ANNUAL REPORT

GCB

your bank for life

PROFILE OF GCB BANK LTD

GCB Bank Limited (GCB) is Ghana's first indigenous and the largest bank with over 180 branches and 300 ATMs nationwide. With over 67 years banking experience and rated as Ghana's safest bank, GCB has undergone various transformations with the view of being the dominant player in Ghana's banking industry. The Bank seeks to consistently provide world class services and superior value to customers, shareholders and other stakeholders.

HISTORY AND KEY MILESTONES

GCB was established in May 1953 as the Bank of the Gold Coast to provide banking services to indigenous businesses to help drive the country's socio-economic development. In 1957, when Ghana attained independence, the Bank of Ghana was established as the Central Bank. The Bank of the Gold Coast was then renamed Ghana Commercial Bank Limited to focus specifically on commercial banking activities.

In 1996, it listed on the Ghana Stock Exchange and in 2014, the Bank rebranded from Ghana Commercial Bank Limited to GCB Bank Limited to refresh its image and project a renewed dynamism.

In 2017, GCB purchased and assumed some specific assets and liabilities of two indigenous banks in a single day, as part of its strategy of total market dominance.

The bigger and better GCB is currently focused on revenue growth and profitability, operational excellence and talent development to deliver world class services and superior value to stakeholders.

GCB

GCB Bank Limited

www.gcbbank.com.gh

VISION

V

To be the leading Bank in all our markets.

MISSION

M

To provide first class banking solutions for all our customers and value for all our stakeholders.

CONTENTS

Service Proposition

GCB prides itself as Ghana's most welcoming bank, offering accessible financial support wherever it is needed through helpful service and expert solutions, to encourage business and enrich people's lives.

The Bank's service proposition is structured to serve every facet of the customer's life-cycle and all types of businesses operating in diverse sectors of the economy irrespective of size. The Bank has also developed unique solutions to serve the needs of Ghanaian residents abroad.

GCB's service proposition is anchored by a strong asset base, competitive pricing, an unmatched branch network, extensive ATM network, strong investment in technology and infrastructure, robust risk management systems, strong governance structures and a fundamental understanding of customer needs driven by a mix of experience, strong customer relationship management and an unrelenting pursuit for excellence.

Corporate Social Responsibility (CSR)

GCB is noted for its strong CSR initiatives in the areas of Education, Health, Culture, Tourism, Environment and Sports. In 2020, GCB Bank invested GHS8.04million in CSR activities compared to GHS10.43million in 2019.

The Bank is at the forefront of the Covid-19 fight and it was the first Bank to make a donation of GHS100,000.00 to the COVID-19 National Response Team through the Ministry of Health. Other initiatives include a donation of 100 veronica buckets and their accessories to the Ministry of Sanitation and Water Resources, and a donation of 40 jumbo water storage tanks to Ministry of Local Government and Rural Development for distribution to markets in Accra, Tema and other parts of the country.

The Bank also donated 550 gallons of hand sanitizers, 50 Veronica buckets, 50 receptacles, 100 gallons of liquid soap and 300 rolls of tissue for distribution to regional offices and courts under the judiciary, the provision of nutritious meals, water and drink on daily basis for 650 medical doctors and other frontline health workers for almost two months, amongst others.

Over the past year, some of the the Bank's other notable initiatives include the renovation of the Usher Fort Clinic and construction of an Operating Theatre for the Clinic, sponsorship of the National Science and Maths Quiz, Ghana's Fastest Human, Millennium Marathon, The Pan African Historical Theatre Festival (PANAFEST) and financial support to Akwapim Educational Trust Fund, Tweneboa Kodua Secondary School, Ammissakrom - Ekroful Basic School, Bomaa Roman Catholic JHS, Acherensua Senior High School amongst others.

Technology & Innovation

GCB believes that technology is a key driver for improving efficiency, business performance, customer engagement, profitability and growth in today's ever-changing and challenging banking environment. Therefore, the Bank is relentlessly pursing innovative ways of leveraging on technologies to deliver end-to-end digital banking solutions to enhance its service offerings and deliver even superior value.

In 2020, GCB Bank became the first Bank to launch a digital mobile money wallet when it launched the G-Money product in January. The digital wallet which is telco agnostic and fully interoperable allows customers to send and receive funds from any mobile money wallet or bank accounts by registered users and also perform unique functions including saving and borrowing funds, group savings among others. It is also accessible across multiple channels such as Unstructured Supplementary Service Data (USSD), GCB Bank's internet banking platform, Mobile banking application, Point of Sale Device (POS), Quick Respond Code (QR Code) and Automated Teller Machines (ATMs).

Shareholding Structure

As at 31st December 2020, Social Security and National Insurance Trust (SSNIT) had 29.89% shares in the Bank, while the Government of Ghana had 21.36% and various institutions and individuals held 48.75% of the shares.

Ratings & Awards Won

GCB is rated Ghana's safest Bank by Moody's, Standard & Poor's and Fitch and the most compliant Bank in Africa by the Association for Certified Compliance Professionals in Africa (ACCPA).

The Bank has won numerous awards in the industry. Notable among them are:

- The Best Bank in Ghana in Anti-Money Laundering (AML) Compliance and Africa's Best Bank in Compliance (2019)
- Most Compliant Bank 2017/2018 - The Association of Certified Compliance Professionals Africa (ACCPA)
- Safest Bank in Ghana - Moody's, Standard & Poor's and Fitch 2017
- Best Money Transfer Bank in Ghana - RIA 2017
- Most Active E-zwich Bank – 2017.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of GCB Bank Limited will be held virtually and streamed live online via https://gcbbankagm.com, the Bank's social media handles (Facebook, Instagram, YouTube and Twitter) and GTV on Friday, 28th May, 2021 at 10:00 a.m. to transact the following business:

Agenda

1. Ordinary Business/Resolutions
   a. To consider and adopt the Financial Statements of the Company for the year ended December 31, 2020 together with the Reports of the Directors and Auditors thereon.
   b. To declare a Dividend for the year ended December 31, 2020.
   c. To re-elect the following Directors retiring by rotation:
      - Mr. Jude Kofi Arthur
      - Mrs. Lydia Essah
      - Mr. Nik Amarteifio
   d. To re-elect the following Directors:
      - Mr. Francis Arthur-Collins
      - Mr. Osmani Ayuba
      - Mr. Emmanuel Ray Ankrah
   e. To ratify the appointment of two (2) Executive Directors
      - Managing Director – Mr. John Kofi Adomakoh
      - Deputy Managing Director, Operations – Mr. Emmanuel Odartey Lamptey
   f. To approve the remuneration of Directors
   g. To authorize the Directors to fix the remuneration of Auditors

2. Special Business/Resolutions
   a. To change the name GCB Bank Limited to GCB Bank PLC in accordance with the provisions of section 21(1)(b) of the Companies Act 2019 (Act 992)
   b. To amend the Bank's Constitution in accordance with the provisions of the Companies Act 2019 (Act 992).

DATED THIS 25TH DAY OF MARCH, 2021
BY ORDER OF THE BOARD
(SGD.)
Amma Agyeman Kusi-Appouh
Company Secretary

Notes

1. In compliance with Imposition of Restriction Act 2020 (Act 1012), the Registrar General's Department and Securities and Exchange Commission directives and guidance on holding virtual AGMs, and as part of measures to contain COVID-19, attendance and participation by members or their proxies in this year's annual general meeting of the Bank, shall be strictly virtual (by online participation).
2. A member entitled to attend and vote or may appoint a proxy to attend (via online participation) and vote on his or her behalf either online or by post. Such a proxy need not be a member of the company. For a proxy to be valid for the purposes of the meeting, it must be completed and submitted via shareregistry@gcb.com.gh or deposited at the Share Registry, GCB Bank Limited, Head Office, High Street, Accra, not less than 48 hours before the meeting.
3. A copy of the Proxy Form can be downloaded from: https://gcbbankagm.com and may be filled and sent via email to: shareregistry@gcb.com.gh.
4. The appointment of a proxy will not prevent a member from subsequently attending and voting at the meeting (via online participation). Where a member attends the meeting in person (participates online), the proxy appointment shall be deemed to be revoked.

Corporate Information

DIRECTORS	Mr. Jude Kofi Arthur	(Board Chairman)
	Mr. John Kofi Adomakoh	(Managing Director appointed 12/11/20)
	Mr. Socrates Afram	(DMD Finance)
	Mr. Emmanuel Odartey Lamptey	(DMD-Operations appointed 20/01/21)
	Mr. Nik Amarteifio	(Non-Executive Director)
	Mrs. Lydia Gyamera Essah	(Non-Executive Director)
	Nana Ama Ayensua Saara III	(Non-Executive Director)
	Mr. Emmanuel Ray Ankrah	(Non-Executive Director)
	Mr. Osmani Aludiba Ayuba	(Non-Executive Director)
	Mr. Francis Arthur Collins	(Non-Executive Director)
	Alhaji Ahassan Yakubu	(Non-Executive Director)
	Mr. Prince Edward Amoatia Younge	(Non-Executive Director)
	Mr. Ransford Anselm Sowah	(Managing Director resigned 30/09/20)
	Mr. Samuel Amankwah	(DMD-Operations resigned 1/05/20)

SECRETARY

Ms. Amma Agyeman Kusi-Appouh

GCB Building,
Thorpe Road, High Street
P. O. Box 134,
Accra

AUDITOR

Deloitte & Touche
Chartered Accountants
The Deloitte Place, Plot No. 71
Off George Walker Bush Highway
North Dzorwulu
P.O.Box GP 453
Accra,

REGISTRAR

Share Registry
GCB Bank Limited,
Head Office, High Street,
Accra

REGISTERED OFFICE

GCB Building,
Thorpe Road, High Street
P. O. Box 134,
Accra

Board of Directors

Mr. Jude Kofi Arthur
Board Chairman

Mr. John Kofi Adomakoh
Managing Director appointed 12/11/20

Mr. Socrates Afram
DMD Finance

Mr. Emmanuel Odartey Lamptey
DMD-Operations appointed 20/01/21

Mr. Nik Amarteifio
Non-Executive Director

Mrs. Lydia Gyamera Essah
Non-Executive Director

Nana Ama Ayensua Saara III
Non-Executive Director

Mr. Emmanuel Ray Ankrah
Non-Executive Director

Mr. Osmani Aludiba Ayuba
Non-Executive Director

Mr. Francis Arthur Collins
Non-Executive Director

Alhaji Ahassan Yakubu
Non- Executive Director

Mr. Prince Edward Amoatia Younge
Non- Executive Director

Mr. Ransford Anselm Sowah
Managing Director resigned 30/09/20

Mr. Samuel Amankwah
DMD-Operations resigned 1/05/20

Mr. Jude Kofi Arthur
Board Chairman

Jude is an Independent Non- Executive Director of the Bank appointed in 2017. He is the Chairman of the Board and a Banker with over 30 years' experience in Banking. He also serves on the Board of Ghana International Bank Plc.

Jude graduated from the University of Ghana Business School with a Second Class Upper degree in 1976. He is an honorary fellow of the Chartered Institute of Bankers Ghana. He commenced his Banking career in Merchant Bank Ghana Limited, now UMB, in 1978 where he rose to head the Corporate Finance Division of the Bank and became a Director of Merban Investment Holdings Limited, a subsidiary of the Bank.

In 1994, together with a group of investors, he set up First Atlantic Merchant Bank Limited (FAMBL) now First Atlantic Bank and was appointed the first Managing Director of the Bank in 1994. He served as Managing Director until 2012 when he retired honourably.

He has acquired extensive executive education and is associated with such renowned and prestigious institutions as Harvard Business School, INSEAD-France, Wharton Business School- University of Pennsylvania, Templeton College- Oxford University, Stanford University, National University of Singapore (NUS), Ashridge Institute of Management, Euromoney Training School and the International Centre for Monetary and Banking Studies in Geneva.

Mr. John Kofi Adomakoh
Managing Director

Kofi is a seasoned banker with over 25 years' experience, 15 of which have been at Executive Management level. Kofi joins GCB Bank Limited (GCB) from African Export-Import Bank headquartered in Cairo where he worked as a Director & Global Head, Project and Asset-Based Finance. Prior to that, he held leadership roles at Barclays Bank Ghana Limited (now ABSA Bank Ghana Limited), The Trust Bank Ghana Limited and Ecobank Ghana Limited.

Kofi has worth of experience in International, Corporate and Institutional and Transaction Banking, Development Finance, Project and Export Finance, with a track record in delivering business transformation and high-quality outcomes.

He led and structured several transactions worth over USD10 billion across the African continent (both public and private sector) in different industry including manufacturing, health, telecom, energy (including oil and gas), transport (ports, airports, rails and roads), mining and agriculture among others.

Kofi is an inspiring and energetic leader who is widely known for his collaborative leadership style and for building high performance teams.

Kofi holds an Executive Masters' Degree in Business Administration and a Bachelor of Science in Agriculture from the University of Ghana, Legon.

Mr. Socrates Afram

Deputy Managing Director, Finance

Socrates is a finance professional with 20 years' experience in the Financial Services Sector. He has a breadth of experience across strategy; business performance and reporting (financial, regulatory and statutory); debt and capital raising; business combination; investment and risk management.

Other positions held include:

- Finance Director of Fidelity Bank Limited.
- Head of Research and Head of Business Performance & Financial Control, Fidelity Bank Ltd.
- He worked with UBA (Ghana) as Senior Analyst deputizing for the Financial Controller.
- He also worked with Export Finance Company Limited as Head of Finance & Administration and General Leasing & Finance Company Limited as Analyst for lease credit applications.

Socrates is a fellow of the Association of Chartered Certified Accountants (ACCA), He holds a Master of Business Administration (Finance) degree from the University of Ghana Business School and a Bachelor of Commerce degree from the University of Cape Coast. He is an alumnus of the Wharton Executive Education, University of Pennsylvania, USA.

Mr. Emmanuel Odartey Lamptey

Deputy Managing Director- Operations

Emmanuel is a seasoned Banker who brings on board over 20 years' multinational experience, working for listed companies in corporate and retail Banking, asset management, securities, brokerage services, pensions, insurance and micro-finance with operations in over 30 African countries.

He started his career with KPMG and has since held other positions including Chief Financial Officer – WAMZ at Ecobank Ghana; Group Head, Finance at Ecobank Transnational Incorporated (Togo), Group Chief Operating Officer, Letshego Holdings Limited (Botswana) and Executive Business Manager to the Group CEO - Alexander Forbes Group Holdings (South Africa). Emmanuel also held several roles with Standard Bank of South Africa Group in South Africa and Ghana.

Mr. Lamptey holds a Bachelor of Commerce degree from University of Cape Coast, Ghana and is a fellow of Association of Chartered Certified Accountants ACCA), United Kingdom.

Mrs. Lydia Essah

Non-Executive Director

Mrs. Essah is an Independent Non-Executive Director of the Bank and the Chairperson of the Risk and Compliance Committee of the Bank. She brings to the Board a wealth of banking experience which spans over 30 years in GCB Bank Limited, beginning at the branch level and culminating in the position of Chief Manager and Area Manager of the Tema Zone.

As a seasoned Bank Executive, she has a demonstrated record of exceeding profit targets, turning around underperforming units and driving increased revenue and market share.

Mrs. Essah possesses relevant experience including risk management, compliance and corporate governance concepts, strategy formulation and implementation that contributes to appropriate oversight of Banking activities for the benefit of its shareholders, customers, employees and other stakeholders.

Additionally, she has demonstrated over a long period of time personal integrity, structured and strategic thinking and analytical capability to guide major decisions. She has leveraged her leadership and communication skills to lead significant negotiations and dialogue with senior executives and colleague board members.

Mrs. Essah holds a master's degree from GIMPA (Ghana Institute of Management and Public Administration), MPhil and a bachelor's degree from the University of Ghana. She also has numerous professional development certificates and programs from both international and national levels.

Mr. Nik Amarteifio

Non-Executive Director

Nik is a Non-Executive Director and Chairman of the Board of Nominations and Monitoring Committee of the Bank. He is the majority shareholder of Dannex Ayrton Starwin PLC, one of the largest indigenous owned pharmaceutical companies in Ghana in partnership with SSNIT.

He served on the Board of Bank of Ghana from 2001 – 2008. He also served on the Board of several Toronto Stock Exchange Listed Companies (TSE) such as the International Gold Resources from 1993 – 1996, which was sold to Ashanti Goldfields in 1996.

He served as a member of the Ghana Investments Advisory Council (GIAC), a committee set up by ex-president J. A. Kuffour to provide investment advice to the government, from 2001 – 2008.

Mr. Amarteifio is currently the Vice Chair of Ghana Agro Foods Company Limited (GAFCO),

He is a Board member of the African American Institute, a premier U.S. based organization dedicated to advancing Africa's development through higher education and skills training.

He is also the Vice Chairman for Accra Great Olympics Football Club.

He holds an MBA from the Harvard Business School and a BA Economics, Wesleyan University, USA.

Mr. Osmani Aludiba Ayuba

Non-Executive Director

Osmani is a Non-Executive Director and the Chairman of the Procurement Committee of the Bank. He is a professional Accountant and Procurement Expert who has worked with Ernst and Young, Eastern Bells, Community Water and Sanitation Agency (DANIDA Project), the United Nations Population Fund, EngenderHealth Ghana, West Africa Trade Hub- Ghana, Parliamentary Centre-Africa, Stanbic Bank Ghana and Ghana Agricultural Sector Investment Programme. He is currently the Managing Director of Northern Electricity Distribution Company Limited (NEDCo)

He is a Member, Institute of Chartered Accountants, Ghana; Member of Chartered Institute of Procurement & Supply and holds MA Economic Policy Management and B.Com from the University of Ghana and University of Cape-Coast respectively.

Mr. Francis Arthur-Collins

Non-Executive Director

Mr. Francis Arthur-Collins is an Independent Non-Executive Director, and the Chairman of the Board Cybersecurity and Information Technology Governance Committee of the Bank. He is an Information Technology Consultant with over 35 years' experience in the IT industry. He has in-depth knowledge in the deployment of IT tools and concepts for re-engineering business processes, to enhance customer service delivery and improve productivity. He drew a lot of experience from engaging in IT consultancy services by executing various IT projects both home and abroad.

Mr. Arthur-Collins is a Fellow of the Ghana Institute of Information Technology (GH); a Member of the Institute for the Management of Information Systems (UK); and a Member of the British Computer Society (UK). He holds Master's Degree in Information Technology and Business Administration (IT-MBA) from University of Leicester (UK); Professional Certificate in Structured Systems Analysis and Design from National Centre for Information Technology, Manchester (UK); and DP in Data Processing from University of Science and Technology, Kumasi (GH). His skill set includes professional training in Information Technology Management and IT Strategic Planning, Project Management from National University of Singapore Institute of Systems Science (NUS) as well as Management Security from Galilee International Management Institute, Israel.

Mr. Arthur-Collins worked with the Ghana Ports and Harbours Authority from 1985 to 2012, where he established the Information Technology department, and rose to the position of "Head-of-IT" with oversight responsibility for all IT systems and resources at both Tema and Takoradi ports, a position he held until he retired from the Ghana Ports and Harbours Authority in 2012.

Nana Ama AYensua Saara III
Non-Executive Director

Nana Ama Ayensua Saara III is the Omanhemaa of the Denkyira Traditional Area in the Central Region of Ghana. She is a Non-Executive Director of the Bank and the Chairperson of the Board HR and Remuneration Committee.

Currently, Nana is the Chief Executive Officer (CEO) of Nasaa Group of Companies and serves on the Board of Government Special initiatives. She holds B.Com from the University of Cape Coast and Diploma in Business Studies, Takoradi Polytechnic.

On the chieftaincy and cultural fronts, Nana has served on several Boards and Committees to promote traditional governance.

Mr. Emmanuel Ray Ankrah
Non-Executive Director

Ray is an Independent Non-Executive Director and the Chairman of the Audit Committee of the Bank. He is an experienced Chartered Accountant and Chartered Global Management Accountant with solid technical knowledge and excellent communication skills, strong analytical skills and an effective team player.

He is a member of the Institute of Chartered Accountants of Ghana and a Fellow of the Chartered Institute of Management Accountants (UK), Fellow of the British Society of Commerce. He holds a post graduate diploma in Strategic Financial Management from Kingston University in the UK.

He is currently the Deputy Chief Executive (Finance and Administration) of Ghana Cocoa Board and the Board Chairman of National Insurance Commission.

Alhaji Alhassan Yakubu

Non-Executive Director

Alhaji Yakubu is a Non- Executive Director and the Chairman for the Board Credit Committee of the Bank. He is an experienced Banker who commenced his career with Merchant Bank Ghana Limited in September 1991 and later joined Bank of Ghana. He is currently a business executive.

He holds MBA Finance (part 1) from the University of Ghana, Legon; Certificate from the Financial Institution Analysis School of the Federal Reserve Bank, Washington DC; B.Sc. Administration, Banking & Finance, University of Ghana, Legon.

He has deep knowledge and experience in Financial Institution Analysis, Corporate Governance, Credit Management, Treasury and Investment Management, Internal Controls, Computer Audit and Security, Compliance, Evaluation and Monitoring.

Mr. Edward Prince Amoatia Younge

Non-Executive Director

Edward is an Independent Non-Executive Director and currently the Chairman of the Electronic Payments and G-Money Committee of the Bank. He is a Marketing professional with over 30 years' experience in industry and consultancy.

He worked with British American Tobacco (BAT Gh), CAMELOT Ghana Limited and PASICO Ghana Limited. He has also undertook consultancy assignments for companies such as Nestle Ghana Limited, GHACEM, La Palm Hotel, Jospong Group of Companies and Ghana Re-Insurance among many others.

Edward is currently an Executive Director of Targetlink Limited and the Managing Consultant for Cypher Consult Limited.

He holds an M.Phil. (Marketing), EMBA (Marketing) and BA Sociology with Economics; all from the University of Ghana. He has been a Member of the American Marketing Association since 2004.

Mr. John Kofi Adomakoh

Managing Director

Kofi is a seasoned banker with over 25 years' experience, 15 of which have been at Executive Management level. Kofi joins GCB Bank Limited (GCB) from African Export-Import Bank headquartered in Cairo where he worked as a Director & Global Head, Project and Asset-Based Finance. Prior to that, he held leadership roles at Barclays Bank Ghana Limited (now ABSA Bank Ghana Limited), The Trust Bank Ghana Limited and Ecobank Ghana Limited.

Kofi has worth of experience in International, Corporate and Institutional and Transaction Banking, Development Finance, Project and Export Finance, with a track record in delivering business transformation and high-quality outcomes.

He led and structured several transactions worth over USD10 billion across the African continent (both public and private sector) in different industry including manufacturing, health, telecom, energy (including oil and gas), transport (ports, airports, rails and roads), mining and agriculture among others.

Kofi is an inspiring and energetic leader who is widely known for his collaborative leadership style and for building high performance teams.

Kofi holds an Executive Masters' Degree in Business Administration and a Bachelor of Science in Agriculture from the University of Ghana, Legon.

Mr. Socrates Afram

Deputy Managing Director, Finance

Socrates is a finance professional with 20 years' experience in the Financial Services Sector. He has a breadth of experience across strategy; business performance and reporting (financial, regulatory and statutory); debt and capital raising; business combination; investment and risk management.

Other positions previously held include:

- Finance Director of Fidelity Bank Limited.
- Head of Research and Head of Business Performance & Financial Control, Fidelity Bank Ltd.
- He worked with UBA (Ghana) as Senior Analyst deputizing for the Financial Controller.
- He also worked with Export Finance Company Limited as Head of Finance & Administration and General Leasing & Finance Company Limited as Analyst for lease credit applications.

Socrates is a fellow of the Association of Chartered Certified Accountants (ACCA), He holds a Master of Business Administration (Finance) degree from the University of Ghana Business School and a Bachelor of Commerce degree from the University of Cape Coast. He is an alumnus of the Wharton Executive Education, University of Pennsylvania, USA.

Mr. Emmanuel Odartey Lamptey

Deputy Managing Director- Operations

Emmanuel is a seasoned Banker who brings on board over 20 years' multinational experience, working for listed companies in corporate and retail banking, asset management, securities, brokerage services, pensions, insurance and micro-finance with operations in over 30 African countries.

He started his career with KPMG and has since held other positions including Chief Financial Officer – WAMZ at Ecobank Ghana; Group Head, Finance at Ecobank Transnational Incorporated (Togo), Group Chief Operating Officer, Letshego Holdings Limited (Botswana) and Executive Business Manager to the Group CEO - Alexander Forbes Group Holdings (South Africa). Emmanuel also held several roles with Standard Bank of South Africa Group in South Africa and Ghana.

Mr. Lamptey holds a Bachelor of Commerce degree from University of Cape Coast, Ghana and is a fellow of Association of Chartered Certified Accountants (ACCA), United Kingdom.

Mr. John Arthur

Ag. Chief Information Officer

John Arthur has been the Acting Head, Systems & Information Technology Department of the Bank since 2020. He has more than twenty-five years of experience as an Information Technology and Project Management Professional.

Prior to his current role, he served the Bank in various capacities at Systems & Information Technology Division, Inspection & Audit Division, Human Resources Division, and the Project Management Office.

He has chalked repeated successes leading to some of the Bank's key transformational initiatives in IT Operations. He has extensive experience managing cross-functional teams in the design, integration, and implementation of cutting-edge technology solutions.

He has a PGC in Business Administration from the University of Leicester and a Bachelor of Science degree in Computer Science and Statistics from the University of Ghana. He is a certified ISO-27001 Lead Implementer.

Mr. Samuel Acquah
Chief Risk Officer

Samuel is a Risk Management professional with over twenty-five years' experience in Risk Management in the Financial Services and Oil Sector. He is a Corporate Advisor on Risk Management and has depth of experience in Business Performance and Project Management and Investment.

He has occupied key positions in prestigious institutions like:

- Ecobank Transnational Incorporated (ETI, Togo),
- Standard Chartered Bank (Singapore and Dubai),
- Burlington Resources – Oil & Gas, United Kingdom,
- Western Atlas – Oil & Gas, United Kingdom.

Mr. Acquah holds a MSc. Geoscience Data (Geo Statistics) from the Kingston University, United Kingdom, BSc. Geology from the University of Ghana and NVQ3 in Programming Methods from Direct Computing, United Kingdom.

Mr. Anthony Kofi Asare
Treasurer

Kofi is a qualified Lawyer from the Ghana Law School, Accra, and he has MBA in Finance from the University of Ghana Business School and a Bachelor of Arts in Economics from the University of Ghana, Legon.

He is a Member of the Ghana Bar Association, and also ACI Certified in both Dealing and Operations.

Kofi joined GCB in November, 1991 at the Planning and Research Division of the Bank and rose to become the Head of the Division. He has held various positions including the Chief Dealer of the Bank. In October, 1999 he was transferred to the Treasury Department and rose to become the Head of Treasury Department in August, 2008 to present.

Mr. Osman Abudulai
Head Compliance

Mr. Osman Abudulai joined the Bank in the year 1980. He had held various positions which includes; Investment Analyst, Operations Manager, Branch Manager and Head of the Compliance Department. He is a Chartered Banker with ACIB Certification, ACCA Part II holder, Certified Compliance Specialist and a Member of the Certified Compliance Professionals in Africa. Mr. Osman holds a Post Graduate Certificate in AML/Financial Crime from the Winsconsin International University, Accra, an MBA – Finance option, B.A in Management and Sociology from the University of Ghana, Legon and a Diploma in Principles of Management from the College of Professional Management, London.

Ms. Jessie Jacintho
General Counsel

Jessie Jacintho was appointed General Counsel on 15th February 2016 and is responsible for leading the legal function of the Bank. Jessie has an Executive Masters Degree in Business Administration, Human Resource Option from the University of Ghana Business School and has close to 25 years' experience as a legal practitioner. Jessie has over twenty years' experience as an in-house counsel having worked with Barclays Bank of Ghana now Absa Bank Ghana for fourteen years, sixteen months with The First Group Limited an investment and management company as its General Counsel and Corporate Affairs Director and during the same period double hatted as the acting Legal Director of Universal Merchant Bank an investee company of The First Group. The remaining period of her in-house counsel role is her current role in GCB. Prior to starting her career as an in-house counsel she worked as a private legal practitioner with the law firm Naoferg Chambers.

Mr. Ishaque Kojo Essel Jnr.
Head, Human Resources

Kojo is currently the Head, Human Resources Department of GCB Bank Limited. He started his banking career as a Management Trainee on 1st April, 1993.

Prior to his appointment, Mr. Essel was the Registrar of GCB Registrars. He had worked in responsible positions in the area of Consumer Banking, Credit/Risk, Human Resources, Treasury (Money Market environment as well as Brokerage) and Registrar Service in the Capital Market environment, among others.

He has Master of Business Administration (MBA) from Henley Business School, UK and holds a B.Sc. (Hons) degree in Mathematics/Statistics from the Kwame Nkrumah University of Science and Technology (KNUST). He is also a member of the Institute of Human Resource Management Practitioners (IHRMP).

Mr. Sina Kamagate
Chief Internal Auditor

Sina Joined GCB Bank in 2020 with over 13 years of demonstrable experience in significant areas in banking. His experiences cut across Finance, Treasury, Trade finance, External Audit and Assurance Service, Internal Audit, Internal Control amongst others.

His work life started with GCB Bank as an Intern and subsequently as National Service Personnel, he moved to International Commercial Bank (now FBN Ghana) and left after two (2) years to Ernst & Young Chartered Accountants where he worked in the financial services team. He left in 2013 to join Fidelity Bank and was instrumental in the implementation of a risk based approach for the internal audit function. He left in 2014 to UMB Bank to set up the Internal Control Department which has grown to be a key department in the bank.

In 2018 Sina re-joined Fidelity as he went up the corporate ladder and was appointed as the Head of Audit in charge of Head Office until April 2020.

He is a Chartered Accountant (ICA), A Chartered Banker (CIB) and holds distinction in ACI (Operations). He also holds Master of Research in Finance and a first class Accounting Graduate of University of Ghana Business School.

He is a subject matter expert in Finance of International Trade, IFRS, Treasury Management, Internal Control, Auditing and Risk Management. He is a Faculty Member at the National Banking College in the Risk, Regulation and Banking Operations departments.

He is a lecturer at the Chartered Institute of Bankers on part time basis in Finance of International trade. He also lectures in Risk Management, Corporate Governance and Treasury Management.

He is a Council Member (Governing Board) of the Chartered Institute of Bankers and chairs the Finance Committee.

Five Year Financial Summary

Statement of Comprehensive Income - Group

All figures are in thousands of Ghana Cedis	2020	2019	2018	2017	2016
Income Statement					
Interest income	1,938,908	1,555,646	1,355,151	1,187,853	1,019,655
Interest expense	(430,210)	(387,194)	(388,048)	(292,542)	(133,848)
Net interest income	**1,508,698**	**1,168,452**	**967,103**	**895,311**	**885,807**
Fee and commission income	329,702	293,127	249,025	207,787	174,585
Fee and commission expense	(51,722)	(51,622)	(51,429)	(37,491)	(32,726)
Net fee and commission income	**277,980**	**241,505**	**197,596**	**170,296**	**141,859**
Net trading income	166,628	141,745	90,638	41,020	27,349
Other operating income	14,374	21,167	26,242	20,435	17,842
Operating income	**1,967,680**	**1,572,869**	**1,281,579**	**1,127,062**	**1,072,857**
Loss on derecognition of renegotiated loans	-	-	-	(1,543)	(912)
Net impairment loss on financial assets	(219,647)	(75,521)	(60,011)	(49,904)	(27,160)
Operating expenses	**(1,129,641)**	**(924,583)**	**(776,650)**	**(756,938)**	**(588,410)**
Operating profit	**618,392**	**572,765**	**444,918**	**318,677**	**456,375**
Share of profit of associates, net of tax	(7,566)	903	5,256	13,306	10,619
Profit before income tax	610,826	573,668	450,174	331,983	466,994
Income tax expense	(135,096)	(116,978)	(101,112)	(81,940)	(126,539)
National fiscal stabilization levy	(30,341)	(28,233)	(22,321)	(15,445)	(22,339)
Profit for the year	445,389	428,457	326,741	234,598	318,116
Other Comprehensive Income:					
Items that will not be reclassified to profit or loss					
Remeasurements on net defined benefit liability/asset	14,192	(16,528)	26,257	(19,898)	(13,689)
Fair value of equity instruments	(4,113)	(27,944)	-	-	-
income tax relating to items that will not be reclassified	3,977	5,288	(6,564)	4,975	3,422
Total items that will not be reclassified to profit or loss	14,056	(39,184)	19,693	(14,923)	(10,267)
Items that may be reclassified to profit or loss					
Exchange differences on translating foreign operations	(1,211)	18,524	(3,903)	-	-
Fair value changes on financial assets at fair value through other comprehensive income	-	-	(14,792)	-	-
Share of comprehensive income of associates	401	2,321	(2,050)	2,483	2,315
Income tax relating to items that may be reclassified	-	-	4,010	(195)	946
Fair value changes on available for sale financial assets	-	-	-	783	(3,783)
Foreign currency translation difference for foreign operation	-	-	-	32,286	(14,022)
Total items that may be reclassified to profit or loss	**(810)**	**20,845**	**(16,735)**	**35,357**	**(14,544)**
Other comprehensive income, net of taxation	**13,246**	**(18,339)**	**2,958**	**20,434**	**(24,811)**
Total comprehensive income for the year	**458,635**	**410,118**	**329,699**	**255,032**	**293,305**
Basic and diluted earnings per share (in GHS)	1.68	1.62	1.23	0.89	1.20

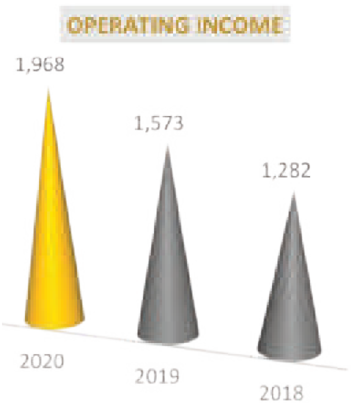
Five Year Financial Summary

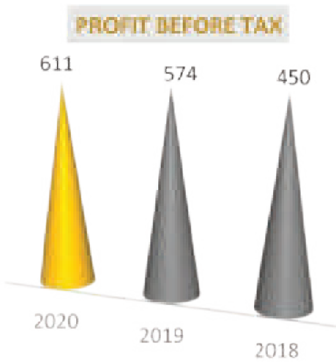
Statement of Financial Position - Group

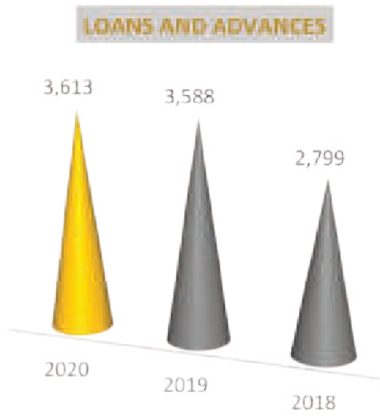
All figures are in thousands of Ghana Cedis	**2020**	2019	2018	2017	2016
Assets					
Cash and cash equivalents	1,567,241	1,572,538	1,953,620	1,022,684	1,179,975
Non-pledged trading assets	221,339	142,790	80,004	10,079	-
Derivative financial instruments	-	236	-	-	-
Investment (other than securities)	18,534	35,439	41,275	6,902	4,347
Loans and advances to customers	3,612,588	3,587,653	2,799,041	2,099,330	1,412,977
Advances to banks	200,904	209,614	212,986	224,950	434,152
Investment securities	8,622,846	6,025,382	4,646,034	4,884,277	2,633,116
Investment in associates	91,681	100,391	81,482	88,460	46,000
Deferred tax asset	158,465	95,324	47,872	32,095	15,510
Current tax asset	25,808	-	1,067	578	4,387
Intangible assets	191,136	201,820	190,901	152,349	38,987
Other assets	462,701	280,555	429,396	882,496	114,020
Property, equipment and right-of-use-assets	280,654	272,342	237,247	222,861	191,062
Total assets	**15,453,897**	**12,524,084**	**10,720,925**	**9,627,061**	**6,074,533**
Liabilities					
Deposits from banks & other financial institutions	615,418	501,911	272,769	81,805	-
Deposits from customers	11,345,240	9,320,878	8,024,425	6,842,236	4,259,933
Borrowings	772,525	457,578	344,884	959,105	523,281
Current tax liabilities	-	9,017	-	-	-
Employee benefit obligations	113,322	118,664	97,647	118,625	95,232
Other liabilities	421,394	335,674	531,456	411,131	136,259
Total liabilities	**13,267,899**	**10,743,722**	**9,271,181**	**8,412,902**	**5,014,705**
Equity					
Stated capital	500,000	500,000	500,000	100,000	100,000
Retained earnings	1,111,387	828,873	585,167	870,198	759,477
Statutory reserve	569,971	460,096	354,845	274,062	247,473
Regulatory credit risk reserve	-	-	-	-	3,412
Fair value reserve	5,395	1,581	26,048	2,005	(1,066)
Other reserves	**(755)**	**(10,188)**	**(16,316)**	**(32,106)**	**(49,468)**
Total shareholders' equity	**2,185,998**	**1,780,362**	**1,449,744**	**1,214,159**	**1,059,828**
Total liabilities and shareholders' equity	**15,453,897**	**12,524,084**	**10,720,925**	**9,627,061**	**6,074,533**

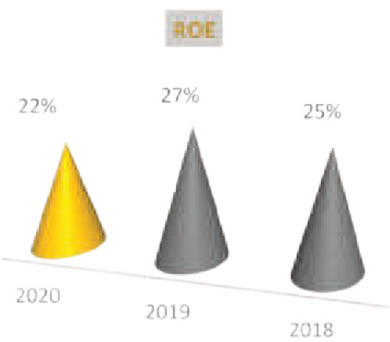
Financial Highlights – Group

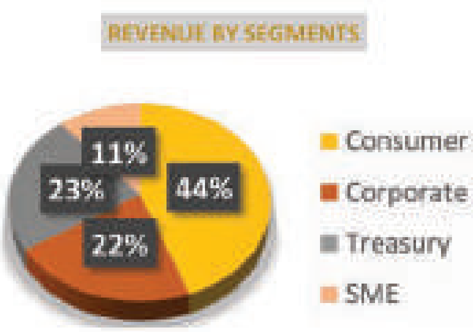
Figures in millions of Ghana Cedis

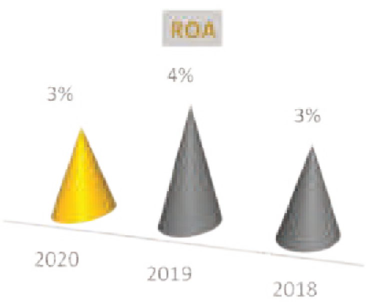












I am confident that we have the capacity to dominate the banking sector in Ghana by leveraging our strong balance sheet, branch network, large and growing client base, improving internal collaboration and our rich heritage as an indigenous Ghanaian Bank.

Mr. Jude Kofi Arthur
Board Chairman

Introduction

It is my pleasure and privilege to welcome you all to the GCB Bank Limited Annual General Meeting and present to you, on behalf of the Board our report for the 2020 financial year.

The 2020 Financial Year was a very challenging and difficult one particularly because of the economic, social and business disruptions occasioned by the COVID-19 pandemic globally.

Your Bank adapted quite well to the challenges by adopting proactive solutions to mitigate the impact of the pandemic. As a result, we were able to make progress towards our primary goal of providing convenient and accessible products and services to customers and delivering strong returns to our shareholders.

Global Economic Environment

I would like to highlight some of the key global events that shaped the year under review.

The pandemic brought with it unprecedented challenges and uncertainties to the business community and individuals. It left millions unemployed and resulted in volatility in stock market and oil prices`. Emerging markets and developing economies faced numerous economic headwinds as they struggled with loss of tourism, dwindling remittances, subdued capital flows, and tight financial conditions amid rising debt levels.

Governments and central banks around the world responded by implementing stimulus packages, regulatory reliefs and other interventions to cushion individuals and businesses from the impact of the pandemic. Despite these measures economic activity slowed down and global growth dropped to -3.3 percent in 2020 from 2.8 percent in 2019.

The Ghanaian Economic & Operating Environment

The developments in the global economy had a knock-on effect on the Ghanaian economy. Ghana's Gross Domestic Product (GDP) growth rate for 2020 dropped to 0.4% from 6.5% in 2019. This was mainly due to necessary interventions implemented to limit the spread of the disease. I am referring here to the lockdowns, border closures and supply chain disruptions which negatively impacted import trade, tourism and other economic activities including credit to the private sector.

Headline inflation trended upwards from 7.9 percent in December 2019 to 10.4 percent in December 2020. Interest rates on the money market broadly showed downward trends across the yield curve. The 91-day Treasury bill rate declined to 14.1 percent in December 2020 from 14.7 percent in 2019, and the 182-day Treasury bill rate fell to 14.1 percent in 2020 from 15.2 percent in 2019. The weighted average interbank rate declined to 13.6 percent from 15.2 percent, reflecting the reduction in the monetary policy rate to 14.5% in March 2020, and improved liquidity conditions in the market. Similarly, average lending rate of banks declined to 21.1 percent in December 2020 from 23.6 percent recorded in the corresponding period of 2019.

The Ghana cedi depreciated by 3.9 percent against the US dollar in 2020, compared with 12.9 percent depreciation in 2019. The Ghana cedi also depreciated by 7.1 percent against the Pound and 12.1 percent against the Euro, compared with 15.7 percent and 11.2 percent over the same comparative period in 2019. The relative stability of the cedi in 2020 was largely due to strong foreign exchange reserve position and forward sales of foreign exchange by the Bank of Ghana.

Banking Industry Performance Highlights - 2020

Banking sector performance remained strong throughout 2020, with robust growth in total assets, deposits and investments. Overall, the impact of COVID-19 on the industry's performance was moderate as banks remained liquid, profitable and well-capitalized. Total assets increased by 15.8 percent to GHS 149.30 billion and net customer loans grew 5.8 percent to GHS 47.80 billion. Total deposits also increased by 24.4 percent to GHS 103.80 billion. Solvency and liquidity indicators remained strong. The industry's capital adequacy ratio remained healthy at 19.8 percent as at the end of December 2020, well above the regulatory minimum threshold. Net interest income grew by 20.9 percent to GHS11.20 billion compared to 24.9 percent a year ago. Net fees and commissions grew by 5.0 percent to GHS 2.30 billion, lower than the growth of 16.5 percent recorded in the prior year, reflecting the dip in growth of credits and other trade finance-related businesses. Operating income rose by 17.9 percent whilst operating expenses rose by 8.2 percent, albeit lower than the respective growth rates of 21.1 percent and 12.1 percent in 2019. Loan loss provisions grew by 28.0 percent, higher than the 23.6 percent a year ago reflecting elevated credit risks in 2020. Non-Performing Loans (NPL) ratio increased from 14.3 percent in December 2019 to 14.8 percent in December 2020. Industry Profit before Tax for the year grew by 27.2% to GHS 6.10 billion but was lower than the prior year's growth of 34.7 percent.

Our 2020 Financial Performance Highlights

Despite the challenges of the COVID-19 pandemic, your Bank performed reasonably well for the year under review. The improvement in financial results was supported by balance sheet growth and income diversification.

We recorded growth in Profit before Tax of GHS 610.83 million from GHS 573.67 million in 2019, up 6.5 percent attributable to revenue growth. Net interest income was up

29.1 percent, from GHS 1,168.45 million to GHS 1,508.70 million. Net trading income grew by 17.6 percent to GHS 166.63 million from GHS 141.75 million whilst net fees and commission income also increased by 15.1 percent to GHS 277.98 million from GHS 241.51 million. Operating income increased from GHS 1,572.87 million to GHS 1,967.68 million, reflecting an increase of 25.1 percent over the prior year. Operating expenses went up by 22.2 percent from GHS 924.58 million to GHS 1,129.64 million due to Covid-19 related expenditures. The cost income ratio improved to 57.4 percent compared to 59.1 percent in 2019.

Our total assets recorded a growth of 23.5 percent from GHS 12.52 billion in 2019 to GHS 15.45 billion in 2020. The growth was funded mainly from a 21.8 percent increase in deposits from GHS 9.82 billion in 2019 to GHS 11.96 billion in 2020. Net customer loans increased 0.3 percent to GHS 3.81 billion in 2020 from GHS 3.80 billion in 2019. The Bank's equity recorded a growth of 23.0 percent from GHS 1.78 billion in 2019 to GHS 2.19 billion in 2020. The Capital Adequacy Ratio of GCB at the end of 2020 was 20.7 percent, significantly above the prudential requirement of 11.5 percent.

The Return on Average Equity was approximately 22 percent and earnings per share increased by 3.7 percent from GHS 1.62 to GHS 1.68.

The pandemic weighed heavily on the performance of stocks listed on the Ghana Stock Exchange, with the financial stocks being significantly affected. Our share price experienced volatility during the year with a high of GHS 5.10 and a low of GHS 3.40, reflecting the lowest price in the last 4 years. Our share price improved to GHS 4.05 at the end of 2020.

Ladies and Gentlemen, your Bank is strong and well capitalized for our business mix and risk profile, and we will continue to deliver best in class return on equity, while making the appropriate investments in our people and culture to serve our clients. These initiatives will be supported by the effective harnessing of current and emerging technologies to our competitive advantage.

Regulatory Developments

Ladies and Gentlemen, the last couple of years have been marked by significant changes in the Ghanaian banking sector landscape, largely underscored by the central bank's cleanup activities which has led to a stronger and more efficient banking sector. The banking sector has shown resilience to the coronavirus pandemic, thanks to the recent increase in minimum regulatory capital as well as regulatory reliefs and interventions by the Bank of Ghana (BoG). The following were some of the regulatory and policy interventions introduced by BoG during the year:

- Lowering of the Monetary Policy Rate (MPR) by 150 basis points to 14.5 percent.
- The primary reserve requirement for banks was lowered from 10 percent to 8 percent to provide additional liquidity to Banks.
- The Capital Conservation Buffer was reduced from 3.0 percent to 1.5 percent.
- Provision for loans in the Other Loans Especially Mentioned (OLEM) category was reduced from 10 percent to 5 percent.
- Restrictions were imposed on dividend and other capital distributions for the financial years 2020 & 2021 to preserve liquidity and capital.
- The Bank of Ghana also requested Banks to grant 3-12 months' moratorium on principal payments on loans granted to customers in the worst pandemic-hit sectors.

Consistent with global trends the Anti-Money Laundering/ Combating the Financing of Terrorism (AML/CFT) Guidelines were revised by Bank of Ghana and the Credit Reporting Regulations, 2020 (LI. 2394) and Borrowers and Lenders Act, 2020 were passed into law.

Interventions to Alleviate the Impact of COVID-19 Pandemic

Ladies and Gentlemen, we demonstrated our commitment to our customers and employees during these difficult times by undertaking a number of initiatives.

The Bank engaged customers of the Bank, identified those in the hard hit sectors of the economy and supported them with concessionary rates and moratorium on interest and principal on loan facilities. As part of this exercise the bank restructured loans totaling GHS 799.92 million to 130 corporate and SME customers. During the year under review the bank invested in Personal Protective Equipment (PPEs) and the broader COVID-19 protocols to ensure the health and safety of clients and employees.

Our Digital Journey

The future of banking and I dare say of all other businesses is clear. We all have to adjust to the new normal precipitated by the COVID-19 pandemic and reconstruct our business models by leveraging technology to safely deliver customer expectations.

It is a matter of record that this Board has right from the onset set digitalization as the key to driving shareholder value. Accelerating digital capabilities as a key driver of our future growth and transformation is imperative. The current situation resulting from the pandemic makes it even more critical to readjust and accelerate our digitalization program.

Ladies and Gentlemen, we continued to make progress in our transformation strategy. We are on course to create an organization that is resilient, agile and efficient across our digital platforms to make banking easier and more convenient for our cherished customers.

Our flagship mobile money wallet platform - G-Money continues to grow and we use the platform to make payments on behalf of corporates and individuals. Additionally, we deployed for the first time - a GCB Mobile App that customers can download freely from either Apple or Google play store. This provided an opportunity for our customers to access and perform banking services including funds transfer and bills payment at their convenience.

As part of the digitalization initiatives we implemented GHQR and own and operate an in-house switch service for all the major card Schemes- i.e. MasterCard, Visa, China Union Pay and Ghlink. This has made it possible for GCB Bank to carry out the instant issuance of all debit cards for all the card schemes.

Managing risk in a constantly changing business environment is a key priority for your Bank. We will therefore continue to prioritize investment in enterprise risk management and innovation.

Key Management Changes

In September 2020 our Managing Director Mr. Ray Sowah's tenure of office ended after a successful career with the Bank. On behalf of the Board, I wish Mr. Ray Sowah success in his future endeavors. He was replaced in November 2020 by Mr. John Kofi Adomakoh, a banker with a wealth of international and local experience.

Mr. Samuel Amankwah, Deputy Managing Director, Operations retired during the year after 20 years of meritorious service to the Bank. He was replaced by Mr. Emmanuel Odartey Lamptey, a seasoned banker.

The appointment of Mr. John Kofi Adomakoh and Mr. Emmanuel Odartey Lamptey have since been approved by the Central Bank in line with the Corporate Governance Directives. We welcome both of them to the GCB fraternity and wish them a successful career in the Bank.

We believe we have the right leadership in place for the challenges that lie ahead and will strengthen talent management and leadership development within the Bank to create a leadership pipeline that will be able to support the Banks managerial requirements.

Our Strategic Focus – The Way Forward

Ladies and Gentlemen, sustaining a competitive edge in 2021 and beyond requires us to effectively navigate the changing dynamics of the banking industry. We recognize that the intensifying competition and challenging macro-economic environment requires banks to be nimble and innovative to serve their customers more efficiently.

While your bank has made good progress in many fronts over the years we have recently refreshed our bank wide strategy and sharpened our focus on three identified pillars. These are revenue growth and profitability; operational resilience; talent development and an enabling culture.

Our ambition is to assume a leadership position in the Wholesale Banking market in addition to our dominance in the Retail Banking market.

I am confident that we have the capacity to dominate the banking sector in Ghana by leveraging our strong balance sheet, branch network, large and growing client base, improving internal collaboration and our rich heritage as an indigenous Ghanaian Bank.

Corporate Governance

Rigorous and effective corporate governance is essential for the long-term success of the Bank. The Board therefore remains committed to fulfilling its corporate governance obligations and responsibilities in the best interest of the Bank and its shareholders by adhering to the Bank of Ghana corporate governance directives and best industry practice.

We are very passionate about good conduct and instilling a culture of ethical behavior in all our employees. We remain focused on values and principles that enable us to exercise good judgement and make the right decisions in the exercise of our mandate. During the year in accordance with Bank of Ghana directives, training, certification and performance evaluation of directors were duly carried out. I can confirm to you our shareholders that the Board in the exercise of its mandate has observed all the Bank of Ghana corporate governance directives, its own governance protocols as well as all other relevant regulations.

Corporate Social Responsibility

GCB is committed to being a good corporate citizen in the communities that it serves. Our focus is giving back to the society in the areas of health, education, sports, financial inclusion and the environment. Our focus includes support for other activities that contribute to positive change with meaningful impact in our communities.

Having operated in Ghana for over 60 years, we are living our Bank for Life promise. During the year, notwithstanding the difficult operating environment, we invested a total of GHS 8.04 million in Corporate Social Responsibility, compared to GHS 10.43 million in 2019.

Dividend

Your Bank pursues a prudent dividend policy that ensures a reasonable return to shareholders whilst maintaining the growth and appreciation of the share value. Accordingly based on our 2020 profits, strong capital and liquidity, the Board of Directors recommend a dividend payment of GHS 0.25 per share representing a 25 percent increase on 2019. We have obtained regulatory approval from Bank of Ghana and subject to your approval the dividend payment will be made to all shareholders registered in the books of GCB at the close of business on Friday, May 21, 2021.

Appreciation

Ladies and Gentlemen, we have made good progress in spite of the challenges that came with Covid-19. On behalf of the Board, I would like to express my sincere appreciation to the Management and staff of GCB Bank for their commitment and dedication throughout this difficult year, going the extra mile in 2020 to grow the business and ensuring that we deliver value to all our stakeholders.

To our customers you are the reason why we remain in business, we say Thank you for your custom. Respectfully I would like to recognize the support of our shareholders and say a big thank you to them for the opportunity to be of service.

Jude Kofi Arthur.

Chairman

Managing Director's
Review of Operations for the 2020 financial year

Our ambition is simple and it is to dominate the Retail and Wholesale banking segments in Ghana.

Mr. John Kofi Adomakoh
Managing Director

Introduction

Dear shareholders, it is a great pleasure for me to present to you the Bank's operational activities and performance for the year ended 31 December 2020.

The year 2020 was eventful globally due to the novel Covid-19 virus. The pandemic negatively impacted economic activities globally and brought about disruption to individuals and businesses despite various interventions by several stakeholders including governments and banking industry regulators in many countries among others. In the face of these challenges and uncertainties, your bank delivered solid returns as well as strong operating performance resulting in the improvement in the cost income ratio by 100 basis points to 58%. This achievement reflects the resilience and dedication of our Shareholders, Board and Staff and our sustained commitment to the banking needs of our customers.

Our 2020 Financial Performance Highlights

Despite the challenges caused by the Covid-19 pandemic, 2020 was a good year for GCB Bank. Our Bank recorded growth in Profit before Tax of 6.5% to GHS 610.83 million due to broad-based growth in revenue supported by balance sheet growth, higher transaction volumes and acquisition of new clients. Disciplined cost management helped achieve a positive jaws ratio of 3% and ROE of 22% despite continued investment in technology and Covid-19 related expenditures.

Consumer Bank continued to achieve strong results, delivering revenue growth of 22% and profit growth of 10%. Investment in electronic banking solutions and digital capabilities, as well as intensified sales and marketing, helped us grow transaction volumes, win new customers, increase deposits and grow loans.

Treasury continued to benefit from close collaboration with other business units within the bank, driving revenue growth of 46% year on year.

2020 was a difficult and challenging year for our Corporate Bank and SME businesses significantly due to the impact of COVID-19. Corporate Bank reported revenue growth of 2% attributable to volume growth in deposits and fee earning transaction volumes. However, significantly higher credit impairment charges on a few clients resulted in the business recording a loss for the year.

Despite growth in revenue of 29% supported by deposit and loan growth, SME business reported a lower profit compared with the prior year. Profits were lower by 34% mainly stemming from higher impairment charges.

Our capital adequacy ratio remains very healthy and strong and at the end of the year stood at 20.7%, well above the regulatory minimum ratio of 11.5%. We have a large branch network, great talent and large and loyal customers which gives us a solid foundation to continue to deliver superior returns to our shareholders.

Ladies and gentlemen, I would like to turn our attention to a few other key developments achieved during the past year.

On the digital front, the Bank's flagship mobile money wallet platform - G-Money saw significant growth in customer base and payment transaction volumes. Going into the future, G-Money will be critical in leading the Bank's digitisation agenda, providing an expanded payment channel and convenient banking services for individual and corporate customers.

GCB Capital secured an operating license from the Securities and Exchange Commission (SEC) for Fund Management and Custody services. The sterling performance of the team culminated in growth in Asset Under Management (AUM) to GHS 2.13Bn at the end of 2020.

In playing our additional role as a national bank, GCB is supporting the government's efforts on the financial sector bailout programme. The Amalgamated Mutual Fund Plc (AM Fund) was incorporated in August 2020 under GCB Capital to manage the payout of funds to clients of the collapsed fund management companies whose licenses were revoked by the SEC. As of the end of the year, a total of GHS536 million payments had been made to 5,800 clients. We also secured a Sub-Co-Arranger mandate for the 2020 Eurobond Issuance which successfully raised USD 3 Billion.

Further, the Bank is a key stakeholder in the GCB Real Estate Investment Trust, which constructed 204 townhouses in Tema for sale to public sector workers under a mortgage scheme. As part of the scheme, the Bank will provide mortgage financing facilities to potential purchasers of the housing units.

Finally, to improve the data security and controls within our payments and operating environments, the Bank achieved a PCI-DSS certification in 2020 and an International Organisation for Standardisation (ISO) certification project is scheduled to complete by 2021. A Security Operation Centre (SOC) was also set up to provide visibility on the Bank's network and systems infrastructure to proactively prevent security breaches.

Sharpening our Strategic Focus

With the constantly changing business environment and disruptions across many fronts, means to be successful enough to generate sustainable profits and returns, every business must ensure its strategy is relevant and its business is well-positioned to proactively meet the needs and expectations of its clients. Several developments impacting the banking sector, mainly African Continental Free Trade Area (AfCFTA), intensifying competition from both industry and non-industry players including FinTechs have reshaped the competitive landscape requiring the need to refresh our strategy and strengthen our execution.

Since my appointment in November last year, the Board, my management team and I have reviewed our existing strategy.

Through wide stakeholder engagements, we have refreshed our strategy with a sharpened focus on three pillars: revenue growth and profitability; operational resilience, and talent and culture. While we have consistently retained our number one position in the Consumer Banking segment, we believe there is a significant opportunity to further expand our market share and profits for this segment leveraging digitization and the trust customers have always had in our bank. Our strategy recognizes the importance of internal collaboration among various business units and functions, with the objective to understand the unique needs of our clients and offer the right solutions in a cost-effective and capital-efficient manner. We will therefore continue to make the relevant investments in technology, digitization and people to grow our market share of the payments industry in Ghana. Growing revenue from trade finance, cash management and remittances will remain a key area of our strategy to drive non-interest revenue.

Our ambition is simple and it is to dominate the Retail and Wholesale banking segments in Ghana.

Conclusion

I would like to express appreciation to our Board of Directors and Shareholders for their support throughout the year.

The continuous patronage of our products and services by our loyal customers cannot be overemphasised. Thank you for your business. The Bank will continuously work to improve on the experiences as we serve your financial needs.

Similarly, I express my gratitude to the management and staff of the Bank for their dedication, commitment and hard work resulting in the improvement in our performance. As we go into another year with increased expectations from our stakeholders, I do not doubt that working together we can exceed the expectations of our customers and other stakeholders and make our Bank the best place to work in Ghana.

John Kofi Adomakoh

Managing Director

Report of the Directors

to the members of GCB Bank Limited

The Directors are pleased to submit their report on the consolidated and separate financial statements of GCB Bank Limited for the year ended 31 December 2020.

Directors' Responsibility Statement

The Directors are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view of GCB Bank Limited, comprising the statements of financial position at 31 December 2020, statements of profit or loss and comprehensive income, statements of changes in equity and statements of cash flows for the year ended and notes to the consolidated financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards (IFRS), 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 the Report of the Directors.

The Directors are also responsible for such internal controls 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 ability of the Bank and its subsidiary to continue as going concerns and have no reason to believe that the businesses will not be going concerns in the year ahead.

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

Principal Activities

The Bank has a universal banking license and is registered to carry on the business of consumer banking, small and medium scale enterprise (SME) banking, corporate banking and treasury activities. It also engages in investment banking activities through its subsidiary. The nature of the Group's business did not change during the year.

Shareholding Structure

Details of the Bank's twenty largest shareholders are disclosed in Note 43a of the Annual Report.

The Bank's shareholding structure at the end of the year was as follows:

Shareholder	Percentage Holding
Social Security and National Insurance Trust (SSNIT)	29.89%
The Government of Ghana	21.36%
Institutions and Individuals	48.75%
Total	100.00%

Subsidiary and Associates

GCB Capital Limited, a company incorporated in Ghana to engage in investment banking activities, is a wholly owned subsidiary of the Bank.

The Bank holds 20% interest in Ghana International Bank Plc, a company incorporated in the United Kingdom to provide universal banking services.

The Bank holds indirect interest of 20%, 25% and 34% in Ghana Textiles Manufacturing Company, Accra Markets Limited and NCR Ghana Limited respectively through its subsidiary.

Ghana Textiles Manufacturing Company is a company engaged in the production and processing of textile as well as warehousing.

Accra Markets Limited is a company incorporated in Ghana whose principal business is the management of the Kaneshie Market Complex. NCR Ghana Limited is a leading technology and omni-channel solutions company incorporated in Ghana.

Details of serving directors' other engagements at the reporting date are disclosed below:

Directors	Qualification	Other Engagements and Positions
Mr. Jude Kofi Arthur	Fellow, The Chartered Institute of Bankers, Ghana BSc. Administration, University of Ghana	Ghana International Bank - Non-Executive Director
Mr. John Kofi Adomakoh	Executive MBA, University of Ghana. BSc, Agriculture, University of Ghana, Legon	GCB Capital Limited - Non-Executive Director
Mr. Socrates Afram	Fellow, Association of Chartered Certified Accountants-UK; MBA Finance, University of Ghana; Bachelor of Commerce, University of Cape Coast.	GCB Capital Limited - Non-Executive Director, NCR Ghana Limited - Non-Executive Director
Mr. Emmanuel Odartey Lamptey	Fellow, Association of Chartered Certified Accountants-UK Bachelor of Commerce, University of Cape Coast	GCB Capital Limited -Non-Executive Director
Mr. Nik Amarteifio	MBA, Harvard Business School BA. Economics, Wesleyan University	Dannex Aryton Starwin Pharmaceutical Group Limited - Non-Executive Director, Omni Media (Citi FM) - Non-Executive Director, African American Inst. (NY) - Non-Executive Director, Ghana Agro Food Company - Non-Executive Director
Mrs. Lydia Gyamera Essah	MPhil- Institute of Management & Public Administration (GIMPA); BA English & Literature, University of Ghana, Legon Ghana	None
Nana Ama Ayensua Saara III	B. Com, University of Cape Coast Diploma Business Studies, Takoradi Polytechnic	Nasaa Company Limited - Executive Director, Government Special Initiative - Non-Executive Director
Mr. Emmanuel Ray Ankrah	Fellow, Chartered Institute of Management Accountants (UK); Fellow British Society of Commerce; Member Institute of Chartered Accountants Ghana; Post Graduate Diploma Strategic Financial Management, Kingston University	National Insurance Commission - Non-Executive Director
Mr. Osmani Aludiba Ayuba	Member, Institute of Chartered Accountants Ghana; Member, Chartered Institute of Procurement and Supply; M.A. Economic Policy Management, University of Ghana Bachelor of Commerce, University of Cape Coast; Diploma in Education, University of Cape Coast.	Northern Electricity Distribution Company (NEDCO) Executive Director

Directors	Qualification	Other Engagements and Positions
Mr. Francis Arthur Collins	Fellow, Ghana Institute of Information Technology; Member, Institute for the Management of Information Systems (UK); Member, British Computer Society (UK); Master's Degree in Information Technology and Business Administration; (MBA-IT), University of Leicester (UK); Professional Certificate in Structured Systems Analysis and Design, National Centre for Information Technology, Manchester (UK); Dp. Data Processing, University of Science & Technology, Kumasi (GH).	None
Alhaji Alhassan Yakubu	MBA Finance (part 1), University of Ghana, Legon; Certificate from the Financial Institution Analysis School of the Federal Reserve Bank, Washington DC; B.Sc. Administration, Banking & Finance, University of Ghana, Legon	None
Mr. Prince Edward Amoatia Younge	M.Phil. (Marketing) – University of Ghana; EMBA (Marketing) – University of Ghana; BSc. Sociology with Economics-University of Ghana; Member, American Marketing Association	Targetlink Limited - Executive Director Cypher Consult Limited - Executive Director

Financial Results

The financial results of the Bank and Group for the year ended are set out in the financial statements, highlights of which are as follows:

		2020		2019
Figures in thousands of Ghana Cedis	**Bank**	**Group**	**Bank**	**Group**
Profit for the year (attributable to equity holders)	**439,501**	**445,389**	421,003	428,457
to which is added the balance brought forward on retained earnings of	**736,878**	**828,873**	500,624	585,167
	1,176,379	**1,274,262**	921,627	1,013,624
Out of which is transferred to the statutory reserve fund of	**(109,875)**	**(109,875)**	(105,251)	(105,251)
Dividend declared and paid of	**(53,000)**	**(53,000)**	(79,500)	(79,500)
	(162,875)	**(162,875)**	(184,751)	(184,751)
leaving a balance to be carried forward on retained earnings of	**1,013,504**	**1,111,387**	736,876	828,873

In accordance with section 34 (1) of the Banks and Specialised Deposit Taking Institutions Act, 2016 (Act 930), an amount of GHS 109,875,000 (2019: GHS 105,251,000) was transferred to the statutory reserve fund from retained earnings bringing the cumulative balance on the statutory reserve fund at the year-end to GHS 569,971,000 (2019: GHS 460,096,000).

Related Party Transactions

The Board ensures that transactions with related parties including internal group transactions are reviewed to assess its risk and are subject to appropriate restrictions by requiring that such transactions be conducted on non-preferential terms.

Information regarding Directors' interests in ordinary shares of the Bank and remuneration is disclosed in Note 39 & 43 to the financial statements. Other than service contracts, no Director had a material interest in any contract to which any Group company was a party during the year. Related party transactions and balances are also disclosed in Note 39 to the financial statements.

Biographical Information of Directors

No.	Name	Profession	Nationality	Born
1.	Mr. Jude Kofi Arthur	Banker	Ghanaian	1955
2.	Mr. Kofi Adomakoh	Banker	Ghanaian	1966
3.	Mr. Socrates Afram	Banker / Chartered Accountant	Ghanaian	1973
4.	Mr. Emmanuel Odartey Lamptey	Banker / Chartered Accountant	Ghanaian	1974
5.	Mrs. Lydia Gyamera Essah	Banker / Management & Banking Consultant	Ghanaian	1955
6.	Nana Ama Ayensua Saara III	Business Executive / Traditional Ruler	Ghanaian	1970
7.	Mr. Nik Amarteifio	Director / Business Executive	Ghanaian	1945
8.	Mr. Osman Aludiba Ayuba	Chartered Accountant	Ghanaian	1971
9.	Mr. Francis Arthur-Collins	Information Technologist	Ghanaian	1956
10.	Mr. Emmanuel Ray Ankrah	Chartered Accountant	Ghanaian	1962
11.	Alhaji Yakubu Adam Alhassan	Banker / Business Executive	Ghanaian	1966
12.	Mr. Edward Prince Amoatia Younge	Marketing Consultant	Ghanaian	1964

The Directors are responsible for the long term success of the Group, determining the strategic direction of the Group and reviewing operating, financial and risk exposures of the Group. There is a formal schedule of matters reserved for the Board of Directors, including approval of the Group's annual business plan, the Group's strategy, acquisitions, disposals and capital expenditure projects above certain thresholds, all guarantees, treasury policies, the financial statements, the Group's dividend policy, transactions involving the issue or purchase of the Group's shares, borrowing powers, appointments to the Board, alterations to the regulations, legal actions brought by or against the Group and the scope of delegation to Board committees, subsidiary boards and management committees. Responsibility for the development of policy and strategy and operational management is delegated to the Executive Directors and a management committee, which as at the date of this report includes three (3) executive Directors and eleven (11) senior managers.

Particulars of entries in the Interests Register during the financial year

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

Internal Control System

The Directors have overall responsibility for the Group's internal control systems and annually review their effectiveness, including a review of financial, operational, compliance and risk management controls. The implementation and maintenance of the risk management and internal control systems are the responsibility of the Executive Directors and other senior management. The systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and to provide reasonable, but not absolute, assurance against material misstatement or loss. The Directors have reviewed the effectiveness of the internal control systems, including controls related to financial, operational and reputational risks identified by the Group as at the reporting date and found no significant failings or weaknesses during this review.

Corporate Social Responsibility

Corporate social responsibility activities performed during the year have been disclosed in the note 42 of the financial statements.

Auditor

The auditor, Deloitte and Touche Ghana, has expressed willingness to continue in office in accordance with Section 139(5) of the Companies Act, 2019 (Act 992).

Auditor's fees

Included in the profit for the year is the agreed auditor's remuneration of GHS 1,610,000 (2019: GHS1,448,000).

COVID-19 commentary

On March 11, 2020, the World Health Organization declared the outbreak of a strain of novel coronavirus disease, COVID-19, a global pandemic. The breadth and depth of the impact of the COVID-19 pandemic on the global economy and financial markets has continued to evolve with disruptive effects in industries in which we operate and beyond, while also contributing to increased market volatility and changes to the macroeconomic environment. In addition, the COVID-19 pandemic has continued to affect our employees, some of our clients and communities, with resultant impacts on our operations, financial results and present and future risks to our business. Details of the impact of Covid-19 have been outlined below;

Business and operational Impact of COVID- 19

During the year, various aspects of the Bank's operations were also impacted. Below are the impacted areas of the Bank's business and how the Bank responded to them.

Lock down and social distancing

Due to the coronavirus (COVID-19) pandemic, governments across the world have declared national lockdowns, which have resulted in extensive travel restrictions and quarantine measures being implemented. Businesses globally have had to limit or suspend their operations and as such, the COVID-19 measures implemented by governments globally have severely impacted a wide range of industries, including the financial sector. Due to the global economic downturn, a significant increase in the volatility of the financial and commodities markets worldwide has been noted.

The Bank has responded to the COVID-19 pandemic by taking several measures designed to protect the health of its employees and to minimize operational disruption and resulting provision of services to our customers, including adopting strict social distancing and cleaning measures in our branches and all other units of the Bank, taking the temperature of employees and customers on daily basis as a prerequisite for entering our facilities, and instituting work from home protocols amongst other measures.

COVID- 19 debt relief measures provided to customers

Due to the COVID-19 pandemic and its resultant impact on the economy, a liquidity crisis was experienced by a large number of customers across the Group. In order to assist customers, the Group provided various relief measures to customers. In the retail and commercial segments, these included the following:

- new facilities being granted, including the COVID-19 SME scheme guaranteed by the Government of Ghana through the National Board for Small Scale Industries;
- restructure of existing exposures with no change in the present value of the estimated future cash flows;
- restructure of existing exposures with a change in the present value of the estimated future cash flows; and
- For wholesale exposures, bespoke debt relief measures were provided on a client-by-client basis.

Financial Statements Impact of COVID-19

Included in the operating expense for the reporting period is an amount of GHS 14.4 million directly incurred as a result of the effect of COVID-19 pandemic.

The Bank also spent GHS 6.4 million for the period under review as part of its social responsibility to help fight against the spread of COVID-19.

Significant increase in credit risk (SICR)

The assessment of whether there has been a significant increase in credit risk of loan assets (exposure) is performed through the identification of significant changes in credit quality over the entire life of the exposure. Information available that is reasonable and supportable on which to assess SICR and to measure Expected credit losses (ECL) remains limited in these unprecedented times.

In August 2020, the Bank of Ghana, the regulator, issued the "Guidance Notes for the Application of IFRS 9 ECL Impairment Model in response to COVID-19 Pandemic." For the assessment of significant increases in credit risk, the Bank has drafted a COVID-19 Policy Framework, which seeks to update some aspects of the Bank's ECL policy to account for relief measures introduced by the Banking regulator per the guidance notes. The guidance notes introduced measures in response to the economic impact of COVID-19 such as payment moratoria (voluntary or legislative) and other Government measures. The guidance indicates that these targeted measures (contract modifications) to support borrowers should not automatically result in exposures moving from a 12-month ECL to a lifetime ECL measurement. Consequently, there has been an addendum to the Group's ECL policy in the form of a COVID-19 framework policy to account for these measures.

Central to the Group's ECL policy update as a result of the pandemic is the determination of which loan assets are not significantly affected by the current conditions in the long term from those that would be unlikely to restore their credit worthiness as a result of the effects of the pandemic. Consequently, assets that are not expected to remain in stage 1 or those, which despite the relief measures granted by the Bank per the regulator's mandates, still exhibit signs of distress, are considered as having SICR.

Future outlook of COVID- 19

The global economy continues to come under the negative effects of COVID-19. Various governments and the world at large have not relented on their efforts aimed at getting a lasting solution in the form of cure for COVID-19 infection. There has been some breakthroughs with various vaccines ready and currently being administered in Ghana.

The issue of COVID-19 remains a major concern for the global and local economy and it is inherently impractical to accurately predict the full extent and duration of the economic impact of COVID-19 pandemic due to the unprecedented nature. Given these uncertainties, Covid-19 could impact:

- Fair value measurements;
- Ability of borrowers to meet their obligations under loan relationships;
- Forward looking information used in the ECL estimates;
- Modifications of financial assets and liabilities may be more frequent;
- Customer deposits; and
- COVID-19 related expenses

The pandemic could also adversely affect demand for our services, and the Group's ability to execute on our set strategies and initiatives and adversely affect our consolidated financial performance and consolidated financial position.

We will continue to closely monitor and evaluate the nature and extent of the impact of Covid-19 to our business, consolidated financial performance results and consolidated financial position.

Going Concern assessment

The Directors reviewed the Group and Bank's budgets and flow of funds forecasts and considered the Group and Bank's ability to continue as a going concern in light of current and anticipated economic conditions. These budgets and flow of funds forecasts took the impact of the COVID-19 pandemic into consideration, including projections of the impact on the Group's capital, funding and liquidity requirements, all of which have remained within internal targets and above regulatory requirements.

As part of this assessment, the Directors considered the sufficiency of the Group's financial resources throughout the pandemic. The management of the Group's financial resources, which it defines as capital, funding and liquidity, and risk capacity, is a critical enabler of the achievement of the Group's stated growth and return targets and is driven by the Group's overall risk appetite. Forecast growth in earnings and balance sheet risk weighted assets (RWA) is based on the Group's macroeconomic outlook and is evaluated against available financial resources, considering the requirements of capital providers, regulators and rating agencies. The expected outcomes and constraints are then stress tested, and the Group sets targets through different business cycles and scenarios.

On the basis of this review, and in light of the current financial position and profitable trading history, the directors are satisfied that the Group has adequate resources to continue in business for the foreseeable future. The going concern basis, therefore, continues to apply and has been adopted in the preparation of the annual financial statements.

The Directors confirm that to the best of their knowledge:

- the financial statements, prepared in accordance with applicable laws and the International Financial Reporting Standards, give a true and fair view of the Group and Bank's financial position, performance and cash flows; and
- the state of the Group and Bank's affairs is satisfactory.

Approval of consolidated and separate financial statements

The consolidated and separate financial statements set out on pages 52 to 143, which have been prepared on the going concern basis, were approved by the Board of Directors on 23 March, 2021 and were signed on its behalf by:

Mr. Jude Kofi Arthur
Chairman

Mr. John Kofi Adomakoh
Managing Director

Dear Shareholders,

We are pleased to present our 2020 Corporate Governance Statement.

The Bank is committed to the highest standards of corporate governance, having a resilient framework, policies and processes that are fundamental to the Bank's major pillars. This supports the maintenance of strong relationships with our stakeholders, the long-term sustainability of our business and assets, and our ability to create long-term value.

The outbreak of the Coronavirus disease (Covid-19) evolved into a pandemic, with major implications on the world population's health and the economic order of which the banking industry was not spared with its devastating effect. In these challenging times, the Bank exhibited superior leadership and decision-making processes and took crucial actions while considering multiple good governance factors, which translated into superb performance in 2020.

At the heart of our Corporate Governance Framework is our commitment to protect and enhance the interests of our shareholders through the highest standards of governance, business behaviour and transparency.

The Framework ensures Board accountability to shareholders and provides for an appropriate delegation of responsibilities to our Managing Director and the Executive Management Team. The Framework also outlines the roles and responsibilities of the Board.

GCB's Corporate Governance Framework is in accordance with international Corporate Governance principles, laws of Ghana such as Companies Act, 2019 (Act 992), the Bank & Specialised Deposit Taking Institutions Act, 2016 (Act 930), Bank of Ghana Corporate Governance Directive 2018 and Fit and Proper Person Directive 2018, Security and Exchange Commission Corporate Governance Code 2020 and Ghana Stock Exchange Listing Rules and Regulations.

This Statement describes our approach to Corporate Governance and how the Bank use sound governance practices and principles to support the Bank's purpose, vision and values.

The Board (the Governing Body)

The role of the Board is to provide leadership and strategic guidance for the Bank. The Board is the premier decision making body of the Bank and provides strategic direction and guidance for our business and represents the interests of our shareholders through the creation of sustainable value. The Board continues to focus on our customers, our people, the communities and environment in which we operate and in doing so enhances long-term shareholder returns.

The Board ensures that the Bank's governance processes align with regulators' directives and framework. The Board align strategies with goals embedded with high level of ethics and integrity, defining roles and responsibilities, and managing risk effectively.

Roles and Responsibilities

The role of the Board is to provide leadership to the Bank within the boundaries of risk appetite and a framework of prudent and effective controls, which enable risk to be identified, assessed, measured and controlled. The Board sets the Bank's strategic aims and risk appetite to support the strategy, ensuring that the necessary financial and human resources are in place for the Bank to meet its objectives.

Changes in Directorship

In 2020, the Managing Director, Mr. Ransford Sowah ended his tenure on 30 September 2020. The DMD Operations, Mr. Samuel Amankwah also retired on 1 May 2020. The Bank appreciates the incredible contribution of these two Directors in achieving success for the year 2020.

On 12 November 2020, Mr. John Kofi Adomakoh joined the Bank as the Managing Director to replace Mr. Ransford Sowah. Mr. Emmanuel Odartey Lamptey also joined the Bank in January 2021 as the Deputy Managing Director-Operations.

Separation of the Chairman and Managing Director Roles

Our Board Chairman, Mr. Jude Kofi Arthur is an Independent Non-Executive Director.

The Chairman's role includes but not limited to the following:

- Responsible for advancing the highest standards of integrity, probity and corporate governance of the Bank, particularly at Board level;
- Directing the agenda and conducting all Board meetings to facilitate discussions, challenges and decision-making;
- Acting as a conduit between Management and the Board, and being the key point of communication between the Board and Managing Director.

Our Managing Director, Mr Kofi Adomakoh is an Executive Director who heads the Executive Directors, Executive Committee (EXCO) and Chairman of GCB Capital Limited. He has delegated duties with authority from, and accountable to the Board of Directors for the development and successful implementation of the Bank's strategy. As a top executive his role is very vital and significant in strategic decision making, his role among others includes but not limited to the following:

- Developing Strategic Objectives for the Bank and achievement of planned results; and
- The day-to-day management of the GCB's Group operations, subject to the specified delegations of authority approved by the Board.

The separation of authority is set out in writing and agreed by the Board in the Corporate Governance Framework. This enhances independent oversight of Executive Management by the Board and helps to ensure that no one individual on the Board has autonomous power, influence or authority.

Board Composition

The Board is made of twelve (12) Directors, including nine (9) Non-Executive Directors out of which 30% are Independent Directors in-line with the Bank of Ghana Corporate Governance Directive 2018. Both Executive and Non-Executive Directors have clearly defined roles within our Board structure documented in the Corporate Governance Framework.

The Board has a rich blend of skills and knowledge, combined with the extensive experience required to guide our business in Governance, Banking and Finance, Accountancy, Law, Information Technology, Marketing, Entrepreneurship and Management.

Independence of Board of Directors

All Directors' have no material interests in the Group other than their directorship and bring independent and judgment to the Board's deliberations.

The larger number of Non-Executive Directors on the Board, makes the Board more independent and allows it to provide higher level of Corporate Governance to shareholders. It also satisfies our criteria for independence, which aligns with the guidance and recommendation provided in the Corporate Governance Framework.

The Board considers the Chairman to be independent. Non Executive Directors are independent as pertains to the management of the company. The Board of Directors have confirmed the continuing independence and objective judgment of the non Executive Directors.

Each Director is expected to disclose any business or other relationship that he or she has directly, or as a partner, shareholder or officer of a company or other entity that has an interest in the Bank or a related entity. The Board considers information about any such interests or relationships, including any related financial or other details, when it assesses the Director's independence.

Effectiveness of the Board

The Board is structured to ensure that the Directors provide GCB Bank Limited with the appropriate balance of skills, experience and knowledge as well as independence. Given the nature of GCB Bank's business, practical knowledge of banking and financial services is necessary for the success of the Bank, and it is clearly established that the Bank has a number of Directors with the right skills and experience mix. The Board also benefits from Directors with experience in other fields.

Directors' Performance Evaluation

Every year the performance and effectiveness of the Board and its committees and individual Directors are evaluated. The evaluation is conducted by assessing the Board structure and committees, Board Meetings and Procedures; Board Management Relations; Succession Planning and Training. The results of the evaluation is shared with all members of the Board. The current evaluation revealed that the Board was working with Management to make sure the overall strategic plan is being implemented and is working as they envisioned.

Performance evaluation for 2020 was conducted and it was concluded that the performance of the Board and its Board Committees was effective for the year under review.

Overall, it was noted that the Board of Directors and its committees are operating in an effective manner and performing satisfactorily, with no major anomaly identified.

Board Development and Annual Certification

The Board encourages Directors to undertake continuing education and training to develop and maintain the skills and knowledge needed to perform their role as Directors effectively.

The Purple Almond Consulting Limited took the Board through Annual Certification Programme in 2020, which is Mandatory for all Directors to be certified per Bank of Ghana Corporate Governance Directive in 2018.

The Board was trained on:

- Highlights of Recent Regulatory Policies and Directives;
- The Corporate Governance Directive, 2018 – Key Highlights;
- Analysing Governance Scenarios and Drawing Lessons for Board Effectiveness Briefings on the Company Act 2019 (Act 992) by EY;
- Highlights of Relevant Sections of the Banks and Specialised Deposit-Taking Act 930. Sections; Cyber Security Training by KPMG;
- Financial Reporting and Prudential Guidelines; and
- Interpreting and Analysing the Financial Statements

Induction of Directors

On appointment to the Board, Directors are provided with full, formal and tailored programmes of induction, to enable them gain in depth knowledge about the Bank's business, the risks and challenges ahead, the economic knowledge and the legal and regulatory environment in which the Bank operates.

Conflict of Interest

The Bank has established appropriate conflict authorization procedures, under which actual or potential conflicts are regularly reviewed and appropriate authorizations sought. During the year, all interest of Directors were declared and documented by the Secretariat at the beginning of all meetings.

Board Committees

There are eight (8) Committees that assist the Board in carrying out its responsibilities. In deciding the committee memberships, the Board endeavours to make the best use of the range of skills and experience across board and share responsibility. Membership of the Committees is reviewed on an annual basis or as and when the need arises.

To ensure effective oversight leadership, the Board receives the minutes/reports of all Committee meetings at Board meeting for ratification and approval.

The Committees' membership and functions are as follows:

Audit Committee

The Audit Committee is chaired by Mr. Emmanuel Ray Ankrah (an Independent Non-Executive Director) and other members include Mr. Osmani Ayuba, Alhaji Alhassan Yakubu and Mr. Edward Prince Amoatia Younge.

The functions of the Committee among others include the following:

- Overseeing the Internal Audit Co-sourcing arrangement;
- Reviewing the expertise, resources and experience of the Bank's finance function;
- Monitoring and reviewing the integrity of the financial statements of the Bank including its monthly, quarterly, bi-annual and annual reports, trading statements and any other formal announcement relating to its financial performance, and reviewing any significant financial reporting issues and/or judgments contained therein;
- Recommending the appointment of the External Auditor and to oversee the external audit process;
- Approving Internal Audit plans, monitoring & reviewing the effectiveness of the Bank's internal controls and internal audit function; and
- Recommending the appointment of a Chief Internal Auditor.

Risk and Compliance Committee

The Risk and Compliance Committee is chaired by Mrs. Lydia Essah (an Independent Non-Executive Director). The other members are Mr. Nik Amartefio, Nana Ama Ayensua Saara III and Mr. Edward Prince Amoatia Younge.

The Committee's role is to assist and advise the Board in the governance and effective management of the Bank's risks.

The Risk functions of the Committee among others include the following:

- Establishing, reviewing, and recommending to the Board, the Bank's overall Risk Appetite as well as assessing the appropriateness of the strategy in the context of the Risk Appetite, taking account of the current and prospective macroeconomic and financial environment;
- Reviewing and recommending the Bank's Risk Management Framework (i.e. policies, processes, models and limits) to manage and mitigate risk within the approved Strategy and Risk Appetite to the Board for approval;
- Monitoring the Bank's risk exposures through the review of the Bank's risk profile; and
- Review of management reports, monthly key performance Indicators (KPIs), reports on any material breaches of risk limits, on the nature and extent of risk exposures of the Bank.

The Compliance function among others include the following:

- Overseeing the compliance function designed to ensure compliance with the applicable laws and regulations, and advise on adherence to non-binding rules and standards; and
- Ensuring compliance of other regulatory and ethical demands in respect of customer relations and anti-money laundering.

Cyber Security and IT Governance Committee

The Cyber Security and IT Governance Committee is chaired by Mr. Francis Arthur-Collins (an Independent Non-Executive Director). The other members are Mr. Osmani Ayuba, Mrs. Lydia Essah and Alhaji Alhassan Yakubu.

Cyber Security and IT Governance Committee (cont'd)

The functions of the committee among others include the following:

- Creating secure environment within "cyberspace" for the financial service industry and generate adequate trust and confidence in ICT systems as well as transactions in the cyberspace;
- Creating assurance framework for design of security policies and for promotion of compliance to global security standards and best practices by way of cyber and information security assessment;
- Improving the integrity of ICT products and services by establishing infrastructure for testing and validation of security of these products and services;
- Promoting continuous cyber and information security risk assessment; and
- Promoting security awareness.

Human Resource and Remuneration Committee

The Human Resource and Remuneration Committee is chaired by Nana Ama Ayensua Saara III (a Non-Executive Director). The other members are Mr. Nik Amarteifio, Francis Arthur-Collins and Mr. Edward Prince Amoatia Younge.

The functions of the Committee among others include the following:

- Establishing employment policies to support approved Human Resource strategy;
- Overseeing the establishment of remuneration policies that promote the achievement of strategic objectives and encourage individual performance;
- Considering risk to the Bank, which may arise from remuneration policies and practices that drive organization behaviours;
- Regularly reviewing incentives scheme to ensure continued contribution to shareholders' value; and
- Develop strategy and policy for Board approval, in matters relating to recruitment, selection, training, motivation, development, reward and retention of staff.

Credit Committee

The Credit Committee is chaired by Alhaji Alhassan Yakubu (a Non-Executive Director). The other members are Mrs. Lydia Essah, Mr. Osmani Ayuba and Mr. Francis Arthur Collins.

The functions of the Committee among others include the following:

- Making recommendations for the Board's approval in respect of credit requests made by customers;
- Reviewing sector, and product/asset class concentration exposure reports in order to manage large credit exposures, and escalate any breaches to the Board taking into account the relevant Bank of Ghana publications;
- Reviewing at least annually, limits with respect to concentration risk, and make recommendations to the Board as necessary;
- Reviewing and monitoring the large credit exposure reports received from Management, and ensure that exposures are maintained within Bank of Ghana and Board-approved limits; and
- Determining if additional Management action is required to manage or mitigate the large credit exposures risk, and escalate issues to the Board where it is deemed appropriate to do so.

Nominations & Monitoring Committee

The Nominations & Monitoring Committee is chaired by Mr. Nik Amarteifio (a Non-Executive Director). The other members are Mrs. Lydia Essah, Mr. Ray Ankrah and Mr. Edward Prince Amoatia Younge.

The functions of the Committee among others include the following:

- Regularly reviewing the structure, size and composition of the Board;
- Giving full consideration to succession planning for Directors and other Senior Management;
- Identifying and nominating for the approval of the Board, candidates to fill Board/Key Management vacancies as and when they arise;

Nominations & Monitoring Committee (cont'd)

- Evaluating the balance of skills, knowledge, experience and diversity on the Board prior to any appointment to the Board;
- Reviewing the results of the evaluation of Board performance;
- Keeping under review the leadership needs of the Bank, Executive and Non-Executive; and
- Evaluating the Chairpersons of the various Committees.

Procurement Committee

The Procurement Committee is chaired by Mr. Osmani Ayuba (an Independent Non-Executive Director). The other members are Mr. Nik Amarteifio, Alhaji Alhassan Yakubu and Nana Ama Ayensua Saara III.

The functions of the Committee among others include the following:

- Overseeing the development of GCB Bank's Procurement Policy;
- Oversight and reviewing of tender process and appropriate probity processes to ensure the ethical procurement of goods and services to ensure compliance with the Procurement Policy;
- Ensuring strategic procurement objectives are developed and implemented through a procurement strategy to ensure that major investment decisions are procured strategically to enable prudent and efficient outcomes through market engagement;
- Assessing the adequacy and effectiveness of internal controls and risks as they relate to procurement activities;
- Review and monitor procurement performance assessment and processes to identify improvement opportunities for the future; and
- Reviewing, and approving IT strategic plans, oversee major initiatives and allocate resources.

Digital Payments & G-Money Committee

The Digital Payments & G-Money Committee chaired by Mr. Edward Prince Amoatia Younge (an Independent Non-Executive Director). The other members are Mr. Francis Arthur-Collins, Alhaji Alhassan Yakubu and Nana Ama Ayensua Saara III.

The functions of the Committee among others include the following:

- Povide direction on matters related to enhancement of products and services in pursuit of delivering on the Bank's digital transformation agenda, which is customer centric.
- Review the executive summary of any voice of the customer (VoC) programme which includes:
- Customer and staff feedback
- Complaint feedback review & performance monitoring
- Customer satisfaction strategy & ongoing performance review
- Regulatory key statistics and performance measures
- Ensures development & delivery of a Customer Promise Value add services.
- Review quarterly reports on customer communication and Customer Support via all channels (email, social media, call, face to face, app, website etc.)
- Review Bank's Digital Innovation performance via
  - i. G-Money quarterly performance
  - ii. Card Issuance and usage report
  - iii. Website performance and capabilities
  - iv. Internet banking and sms messaging quarterly reports
  - v. Quarterly report on role out and performance of merchant point of sale device
  - vi. Customer communication platforms to include social media, social listening & automation
  - vii. Delivery of real time customer complaint settlement.

Digital Payments and G-Money Committee (cont'd)

- Review of the Bank's progress towards achieving its budget in customer growth using electronic products and channels and recommend changes for improvement, if any.
- Monitors the status of the Bank's electronic products and payment by reviewing reports on opportunities and threats relating to technological developments.

The Company Secretary

The Company Secretary provides advice and support to the Board, and is accountable to the Board, through the Chairman, for all matters relating to the proper functioning of the Board and its Committees. The Company Secretary is responsible for advising the Board on governance matters and ensuring compliance with Board and Board Committee framework, terms of reference and procedures.

The Company Secretary was appointed by the Board.

The Company Secretary performs the following duties among others:

a. Serves as an interface between the Board and Management and supports the Board chair in ensuring the smooth functioning of the Board;
b. Ensures that Board procedures are followed and reviewed regularly;
c. Ensures that the applicable rules and regulations for the conduct of the affairs of the Board are complied with;
d. Provides the Board as a whole and individual Directors with detailed guidance as to how their responsibilities should be properly discharged in the best interest of the Bank and on good governance;
e. Keeps abreast of, and inform the Board of current corporate governance thinking and practice;
f. Assists the Nominations & Monitoring Committee with the induction and continuous development of Directors;
g. In charge of the Secretariat that maintains the following statutory records in accordance with legal requirement from the Companies Act 2019 (Act 992);
    - Interest Register
    - Register of Holdings of Directors – Shares and debentures
    - Register of Directors and Secretary
    - Related Party Transaction Register

Annual Work Plan

The Board of Directors follow an Annual Work Plan that covers all the necessary areas of its work during the year. The Annual Work Plan provides a list of scheduled meetings that help the Board to shift the balance of its time towards matters that are important. It forces the Board to be realistic and prioritize its available time to properly consider key decisions and other matters of strategic significance.

Code of Ethics for the Board and Company Employees

Code of Ethics for the Board has been captured in the Board Corporate Governance Framework which is reviewed annually in addition to Code of Ethics Policy for Directors under review for adoption.

The Code of Ethics for Board and employees describe the standards of conduct expected of the Board, Management and staff.

The Principles making up the Code are:

- acting with honesty, integrity, and due skill, care and diligence;
- complying with laws and with our policies;
- respecting confidentiality and do not misuse information;
- placing importance on our professionalism;
- working as a team; and
- managing conflicts of interest responsibly.

Code of Ethics for the Board and Company Employees (cont'd)

The Code's guiding principles help the Bank to make the right decisions, ensuring that the reputation of the Bank is upheld.

As Directors and employees of the Bank, we are also committed to creating greater accountability, transparency and trust with our customers and the broader community. With that in mind, the principles within our Code also reflect the community's expectations of us.

Board Meetings and Attendance

The Board met on a regular basis in 2020 in spite of the Covid-19 pandemic. The Board Annual Work Plan entails scheduled/unscheduled meetings, Strategy Session and Board Retreat. The Board had sixteen (16) meetings in 2020. Directors were involved in Strategy Dialogues throughout the year in pursuance of the Bank's overall performance.

The Board Committees have delegated authority to meet from time to time to undertake specific extra duties on behalf of the Board.

Below is the table of attendance for Board and Committee Meetings in the year 2020.

Name of Director	Board Meetings	HR & Remu-neration	Nomina-tions & Moni-toring	Risk & Com-pliance	Cyber Security & IT Govern-ance	Credit	Procure-ment	Audit	Digital Payments & G-Money
Jude Arthur	16/16	-	-	-	-	-	-	-	-
Mr. Anselm Ray Sowah	12/12	-	-	-	-	-	-	-	-
Mr. John K. Adomakoh	3/3	-	-	-	-	-	-	-	-
Mr. Socrates Afram	13/16	-	-	-	-	-	-	-	-
Mr. Samuel Amankwah	5/5	-	-	-	-	-	-	-	-
Mr. Nik Amarteifio	16/16	1/1	3/3	2/2	-	-	1/1	-	-
Mr. Ray Ankrah	10/16		1/1	0/1	-		-	4/4	-
Mr. Francis Arthur-Collins	16/16	1/1	-	1/1	1/1	3/3	-	-	1/1
Mr. Osmani Aludiba Ayuba	12/16	-	-	-	1/1	3/3	1/1	4/4	-
Mrs. Lydia Essah	16/16	-	3/3	3/3	1/1	3/3	-	-	-
Nana Ama Ayensua Saara III	15/16	1/1	1/2	2/2	-		1/1	-	1/1
Alhaji Alhassan Yakubu	15/16	-	-	1/1	1/1	3/3	1/1	4/4	1/1
E.P. Amoatia Younge	15/16	0/1	3/3	0/2	-	-	-	2/4	1/1

Directors' Remuneration

Determining the remuneration of the Directors is subject to shareholders approval. The Board Chairman was paid a net monthly fee of GHS 15,556 and a sitting allowance of GHS 5,000 per Board meeting. The other Non-Executive Directors were paid a monthly fee of GHS 9,242 and a sitting allowance of GHS 3,750 per meeting.

The total remuneration for Non-Executive Directors amounted to GHS 3,619,185 out of the approved amount of GHS 3,850,000 at the 2019 Annual General Meeting.

Disclosures on Conflicts of interests and Related Party transactions

The Corporate Governance Framework is designed to ensure that actual, perceived or potential conflicts of interests are identified, managed or prevented. The framework outlines the organizational and administrative arrangements that have been put in place to support the identification and management of conflicts of interest which guarantee that Directors act at all times in the best interests of the Bank.

Directors disclose interests, if any, at the beginning of every Board meeting and also submit a written declaration. Details of all Directors' conflicts of interest are recorded in an Interests and Related Party Transaction Registers which are maintained by the Secretariat and reviewed annually by the Board. This is in compliance with the Bank of Ghana Corporate Governance Directive and Companies Act, 2019 (Act 992). No Director had any interest in contracts or proposed contracts with the Group during the year under review.

External Directorship and Other Engagements

The Directors of GCB Bank Limited are very experienced, and knowledgeable leaders who have other responsibilities and serve on other Boards. To ensure that Directors give greater time commitment to their oversight function in the Bank, no director holds more than five (5) directorship positions at a time in both financial and non-financial institutions in compliance with Section 45 of the Bank of Ghana Corporate Governance Directive.

Internal Controls System

The Bank's internal controls framework covers financial, operational, compliance, legal and information technology controls, as well as risk management policies and systems.

The Board, supported by the Audit Committee and the Risk and Cyber Security Committee, oversees the Bank's system of internal controls and risk management. The Bank has three lines of defence when it comes to risk taking where each line of defence has a clear responsibility.

Our business units are our first line of defence for risk. This includes identification and management of risks inherent in their businesses and ensuring that we remain within approved boundaries of our risk appetite and policies.

Corporate oversight and control functions such as risk, compliance and parts of technology and finance form the second line of defense. They are responsible for design and maintenance of the internal control frameworks covering financial, operational, compliance and information technology.

Internal Audit forms the third line of defence. It provides an independent assessment and assurance on the reliability, adequacy and effectiveness of our system of internal controls, risk management procedures, governance framework and processes.

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of GCB Bank Limited and its subsidiary (the Group and Bank), set out on pages 52 to 143, which comprise the consolidated and separate statements of financial position as at 31 December 2020, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, the notes to the consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory disclosures.

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group and Bank in accordance with the requirements of the International Ethics Standards Board for Accountants' (IESBA), International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) and other independence requirements applicable to performing audits of financial statements in Ghana. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements that are relevant to our audit of financial statements in Ghana.

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

Key audit matters

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

Key Audit Matter	
IFRS 9 Impairment	**Response**
As at December 31, 2020, the Group's loan and advances portfolio was GHS 4.27 billion ((2019: GHS 4.04 billion) with an associated impairment allowance for expected credit losses ("ECL" or "loss allowance") of GHS 597 million (2019: GHS 374 million). As described in Note 4.10, ECL represents a complex accounting estimate, which is based on management's evaluation of probable loan losses expected to be incurred over the life of the loan. Expected credit losses was considered to be a key audit matter due to the level of significant judgement applied by management in determining ECL and the increased uncertainty related to the impact of COVID-19 pandemic and resultant stress on the global and local economy. Corporate and SME loans are an individually significant component of the loans and advances balance and the impairment allowance. The determination of related loss allowance is judgmental in nature. The areas of significant management judgement within the ECL measurement process include: • Probability of Default (PD) — This is an estimate of the likelihood of default over a given time horizon. Management's judgement considers historical default rates to predict the probability of default at future points-in-time incorporating forward looking economic information and qualitative information specific to portfolio segments. • The assessment of whether an exposure has met predefined default criteria as at the reporting date (i.e. a trigger event that has caused a deterioration in credit risk and resulted in migration of the loan from Stage 2 to Stage 3), taking the impact of COVID-19 into account.	We performed the following procedures on the ECL for Corporate and Small & Medium-sized Entities (SME) loans and advances with the assistance of our credit specialists, taking the impact of COVID-19 into account: • Updated our understanding of management's processes around the measurement of the ECL including management's modelling methodology, incorporation of assumptions and input data. • Updated our understanding of management's policies and procedures around the reliability of qualitative and quantitative information as well as the calibration of the ECL model and ECL output. • Assessed the design and implementation of the relevant financial reporting controls as well as the general and application computer controls relating to input data and delinquency (days past due), early alert monitoring system, PDs and Staging. • Assessed conformity of management's ECL accounting policy in the context of IFRS 9 and central bank (Bank of Ghana) regulatory directives including current guidance relating to COVID-19. • Assessed the appropriateness of the ECL methodology, including any refinements against actual experience and industry practice. • Assessed the quality of the data used in the ECL model for completeness and accuracy through data analytics. • Using an audit sample, agreed the input data (days past due, credit rating, delinquency) to underlying audit evidence including loan systems data, loan and legal officers and loan documentation. • For a sample of loans identified by management as having no indicators of significant increases in credit risk (SICR) and/or default criteria, we determined if this was reasonable by forming an independent view based on both internally and publicly available borrower-specific and respective industry and segment information on whether SICR or default indicators were present. • Evaluated the impact of COVID-19 on a sample of loans and advances and respective borrowers to determine the appropriateness of management's assessment of the severity of the impact of COVID-19 and whether conclusions were consistent with current regulatory directives.

Key Audit Matter	
IFRS 9 Impairment	**Response**
	• Benchmarked management's PD rates against Deloitte credit specialist's industry PD rates and Bank of Ghana regulatory published credit loss rates to evaluate whether management's PD rates were within an acceptable range. • Performed sensitivity analysis using data analytics on PD rates used and Staging in the ECL model. • For those highly sensitive PDs, our internal credit specialists recalculated the PDs to evaluate management's process and conclusions for determining the PDs. • Challenged management on conclusions reached relating to the presence or otherwise of SICR or default criteria as well as the application of COVID-19 regulatory directives in determining the ECL amount and the appropriateness of the PDs used. • Validated that the Exposure at Default amounts used in the ECL complied with the requirements of IFRS 9. • Performed a recalculation of the ECL estimate together with our credit specialists to validate management's calibration and appropriate inclusion of assumptions and input data (loss given default rates and effective interest rates). Based on the procedures described above, we did not identify any material misstatements relating to the ECL measurement on Corporate and SME advances.

Other Information

The directors are responsible for the other information. The other information comprises the Report of the Directors, the Statement of Directors' Responsibilities, the Corporate Governance Statement, which we obtained prior to the date of this report, and the Annual Report, the Chairman's Statement and Managing Director's Review which was made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

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

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards, the requirements of 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 consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and 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 Group and/or the Bank or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate 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 consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and 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 Group's and 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 consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements (cont'd)

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current year 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

In accordance with the Seventh Schedule of the Companies Act, 2019 (Act 992) we expressly state that:

1. We have obtained the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of the audit.
2. In our opinion:
   - proper books of accounts have been kept by the Group and Bank, so far as appears from our examination of those books.
   - the information and explanations given to us, were in the manner required by the Companies Act, 2019 (Act 992) and give a true and fair view of the:
     a. statements of financial position of the Group and Bank at the end of the financial year, and
     b. statements of profit or loss and other comprehensive income for the financial year.
   - the group accounts have been properly prepared in accordance with the Companies Act, 2019 (Act 992), to give a true and fair view of the state of affairs, and the profit or loss of the Bank and its subsidiary.
3. The Group and Bank's statements of financial position and statement of profit or loss and other comprehensive income are in agreement with the accounting records and returns.
4. The Group and Bank's accounts has been properly prepared in accordance with the Companies Act, 2019 (Act 992), to give a true and fair view of the state of affairs, and the profit or loss of the Bank and its subsidiary.
5. We are independent of the Group and the Bank, pursuant to Section 143 of the Companies Act, 2019 (Act 992).

Independent Auditor's Report
To the shareholders of GCB Bank Limited (cont'd)

The Banks and Specialized Deposit-Taking Institution Act, 2016 (Act 930) requires that we state certain matters in our report. We hereby state that:

1. We confirm that the accounts give a true and fair view of the state of the affairs of the Bank and the results of operations for the year under review.
2. We were able to obtain all the information and explanation required for the efficient performance of our duties as auditors.
3. We confirm that the transactions of the entity were within the powers of the Bank.
4. In our opinion, the Bank has generally complied with the provisions of the Anti-Money Laundering Act, 2008 (Act 749), as amended by the Anti-Money Laundering (Amendment) Act, 2014 (Act 874), the Anti-Terrorism Act, 2008 (Act 762) and Regulations made under these enactments.
5. The Bank has generally complied with the provisions of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

The engagement partner on the audit resulting in this independent auditor's report is **Daniel Kwadwo Owusu (ICAG/P/1327).**

For and on behalf of Deloitte & Touche (ICAG/F/2021/129)

Chartered Accountants

The Deloitte Place, Plot No. 71
Off George Walker Bush Highway
North Dzorwulu
Accra, Ghana

23 March, 2021

Statements of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2020

Figures in thousands of Ghana Cedis		2020		2019	
	Note(s)	Bank	Group	Bank	Group
Interest income	9	1,930,141	1,938,908	1,553,162	1,555,646
Interest expense	10	(430,255)	(430,210)	(387,355)	(387,194)
Net interest income		1,499,886	1,508,698	1,165,807	1,168,452
Fee and commission income	11	315,716	329,702	293,127	293,127
Fee and commission expense	12	(51,722)	(51,722)	(51,622)	(51,622)
Net fee and commission income		263,994	277,980	241,505	241,505
Net trading income	13	166,628	166,628	141,745	141,745
Other operating income	14	7,600	14,374	14,388	21,167
Operating income		1,938,108	1,967,680	1,563,445	1,572,869
Net impairment loss on financial assets	15	(219,647)	(219,647)	(75,521)	(75,521)
Personnel expenses	17	(559,950)	(561,933)	(496,732)	(497,511)
Depreciation and amortisation	30,31	(142,467)	(142,660)	(125,161)	(125,269)
Other expenses	16	(414,155)	(425,048)	(301,378)	(301,803)
Operating profit		601,889	618,392	564,653	572,765
Share of profit of associates, net of tax	29	-	(7,566)	-	903
Profit before income tax		601,889	610,826	564,653	573,668
Income tax expense	18	(162,388)	(165,437)	(143,650)	(145,211)
Profit for the year		439,501	445,389	421,003	428,457

Statements of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2020 cont'd

Figures in thousands of Ghana Cedis		**2020**		2019	
Other comprehensive income:	Note(s)	Bank	Group	Bank	Group
Items that will not be reclassified to profit or loss:					
Re-measurements on net defined benefit liability/asset	36	**14,192**	**14,192**	(16,528)	(16,528)
Fair value of equity instruments	25	**106**	**(4,113)**	(2,001)	(27,944)
Income tax relating to items that will not be reclassified	20	**(3,563)**	**3,977**	3,663	5,288
Total items that will not be reclassified to profit or loss		**10,735**	**14,056**	(14,866)	(39,184)
Items that may be reclassified to profit or loss:					
Exchange differences on translating foreign operations	29	**-**	**(1,211)**	-	18,524
Share of comprehensive income of associates	29	**-**	**401**	-	2,321
Income tax relating to items that may be reclassified		**-**	**-**	-	-
Total items that may be reclassified to profit or loss		**-**	**(810)**	-	20,845
Other comprehensive income for the year net of taxation		**10,735**	**13,246**	(14,866)	(18,339)
Total comprehensive income for the year		**450,236**	**458,635**	406,137	410,118
Profit attributable to:					
Owners of the parent		**439,501**	**445,389**	421,003	428,457
Non-controlling interest		**-**	**-**	-	-
		439,501	**445,389**	421,003	428,457
Total comprehensive income attributable to:					
Owners of the parent		**450,236**	**458,635**	406,137	410,118
Non-controlling interest		**-**	**-**	-	-
		450,236	**458,635**	406,137	410,118
Earnings per share					
Basic earnings per share (GHp)	21	**166**	**168**	159	162
Diluted earnings per share (GHp)	21	**166**	**168**	159	162

The notes on pages 61 to 141 form an integral part of these consolidated financial statements

Statements of Financial Position

As at 31 December 2020

Figures in thousands of Ghana Cedis

	Note	2020 Bank	2020 Group	2019 Bank	2019 Group
Assets					
Cash and cash equivalents	22	**1,567,241**	**1,567,241**	1,572,538	1,572,538
Non-pledged trading assets	23	**221,339**	**221,339**	142,790	142,790
Derivative financial instruments	24	**-**	**-**	236	236
Investments (other than securities)	25	**2,333**	**18,534**	2,227	15,439
Loans and advances to customers	26i	**3,612,588**	**3,612,588**	3,587,653	3,587,653
Advances to banks	26ii	**200,904**	**200,904**	209,614	209,614
Investment securities	27	**8,575,901**	**8,622,846**	5,996,593	6,025,382
Investments in associates	29	**28,274**	**91,681**	28,274	100,391
Investments in subsidiary	28	**1,000**	**-**	1,000	-
Deferred tax assets	20	**157,455**	**158,465**	101,810	95,324
Current tax assets	19	**26,255**	**25,808**	-	-
Intangible assets	31	**190,921**	**191,136**	201,820	201,820
Other assets	32	**460,432**	**462,701**	300,541	300,555
Property, equipment and right-of-use assets	30	**280,013**	**280,654**	271,645	272,342
Total assets		**15,324,656**	**15,453,897**	12,416,741	12,524,084
Liabilities					
Deposits from banks & other financial institutions	33i	**615,418**	**615,418**	501,911	501,911
Deposits from customers	33ii	**11,352,518**	**11,345,240**	9,340,608	9,320,878
Borrowings	35	**772,525**	**772,525**	457,578	457,578
Current tax liabilities	19	**-**	**-**	9,693	9,017
Employee benefit obligation	36	**113,322**	**113,322**	118,664	118,664
Other liabilities	34	**421,581**	**421,394**	336,233	335,674
Total liabilities		**13,275,364**	**13,267,899**	10,764,687	10,743,722
Equity					
Stated capital	37i	**500,000**	**500,000**	500,000	500,000
Retained earnings		**1,013,504**	**1,111,387**	736,876	828,873
Statutory reserve	37ii	**569,971**	**569,971**	460,096	460,096
Fair value reserve	37iv	**(1,754)**	**5,395**	(1,845)	1,581
Other reserves	37v	**(32,429)**	**(755)**	(43,073)	(10,188)
Total shareholders' equity		**2,049,292**	**2,185,998**	1,652,054	1,780,362
Total liabilities and shareholders' equity		**15,324,656**	**15,453,897**	12,416,741	12,524,084

The notes on pages 61 to 141 form an integral part of these consolidated financial statements.

The consolidated and separate financial statements and the notes on pages 52 to 143 were approved by the Board of Directors on 23 March, 2021 and were signed on its behalf by:

Mr. Jude Kofi Arthur
Chairman

Mr. John Kofi Adomakoh
Managing Director

Statements of Changes in Equity

For the year ended 31 December 2020

Bank

Figures in thousands of Ghana Cedis

	Stated capital	Fair value reserves	Other reserves	Statutory reserves	Total reserves	Retained earnings	Total equity
Balance at 1 January 2020	500,000	(1,845)	(43,073)	460,096	415,178	736,878	1,652,056
Total comprehensive income, net of income tax:							
Profit for the year	-	-	-	-	-	439,501	439,501
Other comprehensive income, net of income tax:							
Fair value change in equity instruments	-	91	-	-	91	-	91
Re-measurement of defined benefit liability	-	-	10,644	-	10,644	-	10,644
Total other comprehensive income	-	91	10,644	-	10,735	-	10,735
Total comprehensive income for the year	-	91	10,644	-	10,735	439,501	450,236
Transfer to/from reserves:							
Statutory reserves	-	-	-	109,875	109,875	(109,875)	-
Total Transfer to/from reserves	-	-	-	109,875	109,875	(109,875)	-
Transactions with owners							
Dividends	-	-	-	-	-	(53,000)	(53,000)
Total transactions with equity holders	-	-	-	-	-	(53,000)	(53,000)
Balance at 31 December 2020	500,000	(1,754)	(32,429)	569,971	535,788	1,013,504	2,049,292

The notes on pages 61 to 141 form an integral part of these consolidated financial statements.

Bank

Figures in thousands of Ghana Cedis

	Stated capital	Fair value reserves	Other reserves	Statutory reserves	Total reserves	Retained earnings	Total equity
Balance at 1 January 2019	500,000	625	(30,677)	354,845	324,793	500,624	1,325,417
Balance at 1 January 2019	500,000	625	(30,677)	354,845	324,793	500,624	1,325,417
Total comprehensive income, net of income tax							
Profit for the year	-	-	-	-	-	421,003	421,003
Other comprehensive income, net of income tax:							-
Fair value change in equity instruments	-	(2,470)	-	-	(2,470)	-	(2,470)
Re-measurement of defined benefit liability	-	-	(12,396)	-	(12,396)	-	(12,396)
Total other comprehensive income	-	(2,470)	(12,396)	-	(14,866)	-	(14,866)
Total comprehensive income for the year	-	(2,470)	(12,396)	-	(14,866)	421,003	406,137
Transfer to/from reserves:							
Statutory reserves	-	-	-	105,251	105,251	(105,251)	-
Total Transfer to/from reserves	-	-	-	105,251	105,251	(105,251)	-
Transactions with owners							
Dividends	-	-	-	-	-	(79,500)	(79,500)
Total transactions with equity holders	-	-	-	-	-	(79,500)	(79,500)
Balance at 31 December 2019	500,000	(1,845)	(43,073)	460,096	415,178	736,876	1,652,054

The notes on pages61 to 141 form an integral part of these consolidated financial statements.

Statements of Changes in Equity

For the year ended 31 December 2020 cont'd

Group

Figures in thousands of Ghana Cedis

	Stated capital	Fair value reserves	Other reserves	Statutory reserves	Total reserves	Retained earnings	Total equity
Balance at 1 January 2020	500,000	1,582	(10,188)	460,096	451,490	828,873	1,780,363
Total comprehensive income, net of income tax:							
Profit for the year	-	-	-	-	-	445,389	445,389
Other comprehensive income, net of income tax:							
Fair value change in equity instruments, net of tax	-	3,412	-	-	3,412	-	3,412
Re-measurement of defined benefit liability, net of tax	-	-	10,644	-	10,644	-	10,644
Share of associate OCI	-	401	-	-	401	-	401
Foreign currency translation differences for foreign operations	-	-	(1,211)	-	(1,211)	-	(1,211)
Total other comprehensive income	-	3,813	9,433	-	13,246	-	13,246
Total comprehensive income for the year	-	3,813	9,433	-	13,246	445,389	458,635
Transfer to/from reserves Statutory reserve	-	-	-	109,875	109,875	(109,875)	-
Total transfer to/from reserves	-	-	-	109,875	109,875	(109,875)	-
Transactions with shareholders Dividends	-	-	-	-	-	(53,000)	(53,000)
Total transactions with equity holders	-	-	-	-	-	(53,000)	(53,000)
Balance at 31 December 2020	500,000	5,395	(755)	569,971	574,611	1,111,387	2,185,998

The notes on pages 61 to 141 form an integral part of these consolidated financial statements.

Statements of Changes in Equity

For the year ended 31 December 2020 cont'd

Group

Figures in thousands of Ghana Cedis

	Stated capital	Fair value reserves	Other reserves	Statutory reserves	Total reserves	Retained earnings	Total equity
Balance at 1 January 2019	500,000	26,048	(16,316)	354,845	364,577	585,167	1,449,744
Impact of IFRS 16 after adoption	-	-	-	-	-	-	-
Balance at 1 January 2019 after IFRS 16 application	500,000	26,048	(16,316)	354,845	364,577	585,167	1,449,744
Total comprehensive income, net of income tax							
Profit for the year	-	-	-	-	-	428,457	428,457
Other comprehensive income, net of income tax							
Fair value change in equity instruments net of tax	-	(26,788)	-	-	(26,788)	-	(26,788)
Re-measurement of defined benefit liability net of tax	-		(12,396)	-	(12,396)	-	(12,396)
Share of associate OCI	-	2,321	-	-	2,321	-	2,321
Foreign currency translation differences for Foreign operations	-	-	18,524	-	18,524	-	18,524
Total other comprehensive income	-	(24,467)	6,128	-	(18,339)	-	(18,339)
Total comprehensive income for the year	-	(24,467)	6,128	-	(18,339)	428,457	410,118
Transfer to/from reserves							
Statutory reserve	-	-	-	105,251	105,251	(105,251)	-
Total transfer to/from reserves	-	-	-	105,251	105,251	(105,251)	-
Transactions with shareholders							
Dividends	-	-	-	-	-	(79,500)	(79,500)
Total transactions with equity holders	-	-	-	-	-	(79,500)	(79,500)
Balance at 31 December 2019	500,000	1,581	(10,188)	460,096	451,489	828,873	1,780,362

The notes on pages 61 to 141 form an integral part of these consolidated financial statements.

Statements of Cash Flows

For the year ended 31 December 2020

Figures in thousands of Ghana Cedis

	Note(s)	2020 Bank	2020 Group	2019 Bank	2019 Group
Cash flows from operating activities					
Profit for the period		439,501	445,389	421,003	428,457
Adjustments for:					
Depreciation and amortisation	30	142,467	142,660	125,161	125,269
Net impairment loss on financial assets	15	219,647	219,647	75,521	75,521
Employee benefit expense	17&36	24,240	24,240	19,583	19,583
Share of loss/(profit) of associates	29	-	7,566	-	(903)
PPE written off	30	413	413	397	397
Net interest income	9,10	(1,499,886)	(1,508,698)	(1,165,807)	(1,168,452)
Dividend income	14	(702)	(7,476)	(2,951)	(8,915)
Profit/Loss on sale of property and equipment	14	435	435	(232)	(232)
Foreign exchange gain	13	(95,835)	(95,835)	(127,039)	(127,039)
Income tax expense	18	162,388	165,437	143,650	145,211
		(607,332)	(606,222)	(510,714)	(511,103)
Changes in non-pledged trading assets	23	(78,549)	(78,549)	(62,786)	(62,786)
Changes in derivative assets		236	236	(236)	(236)
Changes in advances to banks	26ii	8,710	8,710	3,372	3,372
Changes in loans and advances to customers	26i	(244,582)	(244,582)	(864,133)	(864,133)
Changes in other assets	32	(159,891)	(162,146)	(128,855)	(148,841)
Changes in deposit from banks and other financial institutions	33i	113,507	113,507	229,142	229,142
Changes in deposits from customers	33ii	2,011,910	2,024,362	1,278,380	1,296,453
Changes in borrowings	35	314,947	314,947	112,694	112,694
Changes in other liabilities	34	85,348	85,720	(195,873)	(195,782)
Employee benefit paid	36	(15,119)	(15,119)	(15,094)	(15,094)
Cash (used in)/ generated from operations		1,429,185	1,440,864	(154,103)	(156,314)
Interest received		1,910,782	1,919,976	1,694,712	1,720,334
Dividend received		702	7,476	2,951	8,915
Interest paid		(314,330)	(314,330)	(344,156)	(344,317)
Net income tax paid		(257,544)	(259,426)	(175,792)	(177,291)
Net cash from operating activities		2,768,795	2,794,560	1,023,612	1,051,327
Cash flows from investing activities					
Purchase of investments (other than securities)	25bi	-	(7,207)	-	(2,108)
Purchase of investment securities	27	(2,579,308)	(2,597,464)	(1,154,551)	(1,179,348)
Purchase of property, equipment & right-of-use asset	30	(82,039)	(82,221)	(98,209)	(99,019)
Proceeds from the sale of property, equipment & right-of- use assets	30	456	456	392	392
Purchase of intangible assets	31	(60,201)	(60,421)	(72,826)	(72,826)
Net cash used in investing activities		(2,721,092)	(2,746,857)	(1,325,194)	(1,352,909)

Figures in thousands of Ghana Cedis

		2020		2019	
	Note	Bank	Group	Bank	Group
Cash flows from operating activities					
Dividends paid		(53,000)	(53,000)	(79,500)	(79,500)
Net cash used in financing activities		(53,000)	(53,000)	(79,500)	(79,500)
Net (decrease)/increase in cash and cash equivalents		(5,297)	(5,297)	(381,082)	(381,082)
Cash and cash equivalents at 1 January	22	1,572,538	1,572,538	1,953,620	1,953,620
Cash and cash equivalents at 31 December	22	1,567,241	1,567,241	1,572,538	1,572,538

The notes on pages 61 to 141 form an integral part of these consolidated financial statements.

1. Reporting entity

GCB Bank Limited is a limited liability company incorporated and domiciled in Ghana. These consolidated financial statements as at and for the year ended 31 December 2020 comprise the Bank and its subsidiary, (together referred to as the 'Group') and the Group's interest in associates. The separate financial statements as at and for the year ended 31 December 2020 comprise the financial statements of the Bank.

The Bank is listed on the Ghana Stock Exchange.

2. New and amended standards and interpretations

2.1.1 Impact of the initial application of Interest Rate Benchmark Reform amendments to IFRS 9 and IFRS 7.

In September 2019, the IASB issued Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7).

These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reforms.

The amendments also introduce new disclosure requirements to IFRS 7 for hedging relationships that are subject to the exceptions introduced by the amendments to IFRS 9.

2.1.2 Impact of the initial application of *Covid-19-Related Rent Concessions* Amendment to IFRS 16

In May 2020, the IASB issued *Covid-19-Related Rent Concessions (Amendment to IFRS 16)* that provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying IFRS 16 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

a. The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

b. Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and

c. There is no substantive change to other terms and conditions of the lease.

The amendment to IFRS 16 (as issued by the IASB in May 2020) did not impact the operation of the Group during the year.

2.1.3 Impact of the initial application of other new and amended IFRS Standards that are effective for the current year

Amendments to References to the Conceptual Framework in IFRS Standards

The Group has adopted the amendments included in *Amendments to References to the Conceptual Framework in IFRS Standards* for the first time in the current year. The amendments include consequential amendments to affected Standards so that they refer to the new *Framework*. Not all amendments, however, update those pronouncements with regard to references to and quotes from the *Framework* so that they refer to the revised *Conceptual Framework*. Some pronouncements are only updated to indicate which version of the *Framework* they are referencing to (the IASC *Framework* adopted by the IASB in 2001, the IASB *Framework* of 2010, or the new revised *Framework* of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised *Conceptual Framework*.

The Standards which are amended are IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.

2. New and amended standards and interpretations (cont'd)

2.1.4 Amendments to IFRS 3 Definition of a business

The Group has adopted the amendments to IFRS 3 for the first time in the current year. The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired.

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after 1 January 2020.

The Group did not engage in any business acquisition during the year under review.

2.1.5 Amendments to IAS 1 and IAS 8 Definition of material

The Group has adopted the amendments to IAS 1 and IAS 8 for the first time in the current year. The amendments make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of 'material' or refer to the term 'material' to ensure consistency.

2.2 Standards issued but not yet effective

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

2.2.1 IFRS 17 Insurance Contracts

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 *Insurance Contracts*.

IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.

The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

In June 2020, the IASB issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after 1 January 2023. At the same time, the IASB issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after 1 January 2023.

IFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.

2. New and amended standards and interpretations (cont'd)

2.2.1 IFRS 17 Insurance Contracts (cont'd)

For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.

2.2.2 Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or *Joint Venture*

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the re-measurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments is yet to be set by the Board; however, earlier application of the amendments is permitted. The directors of the Group anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.

2.2.3 Amendments to IAS 1 – Classification of Liabilities as Current or Non-current

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.

2.2.4 Amendments to IFRS 3 – *Reference to the Conceptual Framework*

The amendments update IFRS 3 so that it refers to the 2018 *Conceptual Framework* instead of the 1989 Framework.

They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 *Levies*, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated *Conceptual Framework*) at the same time or earlier.

2.2.5 Amendments to IAS 16 – *Property, Plant and Equipment—Proceeds before Intended Use*

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 *Inventories*.

2. New and amended standards and interpretations (cont'd)

2.2.5 Amendments to IAS 16 – *Property, Plant and Equipment—Proceeds before Intended Use* (cont'd)

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

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

2.2.6 Amendments to IAS 37 – Onerous Contracts—Cost of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

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

2.2.7 Annual Improvements to IFRS Standards 2018–2020

The *Annual Improvements* include amendments to four Standards.

IFRS 1 First-time Adoption of International Financial Reporting Standards

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16 (a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16 (a).

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

IFRS 9 Financial Instruments

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability,

2. New and amended standards and interpretations (cont'd)

IFRS 9 Financial Instruments (Cont'd)

an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment. The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

IFRS 16 Leases

The amendment removes the illustration of the reimbursement of leasehold improvements. As the amendment to IFRS 16 only regards an illustrative example, no effective date is stated.

IAS 41 Agriculture

The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 *Fair Value Measurement* to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment.

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

3. Basis of preparation

3.1 Statement of compliance

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

3.2 Basis of measurement

The financial statements have been prepared on the historical cost basis, except for following material items, which are measured at fair value:

- derivative financial instruments,
- financial assets measured at fair value and,
- defined benefit obligations measured at the present value of the defined benefit obligation.

Historical cost is generally the original consideration given in exchange for goods and services.

The Group's accounting policy on fair value is set out in note 7.

3.3 Functional and presentation currency

The financial statements are presented in Ghana Cedis, which is the Bank's functional currency. All financial information presented in Ghana Cedis have been rounded to the nearest thousands, except when otherwise indicated.

3.4 Presentation of financial statements

The Group presents its statement of financial position in order of liquidity based on the Group's intention and perceived ability to recover/settle the majority of assets/liabilities of the corresponding financial statement line item. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented under a note item where applicable.

Financial assets and financial liabilities are generally reported gross in the consolidated statement of financial position except when IFRS netting criteria are met.

4. Summary of significant accounting policies

The accounting policies set out below have been applied consistently to all the periods presented in these financial statements and have been applied consistently by Group entities.

4.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Bank and entity controlled by the Bank (its subsidiary) made up to 31 December each year. Control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affects its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

i. Subsidiary

The subsidiary is an investee controlled by the Group. The financial statements of the subsidiary are included in the consolidated financial statements from the date on which control commences until the date when control ceases. The financial statements of the subsidiary used to prepare the consolidated financial statements were prepared as of the Bank's reporting date. The subsidiary's financial statements are prepared in accordance with Group accounting policies.

There were no non-controlling interests in subsidiaries.

ii. Transactions eliminated on consolidation

Intra Group balances and transactions and any unrealised income and expenses (except foreign currency transaction gains or losses) arising from intra Group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

iii. Associates

Associates are all entities over which the Bank has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of voting rights. Investment in associates are accounted for using the equity method of accounting and are initially recognised at cost.

iv. Change in ownership interest of a subsidiary

A change in ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction. The carrying amount of the Group's interests and any non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. If the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, any related non-controlling interests and other components of equity. Any surplus or deficit arising on the loss of control is recognised in profit or loss. Any retained interest in the former subsidiary is recognised at fair value at the date of loss of control.

v. Separate financial statements

In the separate financial statements, investments in subsidiaries and associates are accounted for at cost less impairment. Cost also includes direct attributable costs of investment.

4.2 Foreign currency

4.2.1 Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currency of the Group entities using exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the

4. Summary of significant accounting policies (cont'd)

4.2 Foreign currency (cont'd)

4.2.1 Foreign currency transactions (cont'd)

functional currency at exchange rates ruling at that date. Non-monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are generally recognised in profit or loss.

Foreign exchange gains and losses arising from the translation of items recognised in other comprehensive income are presented in other comprehensive income.

4.2.2 Foreign operations

The assets and liabilities of foreign operations are translated into Ghana Cedis at the spot exchange rates at the reporting date. The income and expenses of foreign operations are translated into Ghana Cedis at the average exchange rates for the period.

Foreign currency differences arising on the translation are recognised in other comprehensive income and presented within equity.

When a foreign operation is disposed of, the cumulative amount in equity relating to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into to hedge certain foreign currency risks and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a foreign exchange translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in a foreign exchange translation reserve in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

4.3 Revenue recognition

The Group recognises revenue from the following major sources:

- Interest income
- Fee and commission income and expense
- Net trading income
- Dividend income

4. Summary of significant accounting policies (cont'd)

4.3 Revenue recognition (cont'd)

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

4.3.1 Recognition of interest income

The effective interest rate method (EIR)

Under IFRS 9, interest income is recorded using the EIR method for all financial assets measured at amortised cost, interest rate derivatives for which hedge accounting is applied and the related amortisation/recycling effect of hedge accounting. Interest income on interest bearing financial assets measured at FVTOCI under IFRS 9 is also recorded using the EIR method. Interest expense is also calculated using the EIR method for all financial liabilities held at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or liability or, when appropriate, a shorter period, to the gross carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the financial asset) is calculated by taking into account transaction costs and any discount or premium on the acquisition of the financial asset, as well as fees and costs that are an integral part of the EIR. The Bank recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, the EIR calculation also takes into account the effect of potentially different interest rates that may be charged at various stages of the financial asset's expected life, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

Expectations of fixed rate financial assets' or liabilities' cash flows are revised for reasons other than credit risk, then changes to future contractual cash flows are discounted at the original EIR with a consequential adjustment to the carrying amount. The difference from the previous carrying amount is booked as a positive or negative adjustment to the carrying amount of the financial asset or liability on the balance sheet with a corresponding increase or decrease in Interest revenue/expense calculated using the effective interest method.

For floating-rate financial instruments, periodic re-estimation of cash flows to reflect the movements in the market rates of interest also alters the effective interest rate, but when instruments were initially recognised at an amount equal to the principal, re-estimating the future interest payments does not significantly affect the carrying amount of the asset or the liability.

Interest and similar income/expense

Net interest income comprises interest income and interest expense calculated using both the effective interest method and other methods. These are disclosed separately on the face of the income statement for both interest income and interest expense to provide symmetrical and comparable information.

In its Interest income/expense calculated using the effective interest method, the Group only includes interest on those financial instruments that are set out in Note 4.

Interest income/expense on all trading financial assets/liabilities is recognised as a part of the fair value change in 'Net trading income'.

The Group calculates interest income on financial assets, other than those considered credit-impaired, by applying the EIR to the gross carrying amount of the financial asset.

When a financial asset becomes credit-impaired (as set out in Note 4.10 and is therefore regarded as 'Stage 3', the Group calculates interest income by applying the EIR to the net amortised cost of the financial asset. If the financial asset cures (as outlined in Note 4.10) and is no longer credit-impaired, the Bank reverts to calculating interest income on a gross basis.

For purchased or originated credit-impaired (POCI) financial assets (as set out in Note 4.10), the Group calculates

4. Summary of significant accounting policies (cont'd)

4.3 Revenue recognition (cont'd)

4.3.1 Recognition of interest income (cont'd)

Interest and similar income/expense (cont'd)

interest income by calculating the credit-adjusted EIR and applying that rate to the amortised cost of the financial asset. The credit-adjusted EIR is the interest rate that, at initial recognition, discounts the estimated future cash flows (including credit losses) to the amortised cost of the POCI financial asset.

4.3.2 Fee and commission income and expense

Fee and commission income and expense include fees other than those that are an integral part of EIR. The fees included in this part of the Group's consolidated statement of profit or loss include among other things fees charged for servicing a loan, non-utilisation fees relating to loan commitments when it is unlikely that these will result in a specific lending arrangement and loan syndication fees.

Other fees and commission income and expenses are recognised on an accrual basis when the related services are performed. Loan commitment fees for loans that are not likely to be drawn down are deferred, together with related direct costs and recognised on a straight line basis over the commitment period.

Other fees and commission expenses, which relate mainly to transaction and service fees are expensed as the related services are performed.

4.3.3 Net trading income

Net trading income comprises gains less losses related to foreign exchange differences on foreign currency deal transactions as well as all realised and unrealised fair value changes related to held-for-trading investment securities. The Group has elected to present the full fair value movement of trading assets and liabilities in trading income, including any related interest income, expense and dividends.

4.3.4 Dividend income

Dividend income is recognised when the right to receive payment is established. This is the ex-dividend date for listed equity securities, and usually the date when shareholders approve the dividend for unlisted equity securities.

The presentation of dividend income in the consolidated statement of profit or loss depends on the classification and measurement of the equity investment, i.e.:

- for equity instruments which are held for trading, dividend income is presented as trading income;
- for equity instruments designated at FVTOCI dividend income is presented in other/revenue income; and
- for equity instruments not designated at FVTOCI and not held for trading, dividend income is presented as net income from other instruments at FVTPL.

4.4 Financial instruments

4.4.1 Initial recognition

4.4.1.1 Date of recognition

Financial assets and liabilities, with the exception of loans and advances to customers and balances due to customers, are initially recognised on the trade date, i.e., the date on which the Group becomes a party to the contractual provisions of the instrument. This includes regular way trades, i.e., purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Loans and advances to customers are recognised when funds are transferred to the customers' accounts. The Group recognises balances due to customers when funds are transferred to the Group.

4.4.1.2 Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments, as described in Notes 4.7. Financial instruments are initially measured at their fair value (as defined in Note 4.6), except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from, this amount. Trade receivables are measured at the transaction price. When the fair value of financial instruments at initial recognition differs from the transaction price, the Group accounts for the Day 1 profit or loss, as described below.

4. Summary of significant accounting policies (cont'd)

4.4 Financial instruments (cont'd)

4.4.1 Initial recognition (cont'd)

4.4.1.3 Day 1 profit or loss

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Group recognises the difference between the transaction price and fair value in net trading income. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

4.5 Measurement categories of financial assets and liabilities

The Group classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms (as explained in 4.7), measured at either:

- Amortised cost
- FVTOCI
- FVTPL

4.5.1 Initial recognition

The Group classifies and measures its derivative and trading portfolio at FVTPL, as explained in Notes 4.7.2 and 4.7.3. The Group may designate financial instruments at FVTPL, if so doing eliminates or significantly reduces measurement or recognition inconsistencies, as explained in Note 4.7.2. Financial liabilities, other than loan commitments and financial guarantees, are measured at amortised cost or at FVTPL when they are held for trading and derivative instruments or the fair value designation is applied, as explained in Notes 4.7.1 and 4.7.2

4.6 Determination of fair value

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

• Level 1 financial instruments – These are where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

• Level 2 financial instruments – These are where the inputs that are used for valuation are significant, and are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Group will classify the instruments as Level 3.

• Level 3 financial instruments – These include one or more unobservable input that is significant to the measurement as whole.

The Group periodically reviews its valuation techniques including the adopted methodologies and model calibrations. However, the base models may not fully capture all factors relevant to the valuation of the Bank's financial instruments such as credit risk (CVA), own credit (DVA) and/or funding costs (FVA). Therefore, the Bank applies various techniques to estimate the credit risk associated with its financial instruments measured at fair value,

4. Summary of significant accounting policies (cont'd)

4.6 Determination of fair value (cont'd)

• Level 3 financial instruments (cont'd)

which include a portfolio-based approach that estimates the expected net exposure per counterparty over the full lifetime of the individual assets, in order to reflect the credit risk of the individual counterparties for non-collateralised financial instruments. The Bank estimates the value of its own credit from market observable data, such as secondary prices for its traded debt and the credit spread on credit default swaps and traded debts on itself.

The Bank evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments when necessary, based on the facts at the end of the reporting period.

4.7 Financial assets and liabilities

4.7.1 Advances to banks, Loans and advances to customers, Financial investments at amortised cost

The Group measures Advances to banks, Loans and advances to customers and other financial investments at amortised cost only if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The details of these conditions are outlined below.

4.7.1.1 Business model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective:

- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

The expected frequency, value and timing of sales are also important aspects of the Group's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

4.7.1.2 The SPPI test

As a second step of its classification process, the Group assesses the contractual terms of the financial asset to identify whether they meet the SPPI test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than *de minimis* exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

4.7.2 Derivatives recorded at fair value through profit or loss

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity

4. Summary of significant accounting policies (cont'd)

4.7 Financial assets and liabilities (cont'd)

4.7.2 Derivatives recorded at fair value through profit or loss (cont'd)

price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').

- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- It is settled at a future date.

The Group enters into derivative transactions with various counterparties. These include forward foreign exchange contracts and, foreign currencies. Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. The notional amount and fair value of such derivatives are disclosed separately in Note 24. Changes in the fair value of derivatives are included in net trading income unless hedge accounting is applied.

The derivative asset held by the Group was disposed of in the course of the period under review.

4.7.2.1 Embedded derivatives

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract. A derivative that is attached to a financial instrument, but is contractually transferable independently of that instrument, or has a different counterparty from that instrument, is not an embedded derivative, but a separate financial instrument. Derivatives embedded in financial liability or a non-financial host are separated from the host and accounted for as separate derivatives if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative (as defined above); and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

Financial assets are classified in their entirety based on the business model and SPPI assessments as outlined in Notes 4.7.1.1 and 4.7.1.2.

4.7.3 Financial assets or financial liabilities held for trading

The Group classifies financial assets or financial liabilities as held for trading when they have been purchased or issued primarily for short-term profit-making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking. Held-for-trading assets and liabilities are recorded and measured in the statement of financial position at fair value. Changes in fair value are recognised in net trading income. Interest and dividend income or expense is recorded in net trading income according to the terms of the contract, or when the right to payment has been established.

Included in this classification are debt securities, equities, short positions and customer loans that have been acquired principally for the purpose of selling or repurchasing in the near term.

4.7.4 Debt instruments at FVTOCI

The Group classifies debt instruments at FVTOCI when both of the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and

4. Summary of significant accounting policies (cont'd)

4.7 Financial assets and liabilities (cont'd)

4.7.4 Debt instruments at FVTOCI (cont'd)

- The contractual terms of the financial asset meet the SPPI test.

FVTOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income and foreign exchange gains and losses are recognised in profit or loss in the same manner as for financial assets measured at amortised cost as explained in Note 4.3.1. The ECL calculation for Debt instruments at FVTOCI is explained in Note 4.10.1. Where the Bank holds more than one investment in the same security, they are deemed to be disposed of on a first–in first–out basis. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit or loss.

4.7.5 Equity instruments at FVTOCI

Upon initial recognition, the Bank occasionally elects to classify irrevocably some of its equity investments as equity instruments at FVTOCI when they meet the definition of Equity under IAS 32 Financial Instruments: *Presentation* and are not held for trading. Such classification is determined on an instrument-by instrument basis.

Gains and losses on these equity instruments are never recycled to profit. Dividends are recognised in profit or loss as other operating income when the right of the payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVTOCI are not subject to an impairment assessment.

4.7.6 Financial assets and financial liabilities at fair value through profit or loss

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under IFRS 9. Management only designates an instrument at FVTPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis:

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis

Or

- The liabilities are part of a group of financial liabilities, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy

Or

- The liabilities contain one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited.

Financial assets and financial liabilities at FVTPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit and loss with the exception of movements in fair value of liabilities designated at FVTPL due to changes in the Group's own credit risk. Such changes in fair value are recorded in the Own credit reserve through OCI and do not get recycled to the profit or loss. Interest earned or incurred on instruments designated at FVTPL is accrued in interest income or interest expense, respectively, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using the contractual interest rate, as explained in Note 4.3.1. Dividend income from equity instruments measured at FVTPL is recorded in profit or loss as other operating income when the right to the payment has been established.

4.7.7 Financial guarantees, letters of credit and undrawn loan commitments

The Group issues financial guarantees, letters of credit and loan commitments.

Financial guarantees are initially recognised in the financial statements (within Provisions) at fair value, being the premium received. Subsequent to initial recognition, the Group's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the income statement, and an ECL allowance.

4. Summary of significant accounting policies (cont'd)

4.7 Financial assets and liabilities (cont'd)

4.7.7 Financial guarantees, letters of credit and undrawn loan commitments (cont'd)

The premium received is recognised in the income statement in Net fees and commission income on a straight line basis over the life of the guarantee.

Undrawn loan commitments and letters of credits are commitments under which, over the duration of the commitment, the Bank is required to provide a loan with pre-specified terms to the customer. Similar to financial guarantee contracts, these contracts are in the scope of the ECL requirements.

The nominal contractual value of financial guarantees, letters of credit and undrawn loan commitments, where the loan agreed to be provided is on market terms, are not recorded on in the statement of financial position.

The Group occasionally issues loan commitments at below market interest rates. Such commitments are subsequently measured at the higher of the amount of the ECL allowance (as explained in Note 4.10.1) and the amount initially recognised less, when appropriate, the cumulative amount of income recognised as outlined in Note 11.

4.8 Reclassification of financial assets and liabilities

The Group does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

4.9 Derecognition of financial assets and liabilities

4.9.1 Derecognition due to substantial modification of terms and conditions

The Group derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be POCI.

When assessing whether or not to derecognise a loan to a customer, amongst others, the Group considers the following factors:

- Change in currency of the loan
- Introduction of an equity feature
- Change in counterparty
- If the modification is such that the instrument would no longer meet the SPPI criterion

If the modification does not result in cash flows that are substantially different, as set out below, the modification does not result in de-recognition. Based on the change in cash flows discounted at the original EIR, the Group records a modification gain or loss, to the extent that an impairment loss has not already been recorded. For financial liabilities, the Group considers a modification substantial based on qualitative factors and if it results in a difference between the adjusted discounted present value and the original carrying amount of the financial liability of, or greater than, ten percent. For financial assets, this assessment is based on qualitative factors.

4.9.2 De-recognition other than for substantial modification

4.9.2.1 Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Group also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for de-recognition.

The Group has transferred the financial asset if, and only if, either:

4. Summary of significant accounting policies (cont'd)

4.9 Derecognition of financial assets and liabilities (cont'd)

4.9.2.1 Financial assets (cont'd)

• The Group has transferred its contractual rights to receive cash flows from the financial asset

Or

• It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement.

4.9.2 De-recognition other than for substantial modification

4.9.2.1 Financial assets

Pass-through arrangements are transactions whereby the Group retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- The Group has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates;
- The Group cannot sell or pledge the original asset other than as security to the eventual recipients; and
- The Group has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Bank is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents, including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Group has transferred substantially all the risks and rewards of the asset

Or

- The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Group has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Group's continuing involvement, in which case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Group could be required to pay.

If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the continuing involvement is measured at the value the Group would be required to pay upon repurchase. In the case of a written put option on an asset that is measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

4.9.2.2 Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, 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. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

4. Summary of significant accounting policies (cont'd)

4.10 Overview of the ECL principles

The Group records an allowance for expected credit loss for all loans and other debt financial assets not held at FVTPL, together with loan commitments and financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under IFRS 9.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit losses or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit losses (12m ECL) as outlined in Note 4.10.1). The Group's policies for determining if there has been a significant increase in credit risk are set out in Note 6.

The 12mECL is the portion of LTECLs that represent the ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECL and 12mECL are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments. The Bank's policy for grouping financial assets measured on a collective basis is explained in Note 6.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. This is further explained in Note 6.

Based on the above process, the Group bands its loans into Stage 1, Stage 2, Stage 3 and POCI, as described below:

- Stage 1: When loans are first recognised, the Bank recognises an allowance based on 12mECL. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.
- Stage 2: When a loan has shown a significant increase in credit risk since origination, the Bank records an allowance for the LTECL. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.
- Stage 3: Loans considered credit-impaired (as outlined in Note 6.) The Group records an allowance for the LTECL.
- POCI: Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognised based on a credit-adjusted EIR. The ECL allowance is only recognised or released to the extent that there is a subsequent change in the expected credit losses.

For financial assets for which the Bank has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

4.10.1 The calculation of ECL

The Group calculates ECL based on a four probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- PD: The *Probability of Default* is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The concept of PD is further explained in Note 6.
- EAD: The *Exposure at Default* is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments. The EAD is further explained in Note 6.

4. Summary of significant accounting policies (cont'd)

4.10 Overview of the ECL principles (cont'd)

4.10.1 The calculation of ECL (cont'd)

- LGD The *Loss Given Default* is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral or credit enhancements that are integral to the loan and not required to be recognised separately, as set out in Note 4.4(vii). It is usually expressed as a percentage of the EAD. The LGD is further explained in Note 6.

When estimating the ECL, the Bank considers four scenarios (a base case, an upside, a mild downside ('downside 1') and a more extreme downside ('downside 2')). Each of these is associated with different PDs, EADs and LGDs. When relevant, the assessment of multiple scenarios also incorporates how defaulted loans are expected to be recovered, including the probability that the loans will cure and the value of collateral or the amount that might be received for selling the asset.

With the exception of other revolving facilities, for which the treatment is separately set out below, the maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Bank has the legal right to call it earlier.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

Provisions for ECL for undrawn loan commitments are assessed. The calculation of ECL (including the ECL related to the undrawn element) of revolving facilities is explained below.

The mechanics of the ECL method are summarised below:

- Stage 1: The 12mECL is calculated as the portion of LTECL that represent the ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Bank calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR. This calculation is made for each of the four scenarios, as explained above.
- Stage 2: When a loan has shown a significant increase in credit risk since origination, the Bank records an allowance for the LTECL. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.
- Stage 3: For loans considered credit-impaired (as defined in Note 6), the Bank recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.
- POCI: POCI assets are financial assets that are credit impaired on initial recognition. The Bank only recognises the cumulative changes in lifetime ECL since initial recognition, based on a probability-weighting of the four scenarios, discounted by the credit adjusted EIR.
    - Loan commitment and letters of credit: When estimating LTECL for undrawn loan commitments, the Bank estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down, based on a probability-weighting of the four scenarios. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan.
    - For revolving facilities that include both a loan and an undrawn commitment, ECL is calculated and presented together with the loan. For loan commitments and letters of credit, the ECL is recognised within Provisions.

4. Summary of significant accounting policies (cont'd)

4.10 Overview of the ECL principles (cont'd)

4.10.1 The calculation of ECL (cont'd)

- Financial guarantee contracts: The Bank's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the income statement, and the ECL provision. For this purpose, the Bank estimates ECL based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs. The shortfalls are discounted by the risk-adjusted interest rate relevant to the exposure. The calculation is made using a probability-weighting of the four scenarios. The ECL related to financial guarantee contracts are recognised within *Provisions*.

4.10.2 Debt instruments measured at fair value through OCI

The ECL for debt instruments measured at FVTOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon de-recognition of the assets.

4.10.3 Purchased or originated credit impaired financial assets (POCI)

For POCI financial assets, the Bank only recognises the cumulative changes in LTECL since initial recognition in the loss allowance.

4.10.4 Forward looking information

In its ECL models, the Group relies on a broad range of forward looking information as economic inputs, such as:

- GDP growth
- Unemployment rates
- Central Bank base rates
- House price indices

The inputs and models used for calculating ECL may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material. Detailed information about these inputs and sensitivity analysis are provided in Note 6.

4.11 Credit enhancements: collateral valuation and financial guarantees

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on the Group's statement of financial position.

Cash flows expected from credit enhancements which are not required to be recognised separately by IFRS standards and which are considered integral to the contractual terms of a debt instrument which is subject to ECL, are included in the measurement of those ECL. On this basis, the fair value of collateral affects the calculation of ECL. Collateral is generally assessed, at a minimum, at inception and re-assessed on a quarterly basis. However, some collateral, for example, cash or securities relating to margining requirements, is valued daily.

To the extent possible, the Group uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as mortgage brokers, or based on housing price indices.

4. Summary of significant accounting policies (cont'd)

4.11 Credit enhancements: collateral valuation and financial guarantees (cont'd)

Guarantees held are included in the measurement of loan ECLs when either they are specified in the contractual terms of the loan or else are integral to the loan, in that they formed part of the basis on which the loan was extended.

Guarantees that are not integral to the loan's contractual terms are accounted as separate units of accounts subject to ECL. Credit default swaps are not considered to be integral to a loan's contractual terms and are accounted as derivative financial instruments, as set out in Note 4.7.2.

4.12 Collateral repossessed

The Group's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset. Assets for which selling is determined to be a better option are transferred to assets held for sale at their fair value (if financial assets) and fair value less cost to sell for non-financial assets at the repossession date, in line with the Group's policy.

In its normal course of business, the Group engages external agents to recover funds from the repossessed assets, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the residential properties under legal repossession processes are not recorded on the balance sheet.

4.13 Write-offs

Financial assets are written off either partially or in their entirety only when the Group has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense.

4.14 Forborne and modified loans

The Group sometimes makes concessions or modifications to the original terms of loans as a response to the borrower's financial difficulties, rather than taking possession or to otherwise enforce collection of collateral. The Group considers a loan forborne when such concessions or modifications are provided as a result of the borrower's present or expected financial difficulties and the Group would not have agreed to them if the borrower had been financially healthy. Indicators of financial difficulties include defaults on covenants, or significant concerns raised by the Credit Risk Department. Forbearance may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms. It is the Group's policy to monitor forborne loans to help ensure that future payments continue to be likely to occur. De-recognition decisions and classification between Stage 2 and Stage 3 are determined on a case-by-case basis. If these procedures identify a loss in relation to a loan, it is disclosed and managed as an impaired Stage 3 forborne asset until it is collected or written off.

When the loan has been renegotiated or modified but not derecognised, the Group also reassesses whether there has been a significant increase in credit risk, as set out in Note 6.The Group also considers whether the assets should be classified as Stage 3. Once an asset has been classified as forborne, it will remain forborne for a minimum 24-month probation period. In order for the loan to be reclassified out of the forborne category, the customer has to meet all of the following criteria:

- All of its facilities have to be considered performing
- The probation period of two years has passed from the date the forborne contract was considered performing
- Regular payments of more than an insignificant amount of principal or interest have been made during at least half of the probation period

4. Summary of significant accounting policies (cont'd)

4.14 Forborne and modified loans (cont'd)

- The customer does not have any contracts that are more than 30 days past due.

If modifications are substantial, the loan is derecognised, as explained in Note 4.9.1.

4.15 Cash and cash equivalents

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

4.16 Repurchase and reverse repurchase agreements

Securities sold under agreements to repurchase at a specified future date are not derecognised from the statement of financial position as the Group retains substantially all of the risks and rewards of ownership. The corresponding cash received is recognised in the consolidated statement of financial position as an asset with a corresponding obligation to return it, including accrued interest as a liability within cash collateral on securities lent and repurchase agreements, reflecting the transaction's economic substance as a loan to the Group. The difference between the sale and repurchase prices is treated as interest expense and is accrued over the life of agreement using the EIR. When the counterparty has the right to sell or re-pledge the securities, the Group reclassifies those securities in its statement of financial position to financial assets held for trading pledged as collateral or to financial investments available-for-sale pledged as collateral, as appropriate.

Conversely, securities purchased under agreements to resell at a specified future date are not recognised in the statement of financial position. The consideration paid, including accrued interest, is recorded in the statement of financial position, within cash collateral on securities borrowed and reverse repurchase agreements, reflecting the transaction's economic substance as a loan by the Group. The difference between the purchase and resale prices is recorded in net interest income and is accrued over the life of the agreement using the EIR.

If securities purchased under an agreement to resell are subsequently sold to third parties, the obligation to return the securities is recorded as a short sale within financial liabilities held for trading and measured at fair value with any gains or losses included in net trading income.

4.17 Securities lending and borrowing

Securities lending and borrowing transactions are usually collateralised by securities or cash. The transfer of the securities to counterparties is only reflected on the statement of financial position if the risks and rewards of ownership are also transferred. Cash advanced or received as collateral is recorded as an asset or liability.

Securities borrowed are not recognised in the statement of financial position, unless they are then sold to third parties, in which case, the obligation to return the securities is recorded as a short sale within financial liabilities held for trading and measured at fair value with any gains or losses included in net trading income.

4.18 Leases

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

4.18.1 The Group as a lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless

4. Summary of significant accounting policies (cont'd)

4.18 Leases (cont'd)

4.18.1 The Group as a lessee (cont'd)

another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

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

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is included in Other Liabilities in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented within Property and Equipment in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 4.21 Impairment of non-financial assets. Variable rents that do not depend on

4. Summary of significant accounting policies (cont'd)

4.18 Leases (cont'd)

4.18.1 The Group as a lessee (cont'd)

an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other expenses" in profit or loss (see note 16).

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For a contract that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

4.18.2 The Group as a lessor

The Group enters into lease agreements as a lessor with respect to some of its investment properties.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease.

All other leases are classified as operating leases. When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term. Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases. Subsequent to initial recognition, the Group regularly reviews the estimated unguaranteed residual value and applies the impairment requirements of IFRS 9, recognising an allowance for expected credit losses on the lease receivables.

Finance lease income is calculated with reference to the gross carrying amount of the lease receivables, except for credit-impaired financial assets for which interest income is calculated with reference to their amortised cost (i.e. after a deduction of the loss allowance). When a contract includes both lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

4.19 Property and equipment

Property and equipment are tangible items that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and are expected to be used during more than one period.

(i) Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the assets. Right-of-use assets are presented together with property and equipment in the statement of financial position – refer to the accounting policy in Note 4.18.

Purchased software that is integral to the functionality of the related equipment is capitalized 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 cost of self-constructed assets includes the cost of materials and direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use.

4. Summary of significant accounting policies (cont'd)

4.19 Property and equipment (cont'd)

(i) Recognition and measurement (cont'd)

Any gain or loss on disposal of an item of property and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised within other income 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 future economic benefits embodied within the part will flow to the Company 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.

(iii) Depreciation

Depreciation is the systematic allocation of the depreciable amount of an asset (i.e. the cost of the asset, or other amount substituted for cost, less its residual value) over its useful life.

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. Freehold Land is not depreciated.

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

Computers	3 years
Motor vehicles	4 years
Furniture and equipment	3-4 years
Buildings	50 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

(iv) Capital work-in-progress

Property and equipment under construction is stated at initial cost and depreciated from the date the asset is made available for use over its estimated useful life. Assets are transferred from capital work in progress to an appropriate class of property and equipment when commissioned and ready for its intended use.

(v) Dual use property

Properties that are partly used for own use activities and partly for rental activities are considered dual use properties. This would result in the property being considered to be classified as part property and equipment and the other part as investment property. If a significant portion of the property is used for own use and the portion rented out cannot be sold or leased out separately under a finance lease, then the entire property is classified as property and equipment. The Group considers an own use portion above 95% of the measure as significant.

(vi) Derecognition

Property and equipment are derecognised upon disposal or when no future economic benefits are expected to flow to the Group from either their use or disposal, if applicable. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

4.20 Intangible assets

Intangible assets are the identifiable non-monetary assets without physical substance.

Intangible assets comprise computer software licenses and customer relationship. Intangible assets acquired by the

4. Summary of significant accounting policies (cont'd)

4.20 Intangible assets (cont'd)

Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straightline method and recognised in profit or loss over its estimated useful life, from the date that it is available for use.

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

Software	3 years
Customer Relationship	5 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

4.21 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its cash generating unit (CGU) exceeds its recoverable amount, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and to the extent that the impairment loss is greater than the related revaluation surplus, the excess impairment loss is recognised in profit or loss.

The recoverable amount is the higher of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using pretax discount rates that reflect current market assessments of the time value of money and risks specific to the asset.

A previously recognised impairment loss is reversed where there has been a change in circumstances or in the basis of estimation used to determine the recoverable value, but only to the extent that the asset's net carrying amount does not exceed the carrying amount of the asset that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Any increase in excess of this amount is treated as a revaluation increase.

4.22 Employment benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as personnel expenses in profit or loss in the period during which related services are rendered. The Group has the following defined contribution schemes:

Social Security and National Insurance Trust

Under the national pension scheme, the Bank contributes 13% of employees' basic salary to the Social Security and National Insurance Trust (SSNIT) for employee pensions. The Group's obligation is limited to the relevant contributions, which have been recognised in the financial statements. The pension liabilities and obligations, however, rest with SSNIT.

4.22 Employment benefits (cont'd)

Provident Fund

The Group has a Provident Fund Scheme for all employees who have completed their probation period. Employees contribute 10% of their basic salary to the Fund whilst the Group contributes 12.5%. Obligations under the plan are limited to the relevant contributions which have been recognised in the financial statements and are settled on due dates to the Fund Manager.

(ii) Defined benefit plans

The Group's obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefits that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a Qualified Actuary using the Projected Unit Credit Method. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses is recognised immediately in other comprehensive income.

The Group determines the net interest expense (income) on the defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the defined benefit liability at the period end, taking into account any changes in the defined benefit liability during the period as a result of contributions and benefit payments.

Net interest expense and other expenses related to defined benefit plans are recognised in personnel expenses in profit or loss. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefits that relate to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The Group has the following defined benefit plans:

- Post-Retirement Medical Care

The Bank pays for post-retirement medical care of its staff.

- Pension Benefits

The Group pays monthly pension benefits to retired employees, under a closed defined benefit pension scheme. Under this scheme, beneficiaries are paid pensions equal to 60% of the net basic salaries of their serving counterparts. The scheme has been discontinued since 1985. At the reporting date, the scheme covered a closed Group of 257 (2019: 335) persons, who still receive monthly pensions. The monthly pensions are increased annually in line with adjustments to the basic salaries of their serving counterparts.

(iii) Other long term employee benefits

The Company's obligation in respect of long term employee benefits is the amount of future benefits that employees have earned in return for their services in the current and prior periods. That benefit is discounted to determine its present value. Re-measurement are recognised in profit or loss in the period in which they arise.

- Long service award

Long service awards accrue to employees based on graduated periods of uninterrupted service. These awards accrue over the service life of employees. Employees in service with the Group after fifteen (15) years become eligible to receive cash payments at graduated rates when employees achieve stipulated milestones set by the Group.

(iv) Termination benefits

The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. If benefits are not expected to be wholly settled within 12 months of the reporting date, then they are discounted.

4. Summary of significant accounting policies (cont'd)

4.22 Employment benefits (cont'd)

(v) Short term Employment benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognised for the amount expected to be paid under short term cash bonus or profit sharing plans, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

4.23 Provisions and Contingent Liabilities

Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of the economic benefits will be required to settle the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of expenditures expected to be required to settle obligations using pre-tax rates that reflect current market assessments of the time value of money and risks specific to the obligation. The unwinding of the discount is recognised as finance cost.

The expense relating to any provision is presented in the income statement net of any reimbursement in other operating expenses. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. Detailed disclosures are provided in Note 38.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. If the likelihood of an outflow of resources is remote, the possible obligation is neither a provision nor a contingent liability and no disclosure is made.

4.24 Taxation

The income tax expense represents the sum of the tax currently payable and deferred tax.

4.24.1. Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Group supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity or other comprehensive income is recognised in

4. Summary of significant accounting policies (cont'd)

4.24 Taxation (cont'd)

4.24.1. Current tax (cont'd)

equity or other comprehensive income respectively and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. Detailed disclosures are provided in Note 19.

4.24.2. 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;
- In respect of taxable temporary differences associated with investments in subsidiary and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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 taxable 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 are recognised to the extent that it becomes 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 tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current and deferred taxes are recognised as income tax benefits or expenses in the income statement except for tax related to the fair value re-measurement of debt instruments at fair value through OCI, foreign exchange differences and the net movement on cash flow hedges, which are charged or credited to OCI.

These exceptions are subsequently reclassified from OCI to the income statement together with the respective deferred loss or gain. The Group also recognises the tax consequences of payments and issuing costs, related to financial instruments that are classified as equity, directly in equity.

The Group only off-sets its deferred tax assets against liabilities when there is both a legal right to offset its current tax assets and liabilities and it is the Group's intention to settle on a net basis.

4.24.3. Levies and similar charges

The Group recognises the liability arising from levies and similar charges (such as National Stabilization Levy) when it becomes legally enforceable (i.e., when the obligating event arises) which is on 31 December each year.

4.25 Stated capital and reserves

(i) Share capital

The Group classifies capital and equity instruments in accordance with the contractual terms of the instrument. Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects are recognised as a deduction from equity.

(ii) Dividends

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.

(iii) Statutory reserve

Statutory reserve is based on the requirements of section 34(1) of the Banks and Specialized Deposit-Taking Institutions Act, 2016 (Act 930). Transfers into statutory reserve are made in accordance with the relationship

4. Summary of significant accounting policies (cont'd)

4.25 Stated capital and reserves (cont'd)

between the Bank's reserve fund and it's paid up capital, which determines the proportion of profits for the period that should be transferred.

i. Where the reserve fund is less than fifty percent of the stated capital, then an amount not less than 50% of net profit for the year is transferred to the reserve fund.
ii. Where the reserve fund is more than 50% but less than 100% of the stated capital, then an amount not less than 25% of net profit is transferred to the reserve fund.
iii. Where the reserve is equal to or more than 100% of the stated capital, then an amount not less than 12.5% of the net profit for the year is transferred to the reserve fund.

(iv) Credit risk reserve

This is a reserve created to set aside the excess or shortfalls between amounts recognised as impairment loss on loans and advances based on provisions made for bad and doubtful loans and advances calculated in accordance with IFRS and the Central Bank's prudential guidelines. See note 37iii.

4.26 Earnings per share

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

4.27 Fiduciary assets

The Bank provides trust and other fiduciary services that result in the holding or investing of assets on behalf of its clients. Assets held in a fiduciary capacity, unless recognition criteria are met, are not reported in the financial statements, as they are not assets of the Bank.

4.28 Segment reporting

Segment results that are reported to the Group's Managing Director (being the chief operating decision maker) include items that are directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Bank's property and equipment), head office expenses and tax assets and liabilities.

The Group has four reportable segments: consumer banking, corporate banking, SME, and treasury which are the Group's strategic operations. For each reportable segment, the Group's Managing Director reviews internal management reports on the performance of each segment.

5. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. In the process of applying the Group's accounting policies, management has made the following judgements and assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

Existing circumstances and assumptions about future developments may change due to circumstances beyond the Group's control and are reflected in the assumptions if and when they occur.

5. Significant accounting judgements, estimates and assumptions (cont'd)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Items with the most significant effect on the amounts recognised in the consolidated financial statements with substantial management judgement and/or estimates are collated below with respect to judgements/estimates involved.

5.1. Impairment losses on financial assets

The measurement of impairment losses under IFRS 9 across all categories of financial assets in scope requires some level of judgement. In particular, management makes its significant judgement in the assessment of significant increase in credit risk and default. As explained in note 4.10, ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 3 when its credit risk has increased significantly and has met predefined default criteria since initial recognition. The term "default" is not defined in IFRS 9. In assessing whether an asset has met the predefined default criteria, the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

5.2. Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

For further details about determination of fair value, please see Note 4.6.

5.3. Provisions and other contingent liabilities

The Group operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings arising in the ordinary course of the Group's business.

When the Group can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Group records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed. However, when the Group is of the opinion that disclosing these estimates on a case-by-case basis would prejudice their outcome, then the Bank does not include detailed, case-specific disclosers in its financial statements.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Group takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

For further details on provisions and other contingencies, see Notes 4.23, 34 and 38.

5.4 Determination of Lease Term for lease contracts with renewable and termination options (the Group as a lessee)

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease.

5. Significant accounting judgements, estimates and assumptions (cont'd)

5.4 Determination of Lease Term for lease contracts with renewable and termination options (the Group as a lessee) (cont'd)

That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation of the leased asset).

5.5 Estimating the Incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency).The Bank estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific adjustments (such as the subsidiary's stand-alone credit rating, or to reflect the terms and conditions of the lease).

6. Financial risk management

Effective risk management is of critical importance and key to the delivery of sustainable returns for shareholders. Risk taking is an inherent part of the Group's business activities and is defined as the possibility of losing some or all of an original investment. Risk management systems and governance structures are designed to reduce earnings volatility and achieve an appropriate balance between risk and reward and increased profitability.

Current changes to regulations in the banking sector reinforce the Group's commitment to embed an enhanced risk based culture throughout the Group. Risk policies and procedures are regularly reviewed to reflect these changes as well as best practices in the market. The Group has upgraded its risk infrastructure to enhance effective management and also to meet future regulatory demands.

Risk Management Framework

The risk management framework consists of a comprehensive set of policies, standards, procedures and processes designed to identify, measure, monitor, mitigate and report significant risk exposure in a consistent and effective manner across the Bank. Through the framework, risk is managed at enterprise-wide level, with the objective of maximizing risk-adjusted returns within the context of the Bank's risk appetite.

The most important types of risk are credit risk, liquidity risk, market risk and operational risk.

- Credit risk reflects the possible inability of a customer to meet his/her repayment or delivery obligations.
- Market risk, which includes foreign currency risk, interest rate risk and equity price risk, is the risk of fluctuation in asset and commodity values caused by changes in market prices and yields.
- Liquidity risk results in the inability to accommodate liability maturities and withdrawals, fund asset growth or otherwise meet contractual obligations at reasonable market rates.
- Operational risk is the potential loss resulting from inadequate or failed internal processes, systems, people, legal issues, external events and non-compliance with regulatory issues.

The Board of Directors have overall responsibility for the establishment and oversight of the Bank's risk management framework. The Board's commitment to good risk management is supported by their continuing professional development in the field of risk management and their support for the implementation and continued improvement of the risk management framework within the Group.

The Board's Risk and Capital Management Committee is responsible for monitoring risk positions which the Group

6. Financial risk management (cont'd)

Risk Management Framework (cont'd)

holds in the normal course of business as well as those risks that the Group may take in alignment with approved limits and controls. The Committee also reviews the adequacy of the risk management framework in relation to risks faced by the Bank on an ongoing basis. The Committee is assisted in its functions by a risk management structure, which ensures consistent assessment of risk management controls and procedures.

The Board Audit Committee is responsible for reviewing the Group's accounting policies, the contents of financial reports, disclosure controls and procedures, management's approach to internal controls, the adequacy and scope of the external and internal audit functions, compliance with regulatory and financial reporting requirements, overseeing relationships with the Bank's external auditors and providing assurance to the Board that executive management's control assurance process are complete and effective. It also has responsibility for Compliance & Anti-Money Laundering.

The Credit Committee is the highest management level authority on all counterparty risk exposures. It oversees control and management of all policies, processes and procedures relating to the Bank's lending function. The scope of risks covered by this Committee includes Credit Risk, Concentration Risk and Country & Cross Border Risk.

The Operational Risk and Control Committee is an Executive Management Committee with responsibility for monitoring and managing the level of operational risk exposures within the Bank as well as overseeing the control and management of all policies, processes and procedures relating to the Bank's Operational Risk function.

Asset and Liability Committee (ALCO) is a Management Committee which is a decision making body for developing policies relating to all asset and liability management (ALM) matters.

The Risk Management Department (RMD) is responsible for developing and monitoring the Group's risk management policies and procedures over specified areas on a day-to-day basis. It reports regularly to the Board on its activities through the Executive Management Committee. Policies and procedures have been established to identify and analyze risks faced by the Bank and put appropriate controls in place to monitor adherence to these policies. These are reviewed regularly to reflect changes in market conditions, products and services offered.

Functional units or divisions are accountable for executing specific aspects of the Group's activities. Authority is delegated to the Head of each functional unit by the Managing Director. The Head of each function in turn delegates responsibility to individual staff for carrying out specific tasks in accordance with delegated authorities and within the procedural disciplines of the Group.

Functions are organized in accordance with the "Three Lines of Defence" governance model. The three lines of defence are constituted as follows:

- The first line of defence consists of functional units that are responsible for actual activities of the business and are responsible for managing their own risks.
- The second line of defence consists of functional units that are responsible for monitoring activities of the first line of defence and exercising risk control. The second line functions of the Bank are Governance, Risk, Compliance and Control, Product Control and Performance Monitoring.
- The third line of defence consists of functional units that are responsible for reviewing the activities of line 1 and 2 functions at appropriate frequencies, assessing the robustness of control and mandating corrective action or improvement where necessary. Risk Assurance services are provided to the Bank by the Internal Audit function.

Risk Appetite

Risk appetite is an expression of the amount of risk the Group is willing to take in pursuit of its strategic objectives, reflecting capacity to sustain losses and continue to meet obligations arising from a range of different stress conditions.

This is used to maximize returns without exposing the Group to levels of risk above its appetite. In particular, the risk appetite framework assists in protecting financial performance and improves management's responsiveness. It also improves control and co-ordination of risk-taking across business units and identifies unused risk capacity in pursuit of profitable opportunities.

6. Financial risk management (cont'd)

Risk Appetite **(cont'd)**

The Bank's risk appetite statement is under review by the Board and will form the basis for establishing the risk parameters within which business units must operate, including policies, concentration limits and business mix.

Credit Risk Management

Credit risk is the potential for financial loss due to the failure of counterparties to meet obligations to pay the Bank in accordance with agreed terms. Credit risk is the most important risk for the Group's business.

Management carefully manages its exposure to credit risk. Credit risk is attributed to both on-balance sheet financial instruments such as loans, overdrafts, cash held with other financial institutions, debt securities and other bills, investments, and acceptances and credit equivalent amounts related to off -balance sheet financial items. The Bank's approach to credit risk management preserves the independence and integrity of risk assessment, while being integrated into business management processes. Credit risk is managed through a framework that sets out policies and procedures covering the identification, measurement and management of credit risk. The goal of credit risk management is to evaluate and manage credit risk in order to further enhance a strong credit culture.

Credit Concentration Risk

Credit concentration risk is the risk of loss to the Group arising from excessive concentration of exposure to a single counterparty, industry sector, product or geographic area. Large exposure limits have been established under the Group's credit policy in order to avoid excessive losses from any single counter-party who is unable to fulfil its payment obligations. These risks are monitored on an ongoing basis and subject to annual or more frequent reviews when considered necessary.

Credit Mitigation

Potential credit losses from any given account, customer or portfolio are mitigated using a range of tools such as collateral, credit insurance and other guarantees. The reliance that can be placed on these mitigants is carefully assessed in the light of issues such as legal certainty and enforceability, market valuation and counterparty risk of the guarantor. Risk mitigation policies determine the eligibility of collateral types.

Collateral

In order to proactively respond to credit deterioration, the Group employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advanced, which is common practice. Collateral is held to mitigate credit risk exposures. Collateral types that are eligible for risk mitigation include: cash; residential, commercial and industrial property; property and equipment such as motor vehicles, plant and machinery, bank guarantees and floating charge over other assets.

The risk mitigation policy prescribes the frequency of valuation for different collateral types, based on the level of price volatility of each type of collateral and the nature of the underlying product or risk exposure. Where appropriate, collateral values are adjusted to reflect current market conditions. Longer-term finance and lending to corporate entities are generally secured; individual credit facilities are generally unsecured. In addition, in order to minimize credit losses, the Group seeks additional collateral from counterparties as soon as impairment indicators are noticed for relevant individual loans and advances.

Credit Related Commitments

Documentary and commercial letters of credit are written undertakings by the Group on behalf of a customer authorizing a third party to draw drafts on the Group up to a stipulated amount under specific terms and conditions. The primary purpose of these instruments is to ensure that funds are available to a customer as required.

Guarantees and standby letters of credit carry less risk than direct loans. These arrangements are collateralized by the underlying shipments of goods. The likelihood of loss amounts is far less than the entire commitment as most commitments to extend credit of this nature are contingent upon the customer maintaining specific cash in margin accounts. The Group monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

6. Financial risk management (cont'd)

Impairment

Under IFRS 9 standard, Banks are required to record an allowance for expected losses for all loans and other debt financial assets at amortised costs, loan commitments and financial guarantee contracts. The allowance is based on the expected credit losses associated with the probability of default in the next twelve months unless there has been a significant increase in credit risk since origination, in which case, the allowance is based on the probability of default over the life of the asset.

The measurement of expected credit losses is primarily based on the product of the instrument's probability of default (PD), loss given default (LGD), and exposure at default (EAD), discounted to the reporting date using the effective interest rate;

- **Probability of default (PD):** This is the probability that an obligor or counterparty will default over a given period, usually one year.
- **Loss given default (LGD):** LGD is defined as the portion of the loan determined to be irrecoverable at the time of loan default (1 – recovery rate).
- **Exposure at default (EAD):** This represents the amount that is outstanding at the point of default. Its estimation includes the drawn amount and expected utilization of the undrawn commitment at default.

IFRS 9 Model

The IFRS 9 model has been built based on segmentation using business lines to reflect appropriate level of granularity based on business types.

- The Corporate model was segmented based on industry sectors which depict similar risk profile and characteristics.
- The Retail model was based on homogenous pool of cluster using product lines.
- The Investment model, mainly based on interbank placement, was also segmented into secured and unsecured products. The Treasury Bills and Government Bonds were zero risk weighted therefore attracted nil Expected Credit Loss.
- The Off-Balance sheet items were modelled via Credit Conversion Factor (CCF) principle based on BoG Capital Requirement Directive. The risk factor was applied to the off-balance sheet item to arrive at the credit equivalent amount of the exposure. Similarly, for contractual limits, the undrawn commitments CCF was modelled and applied to the undrawn portion to estimate the potential risk exposure.

  Impairment of loans is recognised on an individual or collective basis – in three stages under IFRS 9.

Stage 1 – When a loan is originated or purchased, ECLs resulting from default events that are possible within the next 12 months are recognised and a loss allowance is established. On subsequent reporting dates, 12-month ECL also applies to existing loans with no significant increase in credit risk since their initial recognition. Interest revenue is calculated on the loan's gross carrying amount.

Stage 2 – If a loan's credit risk has increased significantly since initial recognition and is not considered low, lifetime ECLs are recognised. The calculation of interest revenue is the same as for Stage 1.

Stage 3 – If the loan's credit risk increases to the point where it is considered credit-impaired, interest revenue is calculated based on the loan's amortised cost that is, the gross carrying amount less the loss allowance. Lifetime ECLs are recognised, as in Stage 2.

The ECL model incorporated forward looking information including reasonable and supportable forecasts of future economic conditions. Future cash flows and risk of default were also considered. The Bank considered three different scenarios for the model to mitigate non-linearity in the portfolio. The base, optimistic and pessimistic scenarios of macroeconomic conditions were used in estimating the probability of default. This was to ensure that the impairment estimates were not biased due to cyclicality of economic conditions.

6. Financial risk management (cont'd)

Early Alerts

Corporate Banking, Consumer Banking and Small and Medium Scale Enterprise (SME) accounts are placed on early alert status when they display signs of weakness. Such accounts and portfolios are subject to a dedicated process of oversight involving Senior Risk Officers and Remedial Officers in the Loans Recovery Unit. The approach to Early Alerts monitoring include but not limited to:

- Deterioration of the customer's financial position;
- Delays by customers in settling their obligations;
- Overdraft balances exceeding approved limits; and
- Clear indications of the customer not being able to settle commitments on due dates.

Customer payment plans are re-evaluated and remedial actions agreed and monitored until delinquency situations are resolved. Remedial actions include, but are not limited to, exposure reduction, security enhancement and movement of the account to the Loans Recovery Unit.

Write off policy

The Bank writes off loans and advances balance (and any related allowances for impairment losses) when the Bank's Credit Risk Management determines that the loans and advances are uncollectible. This determination is reached after considering information such as the occurrence of significant changes in the borrower's financial position such that the borrower can no longer discharge the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure. For smaller balance standardised loans, charge off decisions generally are based on a product specific past due status. Related and connected lending is not permitted to be written off unless with the approval of the Bank of Ghana and the Board of Directors.

Impairment

An account is considered to be in default when payment is not received on due date. Accounts that are overdue by more than 90 days are considered delinquent. These accounts are closely monitored and subjected to a collection process. The process used for impairment is based on Bank of Ghana guidelines which recognise cash as a credit mitigant. Individual impairments are made for outstanding amounts depending on the number of days past due with full impairment made after 360 days. In certain situations such as bankruptcy, fraud and death, the loss recognition process is accelerated. Loans and advances less than 90 days past due are generally not considered impaired unless other information is available to indicate otherwise.

The Bank of Ghana Guideline is as set out below:

Grade Description	Number of days	Impairment (%)
Current	Less than 30 days	1
Other Loans Exceptionally Mentioned (OLEM)	30 to less than 90 days	10
Substandard	90 to less than 180	25
Doubtful	180 to less than 360 days	50
Loss	360 days and above	100

Credit quality

The Bank monitors credit risk per class of financial instrument. The table below outlines the classes identified, as well as the financial statement line item and the note that provides an analysis of the items included in the financial statement:

Loans and advances to banks at amortised cost	Loans and advances to banks	26
Debt investment securities at amortised Cost	Investment securities	27
Debt investment securities at FVTOCI	Investment securities	27

6. Financial risk management (cont'd)

Class of financial instrument	Financial statement line	Note
Other assets	Other assets	32
Loan commitments and financial guarantee contracts	Provisions	34

An analysis of the Bank's credit risk concentrations per class of financial asset is provided in the following tables. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts. For loan commitments and financial guarantee contracts, the amounts in the table represent the amounts committed or guaranteed, respectively.

Loans and advances to customers at amortised cost

Figures in thousands of Ghana Cedis

Retail:	Dec-20	Dec-19
Personal Loan	1,122,774	968,031
Corporate Employee Scheme	175,303	146,839
SME	24,194	58,817
Staff Loan	118,182	100,316
Corporate:		
Agriculture, forestry & fishing	40,690	55,657
Commerce & finance	850,780	741,549
Construction	126,643	129,872

Loans and advances to customers at amortised cost

Retail:		
Electricity, gas & water	152,494	-
Manufacturing	323,436	246,226
Mining & quarrying	96,124	140,174
Services	1,111,359	1,332,159
Transport, storage & communication	68,574	41,390
Total	4,210,553	3,961,030
Concentration by region		
Europe	-	-
America	-	-
Middle East and Africa	4,210,553	3,961,030
Asia	-	-
Total	4,210,553	3,961,030
Investment		
Concentration by Type		
Sovereign	8,575,901	5,996,593
Banking	189,031	217,481
Total	8,764,932	6,214,074

Figures in thousands of Ghana Cedis

6. Financial risk management (cont'd)

Concentration by region	Dec-20	Dec-19
Europe	-	12,423
Middle East and Africa	8,764,932	6,201,651
Total	**8,764,932**	6,214,074

An analysis of the Bank's credit risk exposure per class of financial asset, internal rating and "stage" without taking into account the effects of any collateral or other credit enhancements is provided in the following tables. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts. For loan commitments and financial guarantee contracts, the amounts in the table represent the amounts committed or guaranteed, respectively.

Loans and Advances to Customers at Amortised costs	Stage 1	Stage 2	Stage 3		2020	2019
On Balance sheet	**12-month ECL**	**Lifetime ECL**	**Lifetime ECL**	**POCI**	**Total**	**Total**
Grades 1-3: Low to fair risk	3,140,121	463,500	56,894	-	3,660,515	3,473,600
Grades 4-6 Monitoring	-	73,348	11,200	-	84,548	249,418
Grades 7-8: Substandard	-	-	149,354	-	149,354	42,571
Grade 9: Doubtful	-	-	89,539	-	89,539	26,835
Grade 10: Impaired	-	-	226,597	-	226,597	168,606
Total gross carrying amount	3,140,121	536,848	533,584	-	4,210,553	3,961,030
Loss allowance	76,830	111,414	387,679	-	575,923	335,103
Interbank Placement						
Grades 1-3: Low to fair risk	189,031	-	-	-	189,031	78,827
Grades 4-6 Monitoring	-	-	-	-	-	189,031
Grades 7-8: Substandard	-	-	-	-	-	-
Grade 9: Doubtful	-	-	-	-	-	-
Grade 10: Impaired	-	-	-	-	-	-
Total gross carrying amount	189,031	-	-	-	189,031	267,858
Loss allowance	2,926	-	-	-	2,926	7,867
Off Balance sheet						
Grades 1-3: Low to fair risk	695,713	1,569	1,052	-	698,334	822,976
Grades 4-6 Monitoring	-	-	-	-	-	41,304
Grades 7-8: Substandard	-	-	-	-	-	-
Grade 9: Doubtful	-	-	-	-	-	-
Grade 10: Impaired	-	-	-	-	-	-
Total gross carrying amount	695,713	1,569	1,052	-	698,334	864,280
Loss allowance	21,034	243	765	-	22,042	38,275

This table summarises the loss allowance as of the year end by class of exposure/asset.

6. Financial risk management (cont'd)

Figures in thousands of Ghana Cedis

Class of exposure/asset	2020	2019
Loss allowance		
Loans and advances to customers at amortised cost	**575,923**	335,103
Debt investment securities at amortised cost	**-**	-
Inter bank Placements	**2,926**	7,867
Off balance sheet	**22,042**	38,275
Total	**600,891**	381,245

The Bank did not recognise any other class of Purchased or Originally Credit Impaired (POCI) financial assets during the period. More information about the significant changes in the gross carrying amount of financial assets during the period that contributed to changes in the loss allowance is provide d in the table below:

Loans and advances to customers at Amortised Cost	Stage 1	Stage 2	Stage 3		
	12-month ECL	Lifetime ECL	Lifetime ECL	POCI	Total
Gross carrying amount as at 01/01/2020	3,075,971	642,155	242,904	-	3,961,030
Changes in the gross carrying amount	-	-	-	-	-
––Transfer to stage 1	299,410	(296,279)	(3,131)	-	-
––Transfer to stage 2	(45,516)	45,871	(355)	-	-
––Transfer to stage 3	(82,705)	(99,088)	181,793	-	-

Loans and advances to customers at Amortised Cost					
––Changes due to modifications that did not result in derecognition	-	-	-	-	-
New financial assets originated or purchased	943,708	41,425	17,755	-	1,002,888
Financial assets that have been derecognised	(875,886)	(5,629)	(28,919)	-	(910,434)
Write off	-	-	-	-	-
Other changes	(174,861)	208,393	123,537	-	157,069
Gross carrying amount as at 31/12/2020	3,140,121	536,848	533,584	-	4,210,553
Loss allowance as at 31/12/2020	76,830	111,414	387,679	-	575,923

Loss allowance – Interbank placement at amortised cost					
Loss allowance as at 01/01/2020	8	7,858	-	-	7,866
	-	-	-	-	-
Changes in the loss allowance	-	-	-	-	-
––Transfer to stage 1	7,858	(7,858)	-	-	-
––Transfer to stage 2	-	-	-	-	-
––Transfer to stage 3	-	-	-	-	-
––Increases due to change in credit risk	-	-	-	-	-
Decreases due to change in credit risk	(7,858)	-	-	-	(7,858)
Write-offs	-	-	-	-	-
Changes due to modifications that did	-	-	-	-	-
not result in derecognition	-	-	-	-	-

6. Financial risk management (cont'd)

Figures in thousands of Ghana Cedis

Loss allowance – Interbank placement at amortised cost	Stage 1	Stage 2	Stage 3		
	12-month ECL	Lifetime ECL	Lifetime ECL	POCI	Total
New financial assets originated or purchased	2,926	-	-	-	2,926
Financial assets that have been derecognised	(8)	-	-	-	(8)
Changes in models/risk parameters	-	-	-	-	-
Foreign exchange and other movements	-	-	-	-	-
Loss allowance as at 31/12/2020	2,926	-	-	-	2,926

Loss allowance – Off Balance Sheet					
Loss allowance as at 01/01/2020	27,101	10,819	355	-	38,275
Changes in the loss allowance	-	-	-	-	-
––Transfer to stage 1	-	-	-	-	-
––Transfer to stage 2	-	-	-	-	-
––Transfer to stage 3	-	-	-	-	-
––Increases due to change in credit risk	359	-	-	-	359
Decreases due to change in credit risk	-	-	-	-	-
Write-offs	-	-	-	-	-
Changes due to modifications that did	-	-	-	-	-
not result in derecognition	-	-	-	-	-
New financial assets originated or purchased	18,834	236	760	-	19,830
Financial assets that have been derecognised	(25,433)	(10,819)	(355)	-	(36,607)
Changes in models/risk parameters	-	-	-	-	-
Foreign exchange and other movements	173	7	5	-	185
Loss allowance as at 31/12/2020	21,034	243	765	-	22,042

Loss allowance – Loans and Advances at amortised cost					
Loss allowance as at 01/01/2020	76,219	81,902	176,981	-	335,102
Changes in the loss allowance	-	-	-	-	-
––Transfer to stage 1	47,678	(45,491)	(2,187)	-	-
––Transfer to stage 2	(996)	1,238	(242)	-	-
––Transfer to stage 3	(2,212)	(22,020)	24,232	-	-
––Increases due to change in credit risk	12,366	92,297	204,126	-	308,789
Decreases due to change in credit risk	(62,598)	(341)	(157,758)	-	(220,697)
Write-offs	-	-	-	-	-
Changes due to modifications that did	-	-	-	-	-
not result in derecognition	-	-	-	-	-
New financial assets originated or purchased	25,780	14,684	12,774	-	53,238
Financial assets that have been derecognised	(28,596)	(1,272)	(20,549)	-	(50,417)

6. Financial risk management (cont'd)

Figures in thousands of Ghana Cedis

Loss allowance – Loans and Advances at amortised cost	Stage 1	Stage 2	Stage 3		
	12-month ECL	Lifetime ECL	Lifetime ECL	POCI	Total
Changes in models/risk parameters	-	-	-	-	-
Foreign exchange and other movements	9,189	(9,583)	150,302	-	149,908
Loss allowance as at 31/12/2020	76,830	111,414	387,679	-	575,923

Interbank Placements at Amortised Cost					
Gross carrying amount as at 01/01/2020	78,827	189,031	-	-	267,858
Changes in the gross carrying amount					
--Transfer to stage 1	189,031	(189,031)	-	-	-
--Transfer to stage 2	-	-	-	-	-
--Transfer to stage 3	-	-	-	-	-
--Changes due to modifications that did not result in derecognition	-	-	-	-	-
New financial assets originated or purchased	12,813,592	-	-	-	12,813,592
Financial assets that have been derecognised	(4,960,486)	-	-	-	(4,960,486)
Write off	-	-	-	-	-
Other changes	643,213	-	-	-	643,213
Gross carrying amount as at 31/12/2020	8,764,177	-	-	-	8,764,177
Loss allowance as at 31/12/2020	2,926	-	-	-	2,926

Off Balance Sheet					
Gross carrying amount as at 01/01/2020	787,977	75,814	488	-	864,279
Changes in the gross carrying amount	-	-	-	-	-
--Transfer to stage 1	-	-	-	-	-
--Transfer to stage 2	-	-	-	-	-
--Transfer to stage 3	-	-	-	-	-
--Changes due to modifications that did not result in derecognition	-	-	-	-	-
New financial assets originated or purchased	638,135	1,569	1,052	-	640,756
Financial assets that have been derecognised	(734,519)	(75,814)	(488)	-	(810,821)
Write off	-	-	-	-	-
Other changes	4,120	-	-	-	4,120
Gross carrying amount as at 31/12/2020	695,713	1,569	1,052	-	698,334
Loss allowance as at 31/12/2020	21,034	243	765	-	22,042

Collateral held as security and other credit enhancements

The Bank holds collateral or other credit enhancements to mitigate credit risk associated with financial assets. The Bank did not hold any financial instrument for which no loss allowance is recognised because of collateral at 31 December 2020.

6. Financial risk management (cont'd)

Personal lending

The Bank's personal lending portfolio consists of secured and unsecured loans.

Corporate lending

The Group requests collateral and guarantees for corporate lending. The most relevant indicator of corporate customers' creditworthiness is an analysis of their financial performance and their liquidity, leverage, management effectiveness and growth ratios. For this reason, the valuation of collateral held against corporate lending is not routinely updated. The valuation of such collateral is updated if the loan is put on the "watchlist" and is therefore monitored more closely.

For creditimpaired loans, the Group obtains appraisals of collateral to inform its credit risk management actions.

The investment securities held by the Group are sovereign bonds and corporate bonds, which are not collateralised, as well as asset backed securities, which are secured by financial assets.

b). Liquidity management risk

Liquidity risk is the risk that the Group will not be able to meet payment obligations associated with financial liabilities when they fall due and replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay depositors and fulfil commitments to lend. It is the policy of the Group to maintain adequate liquidity at all times and to be in a position to meet all obligations, repay depositors, fulfil commitments to lend and meet any other commitments as and when they fall due.

The management of liquidity risk is governed by the Bank's liquidity policy. Responsibility for the management of liquidity risk lies with the Bank's Assets and Liability Management Committee (ALCO), which is chaired by an Executive Director. ALCO is responsible for both statutory and prudential liquidity as well as compliance with regulatory requirements.

The primary objective of liquidity risk management is to provide a planning mechanism for unanticipated changes in demand or needs for liquidity created by customer behaviour or abnormal market conditions.

ALCO emphasizes the maximization and preservation of customer deposits and other funding sources. ALCO also monitors deposit rates, levels, trends and significant changes.

Liquidity is managed on a short to medium-term basis. In the short term, the focus is on ensuring that cash flow demands can be met as and when required. The focus, in the medium term, is on ensuring that the balance sheet remains structurally sound and aligned to the Bank's strategy.

A substantial portion of the Bank's assets are funded by customer deposits made up of current and savings accounts and other deposits. These customer deposits, which are widely diversified by type and maturity, represent a stable source of surplus funds. Lending is normally funded by liability in the same currency.

The Bank also maintains significant levels of marketable securities to meet compliance with prudential investment of surplus funds. ALCO oversees structural foreign currency and interest rate exposures that arise within the Bank. These responsibilities are coordinated by ALCO during monthly meetings. The Bank places low reliance on interbank funding and foreign markets.

The key measure used by the Group for managing liquidity risk is the ratio of net liquid assets to deposits from customers. For this purpose, net liquid assets include cash and cash equivalents and investment securities for which there is an active and liquid market less any deposits from banks, debt securities issued, other borrowings and commitments maturing within the next month. Details of the reported Bank's ratio of net liquid assets to deposits from customers at the reporting date and during the reporting period were as follows:

6. Financial risk management (cont'd)

b). Liquidity management risk (cont'd)

	2020	2019
	%	%
At 31 December	**56.00%**	91.00%
Average for the period	**81.00%**	83.00%
Maximum for the period	**89.00%**	104.00%
Minimum for the period	**67.00%**	75.00%

Maturity analysis for financial assets and liabilities

The Group manages liquidity risk. The primary objective of liquidity risk management is to provide a planning mechanism for unanticipated changes in demand or needs for liquidity created by customer behaviour or abnormal market conditions.

The amounts disclosed in the table are the remaining contractual undiscounted cash flows which include estimated interest payment.

Figures in thousands of Ghana Cedis

2020 Group	Up to 1 month	1-3 months	3- 12 months	Over 1 year	Total	Carrying Amount
Financial liabilities by type *Non-derivative liabilities*						
Deposits from customers	2,378,933	2,806,614	4,637,589	2,137,522	11,960,658	11,960,658
Borrowings	583,525	-	-	189,000	772,525	772,525
Other liabilities	65,804	136,120	177,313	42,157	421,394	421,394
Financial guarantee contracts	-	6,969	374,049	-	381,018	381,018
Unrecognised loan commitments	578	1,728	401	-	2,707	2,707
	3,028,840	2,951,431	5,189,352	2,368,679	13,538,302	13,538,302
Financial assets by type *Non-derivative assets* Cash and cash equivalents						
Advances to banks	-	-	-	200,904	200,904	200,904
Investment securities	1,446,287	695,667	1,403,616	5,077,276	8,622,846	8,622,846
Trading assets	1,136	9,848	102,220	108,135	221,339	221,339
Loans and advances to customers	733,794	432,458	996,946	1,449,390	3,612,588	3,612,588
Investment (other than securities)	-	-	-	-	-	-
Other asset	128,956	101,710	191,627	40,407	462,701	462,701
Assets held for managing liquidity risk	2,310,173	1,239,683	2,694,409	6,876,112	13,120,378	13,120,378
Period liquidity gap	718,667	1,711,748	2,494,943	(4,507,433)	425,204	425,204

6. Financial risk management (cont'd)

Maturity Analysis of assets and liabilities (cont'd)

Figures in thousands of Ghana Cedis

2019 Group	Up to 1 month	1 - 3 months	3 - 12 months	Over 1 year	Total	Carrying Amount
Financial liabilities by type *Non-derivative liabilities*						
Deposits from customers	1,969,193	2,306,102	3,652,329	1,895,165	9,822,789	9,822,789
Borrowings	68,578	200,000	-	189,000	457,578	457,578
Other liabilities	47,043	132,086	69,523	87,022	335,674	335,674
Financial guarantee contracts	39,533	21,389	756,309	47,049	864,280	-
Unrecognised loan commitments	220,584	-	-	-	220,584	-
	2,344,931	2,659,577	4,478,161	2,218,236	11,700,905	10,616,041
Financial assets by type *Non-derivative assets*						
Cash and cash equivalents	1,351,027	-	-	221,511	1,572,538	1,572,538
Advances to banks	-	-	-	209,614	209,614	209,614
Investment securities	1,023,381	897,261	622,402	3,482,338	6,025,382	6,025,382
Trading assets	1,136	9,848	23,671	108,135	142,790	142,790
Loans and advances to customers	564,337	804,410	824,856	1,394,050	3,587,653	3,587,653
Investment (other than securities)	-	-	-	-	-	-
Other asset	88,583	61,855	78,019	52,097	280,555	280,555
Assets held for managing liquidity risk	3,028,464	1,773,374	1,548,948	5,467,745	11,818,532	11,818,532
Period liquidity gap	683,533	(886,203)	(2,929,213)	3,249,509	117,627	1,202,491

2020 **Bank**	**Up to 1 month**	**1-3 months**	**3- 12 months**	**Over 1 year**	**Total**	**Carrying Amount**
Financial liabilities by type *Non-derivative liabilities*						
Deposits from customers	**2,378,933**	**2,806,614**	**4,637,589**	**2,137,522**	**11,960,658**	**11,960,658**
Borrowings	**583,525**	**-**	**-**	**189,000**	**772,525**	**772,525**
Other liabilities	**65,248**	**136,675**	**177,314**	**42,344**	**421,581**	**421,581**
Financial guarantee contracts	**-**	**6,969**	**374,049**	**-**	**381,018**	**381,018**
Unrecognised loan commitments	**578**	**1,728**	**401**	**-**	**2,707**	**2,707**
	3,028,284	**2,951,986**	**5,189,353**	**2,368,866**	**13,538,489**	**13,538,489**
Financial assets by type *Non-derivative assets*						
Cash and cash equivalents	**-**	**-**	**-**	**-**	**-**	**-**
Advances to banks	**-**	**-**	**-**	**200,904**	**200,904**	**200,904**
Investment securities	**1,491,869**	**695,667**	**1,403,616**	**4,984,749**	**8,575,901**	**8,575,901**
Trading assets	**1,136**	**9,848**	**102,220**	**108,135**	**221,339**	**221,339**

6. Financial risk management (cont'd)

Maturity Analysis of assets and liabilities (cont'd)

Figures in thousands of Ghana Cedis

2020 Bank	Up to 1 month	1-3 months	3- 12 months	Over 1 year	Total	Carrying Amount
Loans and advances to customers	**733,794**	**432,458**	**996,946**	**1,449,390**	**3,612,588**	**3,612,588**
Investment (other than securities)	**-**	**-**	**-**	**-**	**-**	**-**
Other assets	**128,956**	**101,710**	**194,639**	**35,127**	**460,432**	**460,432**
Assets held for managing liquidity risk	**2,355,755**	**1,239,683**	**2,697,421**	**6,778,305**	**13,071,164**	**13,071,164**
Period liquidity gap	**672,529**	**1,712,303**	**2,491,932**	**(4,409,439)**	**467,325**	**467,325**

2019 Bank	Up to 1 month	1 - 3 months	3 - 12 months	Over 1 year	Total	Carrying Amount
Financial liabilities by type *Non-derivative liabilities*						
Deposits from customers	1,969,193	2,306,102	3,652,329	1,914,895	9,842,519	9,842,519
Borrowings	68,578	200,000		189,000	457,578	457,578
Other liabilities	47,043	132,086	69,523	87,581	336,233	336,233
Financial guarantee contracts	39,533	21,389	756,309	47,049	864,280	-
Unrecognised loan commitments	220,584	-	-	-	220,584	-
	2,344,931	2,659,577	4,478,161	2,238,525	11,721,194	10,636,330
Financial asset by type *Non-derivative assets*	Up to 1 month	13 months	3 12 months	Over 1 year	Total	Carrying Amount
Cash and cash equivalents	1,370,757	-	-	201,781	1,572,538	1,572,538
Advances to banks	-	-	-	209,614	209,614	209,614
nvestment securities	1,023,381	891,842	607,076	3,474,294	5,996,593	5,996,593
Trading assets	1,136	9,848	23,671	108,135	142,790	142,790
Loans and advances to customers	564,337	804,410	824,856	1,394,050	3,587,653	3,587,653
Investment (other than securities)	-	-	-	-	-	-
Other asset	88,583	61,855	78,019	52,084	280,541	280,541
Asset held for managing liquidity risk	3,048,194	1,767,955	1,533,622	5,439,958	11,789,729	11,789,729
Period liquidity gap	703,263	(891,622)	(2,944,539)	3,201,433	68,535	1,153,399

The amounts in the table above have been compiled as follows:

- Non-derivative financial liabilities and financial assets – undiscounted cash flows, which include estimated interest payment;
- Issued financial guarantee contracts, and unrecognised loan commitments – Earliest possible contractual maturity. For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.

As part of the management of liquidity risk arising from financial liabilities, the Group holds liquid assets comprising cash and cash equivalents, and investments in government securities, which can be readily sold to meet liquidity requirements.

6. Financial risk management (cont'd)

Maturity Analysis of assets and liabilities (cont'd)

In the normal course of business, assets are sometimes pledged for specific purposes. The table below sets out the availability of the Group's financial assets to support future funding.

Figures in thousands of Ghana Cedis

The Group	Available as collateral	Unencumbered other*	Total
31 Dec 2020			
Cash and cash equivalents	1,567,241	-	1,567,241
Loans and advances to customers	-	3,612,588	3,612,588
Advances to banks	200,904	-	200,904
Investment securities	8,622,846	-	8,622,846
Trading assets	221,339	-	221,339
Investment (other than investment securities)	110,215	-	110,215
Total assets	10,722,545	3,612,588	14,335,133

Group	Available as collateral	Unencumbered Other*	Total
31 December 2019			
Cash and cash equivalents	1,572,538	-	1,572,538
Loans and advances to customers	-	3,587,653	3,587,653
Advances to banks	209,614	-	209,614
Investment securities	6,025,382	-	6,025,382
Trading assets	142,790	-	142,790
Investment (other than investment securities)	35,439	-	35,439
Total assets	7,985,763	3,587,653	11,573,416

Bank	Available as collateral	Unencumbered Other*	Total
31 Dec 2020			
Cash and cash equivalents	1,567,241	-	1,567,241
Loans and advances to customers	-	3,612,588	3,612,588
Advances to banks	200,904	-	200,904
Investment securities	8,575,901	-	8,575,901
Trading assets	221,339	-	221,339
Investment (other than investment securities)	31,607	-	31,607
Total assets	10,596,992	3,612,588	14,209,580

6. Financial risk management (cont'd)

Maturity Analysis of assets and liabilities (cont'd)

Figures in thousands of Ghana Cedis

Bank	Available as collateral	Unencumbered Other*	Total
31 December 2019			
Cash and cash equivalents	1,572,538	-	1,572,538
Loans and advances to customers	-	3,587,653	3,587,653
Advances to banks	209,614	-	209,614
Investment securities	5,996,593	-	5,996,593
Trading assets	142,790	-	142,790
Investment (other than investment securities)	31,501	-	31,501
Total assets	7,953,036	3,587,653	11,540,689

*Represents assets that are not restricted for use as collateral, but the Group would not consider them as readily available to secure funding in the normal course of business.

Financial assets pledged as collateral

The Group pledged GHS 907.2m (2019: GHS 564.8m) of its investments in Government securities as collateral to Bank of Ghana, First Atlantic Bank, UBA Bank, Standard Chartered Bank, Fidelity Bank, Zenith Bank, CAL Bank, ADB Bank, FBN Bank and Teacher's Fund. The Group has not received collateral that it is permitted to sell or repledge in the absence of default.

c). Market Risk

Management of Market Risk

The Group takes on exposure to market risk, which is the risk of potential loss of earnings or economic value due to adverse changes in financial market rates or prices. Market risks arise from open positions in interest rates, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads, foreign exchange rates and equity prices. The Group's exposure to market risk arises principally from customer-driven transactions and pension obligations.

Foreign Exchange Exposure

Foreign exchange or currency risk is the risk of loss that results from changes in foreign exchange rates. The Bank's exposure to foreign currency risk is limited to non-trading book and is strictly controlled by the Treasury and Risk Management units. Non-trading book refers to the assets of the Bank that are not traded or held with the intent of trading. The Group's foreign exchange exposures are principally derived from customer-driven transactions.

The Group and The Bank	EUR	USD	GBP
At 31 December 2020	'000	'000	'000
Assets			
Cash and cash equivalents	9,571	16,262	6,606
Advances to banks	-	500	-
Loans and advances to customers	-	154,964	-
Total Assets	9,571	171,726	6,606
Liabilities			
Deposits due to customers	7,787	155,238	5,737
Total liabilities	7,787	155,238	5,737
Net on balance sheet position	1,784	16,488	869
Off balance sheet credit commitments	29,679	419,092	-
Total Exposure	31,463	435,580	869

6. Financial risk management (cont'd)

Foreign Exchange Exposure (cont'd)

Figures in thousands of Ghana Cedis

The Group and The Bank	EUR	USD	GBP
At 31 December 2019	'000	'000	'000
Assets			
Cash and cash equivalents	7,577	22,543	5,797
Advances to banks	2032	12,500	145
Loans and advances to customers	714	131,821	-
Total assets	10,323	166,864	5,942
Liabilities			
Deposits from customers	9,512	154,886	5,627
Total liabilities	9,512	154,886	5,627
Net onbalance sheet position	811	11,978	315
Off balance sheet credit commitments	9,793	90,674	8,919
Total exposure	10,604	102,652	9,234

The following mid interbank exchange rates were applied during the year:

	Average Rate		Reporting Rate	
GHS to	**2020**	2019	**2020**	2019
USD 1	**5.5982**	5.2507	**5.7602**	5.5337
EUR 1	**7.1864**	5.8703	**7.0643**	6.2114
GBP 1	**6.3906**	6.7182	**7.8742**	7.3164

Foreign Exchange Sensitivity

The following table shows the effect of a strengthening or weakening of GHS against the currencies listed below on profit or loss and equity. This sensitivity analysis indicates the potential impact on profit or loss and equity based on foreign currency exposures recorded at 31 December (See "currency risk" above).

It does not represent actual or future gains or losses.

A strengthening/weakening of the GHS by the rates shown in the table against the following currencies at 31 December would have impacted equity and profit or loss by the amounts shown below:

This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2019.

As at 31 Dec			**2020**			2019
In GHS	**% Change**	**Profit or loss impact: Strengthening**	**Equity impact: Strengthening**	% Change	Profit or loss impact: Strengthening	Equity impact Strengthening
USD	**±1**	**25,090**	**25,090**	±1	5,680	5,680
EUR	**±1**	**2,223**	**2,223**	±1	659	659
GBP	**±1**	**68**	**68**	±1	676	676

A 1% weakening of the GHS against the above currencies at 31 December would have had an equal but opposite effect.

6. Financial risk management (cont'd)

Interest Rate Risk

Interest rate exposure

Interest rate risk is the risk that future cash flows or fair values of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to the effects of fluctuations in the prevailing levels of market interest rates on both fair value and cash flow risks. Interest margins may increase as a result of such changes, which may cause losses to be incurred, in the event of unexpected movements.

The Asset and Liability Management ("ALM") process, managed through ALCO, is used to manage interest rate risks associated with the non-trading book. Gap analysis is used in measuring interest rate risk. It compares the values of interest rate sensitive assets and liabilities that mature or are re-priced at various time periods in the future. Subjective judgment/assumptions are made about the behaviour of assets and liabilities which do not have specific contractual maturity or re-pricing dates.

Interest rate risk evaluates potential volatility to net interest income caused by changes in market interest rates and represents the most significant market risk exposure to the Group's non-trading book. The management of interest rate risk against interest rate gap limits is supplemented by monitoring sensitivity of the Group's financial assets and liabilities to various standard and non-standard interest rate scenarios.

The Group

Figures in thousands of Ghana Cedis

At 31 December 2020	Up to 1 month	1-3 months	3-12 months	Over 1 year	Total
Assets					
Investment securities	**1,666,980**	**752,867**	**1,403,616**	**4,799,383**	**8,622,846**
Non-Pledged trading assets	**1,136**	**9,848**	**102,220**	**108,135**	**221,339**
Advances to banks	**-**	**-**	**-**	**200,904**	**200,904**
Loans and advances to customers	**733,794**	**432,458**	**996,945**	**1,449,390**	**3,612,588**
Total financial assets	**2,401,910**	**1,195,173**	**2,502,781**	**6,557,812**	**12,657,677**
Liabilities					
Interest bearing deposits	**2,386,211**	**2,806,614**	**4,637,589**	**2,137,522**	**11,967,936**
Borrowings	**583,525**	**-**	**-**	**189,000**	**772,525**
Total financial liabilities	**2,969,736**	**2,806,614**	**4,637,589**	**2,326,522**	**12,740,461**
Total interest rate gap	**(567,826)**	**(1,611,441)**	**(2,134,808)**	**4,231,290**	**(82,784)**

2019 Group	Up to 1 month	1-3 months	3-12 months	Over 1 year	Total
Assets					
Investment securities	1,023,381	897,261	622,402	3,482,338	6,025,382
Trading assets	1,136	9,848	23,671	108,135	142,790
Advances to banks	-	-	-	209,614	209,614
Loans and advances to customers	564,337	804,410	824,856	1,394,050	3,587,653
Total financial assets	1,588,854	1,711,519	1,470,929	5,194,137	9,965,439
Liabilities					
Interest bearing deposits	1,969,193	2,306,102	3,849,648	1,697,846	9,822,789
Borrowings	68,578	200,000	-	189,000	457,578
Total financial liabilities	2,037,771	2,506,102	3,849,648	1,886,846	10,280,367
Total interest gap	(448,917)	(794,583)	(2,378,719)	3,307,291	(314,928)

6. Financial risk management (cont'd)

Interest Rate Risk (cont'd)

Interest rate exposure (cont'd)

Figures in thousands of Ghana Cedis

Bank At 31 December 2020	Up to 1 month	1-3 months	3-12 months	Over 1 year	Total
Assets					
Investment securities	1,621,387	752,867	1,403,616	4,798,031	8,575,901
Non-Pledged Trading Assets	1,136	9,848	102,220	108,135	221,339
Advances to banks	-	-	-	200,904	200,904
Loans and advances to customers	733,794	432,458	996,946	1,449,390	3,612,588
Total financial assets	2,356,317	1,195,173	2,502,782	6,556,460	12,610,732
Liabilities					
Interest bearing deposits	2,386,211	2,806,614	4,637,589	2,137,522	11,967,936
Borrowings	583,525	-	-	189,000	772,525
Total financial liabilities	2,969,736	2,806,614	4,637,589	2,326,522	12,740,461
Total interest rate gap	(613,419)	(1,611,441)	(2,134,807)	4,229,938	(129,729)

2019 Bank	Up to 1 month	13 months	3-12 months	Over 1 year	Total
Assets					
Investment securities	1,023,381	891,842	607,076	3,474,294	5,996,593
Trading assets	1,136	9,848	23,671	108,135	142,790
Advances to banks	-	-	-	209,614	209,614
Loans and advances to customers	564,337	804,410	824,856	1,394,050	3,587,653
Total financial assets	1,588,854	1,706,100	1,455,603	5,186,093	9,936,650
Liabilities					
Interest bearing deposits	1,969,193	2,306,102	3,849,648	1,717,576	9,842,519
Borrowings	68,578	200,000	-	189,000	457,578
Total financial liabilities	2,037,771	2,506,102	3,849,648	1,906,576	10,300,097
Total interest rate gap	(448,917)	(800,002)	(2,394,045)	3,279,517	(363,447)

Analysis of the Group's sensitivity to market interest

Standard scenarios that are considered on a monthly basis include a 200 basis point (bp) parallel fall or rise in market interest rates. A change of a 200 basis points in interest rates at the reporting date would have impacted equity and profit or loss by the amounts shown below:

	2020		2019	
Group	**Increase**	**Decrease**	Increase	Decrease
Interest income impact	**21,096**	**(21,096)**	16,611	(16,611)
Interest expense impact	**(21,234)**	**21,234**	(17,167)	17,167
Net impact	**(138)**	**138**	(556)	556

6. Financial risk management (cont'd)

Interest Rate Risk (cont'd)

Figures in thousands of Ghana Cedis

	2020		2019	
Bank	**Increase**	**Decrease**	Increase	Decrease
Interest income impact	**21,018**	**(21,018)**	16,323	(16,323)
Interest expense impact	**(21,234)**	**21,234**	(17,167)	17,167
Net impact	**(216)**	**216**	(844)	844

b) Market risk monitoring and control

The Risk Management Division (RMD) is responsible for monitoring the Bank's exposure to market risk. The analysis of impact of unlikely but plausible events by means of scenario analysis enables management to gain a better understanding of risks that the Bank is potentially exposed to under adverse conditions.

c) Operational risk

Operational risk is the risk of direct or indirect loss resulting from inadequate or failed internal processes, systems or human factors, or from external events. Operational risk is inherent in the Group's business activities and, as with other risk types, is managed through an overall framework designed to balance strong corporate oversight with well-defined independent risk management. The Group endeavours to minimize operational losses by ensuring that effective infrastructure, controls, systems and individuals are in place throughout the organization.

Operational Risk Framework

To monitor, mitigate and control operational risk, the Group maintains a system of policies and has established a framework for assessing and communicating operational risks as well as the overall effectiveness of the internal control environment across business lines. Each major business segment is expected to implement an operational risk process consistent with the requirements of this framework. The process for operational risk management includes the following steps:

- identify and assess key operational risks;
- establish key risk indicators;
- produce comprehensive operational risk reports; and
- prioritize and ensure adequate resources to actively improve the operational risk environment and mitigate emerging risks.

The operational risk standards facilitate the effective communication and mitigation actions both within and across businesses. The Group is committed to continuously enhancing its operational risk framework to encourage a culture of effective accountability and responsibility.

d) Compliance and regulatory risk

Compliance and Regulatory risk includes the risk of non-compliance with regulatory requirements. The Group's Compliance Unit is responsible for establishing and maintaining an appropriate framework for the Group's compliance policies and procedures. Compliance with such policies and procedures is the responsibility of all managers. However, the Compliance Unit monitors and reports on compliance to Executive Management and the Board. The Group generally complied with regulatory requirements.

e) Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor and market confidence and sustain future development of the business. The impact of the level of capital on shareholders' return is also taken into consideration in addition to security afforded by sound capital positions. The Bank complied with the statutory capital requirements throughout the period under review. The subsidiary is not subject to externally imposed capital requirements.

Capital adequacy and the use of regulatory capital are monitored daily by management, employing techniques based on guidelines developed by the Basel Committee as implemented by Bank of Ghana for supervisory purposes.

6. Financial risk management (cont'd)

e) Capital management (cont'd)

The required information is filed with Bank of Ghana on a monthly basis. Bank of Ghana requires each bank to:

- Hold a minimum regulatory capital of GHS 400 million; and
- Maintain a ratio of total regulatory capital to risk-weighted assets plus risk weighted off balance sheet assets above a required minimum of 10%.

The Bank generally complied with all externally imposed capital requirements.

The Bank's capital is divided into two tiers:

- Tier 1 capital includes ordinary paid up capital and disclosed reserves, excluding the value of assets such as investment in other banks and financial institutions.
- Tier 2 capital is made up of reserves such as unrealized gains on equity instruments classified as fair value through other comprehensive income.

Non-risk weighted assets are classified as cash on hand, claims on government and claims on the Central Bank. 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.

		2020	2019	
	Bank	Group	Bank	Group
Tier 1 Capital				
Stated capital ordinary	**500,000**	**500,000**	500,000	500,000
Statutory reserve	**569,971**	**569,971**	460,096	460,096
Retained earnings	**1,013,504**	**1,111,387**	736,876	828,873
Intangible/other assets	**(190,921)**	**(190,921)**	(201,820)	(201,820)
Deferred tax assets	**(157,455)**	**(158,465)**	(101,810)	(95,324)
Investments in capital of other Banks and financial / other institutions	**(31,607)**	**(101,759)**	(51,501)	(128,056)
Total qualifying tier 1 capital	**1,703,492**	**1,730,213**	1,341,841	1,363,769
Tier 2 Capital				
Fair value reserves	**(1,754)**	**5,395**	(1,845)	1,581
Other reserves	**(32,429)**	**(755)**	(43,073)	(10,188)
Total qualifying tier 2 capital	**(34,183)**	**4,640**	(44,918)	(8,607)
Total regulatory capital	**1,669,309**	**1,734,853**	1,296,923	1,355,162
Risk profile				
Total credit risk equivalent weighted asset (RWA)	**5,155,357**	**5,158,266**	5,009,851	5,010,562
Total operational risk equivalent weighted asset (RWA)	**2,858,536**	**2,858,536**	2,344,238	2,344,238
Total market risk equivalent weighted asset (RWA)	**62,725**	**62,725**	55,134	55,134
Total RWA	**8,076,618**	**8,080,271**	7,409,223	7,409,934
Regulatory Quantitative Disclosures				
Capital Adequacy Ratio	**20.67%**	**21.51%**	17.50%	18.29%
Non-Performing Loans Ratio	**8.71%**	**8.71%**	6.01%	6.01%
Liquid Ratio	**64%**	**65%**	60%	60%
Compliance with Statutory Liquidity				
(i) Default in Statutory Liquidity	**183**	**183**	Nil	Nil
(ii) Default in Statutory Sanction	**Nil**	**Nil**	Nil	Nil

6. Financial risk management (cont'd)

e) Capital management (cont'd)

The Capital Adequacy Ratio (CAR) has been computed in accordance with the Capital Requirement Directive (CRD) by Bank of Ghana. The CRD was developed and issued by Bank of Ghana for the adoption of all banks in Ghana. It is based on the Basel II and III frameworks.

Non- performing loans

Figures in thousands of Ghana Cedis

	2020	2019
Non-Performing Loans (Sub-standard to Loss)	**366,916**	238,050
NPL Ratio (Non-performing loans/ total gross loans)	**8.71%**	6.01%

f) Renegotiated loans which have been reclassified

Loans renegotiated and reclassified during the year amounted to GHS 126,746,665.

g) Amount of repossessed properties/collateral

No collaterals were repossessed during the year. (2019: Nil)

h) Statutory breaches and non-compliance with other prudential requirements;

The Bank recorded a liquidity breach during the period under review. The bank was levied a penalty of GHS 182,535 due to the breach.

7. 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 Group determines fair values using other valuation techniques.

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

(a) Valuation models

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

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 Group uses widely recognised valuation models for determining the fair value of common and more simple financial instruments that use only observable market data and require little management judgment and estimation.

Availability of observable market prices and model inputs reduces the need for management judgment 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) Valuation framework

The objective of a fair value measurement is to estimate the price at which an orderly transaction to sell the asset or transfer the liability would take place between market participants at the measurement date under current market conditions. A fair value measurement requires an entity to determine all the following:

- The particular asset or liability that is the subject of measurement (consistently with the unit of account);
- The principal (or most advantageous) market for the asset or liability;
- The valuation technique(s) appropriate for the measurement, considering the availability of data with which to develop inputs that represent the assumptions that market participants would use when pricing the asset or liability and the level of the fair value hierarchy within which the inputs are categorized.

7. Fair values of financial instruments (cont'd)

Figures in thousands of Ghana Cedis

	2020		2019	
	Level 1		Level 1	
	Bank	Group	Bank	Group
Investment in equity securities AFS	1,895	2994	1,895	3,049
Investment securities FVTPL	221,339	221,339	142,790	142,790
	223,234	224,333	144,685	145,839

	Level 3		Level 3	
	Bank	Group	Bank	Group
Investment in unlisted equity securities	438	15,540	332	12,390
	438	15,540	332	12,390

Valuation Technique

The Income approach was used for the valuation of the unlisted equities. The Dividend Growth and the Book Value methods specifically were adopted for the purposes of the valuation.

Main inputs and assumptions

Level 2 and level 3 inputs were deployed in the valuation.

The following information were used:

- Dividend Income of the entities being valued.
- Beta of all shares listed on the GSE from the Bloomberg Terminal. The average beta for entities similar to the ones being valued was used to value the respective investee company.
- The 20-year Government of Ghana Bond rate of 21.82% was used as the discount rate.
- Market rate of return, using the GSE Composite Index as a proxy.

7i. Financial instruments not measured at fair value

The carrying amount of the financial instruments not measured at fair value approximate their fair values.

7ii. Classification of financial assets and financial liabilities

Accounting classifications and fair values

The table below sets out the Group's classification of each class of financial assets and liabilities. 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 Group has access at that date.

7ii. Classification of financial assets and financial liabilities cont'd

Figures in thousands of Ghana Cedis

Bank	Fair value through profit or loss	Amortised cost	Fair value through OCI	Financial liabilities	Total carrying amount
31 December, 2020					
Cash and cash equivalents	-	1,567,241	-	-	1,567,241
Investment securities	-	8,575,901	-	-	8,575,901
Trading Assets	221,339	-	-	-	221,339
Advances to banks	-	200,904	-	-	200,904
Loans and advances to customers	-	3,612,588	-	-	3,612,588
Investments (other than investment securities)	-	-	2,333	-	2,333
Other assets	-	460,432	-	-	460,432
Total assets	221,339	14,417,066	2,333	-	14,640,738
Deposits from banks & other financial institutions	-	-	-	615,418	615,418
Deposits from customers	-	-	-	11,352,518	11,352,518
Other liabilities	-	-	-	421,581	421,581
Borrowings	-	-	-	772,525	772,525
Total liabilities	-	-	-	13,162,042	13,162,042

Bank	Fair value through profit or loss	Amortised cost	Fair value through OCI	Financial liabilities	Total carrying amount
31 December 2019					
Cash and cash equivalents	-	1,572,538	-	-	1,572,538
Investment securities	-	5,996,593	-	-	5,996,593
Trading assets	142,790		-	-	142,790
Advances to banks	-	209,614	-	-	209,614
Loans and advances to customers	-	3,587,653	-	-	3,587,653
Investment (other than investment securities)	-	-	2,227	-	2,227
Other assets	-	300,541		-	300,541
Total assets	142,790	11,666,939	2,227	-	11,811,956
Deposits from banks & other financial institutions	-	-	-	501,911	501,911
Deposits from customers	-	-	-	9,340,608	9,340,608
Other liabilities	-	-	-	336,233	336,233
Borrowings	-	-	-	457,578	457,578
Total liabilities	-	-	-	10,636,330	10,636,330

7. Fair values of financial instruments (cont'd)

7ii. Classification of financial assets and financial liabilities (cont'd)

Accounting classifications and fair values (cont'd)

Figures in thousands of Ghana Cedis

Group	Fair value through profit or loss	Amortised cost	Fair value through OCI	Financial liabilities	Total carrying amount
31 December, 2020					
Cash and cash equivalents	-	1,567,241	-	-	1,567,241
Investment securities	-	8,622,846	-	-	8,622,846
Trading Assets	221,339	-	-	-	221,339
Advances to banks	-	200,904	-	-	200,904
Loans and advances to customers	-	3,612,588	-	-	3,612,588
Investments (other than investment securities)	-	-	18,534	-	18,534
Other assets	-	462,701	-	-	462,701
Total assets	221,339	14,466,280	18,534	-	14,706,153
Deposits from banks & other financial institutions	-	-	-	615,418	615,418
Deposits from customers	-	-	-	11,345,240	11,345,240
Other liabilities	-	-	-	421,395	421,395
Borrowings	-	-	-	772,525	772,525
Total liabilities	-	-	-	13,154,578	13,154,578

Group	Fair value through profit or loss	Amortised cost	Fair value through OCI	Financial liabilities	Total carrying amount
2019					
Cash and cash equivalents	-	1,572,538	-	-	1,572,538
Investment securities	-	6,025,382	-	-	6,025,382
Trading assets	142,790	-	-	-	142,790
Advances to banks	-	209,614	-	-	209,614
Loans and advances to customers	-	3,587,653	-	-	3,587,653
Investment (other than investment securities)	-	-	15,440	-	15,440
Other assets	-	300,555	-	-	300,555
Total	142,790	11,695,742	15,440	-	11,853,972
Deposits from banks & other financial institutions	-	-	-	501,911	501,911
Deposits from customers	-	-	-	9,320,879	9,320,879
Other liabilities	-	-	-	335,674	335,674
Borrowings	-	-	-	457,578	457,578
Total liabilities	-	-	-	10,616,042	10,616,042

8. Operating segments

a. Segment information

For performance management purposes, the Bank is organized into 4 core segments based on their products and services. These are:

- Consumer Banking;
- Corporate Banking;
- Treasury; and
- SME

The Consumer Banking arm of the business concentrates mainly on individual customers and therefore provides the required platform to enhance service delivery to that segment. The coverage of this function also extends to sole proprietorships and very small and medium scale enterprises.

Corporate Banking is responsible for the Business Banking customer profile. The function is subcategorized into Multinational Corporate, Large Local Corporate, Development Organizations and Public Sector. Depending on customer profiling, clients of this function are mostly relationship managed with a few of them managed on portfolio basis.

The Treasury function provides the expertise and platform for the centralized management of the Group's market risk exposures. The function manages the funding requirements and ensures that the Bank is well capitalized to boost investor confidence and sustain future development of the business.

The Small and Medium Scale Enterprises arm of the business provides banking services by way of financing and raising deposit as well as providing trade services to these small scale clients.

For the purpose of segmental reporting, surplus funds or deficit per business unit is either sold to or purchased from the Bank pool based on a pool rate determined by Treasury using the Group's cost of funds plus a margin for both local and foreign currencies.

Management monitors the operating results of business segments separately for the purpose of making decisions about resource allocation and for assessing performance. Segment performance is evaluated based on operating profit or loss together with the underlying balance sheet position for the reporting period. To be able to assess each of the three businesses in a fairer and consistent manner, common corporate operating expenses are allocated to segments based on an established costsharing policy that permits a reasonable and consistent allocation of central management expenses.

Figures in thousands of Ghana Cedis

31 Dec 2020					
External Revenue	**Consumer**	**Corporate**	**Treasury**	**SME**	**Total**
Net interest income	116,531	148,955	1,187,565	46,835	1,499,886
Inter-segment revenue	563,494	123,714	(825,521)	138,313	-
Net fees and commission income	160,843	60,177	10,161	32,813	263,994
Net trading income	-	11,485	149,890	5,253	166,628
Other income/other revenue	1,167	2,223	2,589	1,621	7,600
Total segment revenue	842,035	346,554	524,684	224,835	1,938,108
Operating expenses	(593,876)	(211,361)	(122,717)	(188,619)	(1,116,572)
Other material non-cash items:	-	-	-	-	-
Impairment loss on loans and advances	(22,339)	(166,905)	(310)	(30,093)	(219,647)
Reportable segmental profit before tax	225,820	(31,712)	401,657	6,123	601,889
Reportable segment assets	1,302,425	1,603,082	10,695,466	577,000	14,177,973
Reportable segment liabilities	6,791,322	3,288,267	773,340	1,887,531	12,740,460

8. Operating segments

a. Segment information (cont'd)

Figures in thousands of Ghana Cedis

31 December 2019	Consumer	Corporate	Treasury	SME	Total
External revenue					
Net interest income	123,068	220,866	775,898	45,975	1,165,807
Intersegment revenue	422,786	39,273	(552,079)	90,020	-
Net fees and commissions	144,177	58,932	7,371	31,025	241,505
Net trading income	-	14,963	119,861	6,921	141,745
Other income / other revenue	1,987	4,775	7,626	-	14,388
Total segment revenue	692,018	338,809	358,677	173,941	1,563,445
Operating expenses	(484,912)	(177,208)	(101,663)	(159,488)	(923,271)
Other material noncash items:					
Impairment loss on loans and advances	(2,396)	(63,460)	(4,541)	(5,124)	(75,521)
Reportable segmental profit before tax	204,710	98,141	252,473	9,329	564,653
Reportable segment assets	1,241,018	2,037,516	7,921,535	309,639	11,509,708
Reportable segment liabilities	5,509,265	2,842,311	457,578	1,490,943	10,300,097

c. Reconciliations of information on reportable segment

i. Assets

Total assets for reportable entities	**14,177,973**	11,509,708
Unallocated amounts	**1,146,683**	907,033
Total assets	**15,324,656**	12,416,741

ii. Liabilities

	2020	2019
Total liabilities for reportable entities	**12,740,460**	10,300,097
Unallocated amounts	**534,904**	464,590
Total liabilities	**13,275,364**	10,764,687

d. Geographic information

	In Ghana		Outside Ghana		Total	
	2020	2019	**2020**	2019	**2020**	2019
Revenues	**1,937,702**	1,560,494	**405**	2,951	**1,938,107**	1,563,445

No individual customer contributed 10% or more to revenue. Segment revenue is based on the geographical location of customers, whilst segment asset is based on the geographical location of assets.

	In Ghana		Outside Ghana		Total	
Noncurrent assets	**2020**	2019	**2020**	2019	**2020**	2019
Property, equipment and right -of- use asset	**280,013**	271,645	-	-	**280,013**	271,645
Intangible assets	**190,921**	201,820	-	-	**190,921**	201,820
Total	**470,934**	473,465	**-**	**-**	**470,934**	473,465

9. Interest income

Figures in thousands of Ghana Cedis

	2020		2019	
	Bank	**Group**	Bank	Group
Cash and short term funds	**77,630**	**77,656**	83,599	83,551
Investment securities	**1,147,094**	**1,155,835**	798,605	801,137
Loans and advances to customers	**705,417**	**705,417**	670,958	670,958
	1,930,141	**1,938,908**	1,553,162	1,555,646

10. Interest expense

	2020		2019	
Financial liabilities measured at amortised cost	**Bank**	**Group**	Bank	Group
Current and savings accounts	**168,318**	**168,318**	145,117	145,117
Time and other deposits	**199,535**	**199,535**	186,602	186,602
Borrowings	**62,402**	**62,357**	55,636	55,475
	430,255	**430,210**	387,355	387,194

11. Fee and commission income

	2020		2019	
	Bank	**Group**	Bank	Group
Commission on letters of credit and guarantees	**10,052**	**10,052**	8,503	8,503
Commission on foreign services	**25,701**	**25,701**	22,274	22,274
Commission on turnover	**51,527**	**51,527**	50,665	50,665
Processing and facility fees	**41,955**	**41,955**	47,772	47,772
Other fees and commissions (Note 11.1)	**186,481**	**200,467**	163,913	163,913
Total Fee and Commission Income	**315,716**	**329,702**	293,127	293,127

11. 1 Other fees and commissions include earnings from payment orders, bancassurance, mobile financial services and money transfers.

12. Fee and commission expense

	2020		2019	
	Bank	**Group**	Bank	Group
Fee and commission expense	**51,722**	**51,722**	51,622	51,622
Total	**51,722**	**51,722**	51,622	51,622

13. Net trading income

	2020		2019	
	Bank	**Group**	Bank	Group
Foreign exchange	**95,835**	**95,835**	127,039	127,039
Fixed income trading	**70,793**	**70,793**	14,706	14,706
	166,628	**166,628**	141,745	141,745

13. Net trading income (cont'd)

Foreign exchange income includes gains and losses from spot and forward contracts and other currency derivatives. There was no foreign currency derivative during the period under review. Other foreign exchange differences arising on non-trading activities are taken to other operating income/expense in the statement of profit or loss and other comprehensive income.

14. Other operating income

Figures in thousands of Ghana Cedis

	2020		2019	
	Bank	Group	Bank	Group
Dividend income	702	7,476	2,951	8,915
Bad debt recoveries	125	125	2,405	2,405
Claims against operational loss	6,774	6,774	8,490	9,260
Rental income	434	434	310	355
Profit/(Loss) on sale of property and equipment	(435)	(435)	232	232
	7,600	14,374	14,388	21,167

15. Net impairment loss on financial assets

	2020		2019	
	Bank	Group	Bank	Group
Impairment charge	219,647	219,647	75,521	75,521
Analysis of impairment charge				
Allowance for impairment – Advances to banks	(4,941)	(4,941)	498	498
Allowance for impairment – loans and advances	224,588	224,588	75,023	75,023
	219,647	219,647	75,521	75,521

16. Other expenses

	2020		2019	
	Bank	Group	Bank	Group
Technology and communication	123,153	123,153	81,981	81,981
Advertising and marketing	11,307	11,307	5,054	5,054
Training	1,446	1,447	8,259	8,259
Audit fees	1,610	1,681	1,400	1,448
Donations	10,182	10,184	10,425	10,425
Utilities	20,253	20,253	22,325	22,325
Other professional fees	52,108	52,108	34,289	34,289
Rent and rates	6,105	6,105	11,354	11,354
Repairs and maintenance	22,183	22,183	16,608	16,608
Security services	16,665	16,665	14,973	14,973
Travelling	2,926	2,926	10,092	10,092
Business promotion	10,012	10,012	3,801	3,801
Settlement of legal cases	2,065	2,065	4,562	4,562
Other administrative expenses	134,140	144,959	76,255	76,632
	414,155	425,048	301,378	301,803

17. Personnel expenses

Figures in thousands of Ghana Cedis

	2020		2019	
Staff expense comprise:	**Bank**	**Group**	Bank	Group
Wages and salaries	**218,381**	**220,272**	189,393	190,093
Staff allowances	**168,466**	**168,466**	157,976	157,976
Performance award	**59,626**	**59,626**	50,799	50,799
Social security fund contributions	**27,466**	**27,466**	24,283	24,283
Provident fund contributions	**25,672**	**25,672**	22,885	22,885
Retirement benefit obligations	**23,968**	**23,968**	19,583	19,583
Restructuring cost	**1,752**	**1,752**	16	16
Other staff costs	**31,000**	**31,013**	28,588	28,588
Directors fees	**3,619**	**3,698**	3,209	3,288
	559,950	**561,933**	496,732	497,511

The number of persons employed by the Group at the year end was 2,354 (2019: 2,393)

18. Income tax expense

	2020		2019	
Amount recognised in profit or loss	**Bank**	**Group**	Bank	Group
Current tax expense				
Corporate tax	**191,501**	**194,506**	157,991	159,213
National Fiscal Stabilisation Levy	**30,095**	**30,095**	28,233	28,233
Change to estimates for prior years	**-**	**-**	(71)	(71)
	221,596	**224,601**	186,153	187,375
Deferred tax expense				
Total income tax expense	**162,388**	**165,437**	143,650	145,211
Reconciliation of the tax expense				

The tax charge on the Group and Bank's profit before tax differs from the theoretical amount that would arise using the basic tax rate as follows(:)

	2020		2019	
	Bank	**Group**	Bank	Group
Profit before tax	**601,889**	**610,826**	564,653	573,668
Corporate tax rate	**25%**	**25%**	25%	25%
National fiscal stabilisation levy rate	**5%**	**5%**	5%	5%
Tax calculated at corporate tax rate	**150,472**	**152,706**	141,163	143,417
Non-deductible expenses	**(17,166)**	**(17,123)**	(23,156)	(23,156)
Tax exempt income	**(245)**	**(48)**	(836)	(2,241)
Income subject to tax at different rate	**(864)**	**(864)**	246	958
Tax incentive	**96**	**671**	(1,929)	(1,929)
National fiscal stabilisation levy	**30,095**	**30,095**	28,233	28,233
Tax adjustment related to prior year (2018 tax audit report)	**-**	**-**	(71)	(71)
Current income tax charge	**162,388**	**165,437**	143,650	145,211
Effective tax rate	**26.98%**	**27.08%**	27.61%	27.42%

19. Current tax (assets) / liabilities

The movement on the current account was as follows:

Figures in thousands of Ghana Cedis

Group 2020	Balance at 1 January	Charge for the year	Payment	Balance at 31 December
Year of assessment				
Up to 2019	(7,719)	-	-	(7,719)
2020	-	194,507	(220,875)	(26,368)
National fiscal stabilization levy	16,807	30,095	(38,552)	8,350
Tax adjustment related to prior year (2018 tax audit report)	(71)	12,115	(12,115)	(71)
	9,017	236,717	(271,542)	(25,808)

Group 2019	Balance at 1 January	Charge for the year	Payment	Balance at 31 December
Year of assessment				
Up to 2018	(10,407)	-	-	(10,407)
2019	-	159,213	(156,525)	2,688
Tax on staff cost (operating expenses)	-	-	(623)	(623)
	(10,407)	159,213	(157,148)	(8,342)
National fiscal stabilisation levy for 2019	10,825	28,233	(22,251)	16,807
Tax adjustment - prior year (2018 tax audit report)	-	552	-	552
	10,825	28,785	(22,251)	17,359
Total	418	187,998	(179,399)	9,017

Bank 2020	Balance at 1 January	Charge for the year	Payment	Balance at 31 December
Year of assessment				
Up to 2019	(7,043)	-	-	(7,043)
2020	-	191,501	(218,992)	(27,491)
Tax adjustment related to prior year (2018 tax audit report)	(71)	12,115	(12,115)	(71)
National fiscal stabilization levy	16,807	30,095	(38,552)	8,350
	9,693	233,711	(269,659)	(26,255)

Bank 2019	Balance at 1 January	Charge for the year	Payment	Balance at 31 December
Year of assessment				
Up to 2018	(11,493)	-	-	(11,493)
2019	-	157,991	(153,541)	4,450
Tax adjustment related to prior year (2018 tax audit report)	-	552	(623)	(71)
National fiscal stabilization levy	10,825	28,233	(22,251)	16,807
Total	(668)	186,776	(176,415)	9,693

The tax position up to the 2019 year of assessment has been agreed with the tax authorities. Liabilities arising have been settled as of 31 December 2020. The tax position for the remaining year of assessment is yet to be agreed with the tax authorities.

20. Deferred taxation (assets) / liabilities

Figures in thousands of Ghana Cedis

Bank	Balance at 1/1	Movement during the year	Balance at 31/12	Deferred tax assets	Deferred tax liabilities
2020					
Recognised in profit and loss					
Property and equipment	18,927	1,434	20,361	-	20,361
Loans and advances	(62,278)	(57,872)	(120,150)	(120,150)	-
Employee benefit obligation	(15,309)	(2,212)	(17,521)	(17,521)	-
Provisions	-	(558)	(558)	(558)	-
	(58,660)	(59,208)	(117,868)	(138,229)	20,361
Recognised in OCI					
Employment benefit obligations	(14,361)	3,548	(10,813)	(10,813)	-
Available for sale investments	647	-	647	-	647
Adjustment AFS equity investments	(108)	-	(108)	-	-
Fair Value-Unlisted Investment	12	15	27	27	-
	(13,810)	3,563	(10,247)	(10,786)	647
Recognised in Retained Earnings					
Impairment for 2017 (IFRS 9)	(29,340)	-	(29,340)	-	-
	-	-	-	-	-
Total	(101,810)	(55,645)	(157,455)	(149,015)	21,008
Group					
2020					
Recognised in profit and loss	18,927	1,434	20,361	-	20,361
Property and equipment	(62,278)	(57,872)	(120,150)	(120,150)	-
Loans and advances	(15,309)	(2,212)	(17,521)	(17,521)	-
Employee benefit obligation	-	(558)	(558)	(558)	-
Provisions	-	44	44	44	-
Tax losses carried forward	(58,660)	(59,164)	(117,824)	(138,185)	20,361
Recognised in OCI					
Employment benefit obligations	(14,361)	3,548	(10,813)	(10,813)	-
Available for sale equity investments	268	(6)	262	-	262
Adjustment AFS equity investments	(107)	-	(107)	(107)	-
Fair Value-Unlisted investment in subsidiary -2018	(5,368)	-	(5,368)	(5,368)	-
Fair Value-Unlisted investment in subsidiary -2017	12,232	-	12,232	-	12,232
Fair Value-Unlisted Investment	12	(7,519)	(7,507)	-	(7,507)
	(7,324)	(3,977)	(11,301)	(16,288)	4,987
Recognised in Retained Earnings					
Impairment for 2017 (IFRS 9)	(29,340)	-	(29,340)	-	-
	(95,324)	(63,141)	(158,465)	(154,473)	25,348

20. Deferred taxation (assets) / liabilities (cont'd)

Figures in thousands of Ghana Cedis

Bank	Balance at 1/1	Movement during the year	Balance at 31/12	Deferred tax assets	Deferred tax liabilities
2019					
Recognised in profit and loss					
Property and equipment	15,959	2,968	18,927	-	18,927
Loans and advances	(16,745)	(45,533)	(62,278)	(62,278)	-
Employee benefit obligation	(14,753)	(556)	(15,309)	(15,309)	-
Provisions	(618)	618	-	-	-
	(16,157)	(42,503)	(58,660)	(77,587)	18,927
Recognised in OCI					
Employment benefit obligations	(10,229)	(4,132)	(14,361)	(14,361)	-
Available for sale investments	130	517	647	-	647
Adjustment AFS equity investments	(108)	-	(108)	-	-
Fair Value-Unlisted Investment	59	(47)	12	12	-
	(10,148)	(3,662)	(13,810)	(14,349)	647
Recognised in Retained Earnings					
Impairment for 2017 (IFRS 9)	(29,340)	-	(29,340)	-	-
	(55,645)	(46,165)	(101,810)	(91,936)	19,574

Group	Balance at 1 Jan.	Movement during the year	Balance at 31 Dec.	Deferred tax assets	Deferred tax liabilities
2019					
Recognised in profit and loss					
Property and equipment	15,959	2,968	18,927		18,927
Loans and advances	(16,745)	(45,533)	(62,278)	(62,278)	-
Employee benefit obligation	(14,753)	(556)	(15,309)	(15,309)	-
Provisions	(618)	618	-	-	-
Tax losses carried forward	(340)	340	-	-	-
	(16,497)	(42,163)	(58,660)	(77,587)	18,927
Recognised in OCI					
Employee benefit obligations	(10,229)	(4,132)	(14,361)	(14,361)	-
Listed equity instruments	(187)	471	284	-	284
Adjustment AFS equity investments	(107)	-	(107)	(107)	-
Fair value- Unlisted investments Subsidiary	(3,804)	(1,579)	(5,383)	(5,383)	-
Fair value – unlisted investment in subsidiary -2017	12,232	-	12,232	-	12,232
Fair value – unlisted investment	59	(47)	12	-	12
	(2,036)	(5,287)	(7,323)	(19,851)	12,528
Recognised in retained earnings					
IFRS 9 impairment- loans and advances	(29,340)	-	(29,340)	-	-
Total	(47,873)	(47,450)	(95,323)	(97,438)	31,455

21. Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Bank by the weighted average number of ordinary shares in issue during the year.

Figures in thousands of Ghana Cedis

	2020		2019	
	Bank	**Group**	Bank	Group
Profit attributable to equity holders	**439,501**	**445,389**	421,003	428,457
Weighted average number of ordinary shares (basic and diluted)	**265,000**	**265,000**	265,000	265,000
Basic earnings per share (expressed in Ghana pesewas per share)	**166**	**168**	159	162
Diluted earnings per share (expressed in Ghana pesewas per share)	**166**	**168**	159	162

22. Cash and cash equivalents

Cash and cash equivalents consist of:

	2020		2019	
	Bank	**Group**	Bank	Group
Cash on hand	**295,744**	**295,744**	228,553	228,553
Balance with Bank of Ghana	**820,182**	**820,182**	776,837	776,837
Items in course of collection	**307,953**	**307,953**	353,985	353,985
Accounts with other Banks	**143,362**	**143,362**	146,759	146,759
Money market	**-**	**-**	66,404	66,404
	1,567,241	**1,567,241**	1,572,538	1,572,538

An amount of GHS 945,793,267 was maintained with Bank of Ghana (2019:GHS 947,501,989) representing the mandatory cash reserve as per the weekly Banking Supervision Department (BSD1) returns for the week ending 13 January 2021 (2019: 2 January 2020). This reserve represents and complies with the mandatory minimum of 8% (2019: 10%) of the Bank's total deposits and is not available for use in the Bank's day-to-day operations. Cash on hand, items in course of collection and balances with Bank of Ghana are non-interest-bearing.

23. Non-pledged trading assets

	2020		2019	
	Bank	**Group**	Bank	Group
At 1 January	**142,790**	**142,790**	80,004	80,004
Additions	**6,839,518**	**6,839,518**	7,419,759	7,419,759
Disposals	**(6,866,241)**	**(6,866,241)**	(7,398,870)	(7,398,870)
Gains from changes in fair value	**105,272**	**105,272**	41,897	41,897
At 31 December	**221,339**	**221,339**	142,790	142,790

24. Derivative financial instruments

The Group enters into derivatives for trading as explained in Note 4.7 in the Summary of Significant Accounting Policies. The Group may take positions with the expectation of profiting from favourable movements in rates. The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts. The notional amount, recorded gross, is the quantity of the derivative contracts' underlying instrument (being a foreign currency). The notional amounts indicate the volume of transactions outstanding at the year end and are not indicative of either the market or credit risk.

24. Derivative financial instruments (cont'd)

Bank and Group	Foreign exchange contracts	Foreign exchange contracts
Carrying value asset	-	17,474
Carrying value liability	-	(17,238)
Fair value gain	-	236
Notional Amount	-	553,370

At their inception, derivatives often involve only an exchange of cash or other assets in the future, with little or no transfer of initial consideration. However, these instruments frequently involve a high degree of leverage and the value of the amounts required to be exchanged can be significantly higher than the initial investment. A relatively small movement in the value of the underlying asset, rate or index underlying a derivative contract may have a significant impact on the profit or loss of the Group. The Group's exposure to derivative contracts is monitored on regular basis as part of its overall risk management framework. The Group's derivative assets and financial liabilities are generally not offset in the statement of financial position unless the IFRS netting criteria are met.

24.1. Derivative financial instruments held or issued for trading purposes

The Group may also take positions with the expectation of profiting from favourable movements in prices, rates or indices.

The derivative asset held by the Group was disposed of in the course of reporting period.

24.1.1. Swaps

Swaps are contractual agreements between two parties to exchange streams of payments over time based on specified notional amounts, in relation to movements in a specified underlying index such as a foreign currency rate. In a currency swap (included within foreign exchange contracts), the Group pays a specified amount in one currency and receives a specified amount in another currency. Currency swaps are mostly gross settled.

25. Investments (other than securities)

Figures in thousands of Ghana Cedis

		2020		2019
	Bank	Group	Bank	Group
Listed equity instruments (note 25a)	1,895	2,994	1,895	3,049
Unlisted equity instruments (note 25bi)	438	15,540	332	12,390
	2,333	18,534	2,227	15,439

25a. Listed equity instruments

		2020		2019
	Bank	Group	Bank	Group
At 1 January	1,895	3,049	3,849	5,035
Changes in fair values		(55)	(1,954)	(1,986)
At 31 December	1,895	2,994	1,895	3,049

This represents investments in the ordinary shares of a number of listed companies.

25bi. Unlisted equity instruments

Figures in thousands of Ghana Cedis

	2020		2019	
	Bank	**Group**	Bank	Group
At 1 January	**332**	**12,390**	379	38,348
Additions	**-**	**7,207**	-	-
Changes in fair values	**106**	**(4,057)**	(47)	(25,958)
At 31 December	**438**	**15,540**	332	12,390

25bii. Fair values of unlisted equity instruments

	2020			2019		
	Ordinary shares	**Bank**	**Group**	Ordinary shares	Bank	Group
Fidelity Bank	**0.05%**	**438**	**438**	0.05%	332	332
Ghana Community Network	**5%**	**-**	**-**	5%	-	4,201
Vivo Energy Limited	**9%**	**-**	**3,463**	9%	-	3,573
Oasis Africa Fund	**4.95%**	**-**	**6,645**	9.3%	-	4,284
Real Estates Investment Trust PLC	**9.13%**	**-**	**4,994**	-	-	-
At 31 December	**-**	**438**	**15,540**	-	332	12,390

26i. Loans and advances to customers

	2020		2019	
	Bank	**Group**	Bank	Group
Term loans	**3,630,405**	**3,630,405**	3,636,906	3,638,325
Overdrafts	**389,910**	**389,910**	300,551	300,551
Staff loans	**248,151**	**248,151**	100,315	100,315
Gross loans and advances	**4,268,466**	**4,268,466**	4,037,772	4,039,191
Less				
Interest in suspense	**(57,913)**	**(57,913)**	(76,742)	(77,531)
Allowance for impairment	**(597,965)**	**(597,965)**	(373,377)	(374,007)
Net loans and advances	**3,612,588**	**3,612,588**	3,587,653	3,587,653
Current	**1,202,816**	**1,202,816**	1,492,751	1,492,751
Non-current	**2,409,772**	**2,409,772**	2,094,902	2,094,902
Allowance for impairment				
Balance at 1 January	**373,377**	**374,006**	312,612	313,241
Charge for the year	**224,588**	**224,588**	75,023	75,023
Write offs	**-**	**-**	(14,258)	(14,258)
Balance at 31 December	**597,965**	**598,594**	373,377	374,007

The fifty largest exposures represents 69% of the loans and advances at the end of the year (2019: 61%). For detailed analysis of list per stage, refer to Credit Risk disclosures.

26 ii. Advances to banks

Figures in thousands of Ghana Cedis

	2020		2019	
	Bank	**Group**	Bank	Group
Placement with other banks	**203,830**	**203,830**	217,481	217,481
Impairment	**(2,926)**	**(2,926)**	(7,867)	(7,867)
Balance at 31 December	**200,904**	**200,904**	209,614	209,614
Current	**200,904**	**200,904**	209,614	209,614

All placement with other banks are short-term and mature less than 3 months after year-end.

Allowance for impairment

Balance at 1 January	**7,867**	**7,867**	7,369	7,369
Charge for the year	**(4,941)**	**(4,941)**	498	498
Balance at 31 December	**2,926**	**2,926**	7,867	7,867

For detailed analysis of list per stage, refer to Credit Risk disclosures (Note 6).

27. Investment securities

	2020		2019	
	Bank	**Group**	Bank	Group
Short - term investments				
Stocks and bonds	**3,657,642**	**3,702,713**	1,442,641	1,469,566
Treasury bills	**970,108**	**971,982**	1,694,267	1,696,131
	4,627,750	**4,674,695**	3,136,908	3,165,697
Medium - term investments				
GOG bonds	**177,238**	**177,238**	295,397	295,397
Long - term investments				
GOG note 5 years fixed rate	**3,770,913**	**3,770,913**	2,564,288	2,564,288
Balance at 31 December	**8,575,901**	**8,622,846**	5,996,593	6,025,382
At 1 January	**5,996,593**	**6,025,382**	4,642,042	4,646,034
Additions	**24,842,884**	**24,881,397**	13,604,559	13,630,319
Disposals	**(22,263,576)**	**(22,283,933)**	(12,250,008)	(12,250,971)
	8,575,901	**8,622,846**	5,996,593	6,025,382
Current	**1,346,746**	**1,348,746**	1,958,427	1,971,104
Non-current	**7,229,155**	**7,274,100**	4,038,166	4,054,278

28. Investments in subsidiary

GCB Capital Limited formerly known as GCB Securities Limited, an entity incorporated in Ghana that engages in investment banking activities is the only subsidiary of the Bank.

The Bank's holding in this entity is as set out below:

Bank

Name of company	**2020 % holding**	2019 % holding	**2020 Carrying amount**	2019 Carrying amount
GCB Capital Limited	**100**	100	**1,000**	1,000

29. Investment in associates

Figures in thousands of Ghana Cedis

	2020		2019	
	Bank	**Group**	Bank	Group
At 1 January	**28,274**	**100,391**	28,274	81,482
Share of profit, net of tax	**-**	**(7,566)**	-	903
Share of OCI	**-**	**401**	-	2,321
Dividends received from associates	**-**	**(406)**	-	(2,951)
Exchange differences on translating foreign operation	**-**	**(1,211)**	-	18,524
Interest received from associate	**-**	**26**	-	(49)
Interest paid to associate	**-**	**46**	-	161
Total at 31 December	**28,274**	**91,681**	28,274	100,391

The Bank has one direct associate Ghana International Bank (GHIB) and it considers Ghana International Bank (GHIB) as material to the Group. The Bank in addition holds indirect interest of 20%, 25% and 34% in Ghana Textiles Manufacturing Company, Accra Markets Limited and NCR Ghana Limited respectively through its subsidiary.

Associates information

	Country of incorporation	Method	% Ownership interest	
			2020	2019
Ghana International Bank	United Kingdom	Equity	**20%**	20%
Ghana Textiles Manufacturing Company	Ghana	Equity	**20%**	20%
Accra Markets Limited	Ghana	Equity	**25%**	25%
NCR Ghana Limited	Ghana	Equity	**34%**	34%

The country of incorporation is the same as the principle place of business for all associates. The percentage voting rights is equal to the percentage ownership for all associates.

Ghana International Bank is a strategic investment that facilitates the Group's international trade.

Summarised financial information of material associates

Summarised Statement of Profit or Loss and Other Comprehensive Income

	2020	2019
Revenue	**103,657**	150,853
Profit/(Loss) from continuing operations	**(37,409)**	4,295
Other comprehensive income/(loss)	**2,003**	11,607
Total comprehensive income	**(35,406)**	15,902
Attributable to investee's shareholders	**(35,406)**	15,902

29. Investment in associates (cont'd)

Summarised Statement of Financial Position

Figures in thousands of Ghana Cedis

	2020	2019
Assets		
Current	5,348,434	4,437,035
Non-current	529,541	494,819
Total assets	5,877,975	4,931,854
Liabilities		
Current	4,826,254	3,916,564
Noncurrent	56,477	12,928
Total liabilities	4,882,731	3,929,492
Net assets	995,244	1,002,362
Attributable to investee's shareholders	995,244	1,002,362
Group's interest in net assets	199,049	200,472
Carrying amount	91,681	100,391

30. Property, equipment and right-of-use assets

Bank

Cost	Leasehold land & buildings	Furniture & equipment	Motor vehicles	Computers	Right of use assets	Capital work in progress	Total
Balance as at 1 January 2020	155,021	221,020	18,529	154,011	20,709	22,997	592,287
Addition	830	8,334	3,932	11,401	13,800	43,792	82,089
Disposals	-	(446)	(2750)	-	-	-	(3,196)
Write off	-	(230)	-	(11)	-	(172)	(413)
Transfers	21,429	2351	623	18,625	-	(43,028)	-
Balance at 31 December 2020	177,280	231,029	20,334	184,026	34,509	23,589	670,767
Accumulated depreciation							
1 Jan 2020	22,124	164,648	14,008	115,526	5,435	-	321,741
Charge for the year	5,098	28,009	2,783	22,964	12,513	-	71,367
Disposal	-	(213)	(2,092)	-	-	-	(2,305)
Write Off	-	(39)	-	(10)	-	-	(49)
Balance at 31 December 2020	27,222	192,405	14,699	138,480	17,948	-	390,754
Net book value							
Balance as at 31 December 2020	150,058	38,624	5,635	45,546	16,561	23,589	280,013

30. Property, equipment and right-of-use assets (cont'd)

Bank

Cost	Leasehold land & buildings	Furniture & equipment	Motor vehicles	Computers	Right of use assets	Capital work in progress	Total
Balance as at 1 January 2019	135,989	200,584	19,203	121,952	20,709	18,849	517,286
Addition	9,752	19,546	208	24,514	-	58,370	112,390
Disposals	-	-	(761)	-	-	-	(761)
Transfers to GCB Capital Ltd	(112)	(99)	-	(41)	-	-	(252)
Write off	-	-	(122)	-	-	(275)	(397)
Transfers	9,392	989	-	7,587	-	(52,847)	(34,879)
Balance at 31 December 2019	155,021	221,020	18,528	154,012	20,709	24,097	593,387
Accumulated depreciation							
1 January 2019	17,776	136,291	11,399	93,864	-	-	259,330
Charge for the year	4,348	28,436	3,333	21,703	5,434	-	63,254
Disposal	-	-	(602)	-	-	-	(602)
Transfer to GCB Capital Ltd		(72)	-	(39)	-	-	(111)
Write Off	-	(7)	(122)		-	-	(129)
Balance at 31 December 2019	22,124	164,648	14,008	115,528	5,434	-	321,742
Net book value							
Balance as at 31 December 2019	132,897	56,372	4,520	38,484	15,275	24,097	271,645

Group

Cost	Leasehold land & buildings	Furniture & equipment	Motor vehicles	Computers	Right of use assets	Capital work in progress	Total
Balance as at 1 January 2019	**155,133**	**221,209**	**19,024**	**154,117**	**20,709**	**22,997**	**593,189**
Addition	**933**	**8,334**	**3,932**	**11,430**	**13800**	**43,792**	**82,221**
Disposals	**-**	**(446)**	**(2,750)**	**-**	**-**	**-**	**(3,196)**
Write off	**-**	**(230)**	**-**	**(11)**	**-**	**(172)**	**(413)**
Transfers	**21,429**	**2351**	**623**	**18,625**	**-**	**(43,028)**	**-**
Balance at 31 December 2020	**177,495**	**231,218**	**20,829**	**184,161**	**34,509**	**23,589**	**671,801**
Accumulated depreciation							
1 January 2020	**22,126**	**164,736**	**14,075**	**115,576**	**5,434**	**-**	**321,947**
Charge for the year	**5,101**	**28,042**	**2,907**	**22,992**	**12,513**	**-**	**71,555**
Disposal	**-**	**(214)**	**(2,092)**	**-**	**-**	**-**	**(2,306)**
Write Off	**-**	**(39)**		**(10)**	**-**	**-**	**(49)**
Balance at 31 December 2020	**27,227**	**192,525**	**14,890**	**138,558**	**17,947**	**-**	**391,147**
Net book value							
Balance as at 31 December 2020	**150,268**	**38,693**	**5,939**	**45,603**	**16,562**	**23,589**	**280,654**

30. Property, equipment and right-of-use assets (cont'd)

Figures in thousands of Ghana Cedis

Group

Cost	Leasehold land & buildings	Furniture & equipment	Motor vehicles	Computers	Right of use asset	Capital work in progress	Total
Balance as at 1 January /2019	135,989	200,584	19,203	121,952	20,709	18,849	517,286
Addition	9,752	19,636	704	24,578	-	58,370	113,040
Disposals	-	-	(761)	-	-	-	(761)
Write off	-	-	(122)	-	-	(275)	(397)
Transfers	9,392	989	-	7,587	-	(52,847)	(34,879)
Balance at 31 December 2019	155,133	221,209	19,024	154,117	20,709	24,097	594,289
Accumulated depreciation							
1 January 2019	17,776	136,291	11,399	93,864	-	-	259,330
Charge for the year	4,350	28,463	3,400	21,714	5,434	-	63,361
Disposal	-	-	(602)	-	-	-	(602)
Write Off	-	(18)	(122)	(2)	-	-	(142)
Balance at 31 December 2019	22,126	164,736	14,075	115,576	5,434	-	321,947
Net book value							
Balance as at 31 December 2019	133,007	56,473	4,949	38,541	15,275	24,097	272,342

There was no indication of impairment of property and equipment held by the Group at 31 December 2020 (2019:Nil). None of the property and equipment of the Group had been pledged as security for liabilities and there were no restrictions on the title of any of the Group's property and equipment at the reporting date and at the end of the previous year.

31. Intangible assets

Bank	CWIP	Software	Customer relationship	Total
Cost				
Balance at 1 January 2020	**48,607**	**202,863**	**95,306**	**346,776**
Additions	**82,747**	**64,971**	**-**	**147,718**
Transfers	**(87,517)**	**-**	**-**	**(87,517)**
Balance at 31 December 2020	**43,837**	**267,834**	**95,306**	**406,977**
Accumulated amortisation				
Balance at 1 January 2020	**-**	**106,834**	**38,122**	**144,956**
Charge for the year	**-**	**52,039**	**19,061**	**71,100**
Balance at 31 December 2020	**-**	**158,873**	**57,183**	**216,056**
Carrying amounts				
Balance at 31 December 2020	**43,837**	**108,961**	**38,123**	**190,921**

31. Intangible assets (cont'd)

Figures in thousands of Ghana Cedis

Bank	CWIP	Software	Customer relationship	Total
Cost				
Balance at 1 January 2019	16,502	162,142	95,306	273,950
Additions	68,168	40,721	-	108,889
Transfer	(36,063)	-	-	(36,063)
Balance at 31 December 2019	48,607	202,863	95,306	346,776
Accumulated amortisation				
Balance at 1 January 2019	-	63,988	19,061	83,049
Charge for the year	-	42,846	19,061	61,907
Balance at 31 December 2019	-	106,834	38,122	144,956
Carrying amounts				
Balance at 31 December 2019	48,607	96,029	57,184	201,820

Group	**CWIP**	**Software**	**Customer relationship**	**Total**
Cost				
Balance at 1 January 2020	**48,607**	**202,863**	**95,306**	**346,776**
Additions	**82,865**	**65,073**	**-**	**147,938**
Transfers	**(87,517)**	**-**	**-**	**(87,517)**
Balance at 31 December 2020	**43,955**	**267,936**	**95,306**	**407,197**
Accumulated amortisation				
Balance at 1 January 2020	**-**	**106,834**	**38,122**	**144,956**
Charge for the year	**-**	**52,044**	**19,061**	**71,105**
Balance at 31 December 2020	**-**	**158,878**	**57,183**	**216,061**
Carrying amounts				
Balance at 31 December 2020	**43,955**	**109,058**	**38,123**	**191,136**

Group	CWIP	Software	Customer relationship	Total
Cost				
Balance at 1 January 2019	16,502	162,142	95,306	273,950
Additions	68,168	40,721	-	108,889
Transfer	(36,063)	-	-	(36,063)
Balance at 31 December 2019	48,607	202,863	95,306	346,776
Accumulated amortisation				
Balance at 1 January 2019	-	63,988	19,061	83,049
Charge for the year	-	42,846	19,061	61,907
Balance at 31 December 2019	-	106,834	38,122	144,956
Carrying amounts				
Balance as at 31 December 2019	48,607	96,029	57,184	201,820

31. Intangible assets (cont'd)

Intangible assets represent licenses for computer software and customer relationship. There was no indication of impairment of intangible assets held by the Group at the reporting date and at the end of the previous year.

32. Other Assets

Figures in thousands of Ghana Cedis

	2020		2019	
	Bank	**Group**	Bank	Group
Account receivables	**346,234**	**348,486**	265,788	265,788
Prepayments	**114,198**	**114,215**	34,753	34,767
	460,432	**462,701**	300,541	300,555

Included in other assets is an amount of GHS 20 million representing cash collateral held by Bank of Ghana (BoG) for the issuance of electronic money (G-Money).

33 (i) Deposits from banks & other financial institutions

	2020		2019	
	Bank	**Group**	Bank	Group
Current account	**484,964**	**484,964**	280,103	280,103
Time deposits	**130,454**	**130,454**	221,808	221,808
	615,418	**615,418**	501,911	501,911
Current	**615,418**	**615,418**	501,911	501,911

33 (ii) Deposits from customers

	2020		2019	
	Bank	**Group**	Bank	Group
Current account	**4,830,456**	**4,823,178**	3,913,484	3,893,754
Savings deposits	**4,673,945**	**4,673,945**	3,994,136	3,994,136
Time deposits	**1,848,117**	**1,848,117**	1,432,988	1,432,988
	11,352,518	**11,345,240**	9,340,608	9,320,878
Current	**11,298,063**	**11,290,785**	9,317,007	9,297,277
Non-current	**54,455**	**54,455**	23,601	23,601

The twenty largest depositors made up 14.37% of total deposits at the end of the year (2019:19.37%).

34. Other liabilities

	2020		2019	
	Bank	**Group**	Bank	Group
Creditors	**204,760**	**204,760**	217,474	217,474
Accruals	**57,757**	**58,313**	27,718	27,904
Other liabilities	**159,064**	**158,321**	91,041	90,296
	421,581	**421,394**	336,233	335,674
Current	**421,581**	**421,394**	336,233	335,674

Included in other liabilities is an amount of GHS10.4 million being provision for legal actions brought against the Bank by customers and its employees.

35. Borrowings

Figures in thousands of Ghana Cedis

The Group and Bank	2020	2019
At 1 January	457,578	344,884
Additions	3,872,019	6,932,690
Repayments	(3,557,072)	(6,819,996)
	772,525	457,578
Comprising:		
Bank of Ghana	399,384	189,887
Exim Bank (EDAIF)	-	2,354
First National Bank (FNB)	35,000	-
First Atlantic Bank	26,518	-
Consolidated Bank Ghana Limited	-	10,000
Girsal Limited Ghana	-	200,000
HFC Bank (Ghana) Ltd	-	27,669
National Investment Bank	-	27,668
Cal Bank	100,000	-
Fidelity Bank	30,000	-
Agricultural Development Bank	20,000	-
Ghana Amalgamated Trust Plc	40,000	-
Teachers Fund	34,019	-
Standard Chartered Bank	15,000	-
Zenith Bank Ghana Ltd	32,627	-
United Bank for Africa	39,977	-
	772,525	457,578

36. Employee benefit obligations

The Group and Bank	2020	2019
Post-employment defined benefit plan (a)	110,599	116,230
Other long-term employee benefit (b)	2,723	2,434
	113,322	118,664

Postemployment defined and other longterm benefit plan

Apart from the legally required social security scheme, the Bank contributes to the following postemployment defined benefit plans and other longterm employee benefit plan. These plans expose the Bank to actuarial risks, such as longevity risk, interest rate risk and market (investment risk).

Other longterm employee benefit plan

Plan A long service awards accrue to employees based on graduated periods of uninterrupted service. These awards accrue over the service life of employees. Employees in service with the Bank after fifteen (15) years become eligible to receive cash payments at graduated rates when employees achieve stipulated milestones set by the Bank. The terms of settlement of long service award is based on the achievement of every milestone.

36. Employee benefit obligations (cont'd)

Postemployment defined benefit plan

- Plan B The Bank pays monthly pension benefits to retired employees, under a closed defined benefit pension scheme. Under this scheme, beneficiaries are paid pensions equal to 60% of the net basic salaries of their serving counterparts.
- Plan C The Bank also pays postretirement medical care for its retired staff and their dependents below 18 years of age.

Figures in thousands of Ghana Cedis

Movements for the year	2020	2019
At 1 January	**116,230**	95,381
Net expense recognised in profit or loss	**23,547**	18,926
Other comprehensive income	**(14,192)**	16,528
Other	**(14,986)**	(14,605)
	110,599	116,230
Net expense recognised in profit or loss		
Current service cost	**579**	501
Interest expense / (income)	**22,968**	18,425
	23,547	18,926
Included in other comprehensive income		
Re-measurement of loss/(gain)		
Actuarial loss/(gain) arising from:		
Financial assumptions	**7,252**	6,198
Experience	**(21,444)**	10,330
	(14,192)	16,528
Other		
Benefits paid	**(14,986)**	(14,604)
Net movement	**(5,631)**	20,850
Balance at 31 December represented by:		
Net defined benefit liability (Plan B)	**74,313**	83,811
Net defined benefit liability (Plan C)	**36,286**	32,419
	110,599	116,230
Other long-term employee benefits		
Movement for the year	**2020**	2019
At 1 January	**2,434**	2,265
Net expense recognised in profit or loss	**693**	614
Actuarial gains/loss recognised in profit or loss	**(271)**	44
Other	**(133)**	(489)

36. Employee benefit obligations (cont'd)

Figures in thousands of Ghana Cedis

Movements for the year	2020	2019
At 31 December	**2,723**	2,434
Movement for the year		
Net expense recognised in profit or loss		
Current service cost	**162**	160
Interest expense/(income)	**531**	454
	693	614
Included in profit or loss		
Re-measurement of loss/(gain)		
Actuarial loss/(gain) arising from:		
Actuarial loss/(gain) arising from:		
Financial assumptions	**77**	(20)
Experience	**(348)**	64
	(271)	44
Other		
Benefits paid	**(133)**	(489)

The following are the principal actuarial assumptions at the reporting date:

Discount rates used	**20.00%**	21.00%
Future salary growth	**15.00%**	15.00%
Rate of inflation	**8.50%**	9.50%
Medical inflation	**12.00%**	11.50%
Future pension growth	**15.00%**	15.00%

Sensitivity analysis (Combined schemes)

Reasonably possible changes at the reporting date to any of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the following amounts shown below:

	2020		2019	
	Increase	**Decrease**	Increase	Decrease
Discount rate (2% movement)	**(11,237)**	**14,169**	(10,705)	13,217
Future pension growth (2% movement)	**7,311**	**(6,383)**	8,142	(7,075)
Medical inflation (2% movement)	**7,313**	**(5,468)**	6,300	(4,784)

Although the analysis does not take account of the full distribution of cash flows expected under the plans, it does provide an approximation of the sensitivity of the assumptions shown.

37. Capital and reserves

i. Stated Capital

Figures in thousands of Ghana Cedis

	2020		2019	
Authorised:	**Number (000)**	**Value**	Number (000)	Value
Ordinary shares of no par value	**1,500,000**	**-**	1,500,000	-
Issued:				
Issued for cash	**115,000**	**60,030**	115,000	60,030
Transfer from Retained Earnings	**86,500**	**438,343**	86,500	438,343
Capitalisation of reserves	**1,000**	**2**	1,000	2
Transfer from other surplus	**62,500**	**1,625**	62,500	1,625
	265,000	**500,000**	265,000	500,000

There is no unpaid liability and no call or instalment unpaid on any share. There is no share in treasury.

ii. Statutory reserve fund

Statutory reserve represents cumulative amounts set aside from annual profits after tax required under the Banking Act. The proportion of net profits transferred to reserves ranges from 12.5% to 50% of net profit after tax, depending on the relationship that the balance on statutory reserves bears to paid-up capital.

iii. Regulatory Credit risk reserve

Credit risk reserve represents the cumulative balance of amounts transferred from/to retained earnings to meet gaps in impairment allowances based on Bank of Ghana's provisioning guidelines and IFRS.

	2020		2019	
Credit risk reserves - Loans and advances	**Bank**	**Group**	Bank	Group
IFRS impairment	**517,838**	**517,838**	381,244	381,244
Bank of Ghana provision	**346,462**	**346,462**	277,427	277,427
Excess of BOG provision over IFRS impairment	**-**	**-**	-	-
Total credit risk reserve	**-**	**-**	-	-

iv. Fair value reserves

The fair value reserve comprises the cumulative net change in the fair value of equity instruments until the assets are derecognised or impaired.

v. Other reserves

Other reserves represent actuarial gains and losses on pension obligations and foreign currency differences arising from the translation of the financial statements of foreign operations.

	2020		2019	
	Bank	**Group**	Bank	Group
At 1 January	**(43,073)**	**(10,188)**	(30,677)	(16,316)
Actuarial (loss)/ gain	**14,192**	**14,192**	(16,528)	(16,528)
Deferred tax on actuarial loss	**(3,548)**	**(3,548)**	4,132	4,132
Foreign currency translation differences on foreign operations	**-**	**(1,211)**	-	18,524
At 31 December	**(32,429)**	**(755)**	(43,073)	(10,188)

38. Contingent liabilities and commitments

Off balance sheet items

As with other banks, the Group engages in business activities involving acceptances, performance bonds and indemnities. The majority of these facilities are offset by corresponding obligations of third parties, the nominal amounts of which are not reflected in the statements of financial position.

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.

Other contingent liabilities include transaction related customs and performance bonds and are generally shortterm commitments to third parties.

Commitments to lend to a customer in the future are made subject to certain conditions. Such commitments are either made for a fixed period or agreed maturity dates but are cancellable by the lender subject to notice requirements. Documentary credits commit the Bank to make payments to third parties on the production of documents, which are usually reimbursed immediately by customers. Customers are required to deposit cash in a margin account in respect of documentary and commercial letters of credit.

The following summarize the nominal principal amounts of contingent liabilities and commitments with offbalance sheet risks.

Figures in thousands of Ghana Cedis

		2020		2019
	Bank	**Group**	Bank	Group
Guarantees and indemnities	**383,336**	**383,336**	598,280	598,280
Documentary and commercial letters of credit	**314,999**	**314,999**	265,999	265,999
	698,335	**698,335**	864,279	864,279
Commitments				
Loan commitments	**429,723**	**429,723**	473,040	473,040
	1,128,058	**1,128,058**	1,337,319	1,337,319

Legal proceedings

The Bank is defending a number of pending legal actions brought against it as at 31 December 2020. Some of these cases have been brought against the Bank by former employees, customers and others.

Melville Enterprise SA and GCB Bank Ltd & Others

The Receivers filed an application in the Supreme Court in the name of UT Bank (in Receivership) following GCB Bank's notification to the Bank of Ghana and the Receivers about the High Court ruling. Their Lordships by a unanimous decision of 5:0 quashed the ruling of the High Court, which had ordered GCB Bank to pay the said amount to the Registrar.

The plaintiff, Melville, dissatisfied with the Supreme Court's unanimous decision, applied for a review of the decision. The Supreme Court on 27th March 2019 struck out the application for review following a request by Melville to withdraw their application for review. On April 8, 2019, The High Court granted Melville an order to examine the judgment debtor (i.e. originally UT Bank and now the Joint Receivers and GCB). Pursuant to this order, three (3) persons namely the Governor of the Bank of Ghana or his representative, the Joint Receivers and the Airport City Branch Manager of GCB were in Court for the said examination. The High Court on February 7, 2020 delivered its ruling after the examination of the judgment debtors and ordered that GCB pays the Plaintiff the said US$7.43m. The High Court has since stayed its decision to enable the Bank contest its decision in the Court of Appeal. The Bank has since filed its notice of appeal in the Court of Appeal seeking for a reversal of the ruling given by the High Court requesting the Bank to pay the USD 7.43m to the Registrar of the Court following the assumption of UT Bank.

38. Contingent liabilities and commitments (cont'd)

Legal proceedings (cont'd)

Melville Enterprise SA and GCB Bank Ltd & Others (cont'd)

Management believes that its appeal in the Court of Appeal will be successful as there is evidence on the records of the High Court by the Joint Receivers that the claim by Melville should be directed to the Joint Receivers for settlement and not GCB. Furthermore, the Supreme Court in its previous decision of July 17th 2018 quashed an earlier ruling of the High Court and clearly stated that the order of the High Court dated 2/2/2018 to GCB to pay the said amount was against the provisions of section 128 (c) of Act 930. There is no need to provide for it.

The Vessel MT Sylla & Anor V GCB Bank Limited

The second case also involved a vessel and its owners, who had instituted legal action against the then UT Bank, UT Financial Services Limited and Morgan Energy Limited under charter party agreement for wrongful arrest of their vessel, with potential liabilities of USD1.64 million. The High Court in Nigeria on 4th July 2016 dismissed the case against UT Bank and two other persons, but the vessel and its owners dissatisfied with the High Court's judgment appealed to the Court of Appeal. The appeal was pending against ex-UT Bank before the Purchase & Assumption arrangement was entered into. Following the withdrawal of UT Bank's licence in August 2017, the appellant obtained an order to substitute GCB for UT Bank. GCB resisted this motion but the Court of Appeal of Nigeria substituted both GCB and the Joint Receivers in place of UT Bank. GCB has appealed against this interlocutory ruling substituting it to the Supreme Court of Nigeria. The case is currently pending before the Supreme Court of Nigeria. No date has been fixed for the hearing of the appeal against the substitution yet.

Meanwhile the appeal by the appellant (the Vessel MT Sylla) against the decision of the High Court dismissing the case of wrongful arrest is also pending before the Court of Appeal in Nigeria. The Court of Appeal is set to hear this matter on 22 April, 2022.

Based on legal advice, the amount has not been provided for on the grounds that the Bank is indemnified of all liabilities that may arise outside the purchase and assumption agreement.

Perfect Estates Limited V GCB Bank Limited

The plaintiff's claim against the Bank is for rent arrears from July 2018 till date at USD 11,698 per month, alleging Bank vacated the property of the plaintiff in Kumasi. The plaintiff further claims for arrears of service charges at GHS 1,615 per month from March 2016 as well as USD 10,000 for property damage plus interest on all the amounts being claimed. Parties have filed their respective pleadings and processes and the court has set down the issues for trial. The court has further ordered the filing of the respective witness statements by the parties which has been complied by both parties.

The Bank is of the opinion that the Plaintiff had already lodged a proof of debt with the Joint Receivers, which is the right thing to do, as the Bank never stepped into the shoes of the ex-Capital bank as a tenant to the said property.

Plaintiff V UT Holdings and GCB Bank Limited

The Plaintiff sued the Defendants at the Kumasi High Court (Commercial Division) jointly and severally for the following:

- An order for recovery of cash the sum of GHS 2.85 million, being Plaintiff's investments with the defendants which amounts they have refused to refund despite demands; and
- Interest on the said amount at the prevailing interest rate from 11 December 2017 to the date of final payment.

Although the Bank's defence is that it assumed UT Bank Limited and not UT Holdings Limited, which is a separate legal entity and still a going-concern, the court has given directions for GCB Bank to file witness statements for Case Management Conference to be held.

All the records available to the Bank indicate that the investments at stake were done by UT Bank, with the tacit approval of the Plaintiff, at UT Holdings. UT Holdings, the first Defendant, is the appropriate party to pay the plaintiff any amount that is due on its investment.

Eastern Alloys V GCB Bank & World Prayer Centre

The Plaintiff is seeking the following reliefs from the defendants:

- A declaration that the 1st and 2nd Defendants knew that the destroyed machines were not the subject matter of the facility which was finally auctioned in satisfaction of the judgment debt;
- A declaration that the 1st and 2nd Defendants conduct in appropriating and/or destruction of the Plaintiffs machines and office equipment is unlawful and in clear breach of duty of care and that they ought to make good the resultant damage;
- Recovery of about sixty-four million United States Dollars (USD 64 million), being the total sum of unlawful destruction and / or appropriation of Plaintiffs machines, chemicals and office equipment;
- Interest on the said sum at the prevailing commercial bank rate from February 2012 to the date of final payment;
- Damages for trespass against the Defendants; and
- Costs including legal fees and any other relief(s) that the Court deem fit.

The Bank is contesting the estimated potential liability to the Bank as stated in the claim. The Bank is confident in its defence as the figures the Plaintiff is claiming have to be proved with documentary evidence. The execution of the judgment debt was not deemed wrongful.

Plaintiff V Capital Bank and GCB Bank Limited

Plaintiff's claim is for general damages of GHS 70 million for its breach of duty of care and general damages of GHS 30 million for defamation for dishonoured cheques and cost including legal fees. The Bank has filed conditional appearance and statement of defence. The Bank has also filed a motion to strike out the suit against it because the Bank is not the proper party to the suit.

Court stayed proceedings against the Receivers and the Bank and summons of directions against the 4th Defendant was taken on 11 February 2020. The Court urged Plaintiff and 4th Defendant to try an amicable resolution of issues at stake failing which the case would take its normal course against the 4th Defendant. No date has been fixed hearing yet.

Management is confident of winning this case as the issues set out for trial is a matter between plaintiff and the 4th Defendant for which the court has already directed that the two parties to try amicable settlement of same.

39. Related parties

a. Transactions with executive directors and key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group (directly or indirectly) and comprise the Directors and Senior Management of GCB Bank Limited.

There were no material transactions with companies in which a Director or other members of key management personnel (or any connected person) is related except for Dannex Aryton Starwin PLC of which Mr. Nik Amartfio a Non-Executive Director of the Bank holds shares. As at the reporting date Dannex Aryton Starwin PLC has a loan of GHS 16.66m in the books of the Bank.

Remuneration of Executive Directors and other key management personnel

Figures in thousands of Ghana Cedis	**2020**	2019
Salaries and other short-term benefits	**16,506**	10,383
Post-employment benefits	**1,896**	709
	18,402	11,092

Remuneration of the Executive Directors during the year amounted to GHS 7.62m. (2019: GHS 3.35m).

39. Related parties

a. Transactions with executive directors and key management personnel (cont'd)

Details of transactions and balances between the Bank and Executive Directors and other key management personnel are as follows:

Figures in thousands of Ghana Cedis

Loans	2020	2019
Loans outstanding at 1 January	1,958	2,328
Net movement	505	(370)
Loans outstanding at 31 December	2,463	1958
Interest income	138	113
Deposits		
Deposits at 1 January	604	534
Net movement during the year	444	70
Deposits at 31 December	1,048	604
Interest expense	98	74

Loans to executive directors and key management personnel which include housing, car and other personal loans are given under terms that are no more favourable than those given to other staff. No impairment has been recognised in respect of loans granted to executive directors and key management personnel at 31 December 2020. The housing and car loans are secured by the underlying assets. All other loans are unsecured. No individual director has a loan amount more than 1% of the stated capital. The total loan amount of the directors is also less than 1% of the stated capital. No individual staff member has a loan amount more than 2% of the stated capital.

b. Transactions with nonexecutive directors

No loans were advanced to nonexecutive directors during the year. There were no balances outstanding on account of loans due from nonexecutive directors at the year end.

Fees and allowances paid to nonexecutive directors during the year amounted to GHS 3.62m (2019: GHS 3.21m).

c. Transactions and balances with subsidiary

GCB Capital Limited

Fixed deposit investments are placed with the Bank. The subsidiary's current account is held with the Bank. Interest accrues on these placements at normal commercial rates. Balances due to/from the subsidiary at the year end were as follows:

Other Assets	2020	2019
Amounts due from subsidiary in respect of unpaid expenses	-	50
Deposits		
Current account	7,278	19,729

The Bank entered into the following transactions with its subsidiary:

	2020	2019
Management fees	-	1,337

39. Related parties (cont'd)

d. Balances and transactions with associates

Balances due to/from associates at year-end were as follows:

Figures in thousands of Ghana Cedis

	2020	2019
Current account balances (Foreign)	**76,372**	72,584
The Group entered into the following transactions with its associates:		
Dividend received	406	**2,951**
Interest received on current account balances (foreign)	**(132)**	243
Interest paid on current account balances (foreign)	**(228)**	(803)

Government of Ghana

The Government of Ghana directly holds 21.36% shares in GCB Bank Limited and 29.89% indirectly through its shareholding in SSNIT. The total of its direct and indirect shareholding is 51.25%.

40. Subsequent events

There was no significant event after the reporting period. However, the presence of COVID 19 requires management to continue to assess the impact of the pandemic on the Group's operations. During the year, the Bank conducted an extensive assessment on the Impact and have provided information on their assessment as part of the director's report. Refer to the Report of the Directors for the impact of COVID-19 on the Group.

41. Value added statements for the year ended 31 December 2020

	2020		2019	
	Bank	Group	Bank	Group
Interest earned and other operating income	2,412,485	2,435,239	1,988,034	1,990,518
Direct cost of Services	(896,131)	(906,980)	(740,354)	(740,618)
Value added by banking services	1,516,354	1,528,259	1,247,680	1,249,900
Non-banking income	7,600	14,374	14,388	22,070
Impairments	(219,647)	(219,647)	(75,521)	(75,521)
Value added	1,304,307	1,322,986	1,186,547	1,196,449
Distributed as follows:	1,304,307	1,322,986	1,186,547	1,196,449
To Employees:				
Non-Executive Directors	3,619	3,698	3,209	3,288
Executives directors	7,616	8,358	3,345	3,537
Other employees	548,715	549,877	490,178	490,686
	559,950	561,933	496,732	497,511
To Government:				
Income tax	162,388	165,437	143,650	145,211
To providers of capital				
Dividend to shareholders	53,000	53,000	79,500	79,500
To expansion and growth:				
Depreciation and amortisation	142,467	142,660	125,161	125,269
Retained Earnings	357,855	361,097	348,311	349,980

42. Corporate social responsibility

The Group recognises its social responsibilities to improve the wellbeing of the society and is committed to being a responsible citizen, and believes in giving back to society. A total of GHS 8.04m (fall 22% from 2019: GHS 10.43m) was spent under the Group's social responsibility programme with key focus on areas of Education, Health, Culture, Tourism, Environment and Sports.

The Group undertook several projects during the year under review. Some of the notable initiatives undertaken within the period include the rehabilitation of Ussher Polyclinic, the renovation of the Judicial Service Clinic in Kumasi, health screening for three communities which includes Chorkor, Agbogbloshie and Kokompe. We sponsored the feeding of over 650 medical doctors and other frontline health workers in Ussher Polyclinic, Mamprobi Polyclinic, University of Ghana Medical Centre and Ga East Municipal Hospital during March-April 2020 lockdown.

The Bank donated Personal Protective Equipment (PPEs) to some Government Institutions (Ministry of Sanitation, Judicial Service of Ghana, National Board for Small Scale Industries as well as donation to the Catalytic Community Empowerment Foundation to help fight Covid-19 in the West Mamprusi Municipality. The Bank also donated to the Upper West Regional Health Directorate towards the fight against Cerebrospinal Meningitis (CSM) outbreak. Donations were also made in the form of computers and printer to Ho Technical University. The Bank also offered financial support to Ghana's Fastest Human, 2020.

Appendix II-Shareholders' Information-Unaudited

43. Analysis of shareholding as at the year-end 2020

	No. of Shareholders	Holders %	No. of Shares	% of Holding
1 - 1,000	84,996	92.43	18,388,787	6.94
1001 - 5,000	6,017	6.54	13,184,765	4.98
5001 - 10,000	539	0.59	3,978,783	1.50
Above 10,000	402	0.44	229,447,665	86.58
	91,954	**100.00**	**265,000,000**	**100**

Directors' Shareholdings

The Director named below held the following number of shares in the Bank as at 31 December 2020:

	No. of shares	% of Holding
Edward Prince Amoatia Younge	9,000	0.0034

43a. Analysis of shareholding as at the year-end 2020

No.	Names	No. of shares	% of Holding
1.	SOCIAL SECURITY AND NATIONAL INSURANCE TRUST	79,199,550	29.89
2.	GOVERNMENT OF GHANA C/O MINISTRY OF FINANCE	56,608,613	21.36
3.	OFORI, DANIEL	19,847,154	7.49
4.	SCGN/JPMBLSA RE:SKAGEN K-T. VERDIPAPIRFO	16,635,104	6.28
5.	6275J, SCGN/PICTET AFRICA NON TAX 6275J PICTETMAST	7,604,968	2.87
6.	SCGN/NTGS SE LUX CL A/C RE LUDP RE: AIF CL 8%	3,880,067	1.46
7.	GCB STAFF PROVIDENT FUND	2,996,695	1.13
8.	SCGN/SSBTC FOR CHANGE GLBL FRONTIER MKTS	2,373,685	0.90
9.	STD NOMS/BNYM RE FRONTURA GLOBAL FRONTIER FUND LLC	2,200,000	0.83
10.	SCGN / ENTERPRISE LIFE ASS. CO. POLICY HOLDERS	1,932,993	0.73
11.	GHANA REINSURANCE COMPANY LTD GENERAL BUSINESS	1,799,651	0.68
12.	GHANA COCOA BOARD	1,600,000	0.60
13.	STD NOMS/EATON VANCE COLL. INV TRUST FOR EMP BEN	1,577,818	0.60
14.	SCGN/'EPACK INVESTMENT FUND LIMITED TRANSACTION E I F L	1,531,200	0.58
15.	SCGN/CITIBANK KUWAIT INV AUTHORITY	1,503,600	0.57
16.	SCGN/SSB EATON VANCE STRUCTURED EMERGING MARKET FUND	1,434,648	0.54
17.	SCGN/SSB EATON VANCE TAXMANAGED EMERGING MARKET FUND	1,285,170	0.48
18.	KROHNE FUND	1,000,000	0.38
19.	TEMA OIL REFINERY (TOR) LIMITED	1,000,000	0.38
20.	AFRICAN TIGER HOLDING LIMITED	995,782	0.38
	Top 20 shareholders	**207,006,698**	**78.12**
	Others	57,993,302	21.88
	Grand Total	**265,000,000**	**100.00**

Terms and conditions apply

Customer Service: 0202 111 177 0264 270 236 **Toll Free:** 0800 422 422
WhatsApp: 0202 422 422 **Web:** www.gcbbank.com.gh **Follow GCBBankLimited**

GCB
your bank for life

UNITED KINGDOM		
UnityLink Financial Services Ltd.	158-160 Balham High Road London SW12 9BN Head Office	Tel: 0044-20-87722160 Fax: 0044- 20- 86753-284 0044-20-82397-125 Email: unitylinkmoney@aol.co.
SPAIN		
Money Exchange, S.A	P. Santa Maria de la Cabeza 12 28045 Madrid Spain	Tel: +34917617170 www.moneyspain.net Email: pnovoa@moneyexchange.net Skype: money.exchange.eur
UNITED STATES OF AMERICA		
MoneyGram International Money Transfer MoneyGram Payment Systems Inc.	1550 Utica Avenue South Minneapolis, MN 55416 USA	Email: www.moneygram.com Tel: +17203625024
Vigo Remittance Corp.	100 Summit AveMontvale New Jersey 07645, USA	Tel: +1-201-263-5949
Familylink Money Transfer Inc. Transfers Inc. USA	1205 College Avenue Bronx N.Y. 10456, USA	Tel: 001 718 293 6280 Email : familylink@mns.com
Western Union Western Union Laroc. Centro Empresarial	Forum 2, Santa Ana. San Jose Costa Rica	Tel: +1-201-263-5049
RIA Money Transfer	6565 Knott Avenue Buena Park California 90620 U.S.A.	Tel: +1 5623452632
SFB Capital Systems LLC	1031 Sterling Road Suite 201, Herndon Virginia 20170 U.S.A.	Tel: + 1 7035996975
Transfast Remittance LLC	44 Wall Street, New York NY 10005 U.S.A.	Tel: +1 2123821632

LONDON	
Ghana International Bank Plc	67 Cheapside, 1st Floor Regina House London EC2V 6AZ England BIC: GHIBGB2L
UNITED STATES OF AMERICA	
Citibank N.A.	16th Floor, Zone Street New York, N.Y. 10043, USA BIC: CITIUS33
EUROPE	
Commerzbank AG	Kaiserstrasse 16 60261 Frankfurt AM Main Germany BIC: COBADEFF
BHF Bank AG	Frankfurt AM Main Germany BIC: BHFBDEFF
AFRICA	
Stanbic Bank S.A. Immeuble Stanbic Bank	7 eme etage Boulevard Valery Giscard d'Estaing 26 B.P. 701 Abidjan 26 Cote d'Ivoire BIC: SBICCIAB

List of Branches

NAMES OF BRANCHES	ADDRESS(DIGITAL ADDRESS)	TELEPHONE
ACCRA ZONE		
Regional Manager's Office	P.O. Box NT 96, Accra New Town areaaccra@gcb.com.gh (GA-183-1907)	Mgr: 0302-249772/222641/0302-225928 Fax:0302-236671
High Street	P. O. Box 2971, Accra highstreetmgr@gcb.com.gh	Mgr: 0302-662337/0302-672857/0302-668743 Fax: 0302-673496
Accra New Town	P. O. Box NT 96, Accra New Town accranewtownmgr@gcb.com.gh (GA-045-6621)	Mgr: 0302-236935/0302-222641/0203916587 Fax: 0302-236935
Liberty House	P.O. Box 4443, Accra libertymgr@gcb.com.gh (GA-141-0278)	Mgr:0302-663556/0302-666631-7 Fax: 0302-663556
Republic House	P.O. Box 5550, Accra-North republicmgr@gcb.com.gh (GA-105-1077)	Mgr:0302-681810/0302-680355/0302681862 Fax: 0302-681812
Dome	P. O Box KW 247, Kwabenya-Atomic domemgr@gcb.com.gh (GE-307-1198)	Mgr:0302-420039/0302-420041
Ring Road West	P. O. Box ST 498, Kaneshie, Accra rrwmgr@gcb.com.gh (GA-216-3530)	Mgr:0302-224703/0302-225605/0500404543 Fax: 0302-225270
Kaneshie Market	P. O. Box 171, Kaneshie kanmktmgr@gcb.com.gh (GA-358-5820)	Mgr: 0302-227568/0302-229005/0577076454 Fax: 0302-227568
Kaneshie Industrial Area	P. O. Box AN 12513, Accra North kanindmgr@gcb.com.gh (GA-172-2421)	Mgr:0302-220551/0302-220591/0289700359
Boundary Road	P.O. Box 819, Accra boundaryroadmgr@gcb.com.gh (GA-1065454)	Mgr: 0302-682992/0302-682993
Osu	P.O. Box 0212, Osu, Accra (GA-115-6609) osumgr@gcb.com.gh	Mgr:020-2011912/0302-782798/9 Fax: 0302-782812
Ministries	P.O. Box MB.8, Accra ministriesmgr@gcb.com.gh (GA-107-3312)	Mgr: 0302-673950/ 0302-662170 Fax: 0302-674150

NAMES OF BRANCHES	ADDRESS(DIGITAL ADDRESS)	TELEPHONE
Korle-Bu	P.O. Box 3852, Accra korlebumgr@gcb.com.gh (GA-269-1628)	Mgr: 0302-666524/0302-666521 Fax:0302-666522
Trade Fair Site	P.O. Box 198, Trade Fair Centre La tradefairmgr@gcb.com.gh (GL-035-3019)	Mgr: 0302-774270/0302-778274 Fax: 0302-778275
Burma Camp	P.O Box B.C. 268, Burma Camp, Accra burmacampmgr@gcb.com.gh (GL-088-0982)	Mgr:0302-784182 Fax:0302-770341
Makola Market	P.O. Box 4832, Accra makolamgr@gcb.com.gh (GA-142-9890)	Mgr: 0509677577 Fax : 0509677577
Kasoa Main	P. O. Box KS 557, Kasoa kasoamainmgr@gcb.com.gh (CX-000-9076)	Mgr:0302-862430/0302-862429
Kasoa Market	P. O. Box KS 557, Kasoa kasoamgr@gcb.com.gh (CG-0702-0050)	Mgr: 0302-862831-3/0244570253/0208249987
Kisseiman	P. O. Box AT 1946, Achimota kisseimanmgr@gcb.com.gh (GA-344-0742)	Mgr:0302-410444/0302-410724 Fax: 0302-410799
Tantra Hill	PMB, Achimota Market Post Office tantrahillmgr@gcb.com.gh (GW-0845-2608)	Mgr:020-2015795/0302-412817 Fax:0302-412822
Nima	P.O. Box, NM 24, Nima nimamgr@gcb.com.gh (GA-012-9063)	Mgr: 0302-222441/0302-222439/0508535112
Dansoman	PMB 17,Dansoman dansomanmgr@gcb.com.gh(GA-539-0336)	Mgr:0302-301410 Fax: 0302-301454
Accra North	P.O.Box AN 5206, Accra-North accranorthmgr@gcb.com.gh (GA-100-9433)	Mgr: 0302-253055/0302-223645 Fax: 0302-250245
Abelenkpe	PMB, Achimota School Accra abelenkpemgr@gcb.com.gh(GA-091-3739)	Mgr:0206889721/0261551941/0547296708
Abeka Lapaz	P.O. Box AN 5288, Accra North abekalapazmgr@gcb.com.gh(GA-428-6468)	Mgr:0509738320/0540319854

NAMES OF BRANCHES	ADDRESS(DIGITAL ADDRESS)	TELEPHONE
37 Military Hosp. Agency	P. O. Box BC 268, Burma Camp	Mgr: 0302-784182
Haatso	P. O. Box WY 2115, Kwabenya haatsomgr@gcb.com.gh ()GE-299-2057	Mgr: 0303-966759/0303-966760
Amasaman	P. O. BoxAM 117, Amasaman amasamanmgr@gcb.com.gh (GW-0023-8235)	0303-969958/0303-969959
Weija	P.O. Box WJ 643, Weija Accra weijamgr@gcb.com.gh (GS-0164-7269)	0303-969962/0244362091
TEMA ZONE		
Area Manager's Office	P.O. Box CO 152, Tema areatema@gcb.com.gh	0303-204824
Tema Main	P.O. Box CO 152, Tema temamainmgr@gcb.com.gh (GT-000-7970)	Mgr:0303-202760
Tema Agency(Long Room)	P.O. Box CO 152, Tema temamainmgr@gcb.com.gh (GT-000-7970)	0303-204768
Tema Agency (Golden Jubilee)	P.O. Box CO 152, Tema temamainmgr@gcb.com.gh (GT-000-7970)	
Tema Market	P.O. Box CO173, Tema (GT--007-9740) temamktmgr@gcb.com.gh	Mgr:0303-202861/0303-201422 Fax: 0303-204763
Evergreen Agency		0303-202094
Tema Ind. Area	P.O. Box CS 8202, Tema Ind Area(GT-070-1829) temaindmgr@gcb.com.gh	Mgr:0303-302818/0303-300575 Fax.-0303-306082
Tema Fishing Harbour	P.O. Box CO 281, Fishing Hbr.(GT- 105 – 4205) temahrbmgr@gcb.com.gh	Mgr:0303-202413/0206733090 Fax: 0303 202344
Safe Bond	P. O. Box CO 1737, Tema(GT-140-8152) safebondmgr@gcb.com.gh	Mgr.: 0303-215588/0303-215576
Tema Meridian	GPS GT-021-67-01 temameridianmgr@gcb.com.gh	Mgr:0303-224464
Tema Community 2	temacomm2mgr@gcb.com.gh(GT-071-0033	0303-214050/0302-953539

NAMES OF BRANCHES	ADDRESS(DIGITAL ADDRESS)	TELEPHONE
Ashaiman	P.O. Box AS 199, Ashaiman (GB-029-1204) ashaimanmgr@gcb.com.gh	Mgr:0303306606
Legon	P.O. Box LG 17, Legon (GA-488-0208) legonmgr@gcb.com.gh	Mgr-0289456996 /02894569967/0502568703
Madina	P.O. Box MD 431, Madina,Accra (GD-212-4616) madiamgr@gcb.com.gh	Mgr-0302-501240/0203255954
Aburi	P.O. Box 98, Aburi (E3-003-4398) aburimgr@gcb.com.gh	Mgr: 0502939961/0244792520/ 0342822043-45 Fax:0342822033
Mampong-Akwapim	P.O. Box 54, Mampong-Akwapim (AM-0007-2880) makwapimmgr@gcb.com.gh	Mgr:0342722049/0342795872/ 0205467887
AkropongAkwapim	P.O. Box 83, AkropongAkwapim (E2-0003-2559) akropongmgr@gcb.com.gh	Mgr:0245130850
Somanya	P.O. Box 78, Somanya (EY-0000-3518) somanyamgr@gcb.com.gh	Mgr: 03420-91421 Fax: 027-8787060
Akosombo	P.O. Box 24, Akosombo (EA-0495-7471) akosombomgr@gcb.com.gh	Mgr: 03430-21142/03430-20472 Fax: 03430-20530
Akuse	P. O. Box 40, Akuse (EL-1063-9249) akusemgr@gcb.com.gh	Mgr: 03420-91311 Fax: 0377900013
Tetteh Quarshie Circle	P. O. Box, LG14, Legon 9(GA-289-4891) ttqmgr@gcb.com.gh	Mgr: 0302- 506221/0302-506198/9 Fax: 0302-506223
Ada	P. O. Box AF55, Ada (GY-0772-3463) adamgr@gcb.com.gh	Mgr: 0303-910411/0303-910412/3
Spintex Martey Tsuru	GZ-196-0672, spintexmtmgr@gcb.com.gh, spintexmtopsmgr@gcb.com.gh	Mgr:0302946851/0509184380/ 0596915554 Ops:0596915556
Nungua	P.O. Box TN 30, Nungua (GZ-010-2589) nunguamgr@gcb.com.gh	Mgr:0302-715352 /0302-715365/0302715351
Cent.Univ.College	centralunimgr@gcb.com.gh(GN-0326-6404)	Mgr:0501327283/0502569063/0558035035

NAMES OF BRANCHES	ADDRESS(DIGITAL ADDRESS)	TELEPHONE
Adenta Shopping Centre	P. O. Box AF 2070, Adenta (GD-039-0201) adentashpcntmgr@gcb.com.gh	Mgr: 0302-522541/0302-522543 Fax:0302522542
Adjiringano	P. O. Box MD 1727, Madina (GD-212-4214) adjiriganormgr@gcb.com.gh	Mgr: 0303-3969960/0303-969961/0207434271-2
A & C Mall	GA-412-0880 ancmallmgr@gcb.com.gh	Mgr:0302664910
Mandela-Park	GPS Code – GB-005-9057, Ashaiman ashIMnmpmmgr@gcb.com.gh	Mgr: 0302-905935/0302-906001/0302-916084
Spintex Martey Tsuru	GZ-196-0672	Mgr:0302946851 0509184380
Madina Zongo Junc.	GM-016-5223, Madina Zongo madinazjuncmgr@gcb.com.gh	Mgr: 0555351374
KOFORIDUA ZONE		
Regional Manager's Office	P.O. Box KF 286, Koforidua koforiduaarea@gcb.com.gh	Mgr: 03420-26790/03420-26791
Koforidua	P. O. Box KF 286, Koforidua(EN-010-4324) koforiduamgr@gcb.com.gh	Mgr:03420-26832/23049/23059/23069/22258
New Tafo	P.O. Box 42, New Tafo (EE-1135-6593) newtafomgr@gcb.com.gh	Mgr:0244329645/0242651824
Suhum	P.O. Box 155, Suhum(ES-0000-6936) suhummgr@gcb.com.gh	Mgr:0207270828
Asamankese	P.O. Box 167, Asamankese (EW-0001-8055) asamankesemgr@gcb.com.gh	Mgr: 03420-91135/03420-91011
Akim Oda	P.O. Box 364, Akim Oda (EB-0005-8535) akimodamgr@gcb.com.gh	Mgr: 0302915054/0302915079 Fax:0342922697
Kade	P.O. Box 62, Kade (EK-0021-2750) kademgr@gcb.com.gh	Mgr:0241905665/0209043328
Nsawam	P.O. Box NW 280, Nsawam (EG-039-0065) nsawammgr@gcb.com.gh	Mgr: 0244312757

NAMES OF BRANCHES	ADDRESS(DIGITAL ADDRESS)	TELEPHONE
Kibi	P.O. Box 97, Kibi (EE-0005-1120) kibimgr@gcb.com.gh	Mgr:0342292059/0342292067
Anyinam	P.O. Box AY 46, Anyinam (ET-0743-4788) anyinammgr@gcb.com.gh	Mgr:0544868111
Nkawkaw	P.O. Box 272, Nkawkaw (EJ-0001-0348) nkawkawmgr@gcb.com.gh	Mgr:03431-22222 Fax: 03431-22105
Mpraeso	P.O. Box MZ 56, Mpraeso (EI-0000-5437) mpraesomgr@gcb.com.gh	Mgr:020-2310400/0543325730
Donkorkrom	P.O. Box 11, Donkorkrom (EP-000-9516) donkorkrommgr@gcb.com.gh	Mgr :03424-22039/0246711380 Fax:0342024209
Konongo	P.O. Box 137, Konongo (AN-0003-3954) konongomgr@gcb.com.gh	Mgr:0322491150
Agogo	P.O. Box 74, Agogo (AN-0005-7030) agogomgr@gcb.com.gh	Mgr:03720-98731
Juaso	P.O. Box 51, Juaso (AA-0000-0645) juasomgr@gcb.com.gh	Mgr:0342290742
Koforidua Central	P.O. Box 268 Koforidua (EN-010-4424) koforiduacentralmgr@gcb.com.gh	Mgr:0208187576/0541076963
HO ZONE		
Regional Manager's Office	P.O. Box HP 164, Ho areaho@gcb.com.gh	Mgr:03620-28251
Ho Branch	P.O. Box HP 164, Ho (VH-0002-9142) homgr@gcb.com.gh	Mgr:03620-28905
Ho Market	P. O. Box HP 841, Ho Market (VH-0056-5101) homktmgr@gcb.com.gh	Mgr: 03620-26459/03620-26491
Ho Polytechnic	P. O. Box 164, Ho (VH-0043-4220) hopolymgr@gcb.com.gh	Mgr: 03620-27472/03620-27441
Hohoe	P.O. Box 178, Hohoe (VC-0000-6172) hohoemgr@gcb.com.gh	Mgr: 020-6882475/020-6881916
Dzodze	P.O. Box DJ88, Dzodze (VY-0000-1830) dzodzemgr@gcb.com.gh	Mgr:03620-91227

NAMES OF BRANCHES	ADDRESS(DIGITAL ADDRESS)	TELEPHONE
Aflao	P.O. Box AF12, Aflao (VZ-0225-8170) aflaomgr@gcb.com.gh	Mgr: 050-2098331/024-8809498/024-9695929
Abor	P. O. Box AB 48, Abor(VK-2263-7594) abormgr@gcb.com.gh	Mgr: 024-4313679/024-4987062/020-6458580 Fax: 0278787049
Keta	P.O. Box KW 133, Keta (VK-0010-8786) ketamgr@gcb.com.gh	Mrg: 024-3247936/024-4565510
Akatsi	P.O. Box 39, Akatsi (VX-0008-5279) akatsimgr@gcb.com.gh	Mgr: 03626-44401/03626-44754
Sogakope	P.O. Box SK 8, Sogakope (VU-0005-8862) sogakopemgr@gcb.com.gh	Mgr: 03621-92803
Kpando	P.O. Box 70, Kpando (VP-0005-3441) kpandomgr@gcb.com.gh	Mgr::0507626707/0243268647/0509155042/0244564209
Peki	P.O. Box 12, Peki (VK-0010-8786) pekimgr@gcb.com.gh	Mgr: 0244313094 Fax:0577900044
Jasikan	P.O. Box 85, Jasikan(VJ-0001-7272) jasikanmgr@gcb.com.gh	Mgr: 05425-98548
Kadjebi	P.O. Box 27, Kadjebi (VM-0000-6816) kadjebimgr@gcb.com.gh	Mgr: 0362092950/0208881626/0249889001/0506649150
Nkwanta	P. O Box 56, Nkwanta (VO-00000-2468) nkwantamgr@gcb.com.gh	Mgr: 0244334835/0200608464/0277808121 zzzzFax:0278787051
Dambai	P. O. Box DM38, Dambai (VR-00000-4712) dambaimgr@gcb.com.gh	Mgr: 0546926488/0209401244
KUMASI ZONE		
Regional Manager's Office	P.O. Box SE 1212,Suame, Kumasi areakumasi@gcb.com.gh	Mgr:03220-31640/0322029001 Fax: 03220-23512
Regional Manager's Secretariat	- do - areaofficekumasi@gcb.com.gh	Tel: 03220-81812/82812/29001 Fax: 03220-23512
Properties & Facilities Management Unit	P. O Box SE 1212,Suame,Kumasi	Tel: 03220-26468 Fax:03220-26468

NAMES OF BRANCHES	ADDRESS(DIGITAL ADDRESS)	TELEPHONE
Corporate Office	P. O. Box SE 1212, Kumasi	Tel: 03220-81884/81888 Fax: 03220-81885
Kumasi Main	P.O. Box 852, Kumasi (AK-064-4856) kumasimainmgr@gcb.com.gh	Mgr:03220-37303/03220-25292 Fax: 03220-24569
Ahinsan	P.O. Box 8818, Ahinsan, (AK-305-2032) ahinsanmgr@gcb.com.gh	Mgr: 03220-31964 /33452
Kejetia	P.O. Box 1630, Kumasi (AK-019-7603) kejetiamgr@gcb.com.gh	Mgr:03220-44660/03220-30416
Asafo Market	P.O. Box 3696, Asafo(AK-039-1603) asafomgr@gcb.com.gh	Mgr:0244774696/0322491121
Jubilee House	P.O. Box SE 1212, Suame Kumasi(AK-030-7597) jubileemgr@gcb.com.gh	Mgr:03220-26366/03220-30819
KNUST	P. O. UP 35 KNUST, Kumasi(AK-315-1958) knustmgr@gcb.com.gh	Mgr:03220-62136/03220-60153/62135 Fax: 03220-62136
Ejura	P.O Box 24, Ejura (AJ-0018-3770) ejuramgr@gcb.com.gh	Mgr: 03220-97147/0206650040
Yeji	P.O. Box 29, Yeji (BP-00000-5390) yejimgr@gcb.com.gh	Mgr:0209616831/0500498311/0500498310
Obuasi	P.O. Box 290, Obuasi (AO-028-3084) obuasimgr@gcb.com.gh	Mgr:0202482969 0202479460
Bekwai Ashanti	P.O. Box 127, Bekwai Ash.(AB-0003-6475) bekwai-ashantimgr@gcb.com.gh	Mgr:03224-20204/03224-202143
Dunkwa-On-Offin	P.O. Box 228, Dunkwa-On-Offin (CU-0004-6276) dunkwamgr@gcb.com.gh	Mgr::03322-28236/0246952910
New Edubiase	P.O. Box 42, New Edubiase (A3-0005-5393) edubiasemgr@gcb.com.gh	Mgr:0506060114/0506060122
New Offinso	P.O. Box 60, New Offinso (A7-0001-6443) offinsomgr@gcb.com.gh	Mgr:0208182789/0548082513

NAMES OF BRANCHES	ADDRESS(DIGITAL ADDRESS)	TELEPHONE
Nkawie	P.O Box 69, Nkawie (AH-0000-4210) nkawiemgr@gcb.com.gh	Mgr:03223-92269/98739
Mampong Ashanti	P.O. Box 94, Mampong- Ashanti (AM-0007-3287) mampongashantimgr@gcb.com.gh	Mgr:0500062777/03220-66129/050279188 Fax: 03222-22327
Effiduase Ashanti	P.O. Box 10, Effiduase (AR-0000-3083) effiduasemgr@gcb.com.gh	Mgr: 03220-92173
Ejisu	P.O. Box 49, Ejisu (AE-0000-0241) ejisumgr@gcb.com.gh	Mgr:03220- 94280/03220-99449
Agona Ashanti	P.O. Box 16, Agona Ashanti (AZ-0000-4116) ashantiagonamgr@gcb.com.gh	Mgr:03220-91820/0594530677
Sefwi-Wiawso	P.O. Box 59, Sefwi-Wiawso (WG-0011-9940) sefwiwiawsomgr@gcb.com.gh	Mgr: 03223-95199
Tech Junction	P. O. Box UP1151, KNUST, Kumasi (AK-316-4029) techjunctionmgr@gcb.com.gh	Mgr: 0206881894
Bantama	P. O. Box PT 80, Kumasi (AK-059-5478) bantamamgr@gcb.com.gh	Mgr: 03220-48820/03220-48821/48822
Suame Magazine	P. O. Box SE1212, Kumasi (AK-030-7249) suamemagazinemgr@com.gh	03224-94383/03224-94372
Sofoline	P. O. Box SE1212, Kumasi	0322497988/0322497996
Corporate Banking Ksi	P. O. Box 852, Adum, Kumasi	03220-81884/03220-81888
GCNet	P.O.Box 3696, Asafo asafomgr@gcb.com.gh	0322032525
Recoveries	P.O.Box 852, Adum Kumasi creditmonitpringrecoveriesdept@gcb.com.gh	Mgr:0322494546/0322494544 0501642512/0556566864
TAMALE ZONE		
Regional Manager's Office	P.O. Box TL 228, Tamale areatamale@gcb.com.gh	Tel:03720-26415/03720-25715 Fax:03720-22765
Properties & Facilities Office	P. O. Box TL 228, Tamale	Tel:03720-27276

NAMES OF BRANCHES	ADDRESS(DIGITAL ADDRESS)	TELEPHONE
Tamale Main	P.O. Box TL 228, (NT-0003-5485) Tamale tamalemainmgr@gcb.com.gh	Mgr: 03720-99346/0208149820 Fax: 03720-22455
Tamale Market	P.O. Box TL 766, Tamale (NT-0005-0027) tamalemktmgr@gcb.com.gh	Mgr:03720-22608 Fax: 03720-22608
Tamale Hospital Road	P. O. Box TL. 2240, Tamale (NT-0061-6472) thospitalroadmgr@gcb.com.gh	Mgr: 03720-27279/03720-27278 Fax: 03720-27279
Bolgatanga	P.O. Box 12, Bolgatanga (UB-0003-2952) bolgamgr@gcb.com.gh	Mgr: 03820-24961/0244777134/0244 0244229645
Bawku	P.O. Box 38, Bawku (UA-0000-1529) bawkumgr@gcb.com.gh	Mgr: 03820-95691/0244802107/0243514991
Navrongo	P.O. Box 28, Navrongo (UK-0007-7323) navrongomgr@gcb.com.gh	Mgr:03821-22318/0208406682/0247262517
Tumu	P.O. Box 2, Tumu (XS-00013-0995) tumumgr@gcb.com.gh	Mgr: 0208482076/03920-21214
Lawra	P.O. Box 92, Lawra (XL-0000-9934) lawramgr@gcb,com.gh	Mgr: 03920-96412/0208412660/0244431708
Wa	P.O. Box 66, Wa (XW-0006-9068) wamgr@gcb.com.gh	Mgr: 03920-20501/03920-22039/0244802107
Bole	P.O. Box 24, Bole (NB-00007-7386) bolemgr@gcb.com.gh	Mgr: 03720-98393
Damongo	P.O. Box DM 40, Damongo (N5-00004-8712) damongomgr@gcb.com.gh Mgr:	Mgr:0266340632/0266345443
Yendi	P.O. Box 32, Yendi (NY-0010-6685) yendimgr@gcb.com.gh	Mgr: 0372095241/0208180205/ 0208169462/0506390974
Salaga	P.O. Box SL 7, Salaga (N4-00007-7512) salagamgr@gcb.com.gh	Mgr: 03720-95192
Kete-Krachi	P.O. Box 13, Kete-krachi (VS–0005–1021) kete-krachimgr@gcb.com.gh	Mgr: 03620-99680/0248507816
Bimbilla	P.O. Box 27, Bimbilla (NN-0004-7771) bimbillamgr@gcb.com.gh	Mgr:0205219977//0208038689

NAMES OF BRANCHES	ADDRESS(DIGITAL ADDRESS)	TELEPHONE
Walewale	P. O Box 91, Walewale(ND-00002-4241) walewalemgr@gcb.com.gh	Mgr:03820-94326/0243568303
SUNYANI ZONE		
Regional Manager's Office	P.O. Box 34, Sunyani sunyaniareamgr@gcb.com.gh	Area Mgr: 03520-25957/03520-24084
Sunyani Main	P.O. Box 34, Sunyani (BS-0007-5220) sunyanimgr@gcb.com.gh	Mgr:03520-27716/27157 Fax: 03520-27087
Sunyani Market	P. O. Box 325, Sunyani (BS-0008-2307) sunyanimktmgr@gcb.com.gh	Mgr:03520-24267/03520-24103/03520-24193 Fax: 03520-24474
Berekum	P.O. Box 115, Berekum (BB-0007-6719) berekummgr@gcb.com.gh	Mgr: 03522-22567/03522-22193 Fax:03522-22042
DormaaAhenkro	P.O. Box: 16, Dormaa Ahenkro (BD-0003-7891) dormaamgr@gcb.com.gh	Mgr:03523-22047/ 03523-90759/03520-96115/ 03520-96124 Fax: 027-8787012
Techiman Main	P.O. Box TM 196, Techiman (BT-0000-9353) techimanmgr@gcb.com.gh	Mgr:0500459100 Fax: 03525-22048
Techiman Market	P. O. Box TM 796, Techiman (BT-0003-2964) techimanmktmgr@gcb.com.gh	Tel:03525-22395 Fax: 03525-22394
Wenchi	P.O. Box WC 49, Wenchi (BW-0006-4992) wenchimgr@gcb.com.gh	0352195282 Fax: 03521-95282
Nkoranza	P.O. Box 44, Nkoranza (BO-0007-0669) nkoranzamgr@gcb.com.gh	03520-92076
Kintampo	P.O. Box 31, Kintampo (BK-00000-4208) kintampomgr@gcb.com.gh	03520-92047
Duayaw Nkwanta	P.O. Box 66, DuayawNkwanta (B2-0002-8068) duayaw-nkwantamgr@gcb.com.gh	0209126053
Bechem	P.O. Box 69, Bechem (B3-0000-8954) bechemmgr@gcb.com.gh	0508589408

NAMES OF BRANCHES	ADDRESS(DIGITAL ADDRESS)	TELEPHONE
Akumadan	P.O. Box 33 Akumadan (A6-0000-3963) akumadanmgr@gcb.com.gh	0244313714
Tepa	P.O. Box 103, Tepa,(AX-0000-8210 tepamgr@gcb.com.gh	0352196789
Hwidiem	P.O. Box 11, Hwidiem(BR-0000-4631) hwidiemmgr@gcb.com.gh	0209808042
Goaso	P.O. Box 83,Goaso (BU-0005-1331) goasomgr@gcb.com.gh	0505438683
Mim	P.O. Box 33, Mim(BU-1225-3379) mimmgr@gcb.com.gh	0505252483
Sankore	Private Post Bag, Sankore (BV-2275-2415) sankoremgr@gcb.com.gh	0244313638
Sampa	P. O. Box 90, Sampa,(BJ-003-8518) sampamgr@gcb.com.gh	0244341751
Drobo	P. O. Box 27, Japekrom (BI-0007-8239) drobomgr@gcb.com.gh	0500450009
TAKORADI ZONE		
Regional Manager's Office	P.O. Box 475, Takoradi tadiareamgr@gcb.com.gh	03120-24948/03120-23072/ 22355 Fax: 03120-25255
Corporate Banking	P.O. Box 475, Takoradi tadiareamgr@gcb.com.gh	Tel:03120-26700/ Fax: 03120-25226
Takoradi Main	P. O. Box 475, Takoradi (WS-247-7131) tadimainmgr@gcb.com.gh	03122-95475/03122-95471/03129-97650
Takoradi Harbour	P.O. Box 707, Takoradi (WS-406-1610) tadihbrmgr@gcb.com.gh	03120-22731/03122-91117/03122-91118/0505787911 Fax:03120-27309
Takoradi Market Circle	P.O. Box MC 098, Takoradi (WS-245-2138) tadimktmgr@gcb.com.gh	03122-90107/03039-62099 Fax: 03123-20374
Sekondi	P.O. Box 101, Sekondi (WS-019-2158) sekondimgr@gcb.com.gh	03120-46511/0244147472/0208165421
Tarkwa	P. O. Box 90, Tarkwa (WT-0005-5782) tarkwamgr@gcb.com.gh	03123-20374/03122-291065/0247290011 Fax: 03123-20374 Mgr: 0242964302

NAMES OF BRANCHES	ADDRESS(DIGITAL ADDRESS)	TELEPHONE
Axim	P.O. Box 55, Axim (WN-0000-5802) aximmgr@gcb.com.gh	0303-960895/03121-98735
Half-Assini	P.O. Box 54, Half-Assini (WJ-0001-2730) half-assinimgr@gcb.com.gh	03122-91099/03122-91097
Dadieso	Private Mail Bag, Dadieso (WU-0007-6342) dadiesomgr@gcb.com.gh	0244335687 Fax: 0277900136
Elubo	P. O. Box 134, Elubo(WJ-2710-3555) elubomgr@gcb.com.gh	03122-90714/0208165048 Fax: 03122-22546
GCNET Elubo	P. O. Box 134, Elubo(WJ-2710-3555) elubomgr@gcb.com.gh	03122-22547/03122-90714
Enchi	P.O. Box 15, Enchi (WA-00000-5079) enchimgr@gcb.com.gh	03121-93988
Samreboi	P.O. Box S 40, Samreboi(WY-3374-0525) samreboimgr@gcb.com.gh	0277811205 /0502459088/03122-92709 Fax: 0278787066
Prestea	P.O. Box 102, Prestea (WP-2580-0759) presteamgr@gcb.com.gh	03120-92670/0244589287 Fax: 0277900138
Bogoso	P.O. Box 42, Bogoso (WP-004-4349) bogosomgr@gcb.com.gh	03120-92655/0277801256
CAPE COAST ZONE		
Regional Manager's Office	P.O. Box 65, Cape Coast areacapecoast@gcb.com.gh	03321-30440/03321-37887 Fax: 03321-32625
Cape Coast Main	P.O. Box 65, Cape Coast (CC-008-5753) capecoastmainmgr@gcb.com.gh	Mgr:2134253, (0)33 2132354 Fax:03321-32549
University of Cape Coast	P.O. Box 046, Cape Coast (CC-121-1279) capecoastunimgr@gcb.com.gh	Mgr:0312293427/0332096388 Fax: 03321-36377 (0)240 459 472/0247966760
Cape Coast Coronation Junction	P. O. Box 363, Adisadel Cape Coast (CC-001-9477) Capecoastcjuncmgr@gcb.com.gh	Mgr:0596915896 Ops:0596915895
Agona Swedru	P.O. Box 186, Agona Swedru (CO-0000-9729) agonaswedrumgr@gcb.com.gh	(0)332 020 291, 2093918 Mgr:03320-21071 /0203054198 Fax:03320-20414
Assin Fosu	P.O. Box 76, Assin Fosu(CR-0008-0889) assinfosumgr@gcb.com.gh	0507465096

NAMES OF BRANCHES	ADDRESS(DIGITAL ADDRESS)	TELEPHONE
Mankessim	P.O. Box 78, Mankessim (CM-0412-4692) mankessimmgr@gcb.com.gh	0555231015/0505709111 Mgr:(0)332 191 435 Fax:0277 900113
Winneba	P.O. Box 128, Winneba (CE-008-3160) winnebamgr@gcb.com.gh	03323 22133/03323-21064 Fax:03323-22133
Twifu Praso	P.O. Box TW 84, Twifu Praso (CT-0000-3606) twifuprasomgr@gcb.com.gh	0244314810 Fax: 027 7900 124
Breman Asikuma	P.O. Box 60, Breman-Asikuma(CB-0013-7330) bremanmgr@gcb.com.gh	0246-339233 Fax:0277900128
Saltpond	P.O. Box SP 096, Saltpond (CM-0002-6190) saltpondmgr@gcb.com.gh	03321-92003 Mgr:0241946490
Abura Dunkwa	P.O. Box 29, Abura Dunkwa (CA-0000-1639) aburadunkwamgr@gcb.com.gh	03321-91964
Elmina	P. O. Box EL 113 Elmina (CK-0010-1794) elminamgr@gcb.com.gh	Mgr: 03320-94899

REGIONAL OFFICES		
Accra	P.O. Box K.96 Accra New Town areaaccra@gcb.com.gh	Area Mgr: 0302-249772/0302-225928, 222641 Fax: 0302-236671
Cape Coast	P.O. Box 65, Cape Coast (CC-008-5753) areacapecoast@gcb.com.gh	03321-32625,37887 Fax: 03321-32625
Ho	P.O. Box 164, Ho (VH-0002-9142) areaho@gcb.com.gh	03620-28251,26543 Fax:03620-27598
Koforidua	P.O. Box KF286, Koforidua koforiduaarea@gcb.com.gh(EN-010-4324)	03420-26790/26791 Fax:03420-23042

NAMES OF BRANCHES	ADDRESS(DIGITAL ADDRESS)	TELEPHONE
Kumasi	P.O. Box SE 1212 Suame, Kumasi (AK-064-4856) areakumasi@gcb.com.gh	03220-31604,29001 Fax:03220-23512
Sunyani	P.O. Box 34, Sunyani (BS-0007-5220) areasunyanimgr@gcb.com.gh	03520-25957/8, 24084 Fax: 03520-27162
Takoradi	P. O. Box 475, Takoradi (WS-247-7131) tadiareamgr@gcb.com.gh	03120-23072/22355/24948 Fax: 03120-25226
Tamale	P.O. Box 228, Tamale (NT-0003-5485) areatamale@gcb.com.gh	03720-26415, 25715,22999 Fax: 03720-22765
Tema	P. O. Box CO152, Tema (GT-000-7970) areatema@gcb .com.gh	0303-204824 Fax: 0303-204824


COVID-19
PANDEMIC
I am a Life Saver
WEAR ME ALWAYS!
GCB cares, stay safe!

GCB BANK LIMITED

INVITATION AND FORM OF PROXY

To be held at 10.00am on Friday, May 28, 2021 and streamed live from Gold Coast Kempinski Hotel in Accra.

Dear Member(s)

In compliance with Imposition of Restriction Act 2020 (Act 1012), the Registrar General's Department and Securities and Exchange Commission directives and guidance on holding virtual Annual General meeting (AGM), and as part of measures to contain COVID-19, attendance and participation by members or their proxies in this year's annual general meeting of the Bank, shall be strictly virtual (by online participation).

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

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

A copy of the Form of Proxy can be downloaded from: https://gcbbankagm.com and may be completed and sent via email to: shareregistry@gcb.com.gh or deposited at the registered office of the Registrar of the Company, Share Registry, **GCB Bank Limited, High Street, Accra or posted to the Registrar at PO Box 134, Accra** to arrive not later than 10.00 GMT on Wednesday, May 26, 2021.

PROXY FORM

RESOLUTION	***FOR***	***AGAINST***	***NOTES***
1. To consider and adopt the Financial Statements of the Company for the year ended December 31, 2020 together with the Reports of the Directors and Auditors thereon.			*1. Provision has been made for the Chairman of the Meeting to act as your proxy, but you may wish to name any person to attend the meeting and vote on your behalf.* *2. In case of joint holders, each holder should sign* *3 If executed by a Company/ Corporation, the form should bear the Common Seal or be signed on its behalf by a Director.* *4. For a postal proxy, please sign and post it so as to reach the GCB Share Registry not later than 10a.m. on Wednesday, May 26, 2021.*
2. To declare a Dividend for the year ended December 31, 2020.			
3. To re-elect the following Directors retiring by rotation:			
I. Mr. Jude Kofi Arthur			
II. Mrs. Lydia Gyamera Essah			
III. Mr. Nik Amarteifio			
4. To re-elect the following Directors:			
I. Mr. Francis Arthur-Collins			
II. Mr. Osmani Ayuba			
III. Mr. Emmanuel Ray Ankrah			
5. To ratify the appointment of two (2) Executive Directors			
I. Mr. John Kofi Adomakoh – Managing Director			
II. Mr. Emmanuel Odartey Lamptey – Deputy Managing Director, Operations			
6. To approve the remuneration of Directors.			
7. To authorize the Directors to fix the remuneration of the Auditors.			
Special Business / Resolutions			
8. To change the name GCB Bank Limited to GCB Bank PLC in accordance with the provisions of section 21(1)(b) of the Companies Act 2019 (Act 992)			
9. To amend the Bank's Constitution in accordance with the provisions of the Companies Act 2019 (Act 992)			

I/We .... being a member(s) of GCB Bank Limited

Hereby appoint .... or failing whom, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Virtual Annual Meeting of the Company to be held at 10am on May 28, 2021 and at any adjournment therefore.

Signed this .... Day of 2021

....

Shareholder(s) Signature

See overleaf :- Accessing and Voting at the Virtual AGM

Accessing and Voting at the Virtual AGM

- A unique token number will be sent to you by email, SMS or by post from May 14, 2021 to give you access to the meeting. Shareholders who do not receive this token can contact the Share Registry at: shareregistry@gcb.com.gh or call 0302 668712 / 0244-338508 / 0244-358514 / 0244-318079 to be sent the unique token.

- To gain access to the Virtual AGM, shareholders must visit https://gcbbankagm.com and input their unique token number on Friday, May 28, 2021.

- For shareholders who do not submit proxy forms to the Registrar of the Company prior to the meeting, they may vote electronically during the Virtual AGM again using their unique token number.

- Further assistance on accessing the meeting and voting electronically can be found on https://gcbbankagm.com

- The AGM Proceedings would be streamed Live on GTV, Facebook, Twitter, YouTube and Instagram for shareholders' observation and participation.

GCB Bank Limited

VOTING CARD

27TH Annual General Meeting

28th May, 2021 – To be streamed live on https://gcbbankagm.com

GCB Bank Limited

ADMISSION CARD

27TH Annual General Meeting

28th May, 2021 – To be streamed live on https://gcbbankagm.com

Signature | Email

Name of Person Attending | Phone Number

Name of Shareholder

Let's help you Grow!
GCB SME Loans made for your convenience.

With our tailor-made financial solutions, your business is guaranteed rapid and sound interventions just when you need it.
Having registered your small or medium business, you qualify to get a GCB SME Loan of up to GHS100,000.00

Visit any of our branches and let's talk.

*Terms and Conditions Apply

Customer Service: 0202 111 177 0264 270 236 **Toll Free:** 0800 422 422
WhatsApp: 0202 422 422 **Web:** www.gcbbank.com.gh **Follow GCBBankLimited**

GCB
your bank for life

Social Media Handles & Other Info

GCB Bank's Official WhatsApp Line

0202 422 422

SWIFT: GHCBGHAC
Telefax: 0302 663 964
Email: corporateaffairs@gcb.com.gh
Web: www.gcbbank.com.gh
Follow GCBBankLimited

Tel: 0302 664 910-18
0302 672 852-4
0302 672 859-65