Management team of the Bank. The training comprised three modules which related to the following areas: Managing Fintech related risk- Partnership and Opportunities.

Market Conduct and Discipline: Role of Management in Compliance and Control and Sustainable Banking: Success and Challenges for Implementation in the Banks.

Other areas of training for the Board during the year included training on Splinternet, Responsible Use of Artificial Intelligence, Cloud Strategy, Digital Assets, Culture, and an annual refresher training on Anti-Bribery and Corruption. Most of these trainings were conducted virtually.

Board Evaluation Process

A performance evaluation of the Board is conducted on an annual basis. A separate in-house performance evaluation of the Board on AML/CFT issues is conducted and the results submitted to the Bank of Ghana in June and December each year before the end of the quarter following the evaluation period.

The 2022 Board evaluation was conducted online via Group's third-party vendor, Independent Audit Limited. Independent Audit Limited is a company based in the United Kingdom which offers solutions for independent external board reviews across all types of organisations. The evaluation is conducted via an online portal called ThinkingBoard.

In carrying out the Board evaluation the following process was adopted:

(a) Questionnaires were drafted and circulated to Directors for completion via an online link

(b) The online reviews comprised an evaluation of the collective Board's effectiveness, individual Directors, the CEO, the various Board committees, and the Company Secretary.

(c) Obtaining feedback by getting the board members to respond to questionnaires circulated

(d) Collation of the results, discussion and formulation of an action plan to remedy areas of concern identified

The general observation from the review was that the Company has a well organised and performing board that operates within the framework of very elaborate and effective governance structures. Key areas identified for improvement related to the incorporation and discussion of Environmental, Social and Governance matters at board meetings and ensuring a right balance between local regulatory and Group concerns. In line with the Ghana Stock Exchange's ESG Disclosures Manual, the Board would be looking into the establishment of a Board Sustainability Committee to effectively address ESG matters.

Members highlighted the need to continuously leverage on each director's knowledge and experience to improve the Board's effectiveness. An action plan has been formulated and would be tracked at each Board meeting to ensure effective implementation. A report on the evaluation and the action plan would also be shared with the Bank of Ghana by end of June 2023.

An external Board evaluation was last conducted in 2021, by Flexcorp Consult. The detailed report was submitted to the Bank of Ghana on 7th June 2022. An action plan based on areas identified for improvement in the report, was formulated and tracked for implementation at each meeting of the Board. The next external evaluation will be conducted in 2023.

Board meetings and attendance

The Board meets at least four times a year and has a special strategy session annually. In 2022, the Board met 4 times as scheduled. An emergency board meeting was held in July 2022 to discuss Management's responses to the findings of the Bank of Ghana virtual onsite examination report covering the period 1st December 2018 to 30th September 2021.

Additionally, due to the volatile macroeconomic conditions in the country in 2022, the Board held a mid-year strategy session to review the 2022 strategy for the Bank. Two strategy sessions were held in December 2022 to discuss the 2023 budget and strategy for the Bank. The Board sought expert advice from Razia Khan (Chief Economist, Africa and Middle East, Standard Chartered Bank) and Professor Godfred Bopkin (Financial Economist, University of Ghana Business School) to facilitate their understanding of the government's economic programs.

A rolling agenda of matters to be discussed is approved in the prior year and 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.

Beside the formal meetings, the Directors are 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.

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

Number of Board meetinas held in 2022

	Scheduled meetings and attendance (4)	Other meetings and attendance (4)	Remarks
Dr. Emmanuel Oteng Kumah	4/4	2/4	Tenure ended on 29th October 2022
Mansa Nettey	4/4	4/4	
Professor Akua Kuenyehia	4/4	4/4	
Ebenezer Twum Asante	4/4	4/4	
Kwabena Nifa Aning	4/4	4/4	
Sheikh Jobe	4/4	4/4	
George Akello	4/4	3/4	

At the time of approval of the 2022 Annual Report on 25 April 2023 the Board was made up of seven (7) Directors: three (3) Executive Directors and four (4) Non-Executive Directors (out of which 3 are independent). The list and their various committee representation are as stated below:

Board members	SCBG PLC Board	Board Audit Committee	Board Risk Committee	Board Nominations Committee	Cyber & Information Security Committee
Ebenezer Twum Asante (Chairman)	Yes	No	No	Yes	No
Mansa Nettey	Yes	No	No	No	No
Professor (Mrs.) Akua Kuenyehia	Yes	Yes	Yes	Yes	Yes
Sheikh Jobe	Yes	No	No	No	No
Kwabena Nifa Aning	Yes	Yes	Yes	Yes	Yes
Albert L. Asante	Yes	No	No	No	No
George Akello	Yes	No	Yes	No	Yes

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, and Nomination. 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 Committees' 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 Audit 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 are considered in the financial statements as being significant and this report sets out the material matters that were 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 Bank of Ghana Corporate Governance Directive 2022, 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 and Compliance functions against a backdrop of significant programmes to understand and fully challenge where the functions had been focusing and how it maximises value from the Internal Audit and Compliance resources to be as productive as possible. It also discussed resourcing and the plan for the Internal Audit function.

Committee responsibilities

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

Committee composition in 2022

Committee members	Scheduled meetings and attendance	Remarks
Kwabena Nifa Aning (Chairperson)	4/4	
Professor (Mrs.) Akua Kuenyehia	4/4	
Ebenezer Twum Asante	4/4	Resigned from the committee in 2022

Other attendees at Committee meetings in 2022 included

Chief Financial Officer, Head of Internal Audit, Chief Risk Officer, Head of Conduct, Financial Crime Compliance (CFCC), Operational Risk Officer, External Auditor and Company Secretary.

Risk Committee

The Committee exercises oversight, on behalf of the Board, on wide risks facing the Bank and provides 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 volatile 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 actions being taken to address any such gaps. The Committee has examined the effectiveness of the Bank's risk management and how risk management has

Risk Committee continued

responded to internal and external pressures.

The Bank manages its principal 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.

It also discussed the progress that has been made on embedding a stronger risk culture in the Bank.

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, reviewing reports on principal risks to the Bank's business and ensuring effective due diligence on material acquisitions and disposals. In performing its responsibilities, the Committee was also guided by the Risk Management Directive of the Bank of Ghana.

Committee composition in 2022

Risk Committee members	Scheduled meetings and attendance	Remarks
Judge Professor (Mrs.) Akua Kuenyehia (Chairperson)	3/4	
Ebenezer Twum Asante	4/4	Resigned from the committee in 2022
Kwabena Nifa Aning	4/4	
George Akello	4/4	

Other attendees at Committee meetings in 2022 included

Chief Financial Officer, Head of Internal Audit, Chief Risk Officer, Operational Risk Officer, Company Secretary, Head of Credit for Consumer, Private and Business Banking Credit, Head of Consumer, Private and Business Banking (CPBB) and Head of Corporate, Commercial and Institutional Banking (CCIB), Senior Credit Managers, Head of Legal and Head of Financial Crime Compliance.

In 2022, Judge Professor (Mrs) Akua Kuenyehia stepped down as Chair, after having served the maximum term of 5 years on the Committee, as per the Bank of Ghana Corporate Governance Directive. However, an extension was sought from the Bank of Ghana to enable her to continue to serve as Chair until a new Chair is appointed. Regulatory approval has been granted until 31st March 2024.

Cyber and Information Security Committee

Given the high-profile cyber security breaches and the rising level of cyber threats across the industry, the Board committee was established to focus on the steps being taken by the Bank to improve its defenses, 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 makes recommendations to the Board on the Bank's overall cyber and information security risk appetite. Additionally, the Committee provides an independent review and critique of:

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

Committee responsibilities

The Committee is responsible for oversight of cyber and information security risks. The Committee's responsibilities include review of the Company's cyber and information security risk management strategy, monitoring the Company's cyber and information security profile and its consistency with the strategy, receiving, and considering regular reports from the Chief Information Security Officer, amongst others.

Committee Composition in 2022

Cyber & Information Security Committee Committee members	Scheduled meetings and attendance	Remarks
Ebenezer Twum Asante (Chairperson)	4/4	Resigned from the committee in 2022
Prof. (Mrs) Akua Kuenyehia	4/4	
Kwabena Nifa Aning	4/4	

Other attendees at Committee meetings in 2022 included

Chief Financial Officer, Head of Internal Audit, Chief Risk Officer, Chief Information Security Officer, Chief Operating Officer, Company Secretary

Nomination Committee

The role of the Committee is to keep the composition of the Board and its Committees under review, lead the process for Board and Key Management appointments and make recommendations to the Board. In addition, the Committee ensures plans are in place for an orderly succession to both the Board and Key Management positions and oversees the development of a diverse pipeline for succession. The Committee also leads in the induction, ongoing training and performance evaluation of the Board and its committees.

In 2022, the Committee led the process of identifying and nominating a new Chairperson for the Board, as Dr. Emmanuel Oteng Kumah was set to retire in October 2022. The Committee also identified and interviewed several candidates in the search for a new independent non-executive Director. In line with the Board's Diversity policy and to maintain the agreed 30% female representation on the Board, the committee interviewed and nominated a potential female candidate to be appointed to the Board, subject to regulatory approval.

The Committee also reviewed the succession plan for Key Management personnel. In 2022, the Board agreed that the Committee be responsible for reviewing and approving the remuneration of the Executive Directors.

Committee composition in 2022

Nomination Committee members	Scheduled meetings and attendance	Remarks
Professor (Mrs.) Akua Kuenyehia (Chairperson)	3/2	
Kwabena Nifa Aning	3/3	
Dr. Emmanuel Oteng Kumah	3/3	Resigned from the committee in October 2022

Other attendees at Committee meetings in 2022 included

Head of Human Resources and the Company Secretary

Remuneration Structure

The Company's remuneration approach is aligned with market practice in Ghana, as well as the principles outlined in the Standard Chartered Bank Group Remuneration policy. The approach adopted ensures that employees are rewarded for the progress made in the execution of the Company's strategy and appropriately incentivised to deliver strong performance over the long term whilst avoiding excessive and unnecessary risk taking.

The Group's remuneration policy is designed to reflect the purpose, valued behaviours and culture ambitions of the Group as well as following the principles of the Fair Pay Charter, used to make remuneration decisions for colleagues across the Group. The Charter sets out the principles we use to make remuneration decisions that are fair, transparent, competitive and strongly reflect business and individual performance.

Independent Non-Executive Directors receive fixed fees, determined in line with market practice. These are reviewed every two years to ensure they are appropriate and competitive and then tabled at the Annual General Meeting for shareholders' approval. Independent non-executive Directors are paid annual fees and a sitting allowance for

Remuneration Structure continued

Remuneration Structure

meetings attended. Information on the aggregate amount of emoluments and fees paid to Directors is disclosed in note 13(b) of the financial statements.

Executive Directors' remuneration is based on the reward, support and benefits arrangements the Company has for all staff and is approved by a committee of independent Directors. Executive Directors typically receive a salary, pension, and other benefits and are eligible to be considered for variable remuneration (determined based on both the Group and individual performance).

On an annual basis the Board reviews the overall compensation scheme of the Company to ensure it is aligned with market practice and the Group's remuneration principles.

Conflicts of interest

The Bank 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 and other business interests can be found in their biographies on pages 59 to 61 of this Report. 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). Under the SEC Code, Directors cannot also hold Directorships in more than three (3) listed companies. 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, the Directive and the SEC Code.

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 Directors of the Bank.

Internal Controls

The Board is committed to managing risk and to controlling the Bank's 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 Bank 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 Bank's internal control system is reviewed regularly by the Board through an Enterprise Risk Management framework and the Internal Audit function.

Internal Audit

The Internal Audit function monitors compliance with policies and standards and the effectiveness of internal control structures of the Bank 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 and the Committee approves its annual plan of work.

Management Reporting

The Company's business is conducted within a developed control framework, underpinned by policy statements, written procedures and control manuals. This ensures there are written policies and procedures to identify and manage the Principal Risk types. The performance of the Company's business is reported by Management to the Board on a quarterly basis. However material issues are escalated to the Board as and when they occur. Financial information is prepared using appropriate accounting policies, which are applied consistently.

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 Company's Act 2019 (Act 992) and shareholders are encouraged to ask questions and appoint proxies to represent them where they are unable to attend. Adhoc shareholder requests for information are handled on an ongoing 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, GCB Bank PLC to allow for quick resolution of all shareholder queries and smooth transfer of shares.

Additionally, the Board has appointed an Investor Relations Officer - Albert Larweh Asante, whose responsibility, amongst others is to ensure that the SEC Code requirement regarding communications with shareholders are met. In compliance with the SEC Code, the Board has also appointed Mr. Kwabena Nifa Aning as the independent Non -Executive Director responsible for relations with minority shareholders.

Whistle Blowing policy

All employees are encouraged to report breaches of the Code of Conduct and any other 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 appropriate actions taken.

Annual Certification of Compliance with Bank of Ghana Corporate Governance Directive 2022

In compliance with Bank of Ghana Corporate Governance Directive 2018 the Board of Directors of Standard Chartered Bank Ghana PLC hereby certifies that it has complied with the provisions of the Directive. The Board further certifies that:

a. It has independently assessed and documents that the corporate governance process of the Bank is effective and has successfully achieved its objectives.

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

Annual Certification of compliance

The Board of Directors hereby confirm that the Bank has complied with the following Directives, Codes of Corporate Governance and Listing Rules:

a. Bank of Ghana Corporate Governance Directive 2022

b. Bank of Ghana Fit and Proper Persons Directive 2019

c. Securities and Exchange Corporate Governance Code for Listed Companies 2020

d. The Listing Rules of the Ghana Stock Exchange

Audit Committee Report

Committee composition

Scheduled meetings

Kwabena Nifa Aning (Chairperson)	4/4
Professor (Mrs.) Akua Kuenyehia	4/4
Ebenezer Twum Asante	4/4

Dear Shareholder,

I am pleased to present the Audit Committee's report for the year ended 31 December 2022.

The report sets out the focus and activities of the Audit Committee over the course of the year and is presented in compliance with the disclosure requirements set out in the Securities and Exchange Commission's corporate governance code for listed companies.

The primary role of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities in areas such as ensuring the integrity of financial reporting, assessing the adequacy of internal controls and risk management framework, and consideration of compliance and regulatory matters. The committee is also responsible for assessing the quality of the audit performed by, and the independence and objectivity of our external auditor, KPMG . Additionally, the committee oversees the work and quality of the internal audit function.

During the year ended 31 December 2022, the committee ensured it had oversight duties in all these areas. The committee also received reports on internal audits and control reviews, as well as corrective actions taken by management to address control weaknesses and other identified areas of concern.

Role of the Audit Committee

The Committee is governed by a Terms of Reference, a copy of which is available on the Company's website. The Terms of Reference were last amended in October 2022. Key elements of the committee's role and work carried out are set out in this report.

Composition of the Audit committee

Members of the committee are independent non-executive directors. The membership of the Audit Committee, together with attendance at meetings, is set forth below. The committee held four (4) meetings during the year. The Chief Financial Officer, Head of Internal Audit, Chief Risk Officer, Head of Conduct, Financial Crime Compliance (CFCC), Operational Risk Officer and the external auditor attended committee meetings regularly. The committee met with the external auditor twice, first to discuss the findings of the audit of the 2021 financial statements and then to approve the 2022 Audit plan.

The Committee members have detailed and relevant experience and approach their role with an independent mindset. The Board is satisfied that the Chair of the Committee has recent and relevant financial experience and that the other Committee members also have(possess) the necessary depth of experience required for their roles.

Committee composition in 2022

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

Main responsibilities of the Committee

The Committee is responsible for the following:

- **Financial reporting:** The committee reviews the integrity of the Company's financial statements and recommends them to the Board for publication. In doing so, the Committee takes into consideration Management's recommendation in respect of impairment of loans and advances, as well as other disclosure requirements.
- **Oversight of internal controls:** The Committee reviews the effectiveness of the Company's internal controls on behalf of the Board and reports to the Board accordingly. Root causes of any weaknesses reported as well as Management responses and remedial actions are reviewed.
- **Internal, external, and regulatory audits:** The committee receives reports and reviews the findings of audits/reviews conducted by the Internal Audit function, the external auditor (KPMG), and relevant regulators. Findings from Compliance reviews are also submitted to the Committee. The Committee reviews Management's responses to these audit/review findings and monitors the implementation of corrective actions. The work plans of the Internal and External Auditor are approved by the Committee.

The Committee provides reports to the Board on its key areas of focus following each Committee meeting.

Highlights for 2022

In 2022, the Committee discharged its mandate as set out in its Terms of Reference as follows:

- closely monitored audit findings and the corresponding actions taken by external and internal auditors.
- Received and reviewed Management responses to findings raised in various examinations conducted by the Bank of Ghana.
- reviewed and recommended to the Board to approve for publication the financial statements of the Company for each quarter and for the 2022 financial year.
- satisfied itself that the Company's accounting policies and practices were appropriate.
- monitored the integrity of the published financial statements and reviewed significant financial judgments and accounting issues.
- ensured action and follow up on all compliance monitoring reports.
- provided oversight of the work undertaken by the statutory auditor
- provided oversight on tax risks and tax related matters
- received reports on outstanding requests for regulatory and Management actions to facilitate expeditious approval of these.
- Received periodic reports on health and safety matters within the Company.

The following page provides insight into the activities of the Committee for the year 2022.

Activities of the Audit Committee:

Financial Reporting

- Satisfied itself that the Company's accounting policies and practices are appropriate.
- Reviewed the clarity and completeness of the disclosures made in the published financial statements.
- Monitored the integrity of the Company's published financial statements and formal announcements relating to its financial performance, reviewing significant financial judgements and accounting issues.

External auditor (KPMG)

- Reviewed and discussed KPMG's audit plan.
- Reviewed and discussed the risks identified by KPMG's audit planning, seeking and receiving assurance that these risks had been addressed properly (adequately addressed) in the audit strategy.
- satisfied itself that KPMG has allocated sufficient and suitably experienced resources to address these risks and reviewed the findings from the audit work undertaken.

Audit Committee Report continued

- reviewed and monitored the cost effectiveness of the audit taking into consideration any relevant professional and regulatory requirements and recommended approval of the audit fee to the Board.
- reviewed the management letter and Management's response to the auditor's findings and recommendations.
- Evaluated the effectiveness and independence of the external auditor and on the basis of this evaluation, the Audit Committee confirms that the auditor was independent, appropriately qualified and acted with due care. KPMG has been the external auditor for the Company since 2008. The company is required to undergo a mandatory audit tender after 6 years of appointing the current auditor. The Audit Committee considers the relationship with the auditors to be working well and remains satisfied with their effectiveness, the quality of audit work, and their geographical and professional capabilities.

Non-Audit Services

- considers and approves all instructions to the Company's external auditor to carry out non-audit work while taking into account relevant ethical guidance.
- One non-audit service relating to the reconciliation of emoluments payable to the first and second plaintiffs (ex-employees of the Bank) in a case in which the Bank was a party, was noted.

Internal audit

The Committee:

- reviewed the adequacy of resourcing and proposed work plans for the Internal Audit function and is satisfied that these are appropriate
- assessed the role, effectiveness and independence of the Internal Audit function, and reviewed and monitored progress against the 2022 Audit Plan and the review and monitoring of post-audit actions.
- reviewed and approved the Internal Audit's 2022 Audit Plan
- reviewed and approved the refreshed Audit Charter

The Committee is satisfied with the independence of the Internal Audit function.

Compliance

In 2022, the Committee received updates on and discussed:

- key supervisory areas of focus, regulatory updates, and forward-looking themes, as well as the status of outstanding regulatory requests.
- the importance of continuously strengthening the Company's compliance culture.
- compliance monitoring reports
- reports, Management responses, and remediation plans regarding findings from various audits/examinations conducted by the Bank of Ghana.

Committee Effectiveness review

As part of the 2022 Board Effectiveness review, a Committee Effectiveness review was conducted. Members of the Committee were generally satisfied with the work and focus of the Committee. Suggestions were made to manage the agenda to avoid duplication in other committee meetings.

As a result of the Committee's work in 2022, assurance has been provided to the Board on the quality and appropriateness of the Company's financial reporting, and on internal audit, compliance, and regulatory matters, to continue to safeguard the interests of the Group's broader stakeholders.

Kwabena Nifa Aning
Chair of the Audit Committee

Board Cyber & Information Security Risk Committee

Committee composition

Scheduled meetings

Ebenezer Twum Asante (Chairman)	4/4
Professor (Mrs.) Akua Kuenyehia	4/4
Kwabena Nifa Aning	4/4

Dear Shareholder,

I am pleased to present the report of the Board Cyber and Information Security Risk Committee for the year ended 31 December 2022.

Operating within its terms of reference, the committee held quarterly meetings to discuss the cyber and information security risks faced by the Company. In light of the changes in the global environment following the COVID-19 pandemic, the Committee maintained its focus on the Bank's strategy hinged on digitalisation, cyber and information security risks, business resilience and dedicated a significant amount of time deliberating on these topics.

Considering the challenging economic conditions experienced by the Country in 2022, which elevated fraud risk across the industry and globally, the Committee placed special attention on receiving threat intelligence reports and assessing the outcomes of phishing simulation exercises and interventions implemented by management to mitigate these risks.

This report sets out the focus and activities of the committee over the course of the year and is presented in compliance with the disclosure requirements stated in the Securities and Exchange Commission's corporate governance code for listed companies.

Composition of the Cyber and Information Security committee

Members of the committee are independent non-executive directors. The membership of the Committee, together with their attendance at meetings, is set forth below. The Board is satisfied that members of the committee possess the requisite experience and knowledge to deliver on the mandate of the Committee.

The committee held four (4) meetings during the year. The Chief Risk Officer, Chief Information Security Officer, Chief Technology and Operations Officer, Head of Internal Audit and the Chief Financial Officer, and the Company Secretary are invited attendees who regularly participate in the committee meetings.

A new Chief Information Security Officer was appointed in July 2022, following resignation of the incumbent.

Board Cyber & Information Security Risk Committee continued

Committee composition in 2022

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

Role of the Cyber & Information Risk Committee

The Committee's purpose is to exercise oversight on behalf of the Board regarding the cyber and information security risks faced by the Company. It is responsible for making recommendations to the Board on the Company's overall cyber and information security risk appetite and addressing any related matters. Additionally, the Committee provides an independent review and critique of the following:

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

The Committee is governed by a Terms of Reference, a copy of which is available on the Bank's website. The Terms of Reference were last amended in October 2022.

Main responsibilities of the Committee

The Committee 's mandate, as set out in its Terms of Reference, is to oversee the technology and cyber risk management framework of the Bank and ensure the following objectives are achieved:

- the Company's overall approach to information security supports high standards of governance;
- information security assurance framework is aligned to the Bank of Ghana's Cyber Security Directive and other relevant laws and regulations.
- effective measures are in place for the identification, management, control, and monitoring of all risks e.g. operational, information systems, legal and compliance, while preserving the integrity of customers' information.
- Anticipate, manage and mitigate reputational impact stemming from IT related risks, and that all major reputational risks are reported through the appropriate channels to the Board of Directors; and
- adequate business resilience arrangements for disaster recovery and business continuity
- the Company's data governance framework is robust
- support inter-institutional collaboration on cyber and information security defence and cooperation with law enforcement authorities on cyber and information security matters.

The Committee reports to the Board on its key areas of focus following each Committee meeting.

Highlights of 2022

The Committee held four meetings during the year and undertook the following actions: :

- closely monitored the heightened information and cyber security risk and provided oversight on the responses implemented to mitigate the risks;
- considered and reviewed information and cyber security threat intelligence while ensuring proactive measures are taken to mitigate against the risks arising;
- monitored cyber security incidences affecting the Company.
- received reports and provided oversight over implementation of actions plans to ensure compliance with the Bank of Ghana Information & Cyber Security Directive
- closely monitored action plans to ensure the Bank's PCI-DSS re-certification
- received Management responses on the ICS findings raised in the Bank of Ghana virtual onsite examination report and provided oversight on implementation of action plans.
- received reports on the cascade of the threat scenario led risk assessment for Ghana and findings of the assessment
- received reports from the Crisis Management Group and the Data Governance and IT Steering Committee.

- received update on the 2nd surveillance audit conducted for ISO/IEC 27001:2013 (ISMS) certification
- provided oversight for the implementation of regulatory projects.

Committee Effectiveness Review

As part of the 2022 internal Board effectiveness review, a Committee effectiveness review was conducted. Overall, committee members expressed that the committee was performing well. The Committee suggested enhancing its understanding of the jurisdictions where the Company's data is stored, and giving adequate consideration to regulatory requirements related to data protection and cyber security.

The following pages provides insight into the activities of the Committee for the year 2022:

Activities of the Cyber & Information Security Committee

Cyber & Information Security risk management strategy

a. reviewed reports and recommendations regarding the Company's cyber and information security risk management strategy and made recommendations to the Board.

b. considered reports on the current and prospective cyber security environment, including assessments from authoritative sources and took them into account when assessing the strategy; and

c. monitored the Company's cyber and information security profile to ensure its consistency with the strategy.

Cyber & Information Security risk management framework

a. reviewed the overall cyber and information security risk management framework including the principles by which cyber and information security risk is managed;

b. considered and keep under review the Company's capability for identifying and managing trends in cyber and information security risk issues which may not be covered by existing cyber and security risk management framework arrangements at any given time.

c. reviewed the approach by which cyber and information security risk is controlled;

d. reviewed the Company's cyber and information security risk measurement systems;

e. reviewed reports on the Company's management of cyber and information security risk, including adherence to Company policies and standards, local regulations and the maintenance of a supportive culture.

f. received notification of any material cyber security incidents and proposed action.

Business Resilience

a. conducted an annual review of the Bank's cyber security breach response and crisis management plan.

b. conducted an annual review of the work plans for cyber and information security, business continuity and disaster recovery, and recommended same to the Board for approval

Regulatory compliance

a. reviewed the Bank's action plans towards full compliance with the Bank of Ghana Cyber Security Directive.

Data Governance

Reviewed Management oversight of data governance through reports from the Data Governance and IT Steering committee.

Ebenezer Twum Asante

Chair of the Cyber & Information Security risk committee

Board Nomination Committee Report

Committee composition

Scheduled meetings		Ad hoc
Professor Akua Kuenyehia (Chairperson)	2/2	0/1
Kwabena Nifa Aning	2/2	1/1
Emmanuel Oteng Kumah	2/2	1/1

Dear Shareholder,

The Nomination Committee was established by the Board in October 2021 and held its maiden meeting in February 2022. As Chairperson of the Committee, I am pleased to present the Committee's report for the year ended 31 December 2022.

This report sets out the focus and activities of the committee over the course of the year and is presented in compliance with the disclosure requirements - in the Securities and Exchange Commission's corporate governance code for listed companies.

Composition of the Nomination committee

Members of the committee are independent non-executive directors. The membership of the committee together with attendance at meetings, is set forth below. The Board is satisfied that members of the committee have the requisite knowledge, skill and competences to carry out the mandate of the Committee.

The committee held 3 (3) meetings during the year, two scheduled meetings and one adhoc meeting to interview potential candidates for board appointment. The Head of Human Resources and the Company Secretary are invitees and regularly attend meetings of the committee.

Committee composition in 2022

Committee members	Scheduled meetings	Adhoc meetings
Professor Akua Kuenyehia (Chairperson)	2/2	0/1
Kwabena Nifa Aning	2/2	1/1
Emmanuel Oteng Kumah	2/2	1/1

Role of the Nomination Committee

The purpose of the committee is to assist the Board to maintain its composition as well as that of the Committees under its review, lead the process for Board and Key Management appointments and make recommendations to the Board. In addition, the Committee ensures plans are in place for orderly succession to both the Board and Key Management positions and oversees the development of a diverse pipeline for succession.

The Committee is governed by a Terms of Reference, a copy of which is available on the Bank's website. The Terms of Reference was last amended -in October 2022.

Main responsibilities of the Committee

The Committee is responsible for the following:

- **Board and Committee Composition:** - Regularly and at least annually, review the structure, size and composition of the Board and its Committees (including ensuring among other things that there is a right balance of skills, knowledge, experience and the promotion of diversity of gender, social and ethnic backgrounds, cognitive and personal strengths), as part of its succession planning, taking into account the Company's strategy and priority needs and make appropriate recommendations to the Board.

- **Director Independence:** - Assess and make recommendations to the Board on the renewal of the term of any independent non-executive director at the conclusion of their second term on the board
- **Board Training and Director Induction:** On an annual basis, review the training and induction needs of directors and make recommendations to the Board. Proposed training is expected to take into consideration the requisite local laws.
- **Board Effectiveness Review:**- Oversee the process by which the Board, its Committees and individual Directors assess their effectiveness (including the use of an external facilitator every two years, for the Board and its Committees) and make any recommendations to the Board

The Committee reports to the Board on its key areas of focus following each Committee meeting.

Highlights of 2022

The Committee held three meetings in the year and the areas of focus were:

- comprehensive review of the Board's succession plan, including Board and committee composition
- review of observations raised in the 2021 external board evaluation and subsequent action plan recommended to the Board for implementation
- review of Board training plans and tracking for effective implementation
- identification and interview of potential candidates for NED and INED roles
- identification and recommendation to Board of a new Chairman, following the retirement of the incumbent
- review of Board Diversity Policy to determine any changes for recommendation to the Board
- review and recommendation to the Board to approve the Terms of Reference of the 2022 Board Effectiveness review
- review of the ExCo succession plan and approval of the remuneration of the Executive Directors

The following pages provides insight into the activities of the Committee for the year 2022

Activities of the Nomination Committee

Board and Committee Composition

- Reviewed the Board and ExCo succession plan, as well as the composition of the Board committees.
- Considered and recommended four board candidates, (1 NED, 1 INED and 2 EDs) to the Board for nomination.
- Reviewed and tracked the observations raised in the 2021 Board Effectiveness review
- Reviewed the Board's capacity plan to determine skills set needed on the board

Board Training and Induction

- Reviewed the Board training plan to ensure it was sufficient to meet training needs of directors
- Ensured effective implementation of the Board training plan
- Ensured all directors undertook the Bank of Ghana Annual certification programme facilitated by the National Banking College

Board Effectiveness Review

- Reviewed the results of the 2021 board effectiveness review which was facilitated by an external consultant, Flexcorp Consult, and the associated action plan
- Reviewed the Terms of Reference for the 2022 Board Effectiveness review and recommended same to the Board for approval

Professor Akua Kuenyehia

Chair of the Risk Committee

Board Risk Committee report

Committee composition

Scheduled meetings

Professor Akua Kuenyehia (Chairperson)	3/4
Kwabena Nifa Aning	4/4
Ebenezer Twum Asante	4/4
George Akello	4/4

Dear Shareholder,

I am pleased to present the Risk Committee's report for the year ended 31 December 2022.

The challenges in the local and global economy heightened in 2022, with the Russian invasion of Ukraine, the lingering effects of the COVID-19 pandemic, resulting in attendant risks which the Committee needed to focus on. The committee was, therefore, very active and held a series of meetings where the Bank's principal risks, and other related issues were discussed and monitored.

This report therefore sets out the focus and activities of the committee over the course of the year and is presented in compliance with the disclosure requirements set out in the Securities and Exchange Commission's corporate governance code for listed companies.

The Bank's approach to risk and risk management, together with details on the Bank's principal risks, are captured under the Bank's Enterprise Risk Management Framework and explained within the Chief Risk Officer's review on page 40 of the Annual Report.

Composition of the Risk committee

Members of the committee are non-executive directors, with a majority, being independent. The membership of the Risk Committee, together with attendance at meetings, is set forth below. Members of the committee are knowledgeable in risk management, finance, accounting and economics and law.

The committee held four (4) meetings during the year. The Chief Risk Officer, Head of Internal Audit, Chief Financial Officer, Head of Conduct, Financial Crime Compliance (CFCC), Operational Risk Officer, Head of Legal and the Business Heads are invitees and regularly attend meetings of the committee.

Committee composition in 2022

Committee members	Scheduled meetings
Professor Akua Kuenyehia (Chairperson)	3/4*
Kwabena Nifa Aning	4/4
Ebenezer Twum Asante	4/4
George Akello	4/4

Professor Kuenyehia retired from the Committee in July 2022, but dispensation received from Bank of Ghana to continue to serve on Committee till 31st March 2024

Role of the Risk Committee

The purpose of the committee is to assist the Board in its oversight of the key risks faced by the Bank and to make recommendations to the Board on the Bank's overall risk appetite. Additionally, it provides an independent review and critique of:

- The risk management policies and procedures of the Bank.
- The concentration of the risk portfolios and concentrations.
- The risk-taking decisions of the Bank, covering all aspects of risk exposures including capital, credit, market, liquidity, operational and country risks.

The Committee is governed by a Terms of Reference, a copy of which is available on the Bank's website. The Terms of Reference was last amended effective October 2022. In accordance with its Terms of Reference, the Committee provides an independent overview of the effectiveness of the internal operational and risk management systems.

Main responsibilities of the Committee

The Committee is responsible for the following:

- **Risk Management:** exercising oversight, on behalf of the Board, of the key risks of the Bank. It reviews the Bank's Risk Appetite Statement and Enterprise Risk Management Framework (ERMF) and makes recommendations to the Board. Its responsibilities also include reviewing the appropriateness and effectiveness of the Bank's risk management systems, considering the implications of material regulatory change proposals, and reviewing reports on principal risks.
- **Capital and Liquidity:** reviewing reports from the Asset and Liability committee, as tabled by the Chief Financial Officer to ensure the Bank's capital and liquidity positions are in line with regulatory requirements, and the Bank is compliant with regulatory ratios.

The Committee reports to the Board on its key areas of focus following each Committee meeting.

Highlights of 2022

The Committee held four meetings in the year and the areas of focus were:

- enhanced focus on emerging risks including capital, liquidity and market risk.
- focus on heightened risks arising from the challenging macroeconomic environment, particularly fraud risk, credit risk and country risk.
- comprehensive review of the Bank's risk appetite statement and risk profile
- monitored the Bank's capital adequacy and liquidity positions; and
- monitored measures implemented to strengthen the balance sheet to maintain adequate capital and liquidity, considering the Sovereign credit downgrades with its attendant expected credit losses (ECLs).
- Financial crime compliance.

The following pages provides insight into the activities of the Committee for the year 2022.

Activities of the Risk Committee

Risk Appetite

- Reviewed and challenged the formulation of the Bank's Risk Appetite Statement, order to assure that it is effective in setting appropriate boundaries in respect of each Principal Risk Type.
- Considered and recommended the Bank's Risk Appetite to the Board for approval.
- Tracked a broad range of risk metrics that are reported to the Committee periodically.

Directors' report

Board Risk Committee Report continued

- Monitored the Bank's risk profile and its consistency with risk appetite, as presented in reports submitted by the Chief Risk Officer

Enterprise Risk Management Framework (ERMF)

The ERMF sets out the principles and standards for risk management within the Bank. The Committee:

- reviewed proposed material changes to the ERMF, arising from the annual review, and recommended these changes to the Board for approval. At the beginning of the year the Board, at the recommendation of the Risk Committee, approved a change in the Enterprise Risk Management Framework (ERMF), renaming Capital and Liquidity risk type to Treasury Risk. Additionally, reference to significant risk types that would primarily materialise through other principal risk types changed from "cross cutting risks" to "integrated risks", namely Climate risk, third party risk and digital assets risk. In addition, second line oversight of third-party risk was moved from Supply Chain Management to Operational Risk.

Principal Risk Types

The Bank's Principal Risk Types are reported on at each scheduled Committee meeting, through a Risk Information report, which is presented by the Chief Risk Officer. Principal risks are formally defined in the Bank's ERMF and represent risks inherent in the Bank's strategy and business model. The ERMF provides a structure for monitoring and controlling these risks based on the Board-approved Risk Appetite. The Committee:

- reviewed and challenged the approach by which each Principal Risk Type is controlled and the trend over the period
- continued to monitor measures implemented to strengthen the balance sheet to maintain adequate capital and liquidity, particularly with the impact of the Sovereign credit downgrade on the loan book
- monitored the Bank's risk profile and its consistency with risk appetite
- maintained focus on third party risk in the light of the Bank's digitisation strategy and the lingering impact of the COVID-19 pandemic.

Climate Risk Management

Steps were taken by the business to further embed climate risk assessments as part of the credit process.

Stress Testing

The objective of stress testing is to support the Bank in assessing that it:

- does not have a portfolio with excessive risk concentration that could produce unacceptably high losses under severe but plausible scenarios.
- has sufficient financial resources to withstand severe but plausible scenarios.
- has the financial flexibility to respond to extreme but plausible scenarios.
- understands the key business model risks and considers what kind of event might crystallise those risks even if extreme with a low likelihood of occurring and identifies, as required, actions to mitigate the likelihood or impact as required.

Stress tests were conducted on a regular basis and the outcomes were reported to the committee.

Emerging risks and focus for 2022

As part of its responsibilities, the committee's meetings and discussions also focused on emerging and forward-looking risks facing the bank. Regulatory risk, third-party vendor risk, fraud risk and ICS risks were identified as some of the emerging risks which the Committee would - prioritise in 2022.

Committee Effectiveness Review

As part of the internal Board Effectiveness review for 2022, the Committee undertook an assessment of its performance. Members expressed the view that the Committee was working well and was clearly focused. A few areas for improvement were identified, which included ensuring clarity on Management's requests to the Committee and promoting effective collaboration with other committees.

Professor Akua Kuenyehia
Chair of the Risk Committee

INTERNAL

standard chartered

ANNUAL RISK MANAGEMENT DIRECTIVE BOARD DECLARATION

This declaration is made by the Board of Standard Chartered Bank Ghana PLC (SCBG) to the Bank of Ghana, pursuant to Paragraph 39 of the Bank of Ghana's Risk Management Directive, 2021 (Directive).

The Board hereby declares that to the best of its knowledge and having made appropriate enquiries, in all material respects:

a) **THAT** SCBG has put in place systems for ensuring compliance with all prudential requirements.

b) **THAT** the systems and resources that are in place for identifying, measuring, evaluating, controlling, mitigating and reporting material risks, and the Risk Management Framework itself are appropriate to SCB Ghana PLC and is commensurate with its size, business mix and complexity.

c) **THAT** the risk management and internal control systems in place are operating effectively and are adequate.

d) **THAT** SCBG has a Risk Management Strategy (RMS) that complies with the Directive, and SCBG has complied with the requirements described in its RMS; and

e) **THAT** the Board of SCBG is satisfied with the effectiveness of SCBG's processes and management information systems.

Signed	Signed
....	....
Board Chairman	Board Risk Committee Chairperson

Dated this ..21st...... day of March 2023

Standard Chartered
4000 1234 5678 9010
KWAME MENSAH
VISA

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 Group and Bank"), which comprises the consolidated and separate statements of financial position at 31 December 2022, and the consolidated and separate statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, as set out on pages 103 to 202.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Group and Bank at 31 December 2022 and of its consolidated and separate financial performance and consolidated and separate 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 Consolidated and Separate Financial Statements section of our report. We are independent of the Group and 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 consolidated and separate financial statements in Ghana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Impairment of loans and advances to customers GH¢ 446 million

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¢2,516 million at 31 December 2022 (GH¢ 2,037 million at 31 December 2021), and the total impairment allowance account for the Bank amounted to GH¢ 446million at 31 December 2022(GH¢ 150 million at 31 December 2021). 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 Loans and advances to customers may be materially misstated if judgements or estimates made by the Bank are inappropriate. 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.	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

The key audit matter	*How the matter was addressed in our audit*
This calculation entails a considerable level of judgement as this is a significant and complex estimate. The Bank's ECL model includes certain judgements and assumptions such as: • the credit grades allocated to the counterparties; • the probability of a loan becoming past due and subsequently defaulting (probability of default 'PD'); • the determination of the Bank's definition of default; • the magnitude of the likely loss if there is default (loss given default 'LGD'); • the expected exposure in the event of a default (exposure at default 'EAD'); • the criteria for assessing significant increase in credit risk (SICR); • the rate of recovery on the loans that are past due and in default; • the identification of impaired assets and the estimation of impairment, including the estimation of future cash flows, market values and estimated time and cost to sell collateral; and • the incorporation of forward-looking information related to the expected outlook on the country's inflation rates, central bank interest rates, exchange rates and the gross domestic product used in determining the expected credit losses in the loans and advances portfolios. • Disclosure quality the disclosures regarding the Bank's credit risks are key to understanding the key judgements and material inputs to the IFRS 9 ECL results.	• 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 recent macroeconomic challenges, and to challenge the base case forecast against market information. • Assessing individual exposures: We selected a sample of accounts from the loan portfolio based on our sampling methodology. We obtained the Bank's assessment of the recoverability of these exposures and challenged whether individual impairment allowance, or lack of, were appropriate. In performing our assessment we paid specific attention to accounts that we had identified that were severely affected by the GDDEP and other recent macroeconomic challenges. • 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.

Valuation of Investment Securities and Trading Assets GH¢3.47 billion

Refer to Note 20 and 22a to the financial statements

The key audit matter	*How the matter was addressed in our audit*
Investments in government securities measured at fair value (government bonds and bills) amounted to GH¢3.47 billion at 31 December 2022, which represent 33% of the total amount of the Bank's total assets.	• Based on our risk assessment, we have examined the impairment of government securities based on the description of the key audit matter. Our procedures included: • Obtaining an understanding and testing the design, implementation, and operating effectiveness of key controls over the impairment of government securities. • Testing the IT general controls and application controls relating to IT systems that support impairment of investment securities.

Independent Auditor's Report continued

Valuation of Investment Securities and Trading Assets GH¢3.47 billion
Refer to Note 20 and 22a to the financial statements

The key audit matter	*How the matter was addressed in our audit*
The valuation of these government securities is considered to be a key audit matter due to the estimation required for determining the fair value of these instruments which is based on internally developed methodologies and not solely on quoted prices on the bond markets. The market prices no longer reflected the fair value of the securities following the announcement of the Ghana Domestic Debt Exchange Programme (GDDEP) given that trading is currently done at significant discounts and in very low volumes. This is further compounded by market participants view of the uncertain economic and market conditions arising from high inflation, exchange rate volatilities and increasing debt stock amongst other unfavourable economic trends. The quality of disclosures required by IFRS 9 are complex and need to provide insights to the key judgments and material inputs to the IFRS 9 ECL results.	• Remaining alert to the most recent government communication on the GDDEP, the bank's communication as to whether it will participate in the programme and meeting minutes of the board committees to assess whether the bank has applied the right terms in the valuation and impairment of these instrument. • Assessing the appropriateness of staging for eligible investments to be exchanged under the GDDEP (qualifying investments) and other sovereign-related exposures. • Involving our valuation specialist in assessing the appropriateness of the yield-to-maturities applied in determining the fair value of the new bonds under the GDDEP. • Using our Financial Risk Management team to evaluate the appropriateness of the cashflows of government securities not included in the GDDEP. • Assessing the completeness and accuracy of the data used in the models through testing a sample of relevant data fields and their aggregate amounts against data in the systems • Assessing whether the disclosure of the key judgements and assumptions made including GDDEP related disclosures were reasonable.

Impairment of Investment Securities GH¢ 625 million
Refer to Note 5.4.2 to the financial statements

The key audit matter	*How the matter was addressed in our audit*
Investments in government securities (government bonds and bills) amounted to GH¢3.47 billion at 31 December 2022, which represent 33% of the total amount of the Bank's total assets. The Bank recognised an impairment loss of GH¢625m on these balances as of 31 December 2022. The government securities have become credit-impaired due to adverse macroeconomic conditions and unstainable debt levels of the country. These conditions prompted the rollout of the Ghana Domestic Debt Exchange Programme (GDDEP) by the government of Ghana to achieve debt sustainability. The impairment testing of government securities is considered to be a key audit matter due the complexities involved in determining the estimated future cashflows arising from these instruments.	Based on our risk assessment, we have examined the impairment of government securities based on the description of the key audit matter. Our procedures included: • Obtaining an understanding and testing the design, implementation, and operating effectiveness of key controls over the impairment of government securities. • Testing the IT general controls and application controls relating to IT systems that support impairment of investment securities. • Remaining alert to the most recent government communication on the GDDEP, the bank's communication as to whether it will participate in the programme and meeting minutes of the board committees to assess whether the bank has applied the right terms in the valuation and impairment of these instrument.

Impairment of Investment Securities GH¢ 625 million

Refer to Note 5.4.2 to the financial statements

The key audit matter	*How the matter was addressed in our audit*
• The future cashflows of the eligible bonds to be issued under the GDDEP is based on the estimated fair value of the new bonds to be issued on 21 February 2023. The fair value is based on the cashflows as outlined in the exchange memorandum discounted using an estimated yield to maturity at 21 February 2023. • The future cashflows of government securities not included in the GDDEP is based on the assumption of estimated cash short falls to be experienced. • The quality of disclosures required by IFRS 9 are complex and need to provide insights to the key judgments and material inputs to the IFRS 9 ECL results. • Due to the significance of the investment in government securities to the financial position of the Bank and significant measurement uncertainty involved in the impairment of qualifying investments, this was considered a key audit matter in our audit.	• Assessing the appropriateness of staging for eligible investments to be exchanged under the GDDEP (qualifying investments) and other sovereign-related exposures. • Involving our valuation specialist in assessing the appropriateness of the yield-to-maturities applied in determining the fair value of the new bonds under the GDDEP. • Using Financial Risk Management team to evaluate the appropriateness of the cashflows of government securities not included in the GDDEP. • Assessing the completeness and accuracy of the data used in the models through testing a sample of relevant data fields and their aggregate amounts against data in the systems • Assessing whether the disclosure of the key judgements and assumptions made including GDDEP related disclosures were reasonable.

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), Corporate Information and the Statement on Corporate Governance which we obtained prior to the date of this auditor's report and the Strategic Report, Audit Committee Report, Risk committee Report, Remuneration Committee report, Nominating Committee report and Supplementary information which is expected to be made available to us after that date but does not include the consolidated and separate financial statements and our auditor's report thereon.

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

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

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

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

The Directors are responsible for overseeing the Group and Bank's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from

Independent Auditor's Report continued

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 based on these consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and 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 Group and/or Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion

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

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence and 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 consolidated and separate 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)

- 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 consolidated and separate statements of financial position and profit or loss and other 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).

Compliance with the requirements of 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.
- The Group and 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 Group and Bank have generally complied with the provisions of the Anti-Money Laundering Act, 2020 (Act 1044) Anti-Terrorism Act, 2008 (Act 762) and all relevant Amendments and Regulations governing the Acts.

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/2023/038)

CHARTERED ACCOUNTANTS

13 YIYIWA DRIVE, ABELENKPE

P O BOX GP 242

ACCRA

25 April 2023

Financial statements

Statements of Comprehensive Income

for the Year ended 31 December 2022

	Notes	2022 Bank GH¢'000	2022 Group GH¢'000	2021 Bank GH¢'000
Interest income calculated using the effective interest method	8	**1,008,901**	**1,008,901**	819,932
Interest expense	8	**(201,115)**	**(201,115)**	(192,431)
Net interest income	8	**807,786**	**807,786**	627,501
Fees and commission income	9	**191,440**	**196,279**	170,024
Fees and commission expense	9	**(22,220)**	**(22,220)**	(14,179)
Net fee and commission income		**169,220**	**174,059**	155,845
Net trading income	10	**239,390**	**239,390**	268,504
Revenue		**1,216,396**	**1,221,235**	1,051,850
Net loss from other financial instruments carried at fair value through profit/loss	11a	**(1,189)**	**(1,189)**	(378)
Lease modification loss	30a(iii)	**(8,581)**	**(8,581)**	
Other income	11c	**3,499**	**3,499**	-
Operating income		**1,210,125**	**1,214,964**	1,051,472
Net impairment gain/(loss) on investment securities	12a	**(602,086)**	**(602,086)**	(8,506)
Net impairment gain/(loss) on loans and advances, and others	12b	**(506,438)**	**(506,438)**	14,398
Lease Impairment	30a(iii)	**(50,249)**	**(50,249)**	-
Total Impairment		**(1,158,773)**	**(1,158,773)**	5,892
Operating income net of impairment charges		**51,352**	**56,191**	1,057,364
Personnel expenses	13a	**(298,472)**	**(299,422)**	(245,459)
Depreciation	23b	**(32,983)**	**(33,088)**	(34,608)
Other expenses	14	**(103,439)**	**(104,584)**	(82,800)
Total operating expenses		**(434,894)**	**(437,094)**	(362,867)
(Loss)/profit before income tax		**(383,542)**	**(380,903)**	694,497
Income tax credit/(expense)	15(i)	**83,908**	**83,255**	(196,366)
National Fiscal Stabilization Levy	15(i)	**-**	**(132)**	(34,725)
Financial Sector Clean up Levy	15(i)	**-**	**-**	(26,472)
Total tax and levy		**83,908**	**83,123**	(257,563)
(Loss)/profit for the year		**(299,634)**	**(297,780)**	436,934

Statements of Comprehensive Income
for the Year ended 31 December 2022

	Notes	2022 Bank GH¢'000	2022 Group GH¢'000	2021 Bank GH¢'000
(Loss)/Profit for the year		**(299,634)**	**(297,780)**	436,934
Other comprehensive income				
Items that are or may be reclassified subsequently to profit or loss				
Net gain/(losses) from changes in fair value	31(v)	**(291,146)**	**(291,146)**	(43,619)
Tax on net gain/(losses) from changes in fair value	31(v)	**72,787**	**72,787**	10,905
ECL charge on FVOCI Investment	31(v)	**602,072**	**602,072**	8,506
Tax on charge on FVOCI Investment	31(v)	**(150,518)**	**(150,518)**	(2,127)
Debt investments at FVOCI – reclassified to profit or loss	31(v)	**-**	**-**	229
Total other comprehensive income		**233,195**	**233,195**	(26,106)
Total comprehensive (Loss)/income for the year		**(66,439)**	**(64,585)**	410,828
Basic (loss)/earnings per share (Ghana Cedi per share)	16(i)	**(2.22)**	**(2.21)**	3.23
Diluted (loss)/earnings per share (Ghana Cedi per share)	16(i)	**(2.22)**	**(2.21)**	3.23

The notes on pages 110 to 202 form an integral part of these financial statements.

Statement of financial position

At 31 December 2022

	Notes	2022 Bank GH¢'000	2022 Group GH¢'000	2021 Bank GH¢'000
Assets				
Cash and cash equivalents	18	**3,978,479**	**3,980,349**	3,203,097
Derivative assets held for risk management	19a	**69,691**	**69,691**	10,143
Non-pledged trading assets	20	**4,560**	**4,560**	361,964
Loans to other banks	21a	**-**	**-**	241,254
Loans and advances to customers	21b(i)	**2,050,310**	**2,050,310**	1,886,799
Investment securities	22a	**3,473,154**	**3,473,154**	3,761,388
Current tax assets	15(ii)	**74,937**	**75,326**	31,649
Deferred tax assets	24	**188,524**	**188,531**	-
Property and equipment	23a	**37,958**	**38,607**	47,103
Right-of-use assets	23a	**192,667**	**192,667**	194,964
Equity investments	22b(i)	**1,001**	**1**	1,001
Other assets	25	**295,723**	**295,723**	381,214
Total assets		**10,367,004**	**10,368,919**	10,120,576
Liabilities				
Derivative liabilities held for risk management	19b	**70,338**	**70,338**	9,249
Deposits from banks	26	**114,439**	**114,439**	79,690
Deposits from customers	27	**8,183,887**	**8,183,887**	7,554,457
Borrowings	28	**-**	**-**	240,244
Provisions	29b	**98,015**	**98,015**	86,228
Deferred tax liabilities	24	**-**	**-**	11,623
Lease liabilities	30v	**284,497**	**284,497**	227,428
Other liabilities	29a	**288,470**	**288,531**	268,375
Total liabilities		**9,039,646**	**9,039,707**	8,477,294
Shareholders' funds				
Stated capital	31(i)	**400,000**	**400,000**	400,000
Income surplus	31(ii)	**148,380**	**150,234**	553,412
Reserve fund	31(iii)	**568,228**	**568,228**	568,228
Credit risk reserve	31(iv)	**-**	**-**	144,087
Other reserves	31(v)	**210,750**	**210,750**	(22,445)
Total shareholders' funds		**1,327,358**	**1,329,212**	1,643,282
Total liabilities and shareholders' funds		**10,367,004**	**10,368,919**	10,120,576
Net assets value per share (Ghana Cedis per share)	35	**9.78**	**9.79**	12.13

Approval of financial statements

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

Mansa Nettey
Director

Sheikh Jobe
Director

The notes on pages 110 to 201 form an integral part of these financial statements.

Statement of changes in equity

For the year ended 31 December 2022

Group

2022	Note	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 2022		400,000	553,412	568,228	144,087	(22,445)	1,643,282
Total Comprehensive income						-	-
Loss for the year			(297,780)			-	(297,780)
Other comprehensive income						-	-
Net gain/(losses) from changes in fair value	31(v)					(291,146)	(291,146)
Tax on net gain/(losses) from changes in fair value	31(v)					72,787	72,787
ECL charge on FVOCI Investment	31(v)					602,072	602,072
Tax on charge on FVOCI Investment	31(v)		-	-	-	(150,518)	(150,518)
Total Comprehensive income		-	(297,780)	-	-	233,195	(64,585)
Transfers:							-
Transfer from credit risk reserve			144,087	-	(144,087)	-	-
Total Transfers		-	144,087	-	(144,087)	-	-
Transactions with owners of the Group				-	-	-	-
Dividends	17	-	(249,485)	-	-	-	(249,485)
Total Transactions with owners of the Group			(249,485)				(249,485)
Balance at 31 December 2022		400,000	150,285	568,228	-	210,750	1,329,212

The notes on pages 110 to 202 form an integral part of these financial statements.

Financial statements

Statement of changes in equity

For the year ended 31 December 2022

Bank

2022	Note	Stated capital GH¢ '000	Income surplus GH¢ '000	Reserve fund GH¢ '000	Credit risk reserve GH¢ '000	Other reserves GH¢ '000	Total Share-holders' Funds GH¢ '000
Balance at 1 January 2022		400,000	553,412	568,228	144,087	(22,445)	1,643,282
Total Comprehensive income							-
Loss for the year			(299,634)	-	-	-	(299,634)
Other comprehensive income			-	-	-	-	-
Net gain/(losses) from changes in fair value	31(v)					(291,146)	(291,146)
Tax on net gain/(losses) from changes in fair value	31(v)					72,787	72,787
ECL charge on FVOCI Investment	31(v)					602,072	602,072
Tax on charge on FVOCI Investment	31(v)		-	-	-	(150,518)	(150,518)
Total Comprehensive income		-	(299,634)	-	-	233,195	(66,439)
Transfers:							-
Transfer from credit risk reserve			144,087	-	(144,087)	-	-
Total Transfers		-	144,087	-	(144,087)	-	-
Transactions with owners of the Bank				-	-	-	-
Dividends	17	-	(249,485)	-	-	-	(249,485)
Total Transactions with owners of the Bank			(249,485)				(249,485)
Balance at 31 December 2022		400,000	148,380	568,228	-	210,750	1,327,358

The notes on pages 110 to 202 form an integral part of these financial statements.

Statement of changes in equity

For the year ended 31 December 2022

Bank

2021	Note	Stated capital GH¢ '000	Income surplus GH¢ '000	Reserve fund GH¢ '000	Credit risk reserve GH¢ '000	Other reserves GH¢ '000	Total Share-holders' Funds GH¢ '000
Balance at 1 January 2021		400,000	440,014	513,611	109,518	3,661	1,466,804
Total Comprehensive income							
Profit for the year			436,934				436,934
Other comprehensive income							
Net gain/(losses) from changes in fair value	31(v)					(43,619)	(43,619)
Tax on net gain/(losses) from changes in fair value	31(v)					10,905	10,905
ECL charge on FVOCI Investment	31(v)					8,506	8,506
Tax on charge on FVOCI Investment	31(v)		-	-	-	(2,127)	(2,127)
Debt investments at FVOCI – reclassified to profit or loss		-	-	-	-	229	229
Total Comprehensive income		-	436,934	-	-	(26,106)	410,828
Transfers:							
Transfer to credit risk reserve			(34,569)		34,569	-	-
Transfer to reserve funds			(54,617)	54,617			
Total Transfers		-	(89,186)	54,617	34,569	-	-
Transactions with owners of the Bank							
Dividends	17	-	(234,350)	-	-	-	(234,350)
Total Transactions with owners of the Bank		-	(234,350)	-	-	-	(234,350)
Balance at 31 December 2021		400,000	553,412	568,228	144,087	(22,445)	1,643,282

The notes on pages 110 to 202 form an integral part of these financial statements.

Statement of cash flows

For the year ended 31 December 2022

	Notes	2022 Bank GH¢'000	2022 Group GH¢'000	2021 Bank GH¢'000
Cash flows from operating activities				
(Loss)/Profit before tax		**(383,542)**	**(380,903)**	694,497
Adjustments for:				
Depreciation	23b	**32,983**	**33,088**	34,608
Impairment on financial assets	12b	**1,108,524**	**1,108,524**	(5,892)
Lease impairment	30a(iii)	**50,249**	**50,249**	-
Lease modification Loss	30a(iii)	**8,581**	**8,581**	-
Net interest income	8	**(807,786)**	**(807,786)**	(627,501)
Unrealised exchange gain/loss on trading		**(68,881)**	**(68,881)**	(102,614)
Effect of exchange		**(9,295)**	**(9,295)**	176,041
		(69,167)	**(66,423)**	169,139
Change in trading assets (Non-pledge)		**357,404**	**357,404**	44,290
Change in derivative assets held for risk management		**(59,548)**	**(59,548)**	(4,468)
Change in other assets		**85,491**	**85,491**	85,827
Change in loans to other banks		**241,254**	**241,254**	(226,254)
Change in loans and advances to customers		**(666,787)**	**(666,787)**	(191,586)
Change in derivative liabilities held for risk management		**61,089**	**61,089**	9,088
Change in deposits from banks		**34,749**	**34,749**	(5,290)
Change in deposits from customers		**629,430**	**629,430**	1,802,830
Change in borrowings		**(240,244)**	**(240,244)**	153,841
Change in provisions		**11,787**	**11,787**	17,168
Change in other liabilities		**20,095**	**21,155**	29,220
		405,553	**409,357**	1,883,805
Interest received		**1,067,354**	**1,067,354**	786,418
Interest paid		**(170,551)**	**(170,551)**	(191,118)
Income tax paid	15(ii)	**(237,359)**	**(238,540)**	(247,826)
Net cash from operating activities		**1,064,997**	**1,067,620**	2,231,279
Cash flows used in investing activities				
Purchase of investment securities	22a	**(30,072,549)**	**(30,072,549)**	(5,949,210)
Sale/redemption of investment securities	22a	**30,069,637**	**30,069,637**	4,633,465
Purchase of property and equipment	23a	**-**	**(753)**	(4,702)
Net cash used in investing activities		**(2,912)**	**(3,665)**	(1,320,447)
Cash flows used in financing activities				
Dividend paid	17	**(249,485)**	**(249,485)**	(234,350)
Lease principal repayment	30a(v)	**(46,513)**	**(46,513)**	(21,062)
Investment in Subsidiary		**-**	**-**	(1,000)
		(295,998)	**(295,998)**	(256,412)
Net increase in cash and cash equivalents		**766,087**	**767,957**	654,420
Effect of exchange fluctuation on cash held		**9,295**	**9,295**	(176,041)
Cash and cash equivalents at 1 January		**3,203,097**	**3,203,097**	2,724,718
Cash and cash equivalents at 31 December	18	**3,978,479**	**3,980,349**	3,203,097

The notes on pages 110 to 202 form an integral part of these financial statements.

Notes to the financial statements
For the year ended 31 December 2022

1. Reporting entity
Standard Chartered Bank Ghana PLC is a Bank 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 consolidated financial statements as at and for the year ended 31 December 2022 comprise the Bank and its subsidiaries, (together referred to as 'The Group'). The separate financial statements as at and for the year ended 31 December 2022 comprise the financial statements of the Bank.

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 Group's functional currency. All values are rounded to the nearest thousand GH¢ except otherwise indicated.

2.2.1. Basis of Consolidation
Business combinations

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

In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set can produce outputs.

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

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

2. Basis of preparation continued

2.3 Use of judgements and estimates

Domestic Debt Exchange considerations

Paragraph 125 of IAS 1 requires disclosure about the assumptions that a Group 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.

Refer to Note 4 on judgements and estimate arising from the Domestic Debt Exchange Programme.

In preparing these financial statements, Management made judgements, estimates and assumptions that affect the application of the Group'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 made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in 5.4.2 – 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 2022 is included in notes 3.9.7-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 2022

The following standards which became effective from 1 January 2022 do not have a material effect on the Group's financial statements.

COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)

In May 2020, the Board issued COVID-19-Related Rent Concessions (the 2020 amendments), which amended IFRS 16 Leases. The 2020 amendments introduced an optional practical expedient that simplifies how a lessee accounts for rent concessions that are a direct consequence of COVID-19. Under that practical expedient, a lessee is not required to assess whether eligible rent concessions are lease modifications, instead accounting for them in accordance with other applicable guidance.

The practical expedient introduced in the 2020 amendments only applies to rent concessions for which any reduction in lease payments affects solely payments originally due on or before 30 June 2021. The economic challenges presented by the COVID-19 pandemic have persisted longer than anticipated. As a result, lessors and lessees are negotiating rent concessions that extend beyond 30 June 2021. The Board has therefore extended the practical expedient by 12 months – i.e. permitting lessees to apply it to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022.

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.

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.

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

The amendments clarify that when assessing if a contract is onerous, the cost of fulfilling it includes all costs related directly to the contract. Such costs include both:

- the incremental costs of the contract (i.e., costs a company would avoid if it did not have the contract, like direct labor and materials); and
- an allocation of other costs that relate directly to fulfilling the contract (e.g., contract management and supervision, or depreciation of equipment used in fulfilling it).

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

The amendments introduce new guidance. Proceeds from selling items (e.g., samples) before the related PPE is available for its intended use can no longer be deducted from the cost of PPE. Instead, such proceeds are recognized in profit or loss, together with the cost of producing those items (to which IAS 2 applies). Therefore, a company will need to distinguish between:

- costs of producing and selling items before the PPE is available for its intended use; and
- costs of making the PPE available for its intended use.

Determining how to characterize such costs may require significant estimation and judgment. Companies in the extractive industry in particular may need to monitor costs at a more granular level.

The amendments apply retrospectively but only for new PPE that reaches its intended use on or after the beginning of the earliest period presented in the financial statements in which the company first applies the amendments. They can be early adopted.

3. **Accounting policies** continued

3.2 New and amended standards issued not yet adopted by the Group

Several new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2022 and have not been applied in preparing these financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to early adopt these Standards. The Group is yet to assess the impact of the standards on the financial statements.

a. Classification of liabilities as current or non-current and Non-current Liabilities with Covenants (Amendments to IAS 1)

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the Board has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period.

This right may be subject to a company complying with conditions (covenants) specified in a loan arrangement. After reconsidering certain aspects of the 2020 amendments, the IASB reconfirmed that only covenant with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Additional disclosure is also required for non-current liabilities subject to future covenants. The amendments also clarify how an entity classifies a liability that can be settled in its own shares.

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

The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024, with early application permitted.

b. Definition of accounting estimates (Amendments to IAS 8)

Distinguishing between accounting policies and accounting estimates is important because changes in accounting policies are generally applied retrospectively, while changes in accounting estimates are applied prospectively.

The changes to IAS 8 focus entirely on accounting estimates and clarify the following:

- The definition of a change in accounting estimates is replaced with a definition of accounting estimates.
- Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".
- Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.
- The Board clarified that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.
- A change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognised as income or expense in the current period. The effect, if any, on future periods is recognised as income or expense in those future periods.

The effects of changes in inputs and/or measurement techniques are changes in accounting estimates. The definition of accounting policies remains unchanged.

The amendments are effective for periods beginning on or after 1 January 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.

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

c. Disclosure Initiative: Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)

Making information in financial statements more relevant and less cluttered has been one of the key focus areas for the International Accounting Standards Board (the Board).

The Board has issued amendments to IAS 1 *Presentation of Financial Statements* and an update to IFRS Practice Statement 2 *Making Materiality Judgements* to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:

- requiring companies to disclose their material accounting policies rather than their significant accounting policies.
- several paragraphs are added to explain how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material.
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed.
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.
- accounting policy information may be material because of its nature, even if the related amounts are immaterial.
- accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements; and
- the amendments clarify that if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.

The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are consistent with the refined definition of material.

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

d. *Lease Liability in a Sale and Leaseback* (Amendments to IFRS 16)

The amendments confirm the following:

- On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction.
- After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognises no gain or loss relating to the right of use it retains.
- A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement.

The amendments are effective from 1 January 2024 but may be applied earlier.

e. *Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction* (Amendment to IAS 12)

The amendment clarifies that the initial recognition exemption does not apply to transactions that give rise to equal and offsetting temporary differences such as leases and decommissioning obligations. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

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

The amendments are effective from 1 January 2023 but may be applied earlier.

3.3 Interest income and expense

a. Effective interest rate

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

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

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

3. **Accounting policies** continued

3.3 **Interest income and expense** continued

a. **Effective interest rate** continued

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.

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 because 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 statements of comprehensive income includes:

- interest on financial assets measured at amortised cost.
- interest on debt instruments measured at FVOCI.

Interest expense presented in the statements of comprehensive income comprise interest on financial liabilities measured at amortised cost.

Interest income and expense on all trading assets and liabilities are incidental to the Group'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.

Transaction Banking

The Group recognises fee income associated with transactional trade and cash management at the point in time the service is provided. The Group recognises income associated with trade contingent risk exposures (such as letters of credit and guarantees) over the period in which the service is provided. Payment of fees is usually received at the same time the service is provided. In some cases, letters of credit and guarantees issued by the Group have annual upfront premiums, which are amortised on a straight-line basis to fee income over the year.

Financial Markets and Corporate Finance

The Group recognises fee income at the point in time the service is provided. Fee income is recognised for a significant non-lending service when the transaction has been completed and the terms of the contract with the customer entitle the Group to the fee. Fees are usually received shortly after the service is provided.

Syndication fees are recognised when the syndication is complete. Fees are generally received before completion of the syndication, or within 12 months of the transaction date. Securities services include custody services, fund accounting and administration, and broker clearing. Fees are recognised over the period the custody or fund management services are provided, or as and when broker services are requested.

Wealth Management

Upfront consideration on bancassurance agreements is amortised straight-line over the contractual term. Commissions for bancassurance activities are recorded as they are earned through sales of third-party insurance products to customers. These commissions are received within a short time frame of the commission being earned. Target-linked fees are accrued based on a per centage of the target achieved, provided it is assessed as highly probable that the target will be met. Cash payment is received at a contractually specified date after achievement of a target has been confirmed.

Retail Products

The Group recognises most income at the point in time the Group is entitled to the fee, since most services are provided at the time of the customer's request. Credit card annual fees are recognised at the time the fee is received since, in most of our retail markets, there are contractual circumstances under which fees are waived, so income recognition is constrained until the uncertainties associated with the annual fee are resolved. The Group defers the fair value of reward points on its credit card reward programmes, and recognises income and costs associated with fulfilling the reward at the time of redemption.

Standard Chartered Wealth Management Limited Company (Subsidiary)

Upfront and trailing commissions for managed investment placements are recorded as they are confirmed. Revenue related to these transactions is recognised at a point in time when the investment placement is confirmed. Income from these activities is relatively even throughout the period, and cash is usually received within a short time frame after the commission is earned

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 Group 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 Bank of Ghana (BoG). 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 statements of comprehensive income.

3. **Accounting policies** continued

3.7 Foreign currency transaction continued

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 statements of comprehensive income.

3.8 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

Group acting as a lessee

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

The Group 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 Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group 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 of 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 Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group 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 Group's estimate of the amount expected to be payable under a residual value guarantee,

(c) if the Group 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 Group presents right-of-use asset in property and equipment and lease liabilities in other liabilities in the statements of financial position.

Short term leases and leases of low-value assets

The Group 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 Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The Group presents interest on lease liability in other expenses in the statements of comprehensive income.

3.9 Financial instruments

3.9.1 Recognition and initial measurement

The Group 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 Group 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 fair value through profit or loss (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 Group 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 Group assesses 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. 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 Group'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 Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

3. **Accounting policies** continued

3.9 **Financial instruments** continued

3.9.1 **Recognition and initial measurement** continued

Business model assessment - financial assets continued

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

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 Group 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 Group considers:

- contingent events that would change the amount and timing of cash flows.
- leverage features.
- prepayment and extension terms.
- terms that limit the Group'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 Group holds a portfolio of long-term fixed rate loans for which the Group 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 Group 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 after their initial recognition, except in the period the Group 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 statements of comprehensive income.

b. Fair value through other comprehensive income (FVOCI)

i. 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 calculated 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.

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 statements of comprehensive income and reported as 'Net loss from other financial instruments carried at fair value through profit/loss' in the period in which it arises. Interest income from these financial assets is recognised in profit or loss as 'net loss from other financial instruments carried at fair value through profit/loss'.

d. Other financial liabilities

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

When the Group 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 Group's financial statements.

The Group 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 rights to receive cash flows from the financial assets have expired or where the Group has transferred substantially all risks and rewards of ownership. If substantially all the risks and rewards have been neither retained nor transferred and the Group has retained control, the assets continue to be recognised to the extent of the Group's continuing involvement.

Where financial assets have been modified, the modified terms are assessed on a qualitative and quantitative basis to determine whether a fundamental change in the nature of the instrument has occurred, such as whether the derecognition of the pre-existing instrument and the recognition of a new instrument is appropriate.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss

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 Group.

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.

3. Accounting policies continued

3.9 Financial instruments continued

3.9.4 Fair value measurement continued

The Group 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 Group uses proprietary models, which are usually developed from recognised valuation models. Some or all 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 statements of financial position.

3.9.5 Offsetting

Financial assets and liabilities are set off and the net amount presented in the statements of financial position when, and only when, the Group 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 Group's trading activity.

3.9.6 Modification

Financial assets

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

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

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

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the Group plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place (refer to note 3.97). This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

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

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

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

3.9.7 Identification and measurement of impairment

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

The Group'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 Group 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.

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.

3. **Accounting policies** continued

3.9 **Financial instruments** continued

3.9.7 **Identification and measurement of impairment** continued

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. Financial instruments allocated to Stage 2 are those that have experienced a significant increase in credit risk since initial recognition but are not credit impaired.

Financial instruments for which lifetime ECL are recognised and that are credit-impaired are referred to as 'Stage 3 financial instruments.

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 Group 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 Group 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 Group if the commitment is drawn down and the cash flows that the Group expects to receive; and
- financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Group 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): 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 Consumer, Private and Business Banking loan portfolios, the Group 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 Group'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 Group'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 Group is exposed to credit risk. However, for certain revolving credit facilities, which include credit cards or overdrafts, the Group's exposure to credit risk is not limited to the contractual period. For these instruments, the Group estimates an appropriate life based on the period that the Group 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 Group 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.

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 reporting 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 considering 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 several 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.

3. **Accounting policies** continued

3.9 **Financial instruments** continued

3.9.7 **Identification and measurement of impairment** continued

Significant increase in credit risk (Stage 2) *continued*

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 Group compares the residual lifetime PD at the statements 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.

Expert credit judgement

For Corporate, Commercial, and Institutional 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 Stress Asset Group (SAG).

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, Stressed Asset Group (SAG) 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 collateral against impaired assets, the Group'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 Consumer, Private and Business 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.

Consumer, Private and Business Banking clients are considered credit impaired and written off where they are 90 days past due. Consumer, Private and Business 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 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. A financial debt instrument is considered irrecoverable when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. 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 statements of comprehensive income.

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

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.

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.

3. **Accounting policies** continued

3.9 **Financial instruments** continued

3.9.7 **Identification and measurement of impairment** continued

Improvement in credit risk *continued*

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.

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 statements of financial position

Loss allowances for ECL are presented in the statements 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 and recognised in other liabilities.
- where a financial instrument includes both a drawn and an undrawn component, and the Group cannot identify the ECL on the loan commitment component separately from those on the drawn component: The Group 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 recognised in other liabilities; and
- debt instruments measured at FVOCI: No loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, 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 presented in the statement of financial position comprise cash on hand, balances with bank of Ghana and other banks adjusted for reconciling items and highly liquid investments with maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

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 and carried in the statement of financial position at fair value.

3.12 Trading assets and liabilities

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

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

3.13 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.

3.14 Derivative assets and liabilities

The Group uses derivatives to manage its exposure to foreign currency, interest rate, equity market and credit risks. The instruments used principally include cross-currency swaps and forward contracts. 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.

3.15 Property and equipment

3.15.1 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).

3.15.2 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 Group and its cost can be measured reliably. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

3.15.3 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 Group 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.

3. Accounting policies continued

3.15 Property and equipment continued

3.15.3 Work-in-progress continued

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).

3.15.4 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.

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

Land and Buildings	-	50 years
Leasehold improvements	-	life of lease up to 50 years
Computer and motor vehicles	-	3 - 5 years
Furniture and equipment	-	5 - 10 years

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 are 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.

3.16 Taxation

Tax expense comprises current and deferred tax. Income tax is recognised in profit or loss 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.

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

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 Group, 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 Group 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. **Accounting policies** continued

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 Group 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 Group'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 Group has a provident fund scheme for staff under which it contributes 10% 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.

3.21.2 Retired staff medical plan

The Group 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 Group pays the medical cost of eligible persons with a cost cap of GH¢3,735.7 per person per annum. The Group has taken an insurance policy to cover the scheme. The Group does not have any legal or constructive obligation to cover any loss on the policy. The obligation of the Group 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 Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

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 Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

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

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. 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 statements 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 Stated capital

3.23.1 Ordinary share capital

Ordinary issued shares are classified as shareholders' funds. The Group'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 equity 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 Group'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 Group's equity instruments. Discretionary dividends thereon are recognised as equity distributions on approval by the Group's shareholders.

3.23.3 Earnings per share

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

3.23.4 Net asset value per share

The Bank presents net asset value per share (NAPS) data for its equity shares. NAPS is calculated by dividing the net assets attributable to ordinary shareholders of the Group after adjustments for preference shares by the weighted average number of equity shares outstanding during the period.

3.24 Segment reporting

Segment results that are reported to the Group'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 Group's property and equipment), head office expenses and tax assets and liabilities.

The Group has an investment advisory company and two reportable segments: Consumer, Private and Business Banking and Corporate, Commercial, and Institutional which are the Group's strategic operations. For each reportable segment, the Bank's Managing Director reviews internal management reports on the performance of each segment.

4. Ghana Domestic Debt Exchange Programme ("GDDEP")

Ghana is facing a very challenging economic situation amid an increasingly difficult global economic environment. These adverse developments have exposed Ghana to a surge in inflation, a significant exchange rate depreciation and increased stress on the financing of the government's budget. The latest debt sustainability analysis demonstrated that Ghana is faced with a significant financing gap over the coming years and that the country's public debt is unsustainable. The country was downgraded by ratings agencies several times in 2022. During the last quarter of 2022, negotiations took place between the government of Ghana and the International Monetary Fund (IMF) to establish a support programme.

According to the IMF's press release No. 22/427, a staff level agreement was reached in mid-December of 2022. However, the execution of this support programme is contingent on the implementation of a debt restructuring plan, which is intended to restore Ghana's macroeconomic stability. In response, the Government of Ghana on 5 December 2022 launched the Ghana Domestic Debt Exchange Programme (GDDEP).

The GDDEP is an arrangement through which registered bondholders in Ghana exchanged their eligible domestic bonds (all locally issued bonds and notes of the Government and E.S.L.A. PLC and Daakye Trust PLC bonds excluding Treasury bills(T-bills)) for new benchmark bonds with the same aggregate principal amount (plus applicable capitalized accrued and unpaid interest).

The terms of the exchange are set out in the GDDEP memorandum issued on 5 December 2023 which was updated several times with changes to the number of bonds, maturity, and coupon rates of the new "replacement" bonds. The final exchange memorandum was issued on 3 February 2023 with the final offer expiration date set to 10 February and the Settlement Date to 21 February 2023.

Only Eligible Bonds listed under "Eligible Bonds" in the Exchange Memorandum were eligible for exchange for New Bonds in the Invitation to Exchange. This includes bonds issued be the Republic of Ghana and bonds issued by E.S.L.A. PLC ('ESLA') and Daakye Trust PLC ('Daakye'), which are both special purpose entities set up by the government of Ghana.

Eligible Holders were split into three different categories depending on whether they are Collective Investment Schemes (CIS) Holders or Individual Holders below the age of 59 years eligible as of 31st January 2023 (Category A), Individual Holders aged 59 years or older as of 31st January 2023 (Category B) or other Eligible Holders (General Category). The Group falls within the General Category.

In exchange for Eligible bonds maturing in 2023, General Category Holders received seven (7) New General Bonds, maturing one per year consecutively from and including 2027 through to and including 2033. Similarly, in exchange for Eligible bonds maturing after 2023, General Category Holders received twelve (12) New General Bonds, maturing one per year consecutively from and including 2027 through to and including 2038.

The amount eligible for the exchange was the principal amount of the eligible bonds outstanding after 31 January 2023 and accrued interest up to the Settlement Date which was due for payment after 31 January 2023.

Interest on the New Bonds will be paid in cash ("Cash Interest"), except for interest accrued from the settlement date to 21 February 2025. During this period, a specified portion of the interest will be settled in cash and the remainder capitalised by adding the amount to the principal amount (the "PIK Interest") and settled on the maturity of the New General bond. The coupon rates on the twelve New General Bonds range from 8.35% to 10%.

Coupon rates for all eligible bonds were substantially changed, and the maturity of the new bonds (replacing the respective old bonds) were significantly extended compared to the old bonds.

4.1 Bonds eligible for exchange

The Group participated in the exchange programme on 14 February 2023 and received the new bonds on 21 February 2023. The Group tendered an offer for exchange for GH¢ 1,499 million worth of eligible bonds and received the equivalent amount of twelve new bonds on the settlement date.

The table below details the bonds held by the Group which were eligible for the exchange programme. This table does not include details on bonds which matured in January 2023 amounting to GH¢ 104 million in face value with a carrying amount of GH¢ 103m as at 31 December 2022. These bonds were settled by the Government of Ghana at their maturity dates.

Bond Type	Maturity Bucket	Value of Bonds Exchanged at 21 Feb 2023	Gross Carrying Amount at 31 Dec 2022
GOG Bond	2023	460,718	453,782
GOG Bond	Post 2023	1,038,489	1,042,480
		1,499,207	1,496,262

The table below details the bonds held by the Group which were eligible for the exchange programme based on the classification at which they are held in these financial statements. This table includes the carrying amounts held as at 31 December 2022, the impairment losses arising from the exchange programme (refer to Note 12) and fair value changes (refer to Note 22a) recognised for the year ended 31 December 2022.

Bond	Value of Bonds Exchanged at 21 Feb 2023	Gross Carrying Amount at 31 Dec 2022	Impairment Allowance at 31 Dec 22	Carrying Amount at 31 Dec 2022	Impairment Charge for the y.e. 31 Dec 22
FVOCI	1,497,794	1,494,619	(566,616)	1,068,631	(566,616)

Bond	Value of Bonds Exchanged at 21 Feb 2023	Gross Carrying Amount at 31 Dec 2022	Carrying Amount at 31 Dec 2022	Fair Value Changes for the y.e. 31 Dec 22
FVOCI	1,497,794	1,494,619	1,068,631	(291,146)
FVTPL	1,413	1,643	1,255	(317)

Impairment of eligible bonds measured at amortised cost and FVOCI

As at 31 December 2022, it is evident that Ghana is facing financial difficulties, with its sovereign debt trading at significant discounts. The announcement of the GDDEP and the downgrade of the country's rating to 'selective default' (Standard & Poors) by the rating agencies in 2022 further evidences the country's financial challenges. In this regard, exposures to Government of Ghana (including T-Bills, Cocoa bills, Local US$ Bonds and Eurobonds), ESLA and Daakye are considered credit-impaired at the reporting date and was downgraded to stage 3.

For bonds eligible for exchange and measured at amortised cost and FVOCI, impairment is assessed based on the fair value of the new bonds issued under the debt exchange programme at the settlement date discounted to the reporting date using the effective interest rate of the eligible bonds (see accounting policy 3.9.7, Identification and measurement of impairment).

The fair value of the new bonds is estimated using discounted cash flow techniques, applying rates from the yield curve that was constructed from market information and data available at the date of measurement to discount the expected cash flows from the new bonds as outlined in the exchange memorandum.

The data considered in the construction of the yield curve includes traded prices, indicative broker quotes and evaluated prices from pricing services over the period from 30 December 2022 to 3 March 2023. The weighted-average yield-to-maturity applied in discounting the cashflows of the new bonds to be issued under the exchange programme on 21 February 2023 is 18.76% resulting in a fair value of GH¢ 901 million for bonds held at FVOCI. The weighted average original effective interest rate of the eligible bonds used to discount the fair value from 21 February 2023 to 31 December 2022 is 20%.

Sensitivity of ECL on Eligible Bonds to Yield-to-Maturity Rates

The ECL on the eligible bonds are sensitive to judgements and assumptions made regarding the choice of yield-to-maturity rate applied in discounting the cashflows of the new bonds to be issued under the exchange programme. Management performs a sensitivity analysis on the ECL recognised on these assets. A 100bp parallel rise in the yield curve at the measurement date, holding other assumptions constant, would have increased the loss allowance on the eligible bonds by GH¢ 42m, while 100bps decline in yield curve would have a resulted in reduction of the loss allowance by GH¢ 39m.

4. Ghana Domestic Debt Exchange Programme ("GDDEP") continued

4.1 Bonds eligible for exchange continued

Fair values of eligible bonds measured at FVTPL and FVOCI

The fair value of eligible bonds measured at FVTPL and at FVOCI is based on observable market data as at 31 December 2022. Further details on the fair value measurement of these assets is presented in Note 7.2.

Subsequent events

The exchange will be considered a substantial modification of the eligible bonds requiring derecognition at the settlement date of these assets for the following reasons:

- Each individual bond eligible and participating in the exchange programme will be replaced by a uniform series of identical new bonds with the same relative proportion in terms of maturities and in sum the same aggregate amount of the respective old bond.
- Coupon rates for all eligible bonds will be substantially changed; and
- The maturity of the new bonds (replacing the respective old bonds) will be significantly extended compared to the old bonds

Subsequent to the yearend but before the financial statements were authorised for issue, the Group derecognised the existing bonds eligible for exchange and recognised the new bonds at fair value in its 2023 financial period.

Other Government Exposures

Government through loans and other credit exposures to enterprises conducting business activities which significantly depend on income sources from the Government.

The Government in a public statement (through an FAQ related to the GDDEP) intends to exchange domestic non-marketable debt and Cocoa bills, under comparable terms at a later stage. The Government also intends to exchange USD denominated local notes at a later stage. External debt restructuring parameters will be renegotiated in due course.

On 19 December 2022, the Ministry of Finance suspended debt service on external debt until renegotiations take place. External debts include Euro Bonds and other external foreign currency denominated debts.

On 23 January 2023, the Bank of Ghana unilaterally rolled over cocoa bills that were due to mature.

These events, in addition to the announcement of the GDDEP and the downgrade of the country, provide evidence that other government exposures are credit impaired.

Other direct government exposures held at FVOCI

Instrument Type	Gross Carrying Amount at 31 Dec 2022 GH¢'000	Allowance at 31 Dec 22 GH¢'000	Carrying amount At 31 Dec 22 GH¢'000	Impairment Charge for the year ended 31 Dec 22 GH¢'000
Treasury Bills	1,000,000	(35,456)	991,716	(35,456)

Other direct government exposures are assessed to be credit-impaired and thus assigned a PD of 100%.

For treasury bills issued in local currency that have reached maturity at the date of authorisation of these financial statements and have been settled by the Government of Ghana, having observed a 100% recovery rate was assigned an LGD of 0%.

For exposures that are outstanding at the date of authorisating these financial statements and the Government has not defaulted on, we formulated two scenarios: a scenario where a loss occurs and a scenario where no loss occurs. The probability weightings applied to these scenarios are as follows:

Instrument	Scenario where a loss occurs	Scenario where no loss occurs
Treasury Bills	3%	97%

Indirect government exposures

The Group had significant indirect exposure to the Government of Ghana through loans and other credit exposures to the following enterprises conducting business activities which significantly depend on income sources from the Government. Loans and advances amounting to GH¢ 215 million was considered to have a significant increase in credit risk. The Bank recognised impairment charges totaling GH¢ 83 million on these exposures.

5. Financial risk management

5.1 Introduction and overview

The management of risk lies at the heart of the Group'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.

5.2 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 Group'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's 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, Special Asset Group, Early Alert (Corporate, Commercial and Institutional Banking (CCIB), Consumer, Private and Business Banking (CPBB) 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. 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.

5. Financial risk management continued

5.2 Risk management framework continued

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 the bank 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.

Credit monitoring

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.

5.3.1 Corporate, Commercial and Institutional Banking Business

Credit risk 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 considering 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.

Non-performing loans

A non-performing 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 Group'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 prescribe the following principles for calculating impairment allowance.

- 1% of the aggregate outstanding balance of all current advances.
- 10% 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	10	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.

5.3.2 Consumer, Private and Business Banking

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. 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 many 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.

5.4 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¢3.47 billion (2021: GH¢3.76 billion) are held in Government of Ghana Treasury bills and bonds, US Treasury bills and Certificate of Deposits.

Non-pledged trading assets

Non-pledged trading assets amounting to GH¢4.56 million (2021: GH¢361.96 million) are held in Government of Ghana Treasury bills.

5. **Financial risk management** continued

5.4 **Analysis of credit concentration risk** continued

Loans and advances to banks

Amount due from banks was nil (2021: GH¢ 241.25 million). 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.

5.4.1 Maximum credit exposure

At 31 December 2022, the maximum credit risk exposure of the Group in the event of other parties failing to perform their obligations is detailed below. No account has been taken off any collateral held for non-derivative off-balance sheet transactions, from their contractual nominal amounts.

	2022		2021
	Bank	Group	Bank
	GH¢'000	GH¢'000	GH¢'000
Loans to other banks	-	-	241,254
Loans and advances to customers	**2,050,310**	**2,050,310**	1,886,799
Commitments and Guarantees	**1,258,908**	**1,258,908**	1,025,633
Investment securities	**3,473,154**	**3,473,154**	3,761,388
Other assets (financial assets)	**295,723**	**295,723**	381,214
	7,078,095	**7,078,095**	7,296,288

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 3.9.7.

Bank and Group

Loan to banks at amortised cost

2022: Nil

	2022			
	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Loans and advances to customers at amortised cost				
Grade 1–6 Normal (current)	**1,019,400**	**329,654**	**952,852**	**2,301,906**
Grade 7–9 Watchlist (OLEM)	**17,635**	**6,228**	**266**	**24,129**
Grade 10 Impaired (substandard)	**10,866**	**1,672**	**2,212**	**14,750**
Grade 11 Impaired (doubtful)	-	-	**2,716**	**2,716**
Grade 12-14 Impaired (loss)	-	-	**173,030**	**173,030**
Gross carrying amount	**1,047,901**	**337,554**	**1,131,076**	**2,516,531**
Loss allowance	**(3,355)**	**(36,909)**	**(425,957)**	**(466,221)**
Carrying amount	**1,044,546**	**300,645**	**705,119**	**2,050,310**

Bank and Group

	2021			
	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	241,256	-	-	241,256
Gross carrying amount	241,256	-	-	241,256
Loss allowance	(2)	-	-	(2)
Carrying amount	241,254	-	-	241,254
Loans and advances to customers at amortised cost				
Grade 1–6 Normal (current)	1,257,317	407,844	73,432	1,738,593
Grade 7–9Watchlist (OLEM)	21,097	16,347	-	37,444
Grade 10 Impaired (substandard)	7	15,216	-	15,223
Grade 11 Impaired (doubtful)	-	-	22,555	22,555
Grade 12-14 Impaired (loss)	-	-	223,361	223,361
Gross carrying amount	1,278,421	439,407	319,348	2,037,176
Loss allowance	(13,471)	(25,991)	(110,915)	(150,377)
Carrying amount	1,264,950	413,416	208,433	1,886,799

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.

Bank and Group

	2022 GH¢'000	2021 GH¢'000
Guarantees	**1,284,442**	945,186
Letters of credit	**17,131**	85,348
	1,301,573	1,030,534
Margins against contingents	**(42,665)**	(4,901)
	1,258,908	1,025,633

5. **Financial risk management** continued

5.4 **Analysis of credit concentration risk** continued

5.4.1 **Maximum credit exposure** continued

Commitments and guarantees continued

	2022			
	Stage 1 GH¢'000	**Stage 2 GH¢'000**	**Stage 3 GH¢'000**	**Total GH¢'000**
Letters of credit, undrawn commitments and guarantees				
Grades 1-13	**1,079,289**	**172,619**	**7,000**	**1,258,908**
Loss allowance	**(10,154)**	**(2,617)**	**(137)**	**(12,908)**

	2021			
	Stage 1 GH¢'000	Stage 2 GH¢'000	Stage 3 GH¢'000	Total GH¢'000
Letters of credit, undrawn commitments and guarantees				
Grades 1-13	1,025,633	-	-	1,025,633
Loss allowance	(893)	-	-	(893)

Cash and cash equivalents

The cash and cash equivalents are held with the central bank and financial institution counterparties. None of these balances were credit-impaired at the year end and at 31 December 2021.

Bank

	2022			
	Stage 1 GH¢'000	**Stage 2 GH¢'000**	**Stage 3 GH¢'000**	**Total GH¢'000**
Cash and cash equivalents				
Grades 1-11	**3,980,417**	**-**	**-**	**3,980,417**
Gross carrying amount	**3,980,417**	**-**	**-**	**3,980,417**
Loss allowance	**(1,938)**	**-**	**-**	**(1,938)**
Carrying amount	**3,978,479**	**-**	**-**	**3,978,479**

	2022			
Group	**Stage 1 GH¢'000**	**Stage 2 GH¢'000**	**Stage 3 GH¢'000**	**Total GH¢'000**
Cash and cash equivalents				
Grades 1-11	**3,982,287**	**-**	**-**	**3,982,287**
Gross carrying amount	**3,982,287**	**-**	**-**	**3,982,287**
Loss allowance	**(1,938)**	**-**	**-**	**(1,938)**
Carrying amount	**3,980,349**	**-**	**-**	**3,980,349**

Bank

	2021			
	Stage 1 GH¢'000	Stage 2 GH¢'000	Stage 3 GH¢'000	Total GH¢'000
Cash and cash equivalents				
Grades 1-11	3,203,097	-	-	3,203,097
Gross carrying amount	3,203,097	-	-	3,203,097
Carrying amount	3,203,097	-	-	3,203,097
Loss allowance	-	-	-	-

Investment securities at FVOCI

The Bank held investment securities of GH¢ 3.47 billion at 31 December 2022 (2021: GH¢ 3.76 billion).

Bank and Group

	2022			
	Stage 1 GH¢'000	**Stage 2 GH¢'000**	**Stage 3 GH¢'000**	**Total GH¢'000**
Investment Securities				
Grades 1-11	**1,327,691**	**-**	**-**	**1,327,691**
Grades 12-14	**-**	**-**	**2,615,255**	**2,615,255**
Gross carrying amount	**1,327,691**	**-**	**2,615,255**	**3,942,946**
Loss allowance	**(507)**	**-**	**(624,285)**	**(624,792)**
Carrying amount – fair value	**1,322,116**	**-**	**2,151,038**	**3,473,154**

Bank

	2021			
	Stage 1 GH¢'000	Stage 2 GH¢'000	Stage 3 GH¢'000	Total GH¢'000
Investment Securities				
Grades 1-6	1,702,284	2,101,117	-	3,803,401
Gross carrying amount	1,702,284	2,101,117	-	3,803,401
Loss allowance	(22,706)		-	(22,706)
Carrying amount – fair value	1,552,284	2,209,104	-	3,761,388

Nonpledged trading assets

The following table sets out the maximum credit exposure of trading debt securities measured at FVTPL.

Bank and Group

	2022 GH¢'000	2021 GH¢'000
Gross carrying amount	**4,560**	361,964
Loss allowance	**-**	-
Carrying amount	**4,560**	361,964

Financial statements

5. **Financial risk management** continued

5.4 Analysis of credit concentration risk continued

5.4.1 Maximum credit exposure

Nonpledged trading assets continued

Bank and Group

	2022			
	Stage 1 GH¢'000	**Stage 2 GH¢'000**	**Stage 3 GH¢'000**	**Total GH¢'000**
Other assets				
Grades 1-11	**295,723**	**-**	**-**	**295,723**
Gross carrying amount	**295,723**	**-**	**-**	**295,723**
Loss allowance	**-**	**-**	**-**	**-**
Carrying amount	**295,723**	**-**	**-**	**295,723**

Bank	2021			
	Stage 1 GH¢'000	Stage 2 GH¢'000	Stage 3 GH¢'000	Total GH¢'000
Other assets				
Grades 1-6	381,214	-	-	381,214
Gross carrying amount	381,214	-	-	381,214
Loss allowance	-	-	-	-
Carrying amount	381,214	-	-	381,214

Derivative assets and liabilities

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.

Bank and Group

	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**
2022						
Derivative assets	**226,637**	**69,691**	**-**	**-**	**226,637**	**69,691**
Derivative liabilities	**235,779**	**70,338**	**3,691**	**5,479**	**232,088**	**64,859**

Bank

	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
2021						
Derivative assets	122,623	10,143	15,874	1,118	106,749	9,025
Derivative liabilities	72,744	9,249	17,606	967	55,138	8,282

Collateral held and other credit enhancements

The Bank holds collateral and other credit enhancements against certain types of its credit exposures. The 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 2022	December 2021	
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	56%	62%	Residential properties

i. 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 Group generally requests that corporate borrowers provide it. The Group may take collateral in the form of a first charge over real estate, floating over all corporate assets and other liens and guarantees. Because of the Group's focus on corporate customers' creditworthiness, the Group 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 Group 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 2022. 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 Group 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	
	2022 GH¢'000	2021 GH¢'000
Against individually impaired		
Carrying amount	**705,119**	208,433
Collateral	**9,889,940**	6,891,524
Against performing assets		
Carrying amount	**1,345,191**	1,678,366
Collateral	**198,782**	4,892,761

5. Financial risk management continued

5.4 Analysis of credit concentration risk continued

5.4.1 Maximum credit exposure

Collateral held and other credit enhancements continued

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 applied to term loans.

Loans and advances to customers

	2022 GH¢'000	2021 GH¢'000
Carrying amount of financial assets that continue to be impaired after restructuring (included in non-performing loans)	**288,369**	503,566

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

	2022 GH¢'000	2021 GH¢'000
Financial assets modified during the period	-	-
Amortised costs before modification	-	23,908
Net modification loss	-	-

The Bank restructured the terms of loans of some of its customers. Quantitatively, these modifications (mainly restructuring of terms) resulted in a modification loss which was assessed as immaterial and therefore not recognised in the financial statement for the year ended 31 December 2022. 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 Group's policy is to pursue timely realisation of the collateral in an orderly manner. The Group 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 Group's books. Proceeds from their sale are used to reduce related outstanding indebtedness.

The Group 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 (2021: Nil).

v. Offsetting financial assets and financial liabilities

The Group did not hold any financial assets and financial liabilities that are off set in the statement of financial position at the reporting date.

5.4.2 ECL analysis

Inputs, assumptions, and techniques used for estimating impairment

IFRS 9 expected credit loss models have been developed for the Corporate, Commercial & Institutional Banking businesses in line with their respective portfolios. The calibration of forward-looking information is assessed to consider 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 Group 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 11 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

Generating the term structure of PD

Credit risk grades are a primary input into the determination of the term structure of PD for exposures. The Group collects performance and default information about its credit risk exposures analysed by type of product and borrower as well as by credit risk grading. For some portfolios, information purchased from external credit reference agencies is also used.

The Group employs statistical models to analyse the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change because of the passage of time.

5. **Financial risk management** continued

5.4 **Analysis of credit concentration risk** continued

5.4.2 **ECL analysis** continued

Determining whether credit risk has increased significantly

The Group 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, particularly 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 credit risk grade is grade 7.

The credit risk may also be deemed to have increased significantly since initial recognition based on qualitative factors linked to the Group'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 Group 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 return 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 Group 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 Group monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- the criteria can identify 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 Group in full, without recourse by the Group to actions such as realising security (if any is held);
- the borrower is 90 days past due on any material credit obligation to the Group. Overdrafts are

considered as being past due once the customer has breached an advised limit or been advised of a limit smaller than the current amount outstanding; or

- it is becoming probable that the borrower will restructure the asset because of bankruptcy due to the borrower's inability to pay its credit obligations.

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

- qualitative: e.g., breaches of covenant.
- quantitative: e.g., overdue status and non-payment on another obligation of the same issuer to the 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 Group for regulatory capital purposes.

Incorporation of forward-looking information

The evolving economic environment is a key determinant of the ability of a Group'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 in-house 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 Group 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). These scenarios are generated by a Monte Carlo simulation, which considers the degree of historical uncertainty (or volatility) observed from Q1 1990 to Q3 2022 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 Group has identified various Macro Economic Variables (MEVs) as those relevant for ECL. MEVs that have the most impact on the Bank's loan portfolios include GDP, CPI, foreign exchange, interest rates.

In the base forecast, management's view of the most likely outcomes is Ghana's GDP growth may accelerate to 4 per cent in 2023 from less than 3.2 per cent in 2022 given the macroeconomic distress experienced in 2022.

Easing forex fluctuations are expected to improve business transactions in comparison with 2022. Government's debt exchange programme sent major shocks through the economy in Q3 and Q4 2022, contributing significantly to the slower economic growth. However, this programme is expected to ease interest rate pressures in 2023 and improve the financial stability of the economy. CPI is projected to surge 11 per cent due to expected increases in food and energy prices influenced by the Russian-Ukraine war. These base forecasts are used as central position on which the scenarios are generated.

5. **Financial risk management** continued

5.4 **Analysis of credit concentration risk** continued

5.4.2 **ECL analysis** continued

Sensitivity of expected credit loss calculation to macroeconomic variables

The ECL calculation relies on multiple variables and is inherently non-linear and portfolio-dependent, which implies that no single analysis can fully demonstrate the sensitivity of the ECL to changes in the macroeconomic variables. The Bank has conducted a series of analyses with the aim of identifying the macroeconomic variables which might have the greatest impact on the overall ECL. These encompassed single variable and multi-variable exercises, using simple up/down variation and extracts from actual calculation data as well as bespoke scenario design assessments. The primary conclusion of these exercises is that no individual macroeconomic variable is materially influential. The Group believes this is plausible as the number of variables used in the ECL calculation is large. This does not mean that macroeconomic variables are uninfluential; rather, that the Group believes that consideration of macroeconomics should involve whole scenarios, as this aligns with the multi-variable nature of the calculation.

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 Group 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 Group 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.

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 Group 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.

Bank and Group

	2022			
	Stage 1 GH¢'000	Stage 2 GH¢'000	Stage 3 GH¢'000	Total GH¢'000
Cash and cash equivalents				
Balance at 1 January	-	-	-	-
Exchange and other movements	(970)			(970)
Net remeasurement of loss allowance	2,908	-	-	2,908
Balance at 31 December	1,938	-	-	1,938

Amounts arising from expected credit losses (ECL)

2021: Nil

	2022			
	Stage 1 GH¢'000	Stage 2 GH¢'000	Stage 3 GH¢'000	Total GH¢'000
Loans and Advances to Banks				
Balance at 1 January	8	-	-	8
Net remeasurement of loss allowance	(8)	-	-	(8)
Balance at 31 December	-	-	-	-

	2021			
	Stage 1 GH¢'000	Stage 2 GH¢'000	Stage 3 GH¢'000	Total GH¢'000
Loans and Advances to Banks				
Balance at 1 January	-	-	-	-
Net remeasurement of loss allowance	8	-	-	8
Balance at 31 December	8	-	-	8

5. **Financial risk management** continued

5.4 **Analysis of credit concentration risk** continued

5.4.2 **ECL analysis** continued

Amounts arising from expected credit losses (ECL)

Loans and advance to customers (Bank & Group)

	2022			
	Stage 1 GH¢'000	**Stage 2 GH¢'000**	**Stage 3 GH¢'000**	**Total GH¢'000**
Loans and advances to customers at amortised cost				
Balance at 1 January	18,457	25,991	105,929	150,377
Transfer to 12 - Month ECL	12	(12)	-	-
Transfer to Lifetime Not Credit Impaired	(88,244)	88,244	-	-
Transfer to Lifetime ECL credit Impaired	-	(204,405)	204,405	-
New Loans originated	37,608	121,237	89,746	248,591
Net remeasurement of loss allowance	35,522	5,854	213,309	254,685
Derecognised Loans	(1,166)	(12,594)	(21)	(13,781)
Write-off	-	-	(173,254)	(173,254)
Exchange and other movement	1,166	12,594	(14,157)	(397)
Balance at 31 December	3,355	36,909	425,957	466,221

2021

Loans and advances to customers at amortised cost

	Stage 1 GH¢'000	Stage 2 GH¢'000	Stage 3 GH¢'000	Total GH¢'000
Balance at 1 January	7,129	10,494	166,939	184,562
Transfer to 12 - Month ECL	12,794	(12,794)	-	-
Transfer to Lifetime Not Credit Impaired	-	28,161	(28,161)	-
Transfer to Lifetime ECL credit Impaired	-	-	-	-
New Loans originated	244	-	17	261
Net remeasurement of loss allowance	(2,681)	1,040	(20,266)	(21,907)
Derecognised Loans	(971)	(16)	(61)	(1,048)
Write-off	-	-	(12,539)	(12,539)
Exchange and other movement	1,942	(894)	-	1,048
Balance at 31 December	18,457	25,991	105,929	150,377

2022

Bank & Group

Letters of credit, undrawn commitments and guarantees

	2022			
	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	**8,570**	**-**	**-**	**8,570**
Foreign exchange translation	**(4,850)**	**-**	**-**	**(4,850)**
Net remeasurement of loss allowance	**6,434**	**2,617**	**137**	**9,188**
Balance at 31 December	**10,154**	**2,617**	**137**	**12,908**

2021

Letters of credit, undrawn commitments and guarantees

Balance at 1 January	2,057	-	-	2,057
Net remeasurement of loss allowance	6,513	-	-	6,513
Balance at 31 December	8,570	-	-	8,570

Bank and Group

	2022			
	Stage 1 GH¢'000	Stage 2 GH¢'000	Stage 3 GH¢'000	Total GH¢'000
Investment securities				
Balance at 1 January	**22,706**	**-**	**-**	**22,706**
Transfer to Lifetime ECL credit Impaired	**(22,601)**	**-**	**22,601**	**-**
Newly originated financial assets	**-**	**-**	**311**	**311**
Net remeasurement of loss allowance	**402**	**-**	**601,373**	**601,775**
Balance at 31 December	**507**	**-**	**624,285**	**624,792**

-	2021			
	Stage 1 GH¢'000	Stage 2 GH¢'000	Stage 3 GH¢'000	Total GH¢'000
Investment securities				
Balance at 1 January	14,200	-	-	14,200
Net remeasurement of loss allowance	8,506	-	-	8,506
Balance at 31 December	22,706	-	-	22,706

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 net impairment gain/(loss) on financial asset line item in the statements of comprehensive income.

5. Financial risk management continued
5.4 Analysis of credit concentration risk continued
5.4.2 ECL analysis continued

2022	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	Cash and cash equivalents GH¢'000	Total GH¢'000
Newly originated financial assets	-	**248,591**	**311**	-	-	**248,902**
Net remeasurement of loss allowance	**(8)**	**254,685**	**601,775**	**9,188**	**2,908**	**868,548**
Charge-off	-	-	-	-	-	-
Recoveries of amounts previously written off	-	**(8,926)**	-	-	-	**(8,926)**
Amounts recognised in profit or loss	**(8)**	**494,350**	**602,086**	**9,188**	**2,908**	**1,108,524**

2021	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	Cash and cash equivalents GH¢'000	Total GH¢'000
Newly originated financial assets	-	261	-	-	-	261
Net remeasurement of loss allowance	8	(21,907)	8,506	6,513	-	(6,880)
Charge-off	-	16,889	-	-	-	16,889
Recoveries of amounts previously written-off	-	(16,154)	-	-	-	(16,154)
Amounts recognised in profit or loss	8	(20,911)	8,506	6,513	-	(5,884)

Charge-off loans are retail loans that are past due 90 days and above and have been fully impaired in line with the Bank's credit risk policy.

The following table provides an explanation of how significant changes in the gross carrying amount of financial instruments during the period contributed to changes in loss allowance.

	2022		
	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 approved by Bank of Ghana	-	-	**(173,254)**
Increase in loans and advances	**37,608**	**121,237**	**89,746**
Downgrade of loans in corporate portfolio	-	**33,684**	**182,573**

Loan to other banks

The outstanding balance of advance to other banks became due during the year and were fully settled. This resulted in the de-recognition of the related ECL allowance on this balance.

Investment in debt securities at FVOCI

Investment securities that matured during the year were rolled forward by the Group. These movements in the gross amount therefore did not have a material impact on ECL allowance for investment securities. The ECL allowance was primarily due to debt exchange programme; refer to note 4 on disclosures on GDDEP

	2021		
	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	-	-	(12,539)
Improved credit outlook on some key accounts within the portfolio	-	(8,779)	(28,222)

At 31 December the Bank had requested approval from Bank of Ghana to write-off non-performing loans totalling GH¢ 1.211 million (2021: GH¢344 million). These balances are still subject to enforcement activity.

Loan to other banks

Loan to other banks increase during the year as a result of new lending arrangement with other banks. This movement however did not have a material impact on ECL allowance.

Investment in debt securities at FVOCI

Investment securities that matured during the year were rolled forward by the Group. These movements together with additional puchases in the year resulted additional impairemt of GH¢ 8.5 million.

5.5 Liquidity risk

The Group defines liquidity risk as the risk that the Group will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

It is always the policy of the Group to maintain adequate liquidity and for all currencies. Hence the Group 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 Group'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 Group policy and maintaining a liquidity crisis contingency plan.

A substantial portion of the Group'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 Group 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 Group. 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 (34) for key ratios of the Bank.

Ghana's Domestic Debt Exchange Program consideration.

5. **Financial risk management** continued

5.5 **Liquidity risk** continued

IFRS 7 requires disclosure of quantitative data about liquidity risk arising from financial instrument. The Bank of Ghana increased the cash reserve requirement from 12 per cent to 14 per cent for local currency and, implemented in phased manner. The Bank managed its liquid assets accordingly to stay within regulatory limits.

5.6 Maturities of assets and liabilities

Group

	2022				
	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	3,980,349	-	-	-	3,980,349
Derivative assets held for risk management	69,691	-	-	-	69,691
Trading asset (non-pledge)	2,754	1,233	385	188	4,560
Loans to other banks	-	-	-	-	-
Loans and advances to customers	589,184	158,204	33,142	1,269,780	2,050,310
Investment securities	2,269,614	69,000	149,340	985,200	3,473,154
Other assets	293,722	142	223	1,636	295,723
Total asset	7,205,314	228,579	183,090	2,256,804	9,873,787
Liabilities					
Derivative liabilities held for risk management	70,063	140	-	-	70,203
Deposits from banks	114,439	-	-	-	114,439
Deposits from customers	7,966,850	55,759	160,883	395	8,183,887
Borrowings	-	-	-	-	-
Other liabilities	288,531	-	-	-	288,531
Lease liability	262	2,490	20,691	319,684	343,127
Total liabilities	8,370,082	58,249	181,574	320,079	8,929,984
Net liquidity gap	(1,164,768)	170,330	1,516	1,936,725	943,803
Cumulative gap	(1,164,768)	(994,438)	(992,922)	943,803	-

GDDEP considerations

Included in the maturity profiles of investment securities in the table below are investment securities that were exchanged by the Bank on 21 February 2023 as per note 4. The GDDEP resulted in the Group entities exchanging their eligible bonds for a set of new bonds with a significantly different cash flow pattern. If the contractual cash flows of the new bonds had been considered in determining the contractual maturities of the eligible bonds reported under “Investment securities” in the table above, the cash flows maturities for these bonds will be included in the over one year time band.

Bank

	2021				
	0-3 months	3-6 months	6-12 months	over 1 year	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Assets Cash and cash equivalents	3,203,097	-	-	-	3,203,097
Trading asset (non-pledge)	-	208,033	27,532	126,399	361,964
Loans to other banks	61,071	-	90,092	90,091	241,254
Loans and advances to customers	279,732	226,152	11,521	1,369,394	1,886,799
Investment securities	1,228,422	735,366	-	1,797,600	3,761,388
Other assets	183,649	148,444	14,839	506	347,438
Total asset	4,955,971	1,317,995	143,984	3,383,990	9,801,940
Liabilities					
Deposits from banks	79,676	14	-	-	79,690
Deposits from customers	7,224,779	74,313	210,601	44,764	7,554,457
Borrowings	150,152	-	-	90,092	240,244
Other liabilities	66,890	167,709	-	-	234,599
Lease liability	-	-	-	263,438	263,438
Total liabilities	7,521,497	242,036	210,601	398,294	8,372,428
Net liquidity gap	(2,565,526)	1,075,959	(66,617)	2,985,696	1,429,512
Cumulative gap	(2,565,526)	(1,489,567)	(1,556,184)	1,429,512	

5. Financial risk management continued

5.6 Maturities of assets and liabilities continued

The table below show an analysis of asset and liabilities analysed according to when they are expected to be recovered or settled.

At 31 December	2022						2021		
	Bank			Group			Bank		
	Current	Non Current	Total	Current	Non Current	Total	Current	Non Current	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Assets									
Cash and cash equivalents	3,978,479	-	3,978,479	3,980,349	-	3,980,349	3,203,097	-	3,203,097
Derivative assets held for risk management	69,691	-	69,691	69,691	-	69,691	10,143	-	10,143
Non-pledged trading assets	4,372	188	4,560	4,372	188	4,560	235,565	126,399	361,964
Loans to other banks	-	-	-	-	-	-	151,163	90,091	241,254
Loans and advances to customers	780,530	1,269,780	2,050,310	780,530	1,269,780	2,050,310	517,405	1,369,394	1,886,799
Investment securities	2,487,954	985,200	3,473,154	2,487,954	985,200	3,473,154	1,963,788	1,797,600	3,761,388
Current tax assets	74,937	-	74,937	74,937	389	75,326	31,649	-	31,649
Deferred tax asset	188,524	-	188,524	188,531	-	188,531	-	-	-
Property and equipment	-	37,958	37,958	-	38,607	38,607	-	47,103	47,103
Right of use-asset	-	192,667	192,667	-	192,667	192,667	-	194,964	194,964
Equity investments	-	1,001	1,001	-	1	1	-	1,001	1,001
Other assets	294,087	1,636	295,723	294,087	1,636	295,723	346,932	34,282	381,214
Total assets	7,878,574	2,488,430	10,367,004	7,880,451	2,488,468	10,368,919	6,459,742	3,660,834	10,120,576
Liabilities									
Derivative liabilities held for risk management	70,338	-	70,338	70,338	-	70,338	9,249	-	9,249
Deposits from banks	114,439	-	114,439	114,439	-	114,439	79,690	-	79,690
Deposits from customers	8,183,492	395	8,183,887	8,183,492	395	8,183,887	7,509,693	44,764	7,554,457
Borrowings	-	-	-	-	-	-	150,152	90,092	240,244
Provisions	98,015	-	98,015	98,015	-	98,015	86,228	-	86,228
Deferred tax liabilities	-	-	-	-	-	-	11,623	-	11,623
Lease liabilities	-	284,497	284,497	-	284,497	284,497	-	227,428	227,428
Other liabilities	288,470	-	288,470	288,470	-	288,531	268,375	-	268,375
Total liabilities	8,754,754	284,892	9,039,646	8,754,754	284,892	9,039,707	8,115,010	362,284	8,477,294

The table below shows the contractual expiry by maturity of the Group'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.

2022

Bank and Group

	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	**108,254**	**62,963**	**553,151**	**560,074**	**1,284,442**
Letters of credit	**1,373**	**14,028**	**1,730**	**-**	**17,131**
Total	**109,627**	**76,991**	**554,881**	**560,074**	**1,301,573**

(iii) Liquidity ratio

The liquidity ratio as at 31st December 2022 was calculated at approximately 62.91 per cent (2021: 71 per cent). Liquidity ratio is calculated as liquid assets over volatile liabilities where liquid assets are cash and bank balances, bills purchased/ discounted up to one year and investments up to one year and volatile liabilities are customer and bank deposits.

Bank

2021	On demand GH¢'000	Less than 3 months GH¢'000	3 to 12 months GH¢'000	Over12 months GH¢'000	Total GH¢'000
Financial guarantees	91,992	61,761	747,396	44,037	945,186
Letters of credit	25,563	43,155	16,630	-	85,348
Total	117,555	104,916	764,026	44,037	1,030,534

	2022				
	On demand GH¢'000	**Less than 3 months GH¢'000**	**3 to 12 months GH¢'000**	**Over 12 months GH¢'000**	**Total GH¢'000**
Undrawn loan commitments	429,462	632,834	-	-	1,062,296

	2021				
	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	949,064	1,453,431	-	-	2,402,495

i. Assets held for managing liquidity risk

The Bank holds a diversified portfolio of cash and high quality highly return securities to support payment obligations and contingent funding in a stressed market environment. The Group'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.

5. Financial risk management continued

5.6 Maturities of assets and liabilities continued

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 Group'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 Group'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:

Bank and Group

31 December 2022	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	**-**	**668,128**	**-**	**-**	**-**	**668,128**
Outflow	**-**	**(668,128)**	**-**	**-**	**-**	**(668,128)**
Inflow/ (outflow)	**-**	**-**	**-**	**-**	**-**	**-**

31 December 2021	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	-	2,061,336	-	-	-	2,061,336
Outflow	-	(2,043,293)	(9,864)	-	-	(2,053,157)
Inflow/ (outflow)	-	18,043	(9,864)	-	-	8,179

The amounts disclosed in the maturity analyses 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.

Refer to Note 4 Liquidity disclosure on DDEP.

Details of the reported bank (liquid ratio) ratio of net liquid assets to deposits and customers at the reporting date were as follows:

	2022	2021
Weekly liquidity position		
At 31 December	**63%**	71%
Compliance with regulatory requirements		
a. Default in statutory liquidity GH¢ Sanction	**-**	-
b. Default in statutory liquidity (number of defaults) Sanction	**-**	-

5.7 Market Risks

i. Management of Market Risk

The Group 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 Group is exposed to market risk arising principally from customer driven transactions.

Market risk is governed by the Group'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 Group. 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 limited 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 Group also has a liquidity crisis management committee which also monitors the application of its policies.

ii. Foreign Exchange Exposure

The Group'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:

5. **Financial risk management** continued

5.7 Market Risks continued

Bank and Group

	2022				
	USD GH¢'000	**GBP GH¢'000**	**EUR GH¢'000**	**Others GH¢'000**	**Total GH¢'000**
Assets					
Cash and cash equivalents	**1,427,108**	**86,493**	**58,977**	**108,978**	**1,681,556**
Derivative assets held for risk management	**303,800**	**1,167**	**146,926**	**2,453**	**454,346**
Loans to other banks	-	-	-	**196,088**	**196,088**
Advances to customers	**781,777**	**799**	**14,487**	-	**797,063**
Investment securities	**1,322,185**	-	-	-	**1,322,185**
Other assets	-	-	**1,795**	**668**	**2,463**
Total assets	**3,834,870**	**88,459**	**222,185**	**308,187**	**4,453,701**

	2022				
	USD GH¢'000	**GBP GH¢'000**	**EUR GH¢'000**	**Others GH¢'000**	**Total GH¢'000**
Liabilities					
Deposits from banks	-	-	**3,190**	**6,048**	**9,238**
Deposits from customers	**3,343,942**	**84,941**	**181,966**	**99**	**3,610,948**
Borrowings	-	-	-	-	-
Derivative liabilities	-	-	**26,704**	**104,033**	**130,737**
Other liabilities	**477,178**	**3,518**	**10,311**	**202,476**	**693,483**
Total liabilities	**3,821,120**	**88,459**	**222,171**	**312,656**	**4,444,406**
Net-on statement of financial position	**13,750**	-	**14**	**(4,469)**	**9,295**
Off-statement of financial position credit and commitments	**778,957**	-	**543,981**	-	**1,322,938**

2021 - Bank	USD	GBP	EUR	Others	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Assets					
Cash and cash equivalents	1,047,095	157,725	68,318	4,111	1,277,249
Derivative assets held for risk management	17,430	2,498	18,113	-	38,041
Loans to other banks	166,256	-	-	-	166,256
Advances to customers	651,604	1,046	29,068	-	681,718
Investment securities	370,892	-	-	-	370,892
Other assets	212,963	-	11,331	90	224,384
Total assets	2,466,240	161,269	126,830	4,201	2,758,540

2021 - Bank	USD	GBP	EUR	Others	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Liabilities					
Deposits from banks	36,149	-	-	2	36,151
Deposits from customers	1,865,508	156,643	94,917	-	2,117,068
Borrowings	240,244	-	-	-	240,244
Derivative liabilities	40,284	1,637	18,055	1,801	61,777
Other liabilities	462,358	2,813	13,874	296	479,341
Total liabilities	2,644,543	161,093	126,846	2,099	2,934,581
Net-on statement of financial position	(178,303)	176	(16)	2,102	(176,041)
Off-statement of financial position credit and commitments	756,233	1,237	238,379	34,684	1,030,533

5.8 Sensitivity Analysis

A 5 per cent strengthening of the cedi against the following currencies at 31 December 2022 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 2021.

Sensitivity analysis

Bank and Group

Effect in cedis

31 December 2022	Profit/(loss) GH¢'000	Equity net of tax GH¢'000
USD	**387**	**290**
GBP	**76**	**57**
EUR	**104**	**78**
Others	**217**	**163**

Bank

31 December 2021	Profit/(loss) GH¢'000	Equity net of tax GH¢'000
USD	6,318	4,738
GBP	51	39
EUR	180	134
Others	-	-

A best-case scenario 5% weakening of the Ghana cedi against the above currencies at 31 December 2022 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.

i. 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.

5. Financial risk management continued

5.8 Sensitivity Analysis continued

Exposure to interest rate risk – Non-trading portfolios

The following is a summary of the Bank's interest rate gap position on non-trading portfolios. The interest rate repricing gap table analyses the full-term structure of interest rate mismatches within the Bank's balance sheet based on either (i) the next repricing date or the maturity date if floating rate or (ii) the maturity date if fixed rate.

Bank

2022	Note	Carrying amount GH¢'000	Less than 3 months GH¢'000	3–6 months GH¢'000	6–12 months GH¢'000	Over 1 year GH¢'000
Cash and cash equivalents	18	3,978,479	3,978,479	-	-	-
Loans and advances to customers	21b(i)	2,050,310	589,184	158,204	33,142	1,269,780
Investment securities	22a	3,473,154	2,267,808	70,233	149,725	985,388
Total		9,501,943	6,835,471	228,437	182,867	2,255,168
Deposits from banks	26	114,439	114,439	-	-	-
Deposits from customers	27	8,183,887	7,966,850	55,759	160,883	395
Total		8,298,326	8,081,289	55,759	160,883	395
Interest Pricing Gap		1,203,617	(1,245,818)	172,678	21,984	2,254,773

Group

2022	Note	Carrying amount GH¢'000	Less than 3 months GH¢'000	3–6 months GH¢'000	6–12 months GH¢'000	Over 1 year GH¢'000
Cash and cash equivalents	18	3,980,349	3,980,349	-	-	-
Loans and advances to customers	21b(i)	2,050,310	589,184	158,204	33,142	1,269,780
Investment securities	22a	3,473,154	2,267,808	70,233	149,725	985,388
Total		9,503,813	6,837,341	228,437	182,867	2,255,168
Deposits from banks	26	114,439	114,439	-	-	-
Deposits from customers	27	8,183,887	7,966,850	55,759	160,883	395
Total		8,298,326	8,081,289	55,759	160,883	395
Interest Pricing Gap		1,205,487	(1,243,948)	172,678	21,984	2,254,773

Included in the repricing profiles of investment securities in the table above are investment securities that were exchanged by the bank on 21 February 2023 as per note 4. The GDDEP resulted in the Group entities exchanging its eligible bonds for a set of new bonds with a significantly different cash flow pattern. If the contractual cash flows of the new bonds had been considered in determining the contractual maturities of the eligible bonds reported under "Investment securities" in the table above, the cash flows maturities for these bonds will be included in the over one year time bands.

Bank

2021	Note	Carrying amount GH¢'000	Less than 3 months GH¢'000	3–6 months GH¢'000	6–12 months GH¢'000	Over 1 year GH¢'000
Cash and cash equivalents	18	3,203,097	3,203,097	-	-	-
Loans and advances to banks	21a	241,254	61,071	-	90,092	90,091
Loans and advances to customers	21b(i)	1,886,799	279,732	226,152	11,521	1,369,394
Investment securities	22a	3,761,388	1,228,422	735,366	-	1,797,600
Total		**9,092,538**	**4,772,322**	**961,518**	**101,613**	**3,257,085**
Deposits from banks	26	79,690	79,676	14	-	-
Deposits from customers	27	7,554,457	7,224,779	74,313	210,601	44,764
Total		**7,634,147**	**7,304,455**	**74,327**	**210,601**	**44,764**
Interest Pricing Gap		**1,458,391**	**2,532,133**	**887,191**	**(887,191)**	**3,212,321**

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 monthly include a 100-basis point (bps) 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-22	**100 bps Increase GH¢'000**	**100 bps Decrease GH¢'000**
Interest income impact	**56,649**	**(56,649)**
Interest expense impact	**(38,289)**	**38,289**
Net impact	**18,360**	**(18,360)**
31-Dec-21		
Interest income impact	53,999	(53,999)
Interest expense impact	(28,339)	28,339
Net impact	25,660	(25,660)

5.9 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 Executive Risk Committee (ERC) has been established to supervise and direct the management of operational risks across the Bank. ERC 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 ERC 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, Commercial and Institutional Banking (CCIB) and Consumer, Private and Business Banking (CPBB) Operational Risk units. 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.

5. Financial risk management continued

5.10 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.

5.11 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 risk weighted assets are measured in accordance with the guidelines as provided by the Bank of Ghana. It takes into account the nature of, and reflecting an estimate of credit, market and other risks associated with each asset and counterparty.

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 per cent reduced to zero per cent to help banks manage the potential impacts of the DDEP and help preserve financial stability.

During the year, the following reliefs were available to financial institutions that signed up for the GDDEP effective 31 December 2022:

- Reduction in capital conservative buffer from 3% to 0%. Thus, the minimum capital requirement is 10%.
- Losses from GDDEP to be spread over 4 years for the purpose of CAR and Net own Funds computation, effective 2022.
- Increase in Tier 2 capital from a maximum of 2% to 3% of total RWA.
- Reduction in Minimum CET1 from 6.5% to 5.5%.
- Increase in allowable portion of property revaluation gains for Tier 2 capital from 50% to 60%.
- Risk weight is 0% for new bonds and 100% for old bond.
- In determining exposures for banks and SDIs, new bonds are deductible but old bonds are not.

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, Non-cumulative Irredeemable Preference Shares, 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 per cent 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 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 table below summarises the composition of regulatory capital and the ratios of the Bank for the years ended 31 December 2022 (after applying the reliefs provided by the regulator) and 2021:

		2022		2021
	Notes	Bank GH¢'000	Group GH¢'000	Bank GH¢'000
Tier 1 capital				
Ordinary share paid-up capital	31(i)	**390,910**	**390,910**	390,910
Income surplus	31(ii)	**573,342**	**575,196**	553,412
Reserve fund	31(iii)	**568,228**	**568,228**	568,228
		1,532,480	**1,534,334**	1,512,550
Regulatory Adjustment		**(149,621)**	**(148,621)**	(70,424)
Total Tier 1 Capital		**1,382,859**	**1,385,713**	1,442,126
Preference Shares	31(i)	**9,091**	**9,091**	9,091
Total regulatory Capital		**1,391,950**	**1,394,804**	1,451,217
Risk-weighted assets				
Credit risk		**4,240,006**	**4,240,006**	2,706,128
Market risk		**6,952**	**6,952**	26,721
Operational risk		**1,831,425**	**1,831,425**	1,609,245
Total risk-weighted assets		**6,078,383**	**6,078,383**	4,342,094
Total tier 1 capital expressed as a percentage of total risk-weighted assets		**22.75%**	**22.80%**	33.21%
Total regulatory capital expressed as a per centage of total risk-weighted assets		**22.90%**	**22.95%**	33.42%

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 Group's ALCO.

Although maximisation of the return on risk-adjusted capital is the principal basis used in determining how capital is allocated within the Group'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 Group's longer-term strategic objectives. The Group's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors.

5.12 Contingencies and commitments

	2022 GH¢'000	2021 GH¢'000
i. Contingent liabilities		
Pending legal suits*	**26,684**	927

5. Financial risk management continued

5.12 Contingencies and commitments continued

* There are legal proceedings outstanding against the Bank as at 31 December 2022. Provisions have been recognised for those cases where it is probable the Group will be unsuccessful in its defence and the potential liabilities can be reliably estimated. There were contingent liabilities amounting to GH¢26,684,210 with respect to legal cases for the year (2021: GH¢ 927,000).

ii. Commitments for capital expenditure

There was no commitment for significant capital expenditure at the statement of financial position date (2021: Nil).

iii Unsecured commitments

	2022 GH¢'000	2021 GH¢'000
This relates to commitments for trade letters of credit and guarantees. (Net of margin deposits)	**1,258,908**	1,025,633

6. Segmental Reporting

The Group has three main business segments: Consumer, Private and Business Banking (CPBB) and Corporate, Commercial and Institutional Banking (CCIB) and Standard Chartered Wealth Management Limited Company (Subsidiary). These segments offer varying products and services and are managed separately based on the Group's management and internal reporting structure.

i. Consumer, Private and Business Banking (CPBB)

Consumer, Private and Business Banking 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. Corporate, Commercial and Institutional Banking (CCIB)

Corporate, Commercial and Institutional Banking focuses on driving origination by building core banking relationships with clients across the full range of their product needs and 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. Standard Chartered Wealth Management Limited Company

Standard Chartered Wealth Management Limited Company offers a full range of investment, wealth planning products to grow, and protect, the wealth of high-net-worth individuals by selling mutual funds and providing advisory services.

The tables below show an analysis of the performance of the business units of the Bank and Group

Operating Segments	2022 Corporate, Commercial and Institutional Banking GH¢ '000	2022 Consumer, Private and Business Banking GH¢ '000	2022 SC Wealth Management GH¢ '000	2022 Total GH¢ '000
Net interest income	**577,724**	**230,062**	**-**	**807,786**
Net fee and commission income	**75,564**	**93,656**	**4,839**	**174,059**
Net trading income, income from financial instruments carried at FVTPL and lease modification loss	**177,520**	**52,100**		**229,620**
Total segment revenue	**830,808**	**375,819**	**4,839**	**1,211,466**
Net impairment loss	**(1,070,368)**	**(38,156)**	**-**	**(1,108,524)**
Segment operating expenses	**(226,146)**	**(208,748)**	**(2,200)**	**(437,094)**
(Loss)/profit before tax	**(465,706)**	**128,915**	**2,639**	**(334,152)**
Segment assets	**9,636,737**	**729,267**	**2,915**	**10,368,919**
Segment liabilities	**5,738,962**	**3,300,684**	**61**	**9,039,707**

Operating Segments	2021 Corporate, Commercial and Institutional Banking GH¢'000	2021 Consumer, Private and Business Banking GH¢'000	2021 Total GH¢'000
Net interest income	427,276	200,225	627,501
Net fee and commission income	67,269	88,576	155,845
Net trading income and income from financial instruments carried at FVTPL	238,627	29,499	268,126
Total segment revenue	733,172	318,300	1,051,472
Net impairment loss	12,689	(6,797)	5,892
Segment operating expenses	(179,641)	(183,226)	(362,867)
Profit before tax	566,220	128,277	694,497
Segment assets	9,342,181	778,395	10,120,576
Segment liabilities	5,882,362	2,594,932	8,477,294

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 per cent or more of the Group's total revenue in 2022, except interest income from government of Ghana investments.

6. Segmental Reporting

iii. Standard Chartered Wealth Management Limited Company continued

No operating segments have been aggregated in arriving at the reportable segment of the Group.

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 like transactions with third parties.

Segment revenue above represents revenue generated from external customers. There were no inter – segments sales in the current year (2021: nil).

The accounting policies of the reportable segments are the same as the Group's accounting policies.

For the purposes 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

	2022		2021
	Bank GH¢'000	**Group GH¢'000**	Bank GH¢'000
i. Revenues			
Total revenue from reportable segments	**1,206,626**	**1,211,465**	1,051,472
Unallocated amounts	**3,499**	**3,499**	-
Elimination of intersegment revenue	**-**	**-**	-
Total revenue per statement of comprehensive income	**1,210,125**	**1,214,964**	1,051,472
ii. Loss/Profit before tax			
Total profit or loss for reportable segments	**(334,092)**	**(330,593)**	694,497
Unallocated amounts	**(50,249)**	**(50,249)**	-
Total profit before tax per statement of comprehensive income	**(384,341)**	**(380,842)**	694,497
iii. Assets			
Total assets for reportable segments	**10,367,004**	**10,368,894**	10,120,576
Other unallocated amounts	**-**	**-**	-
Total assets per statement of financial position	**10,367,004**	**10,368,894**	10,120,576
iv. Liabilities			
Total liabilities for reportable segments	**9,039,646**	**9,039,646**	8,477,294
Other unallocated amounts	**-**	**-**	-
Total liabilities per statement of financial position	**9,039,646**	**9,039,646**	8,477,294

7. Financial assets and liabilities

7.1 The Group'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.

Bank

31 December 2022	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	-	3,978,479	-	3,978,479
Derivative assets	-	-	69,691	69,691
Trading assets (non-pledged)	-	-	4,560	4,560
Loans and advances to customers	-	2,050,310	-	2,050,310
Investment securities	3,473,154	-	-	3,473,154
Other assets	-	253,306	-	253,306
Assets	3,473,154	6,282,095	74,251	9,829,500
Deposits from customers	-	8,183,887	-	8,183,887
Deposits from banks	-	114,439	-	114,439
Derivative liabilities	-	-	70,338	70,338
Other liabilities	-	288,470	-	288,470
Liabilities	-	8,586,796	70,338	8,657,134

Group

31 December 2022	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	-	3,980,349	-	3,980,349
Derivative assets	-	-	69,691	69,691
Trading assets (non- pledged)	-	-	4,560	4,560
Loans and advances to customers	-	2,050,310	-	2,050,310
Investment securities	3,473,154	-	-	3,473,154
Other assets	-	253,306	-	253,306
Assets	3,473,154	6,283,965	74,251	9,831,370
Deposits from customers	-	8,183,886	-	8,183,886
Deposits from banks	-	114,439	-	114,439
Derivative liabilities	-	-	70,338	70,338
Other liabilities	-	288,531	-	288,531
Liabilities	-	8,586,856	70,338	8,657,194

7. **Financial assets and liabilities** continued

7.1 The Group's classification of its principal financial assets and liabilities are summarised below: continued

Bank

31 December 2021	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	-	3,203,097	-	3,203,097
Derivative assets	-	-	10,143	10,143
Trading assets (non- pledged)	-	-	361,964	361,964
Loans to other banks	-	241,254	-	241,254
Loans and advances to customers	-	1,886,799	-	1,886,799
Investment securities	3,761,388	-	-	3,761,388
Other assets	-	347,483	-	347,483
Assets	3,761,388	5,679,633	372,107	9,812,128
Deposits from customers	-	7,554,457	-	7,554,457
Deposits from banks	-	79,690	-	79,690
Derivative liabilities	-	-	9,249	9,249
Borrowings	-	240,244	-	240,244
Other liabilities	-	462,027	-	462,027
Liabilities	-	8,336,418	9,249	8,345,667

7.2 Fair value categorisation of financial instruments

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 Group.

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 third parties such as Bank of Ghana, Bloomberg, Reuters, brokers, and consensus pricing providers.

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 Group's fair value methodology and the governance over its models includes several 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 Group 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.

(a) Financial instruments measured at fair value – fair value hierarchy

The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position. The fair values include any deferred differences between the transaction price and the fair value on initial recognition when the fair value is based on a valuation technique that uses unobservable inputs.

Bank and Group

	2022			
	Level 1 GH¢'000	**Level 2 GH¢'000**	**Level 3 GH¢'000**	**Total GH¢'000**
Trading assets (Non-pledged)	**-**	**-**	**4,560**	**4,560**
Derivative assets (Foreign exchange contracts)	**-**	**69,691**	**-**	**69,691**
Investment securities	**1,322,116**	**-**	**2,151,038**	**3,473,154**
Total at 31 December 2022	**1,322,116**	**69,691**	**2,155,598**	**3,547,405**

	2021			
	Level 1 GH¢'000	Level 2 GH¢'000	Level 3 GH¢'000	Total GH¢'000
Trading assets (Non-pledged)	361,964	-	-	361,964
Derivative assets (Foreign exchange contracts)	-	10,143	-	10,143
Investment securities	3,761,388	-	-	3,761,388
Total at 31 December 2021	4,123,352	10,143	-	4,133,495

During the current year, due to changes in market conditions for certain investment securities, quoted prices in active markets were no longer available for these securities. However, there was sufficient information available to measure the fair values of these securities based on observable market inputs. Therefore, these securities, with a carrying amount of GH¢ 3.76 billion, were transferred from Level 1 to Level 3 of the fair value hierarchy.

(b) Level 3 fair value measurements

31 December 2022	**Nonpledging trading assets GH¢'000**	**Investment securities GH¢'000**	**Total GH¢'000**
Balance at 1 January	**-**	**-**	**-**
Total gains/(losses): in profit or loss	**151,445**	**-**	**151,445**
in OCI	**-**	**(291,146)**	**(291,146)**
Purchases	**6,127,436**	**23,084,721**	**29,212,157**
Settlement	**(6,636,285)**	**(24,039,022)**	**(30,675,307)**
Transfer to Level 3	**361,964**	**3,396,485**	**3,758,449**
Total	**4,560**	**2,151,038**	**2,155,598**

7. Financial assets and liabilities continued

7.2 Fair value categorisation of financial instruments continued

(c) Financial instruments measured at fair value – fair value hierarchy

Total gains or losses for the year in the above table are presented in the statement of profit or loss and OCI as follows:

31 December 2022	Nonpledging trading assets GH¢'000	Investment securities GH¢'000	Total GH¢'000
Recognised in profit or loss: Net trading income	151,445	-	151,445
Recognised in OCI: Fair value reserve on FVOCI instruments - net change in fair value	-	218,359	218,359
Profit or loss – attributable to the change in unrealized gains and losses relating to assets and liabilities held at the end of the year:			
Net trading income	49,191	-	49,191

i Unobservable inputs used in measuring fair value

The following table sets out information about significant unobservable inputs used in measuring financial instruments categorised as Level 3 in the fair value hierarchy.

Type of financial instrument	Fair values at 31 December 2022 GH¢'000	Valuation techniques	Significant unobservable input
Bonds At fair value through profit or loss	4,560	Discounted cash flow	Yield on the newly issued bonds
Bonds At fair value through OCI	2,151,038	Discounted cash flow	Yield on the newly issued bonds

The range of market rates (unobservable input) used in estimating the fair value of bonds measured at fair value through profit or loss and bonds measured at fair value through other comprehensive income was up to 23%. The fair value measurement is sensitive to the market rate, any significant increases in any of these inputs in isolation would result in lower fair values.

Significant unobservable inputs are developed as follows:

- Expected marketed rates are derived from the bond market and adjusted for the deterioration of credit quality given historical credit spreads

ii. The effect of unobservable inputs on fair value measurement

Although the Bank believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurements in Level 3, changing one or more of the assumptions used as reasonably possible alternative assumptions would have the following effects.

31 December 2022	Effect on profit or loss		Effect on OCI	
	Favourable GH¢'000	(Unfavourable) GH¢'000	Favourable GH¢'000	(Unfavourable) GH¢'000
Nonpledged trading assets	39	39	-	-
Investment securities	-	-	18,627	25,097
Total	39	39	18,627	25,097

The favourable and unfavourable effects of using reasonably possible alternative assumptions for the valuation of investment securities have been calculated by recalibrating the model values using unobservable inputs based on averages of the upper and lower quartiles respectively of the Bank's ranges of possible estimates. The most significant unobservable inputs relate to risk adjusted discount rates. The weighted average of the risk-adjusted discount rates used in the model at 31 December 2022 was up to 27.3 per cent.

(d) Valuation techniques

The table below sets out information about the valuation techniques applied at the end of the reporting period in measuring assets and liabilities whose fair value is categorised as Level 2 in the fair value hierarchy. A description of the nature of the techniques used to calculate valuations based on observable inputs and valuations is set out in the table below:

Category	Valuation technique applied	Assumptions used
Derivatives	Derivative products valued using a valuation technique with market observable inputs are mainly currency swaps and forward foreign exchange contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations.	The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves.
Fair value through OCI (Non derivative)	Assets primarily consist of debt securities and are valued using valuation techniques such as discounted cash flow models or other pricing models.	These assets are valued using models that use both observable and significant unobservable data including bond yields and time to maturity.
Fair value through profit or loss (Non derivative)	Assets consist mainly of trading bills and bonds and are valued using a valuation technique which consists of certain debt securities issued by the Government of Ghana. The Bank values the securities using discounted cash flow valuation models which incorporate observable and unobservable data.	Observable inputs include assumptions regarding current rates of interest and yield curves.

(e) 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:

Bank

	2022				
31 December 2022	Level 1 GH¢'000	Level 2 GH¢'000	Level 3 GH¢'000	Total fair value GH¢'000	Carrying amount GH¢'000
Assets					
Cash and cash equivalents	-	3,978,479	-	3,978,479	3,978,479
Loans to other banks		-	-	-	-
Loans and advances to customers		-	2,050,310	2,050,310	2,516,531
Other assets	-	-	295,723	295,723	295,723
	-	3,978,479	2,346,033	6,324,512	6,790,733

7. Financial assets and liabilities continued

7.2 Fair value categorisation of financial instruments continued

(e) Financial instruments not measured at fair value continued

	2022				
31 December 2022	**Level 1 GH¢'000**	**Level 2 GH¢'000**	**Level 3 GH¢'000**	**Total fair value GH¢'000**	**Carrying amount GH¢'000**
Liabilities					
Customer deposits	-	8,183,887	-	8,183,887	8,183,887
Deposits from banks		114,439	-	114,439	114,439
Borrowings	-	-	-	-	-
Other liabilities	-	-	288,470	288,470	288,470
	-	8,298,326	288,470	8,586,796	8,586,796

Group

	2022				
31 December 2022	**Level 1 GH¢'000**	**Level 2 GH¢'000**	**Level 3 GH¢'000**	**Total fair value GH¢'000**	**Carrying amount GH¢'000**
Assets					
Cash and cash equivalents	-	3,980,349	-	3,980,349	3,980,349
Loans to other banks	-	-	-	-	-
Loans and advances to customers	-	-	2,050,310	2,050,310	2,516,531
Other assets	-	-	295,723	295,723	295,723
	-	3,980,349	2,346,033	6,326,382	6,792,603
Liabilities					
Customer deposits	-	8,183,887	-	8,183,887	8,183,887
Deposits from banks	-	114,439	-	114,439	114,439
Borrowings	-	-	-	-	-
Other liabilities	-	-	288,531	288,531	288,531
	-	8,298,326	288,531	8,586,857	8,586,857

Bank

31 December 2021	Level 1 GH¢'000	Level 2 GH¢'000	Level 3 GH¢'000	Total fair value GH¢'000	Carrying amount GH¢'000
Assets					
Cash and cash equivalents	-	3,203,097	-	3,203,097	3,203,097
Loans to other banks	-	-	241,254	241,254	241,254
Loans and advances to customers	-	-	1,886,799	1,886,799	1,886,799
Other assets	-	-	381,214	381,214	381,214
	-	3,203,097	2,509,267	5,712,364	5,712,364

31 December 2021	Level 1 GH¢'000	Level 2 GH¢'000	Level 3 GH¢'000	Total fair value GH¢'000	Carrying amount GH¢'000
Liabilities					
Customer deposits	-	7,554,457	-	7,554,457	7,554,457
Deposits from banks	-	79,690	-	79,690	79,690
Borrowings	-	-	240,244	240,244	240,244
Other liabilities	-	-	495,803	495,803	495,803
	-	7,634,147	736,047	8,370,194	8,370,194

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

Bank and Group

	2022 GH¢'000	2021 GH¢'000
Interest income calculated using the effective interest method		
Cash and cash equivalents	**5,293**	1,294
Loans and advance to customers	**409,346**	292,563
Investment Securities	**594,262**	526,075
Total interest income	**1,008,901**	819,932
Interest expense		
Deposits from bank	**(34,034)**	(50,407)
Deposits from customers	**(136,518)**	(123,168)
Lease finance cost	**(30,563)**	(18,856)
Total interest expense	**(201,115)**	(192,431)
Net interest income	**807,786**	627,501

The amounts reported above include interest income and expense, calculated using the effective interest method, that relate to the following financial assets and liabilities:

8. Net Interest Income continued

	2022 GH¢'000	2021 GH¢'000
Financial assets measured at amortised cost	**414,639**	293,858
Financial assets measured at FVOCI	**594,262**	526,074
Total	**1,008,901**	819,932
Financial liabilities measured at amortised cost	**(170,552)**	(173,575)
Lease finance cost	**(30,563)**	(18,856)
Net interest income	**807,786**	627,501

9. Net fees and commissions income

	2022		2021
	Bank GH¢'000	Group GH¢'000	Bank GH¢'000
Fees and commissions income			
Consumer, Private and Business Banking customer fees	**112,763**	**117,602**	99,871
Corporate, Commercial and Institutional Banking credit related fees	**78,677**	**78,677**	70,153
Total fee and commission incomes	**191,440**	**196,279**	170,024
Fees and commission expense			
Brokerage	**(380)**	**(380)**	332
Visa interchange fees	**(21,840)**	**(21,840)**	(14,511)
Total fee and commission expense	**(22,220)**	**(22,220)**	14,179
Net fees and commissions income	**169,220**	**174,059**	155,845

The fees and commissions of the Group presented include income of GH¢ 196 million (2021: GH¢ 170 million) and expense of GH¢ 22.22 million (2021: GH¢ 14.20 million) 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.

Commission received on fixed income and portfolio fees included fees earned by the Group on trust and fiduciary activities in which the Group holds or invests assets on behalf of its customers. Commission received on fixed income of GH¢ 37 million (2021: GH¢ 36 million) is presented as part of consumer, private and business banking customer fees. Portfolio fees of GH¢ 22 million (2021: GH¢ 22 million) is presented as part of corporate, commercial, and institutional banking credit related fees.

10. Net Trading Income

	2022		2021
	Bank GH¢'000	Group GH¢'000	Bank GH¢'000
Fixed income (debt instruments)	**151,445**	**151,445**	172,061
Foreign exchange	**87,947**	**87,947**	96,358
Other	**(2)**	**(2)**	85
Net trading income	**239,390**	**239,390**	268,504

11a. Net loss from other financial instruments carried at fair value through P/L

	2022		2021
	Bank GH¢'000	Group GH¢'000	Bank GH¢'000
OTC structured derivatives	(1,189)	(1,189)	(378)

11b. Lease modification Loss

Lease Modification Loss	(8,581)	(8,581)	-

11c. Other Income

	2022		2021
	Bank GH¢'000	Group GH¢'000	Bank GH¢'000
Rent Income	1,121	1,121	-
Asset Sale	1,900	1,900	-
Service Fee	478	478	-
Total Other Income	3,499	3,499	-

12(a). Net impairment gain/(loss) on investment

Securities	2022		2021
	Bank GH¢'000	Group GH¢'000	Bank GH¢'000
Treasury bills	35,456	35,456	-
Bonds	566,630	566,630	8,506
	602,086	602,086	8,506
12(b). Net impairment gain/(loss) on loans and advances, and others	515,364	515,364	(15,133)
Charge-off	-	-	16,889
Recovery	(8,926)	(8,926)	(16,154)
	506,438	506,438	(14,398)
Impairment on financial assets	1,108,524	1,108,524	(5,892)

13(a) Personnel expenses

	2022		2021
	Bank GH¢'000	Group GH¢'000	Bank GH¢'000
Wages, salaries, bonus, and allowances	211,178	211,479	182,061
Social security costs	17,955	18,011	15,899
Provident Fund	14,260	14,303	12,144
Other staff costs	43,317	43,469	27,638
Training	507	507	545
Directors' emolument (13b)	11,255	11,653	7,172
	298,472	299,422	245,459

The average number of persons employed by the Bank during the year was 681. (2021: 730).

13(b) 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:

	2022		2021
	Bank GH¢'000	Group GH¢'000	Bank GH¢'000
Salaries, allowances, and benefits in kind	**9,099**	**9,484**	5,541
Pension contributions	**1,157**	**1,170**	637
Bonuses paid or payable	**999**	**999**	994
	11,255	**11,653**	7,172

14. Other expenses

	2022		2021
	Bank GH¢'000	Group GH¢'000	Bank GH¢'000
Advertising and marketing	**8,126**	**8,154**	8,761
Premises and equipment	**11,275**	**11,275**	10,503
Legal and consultancy fees	**6,449**	**6,704**	7,699
Utilities and office supplies	**23,769**	**24,014**	20,199
Professional fees	**1,144**	**1,144**	1,181
Postage and telephone	**3,989**	**3,989**	4,180
Meals and entertainment	**14**	**14**	-
Subscription	**540**	**540**	860
Losses and insurance	**1,092**	**1,092**	622
Fines and penalties*	**7,326**	**7,326**	(10,497)
VAT/GST	**14,708**	**14,742**	13,057
Auditors' remuneration	**865**	**926**	630
Donations and sponsorship**	**(99)**	**(99)**	1,404
Redundancy cost	**18,695**	**18,695**	9,312
Management service reversal***	**(2,521)**	**(2,521)**	(1,438)
Lease expense	**-**	**-**	650
Others****	**8,067**	**8,589**	15,677
Total	**103,439**	**104,584**	82,800

*In 2021, the bank accrued for some potential fines resulting from a breach in regulatory guidelines. The accrual was reversed after a final GH¢10 million penalty was levied on the bank.

**SCB Group reimbursed, Standard Chartered Ghana GH¢1.2 million under the Women In Technology sponsorship initiative for prior year under its sponsorship arrangement.

***During the year the Group released provision of GH¢2.52 million (2021: GH¢ 1.44 million) in respect of recharges payable to SCB Parent Company 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 Group in 2022.

****Others are miscellaneous expense incurred in current year.

15. Taxation

i. Income tax expense

	Notes	2022 Group GH¢'000	2022 Bank GH¢'000	2021 Bank
Income tax (credit)/expense for the year		**(83,908)**	**(83,255)**	196,366
Corporate tax charge for the year		**155,117**	**155,777**	171,643
Changes in estimates relating to prior years		**38,954**	**38,954**	23,078
Current tax		**194,071**	**194,731**	194,721
Deferred tax	24	**(277,979)**	**(277,986)**	1,645
Income tax (credit)/expense		**(83,908)**	**(83,255)**	196,366
National Fiscal Stabilisation Levy				
Charge for the year (5 per cent of profit before tax)		**-**	**132**	34,725
Financial Sector Clean up levy				
Charge for the year (5 per cent of profit before tax)		**-**	**-**	26,472

ii. Taxation payable

Bank

Current tax	2022 Balance at 1/1/2022 GH¢'000	Payment during the year GH¢'000	Charge for the year GH¢'000	Adjustment GH¢'000	Balance at 31/12/22 GH¢'000
Corporate Tax	**(22,558)**	**(180,883)**	**155,117**	**38,954**	**(9,370)**
National Fiscal Stabilisation Levy	**(13,413)**	**(28,238)**	**-**	**-**	**(41,651)**
Financial Sector Clean up Levy	**4,322**	**(28,238)**	**-**	**-**	**(23,916)**
	(31,649)	**(237,359)**	**155,117**	**38,954**	**(74,937)**

Group

Current tax	2022 Balance at 1/1/2022 GH¢'000	Payment during the year GH¢'000	Charge for the year GH¢'000	Adjustment GH¢'000	Balance at 31/12/22 GH¢'000
Corporate Tax	**(22,558)**	**(181,867)**	**155,777**	**38,954**	**(9,694)**
National Fiscal Stabilisation Levy	**(13,413)**	**(28,435)**	**132**	**-**	**(41,716)**
Financial Sector Clean up Levy	**4,322**	**(28,238)**	**-**	**-**	**(23,916)**
	(31,649)	**(238,540)**	**155,909**	**38,954**	**(75,326)**

Bank

Current tax	Balance at 1/1/2021 GH¢'000	Payment during the year GH¢'000	Charge for the year GH¢'000	Adjustment GH¢'000	Balance at 31/12/21 GH¢'000
	2021				
Corporate Tax	(50,571)	(187,824)	194,721	-	(43,674)
National Fiscal Stabilisation Levy	(10,286)	(37,852)	34,725	-	(13,413)
Financial Sector Clean up Levy	-	(22,150)	26,472	-	4,322
Tax credit refunded	-	-	-	21,116	21,116
	(60,857)	(247,826)	255,918	21,116	(31,649)

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:

	2022		2021
	Bank GH¢'000	**Group GH¢'000**	Bank GH¢'000
(Loss)/Profit before tax	**(383,542)**	**(380,903)**	694,497
Tax at 25 per cent (2021:25 per cent)	**(95,886)**	**(95,226)**	173,624
National Fiscal Stabilization Levy	**-**	**132**	34,725
Financial Sector Clean up Levy	**-**	**-**	26,472
Changes in estimates relating to prior years	**38,954**	**38,954**	23,078
Non-deductible expenses	**16,337**	**16,311**	2,798
Tax incentive	**(43,313)**	**(43,295)**	(3,134)
Tax (credit) / charge	**(83,908)**	**(83,123)**	257,563
Effective tax rate	**22.00%**	**22.00%**	37.10%

Tax liabilities up to 2021 have been agreed with the Ghana Revenue Authority.

16. Earnings per share

i. Basic and diluted earnings per share (Bank)

The calculation of basic and diluted (loss)/earnings per share of GH¢ (2.22) (2021: GH¢3.23) was based on the loss/profit attributable to ordinary shareholders of GH¢(301.16) million (2021: GH¢ 435.46 million) and a weighted average number of equity shares outstanding of 134.76 million (2021: 134.76 million). Diluted earnings per share was calculated after adjusting for the effects of all dilutive potential equity shares.

Profit attributable to ordinary shareholders

	2022		2021
	Bank GH¢'000	**Group GH¢'000**	Bank GH¢'000
Net (Loss)/Profit for the period (after tax)	**(299,634)**	**(297,744)**	436,934
Preference share dividend proposed	**-**	**-**	(1,469)
(Loss)/Profit attributable to equity holders	**(299,634)**	**(297,744)**	435,465

	2022		2021
	Bank GH¢'000	**Group GH¢'000**	Bank GH¢'000
	'000	**'000**	'000
Weighted average number of equity shares at 31 December	**134,758**	**134,858**	134758
Basic/Diluted Loss/Earnings per share	**(2.22)**	**(2.21)**	3.23
Diluted Loss/Earnings per share	**(2.22)**	**(2.21)**	3.23

17. Dividend per share

Due to the net loss after tax the Directors do not recommend dividend in line with the Banks and Specialised Deposits-Taking Act 2016 (Act 930) section 35(1) d and e. The Directors recommend no ordinary dividend payment.

	2022 GH¢'000	2021 GH¢'000
Ordinary dividend	**247,956**	232,700
Preference dividend	**1,529**	1,650
Payments during the year	**249,485**	234,350
Dividend per share (Ghana cedis per share)		
Equity share	**1.84**	1.74
Preference share	**0.09**	0.09

Payment of dividends is subject to withholding tax at the rate of 8 per cent for residents and 7.5 per cent for non-resident shareholders in countries with Double Taxation Agreement (DTA) with Ghana.

18. Cash and cash equivalents

	2022		2021
	Bank GH¢'000	**Group GH¢'000**	Bank GH¢'000
Cash and balances with banks	**567,825**	**569,695**	307,963
Unrestricted balances with Bank of Ghana	**3,192,016**	**3,192,016**	1,815,692
Mandatory reserve deposit with Bank of Ghana	**218,638**	**218,638**	1,079,442
	3,978,479	**3,980,349**	3,203,097

19. Derivatives

19.a Derivatives assets held for risk management

For risk management purposes, the Group entered foreign exchange rate swaps and interest rate swaps (IRS). The following describes the fair value of derivatives held for risk management purposes. The Group's approach to managing market risk including interest rate risk and foreign currency risk is discussed in note 4(iii).

Bank and Group

	2022	2021
	Bank GH¢'000	Group GH¢'000
Foreign exchange swap	**69,691**	9,944
Interest rate swap	**-**	199
OTC Structured derivatives	**69,691**	10,143

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19.b Derivatives liabilities held for risk management

Bank and Group

	2022 Bank GH¢'000	2021 Group GH¢'000
Foreign exchange swap	**70,338**	9,046
Interest rate swap	**-**	203
OTC Structured derivatives	**70,338**	9,249

20. Trading assets (non-pledged)

Bank and Group

	2022 Bank GH¢'000	2021 Group GH¢'000
Government securities	**4,560**	361,964

21. Loans to other banks and customers

21.a Loans to other banks

	2022 Bank GH¢'000	2021 Group GH¢'000
Loans to banks	**-**	241,254

21.b Loans and advances

i. Analysis by Type

The table below constitutes loans and advances (including credit bills negotiated) to customers and staff.

	Bank and Group 2022			Bank 2021		
	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	**118,322**	**(700)**	**117,622**	119,212	(818)	118,394
Personal loans	**681,646**	**(50,250)**	**631,396**	677,199	(18,416)	658,783
RB Total	**799,968**	**(50,950)**	**749,018**	796,411	(19,234)	777,177
	Bank and Group 2022			Bank 2021		
	Gross amount GH¢'000	Impairment allowance GH¢'000	Carrying amount GH¢'000	Gross amount GH¢'000	Impairment allowance GH¢'000	Carrying amount GH¢'000
Corporate customers						
Term loan	**1,362,730**	**(313,771)**	**1,048,959**	1,088,953	(122,223)	966,730
Trade	**353,832**	**(101,499)**	**252,333**	151,812	(8,920)	142,892
CCIB Total	**1,716,562**	**(415,270)**	**1,301,292**	1,240,765	(131,143)	1,109,622
Total	**2,516,530**	**(466,220)**	**2,050,310**	2,037,176	(150,377)	1,886,799

il. a Total impairment on loans and advances to customers

	2022 Bank GH¢'000	2021 Group GH¢'000
Impairment at 1 January	**150,377**	184,562
Net remeasurement of loss allowance	**503,276**	(21,646)
Foreign Exchange and Other Movement	**(14,179)**	-
Impairment release for assets written-off	**(173,254)**	(12,539)
At 31 December	**466,220**	150,377

iii. Analysis by industry classification

Agriculture, forestry, and fishing	**83**	83
Mining and quarrying	**7,987**	7,778
Manufacturing	**808,658**	505,281
Construction	**132,652**	129,465
Commerce and finance	**416,293**	319,097
Transport, storage, and communication	**132,652**	129,465
Services	**269,187**	168,830
Miscellaneous	**200,191**	194,162
Individuals	**548,827**	583,015
Gross loans and advances	**2,516,530**	2,037,176
Impairment allowance	**(466,220)**	(150,377)
Net carrying amount of loans and advances	**2,050,310**	1,886,799

iv. Types of collateral held

Asset Based	**1,366,194**	2,194,080
Cash	**192,743**	139,683
Guarantees	**6,084,655**	6,028,344
Insurance/protection	**183,702**	473,698
Property	**2,261,428**	2,948,480
	10,088,722	11,784,285

v. Assets held as collateral

This comprises the following:

	2022 Bank GH¢'000	2021 Group GH¢'000
Against impaired assets	**9,889,940**	6,891,524
Against performing assets	**198,782**	4,892,761
	10,088,722	11,784,285

22a. Investment securities

	2022	2021
	Bank GH¢'000	Group GH¢'000
Local Treasury bills	**991,716**	1,552,284
Local bonds	**1,159,322**	2,209,104
US Treasury bills	**412,914**	-
Certificate of deposit	**909,202**	-
Total	**3,473,154**	3,761,388

Investment securities as presented on the Statement of cash flows

	2022	2021
	Bank GH¢'000	Group GH¢'000
Opening balance	**3,761,388**	2,419,537
Purchase of government securities	**30,072,549**	5,949,210
Sale of government securities	**(30,069,637)**	(6,433,465)
Fair value gains/loss of investments at FVOCI	**(291,146)**	26,335
Debt investments at FVOCI – reclassified to profit or loss	**-**	(229)
Total	**3,473,154**	3,761,388

Investment securities comprise of Government Treasury bills and bonds classified as Fair value through other comprehensive income.

The Group did not pledge any of its investments in Government securities as collateral to a financial institution. The Group 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

	2022		2021
	Bank GH¢'000	Group GH¢'000	Bank GH¢'000
Investment in Subsidiaries	**1,001**	**1**	1,001

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 Bank has invested in a subsidiary Standard Chartered Wealth Management Limited Company, to sell investment products and provide advisory services to clients.

The results of the Standard Chartered Nominee PLC is insignificant and hence not consolidated, while Standard Chartered Wealth Management Limited Company has been consolidated.

ii. Fiduciary Activities

The Group 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.

	2022	2021
	Bank GH¢'000	Group GH¢'000
The total assets under the Group's management which wholly relates to investments in Ghana	**19,568,439**	26,312,870

23a Property and equipment

Bank

	2022						
	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 2022	41,592	15,831	28,212	16	3,576	255,702	344,929
Additions**	-	-				71,748	71,748
Transfer		-	3,576		(3,576)	-	-
Write-offs	(2,388)	(1,899)	(15,036)	-		-	(19,323)
At 31 December 2022	39,204	13,932	16,752	16	-	327,450	397,354
Accumulated Depreciation and Impairment							
At 1 January 2022	12,360	9,215	20,533	16	-	60,738	102,862
Charges for the year	2,363	3,270	3,554	-	-	23,796	32,983
Write-offs	(2,388)	(1,747)	(15,231)	-	-		(19,365)
Lease Impairment	-	-	-	-	-	50,249	50,249
At 31 December 2022	12,336	10,738	8,856	16	-	134,783	166,729
Net book value	26,868	3,194	7,896	-	-	192,667	230,625

Group

	2022						
	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	41,592	15,831	28,212	16	3,576	255,702	344,929
At 1 January 2022							
Additions**	-	753	-		-	71,748	72,501
Transfer		-	3,576		(3,576)		
Write-offs	(2,388)	(2,003)	(15,036)	-	-	-	(19,427)
At 31 December 2022	39,204	14,581	16,752	16	-	327,450	398,003

Accumulated Depreciation and Impairment							**-**
At 1 January 2022	**12,360**	**9,215**	**20,533**	**16**	**-**	**60,738**	**102,862**
Charges for the year	**2,364**	**3,374**	**3,554**	**-**	**-**	**23,796**	**33,088**
Write-offs	**(2,388)**	**(1,851)**	**(15,231)**		**-**		**(19,470)**
Lease Impairment	**-**	**-**	**-**	**-**	**-**	**50,249**	**50,249**
At 31 December 2022	**12,336**	**10,738**	**8,856**	**16**	**-**	**134,783**	**166,729**
Net book value	**26,868**	**3,843**	**7,896**	**-**	**-**	**192,667**	**231,274**

Bank

	2021						
	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	50,505	16,785	32,425	16	2,030	243,714	345,475
At 1 January 2021							
Additions**	1,268	1,879	1,555	-		13,569	18,271
Adjustment*					1,546		1,546
Write offs	(10,181)	(2,833)	(5,768)	-		(1,581)	(20,363)
At 31 December 2021	41,592	15,831	28,212	16	3,576	255,702	344,929
Depreciation							
At 1 January 2021	20,108	9,039	18,711	16	-	39,162	87,036
Charges for the year	2,433	3,009	7,590	-	-	21,576	34,608
Writes offs	(10,181)	(2,833)	(5,768)	-	-	-	(18,782)
At 31 December 2021	12,360	9,215	20,533	16	-	60,738	102,862
Net book value	29,232	6,616	7,679	0	3,576	194,964	242,067

**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.

*This relates to correction to capital work in progress arising from previous year.

There was no indication of impairment of property and equipment held by the Bank at 31 December 2022 (2021: Nil). None of the property and equipment of the Bank had been pledged as security for liabilities and there were no restrictions on the title of any of the Bank's property and equipment at the reporting date and at the end of the previous year.

23b. Depreciation

	2022		2021
	Bank GH¢'000	**Group GH¢'000**	Bank GH¢'000
Depreciation	**32,983**	**33,088**	34,608

24. Deferred taxation

	Notes	2022 Bank GH¢'000	2022 Group GH¢'000	2021 Bank GH¢'000
Balance at 1 January		11,623	11,623	9,978
Recognised in profit or loss	15	(277,979)	(277,986)	1,645
Recognised in OCI		77,832	77,832	-
Balance at 31 December		(188,524)	(188,531)	11,623

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Bank

	2022					
	Balance at 1/1 GH¢'000	Recognised in profit or loss GH¢'000	Recognised in OCI GH¢'000	Balance at 31/12 GH¢'000	Deferred tax asset GH¢'000	Deferred tax liabilities GH¢'000
Property and equipment	(2,668)	1,328	-	(1,340)	(1,340)	-
Impairment provision	39,737	(284,835)	150,619	(94,479)	(94,479)	-
Mark to Market on Investment securities at FVOCI	(25,074)	-	(72,787)	(97,861)	(97,861)	-
Holiday pay	(535)	(151)	-	(686)	(686)	-
Leases	163	5,679	-	5,842	-	5,842
	11,623	(277,979)	77,832	(188,524)	(194,366)	5,842

Group

	2022					
	Balance at 1/1 GH¢'000	Recognised in profit or loss GH¢'000	Recognised in OCI GH¢'000	Balance at 31/12 GH¢'000	Deferred tax asset GH¢'000	Deferred tax liabilities GH¢'000
Property and equipment	(2,668)	1,322	-	(1,346)	(1,346)	-
Impairment provision	39,737	(284,835)	150,619	(94,479)	(94,479)	-
Mark to Market on Investment securities at FVOCI	(25,074)	-	(72,787)	(97,861)	(97,861)	-
Holiday pay	(535)	(151)	-	(686)	(686)	-
Leases	163	5,678	-	5,841	-	5,841
	11,623	(277,986)	77,832	(188,531)	(194,372)	5,841

24. Deferred taxation continued

Recognised deferred tax assets and liabilities continued
Bank

	2021				
	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 Liability GH¢'000
Property and equipment	(3,349)	681	(2,668)	(2,668)	-
Impairment provision	13,191	1,472	14,663	-	14,663
Holiday pay	(503)	(32)	(535)	(535)	-
Leases	639	(476)	163	-	163
	9,978	1,645	11,623	(3,203)	14,826

25. Other assets

	2022		2021
	Bank GH¢'000	Group GH¢'000	Bank GH¢'000
Accounts receivable and prepayments	**89,385**	**89,385**	83,095
LC Acceptance	**91,937**	**91,937**	164,520
Accrued interest receivable	**112,990**	**112,990**	133,513
Impersonal accounts	**1,411**	**1,411**	86
	295,723	**295,723**	381,214

26. Deposits from banks

Balances from financial entities	**114,439**	**114,439**	79,690

27. Deposit from customers

Analysis by type and product
Bank and Group

	2022	2021
	Bank GH¢'000	Group GH¢'000
Current accounts	**5,397,794**	5,178,980
Time deposit	**261,466**	255,560
Savings deposit	**1,751,882**	1,341,199
Call deposit	**772,745**	778,718
Total	**8,183,887**	7,554,457

28. Borrowings

Bank and Group

Balances due to other SCB associated entity	**-**	240,244

The outstanding balance of borrowings become due during the year and were fully settled on 20 December 2022.

29a. Other liabilities

	2022		2021
	Bank GH¢'000	Group GH¢'000	Bank GH¢'000
Accrued interest payable	**21,824**	**21,824**	19,779
Other creditors and accruals	**161,801**	**161,862**	75,506
Impairment on financial guarantee and commitments	**12,908**	**12,908**	8,570
LC acceptance	**91,937**	**91,937**	164,520
	288,470	**288,531**	268,375

29b. Provisions

Bank and Group

2022

	Staff Related	Non Staff Related	
	Staff GH¢'000	Others GH¢'000	Total GH¢'000
Balance at 1 January	**41,613**	**44,615**	86,228
Charged to profit or loss	**55,568**	**38,556**	94,124
Utilised during the year	**(39,234)**	**(43,103)**	(82,337)
Balance at 31 December	**57,947**	**40,068**	98,015

29b. Provisions

2021

	Staff Related	Non Staff Related	
	Staff GH¢'000	Others GH¢'000	Total GH¢'000
Balance at 1 January	33,347	35,713	69,060
Charged to profit or loss	8,266	8,902	17,168
Utilised during the year	-	-	-
Balance at 31 December	41,613	44,615	86,228

Staff related

This relates to provisions for staff bonus and other staff costs. Provisions recognised management's best estimate of performance outcomes for the year end but subject to actual reported performance. This provision is expected to be settled during the year ending 2023.

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. These provisions are expected to be settled within one to five years depending on the timing of resolution of related cases.

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	
	2022 GH¢'000	2021 GH¢'000
Balance at 1 January	**194,964**	204,552
Additions	**71,748**	13,569
Write-off	**-**	(1,581)
Impaired Asset	**(50,249)**	-
Depreciation charge for the year	**(23,796)**	(21,576)
Balance at 31 December	**192,667**	194,964

ii. At 31 December 2022, the future minimum lease payments under non-cancellable leases were payable as follows:

Maturity analysis- Contractual undiscounted cash flows	**2022 GH¢'000**	2021 GH¢'000
Less than one year	**23,443**	-
Between one and five years	**33,250**	33,250
More than five years	**286,434**	230,188
Total undiscounted lease liability	**343,127**	263,438

iii. Amounts recognised in profit or loss:

Leases under IFRS 16	**2022 GH¢'000**	2021 GH¢'000
Interest expense on leases	**30,563**	18,856
Lease Modification Loss	**8,581**	-
Expenses (Release) relating to leases of low-value assets	**-**	654
Depreciation charge for the year	**23,796**	21,576
Lease Impairment	**50,249**	-
	113,189	41,086

iv. *Amounts recognised in cash flows:*

	2022 GH¢'000	2021 GH¢'000
Total cash outflow for leases	**46,513**	40,569

v. *Movement in lease liability*

	2022 GH¢'000	2021 GH¢'000
Balance at 1/1	**227,428**	226,272
Additions/(Release)	**73,019**	11,988
Interest expense	**30,563**	18,856
Payment	**(46,513)**	(29,688)
Balance at 31/12	**284,497**	227,428

vi. *Extension options*

Some leases of office premises contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group 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 Group 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. The Group has considered the effect of lease extension option in determining the lease liability at year end.

vii. *Impairment of Right-of use -asset*

During the year, the Group, deliberated on a possible reduction of available working space in its head office premises in the light of the post covid agile working arrangement which anticipates a larger proportion of employees working from home at any given time in the medium-term future. Based on the floor utilisation assessment performed by the Group, two floors of this premises were assessed as impaired. The Group's lease agreement permits the Group to sub-lease the premises. The recoverable amount of this asset , which is based on the fair value less cost of disposal, was determined as GH¢14 million.

- Fair value hierarchy

The fair values measurement of the right of use asset has been categorised as level 3 fair value based on the inputs to the valuation technique used.

- **Valuation technique and key assumptions**

Valuation Technique	Key Assumptions
Discounted cashflows: The valuation model considerers the present value of net cash flow to be generated from the property, considering the expected rental income to be generated from the property, unavoidable cost such as facility management cost and possible tenor of sub-lease arrangements. The expected net cash flows are discount using similar borrowing rates as those used in determine the initial value of the ROU asset.. Among other factors, the discount rate estimation considers the Group's incremental borrowing rate of interest as the rate of interest that the Group would have to pay on a similar lease or, the rate that, at the inception of the lease, the Group would incur to borrow over a similar term, and with a similar security, the funds necessary to purchase the asset.	• The discount rate, reflect 1. The currency in which the sublease is paid, and 2. The tenor of the lease, including the effect of any renewal or termination options. 9% is estimated as the discount rate. The annual rent is which was set in USD is projected to remain constant over the sub-lease tenor • Unavoidable cost which is mainly facility maintenance fee is projected at 5% of rental income for lease term. • No void period assumed. • Lease term is 11 years

31. Capital and reserves

i. Stated capital

Bank

	2022		2021	
	No. of Shares '000	Proceeds GH¢000	No. of Shares '000	Proceeds GH¢000
a. Equity shares	-	-	-	-
Authorised				
No. of equity 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
TOTAL	134,758	390,910	134,758	390,910
b. Preference Shares				
Issued and fully paid				
No. of preference shares	17,489	9,091	17,489	9,091
TOTAL	17,489	9,091	17,489	9,091
Total share capital	-	400,000	-	400,000

There is no share in treasury and no call or instalment unpaid on any share.

i.

a. Equity 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 Bank. All rights attached to the Bank's shares held by the Bank are suspended until those shares are reissued.

b. Non-redeemable preference shares

Holders of these shares receive a non-cumulative dividend at the Bank'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.

	2022		2021
	Bank GH¢'000	Group GH¢'000	Bank GH¢'000
Balance at 1 January	553,412	553,412	440,014
Loss/Profit for the year	(299,634)	(297,780)	436,934
Transfer from/to reserve fund	-	-	(54,617)
Dividend declared	(249,485)	(249,485)	(234,350)
Transfer from/to credit risk reserves	144,087	144,087	(34,569)
Balance at 31 December	148,380	150,234	553,412

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¢568.23 million (2021: GH¢568.23million) has been set aside in a Reserve Fund from each year's profit. There was no amount set aside from retained earnings due to loss recorded during the year.

	2022		2021
	Bank GH¢'000	Group GH¢'000	Bank GH¢'000
Balance at 1 January	**568,228**	**568,228**	513,611
Transfers from income surplus during the year	-	-	54,617
Balance at 31 December	**568,228**	**568,228**	568,228

(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).

Bank and Group

	Note	2022 GH¢ '000	2021 GH¢ '000
BOG Provisions		**332,316**	294,464
Loss allowance - Customer loans and advances	5.4.1 (i)	**(466,220)**	(150,377)
		-	144,087
Transfer (from)/ to credit risk reserve		**(144,087)**	34,569
Balance at 1 January		**144,087**	109,518
Balance at 31 December		-	144,087

(v) Other reserves

This comprises the cumulative net change in the fair value of debt securities measured at FVOCI until the assets are derecognised or reclassified. This amount is increased by the amount of loss allowance.

Bank and Group

	2022		2021
	Bank GH¢'000	Group GH¢'000	Bank GH¢'000
Balance at 1 January	**(22,445)**	**(22,445)**	3,661
Net gain/(losses) from changes in fair value	**(291,146)**	**(291,146)**	(43,619)
Tax on net gain/(losses) from changes in fair value	**72,787**	**72,787**	10,905
ECL charge on FVOCI Investment	**602,072**	**602,072**	8,506
Tax on charge on FVOCI Investment	**(150,518)**	**(150,518)**	(2,127)
Debt investments at FVOCI – reclassified to profit or loss	-	-	229
Balance at 31 December	**210,750**	**210,750**	(22,445)

32. 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¢1.5 million (2021: GH¢1.3 million) 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.

	2022		2021
	Bank GH¢'000	**Group GH¢'000**	Bank GH¢'000
Short term	**21,609**	**21,994**	17,204
Post-employment (SSNIT/Provident Fund and other)	**2,498**	**2,597**	2,438
	24,107	**24,591**	19,642

(iii) Transactions with Key Management and Directors

The following are loan balances and deposits due from key management and directors:

	2022		2021
	Bank GH¢'000	**Group GH¢'000**	Bank GH¢'000
Loans	**6,967**	**7,790**	7,777
Deposits	**9,305**	**10,001**	2,814

Interest rates charged on balances outstanding from related parties are a quarter of the rates that would be charged in an arm's length transaction. The interest charged on balances outstanding at 31 December 2022 from related parties amounted to GH¢29,381 (2021: GH¢ 35,630). The interest paid on balances outstanding at 31 December 2022 to related parties amounted to GH¢39,841 (2021: GH¢ 5,398). The mortgages and secured loans granted are secured over property of the respective borrowers. Other balances are not secured, and no guarantees have been obtained.

As at 31 December 2022, the balances with key management personnel are allocated to Stage 1 of the ECL model and have a loss allowance of GH¢ 54,874 (2021: GH¢ 39,070). During 2022 GH¢ 15,804. impairment loss was recognised in profit or loss in respect of these balances (2021: GH¢22,299).

The movement of the key management and Directors accounts is as follows:

	2022		2021
	Bank GH¢'000	**Group GH¢'000**	Bank GH¢'000
Balance at 1 January	**7,777**	**7,777**	8,101
Loans advanced during the year	**1,597**	**1,597**	2,972
Loans repayments	**(2,407)**	**(1,584)**	(3,296)
Balance at 31 December	**6,967**	**7,790**	7,777

Interest earned on key management and Directors' loans during the year amounted to GH¢ 360,542 (2021: GH¢396,203).

(iv) Associated companies

	2022		2021
	Bank GH¢'000	Group GH¢'000	Bank GH¢'000
Nostro account balances	**155,278**	**155,278**	267,453
Due from group entities	**59,326**	**59,326**	72,001
	214,604	**214,604**	339,454

(iv) Associated companies (cont'd)

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 reporting date were as follows:

	2022		2021
	Bank GH¢'000	Group GH¢'000	Bank GH¢'000
Borrowing	**-**	**-**	240,244
Other amounts due to group entities	**93,443**	**93,443**	116,015
	93,443	**93,443**	356,259

Borrowings represent balances with SCB affiliate Banks. Detail of tenure and interest rate are disclosed in note 28.

Other 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.

(v) Share based payments

Included in other staff cost is an amount of GH¢1.5 million (2021:GH¢1.2 million) 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 and 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	
	2022	2021
Fair value at grant date (GBP)	**2.08**	1.11
Share price at grant date (GBP)	**5.80**	4.37
Exercise price (GBP)	**4.23**	3.67
Vesting period (years)	**3-7**	3-7
Expected volatility (%)	**39.3**	31.5
Expected option life (years)	**3.33**	3.33
Expected dividend yield (%)	**3.4**	3.4
Risk-free interest rate (%)	**3.21**	0.42

32. Related party transactions continued

(vi) Financial guarantees

Guarantees of the Bank that have been counter guaranteed (Back-to-Back) by other SCB offices for the period was GH¢136.4million (2021: Nil).

33. Directors' and key management shareholding

The Group's Director Ebenezer Twum Asante held 614 shares in the Bank as at 31 December 2022 (2021: 614).

Key management

	Number of shares	
	2022	2021
Harry Dankyi	**2,996**	2,996
Angela Naa Sakua Okai	**723**	723
Adoteye Anum	**630**	630

34. Regulatory disclosures

(i) Key loans ratio

a. Percentage of non-performing loans ("substandard to loss") to total loans/advances portfolio (gross) Bank of Ghana (BoG) 12.04 per cent, (2021: BoG 23.59 per cent).

b. Loan loss provision ratio was 12.04 per cent (2021: 10.90 per cent).

c. Non-Performing loan ratio excluding loss category with respect to Bank of Ghana prudential guidelines was 1.68 per cent (2021: 2.56 per cent)

d. Ratio of fifty (50) largest exposures (gross funded and non-funded) to total exposures was 43.74 per cent (2021: 51.85 per cent).

e. Loan to deposit ratio was 25.51 Per cent (2021: 24.97 per cent)

(ii) Capital adequacy ratio

The capital adequacy ratio has been disclosed at note 5.11.

(iii) Regulatory breaches ('000)

Regulatory fine was GH¢10,000 (2021: GH¢3) recorded during the period under review.

The Bank was sanctioned for breaching section 62 (2) and section 93(3) (b) of Banks and Special Deposit Taking Institutions Act 2016 (Act 930).

(iv) Year-end rates used for foreign exchange translations

		Rate	
Currency		**2022**	2021
USD	**US Dollar**	**8.3150**	6.0061
EUR	**Euro**	**8.8558**	6.8281
GBP	**Pound Sterling**	**10.008**	8.1272

35. Net asset value per share

The calculation of net asset value per share GH¢ 9.78 (2021: GH¢12.13) at 31 December 2022 was based on the net assets attributable to ordinary shareholders of GH¢ 1,318 million (2021: GH¢ 1,634 million) and a weighted average number of equity shares outstanding of 134.8 million (2021: 134.8 million).

Net assets attributable to ordinary shareholders

	2022		2021
	Bank GH¢'000	**Group GH¢'000**	Bank GH¢'000
Net assets	**1,327,358**	**1,329,248**	1,643,282
Less Preference shares	**(9,091)**	**(9,091)**	(9,091)
Net assets attributable to equity holders	**1,318,267**	**1,320,157**	1,634,191
	'000	**'000**	'000
Weighted average number of equity shares at 31 December	**134,758**	**134,858**	134,758
Net asset value per share (Ghana cedis per share)	**9.78**	**9.79**	12.13

36(a) Number of shares in issue

Number of shareholders

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

i. Equity 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**

36(b) 20 largest ordinary and preference shareholders

i. 20 largest ordinary shareholders

Name of shareholder	Number of shares held	(%) Holding
Standard Chartered Holdings (Africa)	93,544,612	69.42
Social Security And National Insurance Trust	19,605,509	14.55
SCGN & SSB As Cust For Kimberlite Frontier, Africa Master Fund, L.P-RCKM	2,335,084	1.73
STD Noms/Trust ACCNT/CS AG Singapore	1,166,667	0.87
STD Noms/Trust ACCNT/BNYMSANVFFT RE	784,434	0.58
EDC/ Teachers Equity Fund	634,774	0.47
SCGN/ SSB & Trust As Cust For Conrad & Hilton, Foundation -00FG	620,629	0.46
University, STD Noms/ BNYM RE Vanderbilt	617,685	0.46
SCGN/ Enterprise Life ASS. CO. Policy Holders	599,783	0.45
Ghana Union Assurance CO. LTD	507,248	0.38
SCGN/EPACK Investment Fund Limited Transaction E I F L	426,901	0.32
Council Of University Of Ghana Endowment Fund ,	422,730	0.31
SCGN /Citibank Kuwait Inv Authority	351,881	0.26
Anim-Addo, Kojo	344,945	0.26
HFCN/ EDC Ghana Balanced Fund Limited	272,106	0.20
SCGN/SSB Eaton Vance Tax- , Managed Emerging Market Fund	210,466	0.16
SCGN/SSB Eaton Vance Structured , Emerging Market Fund	175,500	0.13
University Of Science & Technology	173,250	0.13
SSNIT Informal Sector Fund	149,100	0.11
Siblings, Francis Kudjawu And Six Other	140,000	0.10
	123,083,304	**91.35**

36(b)

ii. Details of 20 largest preference shareholders

Name of shareholder	Number of shares held	(%) Holding
STD Chartered Holdings (Africa) Bv	15,220,598	87.03
Glymin, Barton Kwaku	463,737	2.65
SSNIT SOS Fund	307,692	1.76
Anim-Addo, Kojo	138,428	0.79
Ghana Union Assurance Co. Ltd	99,351	0.57
Siblings, Francis Kudjawu and Six Other	68,775	0.39
Ophelia, Akosah-Bempah F	54,150	0.31
Mr. Akosah- Bempah Kwaku	40,654	0.23
Sowa, Nii Kwaku	30,000	0.17
SCGB/SCB Mauritius Re Africa Opp. Fund LP	29,366	0.17
Boye, Ebenezer Magnus	25,000	0.14
Aryee, Estate Of Late Edward Clifford	25,000	0.14
E3a Holdings Company Ltd	20,661	0.12
Minkah, Anthony	20,268	0.12
Mr, Nyako John Percival Awuku	20,000	0.11
Mr., Safo-Kwakye Eddie	20,000	0.11
Yankson, Edem	20,000	0.11
HFCN/ GLICO Pensions Re: Fidelity Securities	19,231	0.11
NTHC Securities Limited	19,231	0.11
Aruna Nelson	19,230	0.11
	16,661,372	**95.25**

37. Going concern and subsequent events

The Bank incurred a net loss for the year ended 31 December 2022 of GH¢ 299.64m (2021 GH¢ 436.93m profit) but as of that date its total assets exceeded its total liabilities by GH¢1.33b (2021 GH¢1.64b).

Subsequent to the reporting date, the Bank projects an improved performance compared to prior year.

The Directors have considered the following matters in making an assessment on the going concern assumption:

- New turnaround strategy is to manage current exposures to avoid taking new expected credit losses, reduction of costs and identify new revenue streams.
- Risk Management – rigorous selection process for clients, management of business risks and capital management.

The financial statements are prepared based on accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities will occur in the ordinary course of business.

38. Value added statements (Bank)

	2022		2021	
Description	**GH¢'000**	**(%)**	GH¢'000	(%)
Revenue (operating income)	**1,210,125**		1,070,328	-
Other expenses	**(103,439)**	**9%**	(136,225)	13%
Impairments	**(1,158,773)**	**96%**	5,892	-1%
Value Add:	**(52,087)**		939,995	-
Distributed as follows:				
To employees				
Staff cost (excluding directors)	**287,217**	**24%**	238,287	22%
Directors	**11,255**	**1%**	7,172	1%
To Government				
Tax	**(83,908)**	**-7%**	257,563	24%
To providers of capital				
Reserve fund	**-**	**0%**	54,617	5%
Preference dividend	**1,529**	**0%**	1,469	0%
Ordinary dividend	**247,956**	**20%**	232,881	22%
To expansion and growth				
Lease expenses	**-**	**0%**	-	-
Depreciation	**32,983**	**3%**	34,608	4%
Income surplus	**(549,119)**	**-45%**	113,398	11%
Total	**(52,087)**	**100%**	939,995	100%

Supplementary financial information

Five-year summary

	2022 GH¢'000	2021 GH¢'000	2020 GH¢'000	2019 GH¢'000	2018 GH¢'000
Interest income	**1,008,901**	819,932	795,374	749,703	612,784
Interest expense	**(201,115)**	(192,431)	(154,856)	(154,974)	(123,970)
Net interest income	**807,786**	627,501	640,518	594,729	488,814
Fees and commission income	**174,059**	155,845	139,439	102,904	98,589
Other operating income	**233,119**	268126	242,779	155,399	125,518
Non-interest income	**407,178**	423,971	382,218	258,303	224,107
Operating income	**1,214,924**	1,051,472	1,022,736	853,032	712,921
Operating expenses	**(437,094)**	(362,867)	(288,062)	(328,961)	(286,292)
Impairment charges on Financial Asset	**(1,158,773)**	5,892	(59,284)	(99,868)	(100,758)
(Loss)/profit before taxation	**(380,903)**	694,497	675,390	424,203	325,871
Taxation	**83,123**	(257,563)	(197,094)	(142,347)	(115,217)
(Loss)/Profit for the year	**(297,780)**	436,934	478,296	281,856	210,654
Total Statutory and other transfers	**144,087**	(89,186)	(143,489)	(53,335)	(42,388)
Retained profit/available for distribution	**-**	347,749	334,807	228,521	168,266
Networth	**1,329,212**	1,643,282	1,466,804	1,166,860	1,047,819
Net own funds	**1,118,462**	1,521,640	1,353,625	1,087,165	911,211
Investments	**3,477,714**	4,123,352	2,825,791	2,515,126	1,719,978
Total assets	**10,368,919**	10,120,576	8,031,674	7,618,622	5,961,495
Total liabilities	**9,039,707**	8,477,294	6,564,870	6,451,762	4,913,676
Loans & advances	**2,050,310**	2,128,053	1,710,213	1,886,874	1,446,695
Deposits	**8,298,326**	7,634,147	5,836,607	5,590,271	4,346,676

Information on ordinary shares	**GH¢**	GH¢	GH¢	GH¢	GH¢
Earnings per share	**-2.21**	3.23	3.54	2.08	1.54
Proposed final dividend per share	**-**	2.57	1.76	1.56	1.04

Key ratios					
Returns on assets (PAT/Assets)	**-3%**	4%	6%	4%	4%
Return on equity (PAT/ Equity)	**-22%**	27%	33%	25%	21%
Capital adequacy ratio	**23%**	33%	25%	30%	29%
Cost/income ratio	**36%**	35%	28%	39%	40%

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 at the National Theatre, opposite the Efua Sutherland Children's Park, Accra **at 11.00 am on Wednesday 26th day of July 2023** 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.	Election of a Director – Albert Larweh Asante		
2.	Re-election of the following directors retiring by rotation: • George Akello • Kwabena Nifa Aning • Sheikh Jobe		
3.	Approving remuneration of Directors		
4.	Authorising Directors to fix remuneration of the Auditor		
SPECIAL RESOLUTION			
5(a).	Approving amendment to Section 65 (1) of the Company's registered Constitution to read as follows: "Any dividend, interest or other moneys payable in respect of shares shall be paid electronically to such bank accounts or such other electronic devised modes of transfer as the shareholder may have advised and as by law recognized or as may be approved by the Securities and Exchange Commission, and in the case of joint holders, to the account or other mode of the first holder named on the Register of shareholders or to such account or other electronic transfer mode that the joint holders may in writing direct.		
5(b).	Approving the deletion of Section 65 (2) of the Company's registered Constitution		
5(c).	Approving the deletion of Section 65 (3) of the Company's registered Constitution		
5(d).	Approving the re-numbering of Section 65 of the Company's registered Constitution		

Signed the .... day of ....2023. Signature ....

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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 Registrar of the Company at GCB Bank PLC, 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 PLC 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

Head Office

Standard Chartered Bank Ghana PLC.
Standard Chartered Bank Building
No. 87 Independence Avenue
Accra, Ghana

telephone: +233 (0)302 610750
facsimile: +233 (0)302 667751

Digital Annual Report

sc.com/gh/about-us/investor-relations

Registrar Information

GCB Bank PLC.
Share Registry Department, Head Office
Thorpe Road
Accra, Ghana