ZENITH BANK (GHANA) LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

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CORPORATE INFORMATION

BOARD OF DIRECTORS	Freda Duplan (Chairperson) Henry Chinedu Onwuzurigbo (Managing director) Dr. Adaora Umeoji (Non executive director) Gabriel Ukpeh (Non executive director) Dr. Juliette Tuakli (Independent non executive director – (INED)) Kwasi Agyeman Boatin (INED) Charles Nimako (INED) Clifford Mensah (Executive director)
SECRETARIES	Michael O. Otu Daniel Agamah
AUDITOR	PricewaterhouseCoopers Chartered Accountants PwC Tower A4 Rangoon Lane Cantonments City PMB CT 42, Cantonments Accra – Ghana
SOLICITORS	Corporate Legal Concepts Rehoboth Place No.1 North Labone Estates Accra
REGISTERED OFFICE	Zenith Heights No. 37 Independence Avenue PMB CT 393 Accra

REPORT OF THE DIRECTORS

The Directors in submitting to the shareholders the financial statements of the Bank for the year ended 31 December 2024 report as follows:

Directors' Responsibility Statement

The Bank's Directors are responsible for the preparation of the financial statements that give a true and fair view of Zenith Bank (Ghana) Ltd's financial position at 31 December 2024, and of the profit or loss and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (i.e. IFRS Accounting Standards) and with the IAS 29 Directive issued by the Institute of Chartered Accountants Ghana (ICAG), and in the manner required by the Companies Act, 2019 (Act 992), and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). In addition, the directors are responsible for the preparation of this directors' report.

The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The Directors have made an assessment of the Bank's ability to continue as a going concern and have no reason to believe the business will not be a going concern.

Financial results and dividend

The financial results of the Bank for the year ended 31 December 2024 are set out in the attached financial statements, highlights of which are as follows:

31 December	**2024** **GH¢'000**	2023 GH¢'000
Profit before tax is	1,061,165	1,022,389
from which is (deducted) tax of	(609,187)	(346,288)
giving a profit after tax for the year of	451,978	676,101
Less transfers to stated capital and cost of transfer of	(658,174)	-
Less net transfer to statutory reserve fund and other reserves of	(112,994)	(74,808)
leaving a balance of	(319,190)	601,293
to which is added a balance brought forward on retained earnings of	729,057	127,764
leaving a balance of	409,867	729,057

In accordance with Section 34(1) (b) of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930), an amount of GH¢ 112,994,307 (2023: GH¢84,512,584) was transferred to the statutory reserve fund from profit for the year, bringing the cumulative balance on the statutory reserve fund to GH¢ 642,405,380 (2023: GH¢529,411,072) at the year end.

REPORT OF THE DIRECTORS (continued)

Financial results and dividend (continued)

The directors do not recommend the payment of dividend for the year ended 31 December 2024. (2023: Nil)

Nature of Business

The Bank is authorised by Bank of Ghana to carry on the business of universal banking. There was no change in the nature of business of the Bank during the year.

Holding Company

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

Interest in other Body Corporates

The Bank had no subsidiaries or associate entities during the year or as at year end.

Corporate Social Responsibilities

The Bank spent a total of GH¢ 1,562,897 (2023: GH¢ 832,304) on corporate social responsibilities during the year. These are mainly in the form of educational scholarship for needy children, renovation of educational facilities and donation of information technology equipment to selected tertiary institutions.

Audit fee

Audit fee for the year ended 31 December 2024 is disclosed in Note 14 to the financial statements.

Capacity of directors

The Bank ensures that only fit and proper persons are appointed to the Board after obtaining the necessary approval from the regulator, Bank of Ghana. Relevant training and capacity building programs, facilitated by the Ghana Banking College and the Bank of Ghana, are put in place to enable the directors discharge their duties. All the directors have been certified for attending such training during the year.

Directors

The names of the directors who served during the year are provided on page 1. No director had any interest at any time during the year, in any contract of significance, other than a service contract with the Bank. No director had interest in the shares of the Bank.

Auditor

The auditor, PricewaterhouseCoopers, will continue in office in accordance with Section 139 (5) of the Companies Act, 2019 (Act 992) and Section 81 of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

REPORT OF THE DIRECTORS (continued)

Approval of the financial statements

The financial statements of the Bank were approved by the Board of Directors on **20 March 2025** and were signed on their behalf by:

………………………………	………………………………
Freda Duplan (Chairperson)	**Henry Chinedu Onwuzurigbo (MD/CEO)**

DISCLOSURE REQUIREMENTS IN AUDITED FINANCIAL STATEMENTS 2024

Annual Certification

In accordance with Section 12 of the Corporate Governance Directive, 2018 (CGD), the Board hereby certifies that it has complied with the requirements of the CGD for the period ended December 2024. Additionally, the Board certifies that it has independently assessed and documented the corporate governance process of the Bank and can confirm that the Bank's directors are aware of their responsibilities to the institution as persons charged with governance. The Bank has duly notified the Bank of Ghana about the outcome of this certification as follows:

ZENITH

ZENITH BANK (GHANA) LTD

HEAD OFFICE
Zenith Bank (Ghana) Ltd
Zenith Heights, No. 37 Independence Avenue, Accra
GPS Address: (GA-030-7585)
P.M.B. CT 393, Accra-Ghana
Tel: +233 302 429700 / 302 611500 / 302 680884
Email: info@zenithbank.com.gh
Website: www.zenithbank.com.gh / SWIFT: ZEBLGHAC

January 28, 2025

RECEIVED
28 JAN 2025
Banking Supervision Dept.

The Head,
Banking Supervision Department,
Bank of Ghana,
1 Thorpe Road,
Accra.

Dear Sir,

ANNUAL CERTIFICATION OF COMPLIANCE PURSUANT TO SECTION 12 OF THE CORPORATE GOVERNANCE DIRECTIVE 2018

Pursuant to the foregoing Zenith Bank Ghana Limited wishes to certify that:

1. The Board has independently assessed that the corporate governance processes of the Bank are effective and have achieved their objectives;
2. The directors are aware of their responsibilities towards the Bank as persons charged with governance;
3. The Board will report to the Bank of Ghana any material deficiencies and weaknesses that it identifies in the course of the year, along with action plans and time-tables for corrective action by the Board; and
4. Members of the Board participated in a Governance Certification programme at the National Banking College on corporate governance and director's responsibilities for 2024.

Thank you.

Yours faithfully,
For: **ZENITH BANK (GHANA) LIMITED**

DANIEL AGAMAH
Company Secretary

HENRY C. ONWUZURIGBO
Managing Director/CEO

Director Certification

The Board can further confirm that for the year 2024, all directors successfully participated and completed the Annual Corporate Governance Certification Program comprising three modules, being: Emerging Regulatory Concerns to Effective Corporate Governance Practice; Board Renewal and CEO Succession Planning; and Credit Risk Governance and Oversight in times of uncertainty. Confirmation from the National Banking College is provided below:

NATIONAL BANKING COLLEGE

Private Mail Bag
KIA, Accra-Ghana | Tel: 0302 760006/7
Fax: 0302 773109 | Location: No. 3 Odoi Kwao Road
Airport Residential Area | Email: info@nbc.edu.gh
Website: www.nbc.edu.gh

Our Ref: NBC/CG/ZBG/2024-016

November 30, 2024

The Company Secretary
Zenith Bank Ghana Plc
Accra.

Attention: Mr. Daniel Agamah

Dear Sir,

2024 ANNUAL CORPORATE GOVERNANCE CERTIFICATION FOR DIRECTORS

In fulfillment of its annual mandate to certify Directors of Corporate Boards in Regulated Financial Institutions (RFIs), the National Banking College provided three (3) modular courses to the Directors of Zenith Bank Ghana Plc.

The modules covered the following topics:

1. Emerging Regulatory Concerns to Effective Corporate Governance Practice
2. Board Renewal & CEO Succession Planning.
3. Credit Risk Governance & Oversight in Times of Uncertainty

Enclosed is the Director Participation Transcript and **nine (9) Director Certificate(s)** for the Directors who successfully completed the 2024 Annual Corporate Governance Certification Program.

We extend our gratitude to all Directors for their commitment to the learning modules and eagerly anticipate further engagement with them in 2025.

Yours sincerely,

Dr. Stephen Antwi
DIRECTOR OF STUDIES & TRAINING

Gloria Darline Quartey (Ms.)
PRINCIPAL

cc: Second Deputy Governor (BOG)
Head, Banking Supervision Department (BOG)

Encl. Certificates (9); 2024 Transcript (1)

CORPORATE GOVERNANCE CERTIFICATION PROGRAMME (2024)
ZENITH BANK GHANA LIMITED
DIRECTOR TRANSCRIPT

No.	Name of Directors	Position	Board Entry Date	Module I Completion Date	Module II Completion Date	Module III Completion Date	Certificate Serial Number
1	Mrs. Freda Yahan Duplan	Board Chairperson	Dec 3,2019	Jul 24,2024	Aug 8,2024	Nov 29,2024	NBC/CG/BK/ZBG/2024162
2	Mr. Henry C. Onwuzurigbo	Managing Director	Aug 20,2021	Jul 24,2024	Aug 8,2024	Nov 29,2024	NBC/CG/BK/ZBG/2024163
3	Mr. Kwasi Boatin	Ind. Non-Executive Director	Mar 25,2020	Jul 24,2024	Aug 8,2024	Nov 29,2024	NBC/CG/BK/ZBG/2024164
4	Mr. Gabriel Ita Ukpeh	Non-Executive Director	Jul 15,2016	Jul 24,2024	Aug 8,2024	Nov 29,2024	NBC/CG/BK/ZBG/2024165
5	Mr. Charles Boakye Nimako	Ind. Non-Executive Director	Mar 30,2023	Jul 24,2024	Aug 8,2024	Nov 29,2024	NBC/CG/BK/ZBG/2024166
6	Dr. Juliette M. Tuakli	Ind. Non-Executive Director	Dec 3,2029	Jul 24,2024	Aug 8,2024	Nov 29,2024	NBC/CG/BK/ZBG/2024167
7	Mr. Clifford Mensah	Executive Director	Mar 25, 2022	Jul 24,2024	Aug 8,2024	Nov 29,2024	NBC/CG/BK/ZBG/2024168
8	Dame (Dr.) Adaora Umeoji	Non-Executive Director	Dec 20,2023	Jul 24,2024	Aug 8,2024	Nov 29,2024	NBC/CG/BK/ZBG/2024169
9	Mr. Daniel Agamah	Company Secretary	Aug 24, 2005	Jul 24,2024	Aug 8,2024	Nov 29,2024	NBC/CG/BK/ZBG/2024170

Module 1: Emerging Regulatory Concerns to Effective Corporate Governance Practice
Module 2: Board Renewal and CEO Succession Planning
Module 3: Credit Risk Governance and Oversight in times of uncertainty

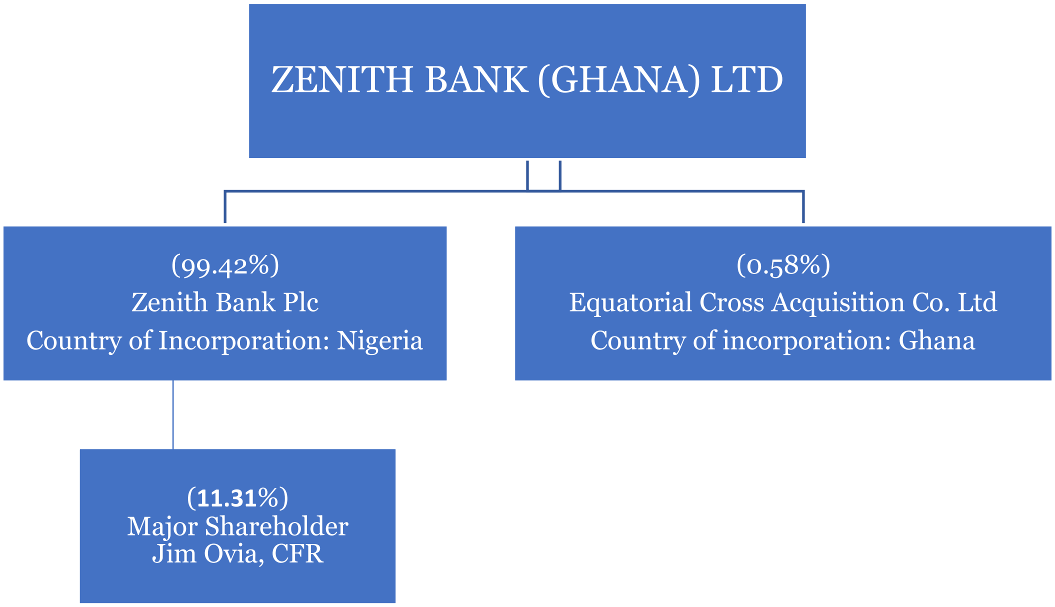
NATIONAL BANKING COLLEGE
PRINCIPAL

Governance Structure

The Board confirms that the Bank has a Code of Conduct which all directors have signed, and which directs and guides the conduct and values expected of directors. The Board further confirms that every new director is taken through induction organised by the Group Head Office through PricewaterhouseCoopers. Key Management Personnel are taken through induction as organised by the Bank's Human Resource Department and involving key areas of focus.

Governance Structure (continued)

The Bank's shareholding structure as at December 31, 2024 is as follows:



Shareholders have a voting right of one vote per share held.

The Board confirms the size and composition of the Board as at December 31, 2024 as follows:

No.	Name of Directors	Position	Board Entry Date	Nationality
1	Mrs. Freda Yahan Duplan	Board Chairperson (Ind. NED)	December 3, 2019	Ghanaian
2	Mr. Henry Onwuzurigbo	Managing Director	August 20, 2021	Nigerian
3	Dr. Adaora Umeoji	Non-Executive Director	December 20, 2023	Nigerian
4	Mr. Kwasi Boatin	Ind. Non-Executive Director	March 25, 2020	Ghanaian
5	Mr. Gabriel Ukpeh	Non-Executive Director	July 15, 2016	Nigerian
6	Mr. Charles Nimako	Ind. Non-Executive Director	March 30, 2023	Ghanaian
7	Dr. Juliette Tuakli	Ind. Non-Executive Director	December 3, 2019	Ghanaian
8	Mr. Clifford Mensah	Executive Director	March 25, 2022	Ghanaian

As at December 31, 2024:

- Ghanaian membership on the Board was 62.5%.
- Ghanaian membership on the Audit Committee was 66.7%.
- Ghanaian membership on the Risk, Cyber and Information Security Committee was 100%.
- Independent directors form 50% of the Board.

Governance Structure (continued)

The Board confirms that no two related persons were serving on the Board and any financial holding company.

There was no resignation of any member of the Board of Directors. However, one Key Management Personnel, Mr. Abiodun Durosinmi, General Manager Operations, resigned during the year to take up the position of Chief Finance Officer at the Group Office.

Profile of Board Members

The profile of the Board is as follows:

Mrs. Freda Yahan Duplan

Board Chair

Mrs. Freda Yahan Duplan is the past Managing Director of Nestle Pakistan Limited. Prior to her stint in Pakistan, she was the MD of Nestle Ghana and briefly the Head of Nestle Business Services in Manila, Philippines. Mrs. Duplan is a trained Computer Scientist with over twenty-seven years working experience with the Nestle Group having risen through the ranks to become the first African Female Market Head in the Nestle Group and the First Female and Ghanaian Managing Director of Nestle Ghana Limited. Prior to joining the Nestle Group in 1992, Freda worked briefly with Paul Hastings Janofsky & Walker in the USA as an IT Systems Analyst, as well as an IT Consultant with Quistron Ghana Limited in Ghana.

Henry Chinedu Onwuzurigbo

Managing Director / Chief Executive Officer

Mr. Henry C. Onwuzurigbo is the Managing Director/Chief Executive Officer of Zenith Bank (Ghana) Ltd. Prior to joining Zenith Bank Ghana, he was an Executive Director in charge of Business Development and Treasury at Zenith Bank UK.

Mr. Onwuzurigbo has over twenty-seven (27) years of experience in banking, spanning across various business development functions. He has held Senior Management positions ranging from Head of Operations, Head of Marketing, Branch Management, Regional/Zonal Management, Head of Inspection and Deputy Group Chief Inspector in Zenith Bank Plc as well as the Head of Internal Audit of Zenith Pensions Custodian Limited (a subsidiary of Zenith Bank PLC). He was also the Pioneer Head of Internal Audit in Zenith Bank (UK) Ltd.

He is a Chartered Accountant and holds a Bachelor's Degree in Accounting. He is a Fellow of the Institute of Chartered Accountants of Nigeria (FCA), a Member of the Institute of Internal Auditors (UK), an Associate of the Chartered Institute of Taxation, Nigeria, a Senior Member of the Chartered Institute of Bankers, Nigeria as well as a Member of the Financial Reporting Council. He is also a Fellow of the Nigerian Institute of Credit Administration. He has also attended strategic management and leadership courses at the London Business School, University of Oxford and Euromoney.

He currently serves as a member of the Executive and Governing Council of the Ghana Association of Banks (GAB) and a member of the Executive Council of the National Banking College, Ghana.

Clifford Mensah

Executive Director

Clifford Mensah is an Executive Director at Zenith Bank (Ghana) Ltd. He is a qualified Chartered Enterprise Risk Actuary with over a decade experience across the insurance and banking sectors in West Africa, with expertise in large-scale corporate modelling.

Prior to joining Zenith Bank Ghana, Clifford was an Executive Director at Zenith General Insurance in Lagos, Nigeria, where he oversaw Business Development, Operations and Profitability of the firm. He also worked as an Associate Director at Ernst and Young (EY), Senior Manager at PwC Nigeria and has worked for several Insurance firms in Nigeria, Ghana, Cameroon and Cote D'Ivoire (CIMA region).
He holds a Master's Degree with distinction in Actuarial Science from Heriot-Watt University, UK, and a Bachelor of Science Degree in Mathematics and Statistics from the University of Ghana. He is a Fellow of the Institute of Actuaries in the UK (FIA) and a Fellow of the Society of Actuaries in the USA (FSA). He holds a Chartered Enterprise Risk Actuary qualification (CERA) with the Institute and Faculty of Actuaries in the UK.

Dame (Dr.) Adaora Umeoji, *OON*

Non-Executive Director

Dame (Dr.) Adaora Umeoji, OON is the current Managing Director of Zenith Bank Plc. She holds a bachelor's degree in Sociology from the University of Jos; a bachelor's degree in accounting and a first-class honours in Law from Baze University Abuja; a Master of Laws from the University of Salford, United Kingdom and a Master's in Business Administration (MBA) from the University of Calabar. She is also a graduate of the Advanced Management Program (AMP) from Harvard Business School, a graduate of the Global Banking Program from Columbia Business School and holds a doctorate degree in business administration from Apollos University, USA.

She has attended the Strategic Thinking and Management Programme at the Wharton Business School, USA; holds a Certificate in Economics for Business from the prestigious MIT Management Sloan School and a Certificate in Leading Global Businesses from Harvard Business School, USA.
She is a fellow of notable professional bodies including the Chartered Bankers Institute of London, Chartered Institute of Bankers of Nigeria, Institute of Credit Administration, Institute of Certified Public Accountants of Nigeria, Institute of Chartered Mediators & Conciliators, and the Institute of Chartered Secretaries & Administrators of Nigeria, among others.

Dame (Dr.) Adaora Umeoji, OON is a Peace Advocate of the United Nations (UN- POLAC), and a Lady of the Order of Knights of St. John International (KSJI) and was recently awarded a Papal Knight of the Order of St. Sylvester by His Holiness Pope Francis.

In 2022, the Federal Government of Nigeria honoured her with Officer of the Order of the Niger (OON), as a recognition of her contributions to nation building.

Gabriel Ita Asuquo Ukpeh

Non-Executive Director

Gabriel Ukpeh is an internationally acclaimed consultant in business strategy, risk management, process re-engineering and financial services, who was a Senior Partner and Risk Quality Leader for Africa at PricewaterhouseCoopers (PwC).

He is a fellow of the Institute of Chartered Accountants of Nigeria with over thirty-five (35) years' experience in Financial Audit and Reporting, as well as a member of the Institute of Taxation of Nigeria. A graduate of accounting, Gabriel holds a Graduate Diploma in Business Administration from the University of Warwick, Coventry, United Kingdom. He obtained a Master of Science (MSc) Degree in Contemporary Accounting from the Leeds Metropolitan University, UK in 2009.

Dr. Juliette Modupe Tuakli

Independent Non-Executive Director

Dr. Juliette Tuakli has been a leader in women's, children's and public health for over three decades. In this last decade, at the helm of CHILDAccra Medical Group, she has managed the organisation's expansion from a small paediatric clinic into a widely recognised regional medical conglomerate providing medical care, community health research and development, medical training for workers, students and researchers in Africa, England and the USA. Her work has ranged from comprehensive health of women, children and families to tackling neglected tropical diseases.

Dr. Tuakli is an alumnus of the University of Zambia Medical School and the University of California, Los Angeles.

Kwasi Agyeman Boatin

Independent Non-Executive Director

Mr. Kwasi Agyeman Boatin is a seasoned investment consultant and a Chartered Certified Accountant with almost four decades of experience in accounting and finance. Prior to branching out into consultancy, Mr. Boatin was the Director-General of the Social Security and National Insurance Trust (SSNIT) from 2008 – 2010.

Mr. Boatin is a Fellow of the Association of Chartered Certified Accountants and has served on several notable boards in Ghana and abroad including the Ghana International Bank and Ecobank Transnational Incorporated (ETI), where he has held the positions of Non-Executive Director. His achievements include his appointment by the International Social Security Association (ISSA), Switzerland, as Vice-Chairperson of the Technical Commission on Investment of Social Security Funds.

Charles Boakye Nimako

Independent Non-Executive Director

Mr. Charles B. Nimako is currently the Director of Africa Initiatives for Safe Water Network, a US based NGO. He works with major corporate bodies and foundations to bring safe and affordable water to communities using a market-based approach.

Before opening the Safe Water Network Ghana office in May 2010, Mr. Nimako was the Chief Executive Officer of PepsiCo Franchise Holders, Beverage Investments Ghana Limited and SBC Beverages Ghana Limited. While at PepsiCo, he served as the Director of Sales and Marketing for Ghana and Franchise Operations Manager for Kenya, Uganda and Ethiopia. He was also attached as a consultant, and Project Director, to a new PepsiCo franchise holder, AngoAlissar LDA, Luanda, Angola.

In his previous professional role, Mr. Nimako worked as a Management Consultant with McKinsey and Company in Johannesburg, South Africa and London, UK. He also worked as an accountant with Coopers and Lybrand (now PricewaterhouseCoopers) in Los Angeles, California and as an Audit Manager with great Western Financial Corporation in Beverly Hills, California.

Mr. Nimako graduated in Economics and Accounting form Claremont Mckenna College in California and obtained an MBA from Stanford University's Graduate School of Business. He is a Certified Public Accountant (CPA) and a current member of the American Institute of Certified Public Accountants.

Assessment of Board Performance and Capacity Building

The Board confirms that the performance criteria used to assess the effectiveness of the Board as a whole and of individual directors are the internal and external assessments that are employed as per the requirements of the Corporate Governance Directive (2018).

Regarding training and capacity building, locally, the Board was trained over three modules by the National Banking College where they obtained the required certification. Additionally, the Board was trained over two modules in Anti-Money Laundering and Combating the Finance of Terrorism. Finally, the Board was trained over two modules in Cyber Information Security. All trainings were prescribed by the Corporate Governance Directive and the Cyber and Information Security Directive.

Executive Committee (EXCO)

The Bank has in place an Executive Committee which has oversight responsibility for the implementation of strategies approved by the Board. It is chaired by the Managing Director/Chief Executive Officer. It meets once every week to discuss and adopt policy decisions. It also provides direction for the staff of the Bank and ensures effective and efficient use of the Bank's resources.

The Executive Committee is made up of the following members as at 31 December 2024:
Mr. Henry Onwuzurigbo, Chairman
Mr. Clifford Mensah
Mrs. Maebelle Nortey
Mr. Daniel Agamah
Mr. Kwame Adadey
Mr. James Wiafe Akenten
Mr. George Imbrah
Mrs. Charlotte Impraim
Mr. Abdul-Jalil Alidu
Mr. Moses Nelson Ngbeken
Mr. Kofi Abrokwa Kokroko
Mr. Samuel Quansah
Mr. Fabian Agala

Profile of Executive Management Committee Members

A profile of the Executive Management Committee members is as follows:

1. **Henry Chinedu Onwuzurigbo (see profile above)**
   Managing Director / Chief Executive Officer

2. **Clifford Mensah (see profile above)**
   Executive Director

3. **Maebelle Nortey**
   General Manager, Marketing

   Maebelle is a Divisional Head with oversight responsibilities for some selected branches and marketing sectors of the Bank. She has a wealth of experience in Product Development, Brand Strategy, Channel Management, and Business Planning spanning over nineteen (19) years. Maebelle holds a degree in Administration (Management) and a Master in Business Administration (Marketing) both from the University of Ghana, Legon.

4. **Daniel Agamah**
   Company Secretary & General Counsel

   Daniel Agamah is the Bank's General Counsel and Company Secretary. He holds a first degree in Law and Philosophy from the University of Ghana, Legon (1991), a Qualifying Certificate of Law from the Ghana School of Law (1993) and a Master's Degree in International Law from the University of Cape Town, South Africa (2000). Daniel Agamah has held various positions in international law and private practice. He also holds notable credentials as a Notary Public, a Certified Compliance Professional, and a Licensed Insolvency Practitioner. In addition to the Ghana Bar Association, Daniel holds memberships in the Ghana Association of Restructuring and Insolvency Advisors, the International Bar Association, and the Institute of Directors Ghana.

5. **Kwame Adadey**
   Divisional Head, Marketing

   Kwame has an undergraduate degree in Business Administration (Accounting Option) and a Master of Business Administration (MBA) Finance Option from the University of Ghana and is also a member of the Association of Financial Markets. He joined Zenith Bank Ghana on November 1, 2005, as the Chief Dealer in the Treasury Department. He became Head of Treasury in 2006 and in 2009 became the Head of Business Services. He was a Group Head in Marketing for four (4) years and is now Divisional Head of Retail and Digital Banking overseeing eight (8) business groups of the Bank and leading the bank's digital strategy and retail growth.

6. **James Akenten**
   Divisional Head, Marketing

   James has twenty-one (21) years' experience in banking and has held leadership positions at various levels, from Relationship Officer through Branch Head, Sector Head, Zonal Head, Group Head to Divisional Head. As Divisional Head, James currently overseas eleven business groups comprising three Head Office Sectors (Oil & Gas/Energy, Commercial Banking and Public Sector) and branches sited across Accra, Tema, Koforidua, Ho and Akosombo.
   James holds MA, in Money, Banking and Finance from Middlesex University, United Kingdom; and a BA (Hons) in Economics and Law, from Kwame Nkrumah University of Science and Technology, Ghana. He has attended various leadership and finance courses in the United Kingdom, United Arab Emirates, Nigeria, and South Africa.

7. **George Imbrah**
   Divisional Head, Marketing

   George holds a Master of Business Administration Degree (MBA), Banking and Finance option from the Kwame Nkrumah University of Science and Technology as well as a Bachelor's Degree in Economics/Sociology from the University of Cape Coast. George is a Divisional Head, Marketing, and responsible for nine (9) Business Groups namely Telecoms & Fintechs, Construction & Real Estates, Bono Regions, Northern and Upper East Regions.

8. **Charlotte Impraim**
   Head, Credit Risk Management

   Charlotte Impraim is the Head of Credit Risk Management and Recoveries Department. She has over twenty-seven (27) years working experience and a special skill set in Risk Management, Credit Risk management, Recoveries, Audit, Insolvency and Restructuring which cuts across the Oil and Gas, Finance and Manufacturing industries. Charlotte holds a Master's in Business Administration (Finance Option) from the University of Ghana as well as a Bachelor of Arts degree in Political Science and Sociology from the same institution. She is a Chartered Credit Professional (CCP) and a Licensed Practitioner/Member of the Ghana Association of Restructuring and Insolvency Advisors (GARIA).

9. **Abdul-Jalil Alidu**
   Chief Financial Officer

   Abdul-Jalil Alidu is the Chief Financial Officer (CFO) in charge of Financial Control and Strategic Planning at the Bank, a position he has held since 2016. He had previously held the roles of Operations Manager and Deputy Head of Internal Control and Audit.

   Abdul-Jalil has over twenty (20) years of experience in internal controls, auditing, accounting, banking, and finance as well as corporate strategy. He holds a Master of Science Degree in Finance from the University of Leicester in the United Kingdom and a Bachelor of Science Degree in Business Administration from the University of Ghana. He is a Chartered Accountant and a Fellow of the Institute of Chartered Accountants (Ghana).

10. **Moses Nelson Ngbeken**
    Divisional Head, Due Diligence, Ethics and Complaints

    Mr Moses N. Ngbeken has over 24 years of banking experience covering Banking Operations, Business Development, Branch Management and Compliance. He started his career in Branch Operations where he performed creditably well. He played a key role in setting up of a new branch as the Pioneer Head of Operations and worked in many branches of the Bank as an Operations and Business Development staff.

    Moses is currently the Divisional Head responsible for Compliance, Due Diligence and Ethics. He holds a Bachelor's degree (with honours) in Accounting from Ekiti State University (Formerly University of Ado-Ekiti) and is an Associate member of the Institute of Chartered Accountants of Nigeria. He is also a Professional with the Compliance Institute of Nigeria. He received the GMD/CEO award twice for Outstanding Performance and Operational Efficiency.

11. Kofi Abrokwa Kokroko
Divisional Head, Marketing

Kofi Abrokwa Kokroko holds a BSc Agricultural Economics from the University of Ghana, Master of Business Administration (MBA) Finance option from University of Cape Coast (UCC) and a Master of Science in Financial Risk Management, UCC.

He is a member of the Chartered Institute of Administration and Management Consultants-Ghana (CIAMC), with a Chartered Professional Administrator (ChPA) as well as Chartered Management Consultant (CMC) certifications.

He has over two decade of Banking experience spanning across Banking Operations and Marketing. Kofi is currently a Divisional Head, Marketing, and responsible for ten (10) business groups namely Mining & Exports, Agric, Maritime sectors and branches in Takoradi, Tarkwa, Tema, and Cape Coast. .

12. Mr. Samuel Quansah
Chief Risk Officer

Mr. Samuel Quansah is the Chief Risk Officer of the Bank. He joined Zenith Bank on September 28, 2005, starting his banking career in Core Banking Operations and Foreign Operations. He later served in various roles as the Head-Trade Services Department, Operations Manager and Head of Corporate Banking.

He holds a B.A.- Business Administration (Accounting and Psychology) from the University of Ghana, Executive Master of Business Administration (EMBA Project Management Option) from the University of Ghana Business School.

He is a Certified Project Management Professional (PMP), PMI Agile Certified Practitioner (PMI-ACP) and a member of the Project Management Institute, and PECB certified ISO/IEC 27035 Senior Lead Incident Manager and ISO/IEC 27001 Lead Implementer from the Professional Evaluation and Certification Board. He is also a Licensed Practitioner/Member of the Ghana Association of Restructuring and Insolvency Advisors (GARIA).

13. Mr. Fabian Agala
Head, Information Technology (Chief Information Officer)

Mr. Fabian Agala is the Chief Information Officer (CIO) and has over 24 years of professional experience in Core Banking Application Implementation, Loans/Credit Management Application Implementation, Data Warehouse design, Database administration, Data engineering, Software development, Business process reengineering, IT infrastructure and people management, IT strategy, IT capacity planning and designing/implementation of systems and processes.

Fabian Agala has a Bachelor of Science (BSc) in Computer Science from the University of Uyo, Nigeria and a Master of Science (MSc) in Data Science from Eastern University, Philadelphia, USA and several certifications in Oracle and Sybase database administration and IBM AIX operating system.

Before his appointment as CIO four years ago, Fabian headed the Database, Core Banking and Applications Support group for Zenith Bank Plc after working as the CIO for Zenith Bank Sierra Leone and Zenith Bank, The Gambia.

Remuneration Policies

In line with Section 8.6 of the Corporate Governance Directive (CGD), the Board oversees the design and operation of the compensation system for the Bank. Periodically, the compensation system is reviewed by the Board Governance, Nominations and Remuneration Committee and recommendations are made to the Board for approval.

The Board ensures that the levels of remuneration are sufficient to attract, retain, and motivate executive officers of the Bank while ensuring that it is balanced to avoid excessive risk taking or potential risks to the Bank's capital base.

The Board Governance, Nominations and Remuneration Committee reviews the compensation of Key Management Personnel and make appropriate recommendations to the Board for approval.

The Board further confirms that the Executive Remuneration Policy aligns with the long-term sustainability of the Bank by providing a mix of short-term and long-term remuneration to incentivise sustainable long-term performance and that the directors, executive management, and staff remuneration are structured. Share options are currently not part of executive remuneration.

Board Committees

The Board can confirm that there are five committees of the Board as follows:

- Audit
- Risk, Cyber and Information Security
- Credit
- Governance, Nominations, and Remuneration
- Finance and General Purpose

COMMITTEE MEMBERSHIP

Membership and composition of the Committees as of December 31, 2024, are as follows:

A. Audit Committee

i. Mr. Kwasi Boatin (**Chair**)	- Independent Non-Executive Director
ii. Mr. Gabriel Ukpeh	- Non-Executive Director
iii. Dr. Juliette Tuakli	- Independent Non-Executive Director

B. Risk & Cyber Security Committee

i. Mr. Charles Nimako (**Chair**)	- Independent Non-Executive Director
ii. Dr. Juliette Tuakli	- Independent Non-Executive Director
iii. Mr. Kwasi Boatin	- Independent Non-Executive Director

COMMITTEE MEMBERSHIP (continued)

C. Finance and General-Purpose Committee

i. Dr. Adaora Umeoji **(Chair)**	- Non-Executive Director
ii. Mr. Clifford Mensah	- Executive Director
iii. Mr. Charles Nimako	- Independent Non-Executive Director
iv. Mr. Henry Onwuzurigbo	- Managing Director/CEO

D. Credit Committee

i. Mr. Gabriel Ukpeh **Chair**)	- Non-Executive Director
ii. Mr. Henry Onwuzurigbo	- Managing Director/CEO
iii. Dr. Adaora Umeoji	- Non-Executive Director
iv. Mr. Kwasi Boatin	- Independent Non-Executive Director
v. Mr. Clifford Mensah	- Executive Director

E. Governance, Nominations and Remuneration* Committee

i. Dr. Juliette Tuakli (**Chair**)	- Independent Non-Executive Director
ii. Mr. Charles Nimako	- Independent Non-Executive Director
iii. Dr. Adaora Umeoji	- Non-Executive Director

* A committee of independent directors shall determine the remuneration of executive directors in line with the provisions of the bank’s Board of Directors Charter.

The Board can confirm that each of these committees have terms of reference which have been updated in accordance with the provisions of the Corporate Governance Directive, 2018.

Summary of work carried out by the Board Committees required under the Corporate Governance Directive (2018) during the year and focus of the next year’s planned activities.

Audit

For the year under review, this committee engaged with the Head of Internal Audit as well as the Head of Compliance each on four (4) separate occasions and took reports from them. The Committee provided oversight of the internal and external audit functions, reviewed and approved the audit scope and frequency, whiles ensuring that Senior Management is taking necessary corrective actions in a timely manner to address control weaknesses, non-compliance with policies, laws and regulations and other problems identified by auditors as well as any other relevant matter referred to the committee by the Board.

This process will continue in 2025 with the additional focus on investigative reports from the Internal control and audit departments relating to staff-related investigations and outcome of disciplinary hearings.

Risk, Cyber and Information Security

For the year under review the Committee met with the Chief Risk Officer and the Chief Information Security Officer each on four (4) separate occasions and took reports from them. In summary, for the year under review the Committee assisted the Board and Management by creating a comprehensive approach to anticipate, identify, prioritize, and manage material risks
to the bank’s business objectives.

Risk, Cyber and Information Security (continued)

The Committee made various recommendations to the Board for the approval and revision of various policies pursuant to the Bank's Risk Management Framework.

The process will continue in 2025.

Board Meetings

During the financial year under review, five Board Meetings were held by the Board of Directors.

Schedule of attendance at Board Committee Meetings

Below is the schedule of attendance at Board and Board Committee meetings during the year.

	B	FGPC	CC	GNRC	AC	RCISC
Freda Duplan	6/6	N/A	N/A	N/A	N/A	N/A
Dr. Adaora Umeoji	6/6	2/3	1/3	1/3	N/A	N/A
Dr. Juliette Tuakli	6/6	N/A	4/4	4/4	4/4	N/A
Mr. Gabriel Ukpeh	6/6	N/A	4/4	N/A	4/4	4/4
Kwasi Agyeman Boatin	6/6	N/A	4/4	N/A	4/4	4/4
Charles Nimako	6/6	4/4	N/A	4/4	N/A	4/4
Henry Onwuzurigbo	6/6	N/A	4/4	N/A	N/A	4/4
Clifford Mensah	6/6	4/4	4/4	N/A	N/A	N/A

NB. Board (B), Board Committee (BC), Finance and General-Purpose Committee (FGPC), Credit Committee (CC), Governance, Nominations and Remuneration Committee (GNRC), Audit Committee (AC), Risk, Cyber and Information Security Committee (RCISC).
N/A as used above implies 'Not applicable', that is, the Director in question was not a member of the stated committee and hence could not have been expected to attend the Committee meeting.

Annual Meeting Calendar

The Board met on the following dates in 2024:

Board	Board Committees				
	BAC	BRCC	BCC	BGNRC	BF&GPC
February 23	February 22	February 22	February 22	February 22	February 22
April 18	April 17	April 17	April 17	April 17	April 17
May 30*	N/A	N/A	N/A	N/A	N/A
July 26	July 19	July 25	July 25	July 25	July 25
October 18	October 15	October 15	October 15	October 15	October 15
December 4	N/A	N/A	N/A	N/A	N/A

*Emergency Board Meeting.

Other Engagements of Directors

Director	Name of Institution
Freda Duplan	• Zen Petroleum • DTRT Apparel Ltd • Executive Women Network Ltd • Fan Milk Plc
Adaora Umeoji	• Zenith Bank Plc
Juliette Tuakli	• Commonwealth Human Rights Initiative • CarePoint International
Kwasi Boatin	• Westcliff Capital Limited
Gabriel Ukpeh	None
Charles Nimako	• Switchback Developers Limited • Community Water and Sanitation • Beverly Ranch Investment Ltd • Safe Water Enterprises Ltd
Clifford Mensah	None
Henry Onwuzurigbo	• National Banking College • Ghana Association of Banks

Annual Risk Management Declaration – Section 39 – Risk Management Directive

In compliance with Section 39 of the Risk Management Directive 2021, the bank declares as follows :

ZENITH

ZENITH BANK (GHANA) LTD

HEAD OFFICE
Zenith Bank (Ghana) Ltd
Zenith Heights, No. 37 Independence Avenue, Accra
GPS Address: (GA-030-7585)
P.M.B. CT 393, Accra-Ghana
Tel: +233 302 429700 / 302 611500 / 302 680884
Email: info@zenithbank.com.gh
Website: www.zenithbank.com.gh / SWIFT: ZEBLGHAC

BANK OF GHANA RECEIVED 24 FEB 2025 2.31 Banking Supervision Dept.

February 21, 2025

The Head,
Banking Supervision Department,
Bank of Ghana,
1 Thorpe Road,
Accra.

Dear Sir,

ANNUAL RISK MANAGEMENT DECLARATION PURSUANT TO SECTION 39 OF THE RISK MANAGEMENT DIRECTIVE 2021

Pursuant to the foregoing Zenith Bank (Ghana) Ltd ("the Bank") declares that, to the best of its knowledge, and having made appropriate enquiries in all material respects:

1. The Bank has put in place systems for ensuring compliance with all prudential requirements,
2. The systems and resources that are in place for identifying, measuring, evaluating, controlling, mitigating and reporting material risks, and the Risk Management Framework itself are appropriate to the Bank and are commensurate with the size, business mix and complexity of the Bank.
3. The risk management and internal control systems in place are operating effectively and are adequate.
4. The Bank has a Risk Management Strategy (RMS) that complies with the *Risk Management Directive 2021* and the Bank has complied with the requirements defined in the RMS, and
5. The Bank is satisfied with the effectiveness of its processes and management information systems.

Thank you.

Yours faithfully,
For: **ZENITH BANK (GHANA) LTD.**

CHARLES B. NIMAKO
Chairperson, Board Risk Committee

FREDA Y. DUPLAN
Board Chairperson

Report on Board Evaluation

As part of measures to review the effectiveness of the corporate governance practices and procedures, the Board carried out a self-assessment of members and committees. Remediation measures have been put in place to address major exceptions, while the key findings were reported to the Bank of Ghana and Financial Intelligence Centre.

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January 28, 2025

BANK OF GHANA
RECEIVED
28 JAN 2025
4:02
Banking Supervision Dept

The Head,
Banking Supervision Department,
Bank of Ghana,
Accra.

Dear Sir,

IN-HOUSE PERFORMANCE EVALUATION OF THE BOARD OF DIRECTORS ON AML/CFT ISSUES

In accordance with section 48(a) of the *Corporate Governance Directive 2018*, kindly find enclosed assessment forms completed by members of the Board of Directors of Zenith Bank (Ghana) Limited in evidence of in-house evaluation on AML/CFT issues carried out during the second half of 2024.

Also find attached the slides used towards their training on AML/CFT.

Thank you.

Yours faithfully,
For: **ZENITH BANK (GHANA) LTD**

ISAAC ASIBEY- BERKO
Head – Compliance Department

DANIEL AGAMAH
Company Secretary/Legal Advisor

cc: The Chief Executive Officer,
Financial Intelligence Centre,
10th Floor, Cedi House,
No. 1 Liberia Road,
Accra

Report on Board Evaluation (continued)

ZENITH

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Website: www.zenithbank.com.gh / SWIFT: ZEBLGHAC

January 28, 2025

The Chief Executive Officer,
Financial Intelligence Centre,
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Head - Compliance Department

DANIEL AGAMAH
Company Secretary/Legal Advisor

cc: The Head,
Banking Supervision Department,
Bank of Ghana,
Accra

FINANCIAL INTELLIGENCE CENTRE
RECEIVED
28 JAN 2025
GHANA

Report on Board Evaluation (continued)

ZENITH

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September 11, 2024

The Head,
Banking Supervision Department,
Bank of Ghana,
Accra.

BANK OF GHANA
RECEIVED
12 SEP 2024
11:44
Banking Supervision Dept.

Dear Sir,

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Thank you.

Yours faithfully,
For: **ZENITH BANK (GHANA) LTD**

ISAAC ASIBEY- BERKO
Head - Compliance Department

DANIEL AGAMAH
Company Secretary/Legal Advisor

cc: The Chief Executive Officer,
Financial Intelligence Centre,
10th Floor, Cedi House,
No. 1 Liberia Road,
Accra

Report on Board Evaluation (continued)

ZENITH

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September 11, 2024

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No. 1 Liberia Road
Accra.

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Yours faithfully,
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ISAAC ASIBEY- BERKO
Head – Compliance Department

DANIEL AGAMAH
Company Secretary/Legal Advisor

cc: The Head,
Banking Supervision Department,
Bank of Ghana,
Accra

FINANCIAL INTELLIGENCE CENTRE
RECEIVED
12 SEP 2024
GHANA

There was no external evaluation of the Board and its Committees in 2024 as the last evaluation was conducted in 2023. The next evaluation is scheduled for 2025 and will cover the period 2023 and 2024.

Succession Planning

The Board recognises that a well-defined Board Succession Plan is crucial to ensuring the long-term stability, effective governance, and continuity of Zenith Bank Ghana Ltd. To that end the Board approved a Succession Plan at its last meeting of the year. This plan provides a structured approach to identifying, developing, and transitioning board members while aligning with the bank's strategic objectives, regulatory obligations, and best governance practices. In line with Ghana's Corporate Governance Directive, particularly those set by the Bank of Ghana, this document outlines a proactive and strategic approach to managing board succession.

Succession planning strategy at the Management level focuses on all critical roles at all levels in the organization, to ensure business and leadership continuity. The Bank's recruitment process has been aligned with the succession management process to serve as a source of future appointments into key leadership positions both at the Board and Management levels.

Internal Control Framework

In compliance with Section 14.1 of the CGD, the Bank recognizes the importance of the Internal Control function in the Bank's overall operations and has put in place control systems to ensure that the Bank's operations are carried out in a safe and effective manner. The controls set out the risk acceptance, tolerance levels, and management strategies for the Bank's operations. The controls are well documented and made available to staff to guide their operations. The Internal Audit function carries out periodic reviews of the controls and reports deficiencies and preventive or remediation actions by Management to the Board Audit Committee. The Bank has also implemented an Internal Control Over Financial Reporting Framework, in line with the Group's reporting requirements, to strengthen the control environment. The function is headed by the Head of Internal Control, who reports directly to the MD/CEO.

Internal Audit

The Bank has an internal audit function headed by the Head of Internal Audit who is appointed and assessed by the Board Audit Committee and reports directly to that committee.
The Board confirms the internal audit function put in place is effective in providing an independent assessment of the adequacy of, and compliance with established policies and procedures. The Head of Internal Audit submits quarterly reports to the Board Audit Committee and the report is reviewed by the Board Audit Committee and appropriate recommendations are made towards the strengthening of the function.

Conflict of Interest

The Board has an approved Conflict of Interest Policy and a Conflict of Interest Register. The document covers areas such as duties, disclosures, responsibilities, reviews, and approval process for directors in relation to activities that could result in conflict of interest.

No conflict of interest or material conflict of interest case, involving any of the Directors, came to the attention of the Board for the year ended 31 December 2024. The Bank submits Conflict of Interest and potential material Conflicts of Interest report on quarterly basis to the Bank of Ghana as required under paragraph 60 of the Corporate Governance Directive.

Ethics and Professionalism – Staff Handbook and Code of Conduct

Management has communicated the principles of ethics and professionalism in the Staff Handbook to its employees in the discharge of their duties. The handbook was reviewed and approved by the Board. This handbook sets the professionalism and integrity required for business operations which covers compliance with the law, conflict of interest, bribery, and strict adherence to these principles to eliminate the potential for illegal practice. Staff and directors are bound by and sign the code of conduct and professional ethics declaration prior to their appointment and annually after their appointment. Upon their appointment, directors also swear an Oath of Confidentiality which is administered by a High Court Judge in Chambers. In compliance with the requirements of Section 17 of the CGD, the Bank has a Code of Conduct which captures issues relating to whistle blowing, protecting the Bank's assets, accuracy of record keeping, fair employment practices and diversity, workplace responsibilities, discrimination and harassment and professional conduct, dealing with suppliers, conflict of interest, privacy of information, insider trading, and personal behaviour among others.

Related Party Transactions

The Bank has in place policies and procedures to ensure that all related party transactions are carried out at arm's length and in accordance with the Banks and Specialised Deposit Taking Institutions Act, 2016 (Act 930). This is intended to ensure that there is no favourable treatment given to a related party. Related party transactions are reviewed by the Board to assess inherent risks and to subject them to appropriate restrictions. Related party transactions for the year ended 31 December 2024 is disclosed in Notes to the financial statements.

Corporate Governance Framework

The Bank has a well outlined Corporate Governance framework which is captured in the Board and Board Committees Charters as well as Management Committees Charters in line with Section 7.1 of the CGD. The Board uses these documents to drive key Governance performance indicators in the Bank.

Management Reporting Structures

The Board monitors and ensures that the actions of Key Management Personnel are consistent with the strategy and policies approved by the Board, including the risk tolerance/appetite and risk culture. The Bank has Management committees that support the Managing Director in the day to day running of the Bank. On quarterly basis, the Managing Director reports to the Board on business development, risk management, human resource development as well as new developments in the industry and the markets (both local and international).

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ZENITH BANK (GHANA) LTD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

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

What we have audited

We have audited the financial statements of Zenith Bank (Ghana) Ltd for the year ended 31 December 2024.

The financial statements comprise:

- the statement of financial position as at 31 December 2024;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising a summary of material accounting policy information and other explanatory information.

Basis for opinion

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

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

Independence

We are independent of the Bank in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (the Code) issued by the International Ethics Standards Board for Accountants and the independence requirements of section 143 of the Companies Act, 2019 (Act 992) that are relevant to our audit of the financial statements. We have fulfilled our other ethical responsibilities in accordance with the Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the Bank's 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 (continued)

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>
Impairment allowance on loans and advances to customers

At 31 December 2024, the Bank's impairment allowance on loans and advances to customers was as follows:

<table>
<tr><th>Financial Statement Line Item</th><th>Gross Amount GH¢'000</th><th>Impairment Allowance GH¢'000</th></tr>
<tr><td>Loan and advances to customers</td><td>3,475,592</td><td>61,573</td></tr>
</table>
The impairment of loans and advances to customers was determined on an expected credit loss (ECL) basis under IFRS 9 - Financial Instruments. IFRS 9 is a complex accounting standard which requires considerable judgement and interpretation in its implementation.

These judgements and estimates were used in designing models which have been built and implemented to measure expected credit losses.

The key areas of judgement were as follows:

The definition of default and the determination of qualitative and quantitative criteria for determining significant increase in credit risk (SICR);
The selection and determination of forward-looking economic scenarios and the probability weightings applied to each scenario;
The completeness, accuracy and integrity of data used in the ECL calculations; and
The determination of Probability of default (PD), Loss Given Default (LGD) and Exposure at default (EAD).

Given the subjectivity and reliance on estimates and judgements inherent in the determination of the impairment of financial assets, we determined that this was a matter of most significance in our audit.

The accounting policies, critical estimates and judgements and impairment charge are set out in notes 2.10.1, 3.2.3, 6(a) and 20 to the financial statements.
</td><td>
We obtained an understanding of controls over loans and advances to customers.

We evaluated and tested the controls over loan origination, monitoring and provisioning processes and assessed their operating effectiveness.

We assessed the definition of default and the criteria applied by management in determining SICR.
We applied a risk based targeted testing approach on samples of credit facilities for detailed review.

We assessed the reasonableness of forward-looking information used in the impairment calculations by challenging the multiple economic scenarios used and the weighting applied.

We assessed the completeness, accuracy and integrity of data used in the ECL model and reperformed selected model calculations to check that the inputs used were consistent with the requirements of IFRS 9.

We assessed the reasonableness of PD assumptions applied and tested the reasonableness of the LGD by reviewing on a sample basis the valuation of the collateral held and expected future recoveries.

We checked that the projected EAD over the remaining lifetime of financial assets were in compliance with the requirements of IFRS 9.

We checked the appropriateness of IFRS 9 ECL disclosures.
</td></tr>
</table>

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
Derecognition loss on investment in debt securities	
The Government of the Republic of Ghana reached an agreement in principle with the Eurobond holders regarding the treatment of the Eurobonds.	We obtained an understanding of the Eurobond based on the Exchange Memorandum issued by the Government of Ghana.
Outstanding Bonds were exchanged for new ones based on two options known as the Disco Option or the Par Option.	We obtained an understanding for the option chosen by the Bank based on the approval of the Board.
The derecognition loss for investment securities is material to the financial statements in terms of magnitude and level of subjective judgement applied by management.	We assessed the reasonableness of the discount rates used for determining the present value of cash flows expected from new bonds by:
A derecognition loss of GH¢117 million was recognised as a result of the exchange of eligible bonds under the programme. The fair values of the new instruments on the date of exchange, and the associated derecognition gain or loss was determined using discounted cash flow (DCF) models. The DCF models estimated the discount factors for the categories of bonds exchanged.	• reviewing the methodology adopted in determining the discount rate; • agreeing the inputs used in the calculation of the market prices; and • reviewing the accuracy of the computation of the discount rate.
The determination of the discount rate was an area of significant judgement. The accounting policies, critical estimates and judgements and impairment charge are set out in 2.10.1, 3.2.2, 6(a) 10 and 18 to the financial statements.	We assessed the appropriateness of the related disclosures for investment securities in the financial statements in accordance with IFRS 9.

Other information

The directors are responsible for the other information. The other information comprises Corporate information, Report of the directors, Corporate governance report and Value added statement but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report and the Financials at a glance, Financial highlights, Corporate profile and strategy, Branch/Agency network, Products and services, Correspondent banks, Board of directors, Chairperson's message, Executive management, Chief executive officer's review and Corporate social responsibility/Corporate events, which are expected to be made available to us after that date.

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

Other information (continued)

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

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

When we read the Financials at a glance, Financial highlights, Corporate profile and strategy, Branch/Agency network, Products and services, Correspondent banks, Board of directors, Chairperson's message, Executive management, Chief executive officer's review and Corporate social responsibility/Corporate events, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards with the IAS 29 directive issued by the Institute of Chartered Accountants, Ghana (ICAG) and in the manner required by the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The Companies Act, 2019 (Act 992) requires that in carrying out our audit we consider and report on the following matters. We confirm that:

i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

ii) in our opinion proper books of account have been kept by the Bank, so far as appears from our examination of those books; and

iii) the Bank's statement of financial position and Bank's statement of comprehensive income are in agreement with the books of account.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ZENITH BANK (GHANA) LTD (continued)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS (continued)

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

i) the accounts give a true and fair view of the state of affairs of the Bank and the results of operations for the period under review;

ii) we were able to obtain all the information and explanations required for the efficient performance of our duties as auditor;

iii) the Bank's transactions were within its powers; and

iv) except as disclosed in note 3.3.3, the Bank has, in all material respects, complied with the provisions of this Act.

With respect to the provisions of the Anti-Money Laundering Act, 2020 (Act 1044), the Anti-Terrorism Act, 2008, (Act 762) and the Regulations made under these enactments, we did not identify any instances of non-compliance based on procedures we performed.

With respect to the provisions of section 21 of the corporate governance disclosure directive (2022) issued by Bank of Ghana, we did not identify any instances of non-compliance regarding the Bank's corporate governance practices and report, based on procedures we performed.

The engagement partner on the audit resulting in this independent auditor's report is Destiny Selorm Attatsitsey (ICAG/P/1619).

PricewaterhouseCoopers

PricewaterhouseCoopers (ICAG/F/2025/028)
Chartered Accountants
Accra, Ghana
25 March 2025

pwc

STATEMENT OF COMPREHENSIVE INCOME

(All amounts are in thousands of Ghana cedis)

	Note	For the Year Ended 31 December 2024	2023
Interest income	7	1,725,210	1,378,663
Interest expense	7	(634,300)	(364,870)
Net interest income		1,090,910	1,013,793
Fees and commission income	8	335,824	225,006
Fees and commission expense	8	(56,977)	(29,459)
Net fees and commission income		278,847	195,547
Net trading income	9(a)	377,835	332,656
Net income - financial instruments carried at fair value	9(b)	-	433
Other income	10	37,025	53,121
Net trading and other income		414,860	386,210
Operating income		1,784,617	1,595,550
Impairment loss on financial assets	11	(143,122)	(109,351)
Personnel expenses	12	(254,768)	(211,740)
Depreciation and amortisation	21(a)	(50,087)	(32,379)
Other expenses	14	(275,475)	(219,691)
Profit before income tax		1,061,165	1,022,389
Income tax expense	15	(609,187)	(346,288)
Profit after tax attributable to equity holders of the Bank		451,978	676,101
Other comprehensive income, net of tax		-	-
Total comprehensive income attributable to equity holders of the Bank		451,978	676,101
Earnings per share - Basic & Diluted	16	0.07	0.17

The notes on pages 39 to 111 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
(All amounts are in thousands of Ghana cedis)

		As at 31 December	
Assets	**Note**	**2024**	2023
Cash and bank balances	17	6,611,429	4,175,590
Investment securities	18	6,174,183	5,845,900
Investments (other than securities)	19	1,212,418	252,161
Derivative financial assets	33	66,791	433
Current tax receivable	15	64,961	220,608
Loans and advances to customers	20	3,414,019	2,246,982
Property, plant and equipment	21	249,441	254,352
Intangible assets	22	28,158	14,073
Right-of-use assets	13	92,446	96,479
Deferred tax assets	23	26,524	113,421
Other assets	24	1,186,763	643,500
Total assets		19,127,133	13,863,499
Liabilities			
Deposits from banks and non-bank financial institutions	25	118,976	39,247
Deposits from customers	26	15,630,343	11,702,523
Borrowings	27	952,693	170,422
Other liabilities	28	240,813	155,070
Lease liabilities	13	111,182	119,108
Deferred tax liabilities	23	20,854	18,661
Total liabilities		17,074,861	12,205,031
Equity			
Stated capital	29	1,000,000	400,000
Statutory reserve	29(b)	642,405	529,411
Retained earnings	29(b)	409,867	729,057
Total equity		2,052,272	1,658,468
Total equity and liabilities		19,127,133	13,863,499

Mrs Freda Duplan (Chairperson) **Henry Chinedu Onwuzurigbo (MD/CEO)**

The financial statements of the Bank on pages 35 to 111 were approved by the Board of Directors on **20 March 2025**.

The notes on pages 39 to 111 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
(All amounts are in thousands of Ghana cedis)

Year ended 31 December 2024	**Stated Capital**	**Statutory Reserve**	**Retained Earnings**	**Total**
Balance at 1 January	400,000	529,411	729,057	1,658,468
Profit for the year	-	-	451,978	451,978
Total comprehensive income	-	-	451,978	451,978
Regulatory and other reserve transfers				
Transfer from Retained Earnings	600,000	-	(600,000)	-
Transfer to statutory reserve	-	112,994	(112,994)	-
Cost of transfer to Stated Capital	-	-	(58,174)	(58,174)
Net transfers to reserves	600,000	112,994	(771,168)	(58,174)
Balance at 31 December	**1,000,000**	**642,405**	**409,867**	**2,052,272**

Year ended 31 December 2023	**Stated Capital**	**Statutory Reserve**	**Credit Risk Reserve**	**Retained Earnings**	**Total**
Balance at 1 January	400,000	444,899	9,704	127,764	982,367
Profit for the year	-	-	-	676,101	676,101
Total comprehensive income	-	-	-	676,101	676,101
Regulatory and other reserve transfers					
Transfer from credit risk reserve	-	-	(9,704)	9,704	-
Transfer to statutory reserve	-	84,512	-	(84,512)	-
Net transfers to reserves	-	84,512	(9,704)	(74,808)	-
Balance at 31 December	400,000	529,411	-	729,057	1,658,468

The notes on pages 39 to 111 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

(All amounts are in thousands of Ghana cedis)

	Note	Year ended 31 December **2024**	2023
Profit before tax		1,061,165	1,022,389
Adjustments for:			
Depreciation and amortisation	21(a)	50,087	32,379
Net impairment loss on financial assets	11	143,122	109,351
Net interest income	7	(1,090,910)	(1,013,793)
Profit on disposal of property, plant and equipment	21(b)	(132)	(32)
Unrealised exchange difference on cash and banks		(43,230)	15,227
Fair value changes recognised in profit or loss	9(b)	-	(433)
Modification Gain / (loss) on investment securities	10	117,918	(43,250)
		238,020	121,838
Changes in:			
Investments (other than securities)	19	(960,257)	148,538
Non-pledged trading assets		-	15,271
Pledged trading assets		-	1,951
Derivative Financial Assets	33	(66,358)	-
Investments securities	18	(23,257)	(475,970)
Mandatory cash reserve	17	(2,196,782)	(612,985)
Loans and advances to customers	20	(1,159,912)	(438,684)
Other assets	24	(543,263)	(269,739)
Deposits from banks and non-bank financial institutions	25	79,729	21,340
Deposits from customers	26	3,948,055	3,281,733
Other liabilities	28	215,864	(422)
		(468,161)	1,792,871
Interest received		1,684,474	1,446,108
Interest paid		(614,065)	(352,271)
Corporate taxes refund received	15	-	9,381
Corporate taxes paid	15	(364,450)	(352,727)
Net cash flow generated from operating activities		237,798	2,543,362
Cash flow from investing activities			
Acquisition of property, plant and equipment	21	(40,207)	(90,373)
Proceeds from disposal of property, plant and equipment	21(b)	221	161
Acquisition of intangible assets	22	(7,494)	(9,808)
Net cash flow used in investing activities		(47,480)	(100,020)
Cash flow from financing activities			
Finance lease payments	13	(23,480)	(12,292)
Drawdown on borrowings	27	941,300	506,642
Derivative liabilities	33	-	(2,050)
Repayment on borrowings	27	(170,422)	(340,274)
Net cash flow generated from financing activities		747,398	152,026
Net increase in cash and cash equivalents		937,716	2,595,368
Balance at beginning	17	4,866,354	2,286,213
Cash and cash equivalents at 31 December		5,804,070	4,881,581
Effect of exchange rate fluctuations on cash and cash equivalents held		43,230	(15,227)
Cash and cash equivalents at 31 December	17	5,847,300	4,866,354

The notes on pages 39 to 111 are an integral part of these financial statements.

NOTES

(All amounts are in thousands of Ghana cedis)

1. REPORTING ENTITY

Zenith Bank (Ghana) Ltd (the Bank) is a limited liability company incorporated and domiciled in Ghana. The registered office is Zenith Heights, No 37 Independence Avenue, PMB CT 393, Accra. The Bank commenced universal banking operations in September 2005 and operates under the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). The Bank is a subsidiary of Zenith Bank Plc, a bank incorporated in the Federal Republic of Nigeria.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS Accounting Standards") with the IAS 29 Directive issued by the Institute of Chartered Accountants Ghana (ICAG) and in the manner required by the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). The financial statements were authorised for issue by the Board of Directors on **20 March 2025.**

These financial statements have been prepared under the historical cost convention, except for pledged and non-pledged trading assets and derivative financial instruments which are measured at fair value.

The ICAG issued a directive in November 2023 to accountants in business and accountants in practice, together with an update in January 2024 on the application of IAS 29 in Ghana. The ICAG asserts in the directive that based on its analysis of the quantitative and qualitative indicators referred to in IAS 29, Ghana was not a hyperinflationary economy as of December 2023, therefore, IAS 29 will not be applicable for December 2023 financial reporting period. In compliance with the directive, the financial statements of the Bank, including the comparative figures, have not been stated in terms of the measuring unit current at the end of the reporting period. This position was maintained by the ICAG for the year ended 31 December 2024.

The preparation of the financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the directors to exercise judgement in the process of applying the Bank's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 6.

2.1.1 Changes in accounting policy and disclosures

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2024:

(a) New standards, amendments and interpretations adopted by the Bank

Standards and interpretations effective during the reporting period

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January.

(i) Classification of Liabilities as Current or Non-current — Amendments to IAS 1

Amendments made to IAS 1, Presentation of Financial Statements', in 2020 and 2022 clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (for example, the receipt of a waiver or a breach of covenant).

Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date.

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) New standards, amendments and interpretations adopted by the Bank (continued)

Standards and interpretations effective during the reporting period (continued)

(i) Classification of Liabilities as Current or Non-current — Amendments to IAS 1 (continued)

However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.

The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants that the entity must comply with within 12 months of the reporting date.

The disclosures include:
- the carrying amount of the liability.
- information about the covenants; and
- facts and circumstances, that indicate that the entity might have difficulty complying with the covenants.

The amendments also clarify what IAS 1 means when it refers to the 'settlement' of liability. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instrument can only be ignored for the purpose of classifying the liability as current or non-current if the entity classifies the option as an equity instrument. However, conversion options that are classified as a liability must be considered when determining the current/non-current classification of a convertible liability.

The amendments must be applied retrospectively in accordance with the normal requirements in IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors'. Special transitional rules apply if an entity had early adopted the 2020 amendments regarding the classification of liabilities as current or non-current. This amendment was adopted in preparation for the 2024 financial statements. The adoption, however, did not have any impact on the bank's financials.

(ii) Lease Liability in a Sale and/ Leaseback — Amendments to IFRS 16

In September 2022, the IASB finalized narrow-scope amendments to the requirements for sale and leaseback transactions in IFRS 16, Leases, which explain how an entity accounts for a sale and leaseback after the date of the transaction.

The amendments specify that, in measuring the lease liability after the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognizing any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact on sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate. The amendment was applied in the preparation of the 2024 financial statements. This, however, did not impart the numbers.

(iii) Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

On 25 May 2023, the IASB issued amendments to IAS 7 and IFRS 7 to require specific disclosures about supplier finance arrangements (SFAs). The amendments respond to the investors' need for more information about SFAs to be able to assess how these arrangements affect an entity's liabilities, cashflows and liquidity risk.

The new disclosures will provide information about:

(1) The terms and conditions of SFAs.

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) New standards, amendments and interpretations adopted by the Bank (continued)

Standards and interpretations effective during the reporting period (continued)

(iii) Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7 (continued)

(2) The carrying amount of financial liabilities that are part of SFAs, and the line items in which those liabilities are presented.

(3) The carrying amount of the financial liabilities in (2), for which the suppliers have already received payment from the finance providers.

(4) The range of payment due dates for both the financial liabilities that are part of SFAs, and comparable trade payables that are not part of such arrangements

(5) Non-cash changes in the carrying amounts of financial liabilities in (2)

(6) Access to SFA facilities and concentration of liquidity risk with the finance providers.

Entities will be required to aggregate the information that they provide about SFAs. However, entities should disaggregate information about terms and conditions that are dissimilar, disclose explanatory information where the range of payment due dates is wide, and disclose the type and effect of non-cash changes that are needed for comparability between periods.

The IASB has provided transitional relief by not requiring comparative information in the first year and not requiring disclosure of specified opening balances. Further, the required disclosures are only applicable for annual periods during the first year of application. Therefore, the earliest that the new disclosures will have to be provided is in annual financial reports for December 2024 year-ends, unless an entity has a financial year of less than 12 months.

(b) New standards, amendments and interpretations issued/amended but not effective

The following standards and interpretations had been issued but were not mandatory for annual reporting periods ending on 31 December 2024.

Lack of Exchangeability — Amendments of IAS 21

The IASB has amended IAS 21, 'The Effects of Changes in Foreign Exchange Rates', by adding requirements which will help entities to:

- assess whether a currency is exchangeable into another currency, and
- determine the spot exchange rate to use, when exchangeability is lacking.

If an entity has estimated a spot exchange rate because a currency is not exchangeable into another currency, it will have to provide additional information to help users to understand the effects and associated risks, the estimated rates and estimation process used. These changes will be effective for financial statements starting on or after January 1, 2025.

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) New standards, amendments and interpretations issued/amended but not effective

Classification and Measurement of Financial Instruments — Amendments to IFRS 9 and IFRS 7

The IASB issued targeted amendments to IFRS 9, 'Financial Instruments', and IFRS 7, 'Financial Instruments: Disclosures', to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

(a) clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system.

(b) clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion.

(c) add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and

(d) update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The amendments in (b) are most relevant to financial institutions, but the amendments in (a), (c) and (d) are relevant to all entities. These changes will be effective for financial statements starting on or after January 1, 2026.

IFRS 18, 'Presentation and Disclosure in Financial Statements'

The IASB issued a new standard on presentation and disclosure in financial statements, which replaces IAS 1, with a focus on updates to the statement of profit or loss.

The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss with defined subtotals.
- a requirement to determine the most useful structured summary for presenting expenses in the statement of profit or loss.
- required disclosures in a single note within the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. This standard will be effective for financial statements starting on or after January 1, 2027.

IFRS 19, 'Subsidiaries without Public Accountability: Disclosures'

The IASB issued a new standard that works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements, and it applies instead the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries.

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) New standards, amendments and interpretations issued/amended but not effective (continued)

IFRS 19, 'Subsidiaries without Public Accountability: Disclosures' (continued)

A subsidiary is eligible if:

- It does not have public accountability; and
- It has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards. This standard will be effective for financial statements starting on or after January 1, 2027.

2.2 Foreign currency translation

(a) Functional and presentation currency

The financial statements are presented in Ghana Cedi, which is the Bank's functional currency. Except as indicated, financial information presented in Ghana Cedi has been rounded to the nearest Ghana Cedi.

(b) Transactions and balances

Transactions in foreign currencies are translated to the functional currency of the Bank at exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the closing inter-bank mid rates at the reporting date.

The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated at exchange rates ruling at the dates of initial recognition. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from re-translation at year-end exchange rates of foreign currency denominated monetary assets and liabilities are recognised in profit or loss.

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

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Interest income and expense

Interest income and expense are recognized in profit or loss using the effective interest method. The effective interest method is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument, including prepayment options, but does not consider future credit losses. The calculation includes all transaction costs, fees and points paid or received that are an integral part of the effective interest rate.

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

2.4 Fees and commission income

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

2.5 Net trading income

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

2.6 Net income from other financial instruments at fair value through profit or loss

Net income from other financial instruments at fair value through profit or loss relates to non-derivative financial assets held for trading. It includes all realised and unrealised fair value changes, interest, dividends, and foreign exchange differences.

2.7 Dividend income

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

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Leases

The Bank leased various offices, branches, and other premises under non-cancellable lease arrangements. The lease typically ran for a period of up to two years with an option to renew the lease after that date. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes. Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Bank.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on a rate, initially measured as at the commencement date
- amounts expected to be payable by the Bank under residual value guarantees
- the exercise price of a purchase option if the Bank is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Bank, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. To determine the incremental borrowing rate, the Bank:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost less accumulated depreciation and impairment losses comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. Right-of-use buildings held by the Bank under IFRS 16 are not revalued.

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Leases (continued)

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

Extension and termination options are included in a number of property and equipment leases across the Bank. These are used to maximise operational flexibility in terms of managing the assets used in the Bank's operations. The majority of extension and termination options held are exercisable only by the Bank and not by the respective lessor.

2.9 Income tax

Current income tax

Income tax payable on taxable profits is recognised as an expense in the period in which the profits arise. Income tax recoverable on tax allowable losses is recognised as an asset only to the extent that it is regarded as recoverable by offset against current or future taxable profits.

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered or paid to the Ghana Revenue Authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the statement of financial position date.

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and
- In respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the differences will not reverse in the foreseeable future.
- Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised except;
- Where deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Income tax (continued)

Deferred tax (continued)

- In respect of taxable temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient able profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current tax and deferred tax relating to items recognised directly in equity are also recognised in the statement of changes in equity and not in the statement of comprehensive income. Deferred and current tax assets and liabilities are only offset when they arise in the same tax reporting entity and the same taxation authority, and where there is both the legal right to set off current tax assets against current tax liabilities and the intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

In determining the amount of current and deferred tax, the Bank considers the impact of tax exposures, including whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Bank to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities would impact tax expense in the period in which such a determination is made.

2.10 Financial assets and liabilities

2.10.1 Financial assets

Measurement methods

Amortised cost and effective interest rate

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

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees.

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Financial assets and liabilities (continued)

2.10.1 Financial assets (continued)

Measurement methods (continued)

For purchased or originated credit-impaired ('POCI') financial assets – assets that are credit-impaired at initial recognition – the Bank calculates the credit-adjusted effective interest rate, which is calculated based on the amortised cost of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows. When the Bank revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument or regular way purchases and sales of financial assets are recognised on settlement-date, the date on which the Bank pays for or receives value for the instrument.

At initial recognition, the Bank measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost and investments in debt instruments measured at FVOCI, which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognises the difference as follows:

(a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets,
the difference is recognised as a gain or loss.

(b) In all other cases, the difference is deferred, and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

(i) Classification and subsequent measurement

The Bank applies IFRS 9 and classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortised cost.

NOTES (continued)
(All amounts are in thousand Ghana cedis)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Financial assets and liabilities (continued)

2.10.1 Financial assets (continued)

Measurement methods (continued)

(i) Classification and subsequent measurement (continued)

The classification requirements for debt and equity instruments are described below:

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans and investment securities.

Classification and subsequent measurement of debt instruments depend on:

- the Bank's business model for managing the asset; and
- the cash flow characteristics of the asset.

Based on these factors, the Bank classifies its debt instruments into one of the following three measurement categories:

a) Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represents solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

b) Fair value through other comprehensive income (FVOCI): Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in ‘other operating income'. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

c) Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented in the profit or loss statement within ‘Net trading income' in the period in which it arises. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Financial assets and liabilities

2.10.1 Financial assets (continued)

Measurement methods (continued)

(i) Classification and subsequent measurement (continued)

The above classifications are done using:

Business model: The business model reflects how the Bank manages the assets in order to generate cash flows. That is, whether the Bank's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVPL. Factors considered by the Bank in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated. Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the 'other' business model and measured at FVPL.

SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Bank assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the `SPPI test'). In making this assessment, the Bank considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Bank reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent, and none occurred during the period.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Examples of equity instruments include basic ordinary shares.

The Bank subsequently measures all equity investments at fair value through profit or loss, except where the Bank's management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. The Bank's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in profit or loss as other income when the Bank's right to receive payments is established.

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Financial assets and liabilities (continued)

2.10.1 Financial assets (continued)

Debt instruments (continued)

(ii) Impairment

The Bank assesses on a forward-looking basis the expected credit loss ('ECL') associated with its debt instrument assets carried at amortised cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Bank recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Refer to Note 3.2.2 for further details on the impairment process of financial assets.

(iii) Modification of loans

The Bank sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Bank assesses whether or not the new terms are substantially different to the original terms. The Bank does this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.
- Significant extension of the loan term when the borrower is not in financial difficulty.
- Significant change in the interest rate.

If the terms are substantially different, the Bank derecognises the original financial asset and recognises a 'new' asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Bank also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on de-recognition.

If the terms are not substantially different, the renegotiation or modification does not result in de-recognition, and the Bank recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Financial assets and liabilities (continued)

2.10.1 Financial assets (continued)

(iv) De-recognition other than on a modification

The Bank derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Bank neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

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 (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Bank is recognised as a separate asset or liability.

Financial guarantee contracts and loan commitments

Financial guarantee contracts are contracts that require the issuer 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. Such financial guarantees are given to banks, financial institutions, and others on behalf of customers to secure loans, overdrafts and other banking facilities.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

- The amount of the loss allowance; and
- The premium received on initial recognition less income recognised in accordance with the principles of IFRS 15.

Loan commitments provided by the Bank are measured as the amount of the loss allowance. The Bank has not provided any commitment to provide loans at a below-market interest rate, or that can be settled net in cash or by delivering or issuing another financial instrument.

For loan commitments and financial guarantee contracts, the loss allowance is recognised as a provision. However, for contracts that include both a loan and an undrawn commitment and the Bank cannot separately identify the expected credit losses on the undrawn commitment component from those on the loan component, the expected credit losses on the undrawn commitment are recognised together with the loss allowance for the loan. To the extent that the combined expected credit losses exceed the gross carrying amount of the loan, the expected credit losses are recognised as a provision.

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES ((continued)

2.10 Financial assets and liabilities (continued)

2.10.2 Financial Liabilities

i) Classification

The Bank classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost.

ii) Measurement

The 'amortised cost' of a financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

iii) Derecognition

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

2.10.3 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 in the principal or, in its absence, the most advantageous market to which the Bank has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Bank measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Bank uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Bank determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price.

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Financial assets and liabilities (continued)

2.10.3 Fair value measurement (continued)

Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Bank measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Bank on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for a particular risk exposure. Those portfolio-level adjustments are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

The fair value of a demand deposit is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

The Bank recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

2.10.4 Repurchase and reverse repurchase agreements

Securities may be lent subject to a commitment to repurchase it at a specified date ('a repo'). Such securities are not derecognised but retained on the statement of financial position when substantially all the risks and rewards of ownership remain with the Bank. Any cash received, including accrued interest, is recognised on the statement of financial position reflecting its economic substance as a loan to the Bank.

Conversely, securities borrowed or purchased securities subject to a commitment to resell at a specified date (a 'reverse repo') is not recognised on the statement of financial position as the transactions are treated as collateralised loans. However, where the securities borrowed is sold to third parties, the obligation to repurchase the securities is recorded as a trading liability at fair value and any subsequent gain or loss included in net trading income.

2.10.5 Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with central banks and highly liquid financial assets with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Bank in the management of its short-term commitments.

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

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Financial assets and liabilities (continued)

2.10.6 Loans and advances

'Loans and advances' are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Bank does not intend to sell immediately or in the near term. Loans and advances to banks are classified as hold to collect.

Loans and advances to customers include:

- those classified as loans and receivables; and
- finance lease receivables.

Loans and advances are initially measured at fair value plus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest method. Loans and advances also include finance lease receivables in which the Bank is the lessor.

When the Bank purchases a financial asset and simultaneously enters into an agreement to resell the asset (or a substantially similar asset) at a fixed price on a future date (reverse repo or stock borrowing), the arrangement is accounted for as a loan or advance, and the underlying asset is not recognised in the Bank's financial statements.

2.10.7 Investments

Investment securities are initially measured at fair value plus incremental direct transaction costs and subsequently accounted for depending on their classification as hold to collect or hold to sell.

2.10.8 Non pledged and pledged trading assets

The trading assets portfolio- both pledged and non pledged comprises debt securities purchased with the intent of short-term profit taking. The Bank values these securities with reference to quoted prices in active markets for identical assets.

These securities are designated at fair value, with fair value changes recognized immediately in profit or loss.

2.10.9 Offsetting financial instruments

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

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

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10.10 Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into, and they are subsequently remeasured to their fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

2.11 Collateral

The Bank obtains collateral in respect of customer liabilities where this is considered appropriate. The collateral normally takes the form of cash or securities in respect of other credit instruments or a lien over the customer's assets and gives the Bank a claim on these assets for both existing and future liabilities. Collateral received in the form of securities is not recorded on the statement of financial position. Collateral received in the form of cash is recorded on the statement of financial position with a corresponding liability. These items are assigned to deposits received from banks or other counterparties. Any interest payable or receivable arising is recorded as interest payable or interest income respectively except for funding costs relating to trading activities which are recorded in net trading income.

2.12 Property, plant and equipment

(i) *Recognition and measurement*

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Items in work in progress are measured at cost less accumulated impairment losses.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

The gain or loss on disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount of the item of property and equipment and is recognised in other income/other expenses in profit or loss.

(ii) Subsequent costs

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

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Property, plant and equipment (continued)

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets under finance leases are depreciated over the shorter of the lease term and their useful lives.

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

Leasehold land and buildings	50 years
Leasehold improvements	5 years
Furniture, fittings and equipment	4 - 5 years
Computers	3 years
Motor vehicles	4 years

2.13 Leasehold properties

Leasehold properties, representing lands held by the Bank under various leasehold agreements and the buildings on them, are initially recognised at cost. Subsequent to initial recognition, leasehold properties are amortised over the lease term of the properties. The amortisation is recognised in profit or loss. The leasehold lands are presented in property, plant and equipment by the Bank as an accounting policy choice and not included in right-of-use assets.

2.14 Intangible assets

Computer software

Software acquired by the Bank is measured at cost less accumulated amortisation and accumulated impairment losses. Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Intangible assets with indefinite useful lives are not amortized. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The estimated useful life of software is three years. Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

2.15 Impairment of non-financial assets

The carrying amounts of the Bank's non-financial assets other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset that generates cash flows that are largely independent from other assets. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

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

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15 Impairment of non-financial assets (continued)

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.16 Deposits and borrowings

Deposits and borrowings from other banks are the Bank's sources of debt funding. Deposits and borrowings from other banks are initially measured at fair value plus transaction costs, and subsequently measured at their amortised cost using the effective interest method, except where the Bank chooses to carry the liabilities at fair value through profit or loss.

2.17 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(ii) Provident fund

The Bank has a Provident Fund Scheme for all employees who have completed their probation period with the Bank. Employees contribute 5% of their basic salary to the Fund whilst the Bank contributes 12.5%. Obligations under the plan are limited to the relevant contributions, which are settled on due dates to the fund manager.

2.18 Stated capital and reserves

(i) Stated capital

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

(ii) Share issue costs

Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

(iii) Dividend on ordinary shares

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

2.19 Earnings per share

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

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

3. FINANCIAL RISK MANAGEMENT

3.1 Introduction and overview

The Bank's activities expose the business to risks. These risks are managed in a targeted manner. Key risks arising from core functions are identified and measured to facilitate managing and determining risk positions and capital allocations. The Bank has exposure to the following types of risks from its use of financial instruments:

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

The Bank continues to assess its overall risk management framework and governance structure. This note presents information about the Bank's exposure to each of the above risks, the Bank's objectives, policies and processes for measuring and managing risk, and the Bank's management of capital.

3.1.1 Risk management framework

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

The Bank's risk management policies are established to identify and analyse risks faced by the Bank, set appropriate risks limits and controls and monitor risks and adherence to established policies. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. Through training and setting of standards and procedures, the Bank has developed a disciplined and reasonably effective control environment in which all employees understand their roles and obligations.

The Bank's Risk Management Committee of the Board is responsible for monitoring compliance with the Bank's risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to risks faced by the Bank.

3.2 Credit risk

Credit risk is the risk of suffering financial loss, should any of the Bank's customers, clients or market counterparties fail to fulfil their contractual obligations to the Bank. Credit risk arises mainly from commercial and consumer loans and advances and loan commitments arising from such lending activities, but can also arise from credit enhancements, financial guarantees, letters of credit, endorsements and acceptances.

The Bank is also exposed to other credit risks arising from investments in debt securities and other exposures arising from its trading activities ('trading exposures'), including non-equity trading portfolio assets, derivatives and settlement balances with market counterparties and reverse repurchase loans.

Settlement risk

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

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

3. FINANCIAL RISK MANAGEMENT (continued)

3.2.1 Credit risk management

Credit risk is the single largest risk for the Bank's business; the directors therefore carefully manage the exposure to credit risk. The credit risk management and control are centralised in a credit risk management team headed by the Chief Risk Officer, which reports to the Board of Directors and head of each business unit regularly.

The Bank has well documented policies and procedures for managing credit risk. The policies are based on the principle of: Management responsibility; Defined credit approval authorities; Set standards for risk management; Consistent approach to origination of credit, documentation and problem recognition; and Portfolio management strategies.

The risk that counterparties might default on their obligations is monitored on an ongoing basis. To manage the level of credit risk, the Bank deals with counterparties of good credit standing and for which in its assessment the transactions are appropriate, and risks understood by the counterparty.

The Bank structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or group of borrowers, and to industry segments. Such risks are monitored on a revolving basis and subject to annual or more frequent review. Limits on the level of credit risk by product and industry sector are approved by the Board of Directors. The exposure to any one borrower including banks is further restricted by sub-limits covering on- and off-balance sheet exposures. Actual exposures against limits are monitored daily.

The Bank employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advances, which is common practice. The Bank reviews the acceptability of specific classes of collateral for credit risk mitigation. The principal collateral types for loans and advances are:

- Mortgages over residential properties;
- Charges over business assets such as premises, inventory and accounts receivable; and
- Charges over financial instruments such as debt securities and equities.

3.2.2 Expected credit loss measurement

Significant increase in credit risk (SICR)

The Bank considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative, qualitative or backstop criteria have been met:

Quantitative criteria:

The remaining Lifetime PD at the reporting date has increased, compared to the residual Lifetime PD expected at the reporting date when the exposure was first recognised.

Qualitative criteria

For Loan portfolios if the borrower meets one or more of the following criteria:

- In short-term forbearance
- Direct debit cancellation
- Extension to the terms granted
- Previous arrears within the last [12] months
- If the borrower is on the Watch list and/or the instrument meets one or more of the following criteria:

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

3. FINANCIAL RISK MANAGEMENT (continued)

3.2.2 Expected credit loss measurement (continued)

Significant increase in credit risk (SICR) (continued)

- Significant increase in credit spread
- Significant adverse changes in business, financial and/or economic conditions in which the borrower operates
- Actual or expected forbearance or restructuring
- Actual or expected significant adverse change in operating results of the borrower
- Significant change in collateral value (secured facilities only) which is expected to increase risk of default
- Early signs of cash flow or liquidity problems such as delay in servicing of trade creditors/loans. The assessment of SICR incorporates forward-looking information and is performed on a weekly basis at a portfolio level. The criteria used to identify SICR are monitored and reviewed periodically for appropriateness.

Backstop

A backstop is applied, and the financial instrument considered to have experienced a significant increase in credit risk if the borrower is more than 30 days past due on its contractual payments.

Low Credit Risk Exemption

The Bank has not used the low credit risk exemption for any financial instruments in the period ended 31 December 2023.

Definition of default and credit-impaired assets

The Bank defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria
The borrower is more than 90 days past due on its contractual payments.

Qualitative criteria
The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

- The borrower is in long-term forbearance
- The borrower is deceased
- The borrower is insolvent
- The borrower is in breach of financial covenant(s)
- An active market for that financial asset has disappeared because of financial difficulties
- Concessions have been made by the lender relating to the borrower's financial difficulty
- It is becoming probable that the borrower will enter bankruptcy
- Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses.

The criteria above have been applied to all financial instruments held by the Bank and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Exposure at Default (EAD) and Loss given Default (LGD) throughout the Bank's expected loss calculations.

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

3. FINANCIAL RISK MANAGEMENT (continued)

3.2.2 Expected credit loss measurement (continued)

An instrument is considered to no longer be in default (i.e. to have cured) when it no longer meets any of the default criteria for a consecutive period of six months.

Measuring ECL — Explanation of inputs, assumptions and estimation techniques

The Expected Credit Loss (ECL) is measured on either a 12-month (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), defined as follows:

- The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.
- EAD is based on the amounts the bank expects to be owed in the event of, and at the time of default.
- Loss Given Default (LGD) represents the Bank's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD).

The ECL is determined by projecting the PD, LGD and EAD and for each individual exposure or collective segment (financial instruments that exhibit similar characteristics are grouped and assessed for impairment collectively. These are instruments that share common risk features, tenure, rate, among others).

These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The Lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis.

Forward-looking economic information is also included in determining the 12-month and lifetime PD. These assumptions vary by product type. The assumptions underlying the ECL calculation — such as how the maturity profile of the PDs and how collateral values change etc. — are monitored and reviewed on a quarterly basis. There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

3. FINANCIAL RISK MANAGEMENT (continued)

3.2.2 Expected credit loss measurement (continued)

Measuring ECL — Explanation of inputs, assumptions and estimation techniques (continued)

Forward-looking information incorporated in the ECL models

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. The Bank has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio.

Economic Variable Assumptions

The most significant period end assumptions used for the ECL estimate as at 31 December 2024 are set out below:

Scenario	Weight %	GDP Growth %	Consumer Price Index %
Base Case	40	3.10	19.50
GDP up; CPI up	16	4.10	20.50
GDP down; CPI down	16	2.10	18.50
GDP up; CPI down	10	4.10	18.50
GDP down; CPI up	18	2.10	20.5

The forward-looking economic information affecting the ECL model are as follows:

1. GDP Growth – GDP growth is used to assess the relative health of the economy. Forward looking information is incorporated by using the projected GDP growth rate for the current year as a base.
2. Consumer price index (CPI) – CPI is used due to its influence on monetary policy and on interest rates. Interest rate has an impact on borrowers' likelihood of default. Forward looking information is incorporated by using the expected change in inflation rates for the next three quarters.

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

3. FINANCIAL RISK MANAGEMENT (continued)

3.2.2 Expected credit loss measurement (continued)

Investment securities

The Bank's investments comprise investments in Government of Ghana bonds and Cocoa Board bonds.

Impact of Ghana's Domestic Debt Exchange Programme (DDEP) on investment securities

On 5 December 2022, the Government of Ghana announced Ghana's Domestic Debt Programme (DDEP). The Programme invited eligible bondholders to voluntarily exchange eligible local currency bonds issued by the Government of Ghana, ESLA and Daakye bonds for a new series of bonds to be issued by the Government. The Programme sought to extend the tenures of the eligible securities and reduce their coupons to an effective rate of about 9%. The Government also explained that there will be two distinct groups of bonds which will be exchanged as follows:

- Bonds maturing in 2023 replaced with 7 new bonds that matures from 2027 to 2033 inclusive; and
- All other bonds maturing after 2023 replaced with 12 new bonds that matures from 2027 to 2038 inclusive.

On 14 July 2023, the government further invited eligible bondholders to voluntarily exchange eligible USD bonds issued by the Government of Ghana for a new series of bonds to be issued by the Government. The Programme sought to extend the tenures of the eligible securities and reduce their coupons to an effective rate of about 3%. The Government also explained that bondholders of the old bonds will receive 50% each of the old bonds in new bonds that mature in 2027 and 2028 respectively.

Ghana Cocoa Board also launched a debt exchange programme on 14 July 2023 and invited eligible holders of cocoa bills to voluntarily exchange such bills for a new series of bonds to be issued by the Ghana Cocoa Board. The Programme sought to extend the tenures of the eligible securities and reduce their coupons to an effective rate of about 13%. Cocoa Board also explained that holders of the old bills will receive five (5) new bonds that mature from 2024 to 2028 inclusive in the ratio of 5%, 20%, 25%, 25% and 25% for each of 2024-2028 respectively.

Finally on 24 June 2024, the government launched a programme to exchange its Eurobonds for new bonds. Old bond holders were offered two options – Disco and Par. Disco options come with a haircut of 37% on principal and accrued interest unpaid up to 31 December 2023. Two new bonds, Disco Short and Disco Long were then issued at 5% from October 2024 to 3rd July 2028 and 6% from 3rd January 2029 to maturity respectively for the outstanding principal after the haircut. The new bonds will mature in 2029 and 2035 respectively. Two additional new bonds, Post Default Interest and Down Payment were also issued to this category at zero coupon to mature in July 2026 and January 2030 respectively.

Bond holders who opted for the PAR options received NO haircut but had their new bonds Par Bonds with extended maturities at 1.5% interest with repayments scheduled up to 2037.

There are other non-financial terms attached to the AIP and they are:

a. Government of Ghana (GoG) will provide a semi-annual updates or disclosure on public debt levels to increase transparency.
b. GoG will ensure Eurobond holders receive equal treatment relative to other creditors.
c. The AIP allows bondholders to regain some losses if Ghana's economic performance significantly improves.
d. GoG will reinstate the Fiscal Responsibility Act, setting a deficit limit of 5% of GDP to promote fiscal discipline and sustainability. This would ensure economic stability and enhance investor confidence.

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

3. FINANCIAL RISK MANAGEMENT (continued)

3.2.2 Expected credit loss measurement (continued)

Impact of Ghana's Domestic Debt Exchange Programme (DDEP) on investment securities (continued)

The Bank assessed the bonds eligible for exchange under the DDEP as credit impaired. As a result, the carrying amounts of the existing bonds were reduced to the fair value of the new bonds calculated as the present value of the cash flows using a discount rate representative of the sovereign risk of the country and Ghana Cocoa Board. The difference between the fair value of the new instruments and the carrying amount of the original assets was recognised as modification gain or losses in the statement of comprehensive income. The Bank opted for the Disco option and the value of the 37% haircut was taken into the statement of comprehensive income.

Sensitivity analysis -Investment securities under the DDEP programme

The sensitivity of the impairment provision to a 1% change in the discount rate is set out below:

	2024	2023
1% decrease in discount rate	**-**	**283,191**
Base	**-**	**294,388**
1% increase in discount rate	**-**	**305,584**

There was no impairment provision on investment securities for 2024.

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

3. FINANCIAL RISK MANAGEMENT (continued)

3.2.3 Maximum exposure to credit risk before collateral held

Maximum exposure to credit risk	**2024**	2023
Credit risk exposures relating to on balance sheet assets are as follows:		
Balances with Bank of Ghana	5,195,473	2,995,933
Investment securities	6,174,183	6,140,288
Balances with banks	1,064,266	894,557
Investments other than securities	1,212,418	252,161
Loans and advances to customers	3,475,592	2,336,239
Other assets (excluding non-financial assets)	1,148,553	611,829
Credit risk exposures relating to off balance sheet items are as follows:		
Financial guarantees and letters of credit	1,097,570	1,309,427
At year end	19,368,055	14,540,434

The above table represents a worst-case scenario of credit risk exposure to the Bank at 31 December 2024, without taking account of any collateral held or other credit enhancements attached. For on-balance sheet assets, the exposures set out above are based on net carrying amounts as reported in the statement of financial position.

As shown above for the Bank, 18% (2023: 16%) of the total maximum exposure is derived from loans and advances and investment securities and trading assets represent 32% (2023: 42%).

The Bank's loans and advances were categorised by the Bank of Ghana prudential guidelines as follows:

- Exposures that are neither past due nor impaired;
- Exposures that are past due but not impaired; and
- Individually impaired facilities.

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

3. FINANCIAL RISK MANAGEMENT (continued)

3.2.3 Maximum exposure to credit risk before collateral held (continued)

	Note	**2024**	2023
Maximum exposure to credit risk			
Carrying amount	21	3,414,019	2,246,982
Amount committed/guaranteed	32	1,097,571	1,309,428
Grade 1–3: Low–fair risk – Current		3,417,103	2,299,778
Grade 4–5: Low–watch list		103	21,392
Grade 6: Substandard		26,327	87
Grade 7: Doubtful		29,740	70
Grade 8: Loss		2,319	14,911
Total gross amount		3,475,592	2,336,239
Allowance for impairment		(61,573)	(89,257)
Net carrying amount		3,414,019	2,246,982
Off balance sheet - Maximum exposure			
Letters of credit - Grade 1–3: Low – fair risk		183,900	87,713
Financial guarantees - Grade 1–3: Low – fair risk		913,671	1,221,715
Total exposure		1,097,571	1,309,428
Loans with renegotiated terms			
Gross carrying amount		-	-
Allowance for impairment		-	-
Net carrying amount		-	-
Stage 1 (performing) loans and advances			
Grade 1–3: Low – fair risk		3,417,103	2,299,778
Stage 2 (underperforming) loans and advances			
Grade 4-5: Watch list		103	21,392

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

3. FINANCIAL RISK MANAGEMENT (continued)

3.2.3 Maximum exposure to credit risk before collateral held (continued)

Stage 3 (impaired or non-performing) loans and advances	2024	2023
90-180 days - Substandard	26,327	87
180-360 days - Doubtful	29,740	70
360 days + - Loss	2,319	14,911
	58,386	15,068
Allowance for impairment		
Stage 3	3,017	14,886
Stage 1 and 2	58,556	74,371
	61,573	89,257

Stage 1 (performing) loans and advances

The quality of credit exposure to customers and banks and other financial institutions that were neither past due nor impaired were assessed with reference to the Bank of Ghana prudential guidelines adopted by the Bank for its internal grading purposes.

Loans and advances graded current are not considered past due or impaired.

This category is made up as follows:

December 2024	Term loans	Overdrafts	Staff loans	Total
Current	1,942,019	1,457,118	17,966	3,417,103
Total	1,942,019	1,457,118	17,966	3,417,103

December 2023	Term loans	Overdrafts	Staff loans	Total
Current	1,539,525	743,207	17,046	2,299,778
Total	1,539,525	743,207	17,046	2,299,778

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

3. FINANCIAL RISK MANAGEMENT (continued)

3.2.3 Maximum exposure to credit risk before collateral held (continued)

Stage 2 (under-performing) loans and advances

Loans and advances graded internally as current and OLEM may be past due but are not considered impaired, unless other information is available to indicate the contrary. Gross amount of loans and advances by class to customers that were past due but not impaired were as follows:

December 2024	Term loans	Overdrafts	Staff loans	Total
Past due but not impaired	-	103	-	103
Total	-	103	-	103

December 2023	Term loans	Overdrafts	Staff loans	Total
Past due but not impaired	20,792	600	-	21,392
Total	20,792	600	-	21,392

Stage 3 (impaired or non-performing) loans and advances

The breakdown of the gross amount of loans and advances individually impaired by class, along with the fair value of related collateral held by the Bank as security, are as follows:

31 December 2024	Term loans	Overdrafts	Staff loans	Total
Individually impaired loans	25,955	32,431	-	58,386
Specific impairment allowance	-	(3,017)	-	(3,017)
Net amount	25,955	29,414	-	55,369
Fair value of collateral		2,974		

31 December 2023	Term loans	Overdrafts	Staff loans	Total
Individually impaired loans	-	15,068	-	15,068
Specific impairment allowance	-	(14,886)	-	(14,886)
Net amount		182		182
Fair value of collateral		9,739		

NOTES (continued)
(All amounts are in thousand Ghana cedis)

3.2.3 Maximum exposure to credit risk before collateral held (continued)

At 31 December 2024, the Bank's loans and advances were categorised under IFRS 9 as follows:

- Stage 1 – At initial recognition - Performing
- Stage 2 – Significant increase in credit risk since initial recognition - Underperforming
- Stage 3 – Credit impaired – Non-performing

	At 31 December 2024			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Term loans	1,942,019	-	25,955	1,967,974
Overdraft	1,457,118	103	32,431	1,489,652
Staff loans	17,966	-	-	17,966
Gross loans and advances to customers	3,417,103	103	58,386	3,475,592
Loss allowance	(58,538)	(18)	(3,017)	(61,573)
Carrying amount	3,358,565	85	55,369	3,414,019

31 December 2023

	Stage 1	Stage 2	Stage 3	Total
Term loans	1,539,526	20,792	-	1,560,318
Overdraft	743,206	600	15,069	758,875
Staff loans	17,046	-	-	17,046
Gross loans and advances to customers	2,299,778	21,392	15,069	2,336,239
Loss allowance	(68,434)	(5,937)	(14,886)	(89,257)
Carrying amount	2,231,344	15,455	183	2,246,982

NOTES (continued)
(All amounts are in thousand Ghana cedis)

3.2.3 Maximum exposure to credit risk before collateral held (continued)

At 31 December 2024, the Bank's investment securities were categorised under IFRS 9 as follows:

- Stage 1 – At initial recognition - Performing
- Stage 2 – Significant increase in credit risk since initial recognition - Underperforming
- Stage 3 – Credit impaired – Non-performing

	Stage 1 2024	**Stage 2 2024**	**Stage 3 2024**	Total	Stage 1 2023	Stage 2 2023	Stage 3 2023	Total
Cocoa Board bonds	-	-	56,912	56,912	-	-	57,103	57,103
Government of Ghana treasury bills	1,960,783	-	-	1,960,783	2,179,151	-	-	2,179,151
Government of Ghana bonds	-	-	4,156,488	4,156,488	-	-	3,904,034	3,904,034
Gross amount	1,960,783	-	4,213,400	6,174,183	2,179,151	-	3,961,137	6,140,288
Impairment	-	-	-	-	-	-	(294,388)	(294,388)
Total	1,960,783	-	4,213,400	6,174,183	2,179,151	-	3,666,749	5,845,900
Current				1,960,783				2,179,151
Non-current				4,213,400				3,666,749

All other financial assets of the Bank with credit risk exposure are neither past due (underperforming) nor impaired (non-performing).

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

3. FINANCIAL RISK MANAGEMENT (continued)

3.2.4 Collaterals and other credit enhancements

The Bank employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advanced, which is common practice. The Bank implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and advances are:

- Mortgages over residential properties.
- Charges over business assets such as premises, inventory and accounts receivable.
- Charges over financial instruments such as debt securities and equities.

Collateral held as security for financial assets other than loans and advances depends on the nature of the instrument. Longer-term finance and lending to corporate entities are generally secured; revolving individual credit facilities are generally unsecured.

In addition, in order to minimise the credit loss, the Bank will seek additional collateral from the counterparty as soon as impairment indicators are identified for the relevant individual loans and advances.

The Bank's policies regarding obtaining collateral have not significantly changed during the reporting period and there has been no significant change in the overall quality of the collateral held by the Bank since the prior year.

The Bank closely monitors collateral held for financial assets considered to be credit-impaired, as it becomes more likely that the Bank will take possession of collateral to mitigate potential credit losses. Financial assets that are credit impaired and the related collateral in order to mitigate potential losses are shown in note 3.2.3 above.

During the year, the Bank did not repossess collaterals (2023: Nil).

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

3.2.5 Concentration of credit risk

The Bank monitors concentrations of credit risk by sector. An analysis of concentrations of credit risk from loans and advances is shown below.

	Loans and advances to customers	
	2024	2023
Carrying amount	3,414,019	2,246,982
Concentration by product:		
Overdrafts	1,489,652	758,875
Term loans	1,883,149	1,426,884
Staff loans	17,966	17,046
Finance leases	84,825	133,434
Gross loans and advances	3,475,592	2,336,239
Less: Impairment	(61,573)	(89,257)
	3,414,019	2,246,982
Concentration by industry:		
Financial institutions	-	189,681
Manufacturing	726,951	561,715
Retail and consumer	101,531	133,156
Energy	150,562	29,498
Telecom	-	40,000
Mining and construction	623,032	502,455
Others	1,873,516	879,735
Gross loans and advances	3,475,592	2,336,239
Less: allowance for impairment	(61,573)	(89,257)
Net loans and advances	3,414,019	2,246,982

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

3.2.6 Geographical concentration of assets and liabilities and off balances sheet items

	2024		2023	
	In Ghana	**Outside Ghana**	In Ghana	Outside Ghana
Assets				
Cash and cash equivalents	5,747,259	864,170	3,468,026	707,564
Investment securities	6,174,183	-	5,845,900	-
Investments (other than securities)	1,212,418	-	252,161	-
Loans and advances to customers	3,414,019	-	2,246,982	-
Other assets	1,186,763		643,500	-
	17,734,642	864,170	12,456,569	707,564
Liabilities				
Borrowings	952,693	-	170,422	-
Deposits from customers	15,630,343	-	11,702,523	-
Deposits from other banks	118,976	-	39,247	-
Other liabilities	240,812	-	155,070	-
Lease liabilities	111,182	-	119,108	-
Total liabilities	17,054,006	-	12,186,370	-
Off balance sheet items				
Letters of credit	183,900	-	87,713	-
Guarantees and indemnities	913,670	-	1,221,715	-
	1,097,570	-	1,309,428	-

3.2.7 Key ratios on loans and advances

i. Loan loss provision ratio is 1.77% (2023: 3.8%);
ii. Percentage of gross non – performing loans with respect to Bank of Ghana Prudential Norms (individually impaired) to total gross loans and advances is 1% (2023: 1%); and
iii. Ratio of fifty (50) largest exposure (gross funded) to total exposure is 88.07% (2023: 91.85%).

3.2.8 Economic Challenges and ECL measurement

In line with the bank's existing risk management framework, there were no further deterioration in the bank's risk assets. The bank's risk portfolio is well diversified, and this contributed to the high quality of risk assets. However, in line with developments in the macroeconomic environment and the need to consider this information in assessing the probability of default, the bank undertook a review of its ECL model and assumptions in 2023 and 2024, leading to the following:

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

3. FINANCIAL RISK MANAGEMENT (continued)

a. Increase in average percentage rate (APR) from 29.15% to 30.62% in line with market dynamics'
b. Revision of the LGD from 37.43% to 44.64%,
c. Decrease in the impact of macroeconomic forward-looking data on PD from 3.52% for GDP to 3.28%; and CPI from 3.28% to 2%
d. Maintaining the scenario weights for each case.

3.2.9 Write-off Policy of Loans and Advances

Credit impaired financial instruments (non-performing), that remained unrecovered after a given period are written off. This happens after the bank has exhausted all avenues for recovering the outstanding balance and there is no reasonable expectation of recovery. For any outstanding exposure to qualify for write off, it should have been approved by the Board and met all the Bank of Ghana's prudential guidelines (classified as "Loss" for a period of not less than two years, and fully provisioned). During the year, a total of *GH¢* 85,214 (2023: *GH¢* 149,895) was approved and written off.

3.3 Liquidity risk

'Liquidity risk' is the risk that the Bank will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset when they fall due.

3.3.1 Management of liquidity risk

The Bank maintains liquidity limit imposed by its local regulator, Bank of Ghana and the overall liquidity has always been within the regulatory limit of Bank of Ghana. Treasury monitors compliance of all branches to ensure that the Bank maintains optimum liquid assets. The Bank aims to be in a position to meet all obligations, repay depositors, fulfil commitments to lend and meet any other commitments.

Treasury unit receives information from other business units regarding the liquidity profile of their financial assets and liabilities and details of other projected cash flows arising from projected future business. Treasury unit then maintains a portfolio of short-term liquid assets, largely made up of short-term liquid investment securities, loans and advances to banks and other inter-bank facilities, to ensure that sufficient liquidity is maintained within the Bank.

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

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

3. FINANCIAL RISK MANAGEMENT (continued)

3.3 Liquidity risk (continued)

3.3.2 Non-derivative financial liabilities and assets held for managing liquidity risk

The table below presents the cash flows payable by the Bank under non-derivative financial liabilities and assets held for managing liquidity risk by remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows.

At 31 December 2024	Less than 3 months	3 - 6 months	6-12 months	1 to 5 years	More than 5 years	Total	Carrying amount
Liabilities							
Deposits from customers	16,234,347	397,650	257,634	-	-	16,889,631	15,630,343
Deposits from banks	118,976	-	-	-	-	118,976	118,976
Borrowings	1,181,220	-	-	-	-	1,181,220	952,693
Other liabilities (payables)	240,813	-	-	-	-	240,813	240,813
Lease liabilities	-	-	-	111,182	-	111,182	111,182
Total liabilities (contractual maturity date)	17,775,356	397,650	257,634	111,182	-	18,541,822	17,054,007
Assets							
Cash and bank balances	6,611,429	-	-	-	-	6,611,429	6,611,429
Investment (other than securities)	1,276,751	-	-	-	-	1,276,751	1,212,418
Investment securities	1,960,670	-	12,061	1,236,433	3,099,339	6,308,503	6,174,183
Loans and advances to customers	2,559,837	114,221	137,965	353,512	345,446	3,510,981	3,414,019
Other assets (less non-financial assets)	1,148,553	-	-	-	-	1,148,553	1,148,553
Total assets (contractual maturity date)	13,557,240	114,221	150,026	1,589,945	3,444,785	18,856,217	18,560,602
Liquidity Gap	(4,218,116)	(283,429)	(107,608)	1,478,763	3,444,785	314,395	1,506,595

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

3. FINANCIAL RISK MANAGEMENT (continued)

3.3 Liquidity risk (continued)

3.3.2 Non-derivative financial liabilities and assets held for managing liquidity risk (continued)

At 31 December 2023

	Less than 3 months	3 - 6 months	6-12 months	1 to 5 years	More than 5 years	Total	Carrying amount
Deposits from customers	9,928,737	365,328	1,414,710	-	-	11,708,775	11,702,523
Deposits from banks	39,247	-	-	-	-	39,247	39,247
Borrowings	170,422	-	-	-	-	170,422	170,422
Other liabilities (payables)	155,070	-	-	-	-	155,070	155,070
Lease liabilities	-	-	-	119,108	-	119,108	119,108
Total liabilities (contractual maturity date)	10,293,476	365,328	1,414,710	119,108	-	12,192,622	12,186,370
Assets							
Cash and bank balances	4,175,590	-	-	-	-	4,175,590	4,175,590
Investment (other than securities)	378,242	-	-	-	-	378,242	252,161
Investment securities	2,179,151	-	2,992	1,938,035	2,020,110	6,140,288	5,845,900
Loans and advances to customers	1,083,963	191,984	144,462	837,561	486,038	2,744,009	2,246,982
Other assets (less non-financial assets)	611,829	-	-	-	-	611,829	611,829
Total assets (contractual maturity date)	8,428,775	191,984	147,454	2,775,596	2,506,148	14,049,958	13,132,462
Liquidity Gap	(1,864,702)	(173,344)	(1,267,256)	2,656,488	2,506,148	1,857,336	946,092

The Bank's expected cash flows on some financial assets and financial liabilities vary significantly from the contractual cash flows. For example, demand deposits from customers are expected to remain stable or increase and unrecognised loan commitments are not all expected to be drawn down immediately.

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

3. FINANCIAL RISK MANAGEMENT (continued)

3.3 Liquidity risk (continued)

3.3.3 Exposure to liquidity risk

The key measure used by the Bank for managing liquidity risk is the ratio of net liquid assets to volatile liabilities. For this purpose, 'liquid assets' include cash, cash reserve ratio, balances with the Central Bank, balances with banks, bills purchased/discounted up to 1 year, investments up to one year, swap funds (sell/ buy) up to one year and tradable Government notes and bonds. 'Volatile liabilities' includes demand deposits, District Assembly Common Funds (DACF) and all Governments instruments which could be called at short notice, etc.

Details of the reported Bank ratio of liquid assets to volatile liabilities at the reporting date and during the reporting period were as follows:

	2024	**2023**
	%	**%**
At period end	84%	90%
Average for the year	93%	88%
Maximum for the year	106%	93%
Minimum for the year	83%	78%

As part of the management of liquidity risk arising from financial liabilities, the Bank holds liquid assets comprising cash and cash equivalents. In addition, the Bank maintains agreed lines of credit with other banks and holds unencumbered assets eligible for use as collateral with the Central Bank (these amounts are referred to as the 'Bank's liquidity reserves).

The Bank's liquidity reserves are represented by its cash and cash equivalents as disclosed in Note 17 with the necessary mandatory reserve which is not available to the Bank in the ordinary course of business.

Statutory Liquidity Breaches and non-compliance with other prudential requirements

There was no default in statutory liquidity or non-compliance with any prudential requirements in 2024 (2023: nil). However, the bank was sanctioned *GH¢ 16,690* (2023: GH¢61) for non-compliance with some prudential requirements.

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

3. FINANCIAL RISK MANAGEMENT (continued)

3.3 Liquidity risk (continued)

3.3.3 Exposure to liquidity risk (continued)

The table below sets out the availability of the Bank's financial assets to support future funding.

	Note	Encumbered		Unencumbered		
31 December 2024		**Pledged as collateral**	***Other**	**Available as collateral**	**Other**	**Total**
Cash and bank balances		-	3,937,330	2,674,099	-	6,611,429
Investment securities		-	-	6,174,183	-	6,174,183
Investments (other than securities)		-	-	1,212,418	-	1,212,418
		-	3,937,330	10,060,700	-	13,998,030
31 December 2023						
Cash and bank balances	17	-	1,740,548	2,435,042	-	4,175,590
Investments securities	18	-	-	5,845,900	-	5,845,900
Investments (other than securities)	19	-	-	252,161	-	252,161
		-	1,740,548	8,533,103	-	10,273,651

*Mandatory reserve deposits with the Central Bank (refer to Note 17).

3.4 Market risks

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

3.4.1 Management of market risks

The Bank recognizes market risk as the exposure created by potential changes in market prices and rates, such as interest rates, equity prices and foreign exchange rates. The Bank's exposure to market risk arises principally from customer driven transactions.

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

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

3. FINANCIAL RISK MANAGEMENT (continued)

3.4 Market risks (continued)

3.4.1 Management of market risks (continued)

The table below sets out the allocation of assets and liabilities subject to market risk.

	Note	Market risk measure Carrying amount	Unencumbered portfolios
31 December 2024			
Assets subject to market risk			
Cash and bank balances	17	6,611,429	2,674,099
Investment securities	18	6,174,183	6,174,183
Investments (Other than securities)	19	1,212,418	1,212,418
Loans and advances to customers	20	3,414,019	3,414,019
Derivative financial assets	34	66,791	66,791
		17,478,840	13,541,510
Liabilities subject to market risk			
Borrowings	27	952,693	952,693
Deposits from customers	26	15,630,343	15,630,343
Deposit- Banks and NBFI	25	118,976	118,976
		16,702,012	16,702,012
31 December 2023			
Assets subject to market risk			
Cash and bank balances	17	4,175,590	2,435,042
Investment securities	18	5,845,900	5,845,900
Investments (Other than securities)	19	252,161	252,161
Loans and advances to customers	20	2,246,982	2,246,982
Derivative financial assets	33	433	433
		12,521,066	10,780,518
Liabilities subject to market risk			
Borrowings	27	170,422	170,422
Deposits from customers	26	11,702,523	11,702,523
Deposit- Banks and NBFI	25	39,247	39,247
		11,912,192	11,912,192

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

3. FINANCIAL RISK MANAGEMENT (continued)

3.4 Market risks (continued)

Exposure to interest rate risk – non-trading portfolios

The following is a summary of the Bank's interest rate gap position on non-trading portfolios.

31 December 2024	Note	Carrying amount GH¢	Less than 3 months GH¢	3-6 months GH¢	6-12 months GH¢	1-5 years GH¢	Over 5 years GH¢
Cash and bank balances	17	6,611,429	6,611,429	-	-	-	-
Investments (Other than securities)	19	1,212,418	1,212,418	-	-	-	-
Investment securities	18	6,174,183	1,960,783	-	11,981	1,236,400	2,965,019
Loans and advances to customers	20	3,414,019	2,498,264	105,760	131,395	343,216	335,384
Total assets		**17,412,049**	**12,282,894**	**105,760**	**143,376**	**1,579,616**	**3,300,403**
Borrowings	27	952,693	952,693	-	-	-	-
Deposits from customers	26	15,630,343	15,030,529	363,243	236,571	-	-
Deposits- Banks and NBFIs	25	118,976	118,976	-	-	-	-
Total liabilities		16,702,012	16,102,198	363,243	236,571	-	-
Total interest re-pricing gap		710,037	(3,819,304)	(257,483)	(93,195)	1,579,616	3,300,403
31 December 2023							
Cash and bank balances	17	4,175,590	4,175,590	-	-	-	-
Investments (Other than securities)	19	252,161	252,161	-	-	-	-
Investment securities	18	5,845,900	2,179,151	-	2,992	1,790,841	1,872,916
Loans and advances to customers	20	2,246,982	994,706	106,658	96,308	644,278	405,032
Total assets		**12,520,633**	**7,601,608**	**106,658**	**99,300**	**2,435,119**	**2,277,948**
Borrowings	27	170,422	170,422	-	-	-	-
Deposits from customers	26	11,702,523	9,922,485	365,328	1,414,710	-	-
Deposits- Banks and NBFIs	25	39,247	39,247	-	-	-	-
Total liabilities		11,912,192	10,132,154	365,328	1,414,710	-	-
Total interest re-pricing gap		608,441	(2,530,546)	(258,670)	(1,315,410)	2,435,119	2,277,948

NOTES (continued)
(All amounts are in thousand Ghana cedis)

3. FINANCIAL RISK MANAGEMENT (continued)

3.4 Market risks (continued)

Exposure to interest rate risk – non-trading portfolios **(continued)**

The management of interest rate risk against interest rate gap limits is supplemented by monitoring sensitivity of the Bank's financial assets and liabilities to various standard and non-standard interest rate scenarios. Standard scenarios that are considered on a monthly basis include a 100-basis point (b.p.) parallel fall or rise in market interest rates. There was no change in the methods and assumptions used for the sensitivity analysis in 2024.

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

	2024	2023
Sensitivity of projected net interest income		
At 31 December	**10,909**	10,138
Sensitivity of reported equity to interest rate movements		
At 31 December	**7,091**	6,590

Interest rate movements affect reported equity in the following ways:

- retained earnings – increases or decreases in net interest income and in fair values of derivatives reported in profit or loss;

Overall, non-trading interest rate risk positions are managed by Treasury, which uses investment securities, advances to banks and deposits from banks to manage the overall position arising from the Bank's non-trading activities.

A decrease of a 100 basis points in interest rates at the reporting date would have had the equal but opposite effect on the amount shown above, on the basis that all other variables remain constant.

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

3. FINANCIAL RISK MANAGEMENT (continued)

3.4 Market risks (continued)

Exposure to currency risk – non-trading portfolios

As at the reporting date net currency exposures for major currencies of the Bank are as follows:

	USD	GBP	EURO	Other	Total
31 December 2024					
Net foreign currency exposure:					
Assets	5,008,781	126,588	397,036	4,469	5,536,874
Liabilities	5,006,968	126,572	397,028	4,469	5,535,037
Net on balance sheet position	1,813	16	8	-	1,837
Line facilities for LCs and Bonds and Guarantees	593,922	1,569	337,956	4,152	937,599
31 December 2023					
Net foreign currency exposure:					
Assets	3,697,439	107,349	307,999	42,758	4,155,545
Liabilities	3,696,268	107,348	307,957	42,758	4,154,331
Net on balance sheet position	1,171	1	42	-	1,214
Line facilities for LCs and Bonds and Guarantees	570,159	-	538,705	-	1,108,864

The following mid inter-bank exchange rates were applied during the year:

	Average rate		**Reporting rate**	
GH¢ to	**2024**	2023	**2024**	2023
USD 1	14.09	11.5286	14.70	11.88
GBP 1	18.01	14.0539	18.4008	15.1334
EURO 1	15.25	12.4365	15.2141	13.1264
Naira 1	97.94	58.0098	105.0395	76.6608

A 5% weakening of the cedi against foreign currencies at 31 December 2024 would have impacted equity and profit/(loss) by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2023.

	Assets	**Liabilities**	**2024 Total**	Assets	Liabilities	2023 Total
Profit/(loss)	276,844	(276,752)	92	207,777	(161,910)	45,867
Equity	276,844	(276,752)	92	207,777	(161,910)	45,867

A best-case scenario 5% strengthening of the Ghana cedi against foreign currencies at 31 December would have had the equal but opposite effect on the amount shown above, on the basis that all other variables remain constant.

There was no change in the methods and assumptions used for the sensitivity analysis in 2024.

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

4 CAPITAL MANAGEMENT

The Banks objective when managing capital

The Bank's objectives when managing capital are to:

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Bank may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Regulatory capital

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

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

- Tier 1 capital, also referred to as core/primary capital is made up of equity and disclosed reserves. Equity includes issued and fully paid ordinary share capital and perpetual non-cumulative preference shares. Disclosed reserves relate to those created or increased by appropriation of after-tax retained earnings/surplus, retained profits and general statutory reserves and does not include regulatory credit risk reserve.
- Tier 2 capital, also referred to as supplementary/secondary capital includes revaluations reserves, latent revaluation reserves and hybrid capital instruments. Latent revaluation reserves relate to unrealised gains on equity instruments classified as available-for-sale.

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

Risk-weighted assets are determined according to specified requirements that seek to reflect the varying levels of risk attached to assets and off-balance sheet exposures. The Bank's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognised and the Bank recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

Bank of Ghana encouraged all banks to fully participate in the DDE programme as discussed in Note 3.2.2. To help manage the potential adverse impact and preserve financial stability, the Bank of Ghana designed and introduced some regulatory reliefs for the banks that fully participate in the programme. The reliefs included the following:

- Reduction in Cash Reserve Ratio (CRR) from 14% to 12%on domestic currency deposits. This has since been revised to 15%-25% as at December 2024 depending on a bank's loan to deposit ratio.
- Reduction in CRR from 13% to 12% on foreign currency deposits to be held in foreign currency. This has also since been revised to 15%-25% as at December 2024 to be held in Cedis depending on a bank's loan to deposit ratio.
- Reduction of Capital Conservation Buffer from 3% to zero;
- Derecognition losses emanating from the Debt Exchange shall be spread equally over a period of four (4) years for the purposes of Capital Adequacy Ratio (CAR) computation.
- Banks have a maximum of four (4) years to restore the minimum paid-up capital as a result of any capital shortfall arising solely from the derecognition losses; and
- Increase in Tier II component of regulatory capital from 2% to 3% of Total Risk Weighted Assets (RWA).

The Bank complied with the statutory capital requirements throughout the period.

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

4 Capital management (continued)

Capital adequacy ratio

The capital adequacy ratio is the quotient of the capital base of the Bank and the Bank's risk-weighted asset base. In accordance with Bank of Ghana regulations, a minimum ratio of 13% is to be maintained. The ratio has temporarily been reduced to 10% (2023: 10%) as part of the Domestic Debt Exchange programme mitigation measures by the Bank of Ghana in 2023.

The table below summarises the composition of regulatory capital and ratios of the Bank based on the Capital Requirement Directive (CRD) guidelines.

Common Equity Tier 1 (CET1) Capital	Note	**2024**	2023
Ordinary share capital	29(a)	1,000,000	400,000
CET 1 Reserves			
Statutory reserve	29 (b)	642,405	529,411
Retained earnings	29 (b)	409,867	729,058
Other Qualifying Reserves		784,734	784,734
Total CET1 Reserves		1,837,006	2,043,203
CET1 Capital before Deductions/Adjustments		2,837,006	2,443,203
Less: Regulatory Adjustment to CET1 Capital			
Accumulated Losses		(588,551)	(392,367)
Intangibles		(72,039)	(140,504)
CET1 Capital after Deductions		2,176,416	1,910,332
Additional Tier1 (AT1) Capital		-	-
Tier 1 Capital		2,176,416	1,910,332
Tier 2 Regulatory Capital		-	-
Total Regulatory Capital (Tier1 + Tier2)		2,176,416	1,910,332
Risk Profile			
Credit Risk			
On-Balance Sheet RWA		5,506,589	3,791,066
Off-Balance Sheet RWA		419,310	533,863
On & Off-Balance Sheet Trading Book RWA		-	-
Credit Risk Reserve (CRR)		-	-
Total Credit Risk Equivalent Weighted Assets		5,925,899	4,324,929

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

4 Capital management (continued)

***Capital adequacy ratio* (continued)**

	Note	**2024**	2023
Operational Risk			
Total Operational Risk Capital Charge		285,706	209,303
Total Operational Risk Equivalent Weighted Assets		2,857,062	2,093,027
Market Risk			
Foreign Exchange		18,737	5,970
Total Market Risk Charge		18,737	5,970
Total Market Risk Equivalent Weighted Assets		234,218	74,627
Total for Credit Risk, Operational Risk and Market Risk			
Total RWA		9,017,179	6,492,583
Risk Ratios			
Risk-based Capital Ratios			
Common Equity Tier 1/RWA		24.14%	29%
Tier 1/RWA		24.14%	29%
Tier 2/RWA		-	-
Capital Adequacy Ratio (CAR)		24.14%	29%
Minimum Capital Requirement			
Minimum Capital Requirement		10%	10%
Prudential Minimum (with Capital Conservation Buffer)		10%	10%
Surplus Minimum Capital			
Surplus/Deficit to Minimum Capital		14.14%	19%
Surplus/Deficit to Prudential Minimum Capital		14.14%	19%

The Bank took advantage of the prudential relief issued by Bank of Ghana to spread equally the impairment losses emanating from the Debt Exchange over a period of four (4) years for the purposes of Capital Adequacy Ratio (CAR) computation.

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

4 Capital management (continued)

***Capital adequacy ratio* (continued)**

	2024	2023
Tier 1 Leverage Ratio		
Off-Balance Sheet Exposures	1,097,571	1,309,428
On-Balance Sheet Exposures	19,127,133	13,863,066
	20,224,704	15,172,494
Less: Intangibles	(72,039)	(140,504)
Accumulated Losses	(588,551)	(392,367)
Total Exposures	19,564,114	14,639,623
Leverage Ratio	11.12%	13.05%

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, by the Bank's Risk Management and Credit Administration Units, and is subject to review by the Bank's Credit Committee or ALCO as appropriate.

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

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

5 Fair values of financial instruments

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Bank determines fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

5 Fair values of financial instruments (continued)

(a) Valuation models

The Bank measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

- Level 1: inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: inputs other than quoted prices included within Level 1 that are observable 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 in which all significant inputs are directly or indirectly observable from market data.
- Level 3: inputs that are unobservable. This category includes all instruments for which 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 for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which market observable prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premium used in estimating discount rates and foreign currency exchange rates and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date. The Bank uses widely recognised valuation models for determining the fair value of common and more simple financial instruments, such as interest rate and currency swaps that use only observable market data and require little management judgement and estimation.

Availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determining fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

(b) 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.

	Note	Level 1 2024	Level 2 2024	Level 1 2023	Level 2 2023
Derivative financial asset/ (liabilities)	33	-	66,671	-	433

NOTES (continued)

(All amounts are in thousands of Ghana cedis)

5 Fair values of financial instruments (continued)

(c) Financial instruments not measured at fair value

The following table sets out the fair values of financial instruments not measured at fair value and analyses them by the level in the fair value hierarchy into which each fair value measurement is categorised.

	Note	**Level 2 2024**	**Level 3 2024**	Level 2 2023	Level 3 2023
Assets					
Cash and bank balances	17	6,611,429	-	4,175,590	-
Investments (Other than securities)	19	1,212,418	-	252,161	-
Investment securities	18	6,174,183	-	5,845,900	-
Loans and advances to customers	20	-	3,414,019	-	2,246,982
		13,998,030	3,414,019	10,273,651	2,246,982
Liabilities					
Borrowings	27	952,693	-	170,422	-
Deposits from customers	26	15,630,343	-	11,702,523	-
Deposit - Bank and NBFIs	25	118,976	-	39,247	-
		16,702,012	-	11,912,192	-

The fair value of government securities is based on market prices or broker/dealer price quotations. Where this information is not available, fair value is determined using quoted market prices for securities with similar maturity and yield characteristics.

Where applicable, the fair value of loans and advances to customers is based on observable market transactions. Where observable market transactions are not available, fair value is estimated using valuation models such as discounted cash flow techniques which represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine the fair value. For collateral-dependent impaired loans, the fair value is measured based on the value of the underlying collaterals.

The fair value of advances to and from Banks is based on discounted cash flow techniques applying the rates of similar maturities and terms.

The fair value of term deposits by customers is estimated using discounted cash flow techniques, applying the rates that are offered for deposits of similar maturities and terms. The fair value of deposits payable on demand is the amount payable at the reporting date.

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

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

6 CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis for making the judgement about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying values of the assets and liabilities within the next financial year are discussed below.

(a) Measurement of the expected credit loss allowance and derecognition loss or gain

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses).

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios and the associated ECL.

In assessing modification gain/loss for investment securities that are within the scope of the Government of Ghana's Domestic Debt Exchange Programme, modification gains/loss is calculated as the difference between the carrying value of the old investments and the fair value of new investments calculated as the present value of future cash flows using an appropriate discount rate.

In assessing the impairment for investment securities that are within the scope of the Government of Ghana's Domestic Debt Exchange Programme, impairment is calculated as the difference between carrying value of the exchanged investments and their fair value calculated as the present value of future cash flows using an appropriate discount rate.

Management has applied a range of valuation assumptions to arrive at a proxy for an appropriate discount rate due to the current complexities in Ghana's bond market. The discount rates used were 15.67%, 8%, 17% and 8% for the Government of Ghana Cedi bonds, local USD bonds, Ghana Cocoa Board bonds, and Eurobonds respectively. The guidelines of fair valuation inputs provided under IFRS 13 were used in determining the fair value of the Eurobonds on the day of exchange. The derived/evaluated prices of the bonds on October 10, 2024, provided by ICAG (sourced from Bloomberg, Bondblox and Refinitive) were the primary inputs, which were adjusted to determine the price on the settlement date. These prices were considered suppressed because of the non consideration of the special consideration paid to bondholders and other negative market sentiments around the success of the exchange.

Refer to Note 2.10 and 3.2.2 for further details on these estimates and judgements.

6 CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

(b) Fair value of financial instruments

The fair value of a financial instrument is determined by reference to the quoted bid price or asking price (as appropriate) in an active market. Where the fair value of financial assets and financial liabilities recorded in the statements of financial position cannot be derived from an active market, it is determined using a variety of valuation techniques including the use of prices obtained in recent arms' length transactions, comparison to similar instruments for which market observable prices exist, net present value techniques and mathematical models. Input to these mathematical models is taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Refer to Note 2.10.3 for further details on these estimates and judgements.

(c) Income taxes

Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Bank recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(d) Lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the group is typically reasonably certain to extend (or not terminate).
- Otherwise, the Bank considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Bank becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

7 Net interest income

	2024	2023
Interest income		
Loans and advances to customers	650,015	471,363
Placement with other banks	96,557	75,265
Investments securities	978,638	832,035
Total interest income	1,725,210	1,378,663

Interest income of GH¢ 1,918 (2023: GH¢1,521) on impaired loans and advances was not recognised because management considered it immaterial.
.

Interest expense	**2024**	2023
Current accounts	49,369	29,293
Savings accounts	8,113	5,776
Time and other deposits	420,235	308,759
Overnight and other borrowings	141,029	4,053
Lease liabilities	15,554	16,989
Total interest expense	634,300	364,870
Net interest income	1,090,910	1,013,793

8 Net fees and commission income

Fees and commission income		
Fees on loans and advances	65,105	41,323
Customer account servicing fees	70,064	50,840
Electronic and card product fees	59,997	47,897
Money transfer services fees	503	495
Letters of credit and trade services fees	140,155	84,451
Total fees and commission income	335,824	225,006

Fees and commission expense		
Visa Charges	24,456	13,633
MasterCard Charges	32,521	15,826
Total fees and commission expense	56,977	29,459
Net fees and commission income	278,847	195,547

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

9 Net trading income

	2024	2023
a. Foreign exchange gain	377,835	332,656
b. Net income from other financial instruments carried at fair value	-	433

10 Other income

Profit on disposal of property and equipment- Note 21 (b)	132	32
Loan recoveries	42,656	201
Sundry income	14,585	9,638
Derecognition (loss)/gain on investment securities and loans with renegotiated terms	(20,348)	43,250
	37,025	53,121

Sundry income comprises mainly of brokerage commission on treasury bills. Modification loss of GH¢20,348 (2023: GH¢ 43,250 (gain)) relate to the net of accreted interest of GH¢ 97,570 (2023: GH¢43,250) on bonds exchanged and losses on Eurobond derecognition loss of GH¢ 117,918 (2023: nil) under the Domestic Debt Exchange Programme.

11 Net impairment losses on financial assets

	2024	2023
Loans and advances	(7,953)	16,288
Off balance sheet exposure	(18,940)	9,896
Investment securities	18,000	51,542
Loans written off	828	31,625
Eurobond Haircut Write-off	151,187	-
Net impairment loss on financial assets	143,122	109,351

12 Personnel expenses

Wages and salaries	198,640	147,655
Compulsory social security obligations	5,747	4,301
Contribution to defined contribution plan	5,526	4,136
Other staff cost	44,855	55,648
	254,768	211,740

The number of persons employed by the Bank at the end of the year was 852 (2023: 778).

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

13 Leases

Amounts recognised in the statement of financial position

	2024	2023
Right-of-use assets		
Cost at 1 January	116,345	110,933
Additions	320	5,412
	116,665	116,345
Accumulated depreciation at 1 January	19,866	16,262
Charge for the year (Note 21(a))	4,353	3,604
	24,219	19,866
Net book value as at 31 December	92,446	96,479
Lease liabilities		
At 1 January	119,108	108,678
Additions	-	5,733
Interest expense (Note 7)	15,554	16,989
Principal payments	(23,480)	(12,292)
At 31 December	111,182	119,108
Current	27,796	29,777
Non-current	83,386	89,331
	111,182	119,108

14 Other expenses

Advertising and marketing expenses	3,473	2,370
Administrative expenses	237,907	192,195
Director's emoluments	2,788	2,214
Auditor's remuneration	1,734	1,400
Donations and sponsorship (Corporate Social Responsibilities)	1,563	832
Insurance premium – Deposit Protection	28,010	20,680
	275,475	219,691

15 Income tax expense

Amounts recognised in profit or loss

Current year income tax expense – See Note 15(a)	520,097	132,119
Deferred tax credit – See Note 23 (a)	89,090	214,169
	609,187	346,288

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

15 Income tax expense (continued)

***(a)* Income tax** **31 December 2024**	**Balance at 1/1/2024**	**Charge for the year**	**Payments during the year**	**Extra Charge / Refunds received during the year**	**Write-Off**	**Balance at 31/12/2024**
Income tax						
2023	(229,186)	229,186	-	-	-	-
2024	-	184,795	(261,240)	-	-	(76,445)
	(229,186)	413,981	(261,240)	-	-	(76,445)
*National fiscal stabilisation levy & Financial sector recovery levy**						
2023	8,578	-	-	-	-	8,578
2024	-	106,116	(103,210)	-	-	2,906
	8,578	106,116	(103,210)	-	-	11,484
Total	(220,608)	520,097	(364,450)	-	-	(64,961)

31 December 2023	**Balance at 1/1/2023**	**Charge for the year**	**Payments during the year**	**Refunds received during the year**	**Write-Off**	**Balance at 31/12/2023**
Income tax						
2022	42,586	-	-	-	-	42,586
2023	-	29,880	(259,066)	(45,004)	2,418	(271,772)
	(42,586)	29,880	(259,066)	(45,004)	2,418	(229,186)
*National fiscal stabilisation levy & Financial sector recovery levy**						
2022	(54,385)	-	-	-	-	(54,385)
2023	-	102,239	(93,661)	54,385	-	62,963
	(54,385)	102,239	(93,661)	54,385	-	8,578
Total	(11,799)	132,119	(352,727)	9,381	-	(220,608)

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

15 Income tax expense (continued)

(b) Reconciliation of effective tax rate

	2024 %	2024	2023 %	2023
Profit before tax		1,061,165		1,022,389
Income tax using domestic tax rate	25	265,291	25	255,597
Growth and Sustainability Levy	5	53,058	5	51,119
Financial Sector Recovery Levy	5	53,058	5	51,119
Non-deductible expenses	9.19	97,544	1.6	16,573
Origination and reversal of temporary differences	-8.40	-89,090	(21)	(214,169)
Prior Year Item	0.01	140	0.40	4,041
Change in prior year estimate	21.6	229,186	19	182,006
	57.41	609,187	(35)	346,288

16 Earnings per share

Basic and diluted earnings per share

The calculation of basic and diluted earnings per share at 31 December 2024 was based on the profit attributable to ordinary shareholders of GH¢ 451,978 (2023: GH¢676,101) and a weighted average number of ordinary shares outstanding of 6,500,000 (2023: 4,000,000,) calculated as follows:

	2024	2023
Net profit for the year attributable to equity holders of the Bank	451,978	676,101
Weighted average number of ordinary shares	6,500,000	4,000,000
Basic and diluted earnings per share	0.07	0.17

17 Cash and bank balances

Cash on hand	351,690	285,100
Balances with Bank of Ghana	5,195,473	2,995,933
Balances with other local Banks	2,891	20,908
Balances with other foreign Banks	864,171	707,564
Items in course of collection	197,204	166,085
	6,611,429	4,175,590

Included in the balances with Bank of Ghana is an amount *of* GH¢ 3,937,330 (2023:GH¢1,740,548) representing the mandatory cash reserve as per the weekly Banking Supervision Department (BSD1) returns for the week ended 27 December 2024 (2023: 28 December 2023). This reserve represents and complies with the mandatory minimum of 25% for both Cedis and forex (2023: 15% for both Cedis and Forex) of the Bank's total deposits and is not available for use in the Bank’s day-to-day operations. Cash in hand, items in course of collection and balances with Bank of Ghana are non-interest-bearing.

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

17 Cash and bank balances (continued)

Cash and cash equivalents for purposes of the statement of cash flows

	2024	2023
Cash and bank balances	6,611,429	4,175,590
Investment other than securities maturing within 90 days (Note 19)	1,212,418	252,161
Treasury bills maturing within 90 days (Note 18)	1,960,783	2,179,151
	9,784,630	6,606,902
Less mandatory cash reserve	(3,937,330)	(1,740,548)
	5,847,300	4,866,354

Zenith Bank (Ghana) Ltd signed on to the Government of Ghana Domestic Debt Exchange Programme on 14th February 2023 and 16 September 2024 for the Eurobonds. All the new bonds were recognised as hold to collect investments.

NOTES (continued)
(All amounts are in thousands of Ghana cedis unless otherwise stated)

18 Investment securities

Modification and Impairment	Pledged 2024	Non-pledged 2024	Total 2024	Pledged 2023	Non-pledged 2023	Total 2023
Government Bonds:						
Gross Amount	-	4,331,318	4,331,318	-	3,917,887	3,917,887
Derecognition (loss)/gain	-	(117,918)	(117,918)	-	43,250	43,250
	-	4,213,400	4,213,400	-	3,961,137	3,961,137
Bank of Ghana Bills	-	1,828,871	1,828,871	-	2,179,151	2,179,151
Government of Ghana Bills	-	131,912	131,912	-	-	-
Impairment	-	-	-	-	(294,388)	(294,388)
Total	-	6,174,183	6,174,183	-	5,845,900	5,845,900
Current			1,960,783			2,179,151
Non-current			4,213,400			3,666,749

Investments are Open Market Operations instruments, bills and bonds issued by the Government of Ghana, Bank of Ghana and Cocoa Board. These are measured at amortised cost. During the year, the bank exchanged USD 110 million of its Eurobond for a series of new Eurobonds with maturity dates commencing from 2026-2035. The new Eurobonds were successfully settled on 9 October 2024 and duly allocated to the Bank on the Central Securities Depository.

Collateral accepted as security for assets

At 31 December 2024, the Bank had pledged *GH¢* 1,132,998 (2023: Nil) of its investments in Government securities. The Bank has not received collateral that it is permitted to sell or re-pledge in case of default by counterparty.

For the purposes of the statement of cash flows, investment securities is made up of:

	2024	2023
Investment securities maturing within 90 days	1,960,783	2,179,151
Investment securities maturing after 90 days	4,213,400	3,666,749
	6,174,183	5,845,900

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

19 Investments (other than securities)

	2024	2023
First National Bank Limited	44,111	59,531
Fidelity Bank	45,794	95,308
Access Bank	39,655	97,322
Bank of Ghana	1,082,858	-
	1,212,418	252,161
Impairment	-	-
	1,212,418	252,161

Investments (other than securities) are all current. They are short-term lending attracting average interest of 2.7%, 3.5% and 3.63% on United States dollar, British Pound and Euro lending respectively and 26% on Ghana Cedi lending (2023: 25.5% on Ghana Cedi lending).

For the purposes of statement of cash flows, investments (other than securities) is made up of:

	2024	**2023**
Maturing within 90 days	1,212,418	252,161

20 Loans and advances to customers

Loans and advances to customers at amortised cost	3,475,981	2,352,700
Finance leases	84,825	133,434
	3,560,806	2,486,134
Less: Loans written off	(85,214)	(149,895)
Gross Loan	3,475,592	2,336,239
Less: Allowance for impairment	(61,573)	(89,257)
Loans and advances to customers at amortised cost	3,414,019	2,246,982
Current	1,489,652	758,635
Non-Current	1,924,367	1,488,347

(a) Loans and advances to customers at amortised cost

	Gross amount 2024	**Impairment allowance 2024**	**Carrying amount 2024**	**Gross amount 2023**	**Impairment allowance 2023**	**Carrying amount 2023**
Individual customers	117,664	2,674	114,990	121,948	2,059	119,889
Corporate customers	3,357,928	58,899	3,299,029	2,214,291	87,198	2,127,093
Total loans and advances	3,475,592	61,573	3,414,019	2,336,239	89,257	2,246,982

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

20 Loans and advances to customers (continued)

(b) **Allowances for impairment**	**2024**	2023
Balance at the beginning of the reporting year	89,257	89,825
Charge for the year	(7,954)	16.288
Allowances not required and written off	(19,730)	(16,856)
Total allowances for impairment	61,573	89,257

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

21 Property, plant and equipment

	Leasehold Properties	Leasehold improvements	Furniture and equipment	Computers	Motor vehicles	Capital work in progress	Total
Cost							
Balances at 1 January 2023	142,378	12,950	25,350	13,615	34,827	18,061	247,181
Additions	-	1,041	4,662	29,708	9,783	45,179	90,373
Transfers	-	15	74	1,535	-	(1,808)	(184)
Disposals	-	-	(252)	(185)	(285)	-	(722)
Balance at 31 December 2023	142,378	14,006	29,834	44,673	44,325	61,432	336,648
Balance at 1 January 2024	142,378	14,006	29,834	44,673	44,325	61,432	336,648
Additions	-	1,591	9,493	8,904	16,294	11,704	47,986
Transfers	-	5,914	7,049	2,064	2,432	(33,102)	(15,643)
Disposals	-	-	(212)	(60)	(2,704)	-	(2,976)
Balance at 31 December 2024	142,378	21,511	46,164	55,581	60,347	40,034	366,015
Depreciation							
Balances at 1 January 2023	15,564	6,686	16,410	7,569	13,720	-	59,949
Depreciation for the year	2,848	1,894	3,479	7,100	7,619	-	22,940
Disposals	-	-	(252)	(184)	(157)	-	(593)
Balance at 31 December 2023	18,412	8,580	19,637	14,485	21,182	-	82,296
Balance at 1 January 2024	18,412	8,580	19,637	14,485	21,182	-	82,296
Depreciation for the year	2,848	3,042	5,810	14,585	10,880	-	37,165
Disposals	-	-	(271)	(69)	(2,547)	-	(2,887)
Balance at 31 December 2024	21,260	11,622	25,176	29,001	29,515	-	116,574
Balance at 31 December 2023	123,966	5,426	10,197	30,188	23,143	61,432	254,352
Balance at 31 December 2024	**121,118**	**9,889**	**20,988**	**26,580**	**30,832**	**40,034**	**249,441**

There was no indication of impairment of property, plant and equipment held by the Bank at 31 December 2024 (2023: Nil). None of the property, plant and equipment of the Bank had been pledged as security for liabilities and there were no restrictions on the title of any of the Bank's property, plant and equipment at the reporting date and at the end of the previous year. There were no capitalised borrowing costs related to the acquisition of property, plant and equipment during the year (2023: Nil).

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

21 Property, plant and equipment (continued)

Leasehold property represent lands held by the Bank under various leasehold agreements and the building on them. The leasehold lands are presented in property, plant and equipment by the Bank as an accounting policy choice.

***(a)* Depreciation and amortisation expense**	**2024**	2023
Right of use assets (Note 13)	4,353	3,604
Property, plant and equipment (Note 21)	37,165	22,940
Intangible assets (Note 22)	8,569	5,835
	50,087	32,379

***(b)* Profit on disposal**		
Cost	2,976	722
Accumulated depreciation	2,887	(593)
Carrying amount	89	129
Proceeds from disposal	221	161
Profit on disposal	132	32

22 Intangible assets

Cost		
Balance at 1 January	32,099	22,107
Additions	7,011	9,808
Transfer from work-in-progress (Note 22)	15,643	184
Balance at 31 December	54,753	32,099
Amortisation		
Balance at 1 January	18,026	12,191
Amortisation for the year	8,569	5,835
Balance at 31 December	26,595	18,026
Carrying amount		
Balance at 1 January	14,073	9,917
Balance at 31 December	**28,158**	14,073

Intangible assets represent licenses for computer software. There was no indication of impairment of intangible assets held by the Bank at reporting date and at the end of the previous year. There were no capitalised borrowing costs related to the acquisition of intangible assets during the year (2023: Nil). There were no proceeds from the disposal of intangible assets during the year and thus no profit or loss was realised.

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

23 Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets	Liabilities	2024 Net	Assets	Liabilities	2023 Net
PPE and intangibles	-	(20,854)	(20,854)	-	(18,661)	(18,661)
Staff Loans fair valuation	1,305	-	1,305	986	-	986
Right of use assets	6,865	-	6,865	7,758	-	7,758
Allowances for loan/Bonds losses	18,354	-	18,354	104,677	-	104,677
Net tax assets/(liabilities)	26,524	(20,854)	5,670	113,421	(18,661)	94,760

(a) Movements in temporary differences during the year

	Balance at 1 January	Recognised in profit or loss	Recognised in other comprehensive income	Balance at 31 December
For the year ended 31 December 2024				
PPE and intangibles	(18,661)	(2,193)	-	(20,854)
Right of use of assets	7,758	(893)	-	6,865
Fair value changes on staff loans	986	320	-	1,305
Allowances for loan losses	104,677	(86,323)	-	18,354
	94,760	(89,090)	-	5,670
For the year ended 31 December 2023				
PPE and intangibles	(16,089)	(2,572)	-	(18,661)
Right of use of assets	5,432	2,326	-	7,758
Fair value changes on staff loans	1,050	(64)	-	986
Allowances for loan losses	318,536	(213,859)	-	104,677
	308,929	(214,169)	-	94,760

Recognised deferred tax assets

Recognition of deferred tax assets of GH¢ 26,524 (2023: GH¢113,421) is based on management's profit forecasts (which are based on available evidence, including historical levels of profitability), which indicated that it is probable that the Bank will have future taxable profits against which these assets can be utilised.

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

24 Other assets

	2024	2023
Prepayments	38,210	31,671
Mobile money drawers	1,083,287	560,396
Sundry receivables	65,266	51,433
	1,186,763	643,500
Current	1,186,763	643,500
Non-current	-	-

25 Deposits from banks and non-banks financial institutions

Financial institutions (regulated)	118,976	39,247

Deposits from banks and non-banks financial institutions are current.

26 Deposits from customers

Demand deposits	11,474,537	7,285,433
Term deposits	3,043,508	3,690,941
Savings deposits	1,112,298	726,149
	15,630,343	11,702,523
Analysis by type of depositors		
Individual and other private enterprises	14,755,001	10,618,542
Public enterprises	875,342	1,083,981
	15,630,343	11,702,523
Current	15,630,343	11,702,523
Non-Current	-	-
Ratio of 20 largest depositors to total deposits	37.38%	36.68%

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

27 Borrowings

	2024	2023
Balances due to other banks and financial institutions	952,693	170,422
Current	952,693	170,422
Non-current	-	-

The Bank borrowed from the interbank and repo markets with the under listed institutions during the year as follows:

Institution	Currency	Amount	Interest Rate (%)
Black Star Advisors	GHS	5,800	22.50
Cal Asset Management Ghana Ltd	GHS	22,129	23.00
Databank Asset Management Service Ltd	GHS	159,554	23.50
Enterprise Insurance Ltd	GHS	39,800	22.00
First Atlantic Asset Management Co. Ltd	GHS	13,294	22.30
IC Asset Managers Ghana Ltd	GHS	199,696	22.00
Investiture Fund Managers Ltd	GHS	3,906	22.00
Sentinel Asset Management	GHS	1,089	23.00
Stanbic Investment Management Services Ltd	GHS	324,396	22.50
Star Assurance Company Ltd	GHS	8,500	22.00
Development Bank Ghana	GHS	113,136	17.20
Others	GHS	50,000	22.00

The movement in borrowings is shown below:

At 31 December 2024

Lenders	At 1 January	Draw downs	Interest	Repayments	At 31 December
Agricultural Development Bank	80,198	-	-	(80,198)	-
Cal Bank	20,050	-	-	(20,050)	-
Consolidated Bank Ghana	70,174	-	-	(70,174)	-
Black Star Advisors	-	5,800	78	-	5,878
Cal Asset Management Ghana Ltd	-	22,129	274	-	22,403
Databank Asset Management Service Ltd	-	159,554	801	-	160,355
Enterprise Insurance Ltd	-	39,800	592	-	40,392
First Atlantic Asset Management Co. Ltd	-	13,294	154	-	13,448
IC Asset Managers Ghana Ltd	-	199,696	2,247	-	201,943
Investiture Fund Managers Ltd	-	3,906	12	-	3,918
Sentinel Asset Management	-	1,089	6	-	1,095
Stanbic Investment Management Services Ltd	-	324,396	6,746	-	331,142
Star Assurance Company Ltd	-	8,500	39	-	8,539
Development Bank Ghana	-	113,136	-	-	113,136
Others	-	50,000	444	-	50,444
	170,422	941,300	11,393	(170,422)	952,693

NOTES (continued)

(All amounts are in thousands of Ghana cedis)

At 31 December 2023

Lenders					
Cal Asset Management Ghana Ltd	-	96,642	3,227	(99,869)	-
Agricultural Development Bank (ADB)	80,198	80,000	198	-	80,198
Cal Bank	20,050	20,000	50	-	20,050
Consolidated Bank Ghana Ltd	70,174	70,000	174	-	70,174
Fidelity Bank Ghana	-	140,000	155	(140,155)	-
Ghana Commercial Bank Ltd	-	100,000	250	(100,250)	-
	-	**506,642**	**4,054**	**(340,274)**	**170,422**

28 Other liabilities

	2024	2023
Accruals and other payables	202,456	99,315
Impairment on off-balance sheet exposures	11,840	30,780
Deferred Income	26,517	24,975
	240,813	155,070
Current	240,813	155,070
Non-current	-	-

29 Capital and reserves

(a) Stated capital

	2024 No. of Shares	**2024 Proceeds**	2023 No. of Shares	2023 Proceeds
Authorised Ordinary Shares of no-par value ('000)	10,500,000	-	4,500,000	-
Issued Ordinary Shares of no-par value ('000)	10,000,000	1,000,000	4,000,000	400,000

Issued and fully paid	**2024**	2023
Issued for cash consideration		
At 1 January	1,000,000	400,000

There were no calls or instalments unpaid at the reporting date. There were no shares held in treasury at year-end.

(b) Nature and purpose of reserves

Statutory reserve

This represents amounts set aside as a non-distributable reserve from annual profits in accordance with Section 34 of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) and guidelines from the Central Bank.

Credit risk reserve

This reserve represents the cumulative balance of amounts transferred from/to retained profits to meet excess of impairment allowances based on Bank of Ghana's provisioning guidelines and IFRS. The bank's IFRS impairment allowances was more than that of Bank of Ghana in both 2024 and 2023

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

Credit risk reserve reconciliation

This note represents a reconciliation between the Bank of Ghana provision and the IFRS impairment.

IFRS Impairment	**2024**	2023
Loans and Advances	61,573	89,257
Off balance sheet exposures	11,841	30,780
Total	73,414	120,037
Bank of Ghana Provision		
Loans and Advances	56,633	40,105
Off balance sheet exposures	10,796	13,094
Total	67,609	53,199
Credit Risk Reserve		
Balance at 1 January	-	9,704
Transfer from Credit Risk Reserve	-	(9,704)
Balance at 31 December	-	-

Retained earnings

This represents cumulative annual profits that are available for distribution to shareholders.

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

30 Dividend

The directors do not recommend the payment of dividend for the year ended 31 December 2024 (2023: Nil).

31 Contingencies

(a) Claims and litigation

The Bank is defending legal actions brought by various persons for claims. No provision in relation to these claims has been recognised in the financial statements as legal advice indicates that it is not probable that a significant liability will arise (2023: Nil).

(b) Contingent liabilities and commitments

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

Nature of instruments

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

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

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

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

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

	2024	2023
Contingent liabilities: Bonds and guarantees	913,670	1,221,715
Commitments: Clean line facilities for letters of credit	183,900	87,712
	1,097,570	1,309,427
Undrawn loan commitments	246,290	437,788

(c) Commitments for capital expenditure

At 31 December 2024, the Bank's commitment for capital expenditure was GH¢2,456 (2023: 1,118). This relates to capital commitments for new branches under construction and the balances have been confirmed and agreed with the vendors.

NOTES (continued)
(All amounts are in thousands of Ghana cedis unless otherwise stated)

32 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial and operational decisions, or one other party controls both. The definition includes members of the Zenith Bank Group, key management personnel and the close members of their family. All related party transactions were conducted at arm's length.

(a) Parent

The parent company, which is also the ultimate controlling party, is Zenith Bank Plc. Transactions between Zenith Bank Plc. and subsidiaries also meet the definition of related party transactions. The parent company incurred expenditures in the normal course of business, mainly in the form of salary payments to seconded staff from the Parent Company, which were recharged to the Bank at cost. During the year ended 31 December 2024, the Bank transacted the following business with related parties:

	Note	2024	2023
Transactions during the year with the parent company			
- Salaries and allowances for seconded staff		1,607	2,483
Balances due to/ from parent company at year end			
Balances on nostro account		-	40,315

(b) Transactions with key management personnel

The Bank's key management personnel, and persons connected with them, are also considered to be related parties for disclosure purposes. The definition of key management includes the close members of family of key personnel and any entity over which key management exercise control. The key management personnel have been identified as the executive, non-executive directors and members of the executive committee (EXCO) of the Bank. Close members of family are those family members who may be expected to influence or be influenced by that individual in their dealings with Zenith Bank (Ghana) Ltd.

Transactions with key management personnel during the year:	2024	2023
Personal emoluments and directors' fees	10,026	7,276
Loans and advances disbursed during the year	527	516
Interest earned on loans and advances	59	54
Balances with key management personnel at year end:		
Loans and advances	1,667	1,231
Credit card	127	48

Interest rates charged on balances outstanding are at concessionary rates and lower than the rates that would be charged in an arm's length transaction. The loans granted are secured over real estate and other assets of the respective borrowers. No impairment losses have been recorded against balances outstanding during the year with key management personnel, and no specific allowance has been made for impairment losses on balances with key management personnel and their immediate relatives at the year end. These balances have, however, been collectively impaired as part of the portfolio impairment assessment for unidentified loans and advances.

NOTES (continued)
(All amounts are in thousands of Ghana cedis unless otherwise stated)

32 Related parties (continued)

(c) Other related parties

Balances with associated companies as at reporting period were:	**2024**	2023
Bank balances with Zenith Bank (UK) (Nostros)	144,455	92,533
Derivative asset – Zenith Bank UK	-	1,921

(d) Shareholders

No.	**Name**	**2024 No. of shares held**	**2024 Percentage shareholding**	2023 No. of shares held	2023 Percentage shareholding
1.	Zenith Bank PLC	9,942,000	99.42%	3,976,800	99.42%
2.	Equatorial Cross Acquisitions	58,000	0.58%	23,200	0.58%
		10,000,000		4,000,000	100%

33 Derivative financial assets

	2024	2023
Forward/Swap currency contracts	66,791	433
Current	66,791	433
Non-current	-	-

Forward currency contracts – Bank of Ghana (BoG) – Liabilities	(388)	-
Forward currency contracts – Customers – Assets	10,607	-
Forward currency contracts – Zenith Bank UK – Assets	-	1,921
FX Swap contracts – Customers/BoG – Assets /(Liabilities)	88,157	(1,488)
FX Swap / Forward Position – Liabilities	(31,585)	-
	66,791	433

Derivative financial instruments relate to receivables and payables on non-deliverable forward contracts the Bank entered into with Zenith Bank UK for purposes of managing foreign currency risks in relation to its Nostro balance with Zenith Bank Plc. They also include FX forward and swap contract the Bank entered with Bank of Ghana and customers to generate additional income. All the derivative financial instruments have a maturity period of less than six months.

The foreign currency forward liability balance was from an underlying receivable of GH¢68.8 million (2023: nil) from Bank of Ghana and GH¢ 69.2 million (2023: nil) payable to Bank of Ghana. The foreign currency forward asset balance was from an underlying receivable of GH¢143.3 million (2023: GH¢241.4 million from Zenith Bank UK) from customers and GH¢ 132.7 million (2023: GH¢239.5 million payable to Zenith Bank UK) payable to customers respectively.

The foreign currency swap asset balance was from an underlying receivable of GH¢ 632 million from customers (2023: GH¢65.4 million from Bank of Ghana) and GH¢ 543.9 million payable to customers (2023: GH¢66.9 million payable to Bank of Ghana). The foreign currency swap liability balance of GH¢ 31.6 million represents the bank's Swaps and Forwards liability positions.

Under the terms of the agreements, the amounts payable by the Bank are offset against receivables from the counterparties and only the net amounts are settled. The receivable and payable amounts have therefore been presented on a net basis in the statement of financial position.

NOTES (continued)
(All amounts are in thousands of Ghana cedis)

34 Subsequent events

Events subsequent to the reporting date are reflected in the financial statements only to the extent that they relate to the year under consideration and the effect is material. There were no subsequent events after the reporting date of 31 December 2024.

35 Operational risk

'Operational risk' is the risk of direct or indirect loss that the Bank will suffer due to an event or action resulting from the failure of its internal processes, people and systems, or from external events. 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 manages its operational risk at three distinct levels, each with clearly defined roles and responsibilities as follows:

(a) Business Units and Support Functions

Business Units and Support Functions own and are responsible for understanding the operational risk inherent in their material products, activities, processes and systems. They are responsible for the consistent implementation of the operational risk management framework in their area of responsibility on a day-to day basis. This includes identifying the risks, establishing controls, and managing the risks in accordance with the Bank's overall risk tolerance and operational risk policies.

(b) Operational Risk Management (ORM)

The ORM function has direct responsibility for formulating and implementing the Bank's ORM framework including methodologies, policies and procedures approved by the Board. ORM function works with the Business Units and Support Functions to ensure that the day-to-day operations of the Bank are in line with the approved ORM policies. The unit provides trainings and workshops to facilitate interpretation and implementation of the various ORM programs. The unit continuously monitors the effectiveness and the quality of the controls and risk mitigation tools.

(c) Internal Audit

The mission of Internal Audit is to provide an independent assurance of the design and effectiveness of internal controls over the risks to the Bank's business performance. In carrying out this function, Internal Audit provides specific recommendations for improving the governance, risk & control framework. The role of the Internal Audit function is to conduct regular independent evaluation and review of the Bank's policies, procedures and practices in relation to the ORM Policy Framework and report the results to the Board.

VALUE ADDED STATEMENT FOR THE YEAR ENDED 31 DECEMBER

(All amounts are in thousand Ghana cedis)

	Notes	2024	2023
Interest earned and other operating income		2,438,869	1,936,758
Direct cost of services and other costs		(963,964)	(611,806)
Value added by banking services		1,474,905	1,324,952
Non-banking income	10	37,025	53,121
Impairments	11	(143,122)	(109,351)
Value added		1,368,808	1,268,722
Distributed as follows:			
To employees			
Directors (without executives)	14	(2,788)	(2,214)
Executive directors		(2,458)	(2,016)
Other employees		(252,310)	(209,724)
Total		(257,556)	(213,954)
To Government			
Income tax	15	(609,187)	(346,288)
To providers of capital			
Dividends to shareholders		-	-
To expansion and growth			
Depreciation and amortisation	21(a)	(50,087)	(32,379)
Retained earnings		451,978	676,101