PR. No 095/2024

STANDARD CHARTERED BANK GHANA PLC (SCB)-

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31,2023

SCB has released its Annual Report and Consolidated Financial Statements for the year ended December 31,2023, as per attached.

Issued in Accra, this 22nd.
day of April 2024

\- E N D –

att'd.

Distribution:
1. All LDMs
2. General Public
3. Company Secretary, SCB
4. GCB, (Registrars for SCB Preference shares)
5. Custodians
6. Central Securities Depository
7. Securities and Exchange Commission
8. GSE Council Members
9. GSE Notice Board

For enquiries, contact:
Head of Listing, GSE on 0302 669908, 669914, 669935
*AA

STANDARD CHARTERED BANK GHANA PLC

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

STANDARD CHARTERED BANK GHANA PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS

INDEX

STANDARD CHARTERED BANK GHANA PLC

CORPORATE INFORMATION

Board of Directors	Ebenezer Twum Asante	Chairman
	Mansa Nettey	Chief Executive / Managing Director
	Sheikh Jobe	Executive Director/ Chief Technology & Operations Officer
	George Akello	Non-Executive Director
	Albert Larweh Asante	Executive Director/Chief Financial Officer
	Kwabena Nifa Aning	Independent Non-Executive Director
	Subhradeep Mohanty (appointed on 26th Oct. 23)	Non-Executive Director
	Naa Adorkor Codjoe (appointed on 26th Oct. 23)	Independent Non-Executive Director
	Xorse Augustine Godzi (appointed 12th Dec. 23)	Executive Director & Head Client Coverage Corporate, Commercial & Institutional Banking (CCIB)
	Professor Akua Kuenyehia (resigned on 31st Dec. 23)	Independent 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	

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 2023. 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 comprise the financial position as at 31 December 2023, 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 material accounting policies and other explanatory notes, in accordance with IFRS Accounting Standards including the Hyperinflation Directive issued by the Institute of Chartered Accountants, Ghana 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 dependable
- State whether they have been prepared in accordance with IFRS Accounting Standards including the Hyperinflation Directive issued by the Institute of Chartered Accountants, Ghana 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 Bank. Following its review, the Audit Committee has advised the Board that such a statement can be made in the annual report.

Nature of business

The 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 37 to 165 provide the business performance and position for the year ended 31 December 2023.

REPORT OF THE DIRECTORS
TO THE MEMBERS OF
STANDARD CHARTERED BANK GHANA PLC (CONT'D)

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).

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 2023 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. In assessing the going concern, the Directors also evaluated the impact of the DDEP on the capital of the Bank and concluded that there was no need for additional capital

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 impact of Ghana's Domestic Debt Exchange and External Debt Restructuring 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 2024 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.

Viability statement (cont'd)

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 2026.

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 18 branches, Main Head Office, and SC Wealth Management Limited Company Office at Opeibea as at the time of signing this account.

Subsidiaries

Standard Chartered Ghana Nominees 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 Nominees 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. The tenor for KPMG ends after the audit of the 2023 financial statement.
The Committee have commenced the process to appoint a new auditor.

The approved fee for the 2023 audit is GH¢1,212,453 (2022: GH¢865,000).

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 2023 (2022: Nil).

Business performance (Group)

- Operating income increased by 42 per cent from GH¢ 1,214.96 million to GH¢ 1,719.88 million.
- Profit before tax was GH¢ 1,358.34 million from loss of GH¢380.93 million recorded in 2022, representing 457 per cent increase.
- Earnings per share was GH¢ 6.45 compared to loss per share of GH¢2.21 in 2022.
- Overall total assets grew by 34 per cent to GH¢13.92 billion from GH¢10.37 billion in 2022.

REPORT OF THE DIRECTORS
TO THE MEMBERS OF
STANDARD CHARTERED BANK GHANA PLC (CONT'D)

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¢676.28 million (2022: 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 previous years.

Dividend

Payment of ordinary and preference dividend will be subject to regulatory approval.

Unclaimed dividend account

In accordance with the Companies Act, 2019 (Act 992) any unclaimed dividend for a period of three months will be transferred to an interest-bearing account. The unclaimed dividend together with the accrued interest thereon will be transferred to the Registrar within a further period of twelve months. The unclaimed dividend amounts to GH¢32.12 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¢1.44 million (2022: GH¢1.06 million) was spent under the Group's social responsibility programme. 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.

The parent company sponsored some initiatives during the year, the Standard Chartered Women in Technology (SC Women in Tech) Incubator programme which is implemented by Ashesi University's Ghana Climate Innovation Centre (AU-GCIC). This initiative 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¢ 1.90 million funded by the Standard Chartered Foundation. Two other Futuremakers projects were implemented in Ghana. Namely: Youth-to-Work, GH¢ 1.78 million; and Goal, GH¢ 0.71 million.

Additionally, the Bank runs a Youth Employability Skills initiative costing GH¢ 1.19 million and a Reading Club Project in some underserved communities in Accra and contributed to displaced residents affected by the Akosombo dam Spillage to the tune of GH¢ 0.25 million

REPORT OF THE DIRECTORS
TO THE MEMBERS OF
STANDARD CHARTERED BANK GHANA PLC (CONT'D)

Approval of the Report of the Directors

The Report of the Directors of the Bank were approved by the Board of Directors and authorised for issue on 28 March 2024 and signed on its behalf by

…………………………	…………………………
Mansa Nettey	**Albert Larweh Asante**
Managing Director	**Executive Director**

CORPORATE GOVERNANCE REPORT

STANDARD CHARTERED BANK GHANA PLC

Standard Chartered Bank Ghana PLC ("the Company") is a key player in the banking industry in Ghana. The Company has consistently practiced 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 recognizes 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 2023. 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 2023. 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 App
Ebenezer Twum Asante	Independent Non-Executive Director	Commercial/Economist	55	2nd May 2019
Mansa Nettey	Managing Director	Banking/Financial Services	57	20th Feb. 2014
Professor Akua Kuenyehia	Independent Non-Executive Director	Lawyer	76	27th Jul. 2017
Kwabena Nifa Aning	Independent Non-Executive Director	Chartered Management Accountant	56	4th Dec. 2019
George Akello	Non-Executive Director	Chartered Accountant	62	29th Oct. 2020
Sheikh Jobe	Executive Director	Banking/Financial Services	56	4th Dec. 2019
Albert Larweh Asante	Executive Director	Chartered Accountant/ Chartered Financial Analyst	40	21st Mar. 2023
Subhradeep Mohanty	Non-Executive Director	Finance/Strategy	46	26th Oct. 2023
Naa Adorkor Codjoe	Independent Non-Executive Director	Chartered Accountant/ Risk Specialist	47	26th Oct. 2023
Xorse Augustine Godzi	Executive Director	Banking/Financial Services	48	12th Dec.2023

Following the appointment of Mr. Ebenezer Twum Asante and Mr. Albert Larweh Asante as Chairman of the Board and Executive Director respectively, three additional directors were appointed to the Board in 2023. These were Mr. Subhradeep Mohanty (Non-Executive Director), Ms. Naa Adorkor Codjoe (Independent Non-Executive Director) and

Mr. Xorse Godzi (Executive Director). Mr. Godzi's appointment however takes effect from 2nd January 2024. All three directors would be retiring at the 54th AGM of the Company and would be up for re-election.

Professor Akua Kuenyehia resigned from the Board on 31st December 2023 and steps are underway to appoint a suitable successor, in line with the Company's succession plan.

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 policy was reviewed in October 2023.

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-today 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, 2018 ("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 2023, Independent Non-Executive Directors comprise 40 per cent of the Board's composition, 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 shareholders' 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 2023, there were four (4) 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 2023, the Board focused on ensuring that each Director had completed Bank of Ghana's mandatory Corporate Governance Certification programme which was conducted by the National Banking College. The certification programme comprised three modules which related to the following areas: Cyber Risk Governance and Management for Directors in Financial Institutions; Fraud Governance & Prevention for Directors; and Driving ESG Practices: Role of the Board from ESG Strategy to ESG Reporting. As 31st December 2023, all Directors on the Board had completed all three modules.

Additionally, the Securities and Exchange Commission in collaboration with the Ghana Institute of Securities and Investments provided Corporate Governance training for Boards of Capital Market Operators on the SEC regulatory framework for capital market operators. Some of the topics dealt with included Anti-Money Laundering /Combating the financing of terrorism; the SEC Compliance Manual, Directors' responsibilities for Collective Investment schemes; Investment Guidelines for Fund Managers

Other areas of training for the Board during the year included SCB Group led trainings on Global economic and geo-political outlook, and Sustainability. An annual refresher training on Sanctions Compliance, and Conduct risk was also conducted.

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 the 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 Thinking Board.

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 has established a combined Board Risk and Sustainability Committee to oversee ESG matters within the Bank. Members highlighted the need to continuously leverage on each Director's knowledge and experience to improve the Board's effectiveness. An action plan was formulated and tracked at each Board meeting to closure. A report on the evaluation and the action plan was shared with the Bank of Ghana in June 2023.

The 2023 evaluation is being conducted by the Flexcorp Consult and is currently ongoing.

Calendar of Activities of the Board committees

Board Meeting Calendar

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Ad hoc Meets	X											X
Scheduled Meets			X		X		X			X		
AGM							X					

Board Committee's Meets

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Audit			X		X		X			X		
Risk and Sustainability			X		X		X			X		
Nomination and Renumeration			X		X		X			X		
Cyber & Information Security			X		X		X			X		

CORPORATE GOVERNANCE REPORT

STANDARD CHARTERED BANK GHANA PLC

Board meetings and attendance

The Board meets at least four times a year and has a special strategy session annually. In 2023, the Board met four times as scheduled. In addition, an emergency board meeting was held in January 2023 to discuss and approve the Company's participation in the Government of Ghana's domestic debt restructuring programme.

One strategy session was held in December 2023 and another in January 2024, to discuss the 2024 budget and strategy for the Company.

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 meetings held in 2023

	Scheduled meetings and attendance (4)	Other meetings and attendance (4)	Remarks
Ebenezer Twum Asante	4/4	2/2	
Mansa Nettey	4/4	2/2	
Professor Akua Kuenyehia	4/4	2/2	resigned on 31st Dec. 23
Kwabena Nifa Aning	4/4	2/2	
Sheikh Jobe	4/4	2/2	
George Akello	4/4	2/2	
Albert Larweh Asante	4/4	2/2	
Subhradeep Mohanty	1/4	1/2	appointed on 26th Oct. 23
Naa Adorkor Codjoe	1/4	1/2	appointed on 26th Oct. 23

At the time of approval of the 2023 Annual Report on 26th February 2024 the Board was made up of nine (9) Directors: four (4) Executive Directors and five (5) Non-Executive Directors (out of which 3 are independent). The list and their various committee representation are as stated below:

Board members	SCG PLC Board	Board Audit Committee	Board Risk & Sustainability Committee	Board Nomination Remuneration Committee	Cyber & information &Security Committee
Ebenezer Twum Asante (Chairman)	Yes	No	No	Yes	No
Mansa Nettey	Yes	No	No	No	No
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
Subhradeep Mohanty	Yes	No	No	No	No
Naa Adorkor Codjoe	Yes	Yes	Yes	Yes	Yes
Xorse Augustine Godzi	Yes	No	No	No	No

CORPORATE GOVERNANCE REPORT

STANDARD CHARTERED BANK GHANA PLC

Board Committees

The Board made a conscious decision to delegate a broader range of issues to the Board committees, namely Audit, Risk & Sustainability, Cyber and Information Security, and Nomination and Remuneration. The linkages between the Committees and the Board are critical for the smooth running of the Company. The Board duly received the minutes and updates from each of the Committees' meetings throughout the reporting period. The Company 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 Company'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 2018, 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 ensure productivity. 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 Company'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 Company'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 2023

Committee members	Scheduled meetings and attendance	Remarks
Kwabena Nifa Aning (Chairperson)	4/4	
Professor (Mrs.) Akua Kuenyehia	4/4	Resigned from the committee on 31st Dec 23
Naa Adorkor Codjoe	0/4	Appointed on 26th Oct. 23

Other attendees at Committee meetings in 2023 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 & Sustainability Committee
The Committee exercises oversight, on behalf of the Board, on wide risks facing the Company 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 Company'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 Company's risk management and how risk management has responded to internal and external pressures.

The Company 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 in embedding a stronger risk culture in the Company.

In compliance with the Ghana Stock Exchange's ESG Disclosure Guidance Manual (Manual) which requires the establishment of a Board level Sustainability Committee, the Board decided to situate this Committee within its Risk Committee, with the added responsibilities as outlined in the Manual.

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 Company's risk management systems, considering the implications of material regulatory change proposals, reviewing reports on principal risks to the Company'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.
As stated earlier the Committee's responsibilities has been expanded by the Board to include matters relating to Sustainability and ESG.

Committee composition in 2023

Risk Committee members	Scheduled meetings and attendance	Remarks
Professor (Mrs.) Akua Kuenyehia (Chairperson)	4/4	Resigned from the committee on 31st Dec. 23
Kwabena Nifa Aning	4/4	
George Akello	4/4	
Naa Adorkor Codjoe	0/4	Appointed on 26th Oct. 23

Other attendees at Committee meetings in 2023 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 2023, the Chairperson stepped down from the Committee after having served the maximum term of 5 years, as per the Bank of Ghana Corporate Governance Directive.

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 Company to improve its defences, create stronger control frameworks and improve intelligence sharing. The Committee exercises oversight, on behalf of the Board, of the cyber and information security risks faced by the Company and makes recommendations to the Board on the Company'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 Company
2. The risk-taking decisions of the Company 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 2023

Cyber & Information Security Committee members	Scheduled meetings and attendance	Remarks
George Akello (Chairman)	4/4	
Prof. (Mrs) Akua Kuenyehia	4/4	Resigned from the committee on 31st Dec. 23
Kwabena Nifa Aning	4/4	
Naa Adorkor Codjoe	0/4	Appointed on 26th Oct. 23

Other attendees at Committee meetings in 2023 included
Chief Financial Officer, Head of Internal Audit, Chief Risk Officer, Chief Information Security Officer, Chief Operating Officer, Company Secretary

Nomination and Remuneration 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.

The Committee also reviewed the succession plan for Key Management personnel.

The Board in Q4 2022, agreed to expand the remit of the Committee to include remuneration matters. The Committee therefore oversees the design and operation of the Company's compensation system to ensure it is effectively aligned to prudent risk taking, amongst other responsibilities.

Committee composition in 2023

Nomination Committee members	Scheduled meetings and attendance	Remarks
Professor (Mrs.) Akua Kuenyehia (Chairperson)	2/2	Resigned from the committee on 31st Dec. 23
Kwabena Nifa Aning	2/2	
Ebenezer Twum Asante	2/2	
Naa Adorkor Codjoe	0/2	Appointed on 26th Oct. 23

Other attendees at Committee meetings in 2023 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 the Company uses to make remuneration decisions that are fair, transparent, and 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 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 the Nomination and Remuneration Committee. 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, via the Nomination and Remuneration Committee, 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 Company has a comprehensive policy on Conflicts of Interest. Staff as well as Directors are required to abide by it. Directors are made aware of their obligation to avoid conflicts of interest at the induction and through ongoing training. There is a robust process which requires Directors to disclose outside business interest before they are entered. 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 19 to 22 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 Company.

Internal Controls

The Board is responsible for maintaining and reviewing the effectiveness of the internal control system. The effectiveness of the Company's internal control system is reviewed regularly by the Board through an Enterprise Risk Management framework and the Internal Audit function.

The Board is committed to managing risk and to controlling the Company'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. For the year ended 31 December 2023, the Board Audit Committee has reviewed the effectiveness of the Company's system of internal control and discussed a report on the assessment of the effectiveness of the Company's risk management framework. The Board Risk Committee is responsible for exercising oversight, on behalf of the Board, of the key risks of the Company. It reviews the Company's Risk Appetite Statement and Enterprise Risk Management Framework and makes recommendations to the Board.

There are written policies and standards designed to ensure the identification and management of risk, including Credit Risk, Traded Risk, Treasury Risk, Operational and Technology Risk, Information and Cyber Security Risk, Compliance Risk, Financial Crime Risk, and Reputational and Sustainability Risk. This framework incorporates the Company's internal controls on financial reporting. The Board has established a management structure that clearly defines roles, responsibilities and reporting lines

The Company has a process in place to ensure that any changes in legislation are captured and monitored effectively. A comprehensive gap analysis is conducted by the relevant parties once the laws are in place. The Compliance Department ensures that the business and functional units put in place controls to ensure compliance with the various laws and regulations. Where there are regulatory breaches, this is included in the Compliance report with highlights of the root-cause and measures to be implemented to address the gaps.

Operational procedures and controls have been established to facilitate complete, accurate and timely processing of transactions and the safeguarding of assets. These controls include appropriate segregation of duties, the regular reconciliation of accounts and the valuation of assets and positions. Such systems and controls are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

There is a policy that guides employee trading in the shares of the Bank. There are categories of employees subject to Closed Periods and must not transact during this period. This category includes staff working in CEO's office and Directorate and Management team, Finance, Conduct Financial Crime & Compliance, Corporate Secretariat, Legal and General Counsel, and Risk (not including Retail Risk).

In the event of exceptional personal circumstances, employees who are prohibited from trading during a Closed Period or other restricted period under this section, may be given an exemption to deal during a prohibited period. Clearance would only be given to sell and not to purchase Standard Chartered securities and would only be given where the employee is not in possession of Inside Information.

CORPORATE GOVERNANCE REPORT

STANDARD CHARTERED BANK GHANA PLC

Internal Audit

The Audit Committee is responsible for oversight and advice to the Board on matters relating to financial, non-financial and narrative reporting. The Internal Audit function monitors compliance with policies and standards and the effectiveness of internal control structures of the Company through its programme of business audits. The work of the Internal Audit function is focused on the areas of greatest risk as determined by a risk-based assessment methodology. The Internal Audit function reports to the Board Audit Committee 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 through management reports which include information on the following:

a) a summary of financial statements and performance review against the approved budget, business plan, peers and industry;
b) the extent to which the bank is exposed to various risks such as credit, liquidity, interest rate, foreign exchange, operational and other risks;
c) review of non-performing loans, related party transactions and credit concentration;
d) activities of the Company in the financial market and in its "nostro" accounts;
e) effectiveness of internal control systems and human resource issues;
f) outstanding litigations and contingent liabilities;
g) Compliance with Anti-Money Laundering/ Counter Financing of Terrorism (AML/CFT) policies, laws and regulations;
h) List of related party exposures and their classification

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. Ad hoc 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 - Mr. 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 2018
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 Company is effective and has successfully achieved its objectives.
b. Directors are aware of their responsibilities to the Company as persons charged with governance.

Annual Certification of compliance
The Board of Directors hereby confirm that the Company has complied with the following Directives, Codes of Corporate Governance and Listing Rules:
a. Bank of Ghana Corporate Governance Directive 2018
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

Profile of Board of Director

Ebenezer Twum Asante
Board Chairman and Independent Non-Executive Director
Appointed: 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 quickly progressed into key senior management roles in Sales & Brand and Category management. He would go on to become 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
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 Bank Ghana 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 was the President of the Ghana Association of Banks till 2023 and also serves on Charities and Boards including the Leukaemia Project Foundation, the Ghana Petroleum Funds Investment Advisory Council, Zen Petroleum, the Ghana Interbank Payment and Settlement Systems Limited, and Solvezy Technology Ghana Limited.

Profile of Board of Director (cont'd)

Kwabena Nifa Aning
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 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: Mr Kwabena Nifa Aning previously served as a board member of BLY Limited, Sierra Leone.

Sheikh Jobe
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 Operating 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.

Profile of Board of Director (cont'd)

George Akello
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.

Albert Larweh Asante
Executive Director/Chief Financial Officer
Appointed: March 2023

Albert has 17 years' work experience in accounting, banking, and finance. He was appointed Chief Financial Officer role in April 2022 and is responsible for providing functional leadership for Finance and governance oversight for the Supply Chain and Property functions.

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 for Standard Chartered Bank Angola S.A. He was an Executive Director of the Bank in Angola and acted as CEO for nearly a year. Until his recent appointment, he 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 Charter holder, holds an MBA from the University of Warwick, United Kingdom, and a Bachelor of Science in Administration (Accounting option) from the University of Ghana, Legon.

External Appointments
Albert is a Director of Mercranjoy Company Limited.

Profile of Board of Director (cont'd)

Subhradeep Mohanty
Non-Executive Director
Appointed: October 2023

Experience
Monty has over 21 years of diverse international experience with various financial institutions across Asia, USA, Africa, and Middle East, with responsibilities spanning finance, strategy, risk, corporate development & business transformation.

Career:
Monty joined SCB in 2014 and was appointed as the Global CFO of Retail Banking in 2015. He also worked in SCB India as the Country CFO between 2017 and 2020, before taking on the current role. Monty has been recognized by AsiaOne as "One of Asia's top CFOs' in 2017 and by CFO Power List as an "Icon for Building Finance Organization" in 2019.

Before SCB, Monty worked with JP Morgan in Asia, and with American Express in USA & Asia.

External Appointments:
None

Naa Adorkor Codjoe
Independent Non-Executive Director
Appointed: October 2023

Experience:
Naa Adorkor Codjoe is an accomplished and seasoned enterprise risk management specialist and a chartered accountant. She has over 24 years professional working experience, 22 years of which is post qualification experience as a chartered accountant.

She has a background and expertise in external audit, accounting, corporate governance, risk management and business advisory.

Career:
Naa Adorkor currently consults in governance and enterprise risk management – including championing the rollout of ERM in organizations, designing business continuity plans, risk registers, risk frameworks & policies, delivering bespoke ERM training courses and providing support and capacity building for senior management and board members in risk management.

Aside having attended several executive seminars and training for industry leaders by institutions such as the Harvard Business School. Presenting on topical risk management issues for several organizations including the Internal Audit Agency (IAA), the Institute of Internal Auditors (IIA), the Ghana Police Service, the Information Systems Audit and Control Association (ISACA)

External Appointments:
None

Profile of Board of Director (cont'd)

Xorse Godzi
Executive Director/Head Client Coverage Corporate, Commercial & Institutional Banking (CCIB)
Appointed: December 2023

Experience
Xorse was appointed Executive director in December 2023 and 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 several of the Bank's footprint markets across Africa and Europe.

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

External Appointments:
None

Profile of Management Team

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 several 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.

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 workflow, balance sheet and revenue.

Education
Kwame holds a master's degree from the University of Leicester, United Kingdom and a bachelor's degree in Agricultural Economics from the Kwame Nkrumah University of Science & Technology.

Profile of Management Team (Cont'd)

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.

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.

Profile of Management Team (Cont'd)

Gifty Fordwuo
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.

Dr. Setor Quashigah
Executive Director, Head Wealth Management Ghana
Appointed:

Dr Setor Quashigah was appointed CEO of Standard Chartered Wealth Management Company Limited in 2022.

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 several senior roles including: Head of Direct Banking, Head of Proximity and Remote Banking and General Manager for Preferred and Priority Banking.

Setor was 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 the Swiss Business School; holds an MBA from the University of Leicester, United Kingdom and is a certified Wealth Manager from INSEAD, France.

Profile of Management Team (Cont'd)

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'Ivoire 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 Ghana PLC, 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 as Chief Risk Officer in July 2022

Career
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 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. The 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 AME enabling the alignment of business strategy and Risk appetite.

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 from Ambrose Alli University, Ekpoma Nigeria and a certificate in complete risk management from the Kellogg's School of Management, Northwestern University.

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)

Profile of Management Team (Cont'd)

Jojo Kakra Bannerman
Acting Head, Financial Markets
Appointed: November 2023

Career:

Jojo comes into the role with over fifteen (15) years of experience, having started his career as an International Graduate (IG) with the Bank. He has held various roles across geographies in Financial Markets (FM) Structuring and Financial Markets (FM) Sales. Prior to joining Standard Chartered he was Financial Advisor at KPMG, Ghana

Education:

Jojo holds a degree in Electrical / Electronic Engineering from Kwame Nkrumah University of Science and Technology, Ghana, (KNUST) as well as a Postgraduate Certificate in Business and Finance from the London School of Business and Finance, United Kingdom (UK). He is a Chartered Financial Analyst, of the CFA Institute.

Michael Oseku -Afful
Head, Conduct, Financial Crime and Compliance
Appointed: Michael was appointed Head, Conduct, Financial Crime and 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 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 on 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 Institution 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 later 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 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.

KPMG

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 2023, and the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of material accounting policies and other explanatory notes, as set out on pages 37 to 165.

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 2023 and of its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards including the Hyperinflation Directive issued by the Institute of Chartered Accountants, Ghana 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.

Key Audit Matters (cont'd)

Impairment of loans and advances to customers GH¢ 175 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¢ 2,104 million at 31 December 2023 (GH¢ 2,050 at 31 December 2022), and the total impairment allowance account for the Bank amounted to GH¢ 175 million at 31 December 2023 (GH¢ 446 million at 31 December 2022). 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 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. 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;	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 • 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.

• 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.	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 (Fair Value GH¢ 526 million)

Refer to Note 7.2 to the financial statements

The key audit matter	*How the matter was addressed in our audit*
Fair value on investment securities and trading assets amounted to GH¢526 million at 31 December 2023 (GH¢ 2,151 million at 31 December 2022), The valuation of these government securities is considered to be a key audit matter due to the estimation required in 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 due to the disappearance of an active market (low volume of trades and trades done at significant discounts) following the implementation of the Ghana Domestic Debt Exchange Programme (GDDEP). The judgement involved in the fair valuation of these securities are compounded by the fact that the Government of Ghana has suspended the issuance of new bonds which has switched focus to trading of short-term securities. 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.	Based on our risk assessment, we have examined the valuation 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 valuation of government securities. • Testing the IT general controls and application controls relating to IT systems that support valuation of investment securities. • Using the KPMG specialist to independently estimate the fair value of these securities to validate the accuracy of the management's estimates. • Assessing the adequacy of the Bank's disclosures in relation to impairment about changes in estimates occurring during the period

Impairment of Investment Securities GH¢ 62million

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 bonds and bills amounted to GH¢6.7b at 31 December 2023, which represent 47% of the total amount of the Bank's total assets. The Bank recognised an impairment loss allowance of GH¢62m on these balances as of 31 December 2023 (GH¢ 625m at 31 December 2022) The Bank is required to recognise expected credit losses (ECL) on these instruments which involve significant judgement and complexity including estimating future cash flows and associated cash shortfalls to be experienced on the government securities. The expected credit losses of investment may be materially misstated if judgements or estimates made by the Bank are inappropriate. The Bank's ECL model includes certain judgements and assumptions such as: • the credit grades allocated to the Government of Ghana (GoG); the probability of a security's maturity being past due and GoG subsequently defaulting on repayments (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 securities that are past due and in default; • 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. 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.	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. • Assessing the appropriateness of staging for government securities and other sovereign-related exposures. • Using the Financial Risk Management team to independently estimate the ECL of these securities to validate the accuracy of the management's estimates. • 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. • Sample testing over key inputs and assumptions impacting ECL calculations to assess the reasonableness of economic forecasts, weights, and PD, LGD and EAD assumptions applied. • Assessing whether the disclosure of the key judgements and assumptions made were reasonable.

KPMG

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF STANDARD CHARTERED BANK GHANA PLC
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

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 IFRS Accounting Standards including the Hyperinflation Directive issued by the Institute of Chartered Accountants, Ghana 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 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.

KPMG

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF STANDARD CHARTERED BANK GHANA PLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF STANDARD CHARTERED BANK GHANA PLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

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 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.

Compliance with the requirements of the Bank of Ghana Corporate Governance Disclosure Directive, 2022

— The Corporate Governance practices and Corporate Governance Report of the Group and Bank have generally complied with the requirements of the Bank of Ghana Corporate Governance Disclosure Directive, 2022.

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

KPMG
....
FOR AND ON BEHALF OF:
KPMG: (ICAG/F/2024/038)
CHARTERED ACCOUNTANTS
13 YIYIWA DRIVE, ABELENKPE
P O BOX GP 242
ACCRA

28 March 2024

STANDARD CHARTERED BANK GHANA PLC
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

		2023		2022	
		Bank	**Group**	Bank	Group
	Notes	**GH¢'000**	**GH¢'000**	GH¢'000	GH¢'000
Interest income calculated using the effective interest method		**1,421,644**	**1,421,644**	1,008,901	1,008,901
Interest expense		**(155,201)**	**(155,201)**	(201,115)	(201,115)
Net interest income	8	**1,266,443**	**1,266,443**	807,786	807,786
Fees and commission income	9	**205,166**	**216,083**	191,440	196,279
Fees and commission expense	9	**(27,391)**	**(27,391)**	(22,220)	(22,220)
Net fee and commission income	9	**177,775**	**188,692**	169,220	174,059
Net trading income	10	217,465	217,465	239,390	239,390
Revenue		1,661,683	1,672,600	1,216,396	1,221,235
Net gain/(loss) from other financial instruments carried at fair value through profit/loss	11a	**2,222**	**2,222**	(1,189)	(1,189)
Lease modification gain/(loss)	30a(iii)	**2,556**	**2,556**	(8,581)	(8,581)
Other income	11c	**42,499**	**42,499**	3,499	3,499
Operating income		**1,708,960**	**1,719,877**	1,210,125	1,214,964
Net impairment gain/(loss) on investment securities	12a	**(47,964)**	**(47,964)**	(602,086)	(602,086)
Net impairment gain/(loss) on loans and advances, and others	12b	**253,876**	**253,876**	(506,438)	(506,438)
Lease impairment	30a(iii)	**14,400**	**14,400**	(50,249)	(50,249)
Total Impairment		**220,312**	**220,312**	(1,158,773)	(1,158,773)
Operating income net of impairment charges		**1,929,272**	**1,940,190**	51,352	56,191
Personnel expenses	13a	**(392,348)**	**(395,045)**	(298,472)	(299,422)
Depreciation	23b	**(42,879)**	**(43,130)**	(32,983)	(33,088)
Other expenses	14	**(142,726)**	**(143,673)**	(103,439)	(104,584)
Total operating expenses		**(577,953)**	**(581,848)**	(434,894)	(437,094)
Profit/(loss) before income tax		**1,351,319**	**1,358,342**	(383,542)	(380,903)
Income tax credit/(expense)	15(i)	**(351,796)**	**(353,561)**	83,908	83,255
Growth and Sustainability Levy	15(i)	**(67,566)**	**(67,918)**	-	(132)
Financial Sector Recovery Levy	15(i)	**(67,566)**	**(67,566)**	-	-
Total tax and levy		**(486,928)**	**(489,045)**	83,908	83,123
Profit/(loss) for the year		**864,391**	**869,297**	(299,634)	(297,780)

STANDARD CHARTERED BANK GHANA PLC
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 Bank GH¢'000	2023 Group GH¢'000	2022 Bank GH¢'000	2022 Group GH¢'000
Profit/(loss) for the year		**864,391**	**869,297**	(299,634)	(297,780)
Other comprehensive income					
Items that are or may be reclassified subsequently to profit or loss					
Net gain/(loss) from changes in fair value	31(v)	**(122,244)**	**(122,244)**	(291,146)	(291,146)
Tax on net gain/(loss) from changes in fair value	31(v)	**30,561**	**30,561**	72,787	72,787
ECL charge on FVOCI Investment	31(v)	**47,964**	**47,964**	602,072	602,072
Tax on charge on FVOCI Investment	31(v)	**(11,991)**	**(11,991)**	(150,518)	(150,518)
Debt investments at FVOCI – reclassified to profit or loss	31(v)	**(281,661)**	**(281,661)**	-	-
Tax on debt investments – reclassified to profit or loss		**70,415**	**70,415**	-	-
Total other comprehensive income		**(266,956)**	**(266,956)**	233,195	233,195
Total comprehensive income for the year		**597,435**	**602,341**	(66,439)	(64,585)
Basic earnings/(loss) per share (Ghana Cedi per share)	16(i)	**6.41**	**6.45**	(2.22)	(2.21)
Diluted earnings/(loss) per share (Ghana Cedi per share)	16(i)	**6.41**	**6.45**	(2.22)	(2.21)

The notes on pages 45 to 165 form an integral part of these financial statements.

STANDARD CHARTERED BANK GHANA PLC

STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2023

	Notes	2023 Bank GH¢'000	2023 Group GH¢'000	2022 Bank GH¢'000	2022 Group GH¢'000
Assets					
Cash and cash equivalents	18	**4,309,599**	**4,316,795**	3,978,479	3,980,349
Derivative assets held for risk management	19a	**8,920**	**8,920**	69,691	69,691
Non-pledged trading assets	20	**17,911**	**17,911**	4,560	4,560
Loans and advances to customers	21	**2,104,269**	**2,104,269**	2,050,310	2,050,310
Investment securities	22a	**6,694,890**	**6,694,890**	3,473,154	3,473,154
Current tax assets	15(ii)	**210,342**	**210,505**	74,937	75,326
Deferred tax asset	24	**64,170**	**64,238**	188,524	188,531
Property and equipment	23a	**28,357**	**28,754**	37,958	38,607
Right-of-use asset	30a(i)	**173,502**	**173,502**	192,667	192,667
Equity investments	22b(i)	**1,001**	**1**	1,001	1
Other assets	25	**307,794**	**307,794**	295,723	295,723
Total assets		**13,920,755**	**13,927,579**	10,367,004	10,368,919
Liabilities					
Derivative liabilities held for risk management	19b	**15,045**	**15,045**	70,338	70,338
Deposits from banks	26	**202,946**	**202,946**	114,439	114,439
Deposits from customers	27	**10,818,779**	**10,818,779**	8,183,887	8,183,887
Short-term Borrowings	28	**232,860**	**232,860**	-	-
Provisions	29b	**134,802**	**134,802**	98,015	98,015
Lease liabilities	30a(v)	**366,076**	**366,076**	284,497	284,497
Other liabilities	29a	**225,454**	**225,518**	288,470	288,531
Total liabilities		**11,995,962**	**11,996,026**	9,039,646	9,039,707
Shareholders' funds					
Stated capital	31(i)	**400,000**	**400,000**	400,000	400,000
Income surplus	31(ii)	**820,817**	**827,577**	148,380	150,234
Reserve fund	31(iii)	**676,277**	**676,277**	568,228	568,228
Credit risk reserve	31(iv)	**83,905**	**83,905**	-	-
Other reserves	31(v)	**(56,206)**	**(56,206)**	210,750	210,750
Total shareholders' funds		**1,924,793**	**1,931,553**	1,327,358	1,329,212
Total liabilities and shareholders' funds		**13,920,755**	**13,927,579**	10,367,004	10,368,919
Net assets value per share (Ghana Cedis per share)	35	**14.22**	**14.26**	9.78	9.79

Approval of financial statements

These financial statements were approved by the Board of Directors on 28 March 2024 and signed on its behalf by

Mansa Nettey
Managing Director

Albert Larweh Asante
Executive Director

The notes on pages 45 to 165 form an integral part of these financial statements.

STANDARD CHARTERED BANK GHANA PLC

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

Bank

2023	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 2023		400,000	148,380	568,228	-	210,750	1,327,358
Total Comprehensive income							-
Profit for the year			864,391	-	-	-	864,391
Other comprehensive income			-	-	-	-	-
Net gain/(losses) from changes in fair value	31(v)					(122,244)	(122,244)
Tax on net gain/(losses) from changes in fair value	31(v)					30,561	30,561
ECL charge on FVOCI Investment	31(v)					47,964	47,964
Tax on charge on FVOCI Investment	31(v)		-	-	-	(11,991)	(11,991)
Debt investments at FVOCI – reclassified to profit or loss	31(v)	-	-	-	-	(281,661)	(281,661)
Tax on reclassification to profit and loss	31(v)	-	-	-	-	70,415	70,415
Total Comprehensive income		-	864,391	-	-	(266,956)	597,435
Transfers:							-
Transfer from credit risk reserve			(83,905)	-	83,905	-	-
Transfer to reserve funds			(108,049)	108,049	-	-	-
Total Transfers		-	(191,954)	108,049	83,905	-	-
Transactions with owners of the Bank				-	-	-	-
Dividends	32	-	-	-	-	-	-
Total Transactions with owners of the Bank		-	-	-	-	-	-
Balance at 31 December 2023		400,000	820,817	676,277	83,905	(56,206)	1,924,793

STANDARD CHARTERED BANK GHANA PLC
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

Group

2023	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 2023		400,000	150,234	568,228	-	210,750	1,329,212
Total Comprehensive income						-	-
Profit for the year			869,297			-	869,297
Other comprehensive income						-	-
Net gain/(losses) from changes in fair value	31(v)					(122,244)	(122,244)
Tax on net gain/(losses) from changes in fair value	31(v)					30,561	30,561
ECL charge on FVOCI Investment	31(v)					47,964	47,964
Tax on charge on FVOCI Investment	31(v)		-	-	-	(11,991)	(11,991)
Debt investments at FVOCI – reclassified to profit or loss	31(v)	-	-	-	-	(281,661)	(281,661)
Tax on reclassification to profit or loss	31(v)	-	-	-	-	70,415	70,415
Total Comprehensive income		-	869,297	-	-	(266,956)	602,341
Transfers:							-
Transfer to credit risk reserve			(83,905)	-	83,905	-	-
Transfer to reserve funds			(108,049)	108,049	-	-	-
Total Transfers		-	(191,954)	108,049	83,905	-	-
Transactions with owners of the Group				-	-	-	-
Dividends	32	-	-	-	-	-	-
Total Transactions with owners of the Group			-				-
Balance at 31 December 2023		400,000	827,577	676,277	83,905	(56,206)	1,931,553

The notes on pages 45 to 165 form an integral part of these financial statements.

STANDARD CHARTERED BANK GHANA PLC

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

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 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			(299,634)	-		-	(299,634)
Other comprehensive income			-	-		-	
Net gain/(losses) from changes in fair value						(291,146)	(291,146)
Tax on net gain/(losses) from changes in fair value						72,787	72,787
ECL charge on FVOCI Investment		-	-	-	-	602,072	602,072
Tax on charge on FVOCI Investment						(150,518)	(150,518)
Debt investments at FVOCI – reclassified to profit or loss						-	-
Total Comprehensive income		-	(299,634)	-	-	233,195	(66,439)
Transfers:							-
Transfer to credit risk reserve			144,087		(144,087)	-	-
Transfer to reserve funds			-	-			-
Total Transfers		-	144,087	-	(144,087)	-	-
Transactions with owners of the bank							-
Dividends	32	-	(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 45 to 165 form an integral part of these financial statements.

STANDARD CHARTERED BANK GHANA PLC

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

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				-	-	(291,146)	(291,146)
Tax on net gain/(losses) from changes in fair value				-	-	72,787	72,787
ECL charge on FVOCI Investment				-	-	602,072	602,072
Tax on charge on FVOCI Investment			-	-	-	(150,518)	(150,518)
Debt investments at FVOCI – reclassified to profit or loss		-	-	-	-	-	-
Total Comprehensive income		-	(297,780)	-	-	233,195	(64,585)
Transfers:							-
Transfer to credit risk reserve			144,087	-	(144,087)	-	-
Transfer to reserve funds			-	-	-		-
Total Transfers		-	144,087	-	(144,087)	-	-
Transactions with owners of the group				-	-		-
Dividends	32	-	(249,485)	-	-	-	(249,485)
Total Transactions with owners of the group		-	(249,485)	-	-	-	(249,485)
Balance at 31 December 2022		400,000	150,234	568,228	-	210,750	1,329,212

The notes on pages 45 to 165 form an integral part of these financial statements.

STANDARD CHARTERED BANK GHANA PLC

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 Bank GH¢'000	2023 Group GH¢'000	2022 Bank GH¢'000	2022 Group GH¢'000
Cash flows from operating activities					
Profit/(Loss) before tax		1,351,319	1,358,342	(383,542)	(380,903)
Adjustments for:					
Depreciation	23b	42,879	43,130	32,983	33,088
Impairment on financial assets	12	(205,912)	(205,912)	1,108,524	1,108,524
Lease impairment	30a(iii)	(14,400)	(14,400)	50,249	50,249
Lease modification gain/(loss)	30a(iii)	(2,556)	(2,556)	8,581	8,581
Net interest income	8	(1,266,443)	(1,266,443)	(807,786)	(807,786)
Unrealised exchange gain/loss on trading		23,201	23,201	(68,881)	(68,881)
Effect of exchange		14,100	14,100	(9,295)	(9,295)
		(57,812)	(50,538)	(69,167)	(66,423)
Change in trading assets (Non-pledge)		(13,351)	(13,351)	357,404	357,404
Change in derivative assets held for risk management		60,771	60,771	(59,548)	(59,548)
Change in other assets		(12,071)	(12,071)	85,491	85,491
Change in loans to other banks		-	-	241,254	241,254
Change in loans and advances to customers		235,642	235,642	(666,787)	(666,787)
Change in derivative liabilities held for risk management		(55,293)	(55,293)	61,089	61,089
Change in deposits from banks		88,507	88,507	34,749	34,749
Change in deposits from customers		2,634,892	2,634,892	629,430	629,430
Change in short-term borrowings		232,860	232,860	(240,244)	(240,244)
Change in provisions		36,787	36,787	11,787	11,787
Change in other liabilities		(63,016)	(63,012)	20,095	21,155
		3,087,917	3,095,194	405,553	409,357
Interest received		1,976,153	1,976,153	1,067,354	1,067,354
Interest paid		(122,812)	(122,812)	(170,551)	(170,551)
Income tax paid	15(ii)	(408,994)	(410,946)	(237,359)	(238,540)
Net cash from operating activities		4,532,264	4,537,589	1,064,997	1,067,620
Cash flows used in investing activities					
Purchase of investment securities	22a	(44,540,784)	(44,540,784)	(30,072,549)	(30,072,549)
Sale/redemption of investment securities	22a	40,393,238	40,393,238	30,069,637	30,069,637
Purchase of property and equipment	23a	(11,282)	(11,282)		(753)
Sale of property and equipment	23a	48,890	48,890	-	-
Net cash used in investing activities		(4,109,938)	(4,109,938)	(2,912)	(3,665)
Cash flows used in financing activities					
Dividend paid	32	-	-	(249,485)	(249,485)
Lease repayment	30a(v)	(72,063)	(72,063)	(46,513)	(46,513)
Investment in Subsidiary		-	-	-	-
		(72,063)	(72,063)	(295,998)	(295,998)
Net cash used in financing activities					
Net increase in cash and cash equivalents		350,263	355,589	766,087	767,957
Effect of exchange fluctuation on cash held		(14,100)	(14,100)	9,295	9,295
Cash and cash equivalents at 1 January		3,978,479	3,980,349	3,203,097	3,203,097
Cash and cash equivalents at 31 December	18	4,314,642	4,321,838	3,978,479	3,980,349

The notes on pages 45 to 165 form an integral part of these financial statements

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 2023 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 2023 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 IFRS Accounting Standards including the Hyperinflation Directive issued by the Institute of Chartered Accountants, Ghana and in a manner required by the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

The ICAG issued a directive in November 2023 to accountants in business and accountants in practice, together with an update during January 2024 in terms of which the ICAG concluded that based on its analysis and interpretation, IAS 29 will not be applicable for December 2023 financial reporting period since Ghana is not considered to be operating in a hyperinflationary economy. In this regard, the financial statements of the Group and Bank, including the corresponding figures for the comparative period have not been stated in terms of the measuring unit current at the end of the reporting period.

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.

2.3 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 2023 is included in notes 5.4.2-impairment of financial instruments: determination of inputs into the ECL measurement model, including determination of stage 3 individually assessed impairment, recoverable cash flows and incorporation of forward-looking information and notes 7.2 – measurement of fair value of financial instruments with significant unobservable units.

3 Accounting policies

3.1 New standards effective from 1 January 2023

Material accounting policy information

The Group adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

The following standards which became effective from 1 January 2023 do not have a material effect on the Group's financial statements.

1. International Tax Reform- Pillar Two Model Rules (Amendment to IAS 12)
2. Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (Amendment to IAS 12)
3. Definition of Accounting Estimates (Amendment to IAS 8)

3.2 Standards issued but not yet effective and interpretation

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2024 and have not been applied in preparing these financial statements. Those which may be relevant to the Group are set out below. The Group is yet to assess the impact of the standards on the financial statements.

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 covenants 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.

The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024, with early application permitted. It also specifies the transition requirements for companies that may have early-adopted the previously issued but not yet effective 2020 amendments.

3.2 Standards issued but not yet effective and interpretation (cont'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 for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted.

Under IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16. This means that it will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments.

Supplier Finance Arrangements (Amendment to IAS 7 and IFRS 7)

The IASB's amendments apply to supplier finance arrangements that have all of the following characteristics.

- A finance provider pays amounts a company (the buyer) owes its suppliers.
- A company agrees to pay under the terms and conditions of the arrangements on the same date or at a later date than its suppliers are paid.
- The company is provided with extended payment terms or suppliers benefit from early payment terms, compared with the related invoice payment due date.

The amendments do not apply to arrangements for financing receivables or inventory. The amendments introduce additional disclosure requirements for companies that enter into these arrangements. However, they do not address the classification and presentation of the related liabilities and cash flows. The amendments introduce two new disclosure objectives – one in IAS 7 and another in IFRS 7 – for a company to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the company's liabilities and cash flows, and the company's exposure to liquidity risk. Under the amendments, companies also need to disclose the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of a supplier finance arrangement. The amendments also add supplier finance arrangements as an example to the existing disclosure requirements in IFRS 7 on factors a company might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities.

The amendments are effective for periods beginning on or after 1 January 2024, with early application permitted. However, some relief from providing certain information in the year of initial application is available.

3.2 Standards issued but not yet effective and interpretation (cont'd)

Lack of exchangeability (Amendment to IAS 21)

In August 2023, the International Accounting Standards Board (IASB) amended IAS 21 to clarify:

- when a currency is exchangeable into another currency; and
- how a company estimates a spot rate when a currency lacks exchangeability.

A currency is exchangeable into another currency when a company is able to exchange that currency for the other currency at the measurement date and for a specified purpose. When a currency is not exchangeable, a company needs to estimate a spot rate. A company's objective when estimating a spot rate is only that it reflects the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions.

The amendments contain no specific requirements for estimating a spot rate. Therefore, when estimating a spot rate a company can use:

- an observable exchange rate without adjustment; or
- another estimation technique.

New disclosures

Under the amendments, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. These disclosures might include:

- the nature and financial impacts of the currency not being exchangeable;
- the spot exchange rate used;
- the estimation process; and
- risks to the company because the currency is not exchangeable.

The amendments apply for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted.

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.

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

3.3 Interest income and expense (cont'd)

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 percentage 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.

SC Wealth Management (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 the statements of comprehensive income. Non-monetary assets and liabilities are translated at historical exchange rates if held at historical cost or exchange rates at the date the fair value was determined if held at fair value, and the resulting foreign exchange gains and losses are generally recognised in the 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.

Group acting as a lessee (cont'd)

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 interest expense in profit or loss.

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.

3.9.1 Recognition and initial measurement (cont'd)

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.

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 the statements of comprehensive income.

3.9.2 Classification and subsequent measurement (cont'd)

b. Financial assets held at amortised cost and fair value through other comprehensive income (FVOCI)

i. Debt Instruments

Debt instruments held at amortised cost or held at FVOCI have contractual terms that give rise to cash flows that are solely payments of principal and interest (SPPI) characteristics. Principal is the fair value of the financial asset at initial recognition, but this may change over the life of the instrument as amounts are repaid. Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period and for other basic lending risks and costs, as well as a profit margin. In assessing whether the contractual cash flows have SPPI characteristics, 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);
- Features that modify consideration of the time value of money – e.g., periodical reset of interest rates. Whether financial assets are held at amortised cost or at FVOCI depends on the objectives of the business models under which the assets are held. A business model refers to how the Group manages financial assets to generate cash flows. The Group makes an assessment of the objective of a business model in which an asset is held at the individual product business line, and where applicable within business lines depending on the way the business is managed and information is provided to management. Factors considered include:
- How the performance of the product business line is evaluated and reported to the Group's management
- How managers of the business model are compensated, including whether management is compensated based on the fair value of assets or the contractual cash flows collected
- The risks that affect the performance of the business and how those risks are managed
- The frequency, volume, and timing of sales in prior periods, the reasons for such sales and expectations about future sales activity

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 the statements of comprehensive income and reported as part of net trading income.

Fair value gains or losses from derivative financial assets are recognised in profit or loss as 'net gain(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.

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 (see below for write-off policy). This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

If the modification of a financial asset measured at amortised cost or FVOCI does not result in derecognition of the financial asset, then the 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.

Financial liabilities (cont'd)

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.

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.

3.9.7 Identification and measurement of impairment (cont'd)

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.

3.9.7 Identification and measurement of impairment (cont'd)

Measurement

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.

Significant increase in credit risk (Stage 2) (cont'd)

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.

Write-offs of credit impaired instruments and reversal of impairment (cont'd)

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.

An instrument will no longer be considered credit-impaired when there is no shortfall of cash flows compared to the original contractual terms.

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

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

Restructured financial asset

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

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

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

Presentation of allowance for ECL in the 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.

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.

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.

3.15.4 Depreciation (cont'd)

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 not recognised for

- temporary differences on the initial recognition of assets or liabilities in a transaction that:
- is not a business combination; and
- at the time of the transaction (i) affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deductible temporary differences; and
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences. 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.

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. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on business plans for individual subsidiaries in the Group. 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.
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.
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.

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.

3.21 Employee benefits

3.21.1 Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in personnel expenses as the related service is provided. 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 as the related service is provided. 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 Programmes

Ghana's economy experienced economic downturn in 2022, which led the country to seek support from the IMF to restore the country's macroeconomic stability. However, the execution of this support programme was contingent on the implementation of a debt restructuring plan. On 5 December 2022, the Government launched the Ghana Domestic Debt Exchange Programme (GDDEP) through which registered bondholders exchanged their eligible Ghana Cedi Denominated Domestic Bonds for new benchmark bonds with the same aggregate principal amount (plus applicable capitalized accrued and unpaid interest).

During the year, the Government of Ghana undertook series of domestic debt exchange in respect of the following instruments:

— Ghana Cedi Denominated Domestic Bonds (comprising GHS Bonds, ESLA Bonds and Daakye Bonds)
— US Dollar Denominated Domestic Bonds
— Cocoa Bills

This note highlights the impact of the Bank's participation in the domestic debt exchanges on the financial statements.

Ghana Cedi Denominated Domestic Bonds

On 21 February 2023, the Bank exchanged its existing eligible bonds for a new set of bonds. The exchange was considered a substantial modification of the existing terms of bonds held, therefore, required the derecognition of the existing bonds and recognition of the new bonds at fair value. The Bank received twelve (12) new general bonds with an aggregate principal amount equal to the principal amount of eligible bonds tendered (in addition to any accrued and unpaid interest due on such bonds) under the exchange programme with the following terms:

Ghana Cedi Denominated Domestic Bonds (Con'd)

- For existing eligible bonds maturing before 2023 exchanged, these bonds will mature over a ten (10) year period with principal repayment starting each year from 2027 through to and including 2033.
- For existing eligible bonds maturing after 2023 exchanged, these bonds will mature over a fifteen (15) year period with principal repayment starting each year from 2027 through to and including 2033.
- Interest on the new bonds will be paid in cash, 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 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%.

The Bank derecognised the existing bonds eligible for exchange and recognised the new bonds at fair value in its 2023 financial period.

US Dollar Denominated Domestic Bonds and Cocoa Bills

On 14th July 2023, the Government, and the Ghana Cocoa Board (COCOBOD) announced the exchange of US$ denominated domestic bonds and cocoa bills, respectively. The exchange was settled on 4 August 2023.

The Bank received two (2) bonds with an aggregate principal amount equal to the principal amount of eligible US$ Bonds tendered (in addition to any accrued and unpaid interest due on such US$ bonds). The two (2) bonds will mature in July 2027 and July 2028. The coupon rates on the bonds issued are 2.75% and 3.25%

The Bank received five (5) different Bonds with an aggregate principal amount equal to the principal amount of Cocoa Bills tendered (in addition to any accrued and unpaid interest due on such Cocoa Bills). The five (5) Bonds will mature on a one-per-year basis consecutively from (and including) 2024 to (and including) 2028 and will attract a coupon rate of 13%.

The exchanges of the US$ bonds and Cocoa Bills were considered substantial modifications of the existing bonds held requiring derecognition of these assets at the settlement dates. The new bonds were recognised initially at fair value.

4.1 Bonds eligible for exchange

The following table details the amounts exchanged and the settlement dates of each transaction.

Exchange Programme	Settlement Date	Currency	Amount Exchanged '000
GHS Domestic Bonds	21 February 2023	GHS	1,499,207
US$ Domestic Bonds	4 August 2023	US$	9.28
Cocoa Bills	4 August 2023	GHS	621

Measurement of eligible bonds held at amortised cost

Initial recognition of new bonds on settlement dates of exchange programmes

The new bonds issued under the exchange programmes were recognised as new financial assets and initially measured at fair value. The fair value of the new bonds was 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 around the measurement date.

The difference between the fair value of the new bonds and the carrying amount as at 31 December 2022 of the old bonds was recorded in profit or loss on the date of initial recognition (i.e. the settlement date) as follows:

- For old bonds measured at amortised cost and FVOCI, the difference is presented as an additional impairment loss or a reversal of an impairment loss in 2023.
- Furthermore, for bonds measured at FVOCI the cumulative gain or loss (including the impairment allowance reflected in OCI) previously recognised in OCI in respect of the derecognised old bonds was be reclassified from OCI to profit or loss and are presented under net gain or loss.
- For old bonds measured at FVTPL, the difference is presented as net gain or loss on financial assets or financial liabilities measured at FVTPL.

The following table shows the weighted-average yield-to-maturity applied in discounting the cashflows of the new bonds to be issued under the exchange programmes, the fair value on initial recognition, net carrying amount at settlement date and the additional or reversal of impairment loss recognized or changes in fair value.

Assets measured at FVOCI.

Exchange Programme	Yield-to-maturity (Discount Rate)	Fair Value on Initial Recognition	Net carrying amount at settlement date	Additional/ (reversal) impairment loss	Cumulative gain or loss in equity released to profit or loss
GHS Domestic Bonds	18.76%	923,634	923,634	-	261,700

Assets measured at FVTPL.

Exchange Programme	Yield-to-maturity (Discount Rate)	Fair Value on Initial Recognition GH¢ '000	Net carrying amount at settlement date GH¢ '000	Changes in fair value GH¢ '000
GHS Domestic Bonds	18.76%	1,413	1,643	(317)
US$ Domestic Bonds	3.25%	9.28	9.28	0
GHS Cocoa Bills	23%	621	621	0

Subsequent measurement of instruments acquired in GDDE

The following table shows the classification of the instruments acquired in the exchange programme. The amounts presented in the table are the carrying amounts subsequent to initial recognition.

Exchange Programme	Amortised cost	FVOCI	FVTPL	Total
	GH¢ '000	GH¢ '000	GH¢ '000	GH¢ '000
GH¢ Domestic Bonds	336,606	587,028	1413	925,047
US$ Domestic Bonds			9.28	9.28
GHS Cocoa Bonds			621	621

ECL considerations

Ghana has been facing financial difficulties since 2022, with its sovereign debt trading at significant discounts. The financial challenges are further evidenced by the exchange programmes and the county's credit ratings as assessed by major agencies such as Fitch Ratings, Moody's and Standard and Poor's. Government of Ghana instruments have been assigned speculative grade ratings, indicative of a high risk of default or restructuring. Government has also suspended the issuance of long-term securities and cocoa bills due to the exchange programme undertaken on these securities. In this regard, exposures to Government of Ghana exposure excluding treasury bills are considered credit impaired. New Government of Ghana exposures (except treasury bills) acquired or exchanged in 2023 are thus considered as purchased or originated credit impaired (POCI) assets.

On initial recognition, POCI assets do not carry an impairment allowance. Instead, lifetime ECLs are incorporated into the calculation of the effective interest rate. The amount recognised as a loss allowance for these assets is not the total amount of lifetime ECLs, but instead the changes in lifetime ECLs since initial recognition of the asset. Differences between the amount of lifetime expected credit losses at each reporting date and the amount of expected credit losses that were included in the estimated cash flows on initial recognition is recognised in profit or loss as an impairment gain or loss.

Despite the government's financial challenges, positive economic trends have emerged following the conclusion of the GDDE and the initiation of the IMF support program. Notably, the inflation trend, which increased in 2022, reversed in 2023. As of December 2023, inflation stood at 23.2%, surpassing the IMF's projection of 31.3%. The IMF anticipates that Ghana will close 2024 with a 15% inflation rate, aiming for a return to single-digit inflation over the medium term, with a projected 8% inflation rate by the end of 2028. During the year, the Government successfully completed negotiations on other foreign debts.

Moreover, investor confidence in treasury bills remains robust, as evidenced by oversubscribed auctions, indicating strong demand. Importantly, the Government has not defaulted on the payment of treasury bills. Treasury bills are therefore considered to be not credit impaired.

Other Government Exposures

The Bank also held other government exposures such as treasury bills. The Bank is also indirectly exposed to the Government through loans and other credit exposures enterprises conducting business activities which significantly depend on income sources from the Government.

ECL considerations(cont'd)

Inputs, assumptions, and techniques for estimating impairment on government exposures
ECLs on government exposures in 2023

The bank uses government instruments that have exchanged relative to the type of bonds in circulation to determine the portfolio weight per instrument. This approach considers actual industry events characterizing the bonds exchanged.

- The Loss Given Default (LGD) is determined to assess ECL. In this case, the bank has determined an LGD of 30% for the assessment of ECL. This LGD is consistent with the government-indicated offer rate ranging from 30% to 40%.

- LGD represents the proportion of exposure that is not recovered in the event of default. A 30% LGD implies that in the event of default, 70% of the exposure would be recovered.

Justification for the Approach:

- Using government instruments that have exchanged relative to the type of bonds in circulation provides a relevant basis for determining the portfolio weight per instrument. This approach ensures that the characteristics of the actual bonds held by the bank are considered.

- The determination of LGD based on the government-indicated offer rate provides a reasonable estimate of the proportion of exposure that may not be recovered in the event of default. LGD reflects the inherent credit risk associated with government exposures and helps in estimating potential credit losses.

Probability of Default (PD):

PD is a measure of the probability of a financial asset falling into default over a specific length of time.

The Bank used the marginal probabilities per period to calculate the ECL, the formula for which is as follows:

$$MPDto(t) = CPDto(t) - CPDto(t-1)$$

where CPD is the cumulative probability given by the formula: $CPDto(t) = 1-(1-PDm)t$
Where $PDm = 1-(1-PDy)m/12$
where:
PDm - PD for the required period
PDy - PD of a full year
m - the required period (m in months, depends on the frequency of a given loan; for an annual loan, m=12; for a semi-annual loan, m=6; for a quarterly loan, m=3; for a monthly loan, m=1).

ECL based on the probability of default over different periods, taking into account the frequency of the financial instrument and the cumulative probabilities of default up to the given period. This approach helps in assessing credit risk and determining appropriate provisions for expected credit losses.

No impairment has been recognised on instruments acquired in the GDDE for the following reasons:

- Expectations about the collectability of cash flows are unchanged from expectations on initial recognition.
- Government securing the IMF Management and Executive Board Approval for an IMF program.

ECL considerations(cont'd)
2022

In 2022 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%.

Indirect government exposures

The Bank had indirect exposure to the Government of Ghana through loans and other credit exposures to the Ministry of Finance which significantly depend on income sources from the Government. Loans and advances amounting to GHS 244 million was considered to have a significant increase in credit risk.

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.

5.2 Risk management framework (cont'd)

The Executive Risk Committee (RiskCo) is responsible for the management of all risks other than ALCO. RiskCo is responsible for the establishment of, and compliance with, policies relating to credit risk, market risk, operational risk, and reputational risk. The RiskCo also defines our overall risk management framework. RiskCo oversees committee such as Country Operational Risk Committee, Group Special Asset Management, Early Alert (Corporate, 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.

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

We regularly monitor credit exposures, portfolio performance, and external trends that may impact risk management outcomes. Internal risk management reports are presented to risk committees, containing information on key environmental, political, and economic trends across major portfolios; portfolio delinquency and loan impairment performance; including credit grade migration.

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.

Non-performing loans (cont'd)

	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¢6.69 billion (2022: GH¢3.47 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¢17.91 million (2022: GH¢ 4.56 million) are held in Government of Ghana Treasury bills.

5.4.1 Maximum credit exposure

At 31 December 2023, 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.

	2023		2022	
	Bank	**Group**	Bank	Group
	GH¢'000	**GH¢'000**	GH¢'000	GH¢'000
Loans and advances to customers	**2,104,269**	**2,104,269**	2,050,310	2,050,310
Commitments and Guarantees	**1,648,158**	**1,648,158**	1,258,908	1,258,908
Investment securities	**6,694,890**	**6,694,890**	3,473,154	3,473,154
Other assets (financial assets)	**386,004**	**386,004**	295,723	295,723
	10,833,321	**10,833,321**	7,078,095	7,078,095

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

2023				
Loans and advances to customers at amortised cost	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Grade 1- 6	**314,580**	**9,992**	-	**324,572**
Grade 7	**36,256**	**39**	-	**36,295**
Grade 10-11	**691,576**	**33,187**	-	**724,763**
Grade 12	-	-	-	-
Grade 13-14	-	-	**1,194,047**	**1,194,047**
Gross carrying amount	**1,042,412**	**43,218**	**1,194,047**	**2,279,677**
Loss allowance	**(7,714)**	**(838)**	**(166,856)**	**(175,408)**
Carrying amount	**1,034,698**	**42,380**	**1,027,191**	**2,104,269**

2022				
Loans and advances to customers at amortised cost	Stage 1	Stage 2	Stage 3	Total
Grade 1- 6	330,893	55,059	-	385,952
Grade 7	16,824	24,060	-	40,884
Grade 10-11	700,184	258,435	-	958,619
Grade 12	-	-	-	-
Grade 13-14	-	-	1,131,076	1,131,076
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

i. Credit quality analysis (Cont'd)

The following table sets out information about the credit quality of loans and advances to customers as per the BOG prudential guidelines for calculating impairment allowance.

Bank and Group

	2023	2022
Loans and advances to customers at amortised cost	**GH¢'000**	GH¢'000
Normal (current)	**1,685,413**	2,301,906
Watchlist (OLEM)	**382,409**	24,129
Impaired (substandard)	**9,772**	14,750
Impaired (doubtful)	-	2,716
Impaired (loss)	**202,083**	173,030
Gross carrying amount	**2,279,677**	2,516,531
Loss allowance	**(175,408)**	(466,221)
Carrying amount	**2,104,269**	2,050,310

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

	2023	2022
	GH¢'000	GH¢'000
Guarantees	**1,580,150**	1,284,442
Letters of credit	**68,008**	17,131
	1,648,158	1,301,573
Margins against contingents	**(65,109)**	(42,665)
	1,583,049	1,258,908

Commitments and guarantees (cont'd)

	2023			
	Stage 1 GH¢'000	**Stage 2 GH¢'000**	**Stage 3 GH¢'000**	**Total GH¢'000**
Letters of credit, undrawn commitments and guarantees				
Grades 1- 6	**943,689**	**19,108**	**-**	**962,797**
Grades 7-13	**-**	**-**	**685,361**	**685,361**
Amount committed	**943,689**	**19,108**	**685,361**	**1,648,158**
Loss allowance		**(972)**	**(4,126)**	**(5,098)**

	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- 6	1,121,954	172,619	-	1,294,573
Grades 7-13	-	-	7,000	7,000
Amount committed	1,121,954	172,619	7,000	1,301,573
Loss allowance	(10,154)	(2,617)	(137)	(12,908)

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 2023.

Bank

	2023			
	Stage 1 GH¢'000	**Stage 2 GH¢'000**	**Stage 3 GH¢'000**	**Total GH¢'000**
Cash and cash equivalents				
Grades 1-6	3,194,055	1,120,587	-	4,314,642
Gross carrying amount	3,194,055	1,120,587	-	4,314,642
Loss allowance	(3,072)	(1,972)	-	(5,043)
Carrying amount	3,190,984	1,120,587	-	4,309,599

Group

	2023			
	Stage 1 GH¢'000	**Stage 2 GH¢'000**	**Stage 3 GH¢'000**	**Total GH¢'000**
Cash and cash equivalents				
Grades 1-6	3,199,279	1,122,559	-	4,321,838
Gross carrying amount	3,199,279	1,122,559	-	4,321,838
Loss allowance	(3,071)	(1,972)	-	(5,043)
Carrying amount	3,196,208	1,120,587	-	4,316,795

Bank

	2022			
	Stage 1 GH¢'000	Stage 2 GH¢'000	Stage 3 GH¢'000	Total GH¢'000
Cash and cash equivalents				
Grades 1-6	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 1-6	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

Investment securities at FVOCI

The Bank held investment securities of GH¢ 6.70 billion at 31 December 2023 (2022: GH¢ 3.47 billion).

Bank and Group

	2023				
	Stage 1 GH¢'000	**Stage 2 GH¢'000**	**Stage 3 GH¢'000**	**POCI GH¢'000**	**Total GH¢'000**
Investment Securities					
Grades 1-6	**2,957,322**				**2,957,322**
Grades 13	**3,000,000**	-	-	**525,690**	**3,525,690**
Gross carrying amount	**5,957,322**	-	-	**525,690**	**6,483,012**
Carrying amount	**5,757,400**		-	**525,574**	**6,282,974**
Loss allowance	**(62,405)**	-	-	-	**(62,405)**

The total amount of undiscounted expected credit losses at initial recognition of purchase or originated credit-impaired investment securities at FVOCI is GH¢ 458,580

Bank and Group

	2022				
	Stage 1 GH¢'000	Stage 2 GH¢'000	Stage 3 GH¢'000	POCI	Total GH¢'000
Investment Securities					
Grades 1-6	1,327,691				1,327,691
Grades 13	-	-	2,615,255		2,615,255
Gross carrying amount	1,327,691	-	2,615,255		3,942,946
Carrying amount	1,322,116	-	2,151,038		3,473,154
Loss allowance	(507)	-	(624,285)		(624,792)

Investment securities at Amortised Cost

Bank and Group

	2023				
	Stage 1 GH¢'000	**Stage 2 GH¢'000**	**Stage 3 GH¢'000**	**POCI GH¢'000**	**Total GH¢'000**
Investment Securities					
Grades 1-10	-	-	-	-	-
Grades 13	-	-	-	411,916	411,916
Gross carrying amount	-	-	-	411,916	411,916
Loss allowance	-	-	-	-	-
Carrying amount	-	-	-	411,916	411,916

The total amount of undiscounted expected credit losses at initial recognition of purchase or originated credit-impaired investment securities at amortised cost is GH¢ 275,751

Non pledged trading assets

The following table sets out the maximum credit exposure of trading debt securities measured at FVTPL.

Bank and Group

	2023 GH¢'000	2022 GH¢'000
Gross carrying amount	17,911	4,560
Carrying amount	17,911	4,560

Other assets

	Stage 1 GH¢'000	Stage 2 GH¢'000	Stage 3 GH¢'000	Total GH¢'000
	2023			
Other assets				
Grades 1-6	307,794	-	-	307,794
Gross carrying amount	307,794	-	-	307,794
Loss allowance	-	-	-	-
Carrying amount	307,794	-	-	307,794

	Stage 1 GH¢'000	Stage 2 GH¢'000	Stage 3 GH¢'000	Total GH¢'000
	2022			
Other assets				
Grades 1-6	295,723	-	-	295,723
Gross carrying amount	295,723	-	-	295,723
Loss allowance	-	-	-	-
Carrying amount	295,723	-	-	295,723

Bank and Group

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

	Total		Over-the-counter			
			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
2023						
Derivative assets	1,596,581	8,920	1,175,799	840	420,782	8,080
Derivative liabilities	740,070	15,045	304,217	14,355	435,853	689

Derivative assets and liabilities (cont'd)

Bank and Group

	Over-the-counter					
		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

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 2023	December 2022	
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	**48%**	56%	Residential properties

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. Full valuations every three years with desktop every year before the third year. 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 2023. 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.

Collateral on impaired exposures (cont'd)

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	
	2023	2022
	GH¢'000	GH¢'000
Against individually impaired		
Carrying amount	1,098,026	705,119
Collateral held (Property)	13,078,670	9,889,940
Against past due but not impaired		
Carrying amount	1,006,243	1,345,191
Collateral held (Property)	167,825	198,782

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

	2023	2022
	GH¢'000	GH¢'000
Carrying amount of financial assets that continue to be impaired after restructuring (included in non-performing loans)	55,914	288,369

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.

	2023	2022
	GH¢'000	GH¢'000
Financial assets modified during the period		
Amortised costs before modification	55,623	-
Net modification loss	555	-

iii. Loans and advances renegotiated (cont'd)

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 2023. 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 (2022: 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 on a global basis, in line with their respective portfolios. However, for some of the key countries, country-specific models have also been developed. The calibration of forward-looking information is assessed at a region level to 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.

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.

Determining whether credit risk has increased significantly (cont'd)

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 Base Forecast is management's view of the most likely outcome. 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.

While the quarterly Base Forecasts inform the Group's strategic plan, one key requirement of IFRS 9 is that the assessment of provisions should consider multiple future economic environments. For example, the economy may grow more quickly or more slowly than the Base Forecast, and these variations would have different implications for the provisions that the Group should hold today. As the negative impact of an economic downturn on credit losses tends to be greater than the positive impact of an economic upturn, if the Group sets provisions only on the ECL under the Base Forecast it might maintain a level of provisions that does not appropriately capture the range of potential outcomes. To address this property of skewness (or non-linearity), IFRS 9 requires reported ECL to be a probability-weighted ECL, calculated over a range of possible outcomes.

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 Q4 2023 around economic outcomes and how these outcomes have tended to move in relation to one another (or correlation). This naturally means that each of the 50 scenarios do not have a specific narrative, although collectively they explore a range of hypothetical alternative outcomes for the global economy, including scenarios that turn out better than expected and scenarios that amplify anticipated stresses.

The final probability-weighted ECL reported by the Group is a simple average of the ECL for each of the 50 scenarios simulated using a Monte Carlo model. The Monte Carlo approach has the advantage that it generates many plausible alternative scenarios.

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 remain muted at 3.5 percent in 2024 amidst ongoing fiscal consolidation, corrective monetary policies, interest rates, and macroeconomic uncertainties.
Stabling forex fluctuations and appreciation of the local currency are expected to improve business transactions in comparison with 2023. Government aims to continue with the debt restructure program which is expected to ease interest rate pressures in 2024 and improve the financial stability of the economy.

Incorporation of forward-looking information(cont'd)

The change in inflation is projected to average at 3.1% due to more favourable exchange rate dynamics - and consumer activity strengthens. These base forecasts are used as central position on which the scenarios are generated.

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

	2023			
	Stage 1 GH¢'000	**Stage 2 GH¢'000**	**Stage 3 GH¢'000**	**Total GH¢'000**
Cash and cash equivalents				
Balance at 1 January	**1,938**	**-**	**-**	**1,938**
Exchange and other movement	**(2,534)**	**-**	**-**	**(2,534)**
Net remeasurement of loss allowance	**3,667**	**1,972**	**-**	**5,639**
Balance at 31 December	**3,071**	**1,972**	**-**	**5,043**

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

Loans and advance to customers (Bank & Group)

	2023			
	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	3,355	36,909	425,957	466,221
Transfer to 12 - Month ECL	334	(334)	-	-
Transfer to Lifetime Not Credit Impaired	(1,053)	1,053	-	(0)
Transfer to Lifetime ECL credit Impaired	-	(12)	12	-
New loans origination	6,746	120	16,179	23,045
Net remeasurement of loss allowance	(266)	11,813	(217,282)	(205,735)
Derecognised Loans	(1,402)	(48,711)	(34,634)	(84,747)
Write-off and Charge off	-	-	(1,212)	(1,212)
Exchange and other movement	-	-	(22,164)	(22,164)
Balance at 31 December	7,714	838	166,856	175,408

	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

Amounts arising from expected credit losses (ECL) (cont'd)
Bank & Group

Letters of credit, undrawn commitments and guarantees

2023

	2023			
	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	**10,154**	**2,617**	**137**	**12,908**
Translation increase/(decrease) on opening balance	**(10,183)**	**14,162**	**4,279**	**8,258**
Net remeasurement of loss allowance	**29**	**(15,807)**	**(290)**	**(16,068)**
Balance at 31 December	**0**	**972**	**4,126**	**5,098**

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

Amounts arising from expected credit losses (ECL) (cont'd)

Investment securities at FVOCI

Bank and Group

	2023			
	Stage 1 GH¢'000	Stage 2 GH¢'000	Stage 3 GH¢'000	Total GH¢'000
Investment securities				
Balance at 1 January	507	-	624,285	624,792
Transfer from Lifetime ECL credit Impaired	13,934	-	(13,934)	-
Financial asset that have been derecognised	-	-	(610,351)	(610,351)
Net remeasurement of loss allowance	47,964	-	-	47,964
Balance at 31 December	62,405	-	-	62,405

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

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.

Amounts arising from expected credit losses (ECL) (cont'd)

2023	**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		**23,045**				**23,045**
Net remeasurement of loss allowance	-	**(205,736)**	**47,964**	**(16,068)**	**(5,639)**	**(179,479)**
Charge-off	-	-	-	-	-	-
Recoveries of amounts previously written off	-	**(49,478)**	-	-	-	**(49,478)**
Amounts recognised in profit or loss	-	**(232,169)**	**47,964**	**(16,068)**	**(5,639)**	**(205,912)**

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

Amounts arising from expected credit losses (ECL) (cont'd)

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

	2023		
	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 Banking exposures that have been approved by Bank of Ghana			**(1,212)**
Increase in Loans and advances	**6,746**	**120**	**16,179**
Customer loans repayment	**(1,668)**	**(36,898)**	**(251,916)**

	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 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

Investment in debt securities at FVOCI

There was a significant change in the loss allowance for investment securities at Fair Value through Other Comprehensive Income (FVOCI) due to the derecognition of exchanged securities during the period, encompassing all Expected Credit Loss (ECL) allowances. Securities that matured within the year were rolled forward by the Group. Consequently, these changes in the gross amount did not substantially affect the ECL allowance for investment securities. The primary contributors to the ECL allowance were short-dated investment securities.

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.

IFRS 7 requires disclosure of quantitative data about liquidity risk arising from financial instrument. The Bank of Ghana increased the cash reserve requirement from 14 per cent to 15 per cent for local currency. The Bank managed its liquid assets accordingly to stay within regulatory limits.

5.6 Maturities of assets and liabilities

The table below presents the cash flows payable by the Group under non-derivative financial liabilities and assets held for managing liquidity risk by remaining contractual maturities at the date of the statement of financial position. The amounts disclosed in the table are the contractual undiscounted cash flow. The Net liquidity gap is the difference between the total assets and total liabilities for the various time brackets, while the cumulative gap is sum of the net difference of the net liquidity gap over the time brackets.

2023 Bank

	0-3 months GH¢'000	3-6 months GH¢'000	6-12 months GH¢'000	1 year to 5 years GH¢'000	Over 5 years GH¢'000	Total GH¢'000
Assets						
Cash and cash equivalents	4,309,599	-	-	-	-	4,309,599
Derivative assets held for risk management	8,920	-	-	-	-	8,920
Trading asset (non-pledge)	10,158	6,032	30	926	765	17,911
Loans and advances to customers	1,248,038	51,117	34,477	703,803	242,242	2,279,677
Investment securities	5,638,229	80,325	-	238,768	1,528,389	7,485,711
Other assets	384,690	485	826	3	-	386,004
Total asset	11,599,634	137,959	35,333	943,500	1,771,396	14,487,822
Liabilities						
Derivative Liabilities held for risk management	14,838	207	-	-	-	15,045
Deposits from banks	202,946	-	-	-	-	202,946
Deposits from customers	10,797,092	6,866	14,740	81	-	10,818,779
Short-term Borrowings	232,860	-	-	-		232,860
Other liabilities	137,105	87,934	415	-	-	225,454
Lease liability	1,655	2,490	20,691	341,337	-	366,173
Total liabilities	11,386,496	97,497	35,846	341,418	-	11,861,257
Net liquidity gap	213,138	40,462	(513)	602,082	1,771,396	2,626,565
Cumulative gap	213,138	253,600	253,087	855,169	2,626,565	

5.6 Maturities of assets and liabilities (cont'd)

2023 Group

	0-3 months GH¢'000	3-6 months GH¢'000	6-12 months GH¢'000	1 year to 5 years GH¢'000	over 5 years GH¢'000	Total GH¢'000
Assets						
Cash and cash equivalents	4,316,795	-	-		-	4,316,795
Derivative assets held for risk management	8,920	-	-	-	-	8,920
Trading asset (non-pledge)	10,158	6,032	30	926	765	17,911
Loans and advances to customers	1,248,038	51,117	34,477	703,803	242,242	2,279,677
Investment securities	5,638,229	80,325	-	238,768	1,528,389	7,485,711
Other assets	384,690	485	826	3	-	386,004
Total asset	11,606,830	137,959	35,333	943,500	1,771,396	14,495,018
Liabilities						
Derivative liabilities held for risk management	14,972	72	-	-	-	15,044
Deposits from banks	215,983	-	-	-	-	215,983
Deposits from customers	10,797,173	6,866	14,740	-	-	10,818,779
Short-term Borrowings	232,860	-	-	-	-	232,860
Other liabilities	225,518	-	-	-	-	225,518
Lease liability	1,655	2,490	20,691	341,337	-	366,173
Total liabilities	11,488,161	9,428	35,431	341,337	-	11,874,357
Net liquidity gap	118,669	128,531	(98)	602,163	1,771,396	2,620,661
Cumulative gap	118,669	247,200	247,102	849,265	2,620,661	

5.6 Maturities of assets and liabilities (cont'd)

2022 Bank

	0-3 months GH¢'000	3-6 months GH¢'000	6-12 months GH¢'000	1 year to 5 years GH¢'000	Over 5 years GH¢'000	Total GH¢'000
Assets						
Cash and cash equivalents	4,309,599	-	-	-	-	4,309,599
Derivative assets held for risk management	8,920	-	-	-	-	8,920
Trading asset (non-pledge)	10,158	6,032	30	926	765	17,911
Loans and advances to customers	1,248,038	51,117	34,477	703,803	242,242	2,279,677
Investment securities	5,638,229	80,325	-	238,768	1,528,389	7,485,711
Other assets	384,690	485	826	3	-	386,004
Total asset	11,599,634	137,959	35,333	943,500	1,771,396	14,487,822
Liabilities						
Derivative Liabilities held for risk management	14,838	207	-	-	-	15,045
Deposits from banks	202,946	-	-	-	-	202,946
Deposits from customers	10,797,092	6,866	14,740	81	-	10,818,779
Short-term Borrowings	232,860	-	-	-		232,860
Other liabilities	66,690	87,934	415	-	-	155,039
Lease liability	1,655	2,490	20,691	341,337	-	366,173
Total liabilities	11,316,081	97,497	35,846	341,418	-	11,790,842
Net liquidity gap	283,553	40,462	(513)	602,082	1,771,396	2,696,980
Cumulative gap	283,553	324,015	323,502	925,584	2,696,980	

5.6 Maturities of assets and liabilities (cont'd)

2022 Group

	0-3 months GH¢'000	3-6 months GH¢'000	6-12 months GH¢'000	1 year to 5 years GH¢'000	over 5 years 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	833,652	436,128	2,050,310
Investment securities	2,269,614	69,000	149,340	935,200	50,000	3,473,154
Other assets	293,722	142	223	1,636	-	295,723
Total asset	7,205,314	228,579	183,090	1,770,676	486,128	9,873,787
Liabilities						
Derivative assets 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
Other liabilities	288,531	-	-	-	-	288,531
Lease liability	262	2,490	20,691	319,684	-	343,127
Total liabilities	8,440,145	58,389	181,574	320,079	-	9,000,187
Net liquidity gap	(1,234,831)	170,190	1,516	1,450,597	486,128	873,600
Cumulative gap	(1,234,831)	(1,064,641)	(1,063,125)	387,472	873,600	

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 2023

	Bank			Group		
	Current GH¢'000	Non Current GH¢'000	Total GH¢'000	Current GH¢'000	Non Current GH¢'000	Total GH¢'000
Assets						
Cash and cash equivalents	4,309,599	-	4,309,599	4,316,795	-	4,316,795
Derivative assets held for risk management	8,920	-	8,920	8,920	-	8,920
Non-pledged trading assets	17,911	-	17,911	17,911	-	17,911
Loans and advances to customers	1,333,632	770,637	2,104,269	1,333,632	770,637	2,104,269
Investment securities	5,718,554	976,336	6,694,890	5,718,554	976,336	6,694,890
Current tax assets	210,342	-	210,342	210,342	163	210,505
Deferred tax asset	64,170	-	64,170	64,238	-	64,238
Property and equipment	-	28,357	28,357	-	28,754	28,754
Right of Use-Asset	-	173,502	173,502	-	173,502	173,502
Equity investments	-	1,001	1,001	-	1	1
Other assets	307,794	-	307,794	307,794	-	307,794
Total assets	11,970,922	1,949,833	13,920,755	11,978,186	1,949,393	13,927,579
Liabilities						
Derivative liabilities held for risk management	15,045	-	15,045	15,045	-	15,045
Deposits from banks	202,946	-	202,946	202,946	-	202,946
Deposits from customers	10,818,698	81	10,818,779	10,818,698	81	10,818,779
Short-term Borrowings	232,860	-	232,860	232,860	-	232,860
Provisions	134,802	-	134,802	134,802	-	134,802
Lease Liabilities	24,836	341,240	366,076	24,836	341,240	366,076
Other liabilities	225,518	-	225,518	225,518	-	225,518
Total liabilities	11,654,705	341,321	11,996,026	11,654,705	341,321	11,996,026

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

	Bank			Group		
	Current GH¢'000	Non-Current GH¢'000	Total GH¢'000	Current GH¢'000	Non-Current GH¢'000	Total GH¢'000
Assets						
Cash and cash equivalents	3,978,479	-	3,978,479	3,980,349	-	3,980,349
Derivative assets held for risk management	69,691	-	69,691	69,691	-	69,691
Non-pledged trading assets	4,372	188	4,560	4,372	188	4,560
Loans and advances to customers	780,530	1,269,780	2,050,310	780,530	1,269,780	2,050,310
Investment securities	2,487,954	985,200	3,473,154	2,487,954	985,200	3,473,154
Current tax assets	74,937	-	74,937	74,937	389	75,326
Deferred tax asset	188,524	-	188,524	188,531	-	188,531
Property and equipment	-	37,958	37,958	-	38,607	38,607
Right of Use-Asset	-	192,667	192,667	-	192,667	192,667
Equity investments	-	1,001	1,001	-	1	1
Other assets	294,087	1,636	295,723	294,087	1,636	295,723
Total assets	7,878,574	2,488,430	10,367,004	7,880,451	2,488,468	10,368,919
Liabilities						
Derivative liabilities held for risk management	70,338	-	70,338	70,338	-	70,338
Deposits from banks	114,439	-	114,439	114,439	-	114,439
Deposits from customers	8,183,492	395	8,183,887	8,183,492	395	8,183,887
Provisions	98,015	-	98,015	98,015	-	98,015
Lease Liabilities	23,443	261,054	284,497	23,443	261,054	284,497
Other liabilities	288,470	-	288,470	288,470	-	288,470
Total liabilities	8,778,197	261,449	9,039,646	8,778,197	261,449	9,039,646

5.6 Maturities of assets and liabilities (cont'd)

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.

2023
Bank and Group

	2023				
	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	38,592	182,942	1,022,937	335,679	1,580,150
Letters of credit	80	64,882	3,046	-	68,008
Total	38,672	247,824	1,025,983	335,679	1,648,158

	2023				
	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	977,522	1,106,867	-	-	2,084,389

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

	2022				
	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	429,462	632,834	-	-	1,062,296

(iii) Liquidity ratio

The liquidity ratio as at 31st December 2023 was calculated at approximately 92.84 percent (2022: 62.91 percent). 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.

i. Assets held for managing liquidity risk

The Bank holds a diversified portfolio of cash and high quality 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.

ii. Derivative assets and liabilities

The Bank's derivatives that will be settled on a gross basis are the forward foreign exchange contracts and foreign currency swaps. 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 2023	**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**
Forward contract and currency swap						
Inflow	-	1,181,390	-	-	-	1,181,390
Outflow	-	(1,181,024)	-	-	-	(1,181,024)
Inflow/ (outflow)	-	366	-	-	-	366

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
Forward contract and currency swap						
Inflow	-	668,128	-	-	-	668,128
Outflow	-	(668,128)	-	-	-	(668,128)
Inflow/ (outflow)	-	-	-	-	-	-

ii. Derivative assets and liabilities (cont'd)

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.

Details of the reported bank (liquid ratio) ratio of net liquid assets to deposits and customers at the reporting date were as follows:

	2023	2022
Liquidity position		
At 31 December	**92.84%**	**63%**
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:

ii **Foreign Exchange Exposure (cont'd)**

Group and Bank

	USD GH¢'000	GBP GH¢'000	EUR GH¢'000	Others GH¢'000	2023 Total GH¢'000
Assets					
Cash and cash equivalents	1,162,740	106,861	75,452	479,340	1,824,393
Derivative assets held for risk management	72,050	110,605	296,423	-	479,078
Loans to other banks	-	-	-	-	-
Advances to customers	433,411	575	21,953	-	455,939
Investment securities	3,146,568	-	-	-	3,146,568
Other assets	209,701	-	3,952	143	212,896
Total assets	5,024,470	218,041	396,880	479,483	6,118,874
Liabilities					
Deposits from banks	2,110	802	148,795	1,155	152,862
Deposits from customers	3,727,134	174,680	231,694	141	4,133,649
Short-term Borrowings	232,860	-	-	-	232,860
Derivative liabilities	-	37,976	-	478,512	516,488
Other liabilities	1,076,580	4,895	15,640	-	1,097,115
Total liabilities	5,038,684	218,353	396,129	479,808	6,132,974
Net-on statement of financial position	(14,214)	(312)	751	(325)	(14,100)
Off-statement of financial position credit and commitments	899,821	-	797,223	-	1,697,044

ii Foreign Exchange Exposure (cont'd)

	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
Short-term 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

5.8 Sensitivity Analysis

A 5 percent strengthening of the cedi against the following currencies at 31 December 2023 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 2022.

Sensitivity analysis

Bank and Group

Effect in cedis

31 December 2023	**Profit/(loss) GH¢'000**	**Equity net of tax GH¢'000**
USD	**4,172**	**3,129**
GBP	**346**	**260**
EUR	**1,779**	**1,334**
Others	**1,117**	**838**

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

A best-case scenario 5% weakening of the Ghana cedi against the above currencies at 31 December 2023 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.

STANDARD CHARTERED BANK GHANA PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023 (CONT'D)

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

2023	Note	Carrying amount GH¢'000	Less than 3 months GH¢'000	3–6 months GH¢'000	6–12 months GH¢'000	1–5 Years GH¢'000	Over 5-year GH¢'000
Cash and cash equivalents	18	4,309,599	4,309,599				
Loans and advances to customers	21b(i)	2,104,269	1,072,630	51,117	34,477	703,803	242,242
Investment securities	22a	6,694,890	5,747,517	86,357	30	239,694	621,292
		13,108,758	11,129,746	137,474	34,507	943,497	863,534
Deposits from banks	26	202,946	202,946	-	-	-	-
Deposits from customers	27	10,818,779	10,797,173	6,866	14,740	-	-
		11,021,725	11,000,119	6,866	14,740	-	-
Interest Pricing Gap		2,087,033	129,627	130,608	19,767	943,497	863,534

Group

2023	Note	Carrying amount GH¢'000	Less than 3 months GH¢'000	3–6 months GH¢'000	6–12 months GH¢'000	1–5 Years GH¢'000	Over 5-year GH¢'000
Cash and cash equivalents	18	4,316,795	4,316,795				
Loans and advances to banks	21a	-	-				
Loans and advances to customers	21b(i)	2,104,269	1,072,630	51,117	34,477	703,803	242,242
Investment securities	22a	6,694,890	5,747,517	86,357	30	239,694	621,292
		13,115,954	11,136,942	137,474	34,507	943,497	863,534
Deposits from banks	26	202,946	202,946	-	-	-	-
Deposits from customers	27	10,818,779	10,797,173	6,866	14,740	-	-
		11,021,725	11,000,119	6,866	14,740	-	-
Interest Pricing Gap		2,094,229	136,823	130,608	19,767	943,497	863,534

Exposure to interest rate risk – Non-trading portfolios (cont'd)

Bank

2022	Note	Carrying amount GH¢'000	Less than 3 months GH¢'000	3–6 months GH¢'000	6–12 months GH¢'000	1–5 Years GH¢'000	Over 5-year GH¢'000
Cash and cash equivalents	18	3,980,349	3,980,349				
	21a	-	-				
Loans and advances to customers	21b(i)	2,050,310	589,184	158,204	33,142	436,128	833,652
Investment securities	22a	3,473,154	2,267,808	70,233	149,725	50,000	935,388
		9,503,813	6,837,341	228,437	182,867	486,128	1,769,040
Deposits from banks	26	114,439	114,439	-	-	-	-
Deposits from customers	27	8,183,887	7,966,850	55,759	160,883	-	395
		8,298,326	8,081,289	55,759	160,883	-	395
Interest Pricing Gap		1,205,487	(1,243,948)	172,678	21,984	486,128	1,768,645

Group

2022	Note	Carrying amount GH¢'000	Less than 3 months GH¢'000	3–6 months GH¢'000	6–12 months GH¢'000	1–5 Years GH¢'000	Over 5-year GH¢'000
Cash and cash equivalents	18	3,980,349	3,980,349				
	21a	-	-				
Loans and advances to customers	21b(i)	2,050,310	589,184	158,204	33,142	436,128	833,652
Investment securities	22a	3,473,154	2,267,808	70,233	149,725	50,000	935,388
		9,503,813	6,837,341	228,437	182,867	486,128	1,769,040
Deposits from banks	26	114,439	114,439	-	-	-	-
Deposits from customers	27	8,183,887	7,966,850	55,759	160,883	-	395
		8,298,326	8,081,289	55,759	160,883	-	395
Interest Pricing Gap		1,205,487	(1,243,948)	172,678	21,984	486,128	1,768,645

Exposure to interest rate risk – Non-trading portfolios (cont'd)

Bank

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 23	**100 bps Increase GH¢'000**	**100 bps Decrease GH¢'000**
Interest income impact	**78,860**	**(78,860)**
Interest expense impact	**(36,339)**	**36,339**
Net impact	**42,521**	**(42,521)**

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)

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.

The bank applied the standardized approach to calculate operational risk capital charge.

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 risk-weighted 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.

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.

i. Regulatory capital (cont'd)

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 percent of tier 1 capital. Other deductions from capital include the carrying amounts of investments in subsidiaries that are not included in the regulatory consolidation, investments in the capital of banks and certain other regulatory items.

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

The Bank's policy is to maintain a strong capital base 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 2023 (after applying the reliefs provided by the regulator) and 2022:

	Notes	2023 Bank GH¢'000	2023 Group GH¢'000	2022 Bank GH¢'000	2022 Group GH¢'000
Tier 1 capital					
Ordinary share paid-up capital	31(i)	390,910	390,910	390,910	390,910
Income surplus	31(ii)	820,817	827,577	573,342	575,196
Reserve fund	31(iii)	676,277	676,277	568,228	568,228
		1,888,004	1,894,764	1,532,480	1,534,334
Regulatory Adjustment		88,289	89,289	(149,621)	(148,621)
Total Tier 1 Capital		1,976,293	1,984,053	1,382,859	1,385,713
Additional Tier 1 Capital					
Preference Shares	31(i)	9,091	9,091	9,091	9,091
Total regulatory Capital		1,985,384	1,993,144	1,391,950	1,394,804
Risk-weighted assets					
Credit risk		4,704,732	4,704,732	4,240,006	4,240,006
Market risk		783	783	6,952	6,952
Operational risk		2,452,759	2,452,759	1,831,425	1,831,425
Total risk-weighted assets		7,158,274	7,158,274	6,078,383	6,078,383
Total tier 1 capital expressed as a percentage of total risk-weighted assets		27.61%	27.72%	22.75%	22.80%
Total regulatory capital expressed as a per centage of total risk-weighted assets		27.74%	27.84%	22.90%	22.95%

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

	2023 GH¢'000	2022 GH¢'000
i. Contingent liabilities		
***Pending legal suits**	**17,300**	26,684

* There are legal proceedings outstanding against the Bank as at 31 December 2023. 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¢17.30 million with respect to legal cases for the year (2022: GH¢ 26.68 million).

ii Commitments for capital expenditure

There was no commitment for significant capital expenditure at the statement of financial position date (2022: Nil).

iii Unsecured commitments

	2023 GH¢'000	2022 GH¢'000
iii. Unsecured commitments		
This relates to commitments for trade letters of credit and guarantees. (Net of margin deposits)	**1,583,049**	1,258,908

6. SEGMENTAL REPORTING

The Group has three main business segments: Consumer, Private and Business Banking (CPBB) and Corporate, Commercial and Institutional Banking (CCIB) and Subsidiary, Standard Chartered Wealth Management Limited. These segments offer varying products and services and are managed separately based on the Group's management and internal reporting structure.

6. SEGMENTAL REPORTING (cont'd)

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

Standard Charted Wealth Management limited 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.

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 percent or more of the Group's total revenue in 2023, except interest income from government of Ghana investments.

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 (2022: 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

Group

Operating Segments	Corporate, Commercial and Institutional Banking GH¢ '000	Consumer, Private and Business Banking GH¢ '000	SC Wealth Management GH¢ '000	Total GH¢ '000
Net interest income	692,407	574,036		1,266,443
Net fee and commission income	74,364	103,412	10,917	188,693
Net trading income and income from financial instruments carried at FVTPL	164,874	52,590		217,464
Total segment revenue	931,645	730,038	10,917	1,672,600
Net impairment loss	234,894	(28,982)	-	205,912
Segment operating expenses	(309,320)	(268,633)	(3,895)	(581,848)
Profit before tax	857,219	432,423	7,022	1,296,664
Segment assets	13,171,866	740,062	7,826	13,919,754
Segment liabilities	7,900,111	4,095,851	64	11,996,026

Bank

Operating Segments	Corporate, Commercial and Institutional Banking GH¢ '000	Consumer, Private and Business Banking GH¢ '000	Total GH¢ '000
Net interest income	692,407	574,036	1,266,443
Net fee and commission income	74,364	103,412	177,776
Net trading income and income from financial instruments carried at FVTPL	164,874	52,590	217,464
Total segment revenue	931,645	730,038	1,661,683
Net impairment loss	234,895	(28,981)	205,914
Segment operating expenses	(309,320)	(268,633)	(577,953)
Profit before tax	857,220	432,424	1,289,644
Segment assets	13,171,866	740,062	13,911,928
Segment liabilities	7,900,111	4,095,851	11,995,962

The tables below show an analysis of the performance of the business units of the Bank and Group

Group

Operating Segments	2022 Corporate, Commercial and Institutional Banking GH¢ '000	Consumer, Private and Business Banking GH¢ '000	SC Wealth Management GH¢ '000	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 and income from financial instruments carried at FVTPL	187,290	52,100	-	239,390
Total segment revenue	840,578	375,818	4,839	1,221,235
Net impairment loss	(1,070,368)	(38,156)	-	(1,108,524)
Segment operating expenses	(226,146)	(208,748)	(2,200)	(437,094)
Profit before tax	(455,936)	128,914	2,639	(324,383)
				-
Segment assets	9,636,737	729,267	2,915	10,368,919
Segment liabilities	5,738,962	3,300,684	61	9,039,707

Bank

Operating Segments	2022 Corporate, Commercial and Institutional Banking GH¢ '000	Consumer, Private and Business Banking GH¢ '000	Total GH¢ '000
Net interest income	577,724	230,062	807,786
Net fee and commission income	75,564	93,656	169,220
Net trading income and income from financial instruments carried at FVTPL	187,290	52,100	239,390
Total segment revenue	840,578	375,818	1,216,396
Net impairment loss	(1,070,368)	(38,156)	(1,108,524)
Segment operating expenses	(226,146)	(208,748)	(434,894)
Profit before tax	(455,936)	128,915	(327,022)
Segment assets	9,636,737	729,267	10,366,004
Segment liabilities	5,738,962	3,300,684	9,039,646

iv. Reconciliations of information on reportable segments to the amounts reported in the financial statements

	2023 Bank GH¢'000	2023 Group GH¢'000	2022 Bank GH¢'000	2022 Group GH¢'000
i. Revenues				
Total revenue from reportable segments	1,661,683	1,672,600	1,216,396	1,221,235
Unallocated amounts		-		
Elimination of intersegment revenue	-	-	-	-
Total revenue per statement of comprehensive income	1,661,683	1,672,600	1,216,396	1,221,235
ii. Profit before tax				
Total (loss) or profit for reportable segments	1,289,642	1,296,664	(336,791)	(334,152)
Unallocated amounts	61,677	61,678	(46,751)	(46,751)
Total (loss)/profit before tax per statement of comprehensive income	1,351,319	1,358,342	(383,542)	(380,903)
iii. Assets				
Total assets for reportable segments	13,919,754	13,927,578	10,366,003	10,368,918
Other unallocated amounts	1,001	1	1,001	1
Total assets per statement of financial position	13,920,755	13,927,579	10,367,004	10,368,919
iv. Liabilities				
Total liabilities for reportable segments	11,995,962	11,996,026	9,039,646	9,039,707
Other unallocated amounts	-	-	-	-
Total liabilities per statement of financial position	11,995,962	11,996,026	9,039,646	9,039,707

7. Financial assets and liabilities

7.1 The Group's classification of its principal financial assets and liabilities are summarised below

Bank

31 December 2023	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	-	4,309,599	-	4,309,599
Derivative assets	-	-	8,920	8,920
Trading assets (non- pledged)		-	17,911	17,911
Loans to other banks	-	-	-	-
Loans and advances to customers	-	2,104,269	-	2,104,269
Investment securities	6,282,974	411,916	-	6,694,890
Other assets	-	229,584	-	229,584
Assets	6,282,974	7,055,368	26,831	13,365,173
Deposits from customers	-	10,818,779	-	10,818,779
Deposits from banks	-	202,946	-	202,946
Derivative liabilities	-	-	15,044	15,044
Short-term Borrowings	-	232,860		232,860
Other liabilities	-	225,454	-	225,454
Liabilities	-	11,480,039	15,044	11,495,083

Group

31 December 2023	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	-	4,316,795	-	4,316,795
Derivative assets	-	-	8,920	8,920
Trading assets (non- pledged)	-	-	17,911	17,911
Loans to other banks	-	-	-	-
Loans and advances to customers	-	2,104,269	-	2,104,269
Investment securities	6,282,974	411,916	-	6,694,890
Other assets	-	229,584	-	229,584
Assets	6,282,974	7,062,564	26,831	13,372,369
Deposits from customers	-	10,818,778	-	10,818,778
Deposits from banks	-	202,946	-	202,946
Derivative liabilities	-	-	15,044	15,044
Short-term Borrowings	-	232,860	-	232,860
Other liabilities	-	225,518	-	225,518
Liabilities	-	11,480,102	15,044	11,495,146

7.1 The Group's classification of its principal financial assets and liabilities are summarised below: (cont'd)

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

7.2 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

	2023			
	Level 1 GH¢'000	Level 2 GH¢'000	Level 3 GH¢'000	Total GH¢'000
Trading assets (Non-pledged)	16,190	-	1,721	17,911
Derivative assets (Foreign exchange contracts)	-	8,920	-	8,920
Investment securities	5,757,400	-	525,574	6,282,974
Total at 31 December 2023	5,773,590	8,920	527,295	6,309,805

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

(b) Level 3 fair value measurements

	Non pledge trading assets GH¢'000	Investment securities GH¢'000	Total GH¢'000
Balance as at 1 January	4,560	2,151,038	2,155,598
Total gains or losses:	-	-	-
In profit or loss	10,148	(281,661)	(271,513)
In OCI	-	(122,244)	(122,244)
	-	-	-
Purchases	4,593,377	39,947,407	44,540,784
Settlements	(4,606,364)	(41,168,966)	(45,775,330)
Balance as at 31 December	1,721	525,574	527,295

(b) Financial instruments measured at fair value – fair value hierarchy (Cont'd)

31 December 2022	Non-pledging trading assets GHS'000	Investment securities GHS'000	Total GHS'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

(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:

2023	**Non-pledging trading assets GHS'000**	**Investment securities GHS'000**	**Total GHS'000**
Recognised in profit or loss:			
Net trading income	**10,148**	**-**	**10,148**
Recognised in OCI:			
Fair value reserve on FVOCI instruments - net change in fair value	**-**	**(122,244)**	**(122,244)**
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	**2,111**	**-**	**2,111**

2022	Non-pledging trading assets GHS'000	Investment securities GHS'000	Total GHS'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	-	(291,146)	(291,146)
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 2023 GHS'000	Valuation techniques	Significant unobservable input
Bonds- At fair value through profit or loss	17,911	Discounted cash flow	Yield on the newly issued bonds
Bonds- At fair value through OCI	525,574	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 between 5% 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 2023	Effect on profit and loss		Effect on OCI	
	Favourable	Unfavourable	Favourable	Unfavourable
	GHC'000	GHC'000	GHC'000	GHC'000
Non-pledge trading assets	461	461		
Investment securities			18,578	18,578
	461	461	18,578	18,578

31 December 2022	Effect on profit or loss		Effect on OCI	
	Favourable	(Unfavourable)	Favourable	(Unfavourable)
	GHS'000	GHS'000	GHS'000	GHS'000
Non-pledged trading assets	39	39	-	-
Investment securities			18,627	25,097
Total	39	39	18,627	25,097

ii. The effect of unobservable inputs on fair value measurement (cont'd)

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 2023 was up to 27.3%.

(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

31 December 2023	2023 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	-	4,309,599	-	4,309,599	4,309,599
Investment securities		-	575,348	575,348	411,916
Loans and advances to customers		-	2,104,269	2,104,269	2,279,677
Other assets	-	-	307,794	307,794	307,794
	-	4,309,599	2,987,411	7,297,010	7,308,986
Liabilities					
Customer deposits	-	10,818,779	-	10,818,779	10,818,779
Deposits from banks		202,946	-	202,946	202,946
Short-term Borrowings		-	232,860	232,860	232,966
Other liabilities	-	-	155,039	155,039	155,039
	-	11,021,725	387,899	11,409,624	11,409,730

Group

31 December 2023	2023 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	-	4,316,795	-	4,316,795	4,316,795
Investment securities	-	-	575,348	575,348	411,916
Loans and advances to customers	-	-	2,104,269	2,104,269	2,279,677
Other assets	-	-	307,794	307,794	307,794
	-	4,316,795	2,987,411	7,304,206	7,316,182
Liabilities					
Customer deposits	-	10,818,779	-	10,818,779	10,818,779
Deposits from banks	-	202,946	-	202,946	202,946
Short-term Borrowings	-	-	232,860	232,860	232,966
Other liabilities	-	-	155,103	155,103	155,103
	-	11,021,725	387,963	11,409,688	11,409,794

(e) Financial instruments not measured at fair value

Bank

31 December 2022	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
Liabilities					
Customer deposits	-	8,183,887	-	8,183,887	8,183,887
Deposits from banks		114,439	-	114,439	114,439
Short-term Borrowings		-	-	-	-
Other liabilities	-	-	288,470	288,470	288,470
	-	8,298,326	288,470	8,586,796	8,586,796

Group

31 December 2022	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
Short-term Borrowings	-	-	-	-	-
Other liabilities	-	-	288,531	288,531	288,531
	-	8,298,326	288,531	8,586,857	8,586,857

(e) Financial instruments not measured at fair value (cont'd)

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 short-term borrowings are estimated using discounted cash flow techniques, applying rates that are offered for borrowings of similar maturities and terms.

The fair value of investment securities at amortised cost is based on discounted cash flow techniques applying the rates of similar maturities and terms.

8. Net Interest Income

Bank and Group

	2023 GH¢'000	2022 GH¢'000
Interest income calculated using the effective interest method		
Cash and cash equivalents	1,453	5,293
Loans and advance to customers	510,533	409,346
Investment Securities	909,658	594,262
Total interest income	1,421,644	1,008,901
Interest expense		
Deposits from bank	(13,080)	(34,034)
Deposits from customers	(109,732)	(136,518)
Lease finance cost	(32,389)	(30,563)
Total Interest expense	(155,201)	(201,115)
Net Interest Income	1,266,443	807,786

The amounts reported above include interest income and expense, calculated using the effective interest method, that relate to the following financial assets and liabilities:

	2023 GH¢'000	2022 GH¢'000
Financial assets measured at amortised cost	564,252	414,639
Financial assets measured at FVOCI	857,392	594,262
Total	1,421,644	1,008,901
Financial liabilities measured at amortised cost	(122,813)	(170,552)
Lease finance cost	(32,388)	(30,563)
Net Interest Income	1,266,443	807,786

9. Net Fees and Commission Income

Bank and Group

	2023		2022	
	Bank GH¢'000	Group GH¢'000	Bank GH¢'000	Group GH¢'000
Fees and commissions income				
Consumer, Private and Business Banking customer fees	121,048	131,965	112,763	117,602
Corporate, Commercial and Institutional Banking credit related fees	84,118	84,118	78,677	78,677
Total fee and commission incomes	205,166	216,083	191,440	196,279
Fees and commission expense				
Brokerage	725	725	(380)	(380)
Visa interchange fees	(28,116)	(28,116)	(21,840)	(21,840)
Total fee and commission expense	(27,391)	(27,391)	(22,220)	(22,220)
Net fees and commissions income	177,775	188,692	169,220	174,059

9. Net Fees and Commission Income (Cont'd)

The fees and commissions of the Group presented include income of GH¢ 218 million (2022: GH¢ 196 million) and expense of GH¢27.39 million (2022: GH¢ 22.22 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¢ 12 million (2022: GH¢ 37 million) is presented as part of consumer, private and business banking customer fees. Portfolio fees of GH¢ 23 million (2022: GH¢ 22 million) is presented as part of corporate, commercial, and institutional banking credit related fees.

10. Net Trading Income

	2023		2022	
	Bank	Group	Bank	Group
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Fixed income (debt instruments)	10,148	10,148	151,445	151,445
Foreign exchange	207,293	207,293	87,947	87,947
Other	24	24	(2)	(2)
Net trading income	217,465	217,465	239,390	239,390

Included in net trading income is an amount of GH¢ 281,661 reclassified upon derecognition of investment securities at FVOCI from accumulated other comprehensive income to profit or loss for the period.

11a. Net loss from other financial instruments carried at fair value through P/L

	2023		2022	
	Bank	Group	Bank	Group
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
OTC structured derivatives	2,222	2,222	(1,189)	(1,189)

11b Lease modification gain/(Loss)

	2023		2022	
	Bank	Group	Bank	Group
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Lease modification gain/(loss)	2,556	2,556	(8,581)	(8,581)

11c. Other Income

	2023		2022	
	Bank	Group	Bank	group
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Rent Income	5,315	5,315	1,121	1,121
Asset Sale	36,738	36,738	1,900	1,900
Service Fee	446	446	478	478
Total Other Income	42,499	42,499	3,499	3,499

12a. Net impairment gain/(loss) on investment securities

Net impairment gain/(loss) on Debt Securities	2023 Bank GH¢'000	Group GH¢'000	2022 Bank GH¢'000	Bank GH¢'000
Treasury bills	(47,964)	(47,964)	(35,456)	(35,456)
Bonds	-	-	(566,630)	(566,630)
	(47,964)	(47,964)	(602,086)	(602,086)

12b. Net impairment gain/(loss) on loans and advances, and others

Net impairment gain/(loss) on loans and advances, and others	2023 Bank GH¢'000	Group GH¢'000	2022 Bank GH¢'000	Bank GH¢'000
loans, advances, and others	204,398	204,398	(515,364)	(515,364)
Recovery	49,478	49,478	8,926	8,926
	253,876	253,876	(506,438)	(506,438)

13(a) Personnel Expenses

	2023 Bank GH¢'000	Group GH¢'000	2022 Bank GH¢'000	Group GH¢'000
Wages, salaries, bonus and allowances	271,155	272,837	211,178	211,479
Social security costs	23,767	23,922	17,955	18,011
Provident Fund	19,567	19,686	14,260	14,303
Other staff costs	63,073	63,518	43,317	43,469
Training	1,491	1,491	507	507
Directors' emolument (13b)	13,295	13,591	11,255	11,653
	392,348	395,045	298,472	299,422

Define contribution plans expense for 2023 was GH¢ 44 million (2022: GH¢32 million).
The average number of persons employed by the Bank during the year was 680. (2022: 681).

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:

	2023		2022	
	Bank	Group	Bank	Group
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Salaries, allowances, and benefits in kind	8,952	9,248	9,099	9,484
Pension contributions	1,248	1,248	1,157	1,170
Bonuses paid or payable	3,095	3,095	999	999
	13,295	13,591	11,255	11,653

14. Other Expenses

	2023		2022	
	Bank	Group	Bank	Group
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Advertising and marketing	11,500	11,500	8,126	8,154
Premises and equipment	3,570	3,678	11,275	11,275
Legal and consultancy fees	10,139	10,427	6,449	6,704
Utilities and office supplies	30,648	30,648	23,769	24,014
Professional fees	4,741	4,741	1,144	1,144
Postage and telephone	5,995	5,995	3,989	3,989
Meals and entertainment	1,108	1,108	14	14
Subscription	1,308	1,308	540	540
Losses and insurance	3,095	3,095	1,092	1,092
Fines and penalties	22,554	22,554	7,326	7,326
VAT/GST	19,669	19,669	14,708	14,742
Auditors' remuneration	1,499	1,564	865	926
Donations and sponsorship	1,410	1,410	(99)	(99)
Redundancy cost	17,895	17,895	18,695	18,695
Management service reversal	-	-	(2,521)	(2,521)
Others	7,595	8,081	8,067	8,589
Total	142,726	143,673	103,439	104,584

Others are miscellaneous expense incurred in current year.

15. Taxation

i. Income tax expense

	Notes	Bank GH¢'000	Group GH¢'000	Bank GH¢'000	Group GH¢'000
Income tax expense/(credit) for the year		351,796	353,561	(83,908)	(83,255)
Corporate tax charge for the year		138,457	140,283	155,117	155,777
Changes in estimates relating to prior years		-	-	38,954	38,954
Current tax		138,457	140,283	194,071	194,731
Deferred Tax	24	213,339	213,278	(277,979)	(277,986)
Income tax expense/(credit)		351,796	353,561	(83,908)	(83,255)
Growth and Sustainability Levy					
Charge for the year (5 per cent of profit before tax)		67,566	67,918	-	132
Financial Sector Recovery levy					
Charge for the year (5 per cent of profit before tax)		67,566	67,566	-	-
Total tax and levy		486,928	489,045	(83,908)	(83,123)

ii. **Taxation payable**

Bank

Current tax	**Balance at 1/1/2023 GH¢'000**	**Payment during the year GH¢'000**	**Charge for the year GH¢'000**	**Adjustment GH¢'000**	**Balance at 31/12/23 GH¢'000**
Corporate Tax	(9,370)	(275,662)	138,457	-	(146,575)
National Fiscal Stabilisation Levy	(41,651)	(66,666)	67,566	-	(40,751)
Financial Sector Recovery Levy	(23,916)	(66,666)	67,566	-	(23,016)
Tax credit refunded	-	-	-	-	-
	(74,937)	(408,994)	273,589	-	(210,342)

Group

Current tax				**2023**
	Balance at 1/1/2023 GH¢'000	**Payment during the year GH¢'000**	**Charge for the year GH¢'000**	**Balance at 31/12/23 GH¢'000**
Corporate Tax	(9,694)	(277,299)	140,283	(146,710)
Growth and Sustainability Levy	(41,716)	(66,981)	67,918	(40,779)
Financial Sector Recovery Levy	(23,916)	(66,666)	67,566	(23,016)
	(75,326)	(410,946)	275,767	(210,505)

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)
Growth and Sustainability 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)
Growth and Sustainability 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)

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:

	2023 Bank GH¢'000	2023 Group GH¢'000	2022 Bank GH¢'000	2022 Group GH¢'000
Profit/(Loss) before tax	1,351,319	1,358,342	(383,542)	(380,903)
Tax at 25 per cent (2022:25 per cent)	337,830	339,585	(95,886)	(95,226)
Growth and Sustainability Levy	67,566	67,918	-	132
Financial Sector Clean up Levy	67,566	67,566	-	-
Changes in estimates relating to prior years	-	-	38,954	38,954
Non-deductible expenses	13,966	13,976	16,337	16,311
Tax incentive	-	-	(43,313)	(43,295)
Total tax and levy	486,928	489,045	(83,908)	(83,123)
Effective tax rate	36.00%	36.00%	22.00%	22.00%

16. Earnings Per Share

i. Basic and diluted earnings per share

The calculation of basic and diluted earnings per share of was based on the profit/loss attributable to shareholders and a weighted average number of equity shares outstanding at the year end.

Profit attributable to shareholders

	2023 Bank GH¢ '000	2023 Group GH¢ '000	2022 Bank GH¢ '000	2022 Group GH¢ '000
Net profit/(loss) for the period (after tax)	864,391	869,297	(299,634)	(297,744)
Preference share dividend proposed	-	-	-	-
Profit/(loss) attributable to equity holders	864,391	869,297	(299,634)	(297,744)
	'000	'000	'000	'000
Weighted average number of ordinary shares at 31 December	134758	134858	134,758	134,858
Basic earnings/(loss) per share	6.41	6.45	(2.22)	(2.21)
Diluted earnings/(loss) per share	6.41	6.45	(2.22)	(2.21)

17. Dividend Per Share

The Directors recommend dividend in line with the Banks and Specialised Deposits-Taking Act 2016 (Act 930) section 35(1) d and e. The Directors recommend ordinary dividend payment subject to regulatory approval.

	2023 GH¢ '000	2022 GH¢ '000
Ordinary dividend	-	247,956
Preference dividend	-	1,529
Payments during the year	-	249,485
Dividend per share (Ghana cedis per share)		
Equity share	-	1.84
Preference share	-	0.09

Payment of dividends is subject to withholding tax at the rate of 8 percent for residents and 7.5 percent for non-resident shareholders in countries with Double Taxation Agreement (DTA) with Ghana.

No dividend was paid in 2023

	2023		2022	
	Bank GH¢ '000	Group GH¢ '000	Bank GH¢ '000	Group GH¢ '000
Cash and balances with banks	939,877	947,072	567,825	569,695
Unrestricted balances with Bank of Ghana	3,031,337	3,031,338	3,192,016	3,192,016
Mandatory reserve deposit with Bank of Ghana	338,385	338,385	218,638	218,638
	4,309,599	4,316,795	3,978,479	3,980,349

	2023		2022	
	Bank GH¢ '000	Group GH¢ '000	Bank GH¢ '000	Group GH¢ '000
Gross Carry Amount	4,314,642	4,321,838	3,980,417	3,982,287
Cash ECL	(5,043)	(5,043)	(1,938)	(1,938)
Carry Amount	4,309,599	4,316,795	3,978,479	3,980,349

19. Derivatives

19.a Derivatives assets held for risk management

For risk management purposes, the Group entered foreign exchange rate swaps. 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

	2023 GH¢ '000	2022 GH¢ '000
Foreign exchange swap	8,920	69,691
OTC Structured derivatives	8,920	69,691

19.b Derivatives liabilities held for risk management

Bank and Group

	2023 GH¢ '000	2022 GH¢ '000
Foreign exchange swap	15,045	70,338
Interest rate swap	-	-
OTC Structured derivatives		
	15,045	70,338

20. Trading Assets (Non-Pledged)

Bank and Group

	2023 GH¢ '000	2022 GH¢ '000
Government securities	17,911	4,560

21. Loans to Other Banks and Customers

21.a Loans to other banks

Nil (2022 nil)

21.b Loans and advances

i. Analysis by Type

The table below constitutes loans and advances (including credit bills negotiated) to customers and staff.

	2023 Gross amount GH¢'000	2023 Impairment allowance GH¢'000	2023 Carrying amount GH¢'000	2022 Gross amount GH¢'000	2022 Impairment allowance GH¢'000	2022 Carrying amount GH¢'000
Retail customers						
Mortgage lending	116,576	(1,943)	114,633	118,322	(700)	117,622
Personal loans	653,367	(75,287)	578,080	681,646	(50,250)	631,396
RB Total	769,943	(77,230)	692,713	799,968	(50,950)	749,018
Corporate customers						
Term loan	1,155,458	(90,010)	1,065,448	1,362,730	(313,771)	1,048,959
Trade	354,276	(8,168)	346,108	353,832	(101,499)	252,333
CCIB Total	1,509,734	(98,178)	1,411,556	1,716,562	(415,270)	1,301,292
Total	2,279,677	(175,408)	2,104,269	2,516,530	(466,220)	2,050,310

ii.a Total impairment on loans and advances to customers

	2023 GH¢ '000	2022 GH¢ '000
Impairment at 1 January	**466,220**	150,377
Net remeasurements of less allowance	**(182,689)**	503,276
Derecognised asset , Foreign Exchange, Other Movement	**(106,911)**	(14,179)
Impairment release for assets written-off	**(1,212)**	(173,254)
At 31 December	**175,408**	466,220

iii. Analysis by industry classification

	2023 GH¢ '000	2022 GH¢ '000
Agriculture, forestry, and fishing	**130,886**	83
Mining and quarrying	**6,488**	7,987
Manufacturing	**627,824**	808,658
Construction	**107,057**	132,652
Commerce and finance	**409,386**	416,293
Transport, storage, and communication	**107,057**	132,652
Services	**198,265**	269,187
Miscellaneous	**226,732**	200,191
Individuals	**465,981**	548,827
Gross loans and advances	**2,279,676**	2,516,530
Impairment allowance	**(175,408)**	(466,220)
Net carrying amount of loans and advances	**2,104,268**	2,050,310

iv. Types of collateral held

	2023 GH¢ '000	2022 GH¢ '000
Asset Based	**1,688,665**	1,366,194
Cash	**250,493**	192,743
Guarantees	**8,467,304**	6,084,655
Insurance/protection	**589,021**	183,702
Property	**2,251,012**	2,261,428
	13,246,495	10,088,722

v. Assets held as collateral

This comprises the following:

	2023 GH¢ '000	2022 GH¢ '000
Against impaired assets	**13,078,670**	9,889,940
Against performing assets	**167,825**	198,782
	13,246,495	10,088,722

22a. Investment Securities

	2023	2022
	GH¢ '000	GH¢ '000
Local Treasury bills	2,899,782	991,716
Local Bonds	937,490	1,159,322
US Treasury Bills	313,096	412,914
Certificate of Deposit	2,544,522	909,202
Total	6,694,890	3,473,154

	2023	2022
	GH¢ '000	GH¢ '000
Debt Investment at Amortised Cost	411,916	-
Debt investment as FVOCI	6,282,974	3,473,154
	6,694,890	3,473,154

Investment securities as presented on the Statement of cash flows

`At amortised Cost	2023	2022
	GH¢ '000	GH¢ '000
Opening balance	-	-
Initial recognition of new bonds from exchange	336,606	-
Accrued interest receivable	75,310	-
Total	411,916	-

At FVOCI

	2023	2022
	GH¢ '000	GH¢ '000
Opening balance	3,473,154	3,761,388
Purchase of government securities	44,540,784	30,072,549
Sale of government securities	(40.393,238)	(30,069,637)
Derecognition of old bonds that were exchanged	(1,499,813)	-
Initial recognition of new bonds from exchange	587,028	-
Unamortised premium/discount	(302,697)	-
Fair value gains/loss of investments at FVOCI	(122,244)	(291,146)
Total	6,282,974	3,473,154

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

	2023 Bank GH¢ '000	Group GH¢ '000	2022 Bank GH¢ '000	Group GH¢ '000
Investment in Subsidiaries	1,001	1	1,001	1

Investment in subsidiaries represents the Bank's equity interest in Standard Chartered Ghana Nominees PLC, which is a wholly owned subsidiary incorporated in Ghana that was specifically set-up to warehouse assets held in trust on behalf of custody clients in the conduct of its fiduciary activities. The assets and income due to such clients arising thereon are not the bona fide property of the Bank and have not been included in either the books of the Bank or the subsidiary company.

The Bank has invested in a subsidiary Standard Chartered Wealth Management Limited, to sell investment products and provide advisory services to clients.

The results of the Standard Chartered Nominees 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.

	2023 GH¢ '000	2022 GH¢ '000
The total assets under the Bank's management which wholly relates to investments in Ghana	25,888,424	19,568,439

23a Property And Equipment

Bank

	2023					
	Land and building GH¢'000	Furniture and equipment GH¢'000	Computer GH¢'000	Motor vehicle GH¢'000	Capital work in progress GH¢'000	Total GH¢'000
Gross value						
At 1 January 2023	39,204	13,932	16,752	16	-	69,904
Additions	-	-	9,628	1,654	468	11,750
Disposals	(13,308)					(13,308)
At 31 December 2023	25,896	13,932	26,380	1,670	468	68,346
Accumulated Depreciation and Impairment						
At 1 January 2023	12,336	10,738	8,856	16	-	31,946
Charges for the year	2,172	2,252	4,645	184	-	9,253
Disposals	(1,210)	-	-	-	-	(1,210)
At 31 December 2023	13,298	12,990	13,501	200	-	39,989
Net book value	12,598	942	12,879	1,470	468	28,357

Group

	Land and building GH¢'000	Furniture and equipment GH¢'000	Computer GH¢'000	Motor vehicle GH¢'000	Capital work in progress GH¢'000	Total GH¢'000
Gross value						
At 1 January 2023	39,204	14,581	16,752	16	-	70,553
Additions	-	-	9,628	1,654	468	11,750
Disposals	(13,308)	-				(13,308)
At 31 December 2023	25,896	14,581	26,380	1,670	468	68,995
Accumulated Depreciation and Impairment						-
At 1 January 2023	12,336	10,738	8,856	16	-	31,946
Charges for the year	2,172	2,503	4,645	184	-	9,504
Disposals	(1,209)	-	-	-	-	(1,209)
At 31 December 2023	13,299	13,241	13,501	200	-	40,241
Net book value	12,597	1,340	12,879	1,470	468	28,754

23a Property And Equipment(Cont'd)

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	Total GH¢'000
Gross value						
At 1 January 2022	41,592	15,831	28,212	16	3,576	89,227
Additions	-	-	-	-	-	-
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	-	69,904
Depreciation						
At 1 January 2022	12,360	9,215	20,533	16	-	42,124
Charges for the year	2,363	3,270	3,554	-	-	9,187
Write-offs	(2,388)	(1,747)	(15,231)	-	-	(19,366)
Lease impairment	-	-	-	-	-	-
At 31 December 2022	12,335	10,738	8,856	16	-	31,945
Net book value	26,869	3,194	7,896	-	-	37,959

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	Total GH¢'000
Gross value						
At 1 January 2022	41,592	15,831	28,212	16	3,576	89,227
Additions	-	753	-	-	-	753
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	-	70,553
Depreciation						
At 1 January 2022	12,360	9,215	20,533	16	-	42,124
Charges for the year	2,364	3,374	3,554	-	-	9,292
Write-offs	(2,388)	(1,851)	(15,231)	-	-	(19,470)
At 31 December 2022	12,336	10,738	8,856	16	-	31,946
Net book value	26,868	3,843	7,896	-		38,607

23a Property And Equipment (Cont'd)

There was no indication of impairment of property and equipment held by the Bank at 31 December 2023 (2022: 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

	2023		2022	
	Bank	Group	Bank	Group
	GH¢ '000	GH¢ '000	GH¢ '000	GH¢ '000
Depreciation	42,880	43,131	32,983	33,088

23c. Profit on disposal of property and equipment

	2023		2022	
	Bank	Group	Bank	Group
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Cost	14,562	14,562	-	-
Accumulated depreciation	(1,133)	(1,133)	-	-
Carrying amount	(25,581)	(25,581)	-	-
Proceeds from disposal	48,890	48,890	-	-
Profit on disposal	36,738	36,738	-	-

24. Deferred Taxation

	Notes	2023		2022	
		Bank	Group	Bank	Group
		GH¢ '000	GH¢ '000	GH¢ '000	GH¢ '000
Balance at 1 January		(188,524)	(188,531)	11,724	11,724
Recognised in profit or loss	15	213,339	213,278	(277,979)	(277,986)
Recognised in OCI		(88,985)	(88,985)	77,731	77,731
Balance at 31 December		(64,170)	(64,238)	(188,524)	(188,531)

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

24. DEFERRED TAXATION (Cont'd)

Bank

	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 assets GH¢'000	Deferred tax liabilities GH¢'000
Property and equipment	1,340	2,313	-	3,653	3,653	-
Impairment provision	94,479	(204,066)	140,597	31,010	31,010	-
Mark to Market on Investment	97,861	-	(51,612)	46,249	46,249	-
Holiday pay	686	305	-	991	991	-
Leases	(5,842)	(8,562)	-	(14,404)	-	(14,404)
Other temporary difference	-	(3,330)	-	(3,330)	-	(3,330)
	188,524	(213,339)	88,985	64,170	81,904	(17,734)

Group

	Balance at 1/1 GH¢'000	Recognised in profit or loss GH¢'000	Recognised in OCI	Balance at 31/12 GH¢'000	Deferred tax assets GH¢'000	Deferred tax liabilities GH¢'000
Property and equipment	1,346	2,374	-	3,720	3,720	-
Impairment provision	94,479	(204,066)	140,597	31,010	31,010	-
Mark to Market on Investment	97,861	-	(51,612)	46,249	46,249	-
Holiday pay	686	305	-	991	991	-
Leases	(5,841)	(8,562)	-	(14,403)	-	(14,403)
Other temporary difference	-	(3,330)	-	(3,330)	-	(3,330)
	188,531	(213,278)	88,985	64,238	81,971	(17,733)

Recognised deferred tax assets and liabilities (cont'd)

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	(39,838)	284,835	(150,518)	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)
	(11,724)	277,979	(77,731)	188,524	194,366	(5,842)

Group

	2022					
	Balance at 1/1 GH¢'000	Recognised in profit or loss GH¢'000	Recognised in OCI	Balance at 31/12 GH¢'000	Deferred tax assets GH¢'000	Deferred tax liabilities GH¢'000
Property and equipment	2,668	(1,322)	-	1,346	1,346	-
Impairment provision	(39,838)	284,835	(150,518)	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)
	(11,724)	277,986	(77,731)	188,531	194,372	(5,841)

25. Other Assets

	2023		2022	
	Bank GH¢ '000	**Group GH¢ '000**	Bank GH¢ '000	Group GH¢ '000
Accounts receivable and prepayments	**194,447**	**194,447**	89,385	89,385
LC Acceptance	**113,065**	**113,065**	91,937	91,937
Accrued interest receivable	**-**	**-**	112,990	112,990
Impersonal accounts	**282**	**282**	1,411	1,411
	307,794	**307,794**	295,723	295,723

26. Deposits From Banks

	2023 Bank GH¢ '000	Group GH¢ '000	2022 Bank GH¢ '000	Group GH¢ '000
Balances from financial entities	202,946	202,946	114,439	114,439

27. Deposit From Customers

Analysis by type and product
Bank and Group

	2023 GH¢ '000	2022 GH¢ '000
Current accounts	7,754,665	5,397,794
Time deposit	40,466	261,466
Savings deposit	2,412,014	1,751,882
Call deposit	611,634	772,745
Total	10,818,779	8,183,887

28. Short-term Borrowings

Bank and Group

	2023 GH¢ '000	2022 GH¢ '000
Short-term Borrowings	232,860	-

Short-term Borrowings constitute of USD denominated facility with Standard Chartered Bank affiliate entities with the following terms:

- An overnight unsecured advance with interest of 5.5 per cent per annum

	2023 GH¢ '000	2022 GH¢ '000
Opening Balance as at 1/1	-	240,224
Additions during the year	999,588	629,740
Interest expense	2,388	1,278
Principal repayment	(767,610)	(870,828)
Interest repayment	(1,506)	(414)
Closing balance 31/12	232,860	-

29a. Other Liabilities

	2023 Bank	2023 Group	2022 Bank	2022 Group
	GH¢ '000	GH¢ '000	GH¢ '000	GH¢ '000
Accrued interest payable	7,549	7,549	21,824	21,824
Other creditors and accruals	99,742	99,806	161,801	161,862
Impairment on financial guarantee and commitments	5,098	5,098	12,908	12,908
LC acceptance	113,065	113,065	91,937	91,937
	225,454	225,518	288,470	288,531

29b. Provisions

2023
Bank and Group

	Staff Related	Non-Staff Related	
	Staff related	Others	Total
	GH¢'000	GH¢'000	GH¢'000
Balance at 1 January	57,947	40,068	98,015
Charged to profit or loss	112,760	70,647	183,407
Utilised during the year	(105,291)	(41,329)	(146,620)
Balance at 31 December	65,416	69,386	134,802

2022

	Staff Related	Non-Staff Related	
	Staff	Others	Total
	GH¢'000	GH¢'000	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 (cont'd)

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 2024.

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	
	2023	2022
	GH¢'000	GH¢'000
Balance at 1 January	**192,667**	194,964
Additions	**-**	71,748
Adjustment	**62**	-
Lease Impairment Release/(Charge)	**14,400**	(50,249)
Depreciation charge for the year	**(33,627)**	(23,796)
Balance at 31 December	**173,502**	192,667

ii. *At 31 December 2023, the future minimum lease payments under non-cancellable leases were payable as follows:*

Maturity analysis- Contractual undiscounted cash flows	2023 GH¢ '000	2022 GH¢ '000
Less than one year	24,836	23,443
Between one and five years	33,353	33,250
More than five years	366,614	286,434
Total undiscounted lease liability	424,803	343,127

iii. *Amounts recognised in profit or loss:*

Leases under IFRS 16	2023 GH¢ '000	2022 GH¢ '000
Interest expense on leases	32,388	30,563
Lease Modification (gain)/loss	(2,556)	8,581
Income from sub-leases (operating leases)	(5,315)	(1,121)
Depreciation charge for the year	33,627	23,796
Lease Impairment (release)/expense	(14,400)	50,249
	43,743	112,068

iv. *Amounts recognised in cash flows:*

	2023 GH¢ '000	2022 GH¢ '000
Total cash outflow for leases	72,063	46,513

v. *Movement in lease liability*

	2023 GH¢ '000	2022 GH¢ '000
Balance at 1/1	284,497	227,428
Exchange gain/loss	121,253	73,019
Interest expense	32,389	30,563
Principal Repayment	(49,303)	(28,319)
Interest Repayment	(22,760)	(18,194)
Balance at 31/12	366,076	284,497

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

In 2022, 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 was recognized in 2023 based on the fair value less cost of disposal. CPBB occupy 54% of the premises whereas the CCIB occupy 46% of the total office spaces.

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 10 years

31. CAPITAL AND RESERVES

(i) Stated capital

Bank

	2023		2022	
	No of Shares '000	**Proceeds GH¢000**	No of Shares '000	Proceeds GH¢000
a. Ordinary shares				
Authorised				
No. of ordinary shares of no-par value	**250,000**		250,000	-
Issued and fully paid				
Issued for cash consideration	**5,655**	**48,001**	5,655	48,001
Transferred from income surplus account	**109,852**	**64,540**	109,852	64,540
Recapitalisation from income surplus	**19,251**	**278,368**	19,251	278,368
TOTAL	**134,758**	**390,909**	134,758	390,909
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.

	2023		2022	
	Bank	Group	Bank	Group
	GH¢ '000	GH¢ '000	GH¢ '000	GH¢ '000
Balance at 1 January	148,380	150,234	553,412	553,412
Profit for the year	864,391	869,297	(299,634)	(297,780)
Transfer from/to reserve fund	(108,049)	(108,049)	-	-
Dividend declared	-	-	(249,485)	(249,485)
Transfer from/to credit risk reserves	(83,905)	(83,905)	144,087	144,087
Balance at 31 December	820,817	827,577	148,380	150,234

(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¢677.63 million (2022: GH¢568.23million) has been set aside in a Reserve Fund from each year's profit.

	2023		2022	
	Bank	Group	Bank	Group
	GH¢ '000	GH¢ '000	GH¢ '000	GH¢ '000
Balance at 1 January	568,228	568,228	568,228	568,228
Transfers from income surplus during the year	108,049	108,049	-	-
Balance at 31 December	676,277	676,277	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

	2023	2022
	GH¢ '000	GH¢ '000
BOG Provisions	259,313	332,316
IFRS Provisions	(175,408)	(466,220)
	83,905	-
Transfer to credit risk reserve	83,905	(144,087)
Balance at 1 January	-	144,087
Balance at 31 December	83,905	-

(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

	2023		2022	
	Bank	**Group**	Bank	Group
	GH¢ '000	**GH¢ '000**	GH¢ '000	GH¢ '000
Balance at 1 January	**210,750**	**210,750**	(22,445)	(22,445)
Debt instruments at fair value through other comprehensive income-Net changes in fair value Net of Tax	**(122,244)**	**(122,244)**	(291,146)	(291,146)
Tax on net gain/(losses) from changes in fair value	**30,561**	**30,561**	72,787	72,787
ECL charge on FVOCI Investment	**47,964**	**47,964**	602,072	602,072
Tax on release/(charge) on FVOCI Investment	**(11,991)**	**(11,991)**	(150,518)	(150,518)
Debt investments at FVOCI – reclassified to profit or loss	**(281,661)**	**(281,661)**	-	-
Tax on Debt Investments - reclassified to profit or loss	**70,415**	**70,415**	-	-
Balance at 31 December	**(56,206)**	**(56,206)**	210,750	210,750

	2023		2022	
	Bank	**Group**	Bank	Group
	GH¢ '000	**GH¢ '000**	GH¢ '000	GH¢ '000
Balance at 1 January	**210,750**	**210,750**	(22,445)	(22,445)
Debt instruments at fair value through other comprehensive income-Net changes in fair value Net of Tax	**(122,244)**	**(122,244)**	(291,146)	(291,146)
Tax on net gain/(losses) from changes in fair value	**30,561**	**30,561**	72,787	72,787
ECL charge on FVOCI Investment	**47,964**	**47,964**	602,072	602,072
Tax on release/(charge) on FVOCI Investment	**(11,991)**	**(11,991)**	(150,518)	(150,518)
Debt investments at FVOCI – reclassified to profit or loss	**(281,661)**	**(281,661)**	-	-
Tax on Debt Investments - reclassified to profit or loss	**70,415**	**70,415**	-	-
Balance at 31 December	**(56,206)**	**(56,206)**	210,750	210,750

32. Related Party Transactions

32.1 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¢2.96 million (2022: GH¢1.5 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.

32.2 Key management

The Bank pays salaries, bonuses, allowances, and pensions to the management team and executive directors. Additionally, it pays director fees to non-executive directors in relation to services rendered to the Bank.

32.2.1(a) Compensation for management team and executive directors

	2023		2022	
	Bank	Group	Bank	Group
	GH¢ '000	GH¢ '000	GH¢ '000	GH¢ '000
Short term	37,316	38,023	21,609	21,994
Post-employment (SSNIT/Provident Fund and other)	3,980	4,080	2,498	2,597
	41,296	42,103	24,107	24,591

32.2.1(b) Compensation for non-executive directors

	2023		2022	
	Bank	Group	Bank	Group
	GH¢ '000	GH¢ '000	GH¢ '000	GH¢ '000
Director's fees	2,316	2,612	1,143	1,215

32.2.2 other balances related party disclosure

Staff loans were GH¢ 227 million (2022: GH ¢ 199 million)

The following are loan balances and deposits due from/to key management and directors:

	2023		2022	
	Bank	**Group**	Bank	Group
	GH¢ '000	**GH¢ '000**	GH¢ '000	GH¢ '000
Loans	9,217	9,217	6,967	7,790
Deposits	9,286	9,286	9,305	10,001

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 2023 from related parties amounted to GH¢29,381 (2022: GH¢ 35,630). The interest paid on balances outstanding at 31 December 2023 to related parties amounted to GH¢39,841 (2022: 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 2023, the balances with key management personnel are allocated to Stage 1 of the ECL model and have a loss allowance of GH¢ 54,874 (2022: GH¢ 39,070). During 2022 GH¢ 15,804. impairment loss was recognised in profit or loss in respect of these balances (2022: GH¢22,299).
The Group ensures all the necessary approvals are obtained prior to the execution of related party transactions.

The Board ensures that transactions with related parties including internal group transactions are reviewed to assess its risk and are subject to appropriate restrictions by requiring that such transactions be conducted on non-preferential terms with exception of loans granted to staff. Loans granted to key management are approved by the board.

The movement of the management team and executive directors accounts is as follows:

	2023		2022	
	Bank	**Group**	Bank	Group
	GH¢ '000	**GH¢ '000**	GH¢ '000	GH¢ '000
Balance at 1 January	6,967	6,967	7,777	7,777
Loans advanced during the year	3,656	3,656	1,597	1,597
Loans repayments	(1,406)	(1,406)	(2,407)	(1,584)
Balance at 31 December	9,217	9,217	6,967	7,790

32.3 Affiliate companies

Amount due from affiliate companies

	2023		2022	
	Bank	**Group**	Bank	Group
	GH¢ '000	**GH¢ '000**	GH¢ '000	GH¢ '000
Nostro account balances	428,332	428,332	155,278	155,278
Due from group entities	60,595	60,595	59,326	59,326
	488,927	488,927	214,604	214,604

32.3 **Affiliate 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 Affiliate companies at the reporting date were as follows:

	2023		2022	
	Bank	Group	Bank	Group
	GH¢ '000	GH¢ '000	GH¢ '000	GH¢ '000
Short-term Borrowings	232,860	232,860	-	-
Other amounts due to group entities	277,369	277,369	93,443	93,443
	510,229	510,229	93,443	93,443

Short-term 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¢4.9million (2022:GH¢1.5 million) paid 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

	2023	2022
Fair value at grant date (GBP)	3.05	2.08
Share price at grant date (GBP)	7.35	5.8
Exercise price (GBP)	5.88	4.23
Vesting period (years)	3	3
Expected volatility (%)	36.7	39.3
Expected option life (years)	3.5	3.33
Expected dividend yield (%)	3	3.4
Risk-free interest rate (%)	4.48	3.21

(vi) **Financial guarantees**

Guarantees of the Bank that have been counter guaranteed (Back-to-Back) by other SCB offices for the period was GH¢ 1,455.6 million (2022: GH¢136.4million).

33. Management team and Non-executive Director shareholding

Non-executive Director

The Group's Director Ebenezer Twum Asante held 614 shares in the Bank as at 31 December 2023 (2022: 614).

Management team

	Number of shares 2023	2022
Harry Dankyi	2,996	2,996
Angela Naa Sakua Okai	723	723
Albert Larweh Asante	1,000	-

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) 9.3 percent, (2022: BoG 12.04 percent).
b. Loan loss provision ratio was 7.7 percent (2022: 12.04 percent).
c. Non-Performing loan ratio excluding loss category with respect to Bank of Ghana prudential guidelines was 0.4 percent (2022: 1.68percent)
d. Ratio of fifty (50) largest exposures (gross funded and non-funded) to total exposures was 43.74 percent (2022: 46.45 percent).
e. Loan to deposit ratio was 19.4 percent (2022: 25.51 percent)
f. Leverage ratio was 12.82 percent (2022: 11.50 percent)

(ii) Capital adequacy ratio

The capital adequacy ratio has been disclosed at note 5.11.

(iii) Regulatory breaches

Regulatory fine of GH¢22.5million (2022: Gh¢10million) recorded during the period under review. The Bank was sanctioned for breaching sections 102(1)(b);60(4);92(2)79(3) of the Banks and specialized deposit taking Act 2016, (Act 930) resulting from a 2021 virtual examination.

(iv) Year-end rates used for foreign exchange translations

Currency	2023	2022
USD US Dollar	11.88	8.315
EUR Euro	13.126	8.8558
GBP Pound Sterling	15.133	10.008

35. Net Asset Value Per Share

The calculation of net asset value per share GH¢ 14.69 (2022: GH¢9.78) at 31 December 2023 was based on the net assets attributable to ordinary shareholders of GH¢ 1,980 million (2022: GH¢ 1,318 million) and a weighted average number of equity shares outstanding of 134.8 million (2022: 134.8 million).

Net assets attributable to ordinary shareholders

	2023 Bank GH¢ '000	2023 Group GH¢ '000	2022 Bank GH¢ '000	2022 Group GH¢ '000
Net assets	1,924,793	1,931,553	1,327,358	1,329,248
Less Preference shares	(9,091)	(9,091)	(9,091)	(9,091)
Net assets attributable to equity holders	1,915,702	1,922,462	1,318,267	1,320,157

	2023 '000	2023 '000	2022 '000	2022 '000
Weighted average number of ordinary shares at 31 December	134,758	134,858	134,758	134,858
Net asset value per share (Ghana cedis per share)	14.22	14.26	9.78	9.79

36(a) Number Of Shares In Issue

Number of shareholders

The Bank had ordinary and preference shareholders as at 31 December 2023 distributed as follows:

(i) Equity shares

Range of shares	shareholders	Holding	Percentage
(i) Ordinary shares			
1 - 1,000	3,635	1,222,104	0.91
1,001 - 5,000	1,540	3,409,542	2.53
5,001 - 10,000	271	1,814,096	1.35
Over 10,000	199	128,312,756	95.22
	5,645	134,758,498	100.00
(ii) Preference shares			
1-1,000	758	270,701	1.55
1,001 – 5000	147	317,155	1.81
5001 - 10,000	19	157,017	0.90
Above 10,000	26	16,744,193	95.74
	950	17,489,066	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) B.V	93,544,612	69.42
Social Security And National Insurance Trust	19,605,509	14.55
Scgn/Ssb& Trust As Cust For Kimberlite Frontier , Africa Master Fund , L.P-Rckm	2,335,084	1.73
Std Noms/Trust Accnt/ Cs Ag - Singapore	1,166,667	0.87
Std Noms/Trust Acct/Bnymsanv Re Bnymsanvfft Re Odd	867,616	0.64
Edc/Teachers Equity Fund ,	634,774	0.47
Scgn/Ssb&Trust As Cust For Conrad N Hilton , Foundation-00fg	620,629	0.46
Std Noms/ Bnym Re Vanderbilt University	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
Kojo Anim-Addo	355,573	0.26
Scgn/Citibank Kuwait Inv Authority	351,881	0.26
Hfcn/ Edc Ghana Balanced Fund Limited Hfcn/ Edb Gh Bala Fd	272,106	0.2
Scgn/Ssb Eaton Vance Tax- , Managed Emerging Market Fund	210,466	0.16
University Of Science & Technology	173,250	0.13
Ssnit Informal Sector Fund	149,100	0.11
Francis Kudjawu And Six Other Siblings	140,000	0.1
Government Of Ghana	123,095	0.09
	123,124,709	91.37

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	145,193	0.83
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
	16,668,137	95.31

37. VALUE ADDED STATEMENTS (BANK)

	2023		2022	
Description	**GH¢'000**	**(%)**	GH¢'000	(%)
Revenue (operating income)	**1,661,683**		1,210,125	-
Other expenses	**(142,726)**	**9%**	(103,439)	9%
Impairments	**220,312**	**-13%**	(1,158,773)	96%
Value Add:	**1,739,269**		(52,087)	-
Distributed as follows:				
To employees				
Staff cost (excluding directors)	**379,053**	**23%**	287,217	24%
Directors	**13,295**	**1%**	11,255	1%
To Government				
Tax	**486,928**	**29%**	(83,908)	-7%
To providers of capital				
Reserve fund	**108,049**	**7%**	-	0%
Preference dividend	**-**	**0%**	1,529	0%
Ordinary dividend	**-**	**0%**	247,956	20%
To expansion and growth				
Lease expenses	**-**	**0%**	-	-
Depreciation and amortisation	**42,879**	**3%**	32,983	3%
Income surplus	**709,065**	**43%**	(549,119)	-45%
Total	**1,739,269**	**100%**	(52,087)	100%