



Stanbic Bank

AFRICA IS OUR HOME, WE DRIVE HER

GROWTH

STANBIC BANK GHANA LTD

**ANNUAL
REPORT**

for the year ended 31 December 2024

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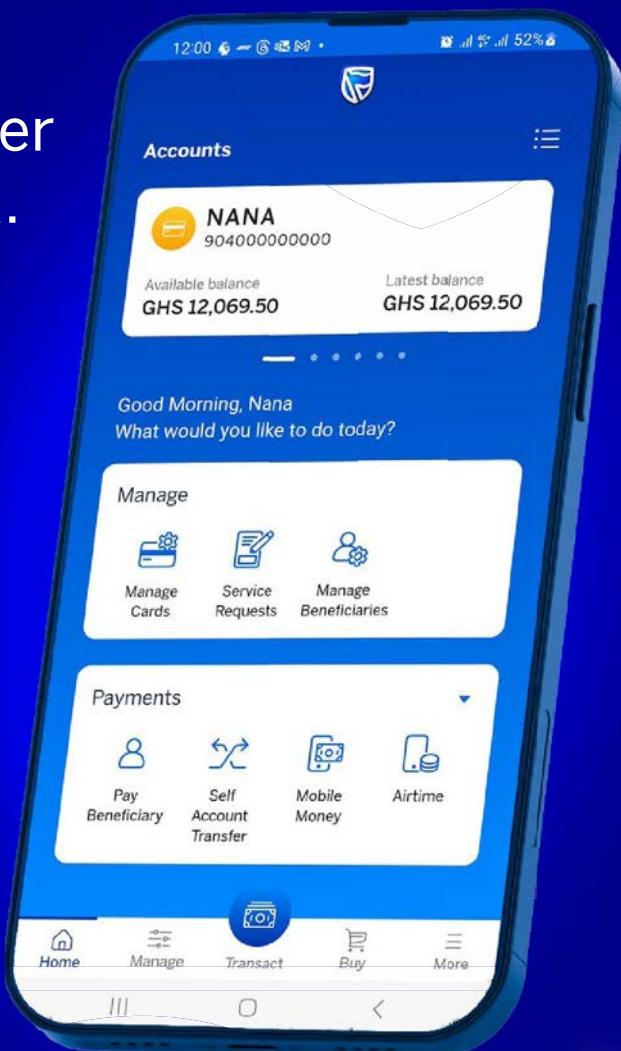
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OUR OVERALL GOAL

To create shared prosperity by facilitating financial and non-financial interactions that create opportunities for those we serve.

Our purpose is clear:

Ghana is our home, we drive her growth with innovative and best-in-class solutions.

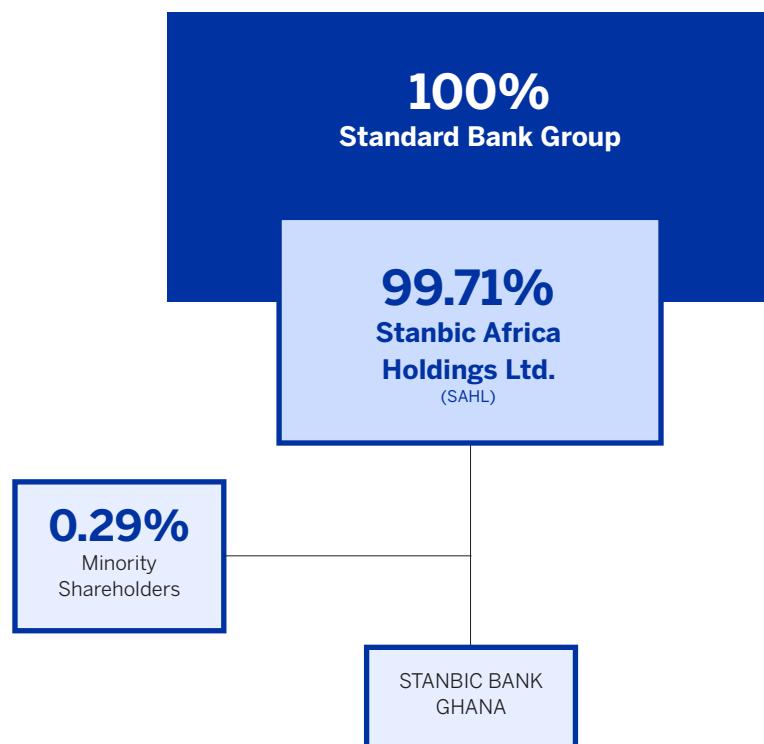
We opened our first branch in 1999, to gain a deeper understanding of our customers and enhance the connection between borrowers and lenders. Stanbic has established a strong presence in Ghana and consistently delivered on our promise to provide best-in-class banking services to the nation. Our vision is to partner with our clients to meet their financial goals, to build a solution-oriented workforce, and a culture of continuous learning and service.

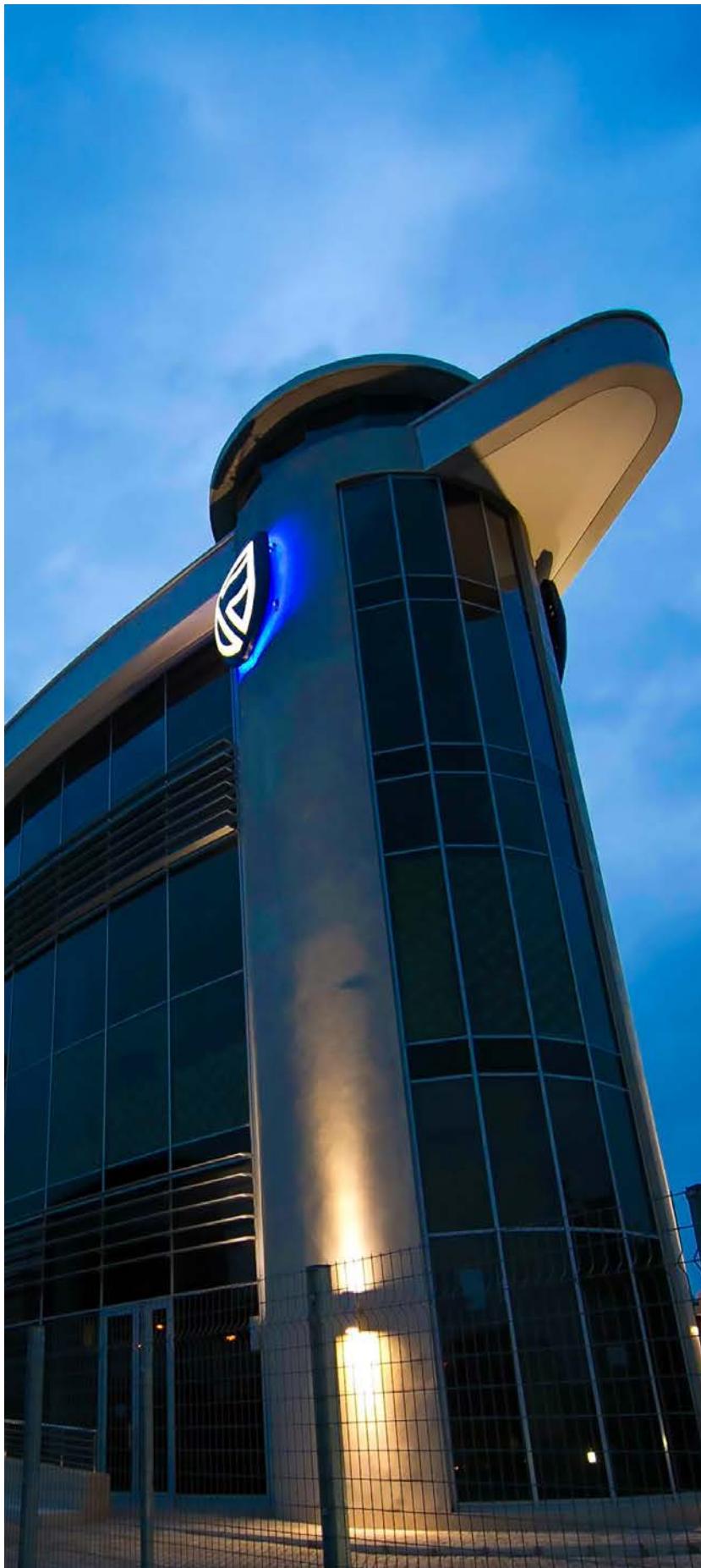
We take pride in being part of the Standard Bank Group, a financial services organisation with a remarkable 162-year legacy that operates across 20 sub-Saharan African countries.

From a small team of employees, we have grown to over 901 professionals with varied and extensive knowledge of local business conditions. We have evolved and adapted with our customers to grow a rich heritage while nurturing and protecting our reputation.

Our company structure

Our shares are held by the Standard Bank Group (99.71%) with minority shareholders, holding the remaining equity of 0.29%.





Stanbic Heights, Accra

Our physical footprint



Branches
(including in-store)

41

2023: 41



ATMs¹

140

2023: 136

Digital transaction volumes



Internet Banking

1 584 256

2023: 1 244 519

USSD²

246 135

2023: 209 208

Card Issuing and Acquiring Transactions

13 096 699

2023: 11 488 255

¹ ATM: Automated teller machine

² USSD: Unstructured supplementary service data

OUR APPROACH TO VALUE CREATION

Informing our thinking

Our approach to value creation is informed by our operating context and emerging trends, as well as the individual concerns and collective interests of our stakeholders. This enables us to identify opportunities, risks, and possible constraints to delivering sustainable growth and value creation, as well as consider the related trade-off decisions we need to make in executing our strategy.

Our operating context

Key trends provide an opportunity for growth and development, which justifies the optimism underpinning our strategy and purpose and enables us to navigate the complexity and change in our environment.

Our material matters

Our material issues are those that matter most to our stakeholders, taking their diverse views into account and allowing us to understand how their perceptions impact our ability to create value in the short, medium and long term.

Directing our priorities

Our strategy is designed to deliver our purpose. Our strategic priorities create the framework that outlines our targets and enables us to effectively allocate our resources to deliver our strategy.



Transform client experience

We strive to transform the client experience.

We draw on the power of technology and our people's expertise and empathy to meet our client's needs.



Execute with excellence

We execute with excellence.

We do the right business, the right way.

Organising our business

Our operating model is client-led, and our business units own the client relationship and create multi-solution client experiences. We use a formal decision-making framework to allocate resources and apply scenario planning to deliver our target outcomes.

Measuring our progress

We have measures and targets in place to track our progress in achieving our medium-term targets.

Our value drivers



Client focus

We provide consistent excellent client and partner experiences via an expanded range of innovative solutions.



Employee engagement

We ensure our people feel deeply connected to our purpose and are empowered and recognised.



Risk and conduct

We do the right business, the right way



Operational excellence

We use technology and data to better serve and protect our clients, reduce costs and scale our platforms.

Our ability to achieve our purpose and strategy is central to how we deliver sustainable growth and value for all our stakeholders. Our strategy comprises a coherent and integrated set of choices that address the unmet needs of clients and fulfil our purpose. The choices relate to the types of clients we want to partner with, the solutions we will provide, and the experiences we will offer.

Our stakeholders

Our stakeholders provide the resources and capital we need to achieve our strategy and purpose. Our relationship with them is supported by proactive and transparent engagement.



Drive sustainable growth and value

We create sustainable growth and value for our shareholders, society and the planet.



Financial outcome

We allocate our resources to deliver attractive shareholder returns.



Positive impact

We drive Ghana's growth by delivering shared value and positive impact

Driving positive impact

Our approach to sustainability is underpinned by good governance that promotes strategic decision-making that reconciles the interests of the group and society by realising the opportunity to provide products and services that meet the development needs of Ghana's growth and people.

Maximising positive impact

Realising the opportunity to grow earnings and market share by providing products and services that meet the development needs of Ghana and its people.

Effectively managing risk

Minimising and mitigating the risks arising from our operations, who we do business with and what we finance.

We are aligned with the United Nations Sustainable Development Goals (UN SDGs).

We categorise our impact in relation to SDGs
SUSTAINABLE DEVELOPMENT GOALS

4 QUALITY EDUCATION	5 GENDER EQUALITY	11 SUSTAINABLE CITIES AND COMMUNITIES	Financial inclusion
5 GENDER EQUALITY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Job creation and enterprise growth
		13 CLIMATE ACTION	Sustainable finance and climate change
7 AFFORDABLE AND CLEAN ENERGY	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE		Infrastructure
4 QUALITY EDUCATION	5 GENDER EQUALITY		Education
3 GOOD HEALTH AND WELL-BEING	5 GENDER EQUALITY		Health

OUR STAKEHOLDER PRIORITIES

Our stakeholders are the individuals, groups and organisations that materially affect or could be affected by our business activities, products, services and performance.

Our stakeholders provide the resources and capital we need to achieve our strategic priorities and, ultimately, our purpose of driving Ghana's growth. They include our clients and partners, employees, regulators, shareholders, service providers and the communities in which we operate.

We are committed to listening and engaging constructively with all legitimate stakeholders. Proactive engagement with our stakeholders provides insights that help shape our strategy, informs the identification of our material issues and ultimately enables us to manage and respond to their concerns and minimise reputational risk. The board oversees our stakeholder relationships, ensuring that the bank responds appropriately to stakeholder issues.

Quality of relationships

We assess the quality of our relationships and engagements with our stakeholders based on various relationship metrics we track over time. The complexity and diversity of these relationships mean that there is no single metric, and relationship quality for each group fluctuates over time and with each engagement.

CLIENTS AND CUSTOMERS

Why they are important

Our clients and customers are core to the growth and sustainability of our business.

How we engage

Relationship managers, client surveys, online communication channels, call centres, social media and in-person.



How we measure the quality of the relationship

Net promoter score (NPS) and client satisfaction index (CSI).

THEIR PRIORITIES

- Having access to affordable and personalised solutions.
- Being able to access reliable digital channels.
- Access to solutions on demand.
- Integrity and confidentiality.
- Safeguarding personal information.
- Secure systems.

OUR RESPONSES

- We offer personalised solutions for individuals and businesses.
- We have multi-channel options that balance digital convenience and human interaction when needed.
- Our services are accessible, affordable and relevant.
- We continually improve our system stability and reliability.
- We invest in cyber and data security protection and awareness campaigns to reduce fraud and cybercrime.

Value outcomes we aim to achieve

- We understand our clients and provide them with the products and services they need to make life better.
- We treat our clients fairly.
- We put their interests at the centre of the decisions we make.
- We deliver brilliant basics.
- Our systems are reliable, resilient and trusted.
- We are here for you when you need us.

**SUSTAINABLE
DEVELOPMENT
GOALS**



EMPLOYEES

Why they are important

Our people are our brand and our greatest source of sustainable competitive advantage.

How we engage

Employee surveys, online communication channels and in-person.



How we measure the quality of the relationship

- Employee NPS (eNPS), Organisational alignment and work satisfaction scores.
- Workforce diversity.
- Turnover data and exit interviews.
- Average learning hours per person.
- Workforce return on investment.

THEIR PRIORITIES

- Having safe, environmentally friendly working conditions.
- Access to the technology required to complete tasks.
- Opportunities for advancement expected of a major financial institution.
- Fair wages, salaries and benefits.
- Training and opportunities to undertake approved tertiary education programmes.
- Financial assistance to reach educational goals.

OUR RESPONSES

- We invest in developing our people, focusing on digital and technology skills and career progression.
- We support diversity and inclusion and have targeted initiatives in place to improve leadership diversity.
- We offer qualifying employees opportunities to pursue bespoke training programs, multi-country experience and bursaries for tertiary studies.

Value outcomes we aim to achieve

- Our people believe in our purpose and their role in achieving it.
- Our people are productive, motivated, engaged, and feel valued and respected.
- Our people reflect the diversity of the communities in which we work.
- Our people strive to learn, grow and adapt to the changing world of work.



SHAREHOLDERS AND INVESTORS

Why they are important

Our shareholders and investors are the primary providers of financial capital.

How we engage

Online communication channels, in-person investor and capital market participant meetings, conferences, roadshows, presentations, NENS announcements, and AGM.



How we measure the quality of the relationship

- ROE, earnings growth, net asset value growth and dividends.
- Investor and other market participant feedback and AGM voting outcomes.
- ESG ratings and sustainable finance solutions.

THEIR PRIORITIES

- Sustainable competitive solutions and services.
- Growth through sustainable strategies and increasing, effective digitisation.
- Access to appropriate skills and talent.
- Specialised skills to ensure market share growth.

OUR RESPONSES

- We have a competitive client and value proposition to deliver growth through sustainable strategies.
- Our risk management is underpinned by strong governance, ethics, market conduct, and internal controls.
- We focus on ensuring system stability.
- We have strong ESG and climate risk management in place.
- Our employee value proposition is strong and provides access to appropriate skills and talent to ensure market share growth.

Value outcomes we aim to achieve

- We deliver sustainable value to our shareholders.
- We maintain a strong balance sheet to protect our shareholders.
- We allocate our resources responsibly and apply scenario planning to deliver our target outcomes.



GOVERNMENTS AND REGULATORS

Why they are important

We secure our licence to operate and maintain our credibility as a responsible corporate citizen through our engagements with government and regulators.

How we engage

Online communication channels and in-person thought leadership events and workshops.



How we measure the quality of the relationship

We monitor policy and regulatory developments and provide evidence-based submissions to support policy formulation.

THEIR PRIORITIES

- Financial inclusion for Ghanaians.
- Adherence and compliance with regulations and statutes.
- Management of customer complaints.
- Cloud computing risk.
- Platform business risk.
- Exchange controls.

OUR RESPONSES

- We have robust financial crime controls, anti-money laundering and combatting the financing of terrorism (AML/CFT) mechanisms in place.
- Ongoing engagement on key matters to ensure alignment of expectations.
- We use technology to improve risk management.
- We engage on climate and environmental risks and the role of banks.

Value outcomes we aim to achieve

- We are a responsible corporate citizen.
- We operate with integrity and hold ourselves to high ethical standards.
- We understand the risks and opportunities facing our business and have robust policies and processes in place to manage them.

SUSTAINABLE DEVELOPMENT GOALS



COMMUNITIES

Why they are important

Our long-term sustainability depends on the relationships we foster with the communities and societies in which we operate and the contributions we make to societal advancement.

How we engage

Various communication channels, including in-person discussions with NGOs, community representatives, and advocacy groups.



How we measure the quality of the relationship

Constructive engagements and media monitoring.

THEIR PRIORITIES

- Involving business in addressing social and economic inequalities.
- Partnering with businesses to create and monitor effective socioeconomic interventions.
- Using their presence (business associations and organisations) to create partnerships that address local issues and enable financial education.

OUR RESPONSES

- We drive positive social and environmental impact through our business activities.
- We partner with businesses to create and monitor effective socioeconomic interventions and create partnerships that address local issues and enable financial education.

Value outcomes we aim to achieve

- We add value for our clients and communities by supporting financial inclusion, enterprise growth and job creation, as well as access to energy and infrastructure development and climate change mitigation and adaption.
- We balance economic, social and environmental considerations to drive sustainable growth.

SUSTAINABLE DEVELOPMENT GOALS





Akosombo Dam, Volta Region, Ghana

INDUSTRY BODIES AND TRADE ASSOCIATIONS

Why they are important

As active members of industry bodies and trade associations, we contribute to public policy debates, support evidence-based policy-making, contribute to processes such as the development of global standards and frameworks, and work collectively to enable positive impact.

How we engage

Active members of banking associations and engage in broader business associations and industry work groups set up by regulators or government.



How we measure the quality of the relationship

Constructive dialogue and active participation.

THEIR PRIORITIES

- Contributing to policy development, business growth and broader financial sector stability.

OUR RESPONSES

- We are active members of the Ghana Association of Bankers (GAB), and we participate in broader industry workgroups as needed.

Value outcomes we aim to achieve

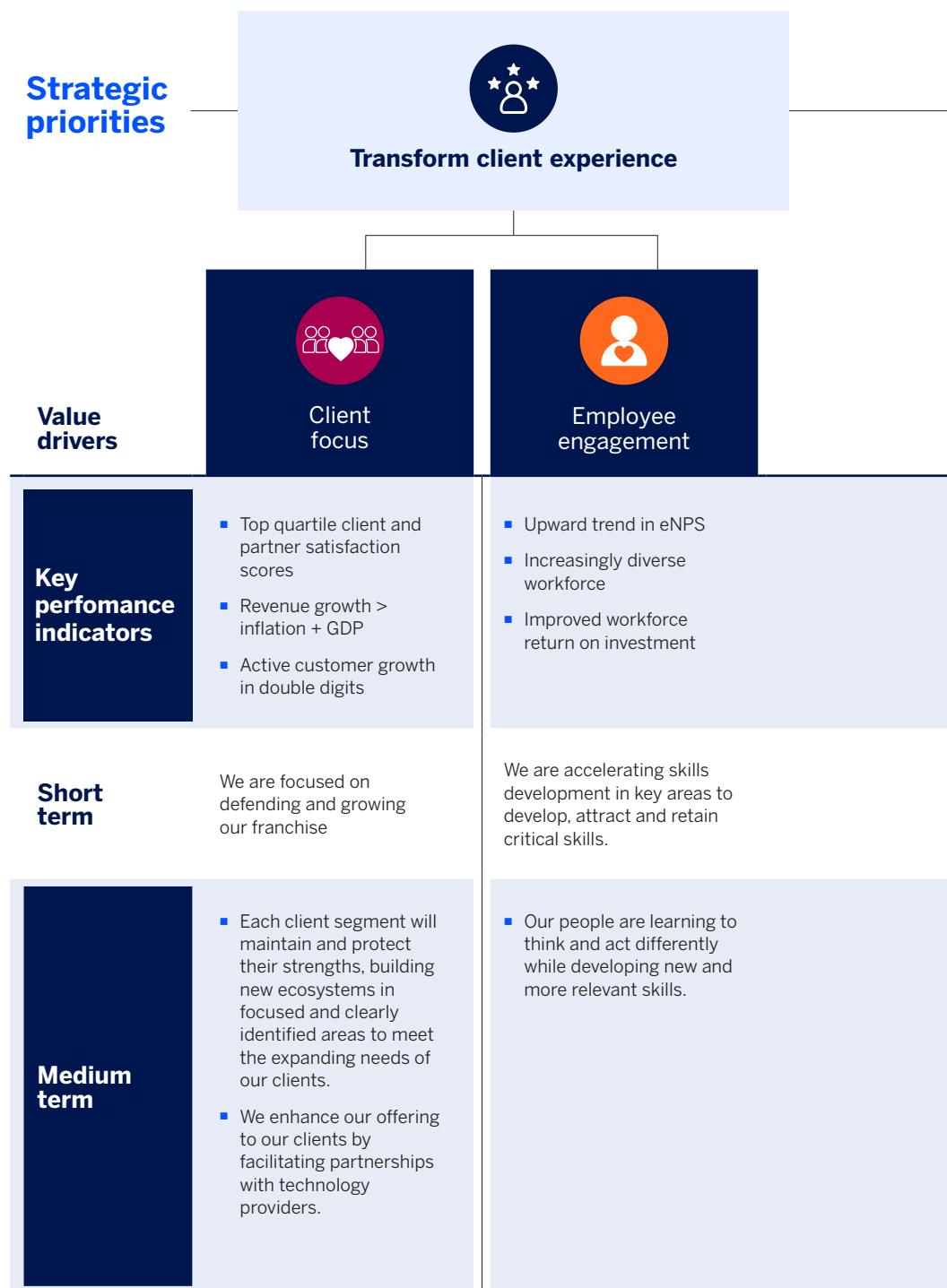
We promote the collective enablement of positive impact by contributing to public policy debates, supporting evidence-based policy making and contributing to processes such as the development of global standards and frameworks.

SUSTAINABLE DEVELOPMENT GOALS



MEASURING OUR STRATEGY EXECUTION

Our strategic priorities together with our value drivers and comprehensive key performance indicators provide a framework for tracking the execution of our strategy and measuring the value we create for all stakeholders.



Nzulezu, Western Region, Ghana



OUR DELIVERY MODEL

Our operating model enables us to manage our resources and relationships responsibly to deliver the best outcomes for our stakeholders. It is client led and structured around our business units who are responsible for designing and executing the client value proposition.

Our inputs

Financial capital



Our large, well-balanced portfolio, appropriate risk appetite mandate and robust capital structure provide the resilience and flexibility to deliver growth.

Intellectual capital



Our recognised brand strength and legitimacy supports our value proposition by offering relevant, competitive and innovative solutions through our multi-channel platforms.

Human capital



Our strong executive and leadership teams, deeply skilled and experienced people, and high-performance, client centric and ethical culture are rooted in our purpose and we invest in equipping our people with the mindset and skills needed to execute our strategic priorities.

Manufactured capital



Our physical branch network and access points are complemented by our modernised digital backbone and increasingly simplified systems architecture, allowing us to deliver better client and employee experiences and higher levels of efficiency.

Social and relationship capital



Our trust-based relationships with all our stakeholders underpin our ability to deliver our purpose and strategy. Our social and economic impacts are embedded into our business strategy and decision-making processes, enabling us to deliver positive impacts in the communities in which we operate.

Natural capital



We are driving sustainable investment by embedding SEE as a commercial strategy, aligned to Ghana's wellbeing.

We partner with clients and other stakeholders to create and implement climate smart solutions.

Our business activities and outputs

- We facilitate access to financial services, enabling socioeconomic development and personal wealth creation.
- We facilitate the allocation of capital to support economic growth.
- We contribute to effective markets that encourage the banking activities of clients.
- We enable financial protection and diversification through risk transfer and insurance products
- We support the integrity of banking infrastructure to ensure clients have safe and convenient access to their savings and funds.

Our business units own the client relationship and create multi-solution client experiences.

Banking

Personal & Private banking (PPB)

Individual clients from personal to private clients

Tailored and comprehensive financial services solutions.

Business & Commercial banking (BCB)

Small and medium-sized businesses, as well as large commercial enterprises

Broad-based client solutions that deliver advisory, networking and sustainability support required by our clients.

Corporate & Investment banking (CIB)

Large companies (multinational, regional and domestic), governments, parastatals and institutional clients

In-depth sector and regional expertise, specialised capabilities and access to global capital markets for advisory, transactional, risk management and funding support.

Insurance and asset management

We provide long- and short-term bancassurance services, investment products and advisory services.

Our trade-offs and constraints	Our outcomes	Distributing value
Client focus  <ul style="list-style-type: none"> Macro and socio-economic environment impacting the aspirations and growth prospects of our clients. Maintaining competitive advantages in a fiercely competitive industry. Investing in digital capabilities that improve client experience and operational efficiency, which may impact our stakeholder relationships and job roles in the short term. 	<ul style="list-style-type: none"> Strong relationships with diverse and growing client base. Recognised brand strength and legitimacy. Strong partnerships that support excellent client experience. Physical and digital presence supports distribution capability. 	Growth in active clients 3% <small>2023: 8%</small>
Employee engagement  <ul style="list-style-type: none"> Our people's ability to grow and adapt as we evolve the way we operate to deliver our strategic priorities. Competition for specialist skill sets continues to increase. 	<ul style="list-style-type: none"> Strong executive and leadership teams. Deeply skilled and experienced people. High-performance, ethical culture connected to our purpose. 	Average learning hours 120 hours <small>2023: 110 hours</small>
Risk and conduct  <ul style="list-style-type: none"> Managing the natural tension between client convenience, the speed at which we can fulfil their needs and the parameters of our mature and continually evolving regulatory, supervisory and control environment. Constantly managing the risks that may emerge in the delivery of our strategy. 	<ul style="list-style-type: none"> Trusted relationships with stakeholders. Mature governance and control systems. Well-developed financial risk and capital management framework. 	Risk culture rating Proactive <small>2023: Proactive</small>
Operational excellence  <ul style="list-style-type: none"> Ensuring the ongoing stability of our digital platforms and cybersecurity measures to respond to increasing levels of global cyber threats. Providing convenient access to solutions requires ongoing optimisation of our distribution capacity, investing in remaining relevant while lowering the cost to serve our clients. 	<ul style="list-style-type: none"> Strategic partnerships and future-ready capabilities support the development of innovative solutions. Digital capabilities focused on providing 'always on, always secure' services. Increasingly simplified systems architecture. 	Cyber breaches with client impact Nil <small>2023: Nil</small>
Financial outcome  <ul style="list-style-type: none"> Informed trade-off decisions regarding our ability to generate revenue with the costs incurred to do so. Providing an appropriate rate of return to providers of capital, while still creating value for other stakeholders. Diligent allocation of resources to drive sustainable growth and scale. 	<ul style="list-style-type: none"> Large and well-balanced portfolio. Robust capital structure and strong balance sheet. Future-focused resource allocation. 	Returns on Equity 32.91% <small>2023: 56.44%</small>
SEE impact  <ul style="list-style-type: none"> Embedding positive impact into our business strategy to deliver positive social and economic outcomes. 	<ul style="list-style-type: none"> Well-developed sustainability strategy to deliver focused positive impact. Develop a climate policy that supports a just energy transition. 	CSI spend GHS8.42m <small>2023: GHS6.53m</small>

ALLOCATING OUR RESOURCES

We are careful when we allocate our resources to ensure that we address specific client needs and drive sustainable growth and value.

Our resource allocation framework uses the capital, funding, capabilities and expertise available to us, together with our strategic value drivers, to direct our focus and investment in areas that will deliver sustainable growth and value over the short, medium and long term.



Takoradi Fishing Harbour
Western Region, Ghana

Detailed scenario-based thinking allows us to anticipate and plan for volatility and complexity and frames the allocation process.



Led through the lens of client strategy

We invest to serve clients more efficiently, creating and distributing relevant, personalised and innovative solutions.

Supported by a prioritised investment portfolio



We are deliberate in tilting our portfolio to grow the core banking franchise and to grow a capital efficient business.

Resource allocation decisions subjected to hurdle rates

Our decision-making framework is aligned to our strategy and resource allocation requests are subject to hurdle rates of return.

Allocation tested against risk appetite



We regularly review and amend our risk appetite across segments and solutions.

Progress measured against set targets

We develop, refine and track metrics that are easy to understand and measure, are actionable and aligned to our strategy.

OUR PERFORMANCE

CHAIRMAN'S REPORT

"Stanbic Bank Ghana delivered robust financial results, posting a profit after tax (PAT) of GHS1.16 billion, which was down from GHS1.28 billion in 2023, due to one-off credit provision adjustments. Excluding the increase in credit impairment charges, the bank's overall performance was very strong with a solid revenue growth and disciplined cost management efforts. PAT performance was ahead of expectations leading to a return on equity (RoE) of 32.9%."

Mrs. Esi Tawia Addo-Ashong
Chairman



Executive Summary

Ghana's economic performance in 2024 showed notable improvement and resilience with GDP growth projected to exceed the year-end target of 3.1%. Support under the International Monetary Fund (IMF) Extended Credit Facility (ECF) program has been instrumental in achieving this remarkable turnaround in performance.

The IMF support significantly strengthened the government's efforts to implement crucial reforms, negotiate for debt (GHS120.3 billion of domestic debts and US\$14.6 billion of external debts) reliefs and stabilize the currency. The combination of growth and stability has laid a strong foundation for further economic progress in the coming year. With a sustained focus on strategic economic reforms, Ghana is well-positioned to build upon its positive momentum, ensuring sustainable growth.

That being so, Stanbic Bank Ghana delivered robust financial results, posting a profit after tax (PAT) of GHS1.16 billion, which was down from GHS1.28 billion in 2023, due to one-off credit provision adjustments. Excluding the increase in credit impairment charges, the bank's overall performance was very strong with a solid revenue growth and disciplined cost management efforts. PAT performance was ahead of expectations leading to a return on equity (RoE) of 32.9%. This performance was driven by a concerted effort to enhance customer experience, grow deposits and support the credit needs of our clients. Further, prudent capital management efforts have seen an overall recovery of the bank's capital adequacy ratio (CAR) to 19%, strengthening the capacity of the bank to support customer business requirements.

Political environment

Ghana's democratic environment in 2024 remained stable, marked by vibrant political discourse and the successful conduct of the ninth consecutive presidential and parliamentary elections in the 4th Republic. The historic 2024 elections saw the opposition party secure a two-thirds majority in Parliament, granting the new government a strong mandate. International and local observers praised the elections for its transparency and credibility, strengthening Ghana's reputation as a stable democracy. This smooth transition is expected to boost investor confidence and enhance Ghana's appeal as a hub for investment and other global partnerships in Africa.

Economic environment

In 2024, Ghana's economy demonstrated robust growth, with a 6.3% increase in GDP for the first three quarters of the year, driven by strong exports, oil, and remittances. However, inflation surged to 23.8%, primarily due to rising food and energy prices. Ongoing power sector challenges, such as unresolved energy debts, fuel supply issues, and aging infrastructure, remained significant concerns. Despite these obstacles, IMF in their third review of Ghana's 36-month Extended Credit Facility Arrangement, found the country to be on course with the program and disbursed an additional US\$360 million financing to the country. The total disbursements to Ghana under the ECF for the year was US\$1.9 billion. The IMF-supported programme has resulted in stability in the country's macro-economic environment and an opportunity for the country to achieve debt sustainability.

Banking environment

The introduction of regulatory directives which increased the cash reserving ratio and mopped up excess liquidity in the industry moderated interest income during the year. This led to a reduction in net interest margin for the bank by 2%. That notwithstanding, the banking sector recorded improved profitability though at a slower pace compared to the growth witnessed in 2023. This performance was aided by the agreement between the Government of Ghana and the Official Creditor Committee (OCC) with representatives of Eurobond holders, which agreement led to an improvement in the sovereign risk rating of the country. The rebound in the banking sector's profitability was further enhanced by an increase in banking sector assets by 34% in 2024, as many banks increased their lending activities.

The banking sector thus remained profitable, well-capitalized and liquid in 2024 as Capital Adequacy Ratio (CAR) with reliefs grew marginally to 14% in December 2024. CAR without reliefs on the other hand closed the year at 11.3% from prior year of 8.3%.

The high cost of credit (prime rate of 29% as at the close of 2024) presented increased credit risk and industry Non-Performing Loans (NPL) ratio ended at 21.8% in December 2024, as opposed to 20.6% December 2023.

The outlook for the sector remains positive, underpinned by improving macroeconomic conditions with emphasis on reducing industry NPL levels.

Corporate governance overview

The bank has fully complied with the corporate governance requirements outlined in the Bank of Ghana's Corporate Governance Directive of 2018, as well as King's Report on Corporate Governance. The Board maintained regular access to all senior executives and key management personnel, ensuring effective oversight and governance throughout the year.

Strategic oversight

The Board of Directors played an instrumental role in steering the Bank's strategic direction through regular reviews and updates to assess the progress and effectiveness of our strategies, allowing for timely adjustments and improvements where necessary.

We continued to make significant progress on our 5-year strategic plan which entailed making strategic choices that will position your bank as one of the top three banks in the industry. During the year, a focus was placed on upgrading our digital banking platforms, enhancing cybersecurity measures, and expanding our product offerings. By focusing on these critical areas, we have seen an improvement in customer adoption of our digital products which prepare us towards becoming a digital first bank.

At the core of our strategic efforts is a steadfast commitment to prioritizing our customers. Our customer-centric approach has been the cornerstone of our philosophy, driving us to innovate and adapt swiftly in a rapidly changing financial landscape.

In an ever-evolving market, it is important to stay ahead of trends and anticipate the needs of our clients. In that regard, we have intensified our efforts to refine our strategies by leveraging advanced data analytics and customer feedback. Through these insights, we will continue to innovate and introduce new products and services that resonate deeply with our clients' needs and enhance their satisfaction and loyalty.

Board Changes

The Board welcomed William Blackie as a new member, on 8 February 2024. Timothy Mugodi, who served on the Board for two years, resigned with effect from 1 February 2024. On behalf of my fellow Board members, I would like to extend our deepest gratitude

to Mr. Mugodi for his invaluable contributions, business insights, and unwavering dedication to the Board and the bank during his tenure. We wish him all the best in his future endeavours and continued success in all his pursuits.

Total capital adequacy ratio

19.0% | 

2023: 19.6%

ROE

32.91% | 

2023: 56.44%

Total Revenue

GHS3,653m | 

2023: 3,332m

Outlook for 2025

Ghana's economic outlook for 2025 presents a cautiously optimistic view, with a projected GDP growth rate of approximately 4.4%. While this growth projection is encouraging, there still exists the risks of reduction in government income and lower donor inflows. The new administration has expressed a desire to renegotiate the terms of the ECF programme and maintain stronger fiscal discipline.

As a Bank, our focus will remain on increasing our client base for sustainable growth and entrench our frictionless delivery of solutions to enhance customer experience. We will continue to adopt strategic measures to enhance customer trust and loyalty. We will continue to maintain a prudent approach to cost management, invest strategically in our digital initiatives and drive our deposit growth.

Acknowledgement

The resolute 2024 profit outturn materialised because of our dedicated and committed staff who have put their shoulders to the wheel to deliver this stellar performance. Without them, this would not have been possible. The Board of Directors deeply values their tireless efforts, unwavering commitment to excellence and steadfast commitment to integrity in business.

At the heart of our business is our loyal clients. We do not take their custom for granted and we are deeply grateful to them for choosing us as their partners in growing their businesses and fortunes. We are indeed privileged to be their financial service providers, and we remain fully committed to meeting their evolving needs.

On behalf of the Board, management, and staff, I would like to extend our sincere thanks to our shareholders and stakeholders for your steadfast support and guidance. Your invaluable support has been pivotal to our success, and we are truly grateful for your ongoing confidence in Stanbic Bank Ghana.



Mrs Esi Tawia Addo-Ashong
Chairman

CE'S REPORT TO SHAREHOLDERS

“Our operating model is client-led and structured around our business units responsible for designing and executing the client value proposition. “

Mr. Kwamina Asomaning
CE Stanbic Bank, Ghana



Dear Shareholders,

It has been a year of challenges and opportunities, and I am excited to share how we have navigated both to create long-term value. After fifteen months of economic hardship, the primary goal at the start of 2024 was for the country to consolidate and build on the modest progress made under the IMF program. However, rising geopolitical tensions, fuelled by the prospect of elections in approximately 80 countries worldwide, including Ghana, posed a significant threat to the country's recovery efforts.

While Ghana's progress under the IMF program has been commendable, it has not been without challenges—notably inflation. After steadily declining throughout 2023, inflation surged to 25% in March, halting the Central Bank's plans to ease the policy rate and prompting the introduction of stricter cash reserve requirements (CRR). The CRR was set at 15%, 20%, or 25%, depending on whether the loan-to-deposit ratio was below 40%, between 40% and 55%, or above 55%.

This unconventional approach was intended to control inflation without significantly hindering banks' lending ability. However, it proved unpopular with banks, as it was perceived to be more effective at absorbing liquidity than stimulating lending, given the prevailing adverse credit conditions.

Despite these drastic measures, inflation remained stubbornly high, averaging 23% for the year. It continued to dominate monetary policy, effectively quashing hopes of a meaningful reduction in the policy rate, which closed the year at 27%. As a result, lending rates stayed elevated, averaging 30%, severely limiting banks' ability to extend credit to businesses and consumers.

Non-performing loans (NPLs) in the banking sector remained elevated throughout the year, with the ratio rising to 21.8% in December 2024, up slightly from 20.6% in December 2023. Predictably, this has continued to limit the growth of private sector credit.

Financial Results

Building on our progress from 2023, we produced another set of strong results in 2024. Total income was GHS3.6 billion, profit after tax was GHS1.16 billion, and return on equity (RoE) was 32.9% - markedly higher than the cost of equity. The strong performance was driven by improved client activity and higher margins due to higher interest rates and moderated by elevated credit provisions.

Our operating model is client-led and structured around our business units responsible for designing and executing the client value proposition. Business units own the client relationship and create multi-product client experiences distributed through our client engagement platforms. Our Personal and Private Banking (PPB) segment delivered revenue of GHS729 million and profits of GHS90 million. The BCB segment delivered revenue of GHS967 million, but higher credit provisions doused the strong revenue outturn to return profits of GHS88 million. The Corporate and Investment Banking (CIB) segment closed the year with revenue of GHS1.67 billion and profits of GHS727 million.

Profit for the year

GHS1.163 billion

2023: 1.280 billion

Cost-to-income ratio

41.4%

2023: 38%

Credit-loss ratio

4.57%

2023: 5.09%

Progress on our Transformational Aspirations

We are making significant strides in our transformational goals. To stay ahead in innovation, we leverage our creative talents to meet the evolving needs of our customers, delivering exceptional experiences and maintaining a competitive edge. In a technology-driven world, where digital solutions are becoming the norm, this calls for a new set of skills.

Acknowledging this, we have developed a forward-thinking curriculum and encouraged every team member to dedicate at least 80 hours to learning. This initiative not only equips staff with the skills needed for their current roles but also prepares them for the future. In 2024, our organisation's average learning hours per employee stood at 120 hours, with 35% dedicated to the future-ready curriculum.

In 2022, a cohort of ten graduate trainees with STEM backgrounds was recruited to diversify the mix of employees with digital skills. Their program concluded in December 2024, and they have since been assigned roles in various areas of the business. During their program, the graduate trainees contributed to multiple projects across the bank, including supporting the development of the revamped SBG app and creating over 20 digital solutions. The trainees also participated in the Group Hackathon event, which focuses on collaborative programming to develop solutions for the organisation and its clients. Out of 12 delegates, 7 were graduate trainees. One of our two teams was the first outside South Africa to win the top prize.

In October, we also launched our revamped SBG app, which represents a significant milestone in our omnichannel strategy. This strategy aims to provide a cohesive experience that enhances trust and loyalty while offering multiple avenues to increase sales and traffic. It is crucial to recognise how our improved relationship with the Central Bank has expedited the approval turnaround times for releasing solutions to address customer needs.

To progress effectively, it is essential to address the shortage of talents with digital skills, the attrition of key personnel, and the additional capabilities required to meet the increasingly digital demands of both the bank and its customers.

Our Strategy

Our positioning and how we are creating a sustainable comparative advantage remain unchanged. Stanbic Ghana's vision is to "partner with our clients to meet their financial goals, to build a solution-oriented workforce, and develop a culture of continuous learning and service". To achieve this vision, we have outlined our

coherent and integrated set of choices that ensure we address clients' unmet needs and fulfil our purpose. The choices relate to the types of clients we want to partner with, the solutions we provide, and the experiences we offer. The choices were carefully selected to align with the outcomes expected from the Group's strategy. To track our strategic progress as we execute these choices, we have adopted the Group's value drivers, set strategic goals, and determined comprehensive key performance indicators that ensure we achieve the Group's strategic priorities. The value drivers track the progress of our strategic delivery and measure the value we aspire to create for all stakeholders. Using the value drivers, we illustrate our progress thus far.

Client Focus – Creating Value for Clients.

Delivering peerless value to our clients will justify our existence. We understand our clients and provide them with the solutions they need to make life better. We are responsive to their changing expectations and ensure fair outcomes for our clients. As such, our client franchise grew by 11% on the 2023 base. Our clients strongly affirmed our commitment to exceptional service, with a strong customer satisfaction score of 8.8, an improvement from the prior year of 8.6. Our refreshed and standardised NPS assessment score was +63, above our benchmark of +45 and one of the highest in the Standard Bank Group. Despite varying the external service provider, we maintained a high mystery shopping score of 89%. We noted with considerable concern a decrease in our active client penetration from 82% to 77%. We anticipated this as an unintended outcome of repositioning in the PPB segment, which started in late 2023. However, we worked to improve our mix of clients. Therefore, our mobile penetration and active digital clients have improved from 2023 of 5% and 35% to 7% and 38%, respectively.

Employee Engagement – Creating Value for our People.

Research shows that companies with high employee engagement enjoy greater client satisfaction and loyalty and are more profitable than their peers. In 2024, we focused on creating a work environment that is psychologically safe, inclusive, and provides ample growth opportunities. Our commitment to fostering a workplace where employees can be the best versions of themselves has resulted in high employee engagement, as measured by our annual survey, "Are You A Fan." With responses from 98% of our people, we maintained a stellar employee Net Promoter Score (eNPS) of +60, underscoring the strength of our employee advocacy.

Through initiatives like Blue Fusion, a forum dedicated to empowering women's growth, development, and leadership, as well as other inclusivity efforts, we are working towards achieving a women-in-leadership ratio of 40% in the near term. Our current ratio of 32.6% already exceeds the Affirmative Action Bill, 2024 target of 30% of the total workforce. To support our people's career aspirations, we facilitated 459 career movements, over 280 of which were vertical. Remarkably, more than 70% of new hires were sourced internally.

Despite our progress in becoming an employer of choice, our regrettable turnover reached 3.45%, the highest in recent years. This outcome is primarily influenced by the significant erosion of income and the increasing cost of living, which we are actively addressing.

Risk and Conduct – Creating Value for our Regulators.

To navigate the complexities of our business landscape, we focus on understanding key factors such as the economic and regulatory

environment, competitive dynamics, technology trends, and client expectations. Our strategy emphasises ethical business practices, supported by strong governance and risk management. This includes scenario planning, asset quality reviews, and mark-to-market valuations.

While our risk culture is proactive and our control environment stable, we remain vigilant about the significant asset concentration of a few clients and its impact on non-performing loans and credit loss ratios. In response, we have implemented a range of actions to mitigate this risk and ensure our continued stability and success.

Operational Excellence – Creating Value for our Clients.

We have established a balanced approach that emphasises both the structured enhancement of our technology's fundamentals and the development of new capabilities and features to address our clients' needs. Our strategy for improving system stability and security involves teamwork, transparency, and open communication, promptly addressing any issues to ensure quick recovery, and maintaining accountability in our work. This is complemented by integrating digital solutions at our core and evaluating opportunities to streamline or digitise processes. Our always-on score was above 99.7%, with nil cyber-security incidents with client impact. We can proactively determine potential system failures for 56% of our core platforms through our advanced monitoring centres and consistently ensure our mean time to resolution is below one hour. To reduce the friction in processes and improve turnaround times, we have achieved automation penetration of 30% from 17% last year and deployed queue management systems across all branches. We revamped the SBG App, a core channel for developing and distributing solutions aligned with client journeys. Our remittance hub, Stanbic Pay, went live to address the needs of remittance clients, particularly in offering frictionless termination services into bank accounts and mobile wallets.

Financial Outcomes – Creating Value for our Shareholders.

Stanbic Ghana's results were robust, underpinned by a healthy and growing client franchise. Our focus on efficient resource allocation and investing in capital-efficient lines of business in fast-growing sectors continues to produce transformative outturns. The improved profitability levels since 2023 eased the acute capital constraints in 2024, positioning us to respond to our customers' financing needs. Our customer risk asset book increased over the prior year by 41%. This was funded by growth in customer deposits of 26%, providing additional liquidity to fund a 9% growth in financial investments. Though strong, profit after tax of GHS1.16 billion was lower than 2023 of GHS1.28 billion, mainly due to the adverse impact of the new cash reserving regulations and increased credit impairments on a few stressed counterparties with significant exposures. The performance was buoyed by the elevated interest rate environment. The bank thus closed with an RoE of 32.9%, over 600bps greater than the cost of equity, while the capital adequacy ratio was above the appetite level at 19%.

Social, Environmental, and Economic Impact (SEE Impact) – Creating Value for our Communities.

We are committed to driving sustainable, inclusive economic growth while positively impacting both people and the planet. Our ongoing investment in Corporate Social Investment (CSI) programs continues to benefit communities, connect our people, and build pride in our brand. In 2024, our brand warmth score improved from 6.8 to 7.0, reflecting the increasing positive sentiment towards our organization.

We have ensured that all new business and corporate facilities and those undergoing review have minimal residual environmental and social risks. In partnership with the International Finance Corporation (IFC),

Stanbic Bank Ghana is enhancing its ability to provide climate-smart financing. This collaboration will focus on clean energy, clean transport, climate-smart agriculture, energy efficiency, and green buildings.

Our newly launched Sustainability Framework will guide how we create value for society, aligning our business practices with long-term social and environmental goals. In 2024, we actively promoted financial inclusion by integrating with mobile money platforms and partnering with non-bank financial institutions and FinTechs to provide funding for small business owners, particularly women in low-income communities. To date, we have availed over GHS 400 million in credit lines. Additionally, the number of customers using mobile wallets with bins assigned to Stanbic exceeds 1 million, with this number growing rapidly.

Furthermore, Ghana Interbank Payment and Settlement Systems (GHIPPS) recognised Stanbic as the Most Innovative GhanaPay Bank, acknowledging our efforts to enhance the banking industry's mobile money platform and complement the broader mobile money ecosystem in Ghana.

Recognition by Peers

The bank's commitment to delivering superior experiences was further validated by our composite score in the 2024 KPMG Banking Industry Customer Experience Survey. The score improved from 236.3 to 242.0. Notably, we ranked number 1 in the Corporate Banking segment (up from number 2 in 2023), number 2 in the Retail Banking segment (up from number 5), and number 10 in the SME Banking segment (down from number 3). We are actively developing action plans to address the gaps identified in our service delivery, with the aim of securing top rankings across all segments.

In addition, at the 17th EMEA Finance African Banking Awards, Stanbic Bank Ghana proudly earned the prestigious title of Overall Best Bank in Ghana, along with Best Investment Bank and Best Debt House awards. This marks our fourth consecutive win in the Best Investment Bank category (2021 to 2024), while we have also been recognized as the Best Debt House in 2024, 2023, 2021, 2019, and 2018. These accolades are a testament to our customer-first approach to supporting Ghana's productive sectors and driving sustainable growth, with success measured by customer satisfaction and loyalty. They also reflect the dedication and teamwork of our highly engaged staff, as well as the unwavering support of our stakeholders.

The Path Ahead

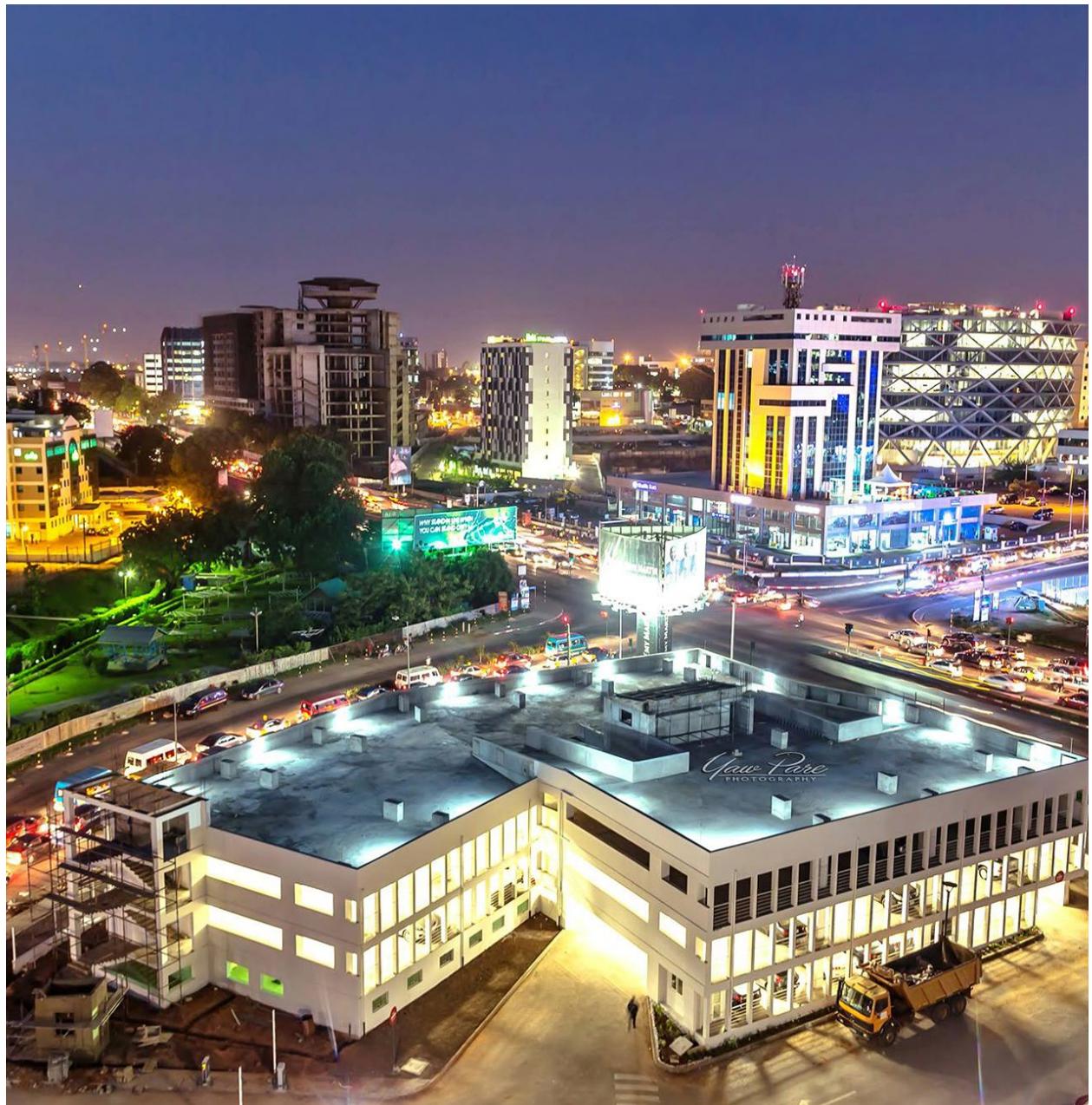
I am profoundly grateful and proud of our collective achievements. The Board and staff of Stanbic Bank have demonstrated exceptional dedication, driving significant progress toward our strategic goals. I extend my heartfelt thanks to them for their unwavering commitment. I also express my sincere appreciation to our clients for choosing Stanbic Bank and the Standard Bank Group as we navigate the path to economic recovery. To our shareholders, thank you for your continued investment and trust in our vision.

While uncertainty is expected to persist in 2025, our business remains well-diversified, growing, and resilient. We are committed to unlocking additional value by executing strategic initiatives that enhance customer primacy, deepen relationships with our target customers and their ecosystems, and empower our people to succeed.

Furthermore, by strengthening our mobile and digital presence and increasing transactional velocity, we will continue to build on our strong growth momentum into 2024.



Mr. Kwamina Asomaning
Chief Executive



Airport City, Greater Accra Region, Ghana

FINANCIAL REVIEW

“Strong GDP growth of 6.3% for the first three quarters of the year, exceeds the full-year expectation of 3.1%. This growth stems from increased imports, construction activities, and private sector credit expansion.”

Mr. Victor Yeboah-Manu
Chief Financial & Value Management Officer



Profit for the year

GHS1.163 billion | ▼

2023: 1.280 billion

Cost-to-income ratio

41.4% | ▼

2023: 38%

Credit-loss ratio

4.57% | ▲

2023: 5.09%

The Economic Overview

The economic conditions showed signs of improvement in 2024 with average inflation and interest rates trending downwards. Additionally, the combined effect of the completion of the debt exchange programme and an improvement in real GDP growth of 6.3% resulted in an improved debt-to-GDP ratio of 78% in 2024 as opposed to 83% in 2023.

Strong GDP growth of 6.3% for the first three quarters of the year, exceeds the full-year expectation of 3.1%. This growth stems from increased imports, construction activities, and private sector credit expansion.

The Ghanaian Cedi during the year depreciated by 19% against the dollar, closing at GHS14.71/\$1, supported by improved dollar inflows from exports and remittances, along with IMF ECL proceeds.

Average inflation eased to 22.9% in 2024 from 40.28% in 2023, driven by lower non-food product prices, though rapid cedi depreciation and rising food costs hindered disinflation efforts. The Bank of Ghana's medium-term inflation target of 8ffl12% is now expected to be achieved by 2026.

Interest rates remained elevated but trended downward, with the policy rate at 27%, down from 29.5%.

Financial Overview

In 2024, the Bank reported a profit of GHS1.16billion, a slight decline compared to the GHS1.28billion achieved in 2023. This performance was primarily impacted by an increase in credit impairment charges which partly offset the revenue growth recorded during the year.

Revenue outturn increased to GHS3.65billion from GHS3.33billion in 2023. Net interest income increased by 28% to GHS2.51billion. This growth is attributed to an increase in customer deposits, which effectively supported the expansion in risk assets creation. Non-interest revenue of GHS1.14billion decreased compared to the GHS1.37billion achieved in 2023. The decline was due to a reduction in trading revenue which fell to GHS592million from GHS944million due to reduced forex availability in the market for trading. Conversely, fees and commission income experienced a notable increase of 30%, reaching GHS550million. This growth was fuelled by enhanced transactional volumes on the back of improved customer engagement and various lending-related activities.

Impairments surged to GHS364 million, an increase from the GHS31.9 million reported in the prior year, which indicates the lagging effects of the difficult economic conditions on credit quality, especially on small businesses. In contrast, the prior year's impairments were relatively subdued due to the release of provisions from restructured USD bonds.

Operating cost increased by 25% year on year, increasing from GHS1.27billion in 2023 to GHS1.51billion in 2024. This increase reflects our sustained investments in technology to accelerate our digital transformation journey and improve turnaround time for addressing client needs. Significant investments have been made in security measures, bank digital applications and network solutions. Additionally, local currency depreciation impacted USD-denominated costs, particularly in rental and Information technology expenses, while rising regulatory compliance costs added to the overall cost growth.

In 2024, the bank's balance sheet demonstrated substantial growth. Total assets increased to GHS32.6billion, up from GHS24.6 billion in 2023, signalling our growth capacity to expand and diversify our asset base while adhering to rigorous risk management processes. The asset growth was supported by a significant increase in customer deposits, which closed the year at GHS23.2billion in 2024 from GHS 18.0 billion in 2023. The 25% increase in customer deposits underscores customer confidence in the bank and reflects our ongoing efforts to bolster deposit mobilization through innovative product offerings, enhanced customer engagement, and the expansion of both digital and branch banking services. Consequently, the improvement in customer deposits was deployed in support of the bank's core lending and investment activities. Customer loans and advances increased to GHS7.85billion, compared to GHS5.66billion in 2023, which illustrates our commitment to meeting clients' borrowing requirements. Furthermore, investment securities increased to GHS7.17billion from GHS6.31billion, as we continued to refine our asset allocation strategy to balance risk and return effectively. In summary, these developments within the balance sheet reinforce our dedication to sustaining a well-balanced and diversified financial portfolio.

Indicator	2024	2023
Return on equity	32.91%	56.44%
Profit after tax (GHS' billion)	1.163	1.280
Profit after tax growth	-9.2%	>100%
Earnings per share (Ghana pesewas)	524	577
Earnings per share growth	-9.2%	>100%
Net interest margin	7.74%	9.1%
Cost-to-income ratio	41.4%	38.0%
Credit-loss- ratio	4.57%	5.09%

Capital Management

The bank's capital adequacy ratio CAR for December 2024 ended strongly at 19.00%, (2023:19.6%) inclusive of DDEP related regulatory relief and represents 900bps above the regulatory minimum CAR of 10%. This indicates the availability of adequate capital buffers for business expansion and resilience to withstand any possible economic shocks.

The key drivers that led the CAR performance year-on-year were as follows:

- Qualifying capital base improved significantly by GHS848million based on the following:
- Common equity tier 1 capital increased by GHS702million with the appropriation of 2023 second half audited PAT of GHS854million. The impact was however moderated by an increase in capital deductibles such as deferred tax (GHS90million), impairment of other qualifying reserves (GHS58million) and prepayment (GHS13million) during the year under review.
- Tier 2 capital increased significantly by GHS146million on the back of growth in risk weighted assets (RWA). Allowed tier 2 capital is capped at 3% of RWA.
- RWA increased by GHS4.8billion at the end of 2024 and totalled GHS16.4billion. The net growth was occasioned by the increases in, credit risk of GHS3.4billion, operational risk of GHS1.4billion and decrease in market risk of GHS62million. The significant growth recorded in credit risk was due to loans and advances to customers.

Looking ahead

Looking ahead, we are optimistic about the opportunities that 2025 holds. Our focus will remain on driving sustainable revenue growth, enhancing operational efficiency, and maintaining disciplined risk management. Strategic priorities include deepening our presence in the SME and Wealth markets, increasing fee-based income, and leveraging data-driven insights to deliver value for our customers.

BOARD OF DIRECTORS

Mrs. Esi Tawia Addo - Ashong

Independent Non-Executive Director/ Board Chairman

APPOINTED
November 26, 2020



APPOINTED BOARD CHAIRMAN

March 11, 2022

QUALIFICATIONS

- BA(Hons.) Law and Political Science (University of Ghana)
- Barrister at Law (Ghana School of Law)
- Leadership Cohort Programme (University of Denver)

EXPERIENCE BROUGHT TO THE BOARD

Mrs. Tawia Addo-Ashong is the Managing Partner for Ashong Benjamin & Associates, a law firm in Accra, Ghana. She has over 30 years' experience as a lawyer.

OTHER APPOINTMENTS (DIRECTOR)

- New Horizon Special School
- Travida Company Limited

BOARD COMMITTEE

Board Nominations Committee

COMMITTEE
MEMBERSHIP



Mr. Kwamina Koranteng Asomaning

Chief Executive

APPOINTED EXECUTIVE
DIRECTOR
September 9, 2010



APPOINTED CHIEF EXECUTIVE

December 1, 2020

QUALIFICATIONS

- BSc Business Administration (University of Ghana)
- MBA (Wharton School, University of Pennsylvania)
- Advanced Management Programme (Harvard Business School)

EXPERIENCE BROUGHT TO THE BOARD

Kwamina Asomaning is the Chief Executive of Stanbic Bank Ghana. He is a seasoned banker with over 20 years' experience in the international and local banking industry. He is also a chartered accountant.

OTHER APPOINTMENTS (DIRECTOR)

Stanbic Ghana Group of Companies

BOARD COMMITTEES

- Board Information Technology Committee
- Board Nominations Committee

COMMITTEE
MEMBERSHIP



COMMITTEE MEMBERSHIPS

● BCC ● BITC ● BRC ● BAC ● RemCo ● NomCo

Mr. Wilhelmus (Helmut) Jacobus Engelbrecht
Non-Executive Director

APPOINTED
June 7, 2022

**QUALIFICATIONS**

- Bachelor of Commerce (BCom) in Accounting (Rand Afrikaans University)
- Bachelor of Laws (L.L.B) (Rand Afrikaans University).
- Advanced Strategic Management Program at the IMD Business School in Switzerland
- Chartered Accountant

EXPERIENCE BROUGHT TO THE BOARD

Mr. Engelbrecht is the Standard Bank Regional Chief Executive for West Africa with over 23 years' work experience in various roles in the group. He was the Head, Client Coverage, Africa Regions prior to his role as the Regional Chief Executive for West Africa.

OTHER APPOINTMENTS (DIRECTOR)

- Stanbic Holdings Ghana LTD
- Stanbic Bank S.A (Côte D'Ivoire)
- Standard Holdings Côte d'Ivoire S.A.
- Stanbic IBTC Bank
- Standard Bank de Angola, SA
- Standard Bank DRC S.A.
- Standard Bank (Mauritius) Limited

BOARD COMMITTEES

- Board Audit Committee
- Board Credit Committee
- Board Nominations Committee

COMMITTEE
MEMBERSHIP



Ms. Estelle Akofio-Sowah
Independent Non-Executive Director

APPOINTED
June 8, 2018

**CHAIR, BOARD INFORMATION TECHNOLOGY COMMITTEE AND BOARD NOMINATIONS COMMITTEE****QUALIFICATIONS**

- BA (Hons.) Economics and Development Studies (Sussex)
- Fellow, West African Leadership Initiative (Aspen, Colorado)

EXPERIENCE BROUGHT TO THE BOARD

Ms. Estelle Akofio-Sowah is country manager of CSquared, an infrastructure company building wholesale internet infrastructure across Africa.

OTHER APPOINTMENTS (DIRECTOR)

Ghana Domain Name Registry

BOARD COMMITTEES

- Board Information Technology Committee
- Board Nominations Committee
- Board Risk Committee

COMMITTEE
MEMBERSHIP



None of the directors have been involved in the disclosures pertaining to section 4.10(b)(ii) – (xii) of the JSE debt listing requirements.

BOARD OF DIRECTORS (CONT'D)

Mrs. Sarah-Mary Frimpong

*Independent Non-Executive
Director*

APPOINTED
November 26, 2020



CHAIR, BOARD AUDIT COMMITTEE

QUALIFICATIONS

- ACCA (London School of Accountancy)
- Institute of Chartered Accountants (Ghana)

EXPERIENCE BROUGHT TO THE BOARD

Mrs. Frimpong is a chartered accountant by profession and a former Assurance partner of PricewaterhouseCoopers, Ghana. She is a Fellow of ACCA, and a member, Institute of Chartered Accountants Ghana (ICAG).

OTHER APPOINTMENTS (DIRECTOR)

Adansi Travels Ltd

BOARD COMMITTEES

- Board Audit Committee
- Board Credit Committee
- Board Remuneration Committee

COMMITTEE
MEMBERSHIP



Prof. Robert Darko Osei

Independent Non-Executive Director

APPOINTED
March 11, 2022



CHAIR, BOARD REMUNERATION COMMITTEE AND BOARD CREDIT COMMITTEE

QUALIFICATIONS

- BA, Economics and Statistics.
- PGDip & MA, Quantitative Development Economics (University of Warwick)
- PhD, Economics (University of Nottingham)
- Executive Education Programme (Harvard)

EXPERIENCE BROUGHT TO THE BOARD

Prof. Osei is the Dean of School of Graduate Studies at the University of Ghana.

OTHER APPOINTMENTS (DIRECTOR)

- Ghana Statistical Service,
- Innovations for Poverty Action, Ghana
- Rolak Pharmacy

BOARD COMMITTEES

- Board Audit Committee
- Board Remuneration Committee
- Board Credit Committee

COMMITTEE
MEMBERSHIP



COMMITTEE MEMBERSHIPS

● BCC ● BITC ● BRC ● BAC ● RemCo ● NomCo

Mr. John Kofi Baisie

Independent Non-Executive Director

APPOINTED
June 7, 2022



CHAIR, BOARD RISK COMMITTEE

QUALIFICATIONS

- BSc (cum laude) Engineering Technology and Operations Management (California Polytechnic University)
- MBA (The Paul Merage School of Business, University of California, Irvine).

EXPERIENCE BROUGHT TO THE BOARD

Mr Baisie currently leads the Modules Components Group – a team of Manufacturing Design Engineers and Manufacturing Quality Engineers. Mr Baisie also leads an Inclusion and Diversity initiative at Apple.

BOARD COMMITTEES

- Board Information Technology Committee
- Board Risk Committee
- Board Remuneration Committee

COMMITTEE
MEMBERSHIP



Mr. William Fergus Blackie

Non-Executive Director

APPOINTED
February 8, 2024



QUALIFICATIONS

- Bachelor of Commerce (BCom) (Rhodes University, South Africa)
- Bachelor of Laws (LLB) (Rhodes University, South Africa)
- Master of Business Administration (MBA) (University of Cape Town, South Africa).
- Advanced Management Program, INSEAD

EXPERIENCE BROUGHT TO THE BOARD

Mr. Blackie is the Chief Executive of Business and Commercial Banking at Standard Bank, with over 24 years' banking experience. He has served in various positions at Standard Bank and was Group Head of Investment Banking from 2015 to taking on his current role in 2022.

BOARD COMMITTEES

Board Risk Committee

COMMITTEE
MEMBERSHIP



None of the directors have been involved in the disclosures pertaining to section 4.10(b)(ii) – (xii) of the JSE debt listing requirements.

BOARD OF DIRECTORS (CONT'D)



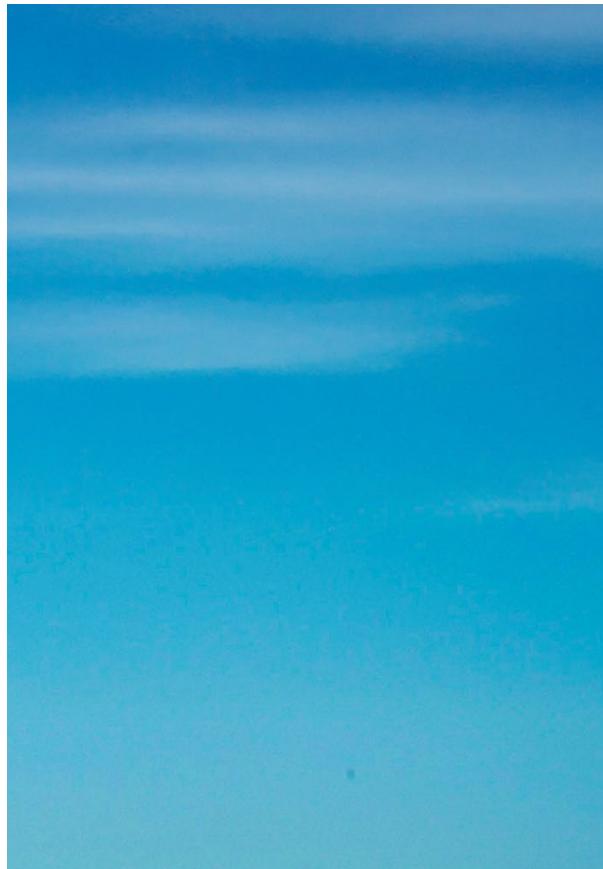
CHAIR, BOARD AUDIT COMMITTEE

QUALIFICATIONS

- MBA (University of Leicester)
- Barrister at Law (Ghana)
- L.L.B (University of Ghana)

EXPERIENCE BROUGHT TO THE BOARD

Doreen has over 30 years' company secretarial experience having previously been the Secretary to Board of Copyright Society of Ghana (under the Copyright Office, Ministry of Justice) and company secretary for three subsidiaries of UMB Bank Ghana. She is a Ghana Qualified Attorney.



Elmina Castle, Central Region, Ghana

KEY MANAGEMENT PERSONNEL

Mr. Kwamina Koranteng Asomaning

Chief Executive

APPOINTED December 1, 2020

NATIONALITY GHANAIAN



QUALIFICATIONS

- Advanced Management Program (Harvard)
- MBA (Wharton, University of Pennsylvania)
- Certified Chartered Accountant (ACCA)
- BSc Admin (University of Ghana)

Mr. Victor Yeboah-Manu

Chief Financial & Value Management Officer

APPOINTED November 8, 2018

NATIONALITY GHANAIAN



QUALIFICATIONS

- MBA (Oxford Brookes University)
- ACCA (England & Wales)
- CA (ICAG, Ghana)
- BSc (Hons) Elec. Eng. (KNUST, Ghana)

Mrs. Doreen Kweiba Iliasu

Head, Legal & Governance

APPOINTED January 6, 2010

NATIONALITY GHANAIAN



QUALIFICATIONS

- MBA (University of Leicester)
- Barrister at Law (Ghana)
- L.L.B (University of Ghana)

Mr. Mawuko Afadzinu

Head, Brand & Marketing

APPOINTED JUNE 1, 2007

NATIONALITY GHANAIAN



QUALIFICATIONS

- MBA (Jon Molson School of Business, Concordia University)
- PGDip Communications (University of Montreal)
- BA English & History (University of Ghana)

Mr. Benjamin Mensah

Head, Personal & Private Banking

APPOINTED August 25, 2022

NATIONALITY GHANAIAN



QUALIFICATIONS

- EMBA (University of Ghana)
- International Investment Advisory Certificate, (Securities Institute, UK)
- International Capital Markets Qualification (Securities Institute, UK)
- BA Economics (University of Ghana)

Mrs. Akosua Asaa Yelbert

Head, Compliance & KYC

APPOINTED March 15, 2010

NATIONALITY GHANAIAN



QUALIFICATIONS

- EMBA (University of Ghana)
- Barrister at Law (Ghana)
- PGDip (Law) (England & Wales)
- L.L. B (London Southbank University)

Mrs. Felicity Sampson

Head, Risk & Corporate Affairs

APPOINTED January 1, 2022

NATIONALITY GHANAIAN



QUALIFICATIONS

- MBA (The Stuttgart Institute of Management & Technology, Germany)
- BA Economics & Statistics (Hons) (University of Ghana)

<p>Mr. Samuel Agyei Antwi <i>Head, Internal Audit</i> APPOINTED August 20, 2021 NATIONALITY GHANAIAN</p> 	<p>QUALIFICATIONS</p> <ul style="list-style-type: none"> ■ MSc Business Consulting and Risk Management (KNUST, Ghana) ■ Member, ACCA (Ghana) ■ Member, ICAG (Ghana) ■ Member, Institute of Internal Auditors (Ghana) ■ BSc Administration (Accounting Option) (University of Ghana)
<p>Mr. Darwin Mireku <i>Head, Strategy Enablement</i> APPOINTED September 9, 2021 NATIONALITY GHANAIAN</p> 	<p>QUALIFICATIONS</p> <ul style="list-style-type: none"> ■ Member, CIT (Ghana) ■ MBA (Finance)(GIMPA) ■ Fellow, ACCA (Ghana) ■ BA (Accounting & Psychology)(University of Ghana)
<p>Ms. Abiana Nelson <i>Head, Internal Control</i> APPOINTED November 8, 2021 NATIONALITY GHANAIAN</p> 	<p>QUALIFICATIONS</p> <ul style="list-style-type: none"> ■ Member, ICAG (Ghana) ■ Member, Institute of Internal Auditors (Ghana) ■ BA Sociology with English (University of Ghana)
<p>Mr. Benjamin Agyei Ahulu <i>Head, Operations</i> APPOINTED December 1, 2023 NATIONALITY GHANAIAN</p> 	<p>QUALIFICATIONS</p> <ul style="list-style-type: none"> ■ MBA (Herriot Watt University) ■ ACCA ■ BSc. (Admin)(University of Ghana) ■ Member, ICAG (Ghana)
<p>Mr. Hakeem Abayomi Abdul <i>Chief Information Officer</i> APPOINTED December 7, 2023 NATIONALITY NIGERIAN</p> 	<p>QUALIFICATIONS</p> <ul style="list-style-type: none"> ■ MBA (Finance) Manchester Business School ■ FCA (Nigeria) ■ ACCA (Part 1 & Part 2) ■ HND (Accountancy) (Kwara State Polytechnic)
<p>Mr. Musah Abdallah <i>Head, Corporate & Investment Banking</i> APPOINTED June 11, 2024 NATIONALITY GHANAIAN</p> 	<p>QUALIFICATIONS</p> <ul style="list-style-type: none"> ■ MBA (Business Finance and Management) University of Liverpool ■ BA (Sociology and Political Science) University of Ghana
<p>Mr. Alhassan Musah <i>Treasurer</i> APPOINTED June 1, 2015 NATIONALITY GHANAIAN</p> 	<p>QUALIFICATIONS</p> <ul style="list-style-type: none"> ■ Member, ICAG (Ghana) ■ ACI (Financial Markets Assoc.) Dealing Certificate ■ MBA (Finance) (University of Ghana) ■ BSc (Accounting) (University of Ghana) ■ M.A. (Financial Markets Law & Regulation) (University of Ghana)

Mr. Samuel Kwadjo Teye*Head, People & Culture*

APPOINTED **August 20, 2021**
 RESIGNED **November 29, 2024**
 NATIONALITY **GHANAIAN**

**QUALIFICATIONS**

- Certified Human Resources Manager (CHRM)
- MBA Human Resource Management (University of Ghana)
- BA Computer Science & Psychology (University of Ghana)
- HND Mechanical Engineering (Accra Technical University)

Mr. Farihan Alhassan*Head, Business and Commercial Clients*

APPOINTED **August 20, 2021**
 RESIGNED **January 29, 2025**
 NATIONALITY **GHANAIAN**

**QUALIFICATIONS**

- Standard Bank Retail Executive Programme (Gordon Institute of Business Science, South Africa)
- MA Economic Policy Management (University of Ghana)
- MBA (Finance) (Ghana Institute of Management and Public Administration)
- BSc Mathematics (KNUST, Ghana)

DIRECTORS AND ADVISORS**Board of Directors**

- Mrs. E.T. Addo-Ashong (Chairman)
- K. K. Asomaning (Chief Executive)
- Ms. E. Akofio-Sowah
- Mrs. S. Frimpong
- Prof. R. D. Osei
- W. J. Engelbrecht
- J. K. Baisie
- Z.T. Mugodi (Resigned February 1, 2024)
- W.F. Blackie (Appointed February 8, 2024)

Secretary

Mrs. Doreen K. Iliasu
 Stanbic Bank Ghana LTD
 Stanbic Heights
 Plot No.215 North Liberation Link
 Airport City
 Accra

Auditor

Ernst & Young Chartered Accountants
 60 Rangoon Lane
 Cantonments City, Accra, Ghana
 P.O. Box KA 16009
 Airport, Accra
 Ghana

Registered office

Stanbic Heights
 Plot No.215 North Liberation Link
 Airport City
 Accra, Ghana

REPORT OF THE DIRECTORS

The directors submit herewith their report and the audited annual financial statements for the year ended 31 December 2024.

Statement of Directors' Responsibilities

The directors are responsible for the preparation of financial statements for each financial year which give a true and fair view of the state of affairs of Stanbic Bank Ghana LTD and of its profit or loss and cash flows for that year. In preparing these financial statements, the directors have selected suitable accounting policies and then applied them consistently, made judgements and estimates that are reasonable and prudent and followed International Financial Reporting Standards with the IAS 29 directive issued by the Institute of Chartered Accountants Ghana (ICAG) and complied with relevant requirements of the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

The directors are ultimately responsible for the internal controls of the Bank. Management enables the directors to meet these responsibilities. Standards and systems of internal controls are designed, implemented and monitored by management to provide reasonable assurance of the integrity and reliability of the financial statements and to adequately safeguard, verify and maintain accountability for shareholder investments and Bank's assets. Systems and controls include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties. It is the responsibility of the independent auditors to report on the fair presentation of the financial statements.

Based on the information and explanations provided by management and the Bank's internal auditors, the directors are of the opinion that the internal financial controls are adequate and that the financial records may be relied upon for preparing the financial statements in accordance with IFRS and maintaining accountability for the Bank's assets and liabilities. Nothing has come to the attention of the directors to indicate that a breakdown in the functioning of these controls, resulting in material loss to the Bank, has occurred during the year and up to the date of this report.

The directors have a reasonable expectation that the Bank will have adequate resources to continue in operational existence and as a going concern in the financial year ahead.

Principal Activities

The Bank has made significant structural changes to better serve clients and as of this year is primarily organised into three client segments: Personal and Private Banking, Business & Commercial Banking, and Corporate & Investment Banking clients.

Holding Company

The Bank is a subsidiary of Stanbic Africa Holdings Limited, a company incorporated in the United Kingdom, which holds 99.71% (2023: 99.54%) of the issued shares of the Bank. The ultimate holding company is Standard Bank Group Limited, a company registered in South Africa.

Results for the Year

The statement of financial position, income statement, statement of other comprehensive income and statement of cash flows that are contained in this report reflect the results and the state of affairs of the Bank as at 31 December 2024.

Dividend

The directors did not recommend payment of dividend (2023: Nil).

Directors' Professional Development and Training

Dates for ongoing training are scheduled in advance and form part of the Board approved annual calendar. The directors are kept abreast of applicable legislation and regulation, changes to rules, standards and codes, as well as relevant sector developments that could affect the Bank and its operations. New directors on appointment to the Board are provided with a full, formal and tailor-made programme of induction to familiarise them with the Bank's businesses, the risks and strategic challenges the Bank faces, as well as the economic, competitive, legal and regulatory environment in which the Bank operates.

Corporate Social Initiatives

Corporate Social Initiative spend for the year was GHS8.42 million (2023: GHS6.53million).

Auditor

In accordance with section 81(1) of the Banks and specialised deposit-taking Act, 2016 (Act 930), Ernst & Young Chartered Accountants was appointed as the auditor of the Bank. The directors recommend that Ernst & Young Chartered Accountants continue in office, in accordance with section 139 (5) of the Companies Act, 2019 (Act 992).

Auditor's Remuneration

External auditor's remuneration for the year was GHS2.795 million (2023: GHS 2.389 million).

Directors

The names of persons who were directors of the Bank at any time during the year are disclosed on page 31.

The 2024 annual financial statements and specified sections of the risk and capital management report were approved by the Board of Directors on 20 February 2025 and signed on their behalf by:

Esi Tawia Addo-Ashong (Mrs)

Chairman

20th February, 2025

Kwamina Asomaning

Chief Executive

20th February, 2025

CORPORATE GOVERNANCE OVERVIEW

The Bank's corporate governance approach promotes strategic decision-making that combines long and short-term outcomes to reconcile the interests of the Group, our stakeholders and society to create sustainable shared value.

Corporate governance is integrated across the Bank's operations. Through the governance framework, the Board fulfils an oversight role and deliberates with executive management over strategic direction, financial goals, resource allocation and risk appetite. Management applies the tone set by the Board and the governance philosophy, based on the Bank's values, as a set of principles and structures that enable the Bank to create shared value for all our stakeholders.

Our approach to corporate governance extends beyond compliance. We see corporate governance as an enabler that creates competitive advantage through enhanced accountability, effective risk management, clear performance management, greater transparency and effective leadership.

In line with this ambition, the King Report on Corporate Governance for South Africa 2016 (King Code) has formed the cornerstone of our approach to governance. We support the overarching goals of King IV, being the creation of:



CORPORATE GOVERNANCE REPORT



Airport City, Greater Accra Region, Ghana

Overview

Stanbic Bank Ghana (Bank) is primarily guided by the Corporate Governance Directive, 2018.

Standard Bank Group complies with the principles of the Code of Corporate Practices and Conduct (King Code). The principles of the King Code determine the standards for the Group's governance framework and practices.

The Bank is further guided by these principles in establishing its governance frameworks, in addition to meeting the legal and regulatory requirements in Ghana.

Codes and Regulations

Compliance with applicable legislation, regulations, standards and codes remains an essential characteristic of the Bank's culture. The Board of Directors (Board) monitors compliance with these by means of management reports. Information on the outcomes of

any significant interaction with key stakeholders, such as the Bank's regulators, is also provided to the Board.

The Bank complies with all applicable legislation, regulations, standards and codes in Ghana.

Corporate Governance Directive, 2018

The Board certifies that the Bank is largely compliant with Bank of Ghana's Corporate Governance Directive, 2018 and the Corporate Governance Disclosure Directive 2022 (Directives). The corporate governance processes of the Bank have been independently assessed, are effective and have successfully achieved their objectives.

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

Board and Directors

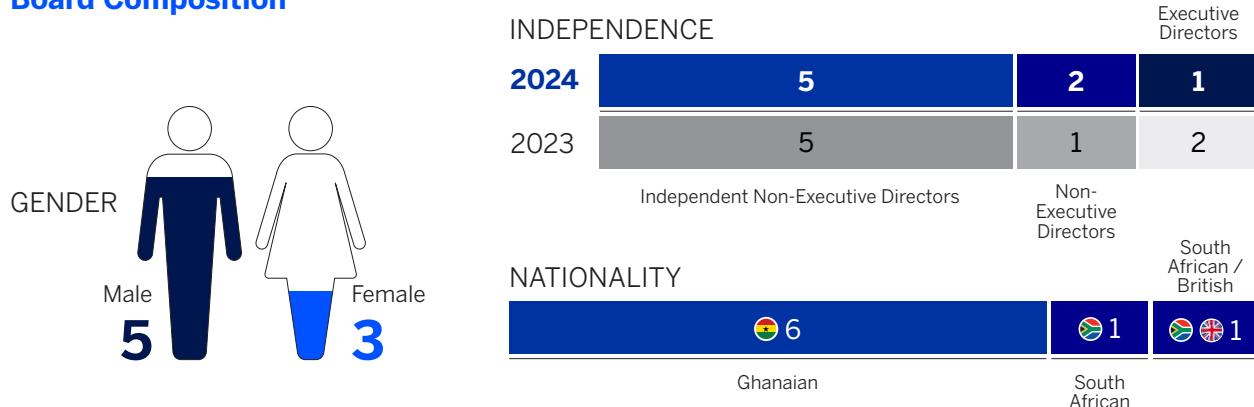
Ultimate responsibility for governance rests with the Board. The Bank has a unitary board structure, and the roles of the chairman and chief executive are separate and distinct. The chairman is an independent non-executive director. The number and stature of independent non-executive directors ensures that sufficient independence is brought to bear on decision making.

Directors' Declarations

Directors declare their professional and business interests to the Board before assumption of office. This declaration is reviewed quarterly at each Board meeting and updated by Directors, as and when changes occur.

A Director with an interest in any matter being considered by the Board would declare the interest to the Board and then recuse himself/herself from the discussions of the Board on that matter.

Board Composition



The Board is constituted in accordance with the Constitution of the Bank. The Board is made up of more than sixty percent (60%) independent directors in compliance with the Directives.

Currently, it is composed of five independent non-executive directors, two non-executive directors and one executive director. There is an appropriate balance of power and authority on the Board between the executive and non-executive directors such that no one individual or group dominates the Board's decision-making progress.

Out of the 8 members, there are 6 Ghanaian nationals and five (5) are ordinarily resident in Ghana.

Mr. Zaranyika Timothy Mugodi resigned as an executive director on February 1, 2024.

On February 8, 2024, Mr. William Fergus Blackie was appointed as a non-executive director of the Bank.

No director has shares in the Bank.

Board Supervision of Management

It is the Board's responsibility to ensure that adequate management is in place to implement the Bank's strategies, and to consider issues relating to succession planning. The Board is satisfied that the current pool of talent available within the Bank and ongoing work to deepen the talent pool provide adequate succession depth in both the short and long term.

There is appropriate communication between the Board and executive management. Employees are invited, as required, to make presentations to the Board on material issues under consideration. At the close of each board meeting non-executive directors meet without the executive directors at a closed session led by the Chairman. The primary objective of these sessions is to provide non-executive directors with the opportunity to test thoughts among peers. The Chairman, as the primary link between the Board and executive management, provides feedback from the closed sessions to the Chief Executive.

Directors have unrestricted access to management and company information, as well as resources required to carry out their responsibilities, to the Bank, including external legal advice, at the Bank's expense.

Management Reporting Structures

The Board requires management to keep directors abreast with the performance of the Bank against the Bank's approved strategic plan and budget. These updates are provided in management's quarterly reports to the Board and Board Committees.

The reports include the Chief Executive's Report, Compliance Report, Internal Control Report, Information Technology Report, Internal Audit Report and Risk Management Report.

Where there is a matter which requires the urgent attention of the Board, Management is at liberty to submit such reports to the Board through the Company Secretary and/or a special Board meeting is convened.

Skills, knowledge, experience and attributes of directors

The Board possesses the skills, knowledge and experience necessary to fulfil their obligations. The Directors bring a balanced mix of attributes to the board, including:

- international and domestic work experience;
- management experience;
- knowledge and understanding of both macroeconomic and microeconomic factors affecting the Bank and;
- financial, legal, information technology, risk and banking skills.

Board training

It is essential that directors participate in training and capacity building programmes. The Directors underwent at least six different training sessions during the year. These included training on Payment Systems, Cybersecurity, Anti-Money Laundering (AML) & Combatting the Financing of Terrorism (CFT) Awareness, Subsidiary Governance Framework, in addition to the mandatory Corporate Governance Certification Training organised by National Banking College.

Certification of Directors

All the Directors of the Bank have participated in the Corporate Governance certification program facilitated by the National Banking College and have been duly certified.

Newly appointed directors participate in the Bank's bespoke induction and orientation, for directors. The director who was appointed during the year underwent the required induction and orientation.

Board responsibilities

The key mandate of the Board, which forms the basis for its responsibilities, is to ensure that the Bank is a sustainable organisation capable of fulfilling its stated objectives.

Strategy

Setting the Bank's strategy is the responsibility of the Board. This is considered and approved by the Board at a meeting dedicated for that purpose.

Once the financial and governance objectives for the following year have been agreed, the Board monitors performance on an ongoing basis. Performance against financial objectives and budget is monitored by way of quarterly management reports and presentations at Board meetings.

Board effectiveness and evaluation

The Board and its Committees conduct annual self-evaluations to assess themselves against their effectiveness and objectives. Once every other year, an independent external evaluation is undertaken. The aim of the evaluation is to assist the Board in improving its effectiveness. The outcome of the evaluation is discussed at a board meeting and any areas of concern are addressed. Relevant action points are also noted for implementation.

The performance of each director including the Chairman, the Chief Executive and the Company Secretary are assessed annually.

Board meetings and attendance

Meetings of the Board are held once a quarter with additional meetings to consider the Bank's strategy and to shape the budget. The Board is provided with comprehensive documentation at least four days prior to each of the scheduled meetings. Management also submits to the Board for consideration, reports on key developments in the financial system including Directives, Notices and Guidelines issued by Bank of Ghana.

The annual meeting calendar and summary of work conducted by the Board in the year were as follows:

Month	Summary of Work Conducted
March	<p>Quarterly Board Meeting: to discuss</p> <ul style="list-style-type: none"> ■ Reports of various Board Committees and from the Chief Executive; ■ Approve audited financial statements; ■ Management reports on Bank's financial performance, customer complaints and strategy execution, environmental, science, governance, and sustainability (ESG) etc. ■ Approve annual reward review for staff ■ Key Management appointment
June	<p>Quarterly Board Meeting: to discuss</p> <ul style="list-style-type: none"> ■ Reports of various Board Committees and from the Chief Executive; ■ Management reports on Bank's financial performance, consumer complaints, strategy execution, environmental, science, governance, and sustainability (ESG) etc. ■ Review feedback on the Board and Board Committees' evaluations. ■ Internal Capital Adequacy Assessment Process 2024. ■ Approve Mandates and Policies for the Bank
August	<ul style="list-style-type: none"> ■ Board Strategy Session
August	<p>Quarterly Board Meeting: to discuss</p> <ul style="list-style-type: none"> ■ Reports of various Board Committees and from the Chief Executive; ■ Management reports on Bank's financial performance, consumer complaints, strategy execution, environmental, science, governance, and sustainability (ESG) etc, employee relations, corporate social investment (CSI), Blue Fusion etc. ■ Outsourcing a function of the Bank. ■ Approve Policies for the Bank
December	<p>Quarterly Board Meeting: to discuss</p> <ul style="list-style-type: none"> ■ Reports of various Board Committees and from the Chief Executive; ■ Management reports on Bank's financial performance, consumer complaints, strategy execution, environmental, science, governance, and sustainability (ESG) etc, employee relations, corporate social investment (CSI) etc. ■ Approve Top and Emerging Risks 2025 ■ Approve 2025 Forecast for the Bank ■ Approve the Renewal of the Chief Executive's Contract.

In 2024, attendance by the Directors at the meetings of the Board was as follows:

Director	March	June	August	December
Mrs. E.T. Addo-Ashong	✓	✓	✓✓	✓
K.K. Asomaning	✓	✓	✓✓	✓
Ms. E. Akofio-Sowah	✓	✓	✓✓	✓
Mrs. S. Frimpong	✓	✓	✓✓	✓
Prof. R.D. Osei	✓	✓	✓✓	✓
J. Baisie	✓	✓	✓✓	✓
W.J. Engelbrecht	✓	✓	✓✓	✓
¹ Z.T. Mugodi	-	-	-	-
² W.F. Fergus	✓	✓	✓✓	✓

¹Resigned February 1, 2024

²Appointed February 8, 2024

✓ Attendance

- Not available

with specific reference to the procedures for identifying regulatory risks and ensuring that the Bank's policies comply with relevant regulatory and legal requirements.

The Committee provides a report to the Board at each meeting of the Board.

In 2024, attendance by directors at the Board Audit Committee was as follows:

Director	February	June	August	December
R.D. Osei	✓	✓	✓	✓
S. Frimpong	✓	✓	✓	✓
H. Engelbrecht	✓	✓	✓	✓

Board Risk Committee

The Board Risk Committee is composed only of non-executive directors, none of whom has served on the Committee for five (5) years. More than thirty percent (30%) of the Risk Committee's members are Ghanaians who are ordinarily resident in Ghana.

The Committee's mandate provides, inter alia, that the Committee is to provide independent and objective oversight of risk and capital management including the implementation and monitoring of related plans and processes. The Committee also has the responsibility to ensure that an enterprise-wide risk framework is implemented in the Bank. At each Board meeting, the Committee provides a report.

The Committee provided independent and objective oversight of risk and capital management in the Bank.

The Committee reviewed reports detailing the adequacy and overall effectiveness of the Bank's risk management architecture (including policies, procedures and processes and control of risk) and its implementation by management, and reports on internal control and any

recommendations, and confirm that the appropriate action has been taken.

In the coming year, the Committee's calendar of activities includes reviewing the adequacy of the Bank's risk management architecture and its implementation by management. This would be done every quarter, as required.

In 2024 attendance by directors at the Board Risk Committee was as follows:

Director	February	June	August	December
J. Baisie	✓	✓	✓	✓
E. Akofio-Sowah	✓	✓	✓	✓
¹ R. D. Osei	✓	✓	-	-
² W.F. Blackie	-	-	✓	✓

¹ Reassigned from Committee in June 2024

²Appointed to Committee in June 2024

- Not available

Details of the committees and their meeting dates are also provided below:

Board Audit Committee

The Board Audit Committee comprises of non-executive directors, majority of whom are independent. More than sixty percent (60%) of the Committee's members are Ghanaians who are ordinarily resident in Ghana.

The Committee's Mandate provides inter alia that the Committee is to assist the Board discharge its responsibilities to safeguard the Bank's assets; maintain adequate accounting records; develop and maintain effective systems of internal control and monitor the Banks compliance with applicable regulations and legislation.

The Committee reviewed the Bank's internal control structure; reviewed internal audit

functions; liaised with external auditors; monitored the compliance of the Bank with legal and regulatory requirements and the Bank's code of conduct.

In the coming year, the Committee's calendar of activities includes reviewing the Bank's audit plan with the external auditors, reviewing the adequacy and effectiveness of accounting policies adopted by the Bank and reviewing the Bank's Compliance Plan,

Board Information Technology Committee

The Board Information Technology Committee is composed of independent non-executive directors and the Chief Executive. The Committee was established to assist the Board in fulfilling its corporate governance responsibilities. The Committee has a Mandate which provides inter alia that the Committee shall assist the Board with respect to IT, cybersecurity, and payment systems and to provide oversight on the IT and payment systems strategy. The Committee also has oversight responsibility of information and cybersecurity risks and provides a quarterly report to Board meetings.

The Committee reviewed, monitored, and provided guidance on matters related to the Bank's IT strategy, operations, policies, and controls.

In the coming year, the Committee's calendar of activities includes ensuring that prudent and reasonable steps have been taken with respect to fulfilling its responsibilities for Information Technology (IT), governance, cybersecurity, and payment systems.

In 2024 attendance by directors at the Board Information Technology Committee was as follows:

Director	March	June	August	November
E. Akofio- Sowah	✓	✓	✓	✓
J. Baisie	✓	✓	✓	✓
K. Asomaning	✓	✓	✓	✓

- Not available

Board Nominations Committee

The Board Nominations Committee is composed of non-executive directors and the Chief Executive. Its mandate which is reviewed on an annual basis provides that the Committee is tasked with the responsibility of, inter alia, maintaining and overseeing nomination and re-election policies for directors, which will attract and retain the highest quality of directors. The Committee provides a report to the Board after each meeting.

In 2024 attendance by directors at the Board Nominations was as follows:

Director	March	June	August	November
E. Akofio- Sowah	-	-	✓	-
Mrs. E.T. Addo-Ashong	-	-	✓	-
H. Engelbrecht	-	-		-
K. Asomaning	-	-	✓	-

Board Remuneration Committee

The Board Remuneration Committee is composed of independent non-executive directors. Its mandate which is reviewed annually provides, inter alia, that the Committee is to assist the Board discharge its responsibilities to ensure that directors and executives are fairly, responsibly and appropriately remunerated. The Committee provides a report to the Board after each meeting.

The Committee ensured that competitive reward strategies and programmes were in place to facilitate the recruitment, motivation, and retention of high-performance staff at all levels in support of corporate objectives and stakeholder interests.

In the coming year, the Committee would ensure that remuneration packages needed to attract, retain, and motivate high performing directors, executive management and staff are reviewed and put in place.

In 2024 attendance by directors at the Board Remuneration Committee was as follows:

Director	January	May	August	November
R. D. Osei	✓	-	✓	✓
S. Frimpong	✓	-	✓	✓
J. Baisie	✓	-	✓	✓

Succession Planning

The careful management of the board succession process is vital to the effective functioning of the Board. The Board, through its Nominations Committee ensures that as directors retire, candidates with the necessary skills and experience have been identified to ensure that the Board's competencies and balance are maintained and enhanced.

In addition to managing non-executive director succession, the Board considers the talent management of the Bank's leadership

team. The Board is satisfied with the depth of talent in the Bank's senior leadership.

Internal Control and Risk Framework

The Board ensures that management has created and maintained an effective internal control framework which is regularly reviewed.

The Bank also has in place internal control policies and procedures for managing material risks. These policies and procedures are regularly reviewed in accordance with changes in legislation to ensure that they remain relevant.

The Bank's risk management strategy approved by the Board provides the approach to managing risks. The risk management strategy also describes the risk governance relationship between the Board, Board committees and Senior Management of the Bank. It also outlines the approach to ensuring that all persons within the Bank have an awareness of the risk management framework as it relates to their role, for instilling an appropriate risk culture across the Bank.

The Board reviews the Bank's interim and audited annual financial statements and all financial information intended for distribution to the shareholders and the public. The Board also assesses the performance of financial management and review the quality of internal accounting control systems and reports produced by financial management.

Internal control deficiencies or breaches and preventive actions are reported in Management's Internal Control Quarterly Report to the Board Audit Committee.

The Board confirms it has the responsibility for maintaining and reviewing the effectiveness of risk management systems, and for determining the aggregate level and types of risks the Bank is willing to take in achieving its strategic objectives.

Internal Audit

The internal audit function put in place to provide an independent assessment of the adequacy of, and compliance with established policies and procedures is effective. The internal audit department's responsibilities include conducting assurance audits and ensuring that appropriate remedial action has been taken. All members of the internal audit department report to the Country Head, Internal Audit who in turn reports to the Board Audit Committee through its chairman.

Biannually, the Board Audit Committee approves an Internal Audit Plan, which provides the nature and scope of audit work to be undertaken during the half year. During the year, the scope of audit included audits to address the primary risks of Credit, Conduct, Technology and Compliance.

Conflicts of Interest

The Bank requires in compliance with applicable laws on conflicts of interest and its Conflict-of-Interest Policy, that all employees, consultants, contractors, suppliers, other associated persons and other third parties to always act honestly and with integrity and to manage fairly all conflicts of interest. In formulating measures and procedures to manage such risks, the Bank has implemented controls to ensure that employees engaged in different business activities carry on those activities at a level of independence that is appropriate, given the size and nature of such activities, to prevent the risk of damage to the interests of its clients, which may otherwise ensue.

No Director had an interest in any contract with the Bank during the year. The Board is compliant with the Bank's Conflict of Interest Policy.

Management Committees

Executive Committee

The Chief Executive chairs the Executive Committee ("Exco") of which Departmental Heads are members. Its main function is to assist the Chief Executive with the general executive control of the Bank within the limits laid down by the Board of the Bank.

Assets and Liabilities Committee

The Assets and Liabilities Committee is also chaired by the Chief Executive and comprises some members of executive management. Its purpose is to recommend policies and guidelines to the Board for the management of Balance Sheet growth; deposits, advances and investments; foreign exchange activities and positions; and risks associated with exchange rates and liquidity.

Company Secretary

It is the duty of the Company Secretary to ensure that the Board remains cognisant of its duties and responsibilities. The Board is satisfied that an arm's length relationship exists between it and the Company Secretary, who is not a member of the Board. In addition to providing the Board with guidance on its responsibilities, the Company Secretary keeps the Board abreast with relevant changes in legislation and governance best practices. All Directors have unfettered access to the services of the Company Secretary.

Going Concern

On the recommendation of the Board Audit Committee, the Board annually considers and assesses the going concern basis for the preparation of financial statements at the year end. At the interim reporting period, a similar process is followed to enable the Board to consider whether or not there is sufficient reason for this conclusion to be affirmed.

Ethics and Organisational integrity

The Bank's revised code of ethics is designed to empower employees and enable faster decision making at all levels of our business according to defined ethical principles. It also aims to ensure that, as a significant organisation in the financial services industry, the Bank adheres to the highest standards of responsible business practice, maintaining confidence in the integrity of the Bank. The code of ethics ensures that the Bank, its employees, management, and Board commit to the highest standards of professional behaviour, business conduct and sustainable business practices.

The code of ethics also ensures that corporate culture and values established by the Board promote and reinforce norms for responsible behaviour in terms of the Bank's risk awareness, risk-taking and risk management.

The code interprets and defines the Bank's values in greater detail and provides values-based decision-making principles to guide our conduct. It is aligned with other policies and procedures of the Bank and supports the relevant and applicable industry regulations and laws.

Directors and all employees have read and understood the code of ethics and sanctions for breaching the code of ethics and have signed-off accordingly.

All senior management and employees of the Bank are to adhere to the Bank's personal trading policy. The policy ensures that employees avoid the sanctions which may result from the misuse of Bank and/or client information which is deemed to be material non-public information (MNPI) within the scope of any relevant market abuse regulatory framework. Two employees, by a public auction, acquired 10,000 shares in the Bank. They are yet to receive the Sheriff's Certificate to enable the necessary changes to be made in the statutory registers of the Bank.

Related Party Transactions

The Board has the mandate to review and assess risks on related party transactions, whilst ensuring that the transactions are subject to appropriate restrictions. All loans granted to related parties, senior management and staff comply with the applicable directives, regulations, legislations and the policies of the Bank. All related party transactions are done at arm's length basis.

Remuneration

Remuneration philosophy

The Standard Bank Group's remuneration philosophy, which the Bank adopts, aligns with its core values, including growing our people and delivering value to our shareholders. The philosophy continues to emphasise the fundamental value of our people and their role in ensuring sustainable growth. This approach is crucial in an environment where skills remain scarce.

The Group's Board of Directors sets the principles for the remuneration philosophy in line with approved business strategy and objectives. The philosophy aims to maintain an appropriate balance between employee and shareholder interests. The executive remuneration policy and reward policy of the Bank also aligns with the long-term sustainability goal of the Bank by providing a mix of short-term and long-term remuneration to incentivise sustainable long-term performance. This remuneration is approved by the Bank's Board and aligned with the Bank's practices.

A key success factor for the Bank is its ability to attract, retain and motivate the talent it requires to achieve its strategic and operational objectives.

Remuneration governance

The remuneration of Board members is reviewed by the Board and approved by shareholders. The remuneration of executive management is reviewed and approved by Remuneration Committee ("Remco") and the Board. The remuneration of the Board and executive management is structured.

The following key factors have informed the implementation of reward policies and procedures that support the achievement of business goals:

- the provision of rewards that enable the attraction, retention and motivation of employees and the development of a high-performance culture
- maintaining competitive remuneration in line with our markets, trends and required statutory obligations
- rewarding people according to their contribution and performance and more generally, prevent excessive risk taking or potential risks to the Bank's capital base
- allowing a reasonable degree of flexibility in remuneration processes and choice of benefits by employees
- utilising a cost-to-company remuneration structure
- educating employees on the full employee value proposition.

Remuneration structure

Non-executive directors

Terms of service

All non-executive directors are provided with a letter of appointment setting out the terms of their engagement. Non-executive directors are appointed for a 3-year tenure which is renewable for a maximum of three terms (maximum tenor of nine (9) years).

In terms of the Bank's Constitution, non-executive directors are required to retire at age 70.

At the end of a 3-year tenure, a non-executive director is required to retire at the next annual general meeting and may offer themselves for re-election. If recommended by the directors and supported by the Board, the Board then proposes their re-election to shareholders.

Fees

Non-executive directors receive fixed fees for service on Board and Board committees. This includes a retainer that has been calculated in line with market practices. There are no contractual arrangements for compensation for loss of office. Non-executive directors do not receive short-term incentives, nor do they participate in any long-term incentive schemes.

The following amount represents the total remuneration paid to executive and non-executive directors for the year under review:

Total amount paid	GHS ('000)
Directors (executive and non-executive)	18,981.95

Chief Executive

The Chief Executive receives a remuneration package and qualifies for long-term incentives on the same basis as other employees. The components of his package are as follows:

- **guaranteed remuneration** – based on his market value and the role that he plays;
- **annual bonus and pension incentive** – used to incentivise the achievement of the Bank's objectives; and
- **pension** – provides a competitive post-retirement benefit in line with the Bank's employees.

Management

Terms of Service

The terms and conditions of employment of managers are guided by the legislation in Ghana and are aligned to the Standard Bank Group practice.

Fixed Remuneration

Managerial remuneration is based on a total cost-to-company structure. Cost-to-company comprises a fixed cash portion, compulsory benefits (medical aid and retirement contribution) and optional benefits. Market data is used to benchmark salary levels and benefits. Salaries are normally reviewed annually in March.

For all employees, structured performance-related payments have formed an increasing proportion of total remuneration over time to achieve business objectives and reward individual contribution.

All employees (executives, managers and general staff) are rated on the basis of performance and potential and this is used to influence actual performance-related remuneration.

Rating and the consequent pay decision is done on an individual basis. There is therefore a link between rating, measuring individual performance and reward.

Short-term Incentives

Executives and managers participate in a performance bonus scheme. Individual awards are based on a combination of business unit performance, job level and individual performance. In keeping with the remuneration philosophy, the bonus scheme seeks to attract and retain high-performing managers.

Long-term Incentives

It is essential for the Bank to retain key skills over the longer term. This is done particularly through share-based incentive plans. The purpose of these is to align the interests of The Standard Bank Group, its subsidiaries and employees, as well as to attract and retain skilled, competent people.

General Staff

Terms of service

Most general staff are unionised. Their terms and conditions of employment are therefore guided by a collective agreement.

Fixed Remuneration

Remuneration of all staff is based on a basic salary plus benefits, which generally includes medical aid and retirement fund membership.

Generally, salary increases are negotiated on an annual basis, usually effective in March. Salary increases are based on similar factors as those considered when reviewing managerial staff increases.

BANK SNAPSHOT

	2024	2023
Branches	41	41
ATMs	140	136
CDMs	12	9
Headcount	901	884
CSI spend (GHS'000)	8,421	6,526

Highlights of awards and achievements in 2024:

	Overall Best Bank in Ghana, EMEA Finance African Banking Awards 2024
	Best Investment Bank, EMEA Finance African Banking Awards 2024
	Best Debt House EMEA Finance African Banking Awards 2024
	Most Innovative GhanaPay Bank in 2024, Ghana Interbank Payment and Settlement Systems (GhIPSS).
	Best in Customer Experience (Corporate Banking), KPMG 2024
	2nd Best in Customer Experience (Retail), KPMG 2024

Material issues facing the Bank

There were no material deficiencies in the Bank in the course of the year.

REPORT ON BOARD EVALUATION

External Board Evaluation

In January 2025, National Banking College (NBC) undertook a formal and rigorous evaluation of the performance of the Board, Board Committees and individual Board members for the 2024 year. An external evaluation had previously been undertaken in 2023 for the performance of the Board in 2022. The evaluation covered board structure, leadership and composition, governance roles and responsibilities. NBC assessed the Board's Compliance with Bank of Ghana's (BoG) structure and composition Directives, the Board's effectiveness in the exercise of its responsibilities against the BoG Corporate Governance Directive (2018), and further determined the current strengths, weaknesses, and performance gaps of the Board.

The scope adopted involved evaluating seventeen (17) thematic areas of the unitary Board, nineteen (19) Key Performance Indicators for the Chairperson, twenty-three (23) Key Result Areas for the Bank's six (6) Committees and fourteen (14) Leadership Competencies for the individual directors.

Evaluation Methodology & Process

The evaluation framework to assess the effectiveness of the Stanbic Bank Board was based on the Kiel and Nicholson's Model, UK Combined Code Model, and John Carver Governance Model.

NBC obtained copies of the Board and Board Committee mandates and, administered evaluation questionnaires to gain insights into issues on Directors' minds to generate narrative reports along the thematic areas for Board improvement. The questionnaires were also administered to validate the responses provided earlier in the Board Effectiveness questionnaire and to further establish performance gaps.

A review of relevant governance documents against industry laws and rules/directives, corporate governance structures to validate the quality of Board governance processes and practices was also undertaken.

The Likert scale was used to compute the average scores and adjusted cumulative scores (actual governance score from self-assessment) to establish deviations from the governance score which was pitched at 100%.

Structured interviews were also conducted with directors to gain further insights into the responses which directors had provided to their questionnaires. The interactive dialogue was to validate the results and sources of data, and to decipher the strengths and any areas for improvement in the Board's operations.

Summary of Key Findings from the Board External Evaluation

Board Area of Focus	Applicable Sections	Findings	Action Plan	Timelines
1 Board Renewal and Succession Planning		Board renewal and Executive succession planning with the CE transition plan was mentioned as one that require attention.	<ul style="list-style-type: none"> ■ Currently there are succession plans for both Executive and Management. ■ These are living documents, and for executive planning, ongoing reviews are being done for the proposed key management personnel. ■ Identification of candidates for Independent Non-Executive directors is currently ongoing. 	Ongoing
2 Stakeholder Engagement	N/A	The collation and prioritization of Stakeholder concerns, and the implementation of Board decisions on the Stakeholders by Management require attention.	An operative stakeholder engagement plan will be developed for the consideration of the Board.	May 2025
3 Compensation System Practices/ Incentive scheme and bonus allocation process		Ensure that the group Compensation system has an input from the Board	The Board Remuneration Committee annually approves the compensation for staff of the Bank with inputs from the Group. Subsequently engagement with the Board Remco will be improved in this regard.	3rd Quarter of 2025

REPORT ON BOARD EVALUATION (Continued)

Board Area of Focus	Applicable Sections	Findings	Action Plan	Timelines
4 Committee reporting		Concise Board committee reports to main Board, encouragement of Board members to read committee reports before meeting.	Board members to be regularly reminded to thoroughly read the committee reports before the Board meeting.	Ongoing

External Independent Evaluation Conclusion

The NBC independent evaluation report stated that Stanbic Bank Ghana Board was a high-performance Board. The baseline performance score (combination of all scores) for the Stanbic Bank Board is 90.65% for the 2024 financial year. This is above the industry benchmark score of 80.00%.

It was noted that the Board scored itself Best Governance Practice in fourteen (14) thematic areas ranging from 98% - 90% and Moderate Governance Practice in three (3) performance areas namely, Stakeholder Engagement, Board Renewal and Succession Planning and Compensation System Practices ranging 88.67% -88.40%.

NBC's report indicated that the cumulative weighted scores for all six Board Committees were 88.20%.

The average performance score of the peer-to-peer evaluation of Directors was 94.31% indicating that collectively, members of the Board are high performers.

NBC further noted that the briefly, areas needing improvements are Stakeholder Engagement, Board Renewal and Succession Planning, credit risk management and Compensation System Practices.

Addressing Recommendations and Key Findings from Previous Assessments

The Board has taken steps to address the key findings and has also implemented the recommendations from the previous evaluation (2022 evaluation). These include the following:

- the introduction of quarterly in-house training on banking for all Directors since March 2023 to complement mandatory director certification training programmes organised by National Banking College.
- The allocation of sufficient time for consideration of regulatory reports and directives at Board meetings.
- Increased the time allocation for expansive discussion of broader strategic issues and themes.
- The time allocated for the Board Strategy session organised in August every year was increased to 10 hours.

Board Self Evaluation

The Board annually conducts a self-evaluation of its performance and that of the committees of the Board. Matters identified for improvement by Directors are actioned by the identified responsible persons, including the Chairman, Chief Executive and Company Secretary within an agreed timeline.



INDEPENDENT AUDITOR'S REPORT

To the Members of Stanbic Bank Ghana LTD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our Opinion

We have audited the financial statements of Stanbic Bank Ghana LTD (the Bank) (collectively "the Bank") set out on pages 49 to 137, which comprise the statement of financial position as at 31 December 2024, the income statement and other comprehensive Income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Bank as at 31 December 2024, and its financial performance and cash Flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board including the IAS 29 Hyperinflation Directive issued by the Institute of Chartered Accountants Ghana and also in the manner required by the provisions of the Companies Act, 2019 (Act 992) and the Banks and Specialized Deposit -Taking Institutions Act, 2016, (Act 930).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the International Ethics Standard Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the Financial Statements in Ghana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is 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 financial statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter as provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The result of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.



Takoradi Port, Western Region, Ghana

Key audit matter	How our audit addressed the key audit matter
<p>Allowance for expected credit losses on loans and advances to customers</p> <p>IFRS 9 introduced a forward-looking Expected Credit Loss (ECL) model. The ECL model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. The amount of ECL's recognized as a loss allowance or provision depends on the extent of credit deterioration since the initial recognition and recognition of impairment could be done on a 12-month expected credit losses or lifetime expected credit losses. Impairment computations under IFRS 9 therefore involves the use of models that takes into account:</p> <ul style="list-style-type: none"> ■ The probability-weighted outcome. ■ Reasonable and supportable information that is available without undue cost or Loan loss provision is a key area of judgement for management. Significant judgements in the determination of the Bank's Expected Credit Loss includes: <ul style="list-style-type: none"> ■ Use of assumptions in determining ECL modelling parameters. ■ Portfolio segmentation for ECL computation ■ Determination of a significant increase credit risk and ■ Determination of associations between macroeconomic scenarios. <p>The level of judgements and assumptions underlying the ECL models can significantly affect the level of allowance for expected credit losses on loans and advances to customers. Due to the significance of such loans which account for about 24% of total assets of the Bank, and the significant use of judgements, the assessment of the allowance for expected credit losses is a key audit matter.</p> <p>The information on Credit impairment allowance for loans and Advances to customers is provided in Note 10 'Credit impairment allowance for loans and Advances' of the financial statements.</p>	<p>We obtained an understanding of the Bank's credit risk modelling methodology.</p> <p>We validated and tested the ECL model of the Bank by assessing the data integrity and the internal controls around the model. We have also performed, among others, the following substantive audit procedures:</p> <ul style="list-style-type: none"> ■ Reviewed the accounting policies and framework of the methodology developed by the Bank in order to assess its compliance with IFRS 9; ■ Verified sampled underlying contracts of financial assets to determine the appropriateness classification and if asurement of these imanagement's instruments in the EaL model; ■ Reviewed and tested the methodology developed to calculate loan loss provision under IFRS 9, concentrating on aspects such as factors for determining a 'significant increase in credit risk', staging of loans, testing specific models related to Probability of Default (PD), Loss Given Default (LGD), Exposure at Default (EAD) ; ■ Tested the accuracy and completeness of data used in modelling the risk parameter, Recalculating the ECL; ■ Reviewed forward looking information /multiple economic scenario elements; ■ For stage 3 exposures, we tested the reasonableness of the assumptions underlying the impairment identification and quantification including forecasts of future cash flows, valuation of underlying collateral, estimated period of realization for collaterals, etc; ■ We have also analyzed information relating to the allowance for expected credit losses on loans and advances to customers disclosed in the Notes to the financial statements of the Bank.

Other Information

The Directors are responsible for the other information. The other information comprises Corporate information (Directors, Company Secretary, Registered Office, Solicitors and Bankers), Financial highlights, Report of the Directors as required by the Companies Act, 2019 (Act 992) , Corporate Governance Report, Value added statement and Shareholder information report included in the 137 page document titled "Stanbic Bank Ghana LTD financial statements for the year ended 31 December 2024", other than the financial statements and our Auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standard as issued by the International Accounting Standards Board including the IAS 29 Hyperinflation Directive issued by the Institute of Chartered Accountants Ghana and the requirements of the Companies Act, 2019, (Act 992) and the Banks and Specialized Deposit-Taking Institutions Act, 2016, (Act 930) and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Bank's financial reporting processes.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii. In our opinion, proper books of account have been kept by the Bank, so far as appears from our examination of those books;
- iii. The statements of financial position and income statements and statements of other comprehensive Income are in agreement with the underlying books of account.
- iv. In our opinion, to the best of our information and according to the explanations given to us, the accounts give the information required under the Act, in the manner so required and give a true and fair view of the state of affairs of the bank at the end of the financial year and of the profit or loss for the financial year then ended;
- v. We are independent of the Bank pursuant to Section 143 of the Companies Act, 2019 (Act 992).

The Banks and Specialized Deposit-Taking Institutions Act, 2016, (Act 930) under Section 85 (2) requires that we report on certain matters. Accordingly, we state that:

- i. The accounts give a true and fair view of the statement of affairs of the Bank and the results of operations for the year under review;
- ii. We were able to obtain all the information and explanations required for the efficient performance of our duties;
- iii. The transactions of the Bank are generally within the powers of the Bank;
- iv. The Bank has generally complied with the provisions of the Banks and Specialised Deposit-Taking Institutions Act, 2016, (Act 930).

The Bank has generally complied with the provisions of the Anti-Money Laundering Act, 2008, (Act 749), the Anti-Terrorism Act, 2008 (Act 762) and regulations made under these enactments.

Other matters

- The Bank has generally complied with the provisions of the Corporate Governance Directive 2018 and Corporate Governance Disclosure Directive 2022 issued by the Bank of Ghana.
- The financial statements of the Bank for the year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion on those statements on 27 March 2024.

The Engagement Partner on the audit resulting in this independent Auditor's report is Emmanuel Adekahlor (ICAG/P/ 1596).



Ernst & Young (ICAG/F/2025/126)

Chartered Accountants

Accra, Ghana

Date: 28 March 2025



Prempeh I International Airport, Ashanti Region, Ghana

STATEMENT OF FINANCIAL POSITION

as at 31 December 2024

	Note	2024 GHS'000	2023 GHS'000
Assets			
Cash and cash equivalents	7	13,801,069	8,841,231
Pledged trading assets	8.6	150,990	-
Non-pledged trading assets	8.7	2,165,532	2,055,380
Investment securities	9	7,165,362	6,305,792
Loans and advances to customers	10	7,846,716	5,989,342
Deferred tax assets	19	318,682	228,587
Other assets	12	708,313	809,235
Intangible assets	13	38,509	46,850
Property, equipment and right-of-use assets	14	395,748	357,121
Total assets		32,590,921	24,633,538
Equity			
Stated capital	15	4,130,664	2,976,870
Reserves		414,213	414,213
Retained earnings		3,716,451	2,562,657
Statutory reserve	16.1	2,890,892	1,882,423
Statutory credit risk reserve	16.2	825,559	680,234
		28,460,257	21,656,668
Liabilities			
Trading liabilities	17	2,119,933	807,720
Deposits and current accounts	18	23,980,219	19,385,882
Deposits from banks	18.1	808,010	794,725
Deposits from customers	18.2	23,172,209	18,591,157
Borrowings	18.3	573,179	31,497
Current tax liabilities	11	237,084	57,455
Other liabilities	20	1,549,842	1,374,114
Total equity and liabilities		32,590,921	24,633,538

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

Esi Tawia Addo-Ashong (Mrs)
Board Chairman

Kwamina Asomaning
Chief Executive

The notes on pages 54 - 137 are an integral part of these financial statements.

INCOME STATEMENT

for the year ended 31 December 2024

	Note	2024 GHS'000	2023 GHS'000
Net interest income		2,511,067	1,965,470
Interest income	25.1	3,154,821	2,463,726
Interest expense	25.2	(643,754)	(498,256)
Non-interest revenue		1,142,179	1,367,092
Net fee and commission revenue	25.3	550,294	423,070
Fee and commission revenue	25.3	700,025	536,517
Fee and commission expense	25.3	(149,731)	(113,447)
Trading revenue	25.4	591,788	943,699
Other gains	25.5	97	323
Total net income		3,653,246	3,332,562
Credit impairment charges	25.6	(364,191)	(31,876)
Net income after credit impairment charges		3,289,055	3,300,686
Operating expenses		(1,513,245)	(1,267,198)
Staff costs	25.7	(745,741)	(627,795)
Depreciation and amortisation	25.9	(112,464)	(99,996)
Other operating expenses	25.8	(655,040)	(539,407)
Profit before indirect tax		1,775,810	2,033,488
Indirect tax	26.1	(63,318)	(71,869)
Profit after indirect tax		1,712,492	1,961,619
Income tax expense	26.2	(549,890)	(681,204)
Profit for the year		1,162,602	1,280,415
Basic and diluted earnings per ordinary share (Ghana pesewas)	27	524	577

The notes on pages 54 - 137 are an integral part of these financial statements.

STATEMENT OF OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2024

	Note	2024 GHS'000	2023 GHS'000
Profit for the year		1,162,602	1,280,415
Other comprehensive income			
Items that may not be reclassified subsequently to profit or loss:			
		(8,808)	(11,337)
Remeasurement loss on defined benefit plan	30.1	(8,808)	(11,337)
Total comprehensive income for the year		1,153,794	1,269,078

The notes on pages 54 - 137 are an integral part of these financial statements.



STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2024

	Stated capital	Statutory credit risk reserve	Statutory reserve	Retained earnings	Ordinary shareholders' equity
	GHS'000	GHS'000	GHS'000	GHS'000	GHS'000
Balance at 1 January 2023	414,213	-	520,182	773,397	1,707,792
Total comprehensive income for the year	-	-	-	1,269,078	1,269,078
Profit for the year	-	-	-	1,280,415	1,280,415
Other comprehensive income for the year	-	-	-	(11,337)	(11,337)
Transfer to statutory reserve	-	-	160,052	(160,052)	-
Balance at 31 December 2023	414,213	-	680,234	1,882,423	2,976,870
Balance at 1 January 2024	414,213	-	680,234	1,882,423	2,976,870
Total comprehensive income for the year	-	-	-	1,153,794	1,153,794
Profit for the year	-	-	-	1,162,602	1,162,602
Other comprehensive income for the year	-	-	-	(8,808)	(8,808)
Transfer to statutory reserve	-	-	145,325	(145,325)	-
Balance at 31 December 2024	414,213	-	825,559	2,890,892	4,130,664

The notes on pages 54 - 137 are an integral part of these financial statements.



Adomi Bridge, Eastern Region, Ghana

STATEMENT OF CASH FLOWS

for the year ended 31 December 2024

	Note	2024 GHS'000	2023 GHS'000
Net cash flows from operating activities		5,316,324	668,698
Profit before direct taxes		1,712,492	1,961,619
Adjusted for:		(2,045,843)	(1,844,748)
Credit impairment charges on loans and advances	25.6	364,191	31,876
Depreciation of property, equipment and right-of-use assets	14.1	104,123	91,562
Amortisation of intangible assets	13.1	8,341	8,434
Interest expense	25.2	643,755	498,256
Interest income	25.1	(3,154,821)	(2,463,726)
Fair value adjustment on financial instruments	25.4.1	(11,335)	(10,827)
Profit on sale of property and equipment	14.2	(97)	(323)
Increase in income-earning assets	28.1	(2,953,711)	(5,417,899)
Increase in deposits and other liabilities	28.2	6,956,054	4,844,520
Interest paid		(642,190)	(496,541)
Interest received		2,917,384	2,244,705
Direct tax paid	11.1	(627,862)	(622,958)
Net cash flows used in investing activities		(97,219)	(63,338)
Capital expenditure on property and equipment (excluding right of use assets)	14.1	(97,837)	(63,930)
Proceeds from sale of property and equipment	14.2	618	592
Net cash flows used in financing activities		(89,900)	(72,778)
Principal lease repayments	20 (d)	(89,900)	(72,778)
Effects of exchange rate changes	28.3	(169,367)	(284,101)
Net increase in cash and cash equivalents		4,959,838	248,481
Cash and cash equivalents at beginning of the year		8,841,231	8,592,750
Cash and cash equivalents at end of the year	7	13,801,069	8,841,231

The notes on pages 54 - 137 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

Accounting policy elections

The principal accounting policies applied in the presentation of the annual financial statements are set out below.

1 Reporting entity

Stanbic Bank Ghana LTD (the Bank) is a financial services provider to Corporate and Investment Banking clients, Business and Commercial Banking as well as Private and Personal Banking.

The Bank is a limited liability company incorporated and domiciled in Ghana. The address of its registered office is Stanbic Heights, Plot No 215, South Liberation Link, Airport City, Accra, Ghana.

The annual financial statements for the year ended 31 December 2024 was approved by the Board of Director's on 20 February 2025.

2 Basis of preparation

(a) Statement of compliance

The annual financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board, including the IAS 29 directive issued by the Institute of Chartered Accountants Ghana (ICAG), and in the manner required by the Companies Act, 2019 (Act 992), and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). Explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Bank since the last annual financial statements.

In 2023, Ghana's cumulative 3-year average inflation exceeded 100% which triggered the quantitative hyperinflation criteria in IAS 29. The Institute of Chartered Accountants Ghana (ICAG) performed this assessment using the various criteria in IAS29 and concluded in its directive issued in January 2024 that IAS 29 will not be applicable for the December 2023 financial reporting period since Ghana is not operating in a hyperinflationary economy. Subsequent to the January 2024 directive, ICAG declared that IAS 29 will not be applicable to the December 2024 financial reporting period. This conclusion has been applied in the preparation of these financial statements.

(b) Basis of measurement

These financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

- derivative financial instruments are measured at fair value
- financial instruments at fair value through profit or loss are measured at fair value
- financial instruments that are measured at fair value through other comprehensive income
- liabilities for cash-settled share-based payment arrangements are measured at fair value
- trading assets and liabilities are measured at fair value

The Bank applies accrual accounting for recognition of its income and expenses.

(c) Going concern assumption

These financial statements have been prepared on the basis that the Bank will continue to operate as a going concern.

(d) Functional and presentation currency

These financial statements are presented in Ghana Cedis, which is the Bank's functional and presentation currency. All financial information presented in Cedis has been rounded to the nearest thousands (GHS'000), except when otherwise stated.

Notes to the financial statements (continued)

Accounting policy elections (continued)

3 Adoption of new and amended standards effective for the current financial year

The accounting policies applied in the preparation of the results are consistent with those reported in the previous year, apart from the items mentioned in this section. The Bank did not early adopt any amended standards during the current reporting year.

(a) Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS

The amendments clarified how to classify debt and other liabilities as current or non-current and introduced a requirement to classify debt as non-current only if an entity can avoid settling the debt in the 12 months after the reporting period. The amendments specified that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require an entity to disclose information about these covenants in the notes to the financial statements. This had no material impact on the Bank's classification.

(b) Supplier Finance Arrangements: Amendments to IAS 7 and IFRS 7

The amendments added requirements for an entity to provide additional disclosures about its supplier finance arrangements. The new requirements provide users of financial statements with information to assess how supplier finance arrangements affect an entity's liabilities, cash flows, the effect thereof on its exposure to liquidity risk and how an entity might be affected if the arrangements were no longer available to it. This had no material impact on the Bank's disclosures.

(c) Lease Liability in a Sale and Leaseback – Amendments to IFRS 16

The amendments added requirements explaining how an entity accounts for a sale and leaseback after the date of the transaction. The amendments added to the existing sale and leaseback requirements in IFRS 16 and did not change the accounting for leases, other than those arising in a sale and leaseback transaction. This had no material impact on the Bank's results.

4 Material accounting policies

Except for the changes explained in accounting note 3, the Bank has consistently applied the following accounting policies to all periods presented in these financial statements.

4.1 Foreign currency translations

Foreign currency transactions are translated into the Bank's functional currency at exchange rates prevailing at the date of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at period-end exchange rates, are recognised in profit or loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at historical cost are translated using the exchange rate at the transaction date, and those measured at fair value are translated at the exchange rate at the date that the fair value was determined. Exchange rate differences on non-monetary items are accounted for based on the classification of the underlying items.

4.2 Cash and cash equivalents

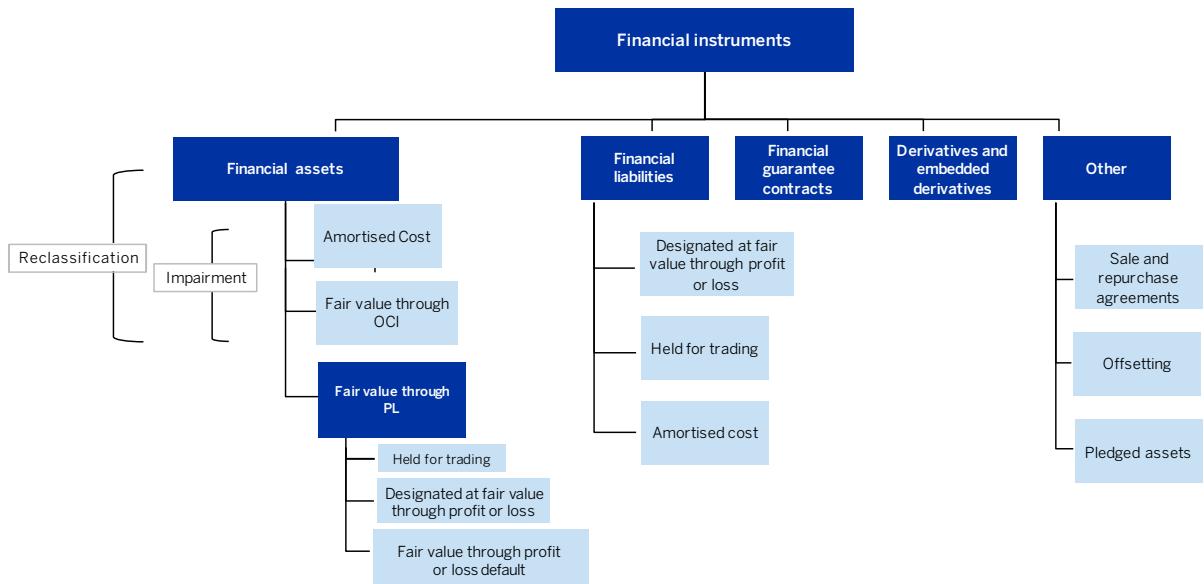
Cash and cash equivalents consists of coins and Bank notes held in the Bank's vault, cash and balances with central banks, and balances with other banks. Cash and balances with central Banks comprise coins and bank notes and balances with Bank of Ghana.

4 Material accounting policies (continued)

4.3 Financial instruments

Financial assets

The relevant financial instruments are financial assets classified at amortised cost, fair value through OCI, fair value through P/L and other liabilities.



Recognition and initial measurement – financial instruments

All financial instruments are measured initially at fair value plus directly attributable transaction costs and fees, except for those financial instruments that are subsequently measured at fair value through profit or loss where such transaction costs and fees are immediately recognised in profit or loss. Financial instruments are recognised (derecognised) on the date the Bank commits to purchase (sell) the instruments (trade date accounting).

Financial assets

Amortised cost

A debt instrument that meets both of the following conditions (other than those designated at fair value through profit or loss):

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

This assessment includes determining the objective of holding the asset and whether the contractual cash flows are consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are not considered de minimis and are inconsistent with a basic lending arrangement, the financial asset is classified as fair value through profit or loss – default.

Fair value through OCI

Includes:

- A debt instrument that meets both of the following conditions (other than those designated at fair value through profit or loss):
- held within a business model in which the debt instrument (financial asset) is managed to both collect contractual cash flows and sell financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This assessment includes determining the objective of holding the asset and whether the contractual cash flows are consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are not considered de minimis and are inconsistent with a basic lending arrangement, the financial asset is classified as fair value through profit or loss – default.

- Equity financial assets which are not held for trading and are irrevocably elected (on an instrument-by-instrument basis) to be presented at fair value through OCI.

Designated at fair value through profit or loss

Financial assets are designated to be measured at fair value in the following instances:

- to eliminate or significantly reduce an accounting mismatch that would otherwise arise
- where the financial assets are managed and their performance evaluated and reported on a fair value basis
- where the financial asset contains one or more embedded derivatives that significantly modify the financial asset's cash flows.

Fair value through profit or loss default

Financial assets that are not classified into one of the above-mentioned financial asset categories will be recognised in fair value through profit or loss default.

Notes to the financial statements (continued)

Accounting policy elections (continued)

4 Material accounting policies (continued)

4.3 Financial instruments (continued)

Financial assets (continued)

Subsequent measurement

Subsequent to initial measurement, financial assets are classified in their respective categories and measured at either amortised cost or fair value as follows:

Amortised cost	Amortised cost using the effective interest method with interest recognised in interest income, less any impairment losses which are recognised as part of credit impairment charges.
	Directly attributable transaction costs and fees received are capitalised and amortised through interest income as part of the effective interest rate.
Held for trading	Fair value, with gains and losses arising from changes in fair value (including interest and dividends) recognised in trading revenue.

Fair value through profit or loss – default	Fair value gains and losses (including interest and dividends) on the financial asset are recognised in the income statement as part of other gains and losses on financial instruments within non-interest revenue.
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Impairment

Expected credit losses (ECL) are recognised on debt financial assets classified as at either amortised cost or fair value through OCI, financial guarantee contracts that are not designated at fair value through profit or loss, as well as loan commitments that are neither measured at fair value through profit or loss nor are used to provide a loan at a below market interest rate.

The measurement basis of the ECL of a financial asset includes assessing whether there has been a significant increase in credit risk (SICR) at the reporting date which includes forward-looking information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. The measurement basis of the ECL, which is set out in the table that follows, is measured as the unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, the time value of money and forward looking information.

Stage 1	A 12-month ECL is calculated for financial assets which are neither credit-impaired on origination nor for which there has been a SICR.
Stage 2	A lifetime ECL allowance is calculated for financial assets that are assessed to have displayed a SICR since origination and are not considered low credit risk.
Stage 3	A lifetime ECL is calculated for financial assets that are assessed to be credit impaired. The following criteria are used in determining whether the financial asset is impaired: <ul style="list-style-type: none"> • default • significant financial difficulty of borrower and/or modification • probability of bankruptcy or financial reorganisation • disappearance of an active market due to financial difficulties.

4 Material accounting policies (continued)

4.3 Financial instruments (continued)

Financial assets (continued)

Impairment (continued)

The key components of the impairment methodology are described as follows:

Significant increase in credit risk (SICR)	At each reporting date the Bank assesses whether the credit risk of its exposures has increased significantly since initial recognition by considering the change in the risk of default occurring over the expected life of the financial asset. Credit risk of exposures which are overdue for more than 30 days are also considered to have increased significantly.
Low credit risk	Exposures are generally considered to have a low credit risk where there is a low risk of default, the exposure has a strong capacity to meet its contractual cash flow obligations and adverse changes in economic and business conditions may not necessarily reduce the exposure's ability to fulfil its contractual obligations.
Default	The Bank's definition of default has been aligned to its internal credit risk management definitions and approaches. A financial asset is considered to be in default when there is objective evidence of impairment. The following criteria are used in determining whether there is objective evidence of impairment for financial assets or banks of financial assets: <ul style="list-style-type: none"> • significant financial difficulty of borrower and/or modification (i.e. known cash flow difficulties experienced by the borrower) • a breach of contract, such as default or delinquency in interest and/or principal payments • disappearance of active market due to financial difficulties • it becomes probable that the borrower will enter bankruptcy or other financial reorganisation • where the bank, for economic or legal reasons relating to the borrower's financial difficulty, grants the borrower a concession that the bank would not otherwise consider. Exposures which are overdue for more than 90 days are also considered to be in default.
Forward-looking information	Forward looking information is incorporated into the Bank's impairment methodology calculations and in the Bank's assessment of SICR. The Bank includes all forward looking information which is reasonable and available without undue cost or effort. The information will typically include expected macro-economic conditions and factors that are expected to impact portfolios or individual counterparty exposures.
Write-off	Financial assets are written off when there is no reasonable expectation of recovery. Financial assets which are written off may still be subject to enforcement activities. All loans and advances write offs are subject to the approval of Bank of Ghana.

ECLs are recognised within the statement of financial position as follows:

Financial assets measured at amortised cost (including loan commitments)	Recognised as a deduction from the gross carrying amount of the asset (bank of assets). Where the impairment allowance exceeds the gross carrying amount of the asset (bank of assets), the excess is recognised as a provision within other liabilities.
Off-balance sheet exposures (excluding loan commitments)	Recognised as a provision within provisions.
Financial assets measured at fair value through OCI	Recognised in the fair value reserve within equity. The carrying value of the financial asset is recognised in the statement of financial position at fair value.

Reclassification of financial assets are permitted only in the following instances:

Reclassifications of debt financial assets are permitted when, and only when, the Bank changes its business model for managing financial assets, in which case all affected financial assets are reclassified. Reclassifications are accounted for prospectively from the date of reclassification as follows:

- Financial assets that are reclassified from amortised cost to fair value are measured at fair value at the date of reclassification with any difference in measurement basis being recognised in other gains and losses on financial instruments.
- The fair value of a financial asset that is reclassified from fair value to amortised cost becomes the financial asset's new carrying value.
- Financial assets that are reclassified from amortised cost to fair value through OCI are measured at fair value at the date of reclassification with any difference in measurement basis being recognised in OCI.
- The fair value of a financial asset that is reclassified from fair value through OCI to amortised cost becomes the financial asset's new carrying value with the cumulative fair value adjustment recognised in OCI being recognised against the new carrying value.
- The carrying value of financial assets that are reclassified from fair value through profit or loss to fair value through OCI remains at fair value.
- The carrying value of financial assets that are reclassified from fair value through OCI to fair value through profit or loss remains at fair value, with the cumulative fair value adjustment in OCI being recognised in the income statement at the date of reclassification.

Notes to the financial statements (continued)

Accounting policy elections (continued)

4 Material accounting policies (continued)

4.3 Financial instruments (continued)

Financial liabilities

Nature

Held for trading	Those financial liabilities incurred principally for the purpose of re-purchasing in the near term, those that form part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking.
At amortised cost	All other financial liabilities not included the above categories.

Subsequent measurement

Subsequent to initial measurement, financial liabilities are classified in their respective categories and measured at either amortised cost or fair value as follows:

Held for trading	Fair value, with gains and losses arising from changes in fair value (including interest and dividends) recognised in trading revenue.
At amortised cost	Amortised cost using the effective interest method with interest recognised in interest expense.

Derecognition of financial assets and liabilities

Financial assets and liabilities are derecognised in the following instances:

Financial assets	Financial assets are derecognised when the contractual rights to receive cash flows from the financial assets have expired, or where the Bank has transferred its contractual rights to receive cash flows on the financial asset such that it has transferred substantially all the risks and rewards of ownership of the financial asset. Any interest in transferred financial assets that is created or retained by the bank is recognised as a separate asset or liability.
	The Bank enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or a portion of the risks or rewards of the transferred assets. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised. Transfers of assets with the retention of all or substantially all risks and rewards include securities lending and repurchase agreements.
	In transfers where control over the asset is retained, the Bank continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.
Financial liabilities	Financial liabilities are derecognised when the obligation of the financial liabilities are extinguished, that is, when the obligation is discharged, cancelled or expires.

Modification of financial assets and liabilities

Where an existing financial asset or liability is replaced by another with the same counterparty on substantially different terms, or the terms of an existing financial asset or liability are substantially modified, such an exchange or modification is treated as a derecognition of the original asset or liability and the recognition of a new asset or liability at fair value and recalculates a new effective interest rate, with the difference in the respective carrying amounts being recognised in other gains and losses on financial instruments within non-interest revenue. The date of recognition of a new asset is consequently considered to be the date of initial recognition for impairment calculation purposes.

If the terms are not substantially different for financial assets or financial liabilities, the Bank recalculates the new gross carrying amount by discounting the modified cash flows of the financial asset or financial liability using the original effective interest rate. The difference between the new carrying gross carrying amount and the original gross carrying amount is recognised as a modification gain or loss within credit impairments (for distressed financial asset modifications) or gains and losses on financial instruments within non-interest revenue (for all other modifications).

4 Material accounting policies (continued)

4.3 Financial instruments (continued)

Financial guarantee contracts

A financial guarantee contract is a contract that requires the Bank (issuer) to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are initially recognised at fair value, which is generally equal to the premium received, and then amortised over the life of the financial guarantee. Financial guarantee contracts are subsequently measured at the higher of the:

- the ECL calculated for the financial guarantee; and
- unamortised premium.

Derivatives and embedded derivatives

A derivative is a financial instrument whose fair value changes in response to an underlying variable, requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors and is settled at a future date.

Derivatives are initially recognised at fair value on the date on which the derivatives are entered into and subsequently remeasured at fair value.

All derivative instruments are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative, subject to offsetting principles as described under the heading "Offsetting" below.

All gains and losses from changes in the fair values of derivatives are recognised immediately in profit or loss as trading revenue.

Other

Pledged assets

Financial assets transferred to external parties that do not qualify for de-recognition are reclassified in the statement of financial position from financial investments or trading assets to pledged assets, if the transferee has received the right to sell or re-pledge them in the event of default from agreed terms. Initial recognition of pledged assets is at fair value, whilst subsequently measured at amortised cost or fair value as appropriate. These transactions are performed in accordance with the usual terms of securities lending and borrowing.

Sale and repurchase agreements

Securities sold subject to linked repurchase agreements (repurchase agreements) are reclassified in the statement of financial position as pledged assets when the transferee has the right by contract or custom to sell or repledge the collateral. The liability to the counterparty is included under deposit and current accounts or trading liabilities, as appropriate.

Securities purchased under agreements to resell (reverse repurchase agreements), at either a fixed price or the purchase price plus a lender's rate of return, are recorded as loans and included under trading assets or loans and advances, as appropriate. For repurchase and reverse repurchase agreements measured at amortised cost, the difference between the purchase and sales price is treated as interest and amortised over the expected life using the effective interest rate method.

Offsetting

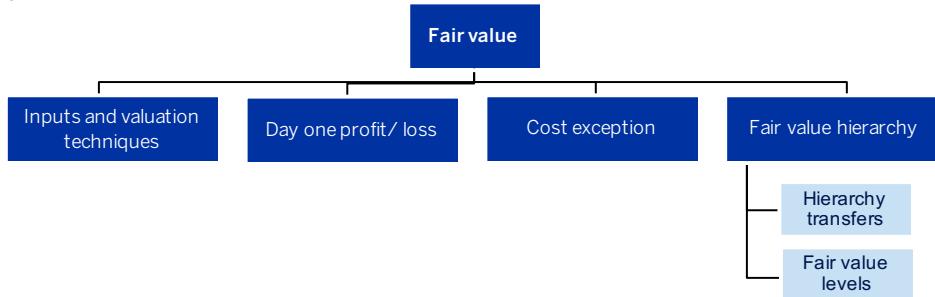
Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle the asset and the liability on a net basis, or to realise the asset and settle the liability simultaneously.

Notes to the financial statements (continued)

Accounting policy elections (continued)

4 Material accounting policies (continued)

4.4 Fair value



In terms of IFRS, the Bank is either required to or elects to measure a number of its financial assets and financial liabilities at fair value. Regardless of the measurement basis, the fair value is required to be disclosed, with some exceptions, for all financial assets and financial liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market between market participants at the measurement date under current market conditions. Fair value is a market based measurement and uses the assumptions that market participants would use when pricing an asset or liability under current market conditions. When determining fair value it is presumed that the Bank is a going concern and is not an amount that represents a forced transaction, involuntary liquidation or a distressed sale. In estimating the fair value of an asset or a liability, the Bank takes into account the characteristics of the asset or liability that market participants would take into account when pricing the asset or liability at the measurement date.

Inputs and valuation techniques

Fair value is measured based on quoted market prices or dealer price quotations for identical assets and liabilities that are traded in active markets, which can be accessed at the measurement date, and where those quoted prices represent fair value. If the market for an asset or liability is not active or the instrument is not quoted in an active market, the fair value is determined using other applicable valuation techniques that maximise the use of relevant observable inputs and minimises the use of unobservable inputs. These include the use of recent arm's length transactions, discounted cash flow analyses, pricing models and other valuation techniques commonly used by market participants.

Fair value measurements are categorised into level 1, 2 or 3 within the fair value hierarchy based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement.

Where discounted cash flow analyses are used, estimated future cash flows are based on management's best estimates and a market related discount rate at the reporting date for an asset or liability with similar terms and conditions.

If an asset or a liability measured at fair value has both a bid and an ask price, the price within the bid-ask spread that is most representative of fair value is used to measure fair value.

The Bank's valuation control framework governs internal control standards, methodologies, and procedures over its valuation processes, which include the following valuation techniques and main inputs and assumptions per type of instrument:

Item	Description	Valuation technique	Main inputs and assumptions (Level 2 and 3 fair value hierarchy items)
Derivative financial instruments	Derivative financial instruments comprise foreign exchange, and interest rate exposures.	Standard derivative contracts are valued using market accepted models and quoted parameter inputs. More complex derivative contracts are modelled using more sophisticated modelling techniques applicable to the instrument. Techniques include: • Discounted cash flow model	<ul style="list-style-type: none"> • Discount rate* • Spot prices of the underlying assets • Correlation factors • Volatilities • Dividend yields • Earnings yield • Valuation multiples
Trading assets and Trading liabilities	Trading assets and liabilities comprise instruments which are part of the Bank's underlying trading activities. These instruments primarily include sovereign and corporate debt, and collateral.	Where there are no recent market transactions in the specific instrument, fair value is derived from the last available market price adjusted for changes in risks and information since that date.	

4 Material accounting policies (continued)

4.4 Fair value (continued)

Item	Description	Valuation technique	Main inputs and assumptions (Level 2 and 3 fair value hierarchy items)
Pledged assets	Pledged assets comprise instruments that may be sold or repledged by the Bank's counterparty in the absence of default by the Bank. Pledged assets include sovereign debt (government treasury bills and bonds) pledged in terms of repurchase agreements.	Where a proxy instrument is quoted in an active market, the fair value is determined by adjusting the proxy fair value for differences between the proxy instrument and the financial investment being fair valued. Where proxies are not available, the fair value is estimated using more complex modelling techniques. These techniques include discounted cash flow using current market rates for credit, interest, liquidity, volatility and other risks.	<ul style="list-style-type: none"> • Discount rate* • Spot prices of the underlying assets • Correlation factors • Volatilities • Dividend yields • Earnings yield • Valuation multiples
Financial investments	Financial investments are non-trading financial assets and primarily comprise of sovereign and corporate debt, unlisted equity instruments, investments in mutual fund investments and unit-linked investments.	Combination techniques are used to value unlisted equity securities and include inputs such as earnings and dividend yields of the underlying entity.	
Loans and advances to banks and customers	Loans and advances comprise: <ul style="list-style-type: none"> • Loans and advances to banks: call loans, loans granted under resale agreements and balances held with other banks. • Loans and advances to customers: mortgage loans (home loans and commercial mortgages), other asset-based loans, including collateralised debt obligations (instalment sale and finance leases), and other secured and unsecured loans (card debtors, overdrafts, other demand lending, term lending and loans granted under resale agreements). 	For certain loans, fair value may be determined from the market price of a recently occurring transaction adjusted for changes in risks and information between the transaction and valuation dates. Loans and advances are reviewed for observed and verified changes in credit risk and the credit spread is adjusted at subsequent dates if there has been an observable change in credit risk relating to a particular loan or advance. In the absence of an observable market for these instruments, discounted cash flow models are used to determine fair value. Discounted cash flow models incorporate parameter inputs for interest rate risk, foreign exchange risk, liquidity and credit risk, as appropriate. For credit risk, probability of default and loss given default parameters are determined using the relevant terms of the loan and loan counterparty such as the industry classification and subordination of the loan.	<ul style="list-style-type: none"> • Discount rate. • Probability of default. • Loss given default.
Deposits from bank and customers	Deposits from banks and customers comprise amounts owed to banks and customers, deposits under repurchase agreements, negotiable certificates of deposit, credit-linked deposits and other deposits.	For certain deposits, fair value may be determined from the market price on a recently occurring transaction adjusted for all changes in risks and information between the transaction and valuation dates. In the absence of an observable market for these instruments discounted cash flow models are used to determine fair value based on the contractual cash flows related to the instrument. The fair value measurement incorporates all market risk factors including a measure of the Bank's credit risk relevant for that financial liability. The market risk parameters are valued consistently to similar instruments held as assets stated in the section above. For collateralised deposits that are designated to be measured at fair value through profit or loss, such as securities repurchase incorporated into the fair valuation of the liability.	<ul style="list-style-type: none"> • Discount rate. • Probability of default. • Loss given default.

* Discount rates, where applicable, include the risk-free rate, risk premiums, liquidity spreads, credit risk (own and counterparty as appropriate), timing of settlement, storage/service costs, prepayment and surrender risk assumptions and recovery rates/loss given default.

Notes to the financial statements (continued)

Accounting policy elections (continued)

4 Material accounting policies (continued)

4.4 Fair value (continued)

Day one profit or loss

For financial instruments, where the fair value of the financial instrument differs from the transaction price, the difference is commonly referred to as day one profit or loss. Day one profit or loss is recognised in profit or loss immediately where the fair value of the financial instrument is either evidenced by comparison with other observable current market transactions in the same instrument, or is determined using valuation models with only observable market data as inputs.

Day one profit or loss is deferred where the fair value of the financial instrument is not able to be evidenced by comparison with other observable current market transactions in the same instrument, or determined using valuation models that utilise non-observable market data as inputs.

The timing of the recognition of deferred day one profit or loss is determined individually depending on the nature of the instrument and availability of market observable inputs. It is either amortised over the life of the transaction, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

Any difference between the fair value at initial recognition and the amount that would be determined at that date using a valuation technique in a situation in which the valuation is dependent on unobservable parameters is not recognised in profit or loss immediately but is recognised over the life of the instrument on an appropriate basis or when the instrument is redeemed.

Fair value hierarchy

The Bank's financial instruments that are both carried at fair value and for which fair value is disclosed are categorised by level of fair value hierarchy. The different levels are based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement.

Hierarchy levels

The levels have been defined as follows:

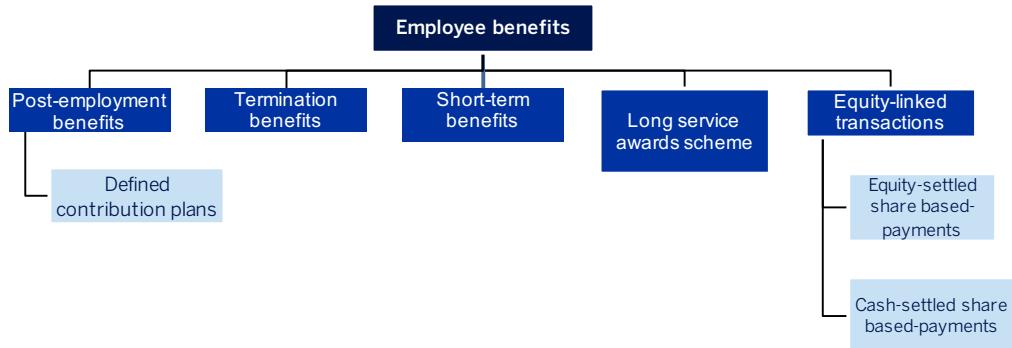
Level 1	Fair value is based on quoted market prices (unadjusted) in active markets for an identical financial asset or liability. An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.
Level 2	Fair value is determined through valuation techniques based on observable inputs, either directly, such as quoted prices, or indirectly, such as those derived from quoted prices. This category includes instruments valued using quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
Level 3	Fair value is determined through valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instrument being valued and the similar instrument.

Hierarchy transfer policy

Transfers of financial assets and financial liabilities between levels of the fair value hierarchy are deemed to have occurred at the end of the reporting period during which change occurred.

4 Material accounting policies (continued)

4.5 Employee benefits



Type	Description	Statement of financial position	Statement of other comprehensive income	Income statement
Defined contribution plans	The Bank operates a contributory pension plan in line with the National Pension Act, 2008 (Act 766). Employees and the Bank contribute 5% and 13.5% of employees' basic salary respectively of each of the qualifying staff salary in line with the provisions of the National Pension Act, 2008 (Act 766).	Liability is recognised for unpaid contributions.	No impact.	Contributions are recognised as an expense in profit or loss in the periods during which services are rendered by employees.
Termination benefits	Termination benefits are recognised when the Bank is committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy when it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.	A liability is recognised for the termination benefit representing the best estimate of the amount payable.	No impact.	Termination benefits are recognised as an expense if the Bank has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.
Short-term benefits	Short-term benefits consist of salaries and accumulated leave payments, profit share, bonuses and any non-monetary benefits such as medical aid contributions.	A liability is recognised for the amount expected to be paid under short-term cash bonus plans or accumulated leave if the Bank has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.	No direct impact.	Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

Notes to the financial statements (continued)

Accounting policy elections (continued)

4 Material accounting policies (continued)

4.5 Employee benefits (continued)

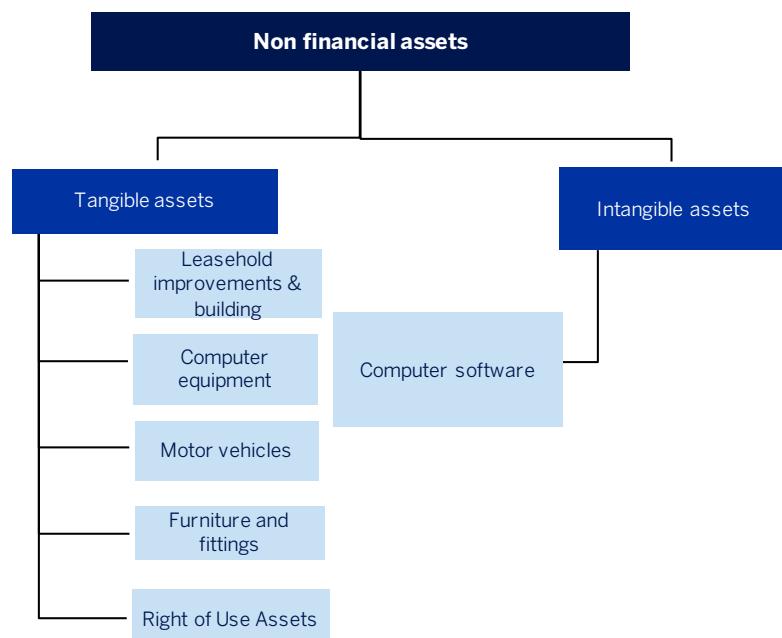
Long service awards scheme

Type	Description	Statement of financial position	Statement of other comprehensive income	Income statement
Long service awards scheme	The Bank rewards employees who are in employment for a period of ten years or more through its long service award scheme. The award scheme is a defined benefit scheme where obligations to fund the scheme's benefits are derived from actuarial valuations performed by an appointed actuary taking into account various assumptions.	Liability is recognised for unpaid service cost and actuarial losses.	Remeasurements of actuarial valuation.	Interest expense, service costs and movement in actuarial gains/losses resulting from changes in assumptions are recognised in income statement.

Equity-linked transactions

Equity-settled share based payments	The fair value of the equity-settled share based payments are determined on grant date and accounted for within operating expenses - staff costs over the vesting period with a corresponding increase in the Bank's share-based payment reserve. Non-market vesting conditions, such as the resignation of employees and retrenchment of staff, are not considered in the valuation but are included in the estimate of the number of options expected to vest. At each reporting date, the estimate of the number of options expected to vest is reassessed and adjusted against profit or loss and equity over the remaining vesting period.
Cash-settled share based payments	On vesting of the equity-settled share based payments, amounts previously credited to the share-based payment reserve are transferred to retained earnings through an equity transfer.

4.6 Non-financial assets (Intangible assets, Property and equipment)



4 Material accounting policies (continued)

4.6 Non-financial assets (Intangible assets, Property and equipment) (continued)

Leases

Type and description	Statement of financial position	Income statement
		Lessee accounting policies
Single lessee accounting model All leases are accounted for by recognising a right-of-use asset and a lease liability except for: • leases of low value assets; and • leases with a duration of twelve months or less.	<p>Lease liabilities: Initially measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate implicit in the lease unless (as is typically the case for the Bank) this is not readily determinable, in which case the Bank's incremental borrowing rate on commencement of the lease is used. The Bank's internal funding rate is the base on which the incremental borrowing rate is calculated. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate. On initial recognition, the carrying value of the lease liability also includes:</p> <ul style="list-style-type: none"> • Amounts expected to be payable under any residual value guarantee; • The exercise price of any purchase option granted in favour of the Bank, should it be reasonably certain that this option will be exercised; • Any penalties payable for terminating the lease, should the term of the lease be estimated on the basis of this termination option being exercised. <p>Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made.</p>	<p>Interest expense on lease liabilities: A lease finance cost, determined with reference to the interest rate implicit in the lease or the Bank's incremental borrowing rate, is recognised within interest expense over the lease period.</p>
	<p>Right-of-use assets: Initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:</p> <ol style="list-style-type: none"> i) lease payments made at or before commencement of the lease; ii) initial direct costs incurred; and iii) the amount of any provision recognised where the Bank is contractually required to dismantle, remove or restore the leased asset. <p>The Bank applies the cost model subsequent to the initial measurement of the right of use assets.</p>	<p>Depreciation on right-of-use assets: Subsequent to initial measurement, the right of use assets are depreciated on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset should this term be shorter than the lease term unless ownership of the underlying asset transfers to the Bank at the end of the lease term, whereby the right-of-use assets are depreciated on a straight-line basis over the remaining economic life of the asset. This depreciation is recognised as part of operating expenses.</p>
	<p>Termination of leases: When the Bank or lessor terminates or cancels a lease, the right-of-use asset and lease liability are derecognised.</p>	<p>Termination of leases: On derecognition of the right-of-use asset and lease liability, any difference is recognised as a derecognition gain or loss in profit or loss.</p>

Notes to the financial statements (continued)

Accounting policy elections (continued)

4 Material accounting policies (continued)

4.6 Non-financial assets (Intangible assets, Property and equipment) (continued)

Leases (continued)

Type and description	Statement of financial position	Income statement
Lessee accounting policies continued		
All leases that meet the criteria as either a lease of a low value asset or a short term lease are accounted for on a straight-line basis over the lease term.	Accruals for unpaid lease charges, together with a straight-line lease asset or liability, being the difference between actual payments and the straight-line lease expense are recognised.	Payments made under these leases, net of any incentives received from the lessor, are recognised in operating expenses on a straight-line basis over the term of the lease. When these leases are terminated before the lease period has expired, any payment required to be made to the lessor by way of a penalty is recognised as operating expenses in the period in which termination takes place.
Reassessment and modification of leases		
	<p>Reassessment of lease terms and lease modifications that are not accounted for as a separate lease:</p> <p>When the Bank reassesses the terms of any lease (i.e. it re-assesses the probability of exercising an extension or termination option) or modifies the terms of a lease without increasing the scope of the lease or where the increased scope is not commensurate with the stand-alone price, it adjusts the carrying amount of the lease liability to reflect the payments to be made over the revised term, which are discounted at the applicable rate at the date of reassessment or modification. The carrying amount of lease liability is similarly revised when the variable element of future lease payments dependent on a rate or index is revised.</p> <p>For reassessments to the lease terms, an equivalent adjustment is made to the carrying amount of the right of use asset, with the revised carrying amount being depreciated over the revised lease term. However, if the carrying amount of the right of use asset is reduced to zero any further reduction in the measurement of the lease liability is recognised in profit or loss.</p> <p>For lease modifications that are not accounted for as a separate lease, an equivalent adjustment is made to the carrying amount of the right-of-use asset, with the revised carrying amount being depreciated over the revised lease term. However, for lease modifications that decrease the scope of the lease the carrying amount of the right-of-use asset is decreased to reflect the partial or full termination of the lease, with any resulting difference being recognised in profit or loss as a gain or loss relating to the</p>	
	<p>Lease modifications that are accounted for as a separate lease:</p> <p>When the Bank modifies the terms of a lease resulting in an increase in scope and the consideration for the lease increases by an amount commensurate with a stand-alone price for the increase in scope, the Bank accounts for these modifications as a separate new lease. This accounting treatment equally applies to leases which the Bank elected the short-term lease exemption and the lease term is subsequently modified.</p>	
Separating components of a lease contract	The Bank has elected to apply the practical expedient to not separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component. The practical expedient is applied to each class of underlying asset.	

4 Material accounting policies (continued)

4.6 Non-financial assets (Intangible assets, Property and equipment) (continued)

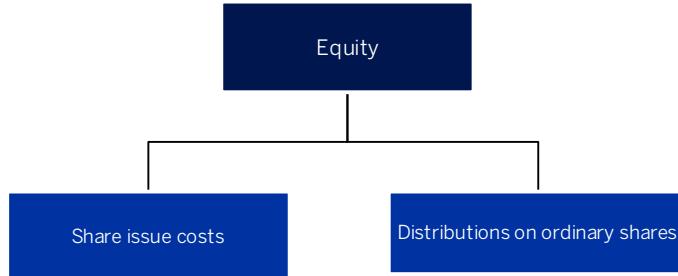
Type	Initial and subsequent measurement	Useful lives, depreciation/ amortisation method or fair value basis	Impairment	Derecognition										
Tangible assets	<p>Property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Land is measured at cost less accumulative impairment loss. Land is not depreciated.</p> <p>Costs that are subsequently incurred are included in the asset's related carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits will flow to the Bank and the cost of the item can be measured reliably. Expenditure, which does not meet these criteria, is recognised in profit or loss as incurred.</p> <p>Where significant parts of an item of property or equipment have different useful lives, they are accounted for as separate major components of property and equipment.</p>	<p>Property and equipment are depreciated on the straight-line basis over estimated useful lives (see below) of the assets to their residual values. Land is not depreciated.</p> <table border="1"> <tr> <td>Computer equipment</td> <td>3-5 years</td> </tr> <tr> <td>Motor vehicles</td> <td>4-5 years</td> </tr> <tr> <td>Office equipment</td> <td>5-10 years</td> </tr> <tr> <td>Furniture and fittings</td> <td>5-13 years</td> </tr> <tr> <td>Leasehold improvement & Right of Use assets</td> <td>over the shorter of the lease term or its useful life</td> </tr> </table> <p>The residual values, useful lives and the depreciation method applied are reviewed, and adjusted if appropriate, at each financial period end.</p>	Computer equipment	3-5 years	Motor vehicles	4-5 years	Office equipment	5-10 years	Furniture and fittings	5-13 years	Leasehold improvement & Right of Use assets	over the shorter of the lease term or its useful life	<p>Other non-financial assets are reviewed for impairment at each reporting date and tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.</p> <p>An impairment loss is recognised in profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is determined as the higher of an asset's fair value less costs to sell and value in use.</p> <p>Fair value less costs to sell is determined by ascertaining the current market value of an asset and deducting any costs related to the realisation of the asset.</p> <p>In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.</p>	<p>The non-financial assets are derecognised on disposal or when no future economic benefits are expected from their use or disposal. The gain or loss on derecognition is recognised in profit or loss and is determined as the difference between the net disposal proceeds and the carrying amount of the non-financial asset.</p>
Computer equipment	3-5 years													
Motor vehicles	4-5 years													
Office equipment	5-10 years													
Furniture and fittings	5-13 years													
Leasehold improvement & Right of Use assets	over the shorter of the lease term or its useful life													
Intangible assets/ Computer software	<p>Costs associated with developing or maintaining computer software programmes and the acquisition of software licences are generally recognised as an expense as incurred. However, direct computer software development costs that are clearly associated with an identifiable and unique system, which will be controlled by the Bank and have a probable future economic benefit beyond one period, are recognised as intangible assets. Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses from the date that the assets are available for use.</p> <p>Expenditure subsequently incurred on computer software is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.</p>	<p>Amortisation is recognised in profit or loss on a straight-line basis at rates appropriate to the expected lives of the assets (2 to 15 years) from the date that the asset is available for use.</p> <p>Amortisation methods, useful lives and residual values are reviewed at each financial period end and adjusted, if necessary.</p>												

Notes to the financial statements (continued)

Accounting policy elections (continued)

4 Material accounting policies (continued)

4.7 Equity



Share issue costs Incremental external costs directly attributable to a transaction that increases or decreases equity are deducted from equity, net of related tax. All other share issue costs are expensed.

Distributions to owners Distributions are recognised in equity in the period in which they are declared. Distributions declared after the reporting date are disclosed in the distributions note to the financial statements.

4.8 Provisions, contingent assets and contingent liabilities



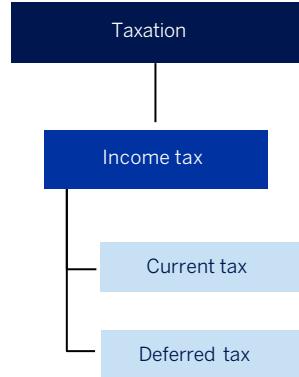
Provisions Provisions are recognised when the Bank has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are determined by discounting the expected future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability. The Bank's provisions typically (when applicable) include the following:

4 Material accounting policies (continued)

4.8 Provisions, contingent assets and contingent liabilities (continued)

Provisions (continued)	Provisions for legal claims Provisions for legal claims are recognised on a prudent basis for the estimated cost for all legal claims that have not been settled or reached conclusion at the reporting date. In determining the provision management considers the probability and likely settlement (if any). Reimbursements of expenditure to settle the provision are recognised when and only when it is virtually certain that the reimbursement will be received.
	Provision for restructuring A provision for restructuring is recognised when the Bank has approved a detailed formal plan, and the restructuring either has commenced or has been announced publicly. Future operating costs or losses are not provided for.
	Provision for onerous contracts A provision for onerous contracts is recognised when the expected benefits to be derived by the Bank from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Bank recognises any impairment loss on the assets associated with that contract.
	Provision for tax claims Provisions for taxes claims relates to additional assessment on taxes, including withholding tax, value added tax, PAYE tax.
Contingent assets	Contingent assets are not recognised in the annual financial statements but are disclosed when, as a result of past events, it is probable that economic benefits will flow to the Bank, but this will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events which are not wholly within the Bank's control.
Contingent liabilities	Contingent liabilities include certain guarantees (other than financial guarantees) and letters of credit and are not recognised in the annual financial statements but are disclosed in the notes to the annual financial statements.

4.9 Taxation



Type	Description, recognition and measurement	Offsetting
Current tax-determined for current period transactions and events	Current tax represents the expected tax payable on taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous periods.	
	Current tax is recognised as an expense for the period and adjustments to past periods except to the extent that current tax related to items that are charged or credited in OCI or directly to equity.	
	The Banking sector income tax rates applicable is 25%. Also, a tax rate of 5% each is charged on profits before direct tax, for Growth and Sustainability Levy and Financial Sector Recovery Levy.	

Notes to the financial statements (continued)

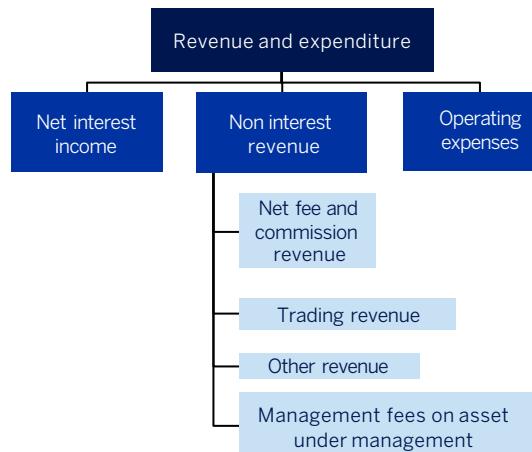
Accounting policy elections (continued)

4 Material accounting policies (continued)

4.9 Taxation (continued)

Type	Description, recognition and measurement	Offsetting
Deferred tax-determined for future tax consequences	<p>Deferred tax is recognised in profit or loss except to the extent that it relates to a business combination (relating to a measurement period adjustment where the carrying amount of the goodwill is greater than zero), or items recognised directly as part of OCI.</p> <p>Deferred tax is recognised in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax is not recognised for the following temporary differences:</p> <ul style="list-style-type: none"> the initial recognition of goodwill; the initial recognition of assets and liabilities in a transaction that is not a business combination, which affects neither accounting nor taxable profits or losses; and investments in subsidiaries, associates and jointly controlled arrangements (excluding mutual funds) where the Bank controls the timing of the reversal of temporary differences and it is probable that these differences will not reverse in the foreseeable future. <p>The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of the asset or liability and is not discounted.</p> <p>Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the unused tax losses can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.</p>	Current tax assets and liabilities, deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.
Dividend tax	Taxes on dividends declared by the Bank are recognised as part of the dividends paid within equity as dividend tax represents tax on the shareholders.	None

4.10 Revenue and expenditure



Description	
Net interest income	Interest income and expense (with the exception of borrowing costs that are capitalised on qualifying assets, that is assets that necessarily take a substantial period of time to get ready for their intended use or sale and which are not measured at fair value) are recognised in profit or loss using the effective interest method for all interest-bearing financial instruments.

4 Material accounting policies (continued)

4.10 Revenue and expenditure (continued)

Description	Recognition and measurement
Net interest income	<p>In terms of the effective interest method, interest is recognised at a rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. Direct incremental transaction costs incurred and origination fees received, including loan commitment fees, as a result of bringing margin- yielding assets or liabilities into the statement of financial position, are capitalised to the carrying amount of financial instruments that are not at fair value through profit or loss and amortised as interest income or expense over the life of the asset or liability as part of the effective interest rate.</p> <p>Where the estimates of payments or receipts on financial assets or financial liabilities are subsequently revised, the carrying amount of the financial asset or financial liability is adjusted to reflect actual and revised estimated cash flows.</p> <p>The carrying amount is calculated by computing the present value of the adjusted cash flows at the financial asset or financial liability's original effective interest rate. Any adjustment to the carrying value is recognised in net interest income.</p> <p>When a financial asset is classified as Stage 3 impaired, interest income is calculated on the impaired value (gross carrying value less specific impairment) based on the original effective interest rate. The contractual interest income on the gross exposure is suspended and is only recognised in credit impairments when the financial asset is reclassified out of Stage 3.</p> <p>Dividends received on preference share investments classified as debt form part of the Bank's lending activities and are included in interest income.</p>
Net fee and commission revenue	<p>Fee and commission revenue, including transactional fees, account servicing fees, investment management fees, sales commissions and placement fees are recognised as the related services are performed. Loan commitment fees for loans that are not expected to be drawn down are recognised on a straight-line basis over the commitment period.</p> <p>Loan syndication fees, where the Bank does not participate in the syndication or participates at the same effective interest rate for comparable risk as other participants, are recognised as revenue when the syndication has been completed. Syndication fees that do not meet these criteria are capitalised as origination fees and amortised as interest income. The fair value of issued financial guarantee contracts on initial recognition is amortised as income over the term of the contract.</p> <p>Fee and commission expenses, included in net fee and commission revenue, are mainly transaction and service fees relating to financial instruments, which are expensed as the services are received. Expenditure is recognised as fee and commission expenses where the expenditure is linked to the production of fee and commission revenue.</p>
Trading revenue	Trading revenue comprises all gains and losses from changes in the fair value of trading assets and liabilities, together with related interest income, expense and dividends.
Other revenue	Other revenue includes dividends on equity financial assets, underwriting profit from the Bank's short-term insurance operations and related insurance activities and re- measurement gains and losses from contingent consideration on disposals and purchases.
Dividend income	Dividends are recognised in profit or loss when the right to receipt is established.
Management fees on assets under management:	Fee income includes management fees on assets under management and administration fees. Management fees on assets under management are recognised over the period for which the services are rendered, in accordance with the substance of the relevant agreements.
Operating expenses	<p>Expenses are recognised on an accrual bases regardless of the time of cash outflows. Expenses are recognised in the income statement when a decrease in future economic benefit related to a decrease in an assets or an increase of a liability has arisen that can be measured reliably.</p> <p>Expenses are recognised in the same reporting period when they are incurred in cases when it is not probable to directly relate them to particular income earned during the current reporting period and when they are not expected to generate any income during the coming periods. Expenses that are not related to the income earned during the reporting period, but expected to generate future economic benefits, are recorded in the financial statements as assets.</p>
Offsetting	Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a Bank of similar transactions.

Notes to the financial statements (continued)

Accounting policy elections (continued)

4 Material accounting policies (continued)

4.10 Revenue and expenditure (continued)

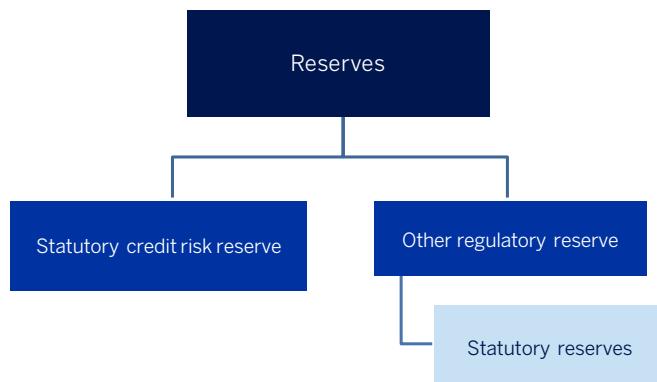
IFRS 9 accounting treatment

Requires that interest for financial assets classified as stage 3 (i.e. in default) only be calculated on the gross carrying amount less impairments (i.e. amortised cost balance). The Bank has applied this requirement by suspending all contractual interest on such financial assets and recognising interest on the amortised cost balance utilising the financial assets' effective interest rate. IFRS 9 requires that the suspended contractual interest be recognised as part of the financial assets' gross carrying amount and be deducted as part of the reconciliation to the net carrying amount which is reported in the balance sheet. The Bank has elected to continue to present upon the curing of the non-performing financial asset, this suspended contractual interest (previously unrecognised interest) in credit impairment provision line of the income statement. This policy was elected on the basis that the presentation best represented the nature of the amount in terms of IAS 1.

4.11 Fiduciary activities

The Bank commonly engages in trust or other fiduciary activities that result in the holding or placing of assets on behalf of individuals, trusts, post-employment benefit plans and other institutions. These assets and the income arising directly thereon are excluded from these annual financial statements as they are not assets of the Bank. However, fee income earned and fee expenses incurred by the Bank relating to the Bank's responsibilities from fiduciary activities are recognised in profit or loss.

4.12 Reserves



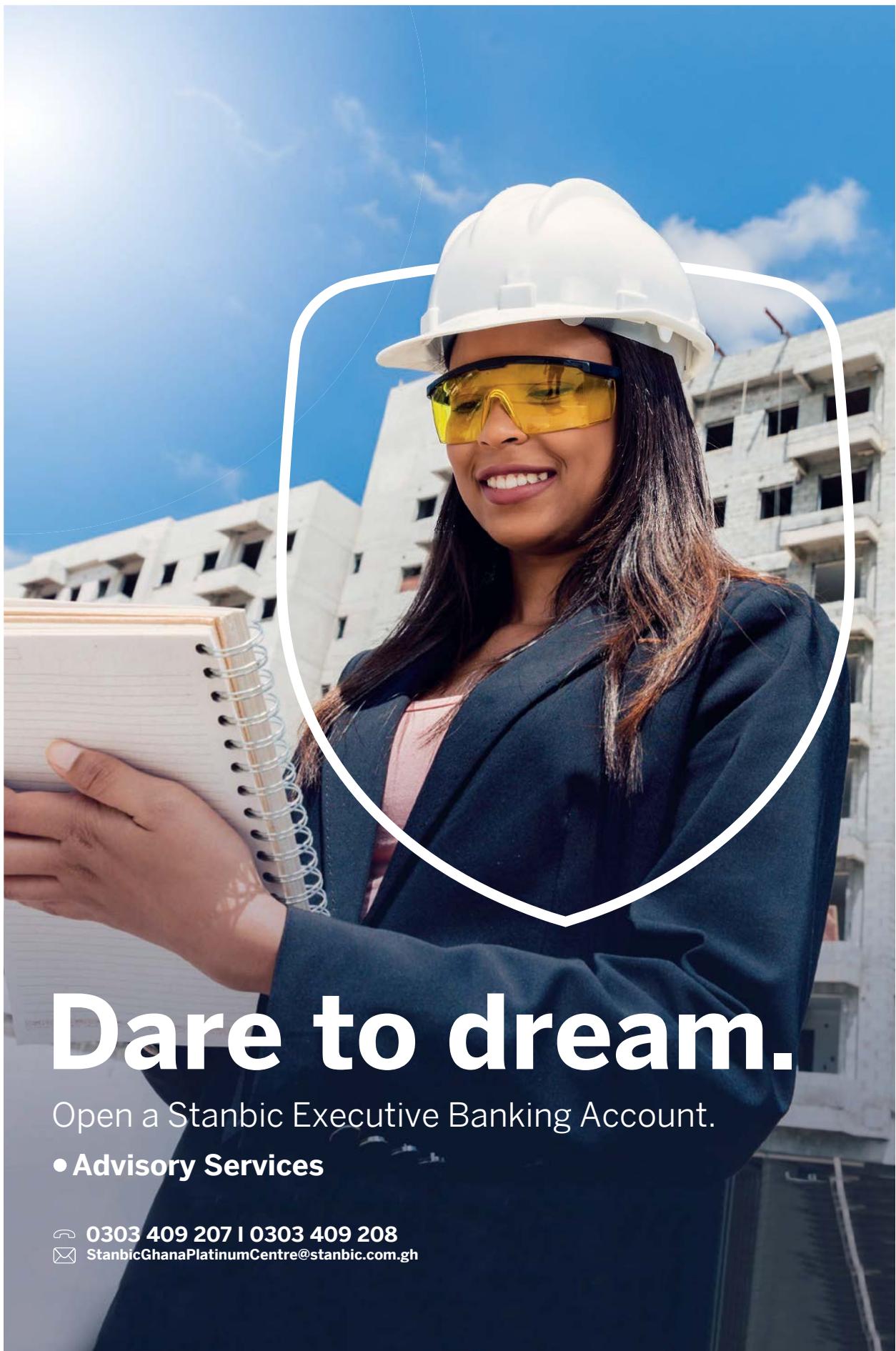
Statutory credit risk reserve The statutory credit risk reserve represents a reserve component created when credit impairment on loans and advances as accounted for under IFRS using the expected loss model differ from the Bank of Ghana Guidelines set by the Central Bank of Ghana. The statutory credit risk reserve is reported under equity in the financial statement.

Statutory reserve The Banks and Specialised Deposit-taking Institutions Act 2016 (Act 930) require the Banks to make an annual appropriation to a statutory reserve. Section 34 of the Act requires that proportion of profits after tax ranging between 12.5% and 50% depending on the ratio of existing statutory fund to paid-up capital of the Bank be transferred to the statutory reserve. The Bank reports statutory reserve under equity in the financial statement.

5 New standards and interpretations not yet adopted or effective

The following new or revised standards, amendments and interpretations are not yet effective for the year ended 31 December 2024 and have not been applied in preparing these annual financial statements.

Pronouncement	
Title	IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amendments)
<p>The amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business. The amendments will be applied prospectively and are not expected to have a material impact on the bank's financial statements.</p>	
Effective date	Effective date of this standard deferred indefinitely
<hr/>	
Title	Lack of exchangeability – Amendments to IAS 21
<p>The International Accounting Standards Board (IASB) issued 'Lack of Exchangeability' to require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide. These amendments will assist companies and investors by addressing a matter not previously covered in the accounting requirements for the effects of changes in foreign exchange rates. The amendments will be applied retrospectively. The impact on the annual financial statements is currently being assessed and not expected to have a material impact on the bank's results.</p>	
Effective date	1 January 2025
<hr/>	
Title	Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7
<p>The IASB issued amendments to the classification and measurement requirements of financial instruments in response to feedback received as part of the post implementation review of IFRS 9. The amendments include a new requirement to permit an entity to deem a financial liability that is settled using an electronic payment system to be discharged before the settlement date if specified criteria are met; and provide clarifications regarding assessing contractual cash flow characteristics of financial assets, including those with environmental, social and governance (ESG)-linked features, financial assets with non-recourse features and investments in contractually linked instruments. The IASB also amended the disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and added disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs. The amendments will be applied prospectively. The impact on the annual financial statements is currently being assessed and not expected to have a material impact on the bank's results.</p>	
Effective date	1 January 2026
<hr/>	
Title	IFRS 18 Presentation and Disclosures in Financial Statements (IFRS 18)
<p>In April 2024, the IASB issued a new IFRS Accounting Standard to improve reporting of financial performance by requiring defined subtotals in the statement of profit or loss, requiring disclosure about management-defined performance measures, and adding new principles for aggregation and disaggregation of information. IFRS 18 replaces IAS 1 Presentation of Financial Statements. IFRS 18 is effective from 1 January 2027 with earlier application permitted. IFRS 18 will be retrospectively applied. The bank is in the planning phase of determining the impact on its annual financial statements.</p>	
Effective date	1 January 2027
<hr/>	
Title	Annual Improvements to IFRS Accounting Standards - Volume 11
<p>The IASB has issued various amendments and clarifications to existing IFRS, none of which is expected to have a material impact on the bank's annual financial statements.</p>	
Effective date	1 January 2026
<hr/>	
Title	IFRS 19 Subsidiaries without Public Accountability: Disclosure (IFRS 19)
<p>The standard specifies the disclosure requirements an entity is permitted to apply in stead of the disclosure requirements in other IFRS Accounting Standards.</p>	
Effective date	1 January 2027
<hr/>	
Title	IASB finalises amendments to IFRS 9 and IFRS 7 regarding power purchase agreements
<p>On 18 December 2024 the International Accounting Standards Board (IASB) issued amendments to help companies better report the financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements (PPAs). The IASB acted swiftly in the light of the increased use of these contracts.</p>	
Effective date	1 January 2026

A woman with long dark hair, wearing a white hard hat and yellow-tinted safety glasses, is smiling while holding a spiral-bound notebook. She is standing in front of a multi-story building under construction. A white curved line highlights the top portion of the image, focusing on her face and the building behind her.

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Notes to the financial statements (continued)

Accounting policy elections (continued)

6 Key management assumptions

In preparing the Bank's financial statements, estimates and assumptions are made that could materially affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on factors such as historical experience and current best estimates of future events. While models have been enhanced, no material changes to assumptions have occurred during the current year. The following represents the most material key management assumptions applied in preparing these financial statements.

6.1 Computer software Intangible assets

Direct computer software development costs that are clearly associated with an identifiable and unique system, which will be controlled by the Bank and have a probable future economic benefit beyond one period, are capitalised and disclosed as computer software intangible assets.

Computer software intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. The assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. These circumstances include, but are not limited to, new technological developments, obsolescence, changes in the manner in which the software is used or is expected to be used, changes in discount rates or changes in estimates of related future cash benefits. The impairment tests are performed by comparing an asset's recoverable amount to its carrying amounts. The review and testing of assets for impairment inherently requires significant management judgement as it requires management to derive the estimates of the identified assets' future cash flows in order to derive the asset's recoverable amount.

The recoverable amount is based on the value in use and calculated by estimating future cash benefits that will result from each asset and discounting these cash benefits at an appropriate pre-tax discount rate.

6.2 Provisions

The Bank make provisions for items such as legal claims, fines, penalties and other taxes penalties. The amount provided are based on the management best estimate of the amounts that will be required to settle the obligation in the event that it crystallises. Provisions are determined by discounting the expected future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability. Any material difference in management best estimates will have an impact to the carrying amount of the provisions.

The principal assumptions taken into account in determining the value at which provisions are recorded include determining whether there is an obligation as well as assumptions about the probability of the outflow of resources and the estimate of the amount and timing for the settlement of the obligation. For legal provisions management assesses the probability of the outflow of resources by taking into account historical data and the status of the claim in consultation with the Bank's legal counsel. In determining the amount and timing of the obligation once it has been assessed to exist, management exercises its judgement by taking into account all available information, including that arising after the reporting date up to the date of the approval of the financial statements. Refer to note 15 for further details.

6.3 Fair value of financial instruments

The fair value of financial instruments, such as unlisted equity investments and certain derivatives, that are not quoted in active markets is determined using valuation techniques. Wherever possible, models use only observable market data. Where required, these models incorporate assumptions that are not supported by prices from observable current market transactions in the same instrument and are not based on available observable market data. Such assumptions include risk premiums, liquidity discount rates, credit risk, volatilities and correlations. Changes in these assumptions could affect the reported fair values of financial instruments.

Additional disclosures on fair value measurements of financial instruments are set out in the accounting policies.

6.4 Current and deferred tax

The Bank is subject to direct and indirect taxation requirements which are determined with reference to transactions and calculations for which the ultimate tax determination has an element of uncertainty in the ordinary course of business. The Bank recognises provisions for tax based on objective estimates of the amount of taxes that may be due. Where the final tax determination is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions, disclosed in note 6 and note 14, respectively, in the period in which such determination is made.

6.5 Depreciation and useful life of property and equipment

The estimation of the useful lives of assets is based on management's judgement. Any material adjustment to the estimated useful lives of items of property and equipment will have an impact on the carrying value of these items.

6.6 Share-based payment

The Bank has both cash and equity-settled share incentive schemes which are issued to qualifying employees based on the rules of the respective schemes. The valuation of the Bank's obligations with respect to its cash-settled share incentive scheme obligations is determined with reference to the parent and ultimate parent's share price, which is an observable market input. In determining the expense to be recognised for both the cash and equity-settled share schemes, the Bank estimates the expected future vesting of the awards by considering staff attrition levels. The Bank also makes estimates of the future vesting of awards that are subject to non-market vesting conditions by taking into account the probability of such conditions being met.

Notes to the financial statements (continued)

Key management assumptions (Continued)

6.7 Long service awards scheme

The Bank's long service awards scheme is a defined benefit scheme where obligations to fund the scheme's benefits are derived from actuarial valuations performed by an appointed actuary taking into account various assumptions. The scheme is subject to a annual financial review by the Bank's independent actuary. The principal assumptions used in the determination of the Bank's obligation include the following:

The principal assumptions used in the determination of the Bank's obligations include the following:

Long service award incentive	
Discount rate	34.5%
Salary/benefit inflation	35%
Consumer price index (CPI) inflation	23.2%
Mortality rate	75% SSNIT Mortality
Average credited years of service	10.6 years
Average age of employees	40.8
Age definition	Age nearest Birthday
Disability rate	0%
Long service terms in years	10,15,20,25,30,30+

6.8 Expected credit loss (ECL) on financial assets - drivers

The current reporting period models have been enhanced but no material changes to assumptions have occurred. Performance of the economy placed considerable strain on our operations specifically retail, business and corporate clients, however, the Bank's risk appetite remained unchanged. As such the below significant increase in credit risk (SICR) and default assumptions, thresholds and/or triggers were not amended.

For the purpose of determining the ECL:

- The mortgage loans, vehicle and asset finance (VAF), card, personal, business and other lending products portfolios are based on the product categories or subsets of the product categories, with tailored ECL models per portfolio. The impairment provision calculation excludes post-write-off recoveries (PWOR) from the loss given default (LGD) in calculating the ECL.
- Corporate, sovereign and bank exposures are calculated separately based on rating models for each of the asset classes.

ECL measurement period

- i) The ECL measurement period for stage 1 exposures is 12 months (or the remaining tenor of the financial asset relating to corporate, sovereign and Bank exposures, including certain home services, VAF, card, personal, business and other lending product exposures, if the remaining lifetime is less than 12 months).
- ii) A loss allowance over the full lifetime of the financial asset is required if the credit risk of that financial instrument has increased significantly since initial recognition (stage 2). A lifetime measurement period is applied to (stage 2) exposures.
- iii) A lifetime measurement period is applied to all credit impaired (stage 3) exposures.
- iv) Lifetimes include consideration for multiple default events, i.e. where defaulted exposures cure and then subsequently re-default. This consideration increases the lifetime and the potential ECL.
- v) The measurement period for unutilised loan commitments utilise the same approach as on-balance-sheet exposures.

Significant increase in credit risk and low credit risk

Mortgage loans, vehicle and asset finance (VAF), card, personal, business and other lending products

All exposures are assessed to determine whether there has been significant increase in credit risk (SICR) at the reporting date, in which case an impairment provision equivalent to the lifetime expected loss is recognised.

- SICR thresholds are derived for each portfolio vintage of exposures with similar credit risk and are calibrated over time to determine which exposures reflect deterioration relative to the originated population and consequently reflect an increase in credit risk.
- Combination of factors which include the information relating to customers, transactions and delinquency behaviour (including the backstop when contractual payments are more than 30 days past due (DPD)) to provide a quantitative assessment (score), and more specifically, a ranking of customer creditworthiness. The creditworthiness of a customer is summarised by a score, with high scores corresponding to low-risk customers, and conversely, low scores corresponding to high-risk customers.
- These scores are often taken into account in determining the probability of default (PD) including relative changes in PD
- A 30-day past due rebuttal, requiring exposures to be classified in stage 2. It is however not considered sufficient to only look at arrears data such as days past due in considering whether there is a significant increase in credit risk and the Bank would need to assess for significant increase in credit risk through other means. Arrears data are used after exhausting all other methods of determining whether there has been a significant increase in credit risk.
- In terms of IFRS 9, the Bank is required to incorporate both historical experience as well as forward looking information when assessing whether an instrument's credit risk has increased significantly since initial recognition. A useful reference tool that is used in the assessment of significant increase in credit risk is the exposure's credit rating.
- The SICR thresholds are reviewed regularly to ensure that they are appropriately calibrated to identify SICR by portfolio vintage and to consequently facilitate appropriate impairment coverage.

Corporate, sovereign and bank products

The Bank uses a 25-point master rating scale to quantify the credit risk for each exposure. On origination, each client is assigned a credit risk grade within the Bank's 25-point master rating scale. Ratings are mapped to PDs by means of calibration formulae that use historical default rates and other data for the applicable portfolio. These credit ratings are evaluated at least annually or more frequently as appropriate.

All exposures are evaluated for SICR by comparing the credit risk grade at the reporting date to the origination credit risk grade. Where the relative change in the credit risk grade exceeds certain pre-defined ratings' migration thresholds or, when a contractual payment becomes more than 30 DPD (IFRS 9's rebuttable presumption), the exposure is classified within stage 2. These pre-defined ratings' migration thresholds have been determined based on historic default experience which indicate that higher rated risk exposures are more sensitive to SICR than lower risk exposures.

Key management assumptions (Continued)
6.9 Expected credit loss (ECL) on financial assets - drivers (continued)
Significant increase in credit risk (Continued)
Corporate, sovereign and bank products (continued)

Based on an analysis of historic default experience, exposures that are classified by the Bank's master rating scale as investment grade (within credit risk grade 1 – 12 of the Bank's 25-point master rating scale) are assessed for SICR at each reporting date but are considered to be of low credit risk.

To determine whether a client's credit risk has increased significantly since origination, the Bank would need to determine the extent of the change in credit risk using the table that follows:

Bank's master rating scale band	SICR trigger (from origination)
SB 1 – 12	Low credit risk
SB 13 – 20	3 rating or more
SB 21 – 25	1 rating or more

Default

The definition of default, which triggers the credit impaired classification (stage 3), is based on the Bank's internal credit risk management approach and definitions. Whilst the specific determination of default varies according to the nature of the product, it is compliant to the Basel definition of default, and generally determined as occurring at the earlier of:

- where, in the Bank's view, the counterparty is considered to be unlikely to pay amounts due on the due date or shortly thereafter without recourse to actions such as the realisation of security. This includes the classification of distressed restructures (including debt review exposures) as default for minimum of six months, while observing payment behaviour; or
- when the counterparty is past due for more than 90 days (or, in the case of overdraft facilities in excess of the current limit).

The Bank has not rebutted the 90 days past due rebuttable presumption.

Write off policy

An impaired exposure is written off once all reasonable attempts at collection have been made and there is no material economic benefit expected from attempting to recover the balance outstanding. This assessment considers both qualitative and quantitative information, such as past performance, behaviour and recoveries. The following criteria must be met before a financial asset can be written off:

- the financial asset has been in default for the period defined for the specific product (i.e. vehicle and asset finance, mortgage loans, etc.) which is deemed sufficient to determine whether the Bank is able to receive any further economic benefit from the impaired loan; and
- at the point of write-off, the financial asset is fully impaired (i.e. 100% ECL allowance) with no reasonable expectation of recovery of the asset, or a portion thereof.

As an exception to the above requirements:

- Where the exposure is secured (or for collateralised structures), the impaired exposure can only be written off once the collateral has been realised. Post-realisation of the collateral, the shortfall amount can be written off if it meets the second requirement listed above.
- For corporate, sovereign and bank products, write-off is assessed on a case-by-case basis and approved by the Credit Governance Committee based on the individual facts and circumstances.
- For unsecured exposures, post write-off collection and enforcement activities include outsourcing to external debt collection agents as well as collection/settlement arrangements to assist clients to settle their outstanding debt. The Bank continuously monitors and reviews when exposures are written off, the levels of post write-off recoveries as well as the key factors causing post write-off recoveries, which ensure that the Bank's point of write-off remains appropriate and that post write-off recoveries are within expectable levels after time.

Curing

Continuous assessment is required to determine whether the conditions that led to a financial asset being considered to be credit impaired (i.e. stage 3) still exist. Distressed restructured financial assets that no longer qualify as credit impaired remain within stage 3 for a minimum period of six months (i.e. six full consecutive monthly payments per the terms and conditions). In the case of financial assets with quarterly or longer dated repayment terms, the classification of a financial asset out of stage 3 may be made subsequent to an evaluation by the Bank's CIB or BCB & PPB Credit Governance Committees (as appropriate), such evaluation will take into account qualitative factors in addition to compliance with payment terms and conditions of the agreement. Qualitative factors include compliance with covenants and compliance with existing financial asset terms and conditions.

Where it has been determined that a financial asset no longer meets the criteria for SICR, the financial asset will be moved from stage 2 (lifetime expected credit loss model) back to stage 1 (12-month expected credit loss model) prospectively.

Modified financial assets

A modification is a change to the contractual cash flows of a financial asset. It involves the renegotiation of the terms of the financial asset such that the contractual cash flows (amount, timing, basis, etc.) are changed or the contractual terms materially change the probability that the cash flows will be received (e.g. change in counterparty).

In calculating impairment losses, the Bank assesses whether there has been a significant increase in the credit risk of modified financial assets that do not qualify for derecognition at the reporting date by comparing:

- the credit risk of the modified instrument at the reporting date based on the modified contractual terms; and
- the credit risk at initial recognition based on the original unmodified contractual terms.

Incorporation of forward-looking information (FLI) in ECL measurement
Forward-looking information

In considering the forward-looking information, a range of Base, Bull and Bear macro economic expectations were determined, as at 31 December 2024, for inclusion in the Bank's forward-looking process and ECL calculation.

For BCB & PPB these forward-looking economic expectations are included in the ECL where adjustments are made based on the Bank's macroeconomic outlook, using models that correlate these parameters with macroeconomic variables. Where modelled correlations are not viable or predictive, adjustments are based on expert judgement to predict the outcomes based on the Bank's macroeconomic outlook expectations. In addition to forward-looking macroeconomic information, other types of FLI, such as specific event risks and industry data, have been taken into account in ECL estimates when required, through the application of out-of-model adjustments. These out-of-model adjustments are subject to Credit Governance Committee oversight.

The Bank's macroeconomic outlooks are incorporated in CIB's client rating and include specific forward-looking economic considerations for the individual client. The reviews and ratings of each client are performed at least annually. This process entails credit analysts completing a credit scorecard and incorporating forward-looking information. The weighting is reflected in both the determination of significant increase in credit risk as well as the measurement of the resulting provision for the individual client. Therefore the impact of forward-looking economic conditions is embedded into the total provision for each CIB client and cannot be stressed or separated out of the overall CIB provision.

Notes to the financial statements (continued)

Key management assumptions (Continued)

6.10 Impairment of financial instruments exchanged under Domestic Debt Exchange Program (DDEP)

In December 2022, all banks were invited to participate in the Government of Ghana Domestic Debt Exchange Programme (DDEP phase 1) by exchanging GHS denominated notes and bonds issued by the Government, ESLA Plc or Daakye Trust Plc (collectively, the "Eligible Bonds") for new bonds of the Republic of Ghana. On 21st of February, 2023 ("the Settlement date"), the Government of Ghana announced the successful settlement and conclusion of its DDEP1. The Bank signed on to the program by tendering in GHS528.28 million of its eligible Bonds. The principal amounts of the new bonds have respective maturity dates commencing from 2027 to 2038. Interest will accrue at rates ranging between 8.35% and 10% and be paid semi-annually.

The Government implemented DDEP phase 2, which involved the exchange of local USD bonds that had been issued by the Government of Ghana for two new sets of bonds each with maturity in 2027 and 2028. DDEP phase 2 also included exchange of Cocoa bills issued by Ghana Cocoa Board for a set of 5 new bonds with maturities from 2024 to 2028. About USD800million worth of USD bonds and circa GHS7billion cocoa bills were exchanged under the DDEP phase 2.

Stanbic Bank Ghana LTD participated in the DDEP phase 2 and exchanged USD112 million worth of local USD bonds and GHS470 million worth of cocoa bills in the programmes with tenors longer than the old bonds, as well as relatively lower coupon/ interest rates to the old bonds/ bills exchanged.

To help manage the potential adverse impact and preserve financial stability, the Bank of Ghana designed and introduced some regulatory reliefs for the banks that fully participate in the programmes.

The announcement of the Government regarding its intention to restructure local investment bills and bonds, coupled with the sovereign downgrading by the rating agencies, triggered an upward trend in risk grades and heightened the possibility of defaults on the part of the Government.

The Bank had made adequate provision in anticipation of the implementation of the debt exchange programmes. Based on the successful implementation, the actual loss of value of the assets was lower than the provision held, hence, the excess provision was written back into income statement for 2023.

The Bank assessed the bonds eligible for exchange under the DDEP phase 2, as credit impaired under IFRS 9 standards. As a result, the carrying amounts of the existing bonds were reduced to the fair value of the new bonds, calculated as the present value of the cashflows using a discount rate of 6% and 21% for the local USD bonds and the Cocoa bonds respectively. The discount rate was determined as representative of the sovereign risk of the country.

The difference between the carrying amount before and the carrying amount after the actual impairments have been taken into account, recorded in the ledger for 2023.

	2024 GHS'000	2023 GHS'000
7 Cash and cash equivalents		
Cash and balances with Bank of Ghana	5,887,649	7,543,105
Coins and bank notes	1,488,682	2,236,888
Balances with central bank	4,398,967	5,306,217
Due from other banks and financial institutions (net)	7,913,420	1,298,126
	13,801,069	8,841,231

The balances with central bank include an amount of GHS4.39 billion (2023: GHS3.32 billion) maintained as cash reserve requirements with Bank of Ghana. ECL assessed on the cash and bank balances with the Central was immaterial (2023: GHS nil)

Included in due from other banks and financial institutions is an amount of GHS340.46 million (2023: GHS91.16 million) due from Standard Bank South Africa and other related entities. See note 29.2 for details.

	2024 GHS'000	2023 GHS'000
Due from other banks and financial institutions (gross)	7,915,405	1,298,184
Expected credit loss allowance		
Stage 1	(48)	(58)
Stage 2	(1,937)	-
Stage 3	-	-
Total expected credit loss allowance	(1,985)	(58)
Due from other banks and financial institutions (net)	7,913,420	1,298,126

	2024 GHS'000	2023 GHS'000
Reconciliation of Due from other banks and financial institutions (gross)		
Opening balance	1,298,184	4,252,295
Placements for the year	154,212,221	50,330,889
Matured placements	(147,595,000)	(53,285,000)
Closing balance	7,915,405	1,298,184

Expected Credit Loss movement for due from other banks and financial institutions

2024	GHS'000	GHS'000	GHS'000
	Stage 1	Stage 2	Stage 3
Opening balance	(58)	-	-
Net impairment release/ (charge) (Note 25.6)	10	(1,937)	-
Closing balance	(48)	(1,937)	-
2023	GHS'000	GHS'000	GHS'000
	Stage 1	Stage 2	Stage 3
Opening balance	(1,067)	-	-
Net impairment release (Note 25.6)	1,009	-	-
Closing balance	(58)	-	-

Notes to the financial statements (continued)

8 Derivative instruments

All derivatives are classified as derivatives held for trading and measured at fair value through profit or loss.

8.1 Use and measurement of derivative instruments

In the normal course of business, the Bank enters into a variety of derivative transactions for both trading and risk management purposes. Derivative financial instruments are entered into for trading foreign exchange, interest rate exposure. Derivative instruments used by the Bank in both trading activities include swaps, forwards and other similar types of instruments based on foreign exchange rates and interest rates.

The risks associated with derivative instruments are monitored in the same manner as for the underlying instruments. Risks are also measured across the product range in order to take into account possible correlations.

The fair value of all derivatives is recognised on the statement of financial position and is only netted to the extent that there is both a legal right of set-off and an intention to settle on a net basis.

Swaps are transactions in which two parties exchange cash flows on a specified notional amount for a predetermined period.

The major types of swaps transactions undertaken by the Bank are as follows:

- * interest rate swap contracts generally entail the contractual exchange of fixed and floating rate interest payments in a single currency, based on a notional amount and an interest reference rate;
- * total return swaps are contracts in which one party (the total return payer) transfers the economic risks and rewards associated with an underlying asset to another counterparty (the total return receiver). The transfer of risk and reward is effected by way of an exchange of cash flows that mirror changes in the value of the underlying asset and any income derived therefrom.

Forwards are contractual obligations to buy or sell financial instruments or commodities on a future date at a specified price. Forward contracts are tailor made agreements that are transacted between counterparties in an (over-the-counter) OTC market.

8.2 Derivatives held-for-trading

The Bank transacts derivative contracts to address customer demand both as market maker in the wholesale markets and in structuring tailored derivatives for customers. Trading derivative products include the following derivative instruments:

8.2.1 Foreign exchange derivatives

Foreign exchange derivatives are primarily used to hedge foreign currency risks on behalf of customers. Foreign exchange derivatives primarily consist of foreign exchange forwards.

8.2.2 Interest rate derivatives

Interest rate derivatives are primarily used to modify the volatility and interest rate characteristics of interest-earning assets and interest-bearing liabilities on behalf of customers and for the Bank's own positions. Interest rate derivatives primarily consist of swaps.

8.3 Fair values

The fair value of a derivative financial instrument represents for quoted instruments the quoted market price and for unquoted instruments the present value of the positive or negative cash flows, which would have occurred if the rights and obligations arising from that instrument were closed out in an orderly market place transaction at period end.

8.4 Notional amount

The gross notional amount is the sum of the absolute value of all bought and sold contracts. The notional amounts have been translated at the closing rate at the reporting date where cash flows are receivable in foreign currency. The amount cannot be used to assess the market risk associated with the positions held and should be used only as a means of assessing the Bank's participation in derivative contracts.

8.5 Derivative assets and liabilities

Maturity analysis of net fair value

	Within 1 year	After 1 year but within 5 years	After 5 years	Net fair value	Fair value of assets	Fair value of liabilities	Contract/ notional amount
	GHS'000	GHS'000	GHS'000	GHS'000	GHS'000	GHS'000	GHS'000
At 31 December 2024							
Assets	137,320	-	-	137,320	137,320	-	4,027,718
Forwards	9,973	-	-	9,973	9,973	-	158,059
Swaps	127,347	-	-	127,347	127,347	-	3,869,659
Liabilities	(59,585)	-	-	(59,585)	-	(59,585)	1,475,880
Forwards	(1,376)	-	-	(1,376)	-	(1,376)	59,281
Swaps	(58,209)	-	-	(58,209)	-	(58,209)	1,416,599
Total derivative assets/(liabilities)	77,735	-	-	77,735	137,320	(59,585)	5,503,598

Maturity analysis of net fair value

	Within 1 year	After 1 year but within 5 years	After 5 years	Net fair value	Fair value of assets	Fair value of liabilities	Contract/ notional amount
	GHS'000	GHS'000	GHS'000	GHS'000	GHS'000	GHS'000	GHS'000
At 31 December 2023							
Forwards	11,766	-	-	11,766	11,766	-	1,137,427
Swaps	(11,841)	-	-	(11,841)	-	(11,841)	1,143,942
Total derivative assets/(liabilities)	(75)	-	-	(75)	11,766	(11,841)	2,281,369

Included in derivative assets is GHS32.14 million (2023: GHS5.56 million) due from related parties. See note 29.2 for details.

Included in derivative liabilities is GHS42.41 million (2023: GHS8.84 million) due to related parties. See note 29.2 for details.

Notes to the financial statements (continued)

	2024 GHS'000	2023 GHS'000
8.6 Pledged trading assets		
Government treasury bills	150,990	-
	150,990	-
Maturity analysis		
The maturities represent periods to contractual redemption of the trading assets recorded.		
Maturing within 1 month	15,861	-
Maturing after 1 month but within 6 months	135,129	-
Maturing after 6 months but within 12 months	-	-
Maturing after 12 months	-	-
	150,990	-

The assets pledged by the Bank are strictly for the purpose of providing collateral to the counterparty for short term borrowings.

8.7 Non-pledged trading assets

Non-pledged trading assets mainly relate to assets acquired as part of the trading activities carried out by the Global Markets business. These instruments are managed and assessed on a total portfolio basis.

Included in the non-pledged trading assets is GHS32.14 million (2023: GHS5.56 million) for related party transactions.

	2024 GHS'000	2023 GHS'000
Comprising:		
Government treasury bills	2,028,212	2,043,614
Derivative assets (note 8.5)	137,320	11,766
	2,165,532	2,055,380
Maturity analysis		
The maturities represent periods to contractual redemption of the trading assets recorded.		
Maturing within 1 month	4,813	499,110
Maturing after 1 month but within 6 months	728,973	1,271,123
Maturing after 6 months but within 12 months	1,429,362	285,147
Maturing after 12 months	2,384	-
	2,165,532	2,055,380

	2024 GHS'000	2023 GHS'000
9 Investment securities		
Investment securities comprise assets held for liquidity requirement purposes.		
Government bonds	3,090,472	3,115,632
Treasury bills	4,109,408	3,237,923
Gross financial investments	7,199,880	6,353,555
Less: Expected credit loss allowance on investment securities		
Stage 1	(19)	-
Stage 2	(34,499)	-
Stage 3	-	(47,763)
Net investment securities	7,165,362	6,305,792
9.1 Gross financial investments comprises:		
Government bonds	3,090,472	3,115,632
Treasury bills	4,109,408	3,237,923
	7,199,880	6,353,555

2024	Stage 1	Stage 2	Stage 3	Total
Reconciliation of gross financial investments:				
Opening balance	-	-	6,353,555	6,353,555
Transfers	-	6,353,555	(6,353,555)	-
New assets originated or purchased for the year	-	18,131,241	-	18,131,241
Assets derecognised or repaid	-	(17,284,916)	-	(17,284,916)
Closing balance	-	7,199,880	-	7,199,880
2023	Stage 1	Stage 2	Stage 3	Total
Reconciliation of gross financial investments:				
Opening balance	-	-	1,760,703	1,760,703
New assets originated or purchased for the year	-	-	16,383,834	16,383,834
Assets derecognised or repaid	-	-	(11,790,982)	(11,790,982)
Closing balance	-	-	6,353,555	6,353,555

Maturity analysis

The maturities represent periods to contractual redemption of the financial investments recorded.

Maturing within 1 month	2,640,908	1,042,369
Maturing after 1 month but within 6 months	1,031,235	2,510,807
Maturing after 6 months but within 12 months	1,239,425	794,101
Maturing after 12 months	2,288,312	2,006,278
	7,199,880	6,353,555

Expected Credit Loss allowance movement for financial investments

2024	GHS'000	GHS'000	GHS'000
	Stage 1	Stage 2	Stage 3
Opening balance	-	-	(47,763)
Net impairment charge (Note 25.6)	7	(34,500)	47,744
Provision used	(26)	1	19
Closing balance	(19)	(34,499)	-
2023	GHS'000	GHS'000	GHS'000
	Stage 1	Stage 2	Stage 3
Opening balance	-	-	(51,565)
Net impairment charge (Note 25.6)	-	-	3,802
Closing balance	-	-	(47,763)

Notes to the financial statements (continued)

		2024 GHS'000	2023 GHS'000
10 Loans and advances to customers			
10.1 Gross loans and advances to customers			
Mortgage loans		9,390,373	6,926,346
Instalment sale and finance leases		390,133	297,277
Overdrafts and other demand loans		247,551	281,104
Other term loans		3,528,666	2,552,351
		5,224,023	3,795,614
Credit impairment allowance for loans and advances (note 10.3)			
Stage 1		(1,209,169)	(778,500)
Stage 2		(165,478)	(116,553)
Stage 3		(163,542)	(246,792)
		(880,149)	(415,155)
Interest in suspense		(334,488)	(158,504)
Net loans and advances		7,846,716	5,989,342
Comprising:			
Gross loans and advances		9,390,373	6,926,346
Less: Credit impairment allowance		(1,209,169)	(778,500)
Interest in suspense		(334,488)	(158,504)
Net loans and advances		7,846,716	5,989,342

Regulatory disclosures on loans and advances have been disclosed under credit risk management – Bank of Ghana guidelines disclosures.

Included in gross loans and advances to customers is an amount of GHS 247.55 million (2023:GHS 281.10 million) relating to instalment sale and finance leases. See note 10.2 for analysis of instalment sale and finance lease receivable.

Analysis of gross loans and advances by performance 2024	Gross carrying value	Total expected credit loss				Interest in suspense	Net carrying value
		Stage 1	Stage 2	Stage 3	Total Impairment allowance		
Gross loans and advances to customers							
Mortgage loans	390,133	(1,742)	(35,847)	(60,368)	(97,957)	(9,213)	282,963
Instalment sale and finance leases	247,551	(1,063)	(2,735)	(8,369)	(12,167)	(688)	234,696
Overdrafts and other demand loans	3,528,666	(28,311)	(111,396)	(654,010)	(793,717)	(240,566)	2,494,383
Other term loans	5,224,023	(134,362)	(13,564)	(157,402)	(305,328)	(84,021)	4,834,674
Total	9,390,373	(165,478)	(163,542)	(880,149)	(1,209,169)	(334,488)	7,846,716

Analysis of gross loans and advances by performance 2023	Gross carrying value	Total expected credit loss				Interest in suspense	Net carrying value
		Stage 1	Stage 2	Stage 3	Total Impairment allowance		
Gross loans and advances to customers							
Personal and business banking (PBB)							
Mortgage loans	297,277	(1,481)	(26,994)	(35,497)	(63,972)	(2,064)	231,241
Instalment sale and finance leases	281,104	(1,522)	(12,686)	(16,094)	(30,302)	(730)	250,072
Overdrafts and other demand loans	2,552,351	(25,998)	(73,782)	(272,626)	(372,406)	(56,134)	2,123,811
Other term loans	3,795,614	(87,552)	(133,330)	(90,938)	(311,820)	(99,576)	3,384,218
Total	6,926,346	(116,553)	(246,792)	(415,155)	(778,500)	(158,504)	5,989,342

2024	Reconciliation of gross loans and advances to customers				Stage 1	Stage 2	Stage 3	Total
Opening balance					4,305,088	1,496,475	1,124,783	6,926,346
Additions for the year					7,343,009	675,663	748,226	8,766,898
Repayments during the year					(4,721,144)	(1,308,594)	(107,997)	(6,137,735)
Loan write offs					-	-	(165,136)	(165,136)
Closing balance					6,926,953	863,544	1,599,876	9,390,373

2023	Reconciliation of gross loans and advances to customers				Stage 1	Stage 2	Stage 3	Total
Opening balance					5,093,427	836,192	627,486	6,557,105
Additions for the year					2,652,077	1,320,565	1,246,899	5,219,541
Repayments during the year					(3,440,416)	(660,282)	(474,223)	(4,574,921)
Loan write offs					-	-	(275,379)	(275,379)
Closing balance					4,305,088	1,496,475	1,124,783	6,926,346

		2024 GHS'000	2023 GHS'000
Maturity analysis			
The maturity analysis is based on the remaining periods to contractual maturity from the period end.			
Redeemable on demand		80,223	-
Maturing within 1 month		286,015	486,201
Maturing after 1 month but within 6 months		1,940,752	1,098,066
Maturing after 6 months but within 12 months		2,905,206	1,519,948
Maturing after 12 months but within 60 months		2,767,402	2,934,696
Maturing after 60 months		1,410,775	887,435
Gross loans and advances		9,390,373	6,926,346

	2024 GHS'000	2023 GHS'000
10 Loans and advances to customers (continued)		
Segmental analysis - industry		
Agriculture	1,372,461	512,775
Construction and real estate	662,837	461,249
Electricity	664,662	156,512
Finance, commerce and other business services	388,180	816,175
Individuals	1,262,577	877,768
Manufacturing	1,246,039	1,018,041
Mining	830,695	552,942
Other services	2,190,806	1,706,452
Transport	772,116	824,432
Gross loans and advances	9,390,373	6,926,346

Segmental analysis - geographic area

The following table sets out the distribution of the loans and advances by geographic area where the loans are recorded.

	2024 GHS'000	2023 GHS'000
Ghana	9,390,373	6,926,346
Outside Ghana	-	-
Gross loans and advances	9,390,373	6,926,346

10.2 Instalment sale and finance leases

Included in gross loans and advances to customers are finance leases as analysed below:

	2024 GHS'000	2023 GHS'000
Gross investment in instalment sale and finance leases		
Receivable within 1 year	247,551	281,104
Receivable after 1 year but within 5 years	44,441	66,199
Receivable after 5 years	200,337	214,349
Unearned finance charges deducted	2,773	556
	(2,548)	(9,739)
Net investment in instalment sale and finance leases	245,003	271,365
Receivable within 1 year	43,977	63,804
Receivable after 1 year but within 5 years	198,282	207,025
Receivable after 5 years	2,744	536

Notes to the financial statements (continued)

10 Loans and advances to customers (continued)

10.3 Credit impairments allowance for loans and advances

Year ended 31 December 2024

A reconciliation of the allowance for impairment losses for loans and advances, by class:

GHS'000	Transfers between stages					Impairments raised
	Opening ECL 1 January 2024	Transfer Stage 1 (to)/from	Transfer Stage 2 (to)/from	Transfer Stage 3 (to)/from	Total	
Stage 1						
Mortgage loans	1,481	-	891	444	1,335	534
Instalment sales and finance lease	1,522	-	696	277	973	40
Overdrafts and other demand loans	25,998	-	304	754	1,058	19,370
Other term loans	87,552	-	70,491	(307)	70,184	71,460
Total	116,553	-	72,382	1,168	73,550	91,404
Stage 2						
Mortgage loans	26,994	(891)	-	(791)	(1,682)	19,025
Instalment sales and finance lease	12,686	(696)	-	-	(696)	202
Overdrafts and other demand loans	73,782	(304)	-	(329)	(633)	62,861
Other term loans	133,330	(70,491)	-	-	(70,491)	3,188
Total	246,792	(72,382)	-	(1,120)	(73,502)	85,276
Stage 3						
Mortgage loans	35,497	(444)	791	-	347	-
Instalment sales and finance lease	16,094	(277)	-	-	(277)	-
Overdrafts and other demand loans	272,626	(754)	329	-	(425)	-
Other term loans	90,938	307	-	-	307	-
Total	415,155	(1,168)	1,120	-	(48)	-
Total ECL	778,500	(73,550)	73,502	48	-	176,680

10.3 Credit impairments allowance for loans and advances

Year ended 31 December 2023

A reconciliation of the allowance for impairment losses for loans and advances, by class:

GHS'000	Opening ECL 1 January 2023	Transfers between stages				Impairments raised
		Transfer Stage 1 (to)/from	Transfer Stage 2 (to)/from	Transfer Stage 3 (to)/from	Total	
Stage 1						
Mortgage loans	(2,697)	-	(110)	36	(74)	161
Instalment sales and finance lease	3,657	-	3,080	(41)	3,039	463
Overdrafts and other demand loans	13,147	-	(50)	(505)	(555)	16,794
Other term loans	159,015	-	(12,474)	(62)	(12,536)	81,264
Total	173,122	-	(9,554)	(572)	(10,126)	98,682
Stage 2						
Mortgage loans	10,153	110	-	(895)	(785)	-
Instalment sales and finance lease	9,907	(3,080)	-	(2,243)	(5,323)	5,564
Overdrafts and other demand loans	35,368	50	-	(10,731)	(10,681)	15,239
Other term loans	85,344	12,474	-	-	12,474	108,086
Total	140,772	9,554	-	(13,869)	(4,315)	128,889
Stage 3						
Mortgage loans	21,717	(36)	895	-	859	-
Instalment sales and finance lease	37,345	41	2,243	-	2,284	-
Overdrafts and other demand loans	128,202	505	10,731	-	11,236	30,625
Other term loans	87,189	62	-	-	62	24,934
Total	274,453	572	13,869	-	14,441	55,559
Total ECL	588,347	10,126	4,315	(14,441)	-	283,130

Income statement movement

Changes in ECL - due to modifications	Subsequent changes in ECL	Derecognised including write offs	Total	TVM Unwind	Impaired accounts written off	Currency translation and other movements	Closing balance	Post write-off recoveries recognised in Profit or loss
-	(1,494)	-	(960)	-	-	(114)	1,742	-
-	(1,514)	-	(1,474)	-	-	42	1,063	-
-	(21,240)	-	(1,870)	-	-	3,125	28,311	-
-	(109,428)	-	(37,968)	-	-	14,594	134,362	-
-	(133,676)	-	(42,272)	-	-	17,647	165,478	-
<hr/>								
-	(20,192)	-	(1,167)	-	-	11,702	35,847	-
-	(9,737)	-	(9,535)	-	-	280	2,735	-
-	(13,573)	-	49,288	-	-	(11,041)	111,396	-
-	(67,527)	-	(64,339)	-	-	15,064	13,564	-
-	(111,029)	-	(25,753)	-	-	16,005	163,542	-
<hr/>								
-	26,486	-	26,486	(1,967)	(6,870)	6,875	60,368	81
-	(2,120)	-	(2,120)	(1,036)	(2,008)	(2,284)	8,369	3,621
-	450,808	-	450,808	(1,202)	(74,124)	6,327	654,010	35,088
-	67,237	-	67,237	(49,711)	-	48,631	157,402	2,665
-	542,411	-	542,411	(53,916)	(83,002)	59,549	880,149	41,455
-	297,706	-	474,386	(53,916)	(83,002)	93,201	1,209,169	41,455

Income statement movement

Changes in ECL - due to modifications	Subsequent changes in ECL	Derecognised including write offs	Total	TVM Unwind	Impaired accounts written off	Currency translation and other movements	Closing balance	Post write-off recoveries recognised in Profit or loss
-	446	-	607	-	-	3,645	1,481	-
-	(5,637)	-	(5,174)	-	-	-	1,522	-
-	(4,229)	-	12,565	-	-	841	25,998	-
-	1,380	(138,245)	(55,601)	-	-	(3,326)	87,552	-
-	(8,040)	(138,245)	(47,603)	-	-	1,160	116,553	-
<hr/>								
-	(1,581)	-	(1,581)	-	-	19,207	26,994	-
-	2,537	-	8,101	-	-	1	12,686	-
-	52,876	-	68,115	-	-	(18,888)	73,782	-
-	32,978	(62,116)	78,948	-	-	(43,436)	133,330	-
-	86,810	(62,116)	153,583	-	-	(43,116)	246,792	-
<hr/>								
-	15,140	-	15,140	-	(10,086)	7,867	35,497	890
-	2,722	-	2,722	-	(20,551)	(5,706)	16,094	523
-	132,806	-	163,431	-	(50,143)	19,900	272,626	8,682
-	49,943	(17,907)	56,970	-	(45,372)	(7,911)	90,938	964
-	200,611	(17,907)	238,263	-	(126,152)	14,150	415,155	11,059
-	279,381	(218,268)	344,243	-	(126,152)	(27,806)	778,500	11,059

Notes to the financial statements (continued)

10 Loans and advances to customers (continued)

10.4 Credit impairments for loans and advances (continued)

Segmental analysis of Stage 3 loans - industry

The following table sets out the segment analysis of the Bank's non performing loans and impairment by industry.

	Stage 3 loans and advances		Stage 3 credit impairment	
	2024 GHS'000	2023 GHS'000	2024 GHS'000	2023 GHS'000
Agriculture	269,120	200,381	84,593	11,852
Construction and real estate	6,847	5,084	2,253	23,347
Finance, commerce and other business services	24,119	21,830	9,173	164,395
Individuals	200,978	153,404	138,462	34,659
Manufacturing	38,871	36,537	20,268	6,875
Mining	4,851	2,251	4,393	28,258
Other services	546,955	301,466	414,678	24,789
Transport	511,723	403,831	206,329	120,980
	1,603,464	1,124,784	880,149	415,155

Segmental analysis of lifetime ECL credit impaired loans - geographic area

The following table sets out the distribution of the Bank's impairments by geographic area where the loans are recorded.

	Stage 3 loans and advances		Stage 3 credit impairment	
	2024 GHS'000	2023 GHS'000	2024 GHS'000	2023 GHS'000
Ghana	1,603,464	1,124,784	880,149	415,155
Outside Ghana	-	-	-	-
	1,603,464	1,124,784	880,149	415,155

10.5 Modifications on loans and advances measured at amortised cost

	Stage 2		
	2024	Amortised cost before modification	Net modification gain / (loss)
		GHS'000	GHS'000
Other loans and advances		613,444	54
Total		613,444	54
2023		GHS'000	GHS'000
Other loans and advances		491,166	-
Total		491,166	-

The gross carrying amount for modifications during the reporting year is GHS613million (2023: GHS 491 million). The modifications were extension of tenor and changes in interest rates.

11	Current tax	Note	2024	2023
			GHS'000	GHS'000
	Current tax liabilities		237,084	57,455
			237,084	57,455
11.1	Reconciliation of current tax liabilities			
	Current tax liabilities at beginning of the year		57,455	58,194
	Movement for the year		179,629	(739)
	Charge for the year	21.2	639,986	622,219
	Adjustment		167,505	-
	Payment		(627,862)	(622,958)
	Current tax liabilities at end of the year		237,084	57,455

11.2 Current tax (continued)

Year ended 31 December 2024	At 1 January	Charge to income statement	Adjustment	Payments during the year	At 31 December
	GHS'000	GHS'000		GHS'000	GHS'000
Corporate tax					
up to 2023 2024	139,497	468,736	73,573	(444,722)	139,497 97,587
	139,497	468,736	73,573	(444,722)	237,084
Growth and Sustainability Levy					
up to 2023 2024	(57,939)	-	69,829	(91,570)	(57,939) 63,884
	(57,939)	85,625	69,829	(91,570)	5,945
Financial sector recovery levy					
up to 2023 2024	(24,103)	-	24,103	(91,570)	(24,103) 18,158
	(24,103)	85,625	24,103	(91,570)	(5,945)
Total	57,455	639,986	167,505	(627,862)	237,084
Year ended 31 December 2023					
	At 1 January	Charge to income statement	Adjustment	Payments during the year	At 31 December
	GHS'000	GHS'000		GHS'000	GHS'000
Corporate tax					
Up to 2023 2022	106,123	-	-	(440,612)	106,123 33,374
	106,123	473,986	-	(440,612)	139,497
National stabilisation levy					
Up to 2023 2022	(32,423)	-	-	(91,173)	(32,423) (25,516)
	(32,423)	65,657	-	(91,173)	(57,939)
Financial sector recovery levy					
Up to 2023 2022	(15,506)	-	-	(91,173)	(15,506) (8,597)
	(15,506)	82,576	-	(91,173)	(24,103)
Total	58,194	622,219	-	(622,958)	57,455

Notes to the financial statements (continued)

		2024 GHS'000	2023 GHS'000
12	Other assets		
Items in the course of collections		88,739	266,852
Accounts receivable		5,120	7,230
Prepayments		313,625	230,257
Other receivables		300,829	304,896
		708,313	809,235

Included in other assets is an amount of GHS5.2 million (2023: GHS7.2 million) due from Standard Bank South Africa. See note 29.2 for details.

Impairment allowance on Other assets was assessed as immaterial, hence no provision raised (2023: Nil).

	GHS'000
13	Intangible assets
13.1	Cost
Balance at 1 January 2024	105,548
Additions	-
Balance at 31 December 2024	105,548
Balance at 1 January 2023	105,548
Additions	-
Balance at 31 December 2023	105,548
Accumulated amortisation	
Balance at 1 January 2024	58,698
Amortisation for the year	8,341
Balance at 31 December 2024	67,039
Balance at 1 January 2023	50,264
Amortisation for the year	8,434
Balance at 31 December 2023	58,698
Carrying amount	
2024	38,509
2023	46,850

Intangible assets consist of the Bank's core banking application used for banking operations.

14 Property, equipment and right-of-use assets

	Computer equipment GHS'000	Motor vehicles GHS'000	Office equipment GHS'000	Leasehold improvement GHS'000	Furniture and fittings GHS'000	Right-of-use assets GHS'000	Total GHS'000
14.1 Cost							
Balance at 1 January 2024	172,244	25,576	32,437	91,502	75,633	389,649	787,041
Additions	40,218	5,646	14,109	14,222	23,642	45,434	143,271
Disposals	(2,241)	(1,769)	(1,142)	(476)	(2,167)	-	(7,795)
Reclassifications/ transfers	48	-	(48)	(168)	168	-	-
Balance at 31 December 2024	210,269	29,453	45,356	105,080	97,276	435,083	922,517
Balance at 1 January 2023	140,420	21,842	29,139	85,542	66,119	268,355	611,417
Additions	34,905	5,078	4,439	5,815	13,693	121,294	185,224
Disposals	(3,128)	(1,344)	(1,094)	(60)	(3,974)	-	(9,600)
Reclassifications/ transfers	47	-	(47)	205	(205)	-	-
Balance at 31 December 2023	172,244	25,576	32,437	91,502	75,633	389,649	787,041
Accumulated depreciation							
Balance at 1 January 2024	106,648	10,152	21,517	36,809	53,253	201,541	429,920
Charge for the year	18,761	5,275	4,857	2,801	7,016	65,413	104,123
Reclassifications/ transfers	(4)	-	4	-	-	-	-
Release on disposals	(1,908)	(1,613)	(1,140)	(475)	(2,138)	-	(7,274)
Balance at 31 December 2024	123,497	13,814	25,238	39,135	58,131	266,954	526,769
Balance at 1 January 2023	93,087	7,353	18,950	34,261	51,454	142,584	347,689
Charge for the year	16,451	3,892	3,871	2,602	5,789	58,957	91,562
Reclassifications/ transfers	16	-	(6)	6	(16)	-	-
Release on disposals	(2,906)	(1,093)	(1,298)	(60)	(3,974)	-	(9,331)
Balance at 31 December 2023	106,648	10,152	21,517	36,809	53,253	201,541	429,920
Net book value							
2024	86,772	15,639	20,118	65,945	39,145	168,129	395,748
2023	65,596	15,424	10,920	54,693	22,380	188,108	357,121

Amount of work in progress in the net book value of Property and equipment for which depreciation has not yet commenced is GHS97.29 million (2023: GHS68.95 million). It comprises of computer equipment GHS30.31 million (2023: GHS20.13 million), furniture and fittings GHS 12.83 million (2023: GHS3.73 million), office equipment GHS3.15 million (GHS70.75 million) and leasehold improvement GHS51.00 million (2023: GHS 43.15 million).

There are no restrictions or encumbrances against any of the property, plant and equipment as at the year end (2023:Nil)

The Right-of-use asset class consists of lease arrangement between the Bank and lessors for the use of Head office and branch buildings.

Reclassifications/ transfers represents the reallocation of assets from one class to another to reflect the proper economic nature of the asset.

14.2 Profit on disposal of property and equipment

	2024 GHS'000	2023 GHS'000
Cost	7,795	9,600
Accumulated depreciation	(7,274)	(9,331)
Net book value	521	269
Sale proceeds	(618)	(592)
Profit on disposals	(97)	(323)

Notes to the financial statements (continued)

		2024 GHS'000	2023 GHS'000
15 Stated capital			
15.1 Authorised	500,000,000 Ordinary shares of no par value (2023: 500,000,000 Ordinary shares of no par value). There was no change in authorised share capital during the year.		
15.2 Issued	Number of ordinary shares issued for cash consideration is 221,275,640 (2023: 221,275,640) Number of ordinary shares issued for non-cash consideration is 443,600 (2023: 443,600)	414,169 44	414,169 44
		414,213	414,213

15.3 Analysis of shareholding

	Number of shareholders	Number of shares held	Percentage holding
By number of shares			
Category		2024	
1-1000		-	-
1001-5000		-	-
5001- 50 000	4	87,061	0.04%
over 50 001	3	221,632,179	99.96%
	7	221,719,240	100%
Category		2023	
1-1000		-	-
1001-5000		-	-
5001- 50 000	4	87,061	0.04%
over 50 001	3	221,632,179	99.96%
	7	221,719,240	100%

	2024		2023	
	Number of shares held	Percentage holding	Number of shares held	Percentage holding
By name				
Shareholder				
Stanbic Africa Holdings Limited - UK	221,076,824	99.710%	220,701,981	99.542%
Estate of Edward Henaku Booherne	555,243	0.250%	555,243	0.250%
Dannex Aryton Starwin Plc	-	-	374,955	0.169%
Bigfat Service Ltd	33,878	0.015%	33,821	0.015%
Joseph Ofori	32,371	0.015%	32,316	0.015%
Kwame C. Serbeh-Yiadom	13,333	0.006%	13,333	0.006%
Kwaku Gyesi Twum	7,591	0.003%	7,591	0.003%
	221,719,240	100%	221,719,240	100%

	2024 GHS'000	2023 GHS'000
16 Reserves		
16.1 Statutory reserve		
At 1 January	680,234	520,182
Transferred from retained earnings	145,325	160,052
At 31 December	825,559	680,234

Statutory reserve fund represents the cumulative amounts set aside from the annual profit after tax required by section 34 of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). The proportion of profits after tax transferred to this reserve ranges between 12.5% and 50% depending on the ratio of existing statutory fund to paid-up capital of the Bank. A transfer of GHS145.34 million (2023: GHS160.05 million) was made to the statutory reserve fund.

16.2 Statutory credit risk reserve (SCRR)

Provisions for loans recognised in the profit or loss account should be determined based on the requirements of IFRS 9. However, the IFRS 9 provision should be compared with provisions determined under Bank of Ghana guidelines and the expected impact/changes in reserves should be treated as follows:

- (i) If provisions per Bank of Ghana guidelines is greater than IFRS 9 provisions; the excess provision resulting should be transferred from the income surplus account to statutory credit risk reserve.
- (ii) If provisions per Bank of Ghana guidelines is less than IFRS 9 provisions; IFRS 9 determined provision is charged to the profit or loss account. The cumulative balance in the statutory credit risk reserve is thereafter reversed to the income surplus account.

Analysis of the statutory credit risk reserve is disclosed under statements of changes in equity.

Statutory credit risk reserve is created to set aside the excess between amounts recognised as impairment loss on loans based on expected credit loss provisions made for bad and doubtful loans and advances calculated in accordance with IFRS 9 and the Central Bank's prudential guidelines.

	2024 GHS'000	2023 GHS'000
At 1 January	-	-
Transfer to retained earnings	-	-
At 31 December	-	-

The reconciliation between Bank of Ghana's prudential guidelines on impairment allowance and IFRS impairment allowance is as follows:

	2024 GHS'000	2023 GHS'000
Bank of Ghana impairment allowance for loans and advances	1,098,290	758,994
IFRS impairment for loans to customers	1,209,169	778,500
Credit risk reserve at 31 December	-	-

When IFRS provision is in excess of Bank of Ghana provision, SCRR balance is reduced to nil and the excess allowance previously held is reversed to retained earnings.

16.3 Dividend

The directors at their meeting on 20 February 2025, did not recommend the payment of dividends. There was no dividend recommended in 2023.

Notes to the financial statements (continued)

	2024 GHS'000	2023 GHS'000
17 Trading liabilities		
Comprising:		
Other instruments	2,060,348	795,879
Derivatives (note 8.5)	59,585	11,841
	2,119,933	807,720

The Other instruments are repurchase agreements (repos) and other borrowings to fund the trading assets.

Maturity analysis

The maturity analysis is based on the remaining periods to contractual maturity from period end.

	2024 GHS'000	2023 GHS'000
Maturing within 1 month	667,720	612,194
Maturing after 1 month but within 6 months	1,452,213	195,526
	2,119,933	807,720

Included in trading liabilities is an amount of GHS42.41 million (2023: GHS8.84 million) for related party transactions. See note 29.2 (e).

	2024 GHS'000	2023 GHS'000
18 Deposits and current accounts		
18.1 Deposits from banks	808,010	794,725
Deposits from banks	808,010	794,725
18.2 Deposits from customers	23,172,209	18,591,157
Current accounts	15,387,153	11,234,573
Call deposits	2,449,572	1,914,292
Savings accounts	4,228,032	3,188,358
Term deposits	1,107,452	2,253,934
Total deposits and current accounts	23,980,219	19,385,882

Included in deposits from banks is GHS1,036 million (2023: GHS355 million) due to related parties. See note 29.2 (d)

Maturity analysis

The maturity analysis is based on the remaining periods to contractual maturity from period end.

	2024 GHS'000	2023 GHS'000
Repayable on demand	22,064,757	15,584,396
Maturing within 1 month	686,865	3,016,845
Maturing after 1 month but within 6 months	440,850	776,665
Maturing after 6 months but within 12 months	16,778	7,819
Maturing after 12 months but within 5 years	770,969	157
Total deposits and current accounts	23,980,219	19,385,882

	2024 GHS'000	2023 GHS'000
18.3 Borrowings		
Commercial paper	317,751	31,497
Medium term note	196,622	-
Interbank borrowing	58,806	-
	573,179	31,497

Maturity analysis

The maturity analysis is based on the remaining periods to contractual maturity from period end.

	2024 GHS'000	2023 GHS'000
Repayable on demand	-	-
Maturing within 1 month	207,741	31,497
Maturing after 1 month but within 6 months	208,214	-
Maturing after 6 months but within 12 months	157,224	-
Maturing after 12 months but within 5 years	-	-
Total deposits and current accounts	573,179	31,497

19 Deferred tax assets

	2024 GHS'000	2023 GHS'000
Deferred tax assets	318,682	228,587
	318,682	228,587

19.1 Deferred tax analysis by source

Credit impairment charges	320,125	231,735
Property and equipment	(1,443)	(3,148)
Deferred tax closing balance	318,682	228,587

19.2 Deferred tax reconciliation

Deferred tax at beginning of the year	228,587	287,572
Originating/(reversing) temporary differences for the period	90,095	(58,985)
Credit impairment charges	88,390	(58,484)
Property and equipment	1,705	(501)
Deferred tax at end of the year	318,682	228,587

20 Other liabilities

Provisions	Provisions for franchise and technical services	Impairment of off balance sheet exposure	Provisions for legal charges	Total
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2024

Balance at 1 January 2024	57,122	39,787	2,909	99,818
Provisions made during the year	73,069	10,836	-	83,905
Provisions utilised during the year	(48,801)	-	-	(48,801)
Balance at 31 December 2024	81,390	50,623	2,909	134,922
Current	-	50,623	-	50,623
Non-current	81,390	-	2,909	84,299
	81,390	50,623	2,909	134,922

2023

Balance at 1 January 2023	29,298	22,017	2,574	53,889
Provisions made during the year	66,173	18,403	1,030	85,606
Provisions utilised during the year	(38,349)	-	-	(38,349)
Provisions reversed during the year	-	(633)	(695)	(1,328)
Balance at 31 December 2023	57,122	39,787	2,909	99,818

Current	-	39,787	-	39,787
Non-current	57,122	-	2,909	60,031
	57,122	39,787	2,909	99,818

	2024 GHS'000	2023 GHS'000
Other liabilities	1,414,920	1,274,296
Items in the course of transmission	637,287	545,070
Staff-related accruals	123,567	138,737
Liability on employee long service awards	40,727	26,977
Deferred revenue liability	38,228	27,458
Accounts payable	76,375	92,102
Indirect taxes accruals	42,109	54,024
Accrued expenses	221,253	159,817
Lease liabilities	40,654	65,571
Others	194,720	164,540

Provisions and other liabilities	1,549,842	1,374,114
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Included in the other liabilities is an amount of GHS206.41 million (2023: GHS123.9 million) for related party transactions. See note 29.2(f). Included in the Others are credits on behalf of our customers for travel wallets loaded and unclaimed customer balances.

(a) Provisions for franchise and technical services

The Bank's franchise and information technology agreement with its parent company was approved by both GIPC and Bank of Ghana for a period of ten (10) years effective 1 September 2017. Provisions are held in line with the approved agreement.

(b) Impairment for off-balance sheet exposure

Impairment for off-balance sheet exposure relates to expected credit loss on off balance sheet exposures in accordance with IFRS 9.

Notes to the financial statements (continued)

20 Other liabilities (continued)

(c) Provisions for legal charges

In the conduct of its ordinary course of business, the Bank is exposed to various actual and potential claims and lawsuits. The Bank makes provision for amounts that would be required to settle obligations that may crystallise in the event of unfavourable outcome of the lawsuits. Estimates of provisions required are based on management judgement. See note 24.3 for further details.

(d) Lease liabilities

	2024 GHS'000	2023 GHS'000
Opening balance	65,571	13,265
Additions for the year	45,434	86,618
Interest expense	5,011	6,317
Principal lease repayments	(89,900)	(72,778)
Interest payment	(5,011)	-
Currency translation movement	19,549	32,149
Closing balance	40,654	65,571

A total of GHS63.75 million (2023: GHS79.38 million) in leases were charged to profit or loss due to it either being short term or low value in nature.

(e) Items in the course of transmission

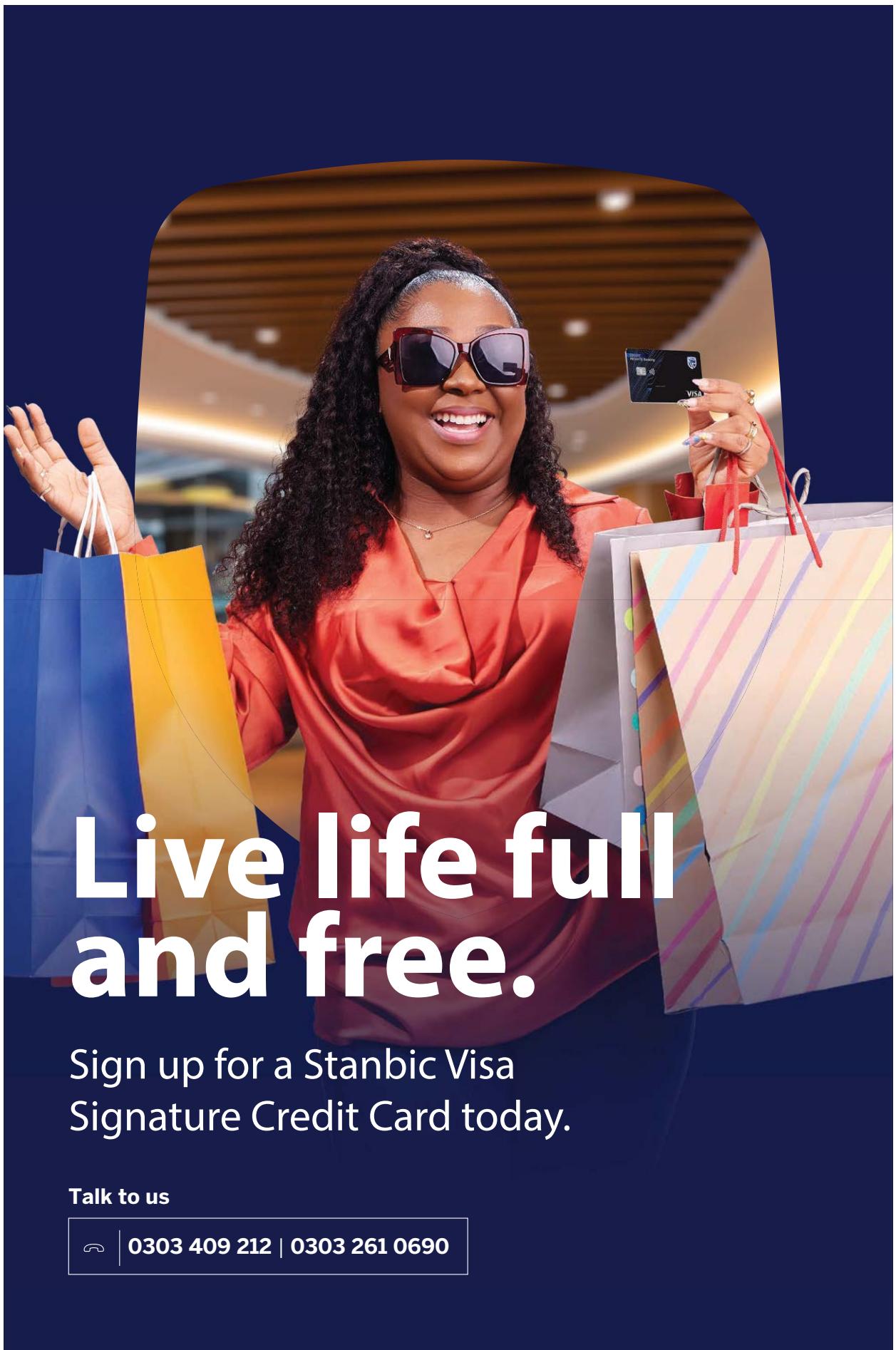
relates to balances held in respect of clearing and settlement of customer transactions.

(f) Staff-related accruals

include performance bonus of GHS107 million (2023: GHS129.01 million) and deferred bonus of GHS11.35 million (2023: GHS6.08 million).

(g) Liability on employee long service awards

of GHS40.727 million (2023: GHS26.98 million) relates to the present value of the Bank's obligation on its long service award to staff. Refer to note 30 (i) for details.

A woman with curly hair, wearing a red dress and sunglasses, is smiling and holding several shopping bags and a Stanbic Visa credit card. She is standing in a brightly lit shopping mall. The background is a dark blue gradient.

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Notes to the financial statements (continued)

21 Classification of financial instruments

Accounting classifications and fair values

The table below sets out the Bank's classification of assets and liabilities, and their fair values.

Note	Fair value through P&L		Amortised cost	Other non-financial assets and liabilities	Total carrying amount	Fair value ¹
	Held for trading	Fair value through P/L-default				
	GHS'000	GHS'000				
At 31 December 2024						
Assets						
Cash and cash equivalents	7	-	5,887,649	7,913,420	-	13,801,069
Pledged trading assets	8.5	150,990	-	-	150,990	150,990
Non-pledged trading assets	8.6	2,165,532	-	-	2,165,532	2,165,532
Investment securities	9	-	-	7,165,362	-	7,165,362
Loans and advances to customers	10	-	-	7,846,716	-	7,846,716
Other financial assets	12	-	-	394,688	-	394,688
Other non-financial assets		-	-	1,066,564	1,066,564	-
		2,165,532	5,887,649	23,320,186	1,066,564	32,590,921
						31,502,505
Liabilities						
Trading liabilities	17	2,119,933	-	-	-	2,119,933
Deposits from banks	18.1	-	-	808,010	-	808,010
Deposits from customers	18.2	-	-	23,172,209	-	23,172,209
Borrowings	18.3	-	-	573,179	-	573,179
Other non-financial liabilities		-	-	1,786,926	1,786,926	-
		2,119,933	-	24,553,398	1,786,926	28,460,257
						26,673,331

¹Carrying value has been used where it closely approximates fair values. Fair value estimates are made as of a specific point in time based on the characteristics of the financial instruments and relevant market information. Where available, the most suitable measure for fair value is the quoted market price. In the absence of organised secondary markets for financial instruments, such as loans, deposits and unlisted derivatives, the fair value of such instruments are calculated on the basis of well-established valuation techniques using current market parameters.

21 Classification of financial instruments (continued)

Note	Fair value through P&L		Amortised cost	Other non-financial assets and liabilities	Total carrying amount	Fair value ¹
	Held for trading	Fair value through P/L-default				
	GHS'000	GHS'000				
At 31 December 2023						
Assets						
Cash and cash equivalents	7	-	7,543,105	1,298,126	-	8,841,231
Non-pledged trading assets	8.6	2,055,380	-	-	2,055,380	2,055,380
Investment securities	9	-	-	6,305,792	-	6,305,792
Loans and advances to customers	10	-	-	5,989,342	-	5,989,342
Other financial assets	12	-	-	578,978	-	578,978
Other non-financial assets		-	-	862,815	862,815	-
		2,055,380	7,543,105	14,172,238	862,815	24,633,538
						23,770,723
Liabilities						
Trading liabilities	17	807,720	-	-	-	807,720
Deposits from banks	18.1	-	-	794,725	-	794,725
Deposits from customers	18.2	-	-	18,591,157	-	18,591,157
Borrowings	18.3	-	-	31,497	-	31,497
Other non-financial liabilities		-	-	1,431,569	1,431,569	-
		807,720	-	19,417,379	1,431,569	21,656,668
						20,225,099

¹Carrying value has been used where it closely approximates fair values. Fair value estimates are made as of a specific point in time based on the characteristics of the financial instruments and relevant market information. Where available, the most suitable measure for fair value is the quoted market price. In the absence of organised secondary markets for financial instruments, such as loans, deposits and unlisted derivatives, the fair value of such instruments are calculated on the basis of well-established valuation techniques using current market parameters.

22 Fair values of financial instruments

22.1 Valuation framework

The Bank has an established control framework with respect to the measurement of fair values. This framework includes a *market risk function*, which has overall responsibility for independently verifying the results of trading operations and all significant fair value measurements, and a *product control function*, which is independent of front office management and reports to the Chief Financial Officer. The roles performed by both functions include:

- verification of observable pricing;
- re-performance of model valuations;
- review and approval process for new models and changes to models;
- calibration and back-testing of models against observed market transactions;
- analysis and investigation of significant daily valuation movements; and
- review of significant unobservable inputs, valuation adjustments and significant changes to the fair value measurement of level 3 instruments.

Significant valuation issues are reported to the Board Audit Committee.

22.2 Financial instruments measured at fair value - fair value hierarchy

The tables below analyse financial instruments carried at fair value at the end of the reporting period, by level of fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position. See reference 4.4 on accounting policies on fair value.

Note	Carrying amount GHS'000	Level 1	Level 2	Level 3	Total	
		GHS'000	GHS'000	GHS'000	GHS'000	
At 31 December 2024						
Assets						
Cash and cash equivalents	7	5,887,649	5,887,649	-	5,887,649	
Non-pledged trading assets	8.6	2,165,532	-	2,165,532	2,165,532	
Pledged trading assets	8.5	150,990	-	150,990	150,990	
		8,204,171	5,887,649	2,316,522	8,204,171	
Comprising:						
Cash and cash equivalents	7	5,887,649	5,887,649	-	5,887,649	
Held-for-trading	8.6	2,165,532	-	2,165,532	2,165,532	
Held-for-trading	8.5	150,990	-	150,990	150,990	
		8,204,171	5,887,649	2,316,522	8,204,171	
Liabilities						
Trading liabilities	17	2,119,933	-	2,119,933	2,119,933	
		2,119,933	-	2,119,933	2,119,933	
Comprising:						
Held-for-trading	17	2,119,933	-	2,119,933	2,119,933	
		2,119,933	-	2,119,933	2,119,933	

There were no transfers between Level 1 and Level 2 during the year. No reclassifications were made in or out of level 3 during the year.

Notes to the financial statements (continued)

22.2 Financial instruments measured at fair value - fair value hierarchy (continued)

	Note	Carrying amount GHS'000	Level 1 GHS'000	Level 2 GHS'000	Level 3 GHS'000	Total GHS'000
At 31 December 2023						
Assets						
Cash and cash equivalents	7	5,551,996	5,551,996			5,551,996
Non-pledged trading assets	8.6	2,055,380	-	2,055,380	-	2,055,380
		7,607,376	5,551,996	2,055,380	-	7,607,376
Comprising:						
Cash and cash equivalents	7	5,551,996	5,551,996			5,551,996
Held-for-trading	8.6	2,055,380		2,055,380	-	2,055,380
		7,607,376	5,551,996	2,055,380	-	7,607,376
Liabilities						
Trading liabilities	12	807,720		807,720	-	807,720
		807,720	-	807,720	-	807,720
Comprising:						
Held-for-trading	12	807,720		807,720	-	807,720
		807,720	-	807,720	-	807,720

There were no transfers between Level 1 and Level 2 during the year. No reclassifications were made in or out of level 3 during the year.

23 Financial instruments not measured at fair value - fair value hierarchy

	Carrying value GHS'000	Level 1 GHS'000	Level 2 GHS'000	Level 3 GHS'000	Total GHS'000
At 31 December 2024					
Assets					
Cash and cash equivalents	7,913,420	7,913,420	-	-	7,913,420
Investment securities	7,165,362	-	5,634,565	1,530,797	7,165,362
Loans and advances to customers	7,846,716	-	-	7,846,716	7,846,716
	22,925,498	7,913,420	5,634,565	9,377,513	22,925,498
Liabilities					
Deposits from banks	808,010	808,010	-	-	808,010
Deposits from customers	23,172,209	22,064,757	1,107,452	-	23,172,209
Borrowings	573,179	-	573,179	-	573,179
	24,553,398	22,872,767	1,680,631	-	24,553,398
Unrecognised financial instruments					
Letters of credit	683,285	-	683,285	-	683,285
Guarantees	2,079,936	-	2,079,936	-	2,079,936
 At 31 December 2023					
Assets					
Cash and cash equivalents	3,289,235	3,289,235	-	-	3,289,235
Investment securities	6,305,792	-	4,774,995	1,530,797	6,305,792
Loans and advances to customers	5,989,342	-	-	5,989,342	5,989,342
	15,584,369	3,289,235	4,774,995	7,520,139	15,584,369
Liabilities					
Deposits from banks	794,725	794,725	-	-	794,725
Deposits from customers	18,622,654	15,242,260	3,380,394	-	18,622,654
Borrowings	31,497	-	31,497	-	31,497
	19,448,876	16,036,985	3,411,891	-	19,448,876
Unrecognised financial instruments					
Letters of credit	437,686	-	437,686	-	437,686
Guarantees	2,301,408	-	2,301,408	-	2,301,408

Fair value of loans and advances is estimated using discounted cash flow techniques. Input into the valuation techniques includes interest rates and expected cash flows. Expected cash flows are discounted at current market rates to determine fair value.

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

Notes to the financial statements (continued)

	2024 GHS'000	2023 GHS'000
24 Contingent liabilities and commitments		
24.1 Contingent liabilities		
Letters of credit	683,285	437,686
with cash collateral	49,017	300,833
without cash collateral	634,268	136,853
Guarantees	2,079,936	2,301,408
with cash collateral	130,814	144,561
without cash collateral	1,949,122	2,156,847
Revocable loan commitments	3,438,229	2,248,209
	6,201,450	4,987,303

Guarantees and letters of credit are given to third parties as security to support the performance of a customer to third parties. As the Bank will only be required to meet these obligations in the event of the customer's default, the cash requirements of these instruments are expected to be considerably below their nominal amounts. The expected credit loss of GHS50.62 million (2023: GHS39.78 million) on this has been included in provisions (see note 20).

24.2 Commitments

During 2024, the Bank entered into contracts to purchase property and equipment.

	2024 GHS'000	2023 GHS'000
Property and equipment	12,645	4,063
Total	12,645	4,063

At year end, the commitments were non-cancellable and are payable as follows.

	2024 GHS'000	2023 GHS'000
	Within 12 months	Within 12 months
Property and equipment	12,645	4,063
Total	12,645	4,063

24.3 Legal proceedings

In the ordinary course of business the Bank is exposed to various actual and potential claims, lawsuits and other proceedings that relate to alleged errors, omissions, breaches. There were seven (7) cases against the Bank. The directors are satisfied, based on present information and the assessed probability of such existing claims crystallising that the Bank has adequate insurance cover and/or provisions in place to meet such claims. Total provisions made for possible claims if cases went against the Bank at 31 December 2024 is GHS2.9 million (2023: GHS2.9 million). See note 20.

These claims against the Bank are generally considered to have a low likelihood of success and the Bank is actively defending these claims. Management believes that the ultimate resolution of any of the proceedings will not have a significantly adverse effect on the Bank. Where the Bank envisages that there is a more than average chance that a claim against it will succeed, adequate provisions are raised in respect of such claim.

25 Income statement disclosures	2024 GHS'000	2023 GHS'000
25.1 Interest income calculated using the effective interest rate method		
Interest on loans and advances	1,418,323	1,454,737
Interest on investments	1,659,018	928,564
Interest income on credit impaired financial assets	77,480	80,425
	3,154,821	2,463,726

All interest income reported above relates to financial assets measured at amortised cost and calculated using the effective interest rate method.

25.2 Interest expense calculated using the effective interest rate method	2024 GHS'000	2023 GHS'000
Current accounts	40,193	20,945
Savings and deposit accounts	304,113	443,149
Interest on lease liabilities (note 20 (d))	5,011	6,317
Other interest bearing liabilities	294,437	27,845
	643,754	498,256

All interest expense reported above relates to financial liabilities measured at amortised cost and calculated using the effective interest rate method.

Included in interest expense reported above is GHS11.9 million (2023: GHS12.2 million) from related party transactions. See note 29.2 (f).

25.3 Net fee and commission revenue	2024 GHS'000	2023 GHS'000
Fee and commission revenue	700,025	536,517
Account transaction fees	250,850	205,569
Card based commission	236,255	173,623
Knowledge based fees and commission	4,624	2,157
Electronic banking	5,601	4,519
Insurance - fees and commission	6,101	5,246
Foreign service fees	71,483	50,369
Documentation and administration fees	20,439	15,920
Other fee and commission revenue	104,672	79,114
Fee and commission expense	(149,731)	(113,447)
Point of representation transaction fees	(16,638)	(15,068)
Electronic Banking transaction fees	(76)	(15)
Card based commission paid	(133,017)	(98,364)
	550,294	423,070

All fees and commission revenue and expenses reported above relate to financial assets or liabilities not carried at fair value through profit or loss.

Other fee income include commission on sale of government securities, agency fee, account statement fee, funds transfer charges, salary processing and administration charges, reference letter charges, and forex cash withdrawal charges.

Fees and commissions revenue are recognised on a point in time basis.

25.4 Trading revenue	2024 GHS'000	2023 GHS'000
Foreign exchange	217,175	334,682
Debt securities	374,613	609,017
	591,788	943,699

Included in trading revenue is GHS6.02 million (2023: GHS67.2 million) from related party transactions. See note 29.2 (f).

25.4.1 Fair value adjustment on financial instrument	2024 GHS'000	2023 GHS'000
Deposit mark to market	(27,076)	2,239
Loan mark to market	15,741	(5,290)
Government issued bonds mark to market	-	(7,776)
	(1,335)	(10,827)

Notes to the financial statements (continued)

		2024 GHS'000	2023 GHS'000
25 Profit or loss disclosures (continued)			
25.5 Other gains			
Profit on sale of property and equipment	97	323	
	97	323	
25.6 Credit impairment charges			
Net expected credit losses raised and released for financial investments			
Stage 1	(7)	-	
Stage 2	34,500	-	
Stage 3	(47,744)	(3,802)	
Net expected credit losses raised and released for banks			
Stage 1	(10)	(750)	
Stage 2	1,937	-	
Stage 3	-	(259)	
Net expected credit losses raised and released for loan and advances			
Stage 1	31,278	(57,729)	
Stage 2	(99,255)	149,268	
Stage 3	542,363	252,704	
Net expected credit losses raised and released on off balance sheet exposures			
Stage 1	6,015	13,945	
Stage 2	(3,284)	3,824	
Stage 3	-	-	
Modification gains on financial investments	(501)	(300,994)	
Recoveries on loans and advances previously written off	(41,731)	(11,058)	
Cured Interest in suspense	(59,370)	(13,273)	
Total credit impairment charge	364,191	31,876	
25.7 Staff costs			
Salaries and allowances	716,708	614,325	
Deferred bonus scheme	14,281	6,827	
Long service award incentive (Note 30.1 (iii))	14,752	6,643	
	745,741	627,795	

Share-based payment transactions

The Bank operates a share-based payment arrangement under which it receives services from employees as a consideration for equity instrument or cash settlement based on equity instrument of the Bank. It is essential for the Bank to retain key skills over the longer term. This is done particularly through share-based incentive plans. The purpose of these plans is to align the interests of the Bank and employees as well as to attract and retain skilled, competent people.

The Bank had the underlisted share-based arrangement.

Deferred bonus scheme: The Bank has implemented this scheme to defer a portion of incentive bonuses over a minimum threshold for key management and executives. This improves the alignment of shareholder and management interests by creating a closer linkage between risk and reward, and also facilitates retention of key employees.

	2024 GHS'000	2023 GHS'000
Emoluments of executive directors		
Emoluments of executive directors	15,436	8,450
Non-executive directors		
Fees of directors	2,776	2,271
	18,212	10,721

In order to align emolument with the performance to which they relate, emoluments reflect the amounts accrued in respect of each year and not the amount paid.

25 Profit or loss disclosures (continued)

	2024 GHS'000	2023 GHS'000
25.8 Other operating expenses		
Information technology	90,778	89,585
Communication	28,953	25,764
Premises	63,746	79,376
Auditors' remuneration	2,795	2,389
Non-executive directors' fees	2,776	2,271
Professional fees	14,420	11,355
Marketing and advertising	17,020	12,961
Insurance	77,543	49,854
Training	7,259	3,715
Donation and sponsorship	9,484	7,063
Franchise and technical service fees ¹	152,187	100,615
Stationary and printing	12,865	7,741
Security expenses	12,395	7,753
Immovable bank property expenses	8,000	4,449
Travel and entertainment	58,098	46,324
Subscriptions and membership fees	9,078	5,665
Processing costs	18,066	12,136
Operational risk losses	3,078	7,815
License fees	13,807	12,934
Currency differences	(69)	11,547
Bank charges	21,911	10,218
Transfer pricing expenses	6,071	6,036
Non training conferences expense	662	983
Other operating costs ²	24,117	20,858
	655,040	539,407

¹The Bank's franchise and information technology agreement with its parent company has been approved by both Ghana Investment Promotion Centre (GIPC) and Bank of Ghana for a period of ten (10) years effective 1 September 2017.

²Other operating costs include amongst others individually miscellaneous expenses such as sundries, refreshment, credit bureau cost etc

Included in Other operating expenses is GHS 169 million (2023: GHS114 million) from related party transactions. See note 29.2 (f).

25.9 Depreciation and amortisation

	2024 GHS'000	2023 GHS'000
Amortisation - intangible assets (Note 13.1)	8,341	8,434
Depreciation (Note 14.1)		
Leasehold improvement	2,801	2,608
Computer equipment	18,761	16,467
Motor vehicles	5,275	3,892
Office equipment	4,857	3,865
Furniture and fittings	7,016	5,773
Right-of-use assets	65,413	58,957
	112,464	99,996

Notes to the financial statements (continued)

	Note	2024 GHS'000	2023 GHS'000
26 Income tax expense			
Indirect tax (note 26.1)		63,318	71,869
Direct tax (note 26.2)		549,890	681,204
		613,208	753,073
26.1 Indirect tax			
Value added tax on franchise and technical services		40,003	36,212
Value added tax on other purchases and services		23,315	35,657
		63,318	71,869
26.2 Direct tax			
Current tax	11.1	639,986	622,219
Deferred tax	19.2	(90,096)	58,985
Tax per income statement		549,890	681,204
26.3 Rate reconciliation			
		2024 %	2023 %
The corporate tax charge for the year as a percentage of profit before tax		32	36
Growth and Sustainability Levy		(5)	(5)
Financial Sector Recovery Levy		(5)	(5)
Other permanent differences		3	(1)
Standard rate of tax		25	25

27 Earnings per ordinary share

The calculations of basic earnings per ordinary share has been based on the following profit attributable to ordinary shareholders and the

	2024	2023
Earnings attributable to ordinary shareholders (GHS'000)	1,162,602	1,280,415
Weighted average number of ordinary shares in issue (in thousand)	221,719	221,719
Basic earnings per ordinary share (Ghana pesewas)	524	577

28 Statement of cash flows notes**28.1 Increase in income-earning assets**

	2024 GHS'000	2023 GHS'000
Trading assets	(124,253)	(1,260,366)
Investment securities	(805,261)	(4,956,640)
Loans and advances to customers	(2,416,623)	258,812
Other assets	392,426	540,295
	(2,953,711)	(5,417,899)

28.2 Increase in deposits and other liabilities

Deposits and current accounts	5,134,454	4,077,640
Trading liabilities	1,264,469	676,028
Other liabilities and provisions	557,131	90,852
	6,956,054	4,844,520

28.3 Effect of exchange rate changes on cash and cash equivalents

Currency	2024	2023
USD	78,063	142,883
EUR	72,227	94,329
GBP	17,721	45,101
ZAR	1,356	1,788
Effect of exchange rate	169,367	284,101

Notes to the financial statements (continued)

29 Related party transactions

29.1 Parent and ultimate controlling party

The Bank is 99.71% owned by Stanbic Africa Holdings Limited, which is incorporated in the United Kingdom. The ultimate parent and controlling party of the Bank is Standard Bank Group Limited, incorporated in South Africa.

Stanbic Bank Ghana LTD is related to other companies that are fellow subsidiaries of Standard Bank Group Limited. These include Stanbic Investment Management Services LTD (SIMS), Stanbic Holdings Ghana LTD, SBG Securities Ghana LTD, Stanbic Insurance Brokers LTD, Standard Bank Isle of Man Ltd, Standard Bank of South Africa (SBSA), Stanbic IBTC Holdings Nigeria PLC, Stanbic Bank Kenya Limited, Stanbic Bank Ivory Coast, Stanbic Bank Uganda Ltd, and Standard Bank (Mauritius) Ltd. ICBC Standard Bank PLC, which is an associate of Standard Bank Group Ltd, is also a related party.

29.2 Balances with Standard Bank of South Africa (SBSA) and other related parties

In the normal course of business, current accounts are operated and placements of foreign currencies and trades between currencies are made with SBSA and other entities within the Standard Bank Group.

The relevant balances are shown below:

	Note	2024 GHS'000	2023 GHS'000
Amounts due from related parties			
Cash and cash equivalents	7	340,458	91,161
Non-pledged trading assets	8	32,144	5,556
Other assets	12	5,159	7,277
		377,761	103,994

(a) **Cash and cash equivalents (due from banks):** This represents foreign currency placement with Standard Bank Group entities. Placements are usually denominated in US dollars and Rands. Tenor is usually short ranging between 1-3 months. The contract terms are based on normal market terms. Details per counterparty are as follows:

		2024 GHS'000	2023 GHS'000
Standard Bank of South Africa	7	340,458	91,161
		340,458	91,161

(b) **Non-pledged trading assets (derivatives):** These represent fair value of currency swap and foreign exchange forward transactions with related parties. The transaction includes EUR/USD swap, USD/ZAR swap, and USD/GHS swap with a combined notional principal of GHS5.653 billion (2023: GHS1.584 billion). The contracts maturity ranges from one month to 1 year.

(c) **Other assets:** These represent reimbursable expenses recoverable and other receivables from related parties. No specific impairments have been recognised in respect of the amount.

29 Related party transactions (continued)

29.2 Balances with Standard Bank of South Africa (SBSA) and other related parties (continued)

	Note	2024 GHS'000	2023 GHS'000
Amounts due to related parties			
Deposits and current accounts	18.2	1,035,592	355,324
Trading liabilities	17	42,408	8,844
Other liabilities	20	206,409	123,918
		1,284,409	488,086

(d) **Deposits and current accounts:** These represent demand deposits with related parties. Balances are denominated in GHS with no interest rates and are repayable on demand.

	2024 GHS'000	2023 GHS'000
Standard Bank of South Africa	606,971	342,136
Stanbic Investments Management Services LTD (SIMS)	400,178	670
SBG Securities Ghana LTD	1,000	57
Stanbic Holdings Ghana LTD	26,190	12,461
Stanbic Insurance Brokers LTD	1,253	-
	1,035,592	355,324

(e) **Trading liabilities (derivatives):** These represent fair value of currency swap and forward transactions with entities within the Standard Bank Group. Details per counterparty are as follows:

	2024 GHS'000	2023 GHS'000
Standard Bank of South Africa	42,408	8,844
	42,408	8,844

(f) **Other liabilities:** These relate to franchise and information technology accruals payable to SBSA. Also included in other liabilities are reimbursable expenses payable to SBSA and other members of the Standard Bank Group as follows:

	2024 GHS'000	2023 GHS'000
Franchise fees payable	20,355	19,341
Information Technology cost payable	61,035	37,781
Other expenses payable	125,019	66,796
	206,409	123,918

Profit or loss impact of transactions with Standard Bank of South Africa and other related parties

	2024 GHS'000	2023 GHS'000
Interest income	2,400	-
Interest expense	11,951	12,228
Trading revenue	6,019	67,163
Operating expense incurred	170,705	113,867

(g) **Interest income earned** This represents interest earned on placement with entities.

(h) **Interest expense:** This represents interest expense booked in respect of deposits, subordinated debt, and other borrowing transactions with group entities.

(i) **Trading revenue** This represents fair value gain on trading and derivative transactions with group entities.

Notes to the financial statements (continued)

29 Related party transactions (continued)

29.3 Balances with key management personnel

Key management personnel includes members of the Stanbic Bank Ghana LTD Board of Directors and its Executive Committee. The definition of key management includes close family members of key management personnel and any entity over which key management exercise control, joint control or significant influence. Close family members are those family members who may influence, or be influenced by that person in their dealings with Stanbic Bank Ghana LTD. They include the person's domestic partner and children, the children of the person's domestic partner, and dependents of the person or the person's domestic partner.

(i) Key management compensation

	2024 GHS'000	2023 GHS'000
Salaries and other short-term benefits	40,917	27,567
Long term benefits and pensions	3,087	1,624
	44,004	29,191

Long term benefits and pensions comprise of deferred bonus scheme and employee long service award scheme.

(ii) Loans and deposit transactions with key management personnel

	2024 GHS'000	2023 GHS'000
Loans and advances		
Loans outstanding at the beginning of the period	10,856	10,659
Net movement during the period	1,842	197
Loans outstanding at the end of the year	12,698	10,856
 Net interest earned	626	622

Loans include mortgage loans, instalment sale and finance leases and credit cards. Loans granted to employees and executive directors are granted at concessionary rates 0%-7.5% below the prime lending rate. Credit provisions held on loans and advances granted to key management personnel was GHS0.0584 million (2023: GHS0.0600 million). The mortgage loans and instalment sale and finance leases are secured by the underlying assets. All other loans are unsecured.

The maximum amount of all sums of staff loans and advances due to the Bank at the end of the year from officers was GHS437.06 million (2023: GHS290.59 million).

Deposits and current accounts

	2024 GHS'000	2023 GHS'000
Deposits outstanding at beginning of the period	17,237	9,962
Net movement during the period	6,716	7,275
Deposits outstanding at end of the year	23,953	17,237
 Net interest expense	12	25

Deposits include current and savings accounts balances.

30 Long service award scheme

The value of long service is acknowledged through long service awards that are regarded as an important aspect of recognition and the total Employee Value Proposition (EVP) of the Bank.

The length of service is calculated each year and the awards paid when due. The employee makes no financial contribution towards the scheme; the responsibility of funding the Awards Scheme is on the Bank.

The award structure for long service awards is show below:

Years of service	Award to employee
10	2 months basic salary plus certificate of recognition
15	3 months basic salary plus certificate of recognition
20	4 months basic salary plus certificate of recognition
25	5 months basic salary plus certificate of recognition
30	6 months basic salary plus certificate of recognition
Above 30 years	Prior Award plus 1 Month Basic Salary for every additional 5 Years of Service

30.1 Description of risk

The nature of the awards scheme is that of an Unfunded Scheme because the Actuarial Liability is not supported with any dedicated assets. Its structure is equivalent to the traditional Pay-As-You-Go pension system which has no dedicated assets to back the pension liability.

In valuing the liabilities, the Projected Unit Credit Method (PUCM), which is the recommended valuation method by IAS 19, was employed together with a set of assumptions relating to employees demographic profiles as well as assumptions on financial variables.

	2024 GHS'000	2023 GHS'000		
i) The amounts recognised in the statement of financial position in respect of the retirement fund is as follows:				
Present value of funded obligations	40,727	26,977		
	40,727	26,977		
ii) Movement in the present value of funded obligation				
Balance at the beginning of the year	26,977	18,405		
Current service cost	4,048	3,175		
Interest cost	10,704	3,467		
Actuarial loss	8,808	11,337		
Benefits paid	(9,810)	(9,407)		
Balance at the end of the year	40,727	26,977		
iii) The amounts recognised in profit and loss are determined as follows				
Current service cost	4,048	3,175		
Net interest income	10,704	3,467		
Included in staff costs	14,752	6,642		
iv) Components of statement of OCI				
Actuarial loss	8,808	11,337		
v) Sensitivity analysis for the scheme				
	2024	2023		
	1% increase GHS'000	1% decrease GHS'000	1% increase GHS'000	1% decrease GHS'000
Inflation rate				
Effect on the defined benefit obligation	1,829	(6,761)	(5,014)	4,371
Discount rate				
Effect on the defined benefit obligation	(6,681)	5,849	4,356	(5,075)
Mortality improvements				
Effect on the defined benefit obligation	10% increase (870)	10% decrease 855	10% increase (640)	10% decrease (629)

Notes to the financial statements (continued)

31 Compliance with banking regulations

There were no liquidity related breaches recorded in the year 2024 (2023: Nil).

Other regulatory breaches	2024 GHS'000	2023 GHS'000
• Penalty for cash deposit shortage	-	50
• Breaches in guidelines for forex operations/ FCA	-	5,052
• Breaches in BoG directive on repossessed asset collateral	-	2,070
• Breaches in corporate governance directive	-	120
• Breaches in BoG directive on dormant accounts	-	120
• Breaches on display of borrowing rates at some branches	-	120
• Breaches on outsourcing of some banking applications	-	12
• Breaches in the CISD	-	120
• Improper classification of impaired loan account in line with BoG guide	-	24
• Breaches with some sections of the Anti-money Laundering Act, 2020 (Act 1044)	240	-
Total amount paid	240	7,688

32 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities presented according to when they are expected to be recovered or settled.

Assets	Within 12 month	After 12 months	Total
Cash and cash equivalents	13,801,069	-	13,801,069
Pledged trading assets	150,990	-	150,990
Non-pledged trading assets	2,163,148	2,384	2,165,532
Investment securities	4,877,050	2,288,312	7,165,362
Loans and advances to customers	3,668,539	4,178,177	7,846,716
Deferred tax assets	-	318,682	318,682
Other assets	261,620	446,693	708,313
Intangible assets	-	38,509	38,509
Property, equipment and right-of-use assets	-	395,748	395,748
	24,922,416	7,668,505	32,590,921
Liabilities			
Trading liabilities	2,119,933	-	2,119,933
Deposits and current accounts	23,209,250	770,969	23,980,219
Borrowings	-	573,179	573,179
Current tax liabilities	237,084	-	237,084
Other liabilities	1,384,296	165,546	1,549,842
	26,950,563	1,509,694	28,460,257

33 Event after the reporting date

There were no material subsequent events, which require disclosure in, or adjustment of these financial statements.

34 Risk and capital management

Enterprise risk review

Overview

Risk Management's objective continues to align with the Bank's strategic focus "to be the leading end-to-end financial solutions provider in Ghana through innovative and customer-focused people". Effective risk management is fundamental and essential to the achievement of the Bank's strategic objectives. It is also one of the pillars of the institution's strategic value drivers which entails supporting our clients by doing the right business the right way and maintaining the highest possible standards of responsible business practice using frameworks that align with regulatory expectations and standard business practices as well as procedures. While we remain committed to increasing shareholder value by developing and growing our business within our broad-determined risk appetite, we are mindful of achieving this objective in line with the interests of all stakeholders.

The Risk function continues its oversight and advisory responsibilities by deploying a consistent, comprehensive and strategic approach to the identification, measurement, management and reporting of enterprise-wide risks across the Bank. This is executed through proactive risk management practices which ensure that the business maintains the right balance in terms of the risk-return trade off whilst limiting the negative variations that could impact the Bank's capital, earnings, risk assets and appetite levels in a constantly changing and dynamic operating environment. Furthermore, risk continues to shape, drive and monitor activities relating to risk and conduct in the institution through various measures including strengthening the risk and control environment, monitoring risk appetite and governance standards across the institution and elevating risk awareness by deploying requisite compliance training programmes for all Stanbic Bank Ghana LTD employees with a standard process of monitoring and escalating deficiencies in meeting the required standards. This is also in line with the established code of conduct and ethics that all members of staff must adhere and attest to on an annual basis.

The Board sets the tone and risk appetite for the organisation including the tolerance levels for key risks and ensure the right risk culture is established across the institution. These risks are however managed in accordance with a set of governance standards, frameworks and policies which align with the global and industry best practices.

The overarching approach to managing enterprise-wide risk is based on the "Three Lines of Defense" principle which requires the first line (Business risk owners) to appropriately demonstrate ownership and accountability for risks and manage same closest to the point of incidence; second line (including Risk, Compliance, Internal Control and Financial Control) to review and challenge as well as provide oversight and advisory functions; and the third line (Internal Audit) to conduct assurance that control processes are fit for purpose, are implemented in accordance with standard operating procedures, and operating effectively or as intended. Internal Audit function reports all matters directly to the Board Audit Committee.

Risk management framework

Approach and structure

The Bank's approach to risk management is based on governance processes that rely on both individual responsibility and collective oversight that is supported by a tailored Management Information System (MIS). This approach balances corporate oversight at senior management level with independent risk management structures in the business where the business unit heads, as part of the first line of defense, are specifically responsible for the management of risk within their businesses using appropriate risk management frameworks that meet required Bank minimum standards.

An important element that underpins the Bank's approach to the management of all risk is independence and appropriate segregation of responsibilities between Business and Risk. Risk officers report separately to the Head of Risk who reports to the Chief Executive Officer of Stanbic Bank Ghana LTD and also through a matrix reporting line to the Standard Bank Group (SBG).

All principal risks are supported by the Risk department.

Governance structure

The risk governance structure provides a platform for the Board, executive and senior management through the various committees to evaluate and debate material existential and emerging risks which the Bank is exposed to, and assess the effectiveness of risk responses through the risk profiles of the underlying business units and functional areas.

The risk-focused Board Committees include the Board Audit Committee, Board Credit Committee, and Board IT Committee, while executive management oversight of the Bank is achieved through management committees that focus on specific risks. Each of the Board and management committees is governed by mandates that set out the expected committee's terms of reference.

Risk governance standards, policies and procedures

The Bank has developed a set of risk governance standards for each principal risk including credit, market, operational, IT and compliance risks. The standards define the acceptable conditions for the assumption of the major risks and ensure alignment and consistency in the manner in which these risks are identified, measured, managed, controlled and reported, across the Bank.

All standards are supported by policies and procedural documents. They are applied consistently across the Bank and are approved by the Board. It is the responsibility of the business unit executive management to ensure that the requirements of the risk governance standards, policies and procedures are implemented within the business units.

Notes to the financial statements (continued)

34 Risk and capital management (continued)

Risk appetite

Risk appetite is an expression of the amount, type and tenure of risk that the Bank is prepared to accept in order to deliver its business objectives. It is the balance of risk and return as the Bank implements business plans, whilst recognising a range of possible outcomes.

The Board establishes the Bank's parameters for risk appetite by:

- providing strategic leadership and guidance;
- reviewing and approving annual budgets and forecasts for the Bank; and
- regularly reviewing and monitoring the Bank's performance in relation to set risk appetite.

The risk appetite is defined by several metrics which are then converted into limits and triggers across the relevant risk types, at both entity and business line levels, through an analysis of the risks that impact them.

Stress testing

Stress testing serves as a diagnostic and forward looking tool to improve the Bank's understanding of its credit, market, liquidity and operational risks profile under event based scenarios.

Management reviews the outcome of stress tests and selects appropriate mitigating actions to minimise and manage the impact of the risks to the Bank.

Residual risk is then evaluated against the risk appetite.

Risk categories

The Bank's enterprise risk management framework is designed to govern, identify, measure, manage, control and report on the principal risks to which the Bank is exposed. The principal financial risks are defined as follows:

Credit risk

Credit risk is the risk of loss arising out of the failure of obligors to meet their financial or contractual obligations when due. It is composed of counterparty/obligor risk (including borrowers and trading counterparties) and concentration risk.

Counterparty risk

Counterparty risk is the risk of loss to the Bank as a result of failure by a counterparty to meet its financial and/or contractual obligations to the Bank. It has three components:

- primary credit risk which is the exposure at default (EAD) arising from lending and related banking product activities, including their underwriting;
- pre-settlement credit risk which is the EAD arising from unsettled forward and derivative transactions, arising from the default of the counterparty to the transaction and measured as the cost of replacing the transaction at current market rates; and
- issuer risk which is the EAD arising from traded credit and equity products, and including their underwriting.

Concentration risk

Concentration risk refers to any single exposure or Bank of exposures large enough to cause credit losses which threaten the Bank's capital adequacy or ability to maintain its core operations. It is the risk that common factors within a risk type or across risk types cause credit losses or an event occurs within a risk type which results to credit losses.

Market risk

Market risk is defined as the risk of a change in the actual or effective market value or earnings of a portfolio of financial instruments caused by adverse movements in market variables such as equity, bond and commodity prices, foreign exchange rates, interest rates, credit spreads, recovery rates, correlations and implied volatilities in the market variables. Market risk covers both the impact of these risk factors on the market value of traded instruments as well as the impact on the Bank's net interest margin as a consequence of interest rate risk on banking book assets and liabilities.

34 Risk and capital management (continued)

Liquidity risk

Liquidity risk is defined as the risk that the Bank, although balance-sheet solvent, cannot maintain or generate sufficient cash resources to meet its payment obligations in full as they fall due (as a result of funding liquidity risk), or can only do so at materially disadvantageous terms (as a result of market liquidity risk).

Funding liquidity risk refers to the risk that the counterparties, who provide the Bank with funding, will withdraw or not roll-over that funding.

Market liquidity risk refers to the risk of a generalised disruption in asset markets that makes normal liquid assets illiquid and the potential loss through the forced-sale of assets resulting in proceeds being below their fair market value.

Credit risk

Principal credit standard and policies

The Bank's Governance Standard, as reviewed regularly, sets out the broad overall principles to be applied in credit risk decisions and sets out the overall framework for the consistent and unified governance, identification, measurement, management and reporting of credit risk in the Bank.

The Corporate and Investment Banking (CIB), the Business and Commercial Banking (BCB), Personal and Private Banking (PPB) Global Credit Policies have been designed to expand the Bank's Credit Risk Governance Standard requirements by embodying the core principles for identifying, measuring, approving, and managing credit risk. These policies provide a comprehensive framework within which all credit risk emanating from the operations of the Bank are legally executed, properly monitored and controlled in order to minimise the risk of financial loss; and assure consistency of approach in the treatment of regulatory compliance requirements.

In addition to the Credit Risk Governance Standard, CIB and BCB and PPB Global Credit Policies, a number of related credit policies and documents have been developed, with contents that are relevant to the full implementation and understanding of the credit policies.

Methodology for risk rating

Internal counterparty ratings and default estimates that are updated and enhanced from time-to-time play an essential role in the credit risk management and decision-making process, credit approvals, internal capital allocation, and corporate governance functions. Ratings are used for the following purposes:

- Credit assessment and evaluation
- Credit monitoring
- Credit approval and delegated authority
- Economic capital calculation, portfolio and management reporting
- Regulatory capital calculation
- RARORC (Risk-Adjusted Return on Regulatory Capital) calculation
- Pricing: PDs, EADs, and LGDs may be used to assess and compare relative pricing of assets/facilities, in conjunction with strategic, relationship, market practice and competitive factors.

Notes to the financial statements (continued)

34 Risk and capital management (continued)

Credit Risk (continued)

Methodology for risk rating (continued)

The starting point of all credit risk assessment and evaluation lies in the counterparty risk grading, which is quantified and calculated in compliance with the Bank's credit rating policy and using such Basel-2 compliant models as are in current use and which are updated or enhanced from time to time.

Credit risk quantification for any exposure or portfolio is summarised by the calculation of the expected loss (EL), which is arrived at in the following way:

- Based on the risk grading foundation which yields the counterparty's probability of default (PD), the nature and quantum of the credit facilities are considered;
- A forward-looking quantification of the exposure at default (EAD) is determined in accordance with Bank standard guidelines.
- Risk mitigants such as security and asset recovery propensities are then quantified to moderate exposure at default to yield the loss given default (LGD).
- Finally, the EL is a function of the PD, the LGD and the EAD.

These parameters are in turn used in quantifying the required regulatory capital reserving, using the Regulatory Capital Calculator developed, maintained and updated in terms of Basel 2, and the economic capital implications through the use of Credit Portfolio Management's (CPM's) Economic Capital tools. Furthermore, bearing in mind the quantum of the facility and the risk/reward thereof, an appropriate consideration of Basel 2 capital requirements (where applicable) and the revenue and return implications of the credit proposal.

Framework and governance

Credit risk remains a key component of financial risks faced by the Bank given the very nature of its business. The importance of credit risk management cannot be over emphasised as consequences can be severe when neglected. The Bank has established governance principles to ensure that credit risk is managed effectively within a comprehensive risk management and control framework.

In reaching credit decisions and taking credit risk, both the credit and business functions must consistently and responsibly balance risk and return, as return is not the sole prerogative of business neither is credit risk the sole prerogative of credit. Credit (and the other risk functions, as applicable) and business must work in partnership to understand the risk and apply appropriate risk pricing, with the overall aim of optimising the bank's risk adjusted performance.

The reporting lines, responsibilities and authority for managing credit risk in the Bank are clear and independent. However, ultimate responsibility for credit risk rests with the Board.

Credit risk mitigation

Credit risk mitigation is defined as all methods of reducing credit expected loss whether by means of reduction of EAD (e.g. netting), risk transfer (e.g. guarantees) or risk transformation.

Guarantees, collateral and the transaction structures are used by the Bank to mitigate credit risks both identified and inherent though the amount and type of credit risk is determined on a case by case basis. The Bank's credit policy and guidelines are used in a consistent manner while security is valued appropriately and reviewed regularly for enforceability and to meet changing business needs.

The credit policy establishes and defines the principles of risk transfer, transformation and reduction. The processes and procedures for accepting, verifying, maintaining, and releasing collateral are well documented in order to ensure appropriate application of the collateral management techniques.

Credit risk measurement

A key element in the measurement of credit risk is the assignment of credit ratings, which are used to determine expected defaults across asset portfolios and risk bands. The risk ratings attributed to counterparties are based on a combination of factors which cover business and financial risks:

The Bank uses the PD Master Scale rating concept with a single scale to measure the credit riskiness of all counterparty types. The grading system is a 25-point scale, with three additional default grades.

Bank's rating	Grade description	Standard & Poor's	Fitch
SB01 - SB12/SB13	Investment grades	AAA to BBB-	AAA to BBB-
SB14 - SB21	Sub Investment grades	BB+ to CCC+	BB+ to CCC+
SB22 – SB25	Cautionary grade	CCC to C	CCC to C



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Notes to the financial statements (continued)

Credit Risk (continued)

34 Risk and capital management (continued)

Maximum exposure to credit risk by credit quality

At 31 December 2024

Note	Total Loans and Advances to Customers GHS'000	Balance sheet impairments for performing loans GHS'000	Neither past due nor specifically impaired		Normal monitoring GHS'000
			Stage 1	Stage 2	
			Stage 1	Stage 2	
Mortgage loans	390,133	-	-	-	
Instalment sale and finance leases	247,551	-	-	-	
Other loans and advances	3,528,666	-	-	-	
	5,224,023	-	1,782,134	-	
Corporate loans	5,224,023	-	1,782,134	-	
Gross loans and advances (including IIS)	9,390,373	-	1,782,134	-	
<i>Less: Total expected credit loss for loans and advances at amortised cost</i>					
12-month ECL	10.1	(165,478)			
Lifetime ECL not credit-impaired	10.1	(163,542)			
Lifetime ECL credit-impaired	10.1	(880,149)			
Purchased/originated credit impaired	10.1				
Interest In Suspense (IIS)		(334,488)			
Net loans and advances		7,846,716			
Financial investments measured at amortised cost					
Corporate		1,647,259	-	-	1,647,259
Sovereign		5,552,621	-	-	
Gross Financial investments securities		7,199,880	-	-	1,647,259
<i>Less: Total expected credit loss for financial investments at amortised cost</i>					
Impairment stage 1	9	(19)			
Impairment stage 2	9	(34,499)			
Impairment stage 3	9	-			
Net Financial investments securities		7,165,362			
Due from other banks and financial institutions (gross)					
Placements		3,710,568	-	3,710,568	-
Nostros		4,204,837	-	4,204,837	-
Gross Due from other banks and financial institutions (gross)		7,915,405	-	7,915,405	-
<i>Less: Total expected credit loss for financial investments at amortised cost</i>					
Impairment stage 1	7	(48)			
Impairment stage 2	7	(1,937)			
Impairment stage 3	7	-			
Net Due from other banks and financial institutions		7,913,420			
Total on-balance sheet exposure		22,925,498			
<i>Unrecognised financial assets:</i>					
Letters of credit	24.1	683,285	-	241,906	-
Guarantees	24.1	2,079,936	-	1,070,471	-
Loan commitments	24.1	3,438,229	-	863,023	-
Total exposure to credit risk		29,126,948			
<i>Expected credit loss for off balance Sheet exposures</i>					
¹ 12-month ECL	20	(40,644)			
Lifetime ECL not credit-impaired	20	(9,979)			
Lifetime ECL credit-impaired		-			
Total exposure to credit risk on Financial asset measured at amortised cost		29,076,325			

Stage 1 and Stage 2			Stage 3							
Impaired		Not specifically impaired	Specifically impaired loans							
Performing			Non-performing loans							
Close monitoring GHS'000		Early arrears GHS'000	Stage 3		Total GHS'000	Balance sheet impairments for non-performing specifically impaired loans GHS'000	Gross specific impairment coverage %	Total non- performing loans GHS 'million	Non- performing loans %	
Stage 1	Stage 2	Stage 1	Stage 2	Sub-standard GHS'000	Doubtful GHS'000	1,209,919	903,841	74.70	1,209,919	29.04
2,172,248	-	-	784,183	-	1,209,919	1,209,919	903,841	74.70	1,209,919	29.04
63,878	-	-	243,675	-	82,580	82,580	97,957	118.62	82,580	21.17
226,930	-	-	6,727	-	13,894	13,894	12,167	87.57	13,894	5.61
1,881,440	-	-	533,781	-	1,113,445	1,113,445	793,717	71.28	1,113,445	31.55
2,422,622	30,417	490,221	79,983	-	418,646	418,646	305,328	72.93	418,646	8.01
2,422,622	30,417	490,221	79,983	-	418,646	418,646	305,328	72.93	418,646	8.01
4,594,870	30,417	490,221	864,166	-	1,628,565	1,628,565	1,209,169	74.25	1,628,565	17.34
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	3,205,362	2,347,259	-	-	-	-	-
-	-	-	-	3,205,362	2,347,259	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
48,252	-	332,652	60,475	-	-	-	-	-	-	-
594,600	9,926	393,088	11,851	-	-	-	-	-	-	-
2,239,968	3,620	315,845	15,773	-	-	-	-	-	-	-

Notes to the financial statements (continued)

Credit Risk (continues)

34 Risk and capital management (continued)

Maximum exposure to credit risk by credit quality

At 31 December 2023	Note	Total Loans and Advances to Customers GHS'000	Balance sheet impairments for performing loans GHS'000	Neither past due nor specifically identified	
				Normal monitoring GHS'000	
				Stage 1	Stage 2
		3,657,413	-	-	-
Mortgage loans		297,277	-	-	-
Instalment sale and finance leases	10.1	280,786	-	-	-
Other loans and advances		3,079,350	-	-	-
		3,268,933	-	910,674	8,558
Corporate loans	10.1	3,268,933	-	910,674	8,558
Gross loans and advances (including IIS)		6,926,346	-	910,674	8,558
<i>Less: Total expected credit loss for loans and advances at amortised cost</i>					
12-month ECL	10.1	(116,553)			
Lifetime ECL not credit-impaired	10.1	(246,792)			
Lifetime ECL credit-impaired	10.1	(415,155)			
Purchased/originated credit impaired	10.1				
Interest In Suspense (IIS)		(158,504)			
Net loans and advances		5,989,342			
Financial investments measured at amortised cost					
Corporate		-	-	-	-
Sovereign		6,353,555	-	6,353,555	-
Gross Financial investments securities		6,353,555	-	6,353,555	-
<i>Less: Total expected credit loss for financial investments at amortised cost</i>					
Impairment stage 1	9	-			
Impairment stage 2	9	-			
Impairment stage 3	9	(47,763)			
Net Financial investments securities		6,305,792			
Due from other banks and financial institutions (gross)					
Placements		361,669	-	361,669	-
Nostros		936,515	-	936,515	-
Gross Due from other banks and financial institutions (gross)		1,298,184	-	1,298,184	-
<i>Less: Total expected credit loss for financial investments at amortised cost</i>					
Impairment stage 1	7	(58)			
Impairment stage 2	7	-			
Impairment stage 3	7	-			
Net Due from other banks and financial institutions		1,298,126			
Total on-balance sheet exposure		13,593,260			
<i>Unrecognised financial assets:</i>					
Letters of credit	24.1	437,686		44,782	-
Guarantees	24.1	2,301,408		410,873	-
Loan commitments	24.1	2,248,209		1,918,758	568
Total exposure to credit risk		18,580,563			
<i>Expected credit loss for off balance Sheet exposures</i>					
12-month ECL	20	(33,187)			
Lifetime ECL not credit-impaired	20	(6,600)			
Lifetime ECL credit-impaired		-			
Total exposure to credit risk on Financial asset measured at amortised cost		18,540,776			

Notes to the financial statements (continued)

34 Risk and capital management (continued)

Credit Risk (continued)

Collateral

	Total exposure GHS'000	Unsecured GHS'000	Secured GHS'000	Secured exposure after netting GHS'000	Total collateral coverage		
					1%-50% GHS'000	50%-100% GHS'000	Greater than 100% GHS'000
At 31 December 2024							
Corporate	4,319,014	942,158	3,376,856	3,376,856	1,121,506	5,172	2,250,178
Sovereign	387,077	163,929	223,148	223,148	-	-	223,148
Bank	-	-	-	-	-	-	-
Retail	4,313,649	428,639	3,885,010	3,885,010	50,273	349,240	3,485,497
Retail Mortgage	851,225	-	851,225	851,225	-	-	851,225
Other retail loans and advances	3,462,424	428,639	3,033,785	3,033,785	50,273	349,240	2,634,272
Total	9,019,740	1,534,726	7,485,014	7,485,014	1,171,779	354,412	5,958,823
Add: Financial assets not exposed to credit risk	26,675,253						
Less: Impairments on credit risk exposures	(1,296,295)						
Less: Unrecognised off balance sheet items	(2,763,221)						
Total exposure	31,635,477						
<i>Reconciliation to statement of financial position:</i>							
Cash and cash equivalents	13,801,069						
Non-pledged trading assets	2,165,532						
Investment securities	7,165,362						
Loans and advances to customers	7,846,716						
Other movement	656,798						
Total	31,635,477						

Collateral

	Total exposure GHS'000	Unsecured GHS'000	Secured GHS'000	Secured exposure after netting GHS'000	Total collateral coverage		
					1%-50% GHS'000	50%-100% GHS'000	Greater than 100% GHS'000
At 31 December 2023							
Corporate	3,139,813	746,305	2,393,508	2,393,508	405,235	13,630	1,974,643
Sovereign	8,382,869	28	8,382,841	8,382,841	-	-	8,382,841
Bank	1,298,184	-	1,298,184	1,298,184	-	-	1,298,184
Retail	3,636,593	503,689	3,132,904	3,132,904	5,348	329,943	2,797,613
Retail Mortgage	693,121	-	693,121	693,121	-	-	693,121
Other retail loans and advances	2,943,472	503,689	2,439,783	2,439,783	5,348	329,943	2,104,492
Total	16,457,459	1,250,022	15,207,437	15,207,437	410,583	343,573	14,453,281
Add: Financial assets not exposed to credit risk	13,034,423						
Less: Impairments for loans and advances	(866,107)						
Less: Unrecognised off balance sheet items	(4,987,303)						
Total exposure	23,638,472						
<i>Reconciliation to statement of financial position:</i>							
Cash and cash equivalents	8,841,231						
Non-pledged trading assets	2,055,380						
Investment securities	6,305,792						
Loans and advances to customers	5,989,342						
Other movement	446,727						
Total	23,638,472						

34 Risk and capital management (continued)

Credit Risk (continued)

Collateral repossessed

It is the Bank's policy to dispose of repossessed assets in an orderly manner. The proceeds are used to reduce or repay the outstanding claim. Generally, the bank does not use repossessed assets for business purposes. There was collateral held by the bank during the year to cover for the outstanding debt of **GHS 0.0369 million** (2023: GHS 0.214 million).

Off Balance sheet exposures - Industry sectors

	2024			2023		
	Guarantees	Letters of credit	Total	Guarantees	Letters of credit	Total
	GHS'000	GHS'000	GHS'000	GHS'000	GHS'000	GHS'000
Agriculture	-	-	-	113,885	18,533	132,418
Construction and real estate	96,407	15,537	111,944	48,181	-	48,181
Finance, commerce and other business services	217,899	388,132	606,031	208,191	195,056	403,247
Manufacturing	338,743	255,301	594,044	71,658	2,073	73,731
Mining	643,034	-	643,034	752,730	-	752,730
Other services	779,455	785	780,240	1,104,527	-	1,104,527
Transport	4,398	23,530	27,928	2,236	222,024	224,260
Carrying amount	2,079,936	683,285	2,763,221	2,301,408	437,686	2,739,094

Credit provisioning based on Bank of Ghana guidelines

In accordance with the Bank of Ghana (BoG) guidelines, provision against credit risk is as follows.

Interest and/or principal outstanding:	Classification	Minimum provision
Less than 30 days	Current	1%
30 days but less than 90 days	OLEM	10%
90 days but less than 180 days	Substandard	25%
180 days but less than 365 days	Doubtful	50%
Over 365 days	Lost	100%

* OLEM (Other Loans Especially Mentioned)

Non performing accounts

When a loan is deemed uncollectible, it is written off against the related provision for impairments. Subsequent recoveries are credited to the provision for loan losses in the profit and loss account. If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the release of the provision is credited as a reduction of the provision for impairment in the statement of profit or loss.

Performing accounts

A minimum of 1% general provision on performing loans is made in accordance with the Bank of Ghana Guidelines.

Key Ratios for loans and advances to customers are as follows

	2024	2023
Gross customer loans and advances	9,390,373	6,926,346
Non performing loans	1,603,464	1,124,784
Gross non-performing loans ratio	17.08%	16.24%
Ratio of top 50 exposures to gross exposure	71.83%	66.02%
Ratio of impairment charge to average gross loans (income statement)	4.57%	5.09%
Loans and advances written off as required by BoG notices	165.14 million	275.4 million

Notes to the financial statements (continued)

34 Risk and capital management (continued)

Liquidity risk

Framework and governance

The nature of banking and trading activities results in a continuous exposure to liquidity risk. Liquidity problems can have an adverse impact on a Bank's earnings and capital and, in extreme circumstances, may even lead to the collapse of a Bank which is otherwise solvent.

The Bank's liquidity risk management framework is designed to measure and manage the liquidity position at various levels of consolidation such that payment obligations can be met at all times, under both normal and considerably stressed conditions. Under the delegated authority of the Board of Directors, the Asset and Liability Committee (ALCO) sets liquidity risk policies in accordance with regulatory requirements, international best practice and SBG stated risk appetite.

Tolerance limits, appetite thresholds and monitoring items are prudently set and reflect the Bank's conservative appetite for liquidity risk. ALCO is charged with ensuring ongoing compliance with liquidity risk standards and policies. The Bank must, at all times, comply with the more stringent of Standard Bank imposed tolerance limits or regulatory limits.

Liquidity and funding management

A sound and robust liquidity process is required to measure, monitor and manage liquidity exposures. The Bank has incorporated the following liquidity principles as part of a cohesive liquidity management process:

- structural liquidity mismatch management;
- long-term funding ratio;
- maintaining minimum levels of liquid and marketable assets;
- depositor restrictions;
- local currency loan to deposit ratio;
- foreign currency loan to deposit ratio;
- interbank reliance limit;
- intra-day liquidity management;
- collateral management;
- daily cash flow management;
- liquidity stress and scenario testing; and
- funding plans;
- liquidity contingency planning.

The cumulative impact of these principles is monitored, at least monthly by ALCO through a process which is underpinned by a system of extensive controls. The latter includes the application of purpose-built technology, documented processes and procedures, independent oversight and regular independent reviews and evaluations of the effectiveness of the system.

Structural liquidity mismatch management

The mismatch principle measures the Bank's liquidity by assessing the mismatch between its inflow and outflow of funds within different time bands on a maturity ladder. The structural liquidity mismatch is based on behaviourally-adjusted cash flows which factors a probability of maturity into the various time bands. As expected cash flows vary significantly from the contractual position, behavioural profiling is applied to assets, liabilities and off-balance sheet items with an indeterminate maturity or drawdown period.

A net mismatch figure is obtained by subtracting liabilities and netting off-balance sheet positions from assets in each time band. The Bank's liquidity position is assessed by means of the net cumulative mismatch position, while its liquidity mismatch performance is an aggregation of the net liquidity position in each successive time band expressed as a percentage of total funding related to deposits.

Maintaining minimum levels of liquid and marketable assets

Minimum levels of prudential liquid assets are held in accordance with all prudential requirements as specified by the regulatory authorities. The Bank needs to hold additional unencumbered marketable assets, in excess of any minimum prudential liquid asset requirement, to cater for volatile depositor withdrawals, draw-downs under committed facilities, collateral calls, etc.

The following criteria apply to readily marketable securities:

- prices must be quoted by a range of counterparties;
- the asset class must be regularly traded;
- the asset may be sold or repurchased in a liquid market, for payment in cash; and
- settlement must be according to a prescribed, rather than a negotiated timetable.

Depositor concentration

To ensure that the Bank does not place undue reliance on any single entity as a funding source, restrictions are imposed on the short dated (0 – 3 months term) deposits accepted from any entity. These include:

- the sum of 0 – 3 month deposits and standby facilities provided by any single deposit counterparty must not, at any time, exceed 10% of total funding related liabilities to the public for local currency and 20% of total funding related liabilities to the public for foreign currency; and
- the aggregate of 0 – 3 month deposits and standby facilities from the 10 largest single deposit counterparties must not, at any time, exceed 30% of total funding related liabilities to the public for local currency and 50% of total funding related liabilities to the public for foreign currency.

Concentration risk limits are used to ensure that funding diversification is maintained across products, sectors, and counterparties. Primary sources of funding are in the form of deposits across a spectrum of retail and wholesale clients. As mitigants, the Bank maintains marketable securities in excess of regulatory requirements in order to create a buffer for occasional breaches of concentration limits.

Loan to deposit limit

A limit is put in place, restricting the local currency loan to deposit ratio to a maximum specified level, which is reviewed periodically. Similarly, in order to restrict the extent of foreign currency lending from the foreign currency deposit base, a foreign currency loan to deposit limit, which is also referred to as own resource lending, is observed. As mitigants, the Bank maintains high levels of unencumbered marketable and liquid assets in excess of regulatory benchmark.

34 Risk and capital management (continued)

Liquidity risk (continued)

Intra-day liquidity management

The Bank manages its exposures in respect of payment and settlement systems. Counterparties may view the failure to settle payments when expected as a sign of financial weakness and in turn delay payments to the Bank. This can also disrupt the functioning of payment and settlement systems. At a minimum, the following operational elements are included in the Bank's intra-day liquidity management:

- capacity to measure expected daily gross liquidity inflows and outflows, including anticipated timing where possible;
- capacity to monitor its intra-day liquidity positions, including available credit and collateral;
- sufficient intra-day funding to meet its objectives;
- ability to manage and mobilise collateral as required;
- robust capacity to manage the timing of its intra-day outflows; and
- readiness to deal with unexpected disruptions to its intra-day liquidity flows.

Daily cash flow management

The Bank generates a daily report to monitor significant cash flows. Maturities and withdrawals are forecast at least three months in advance and management is alerted to large outflows. The report, which is made available to the funding team, ALM and market risk also summarises material daily new deposits as well as the interbank and top depositor reliance (by value and product).

The daily cash flow management report forms an integral part of the ongoing liquidity management process and is a crucial tool to proactively anticipate and plan for large cash outflows.

Interbank reliance

Interbank funding traditionally is seen as the most volatile and least stable source of funding, easily influenced by market sentiment and prone to flight under stress situations. Consequently, to ensure prudent liquidity management is enforced, the Bank restricts the local currency interbank funding as a proportion of the local currency funding base to a maximum of 15% of the total currency funding base.

Liquidity stress testing and scenario testing

Anticipated on- and off-balance sheet cash flows are subjected to a variety of the Bank specific and systemic stress scenarios in order to evaluate the impact of unlikely but plausible events on liquidity positions. Scenarios are based on both historical events, such as past emerging markets crises, past local financial markets crisis and hypothetical events, such as an entity specific crisis. The results obtained from stress testing provide meaningful input when defining target liquidity risk positions.

Maturity analysis of financial liabilities by contractual maturity

The tables below analyse cash flows on a contractual, undiscounted basis based on the earliest date on which the Bank can be required to pay (except for trading liabilities and trading derivatives) and may therefore not agree directly to the balances disclosed in the statement of financial position.

Derivative liabilities are included in the maturity analysis on a contractual, undiscounted basis when contractual maturities are essential for an understanding of the derivatives' future cash flows. All other derivative liabilities are treated as trading instruments and are included at fair value in the redeemable on demand bucket since these positions are typically held for short periods of time.

The following tables also include contractual cash flows with respect to off-balance sheet items which have not yet been recorded on-balance sheet. Where cash flows are exchanged simultaneously, the net amounts have been reflected.

Notes to the financial statements (continued)

34 Risk and capital management (continued)

Liquidity risk continued

Maturity analysis of financial assets and undiscounted liabilities by contractual maturity

The Other liabilities included below excludes incentive provisions, leave pay accrual and indirect taxes. The Other assets also excludes prepayments which are considered as none monetary financial assets.

The table below analyses cash flows on a contractual, undiscounted basis based on the earliest date on which the bank can be required to pay (except for trading liabilities and derivative liabilities, which are presented as redeemable on demand) and will, therefore, not agree directly to some of the balances disclosed in the statement of financial position.

Derivative liabilities are included in the maturity analysis on a contractual, undiscounted basis when contractual maturities are essential for an understanding of the derivatives' future cash flows. Management considers only contractual maturities to be essential for understanding the future cash flows of derivative liabilities that are designated as hedging instruments in effective hedge accounting relationships. All other derivative liabilities, together with trading liabilities, are treated as trading and are included at fair value in the redeemable on demand bucket since these positions are typically held for short periods of time.

	Redeemable on demand GHS'000	Maturing within 1month GHS'000	Maturing between 1-6 months GHS'000	Maturing between 6-12 months GHS'000	Maturing after 12-60 months GHS'000	Maturing after 60 months GHS'000	Total GHS'000
At 31 December 2024							
Financial assets	10,346,959	6,484,543	3,834,703	5,967,044	3,245,752	1,645,356	31,524,357
Cash and cash equivalents	10,266,736	3,534,333	-	-	-	-	13,801,069
Pledged trading assets	-	15,861	135,129	-	-	-	150,990
Non-pledged trading assets	-	4,813	728,973	1,429,362	2,384	-	2,165,532
Investment securities	-	2,643,521	1,029,849	1,237,788	2,019,623	234,581	7,165,362
Loans and advances to customers	80,223	286,015	1,940,752	2,905,206	1,223,745	1,410,775	7,846,716
Other assets	-	-	394,688	-	-	-	394,688
Financial liabilities	22,064,757	1,563,420	2,115,774	1,600,716	770,969	-	28,115,636
Trading liabilities	-	668,814	1,466,710	-	-	-	2,135,524
Deposits from banks	808,010	-	-	-	-	-	808,010
Deposits from customers	21,256,747	686,865	440,850	16,778	770,969	-	23,172,209
Borrowings	-	207,741	208,214	157,224	-	-	573,179
Lease liability	-	-	-	42,418	-	-	42,418
Other liabilities	-	-	-	1,384,296	-	-	1,384,296
Total	(11,717,798)	4,921,123	1,718,929	4,366,328	2,474,783	1,645,356	3,408,721
Unrecognised financial instruments							
Letters of credit	2,724	606	615,797	64,158	-	-	683,285
Guarantees	125,421	274,898	528,292	481,068	670,257	-	2,079,936
Total	128,145	275,504	1,144,089	545,226	670,257	-	2,763,221
	Redeemable on demand GHS'000	Maturing within 1month GHS'000	Maturing between 1-6 months GHS'000	Maturing between 6-12 months GHS'000	Maturing after 12 months GHS'000	Maturing after 60 months GHS'000	Total GHS'000
At 31 December 2023							
Financial assets	8,662,951	2,205,960	4,879,996	3,178,174	3,956,207	887,435	23,770,723
Cash and cash equivalents	8,662,951	178,280	-	-	-	-	8,841,231
Non-pledged trading assets	-	499,110	1,271,123	285,147	-	-	2,055,380
Investment securities	-	1,042,369	2,510,807	794,101	1,958,515	-	6,305,792
Loans and advances to customers	-	486,201	1,098,066	1,519,948	1,997,692	887,435	5,989,342
Other assets	-	-	-	578,978	-	-	578,978
Financial liabilities	15,584,396	3,642,899	993,443	1,220,311	35,480	-	21,476,528
Trading liabilities	-	626,054	185,281	-	-	-	811,335
Deposits from banks	794,725	-	-	-	-	-	794,725
Deposits from customers	14,789,671	2,985,348	808,162	7,819	157	-	18,591,157
Borrowings	-	31,497	-	-	-	-	31,497
Lease liability	-	-	-	35,323	35,323	-	70,645
Other liabilities	-	-	-	1,177,169	-	-	1,177,169
Total recognised financial instruments	(6,921,445)	(1,436,939)	3,886,553	1,957,864	3,920,728	887,435	2,294,195
Unrecognised financial instruments							
Letters of credit	-	29,877	242,657	146,618	18,534	-	437,686
Guarantees	11,808	211,889	1,071,482	712,936	293,293	-	2,301,408
Total unrecognised financial instruments	11,808	241,766	1,314,139	859,554	311,827	-	2,739,094

34 Risk and capital management (continued)

Liquidity Risk (continued)

Liquidity contingency plans

The Bank recognises that it is not possible to hold sufficiently large enough quantity of readily available liquidity to cover the least likely liquidity events. However, as such events can have devastating consequences, it is imperative to bridge the gap between the liquidity the Bank chooses to hold and the maximum liquidity the Bank might need.

The Bank's liquidity contingency plan is designed to, as far as possible, protect stakeholder interests and maintain market confidence in order to ensure a positive outcome in the event of a liquidity crisis. The plan incorporates an extensive early warning indicator methodology supported by a clear and decisive crisis response strategy. Early warning indicators span Bank specific crises, systemic crises, contingency planning, and liquidity risk management governance and are monitored based on assigned frequencies and tolerance levels. The crisis response strategy is formulated around the relevant crisis management structures and addresses internal and external communications, liquidity generation through disposal of financial instruments in other maturity buckets, operations, as well as heightened and supplementary information requirements.

Foreign currency liquidity management

A number of indicators are observed to monitor changes in either market liquidity or exchange rates. Foreign currency loans and advances are restricted to the availability of foreign currency deposits.

Funding strategy

Funding markets are evaluated on an ongoing basis to ensure appropriate Bank funding strategies are executed depending on the market, competitive and regulatory environment. The Bank employs a diversified funding strategy, sourcing liquidity in both domestic and offshore markets, and incorporates a coordinated approach to accessing capital and loan markets across the Bank.

Concentration risk limits are used within the Bank to ensure that funding diversification is maintained across products, sectors, geographic regions and counterparties.

Primary funding sources are in the form of deposits across a spectrum of retail and wholesale clients, as well as long-term capital and loan markets. The Bank remains committed to increasing its core deposits and accessing domestic and foreign capital markets when appropriate to meet its anticipated funding requirements.

Depositor concentrations

	LCY		FCY	
	2024	2023	2024	2023
Single depositor	5%	10%	14%	18%
Top 10 depositors	27%	30%	36%	37%

Liquidity ratio

The percentages below indicate the Bank's liquidity ratio. In measuring this, recognition is made to highly liquid assets (cash and near cash and government notes with maturities up to 1 year). The volatile liabilities is constituted by demand deposits and government instruments which could be called at short notice.

	2024 GHS'000	2023 GHS'000
Cash and cash equivalents	13,801,069	8,841,231
Investments securities maturing within one year	4,911,158	4,347,277
Non-pledged Trading assets maturing within one year	2,163,148	2,055,380
 Liquid assets	 20,875,375	 15,243,888
 Demand deposits	 22,064,757	 15,584,396
Trading liabilities maturing within one year	2,119,933	807,720
Volatile liabilities	24,184,690	16,392,116
 Liquidity ratio	 86%	 93%

Notes to the financial statements (continued)

34 Risk and capital management (continued)

Market risk

The identification, management, control, measurement and reporting of market risk is categorised as follows:

Trading market risk

Trading market risk arises in trading activities where the Bank acts as a principal with clients in the market. The Bank's policy is that all trading activities are contained within the Bank's trading operations.

Banking book interest rate risk

Banking book interest rate risk arises from the structural interest rate risk caused by the differing re-pricing characteristics of banking assets and liabilities.

Foreign currency risk

Foreign currency risk arises as a result of changes in the fair value or future cash flows of financial exposures due to changes in foreign exchange rates.

Equity investment risk

Equity investment risk arises from equity price changes in listed and unlisted investments, and managed through the equity investment committee, which is a sub-committee of the executive committee.

Framework and governance

The Board approves the market risk appetite and standards for all types of market risk. The Board grants general authority to take on market risk exposure to the Asset and Liability Committee (ALCO). ALCO sets market risk policies and limits with inputs from business and the Regional heads of Market Risk and Global Market, to ensure that the measurement, reporting, monitoring and management of market risk associated with operations of the Bank follow a common governance framework.

The in-country risk management is subject to Board Risk Committee oversight for compliance with Bank standards and minimum requirements.

The market risk management unit which is independent of trading operations and accountable to ALCO, monitors market risk exposures due to trading and banking activities. This unit monitors exposures and respective excesses daily, report monthly to ALCO and quarterly to the Board Risk Committee.

Market risk measurement

The techniques used to measure and control market risk include:

- daily net open position
- daily Value at Risk (VaR);
- back-testing;
- PV01;

Daily net open position

The Board on the input of ALCO, Regional Heads and business, sets limits on the level of exposure by currency and in aggregate for overnight positions. The latter is also aligned to the net open position limit as specified by the regulators, which is usually a proportion of the Banks' capital.

Daily value-at-risk (VaR)

VaR is a technique that estimates the potential losses that may occur as a result of market movements over a specified time period at a predetermined probability and with a certain confidence level.

VaR limits and exposure measurements are in place for all market risks the trading desk is exposed to. The Bank generally uses the historical VaR approach to derive quantitative measures, specifically for market risk under normal market conditions. Normal VaR is based on a holding period of one day and a confidence level of 95%. Stress VaR provides an indication of the potential losses that could occur under extreme market conditions where longer holding periods may be required to exit positions.

In recognition of the limitations of VaR and Stress VaR, Stress Testing provides an indication of the potential losses that could occur under extreme market conditions. Stress VaR is defined with a 10day holding period, worst case and uses the same methodology as Normal VaR except that historical data period is required to cover at least 5 years.

For an internal model approval, a worst case 12 month window period determined using historical data, including the 2008/9 financial crises and onward is required. The worst case 12-month window period will be reviewed at minimum, annually using the extended historical data period. In the event of subsequent significant changes in positions, which cause other historical stress tests and point of weakness to change materially, this would require an intra-period update or analysis to ensure it is still relevant.

Stress VaR is calculated for every portfolio that is measured for Normal VaR.

34 Risk and capital management (continued)

Market risk (continued)

Stress tests

Stress testing provides an indication of the potential losses that could occur in extreme market conditions.

The stress tests carried out include individual market risk factor testing and combinations of market factors on individual asset classes and across different asset classes. Stress tests include a combination of historical and hypothetical simulations.

Other market risk measures

Other market risk measures specific to individual business units include permissible instruments, concentration of exposures, gap limits, maximum tenor and stop loss triggers. In addition, only approved products that can be independently priced and properly processed are permitted to be traded.

Pricing models and risk metrics used in production systems, whether these systems are off-the-shelf or in-house developed, are independently validated by the market risk unit before their use and periodically thereafter to confirm the continued applicability of the models. In addition, the market risk unit assesses the daily liquid closing price inputs used to value instruments and performs a review of less liquid prices from a reasonableness perspective at least fortnightly. Where differences are significant, mark-to-market adjustments are made.

There was no material impact of changes in general prices on the financial statements.

Annual net interest income at risk

A dynamic forward-looking annual net interest income forecast is used to quantify the Banks' anticipated interest rate exposure. This approach involves the forecasting of both changing balance sheet structures and interest rate scenarios, to determine the effect these changes may have on future earnings. The analysis is completed under both normal market conditions as well as stressed market conditions.

Analysis of Value-at-Risk (VaR) and actual income

The table below highlights the historical diversified Normal and Stress VaR across the various trading desks.

The minimum and maximum diversified Normal VaR stood at GHS 310,557 and GHS 3,380,343 respectively with an average of GHS1,353,292 which translates to a conservative VaR base limit utilisation of 12% on average (Limit of GHS 11,000,000 approved by ALCO and reviewed annually).

The minimum and maximum diversified Stress VaR stood at GHS 5,896,362 and GHS 70,107,301 respectively with an average of GHS 35,116,155 which translates to a conservative VaR base limit utilisation of 31% on average (Limit of GHS 115,000,000 approved by ALCO and reviewed annually) VaR on the banking book is nil as exposures are not being Fair valued and classified under amortized cost (AMC).

Diversified Normal Var Exposures (GHS'000)

Desk	Maximum	Minimum	Average	2024	2023	Limit
Bankwide	3,380	311	1,353	2,418	1,065	11,000
Interest Rate Trading	3,287	239	1,121	437	1,063	10,625
FX Trading	2,241	18	350	2,241	240	2,822
Money markets trading	3,287	239	1,121	437	1,066	3,800
Fixed income trading	0	0	0	0	0	120
Credit trading	0	-	0	-	0	375
Credit Valuation Adjustment	-	-	-	-	0	1,450

Diversified Stress Var Exposures (GHS'000)

Desk	Maximum	Minimum	Average	2024	2023	Limit
Bankwide	70,107	5,896	35,116	49,397	22,037	115,000
Interest Rate Trading	52,288	5,474	28,606	31,647	12,929	98,490
FX Trading	49,191	116	10,499	23,627	9,533	55,700
Money markets trading	52,288	5,553	28,653	31,647	12,935	40,000
Fixed income trading	176	-	102	0	134	500
Credit trading	0	-	0	-	0	3,040
Credit Valuation Adjustment	-	-	-	-	617	50,000

PVO1

Present Value (PV) of a Basis Point is a measure used to quantify the sensitivity of the present value of a financial instrument to a one basis point (0.01%) change in its yield or interest rate

PVO1 gives an idea of the amount by which the PV or Mark-to-Market (MTM) of the instrument would change for a one basis point change in yield. For example, if the PVO1 of a bond is GHS1,000, it means that the present value of the bond would decrease by GHS1,000 if interest rates increase by one basis point, and vice versa. This limit is set for the fixed income trading, money market trading, credit trading, derivatives, foreign exchange trading and Interest Rate Banking portfolios.

Notes to the financial statements (continued)

34 Risk and capital management (continued)

Market risk (continued)

The impact on net interest income due to interest rate changes cover 12 months of forecasting and allows for the dynamic interaction of payments, new business and interest rates. The analyses are done under stressed market conditions in which the banking book is subjected to an upward 300 basis points and downward 300 basis points (2023: 300 basis points) parallel rate shocks for local currency and 100 basis points upward and downward parallel rate shocks for foreign currency positions. The table below shows the sensitivity of the Bank's net interest income in response to standardised parallel rate shocks.

2024		GHS	USD	Other	Total
Increase in basis points		300	100	100	
Sensitivity of annual net interest income	GHS'000	190,116	4,034	-	194,150
Decrease in basis points		200	100	100	
Sensitivity of annual net interest income	GHS'000	(132,276)	(4,635)	-	(136,911)
2023					
Increase in basis points		300	100	100	
Sensitivity of annual net interest income	GHS'000	121,232	2413	-	123,645
Decrease in basis points		200	100	100	
Sensitivity of annual net interest income	GHS'000	(84,869)	(2,697)	-	(87,566)

Hedging of endowment risk

IRRBB is predominantly the consequence of endowment exposures, being the net exposure of non-rate sensitive liabilities and equity less non-rate sensitive assets. The endowment risk is hedged using marketable liquid instruments in the same currency as the exposure as and when it is considered opportune. Hedge decisions are made by ALCO following careful consideration of the interest rate views to be hedged against, including magnitude, direction, timing and probability, and the exposure to be hedged.

Exposure to currency risks

The Bank takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Board sets limits on the level of exposure by currency and in aggregate for both overnight and intra day positions, which are monitored daily. The table below summarises the Bank's exposure to foreign currency exchange risk.

Currency Sensitivity Analysis

The bank's primary non-trading-related exposures to foreign currency risk arise as a result of the translation effect of the bank's net assets in foreign-denominated financial assets and liabilities.

Approach to managing foreign currency risk

The bank's Treasury unit manages the risk according to existing legislation, Bank of Ghana exchange control regulations and accounting parameters. It takes into account naturally offsetting risk positions and manages the bank's residual risk by means of forward exchange contracts, currency swaps and option contracts.

Foreign currency risk sensitivity analysis

The table that follows reflects the expected financial impact, in GHS equivalent, resulting currency risk exposures, against GHS. The sensitivity analysis is based on net open foreign currency exposures arising from foreign-denominated financial assets and liabilities inclusive of derivative financial instruments, cash balances, and accruals. The sensitivity analysis reflects the sensitivity of profit or loss on the bank's foreign denominated exposures other than those trading positions for which sensitivity has been included in the trading book VaR analysis.

		USD	EURO	GBP	ZAR	Total
2024						
Total net short position (absolute value)	LCY'000	(895,233)	387,187	485,380	6,264	(16,402)
Depreciating LCY	%	19.18%	13.72%	17.76%	16.58%	
P&L Impact - profit/(loss)	LCY'000	(171,741)	53,132	86,188	1,039	(31,382)

		USD	EURO	GBP	ZAR	Total
2023						
Total net short position (absolute value)	LCY'000	10,857	313	444	1,652	13,266
Depreciating LCY	%	27.81%	30.33%	31.86%	22.34%	
P&L Impact - profit/(loss)	LCY'000	3,019	95	141	369	3,624

34 Risk and capital management (continued)

Market risk (continued)

Analysis of PV01

The table below shows the PV01 of the individual trading books as at the end of the year 2024. The Money Markets Trading local currency book PV01 exposure increased to GHS 54,069 from GHS 33,926 recorded at the end of 2023. This was primarily due to the desk investing more in Treasury bills as compared to the 56D OMO bills which have a comparatively shorter tenor.

The Fixed Income Trading Local currency book had no activity due to the secondary market recording very minimal activity. The new DDE bonds did not trade for a greater portion of year.

PV01 exposures on the Interest Rate Banking book remained zero (0) as banking book instruments are held in Amortised Cost (AMC) books and hence are not fair valued. Overall trading PV01 exposure was GHS 54,069 against a limit of GHS 120,000 as at 31 December 2024 thus reflecting a very conservative exposure utilisation.

PV01 (GHS'000)	2024	2023	Limit
Money Market Trading	(33.9)	(33.9)	81.4
Fixed Income Trading	(0.96)	(1.0)	1.6
Credit Trading	0.0	0.0	3.0
Derivatives Trading	-	-	0.01
Credit Valuation Adjustment	-	-	55.0
CVA SPV01	-	-	-
Interest Rate Trading	(33.9)	(33.9)	120.0
Interest Rate banking book	-	-	32.0

PV01 (\$'000)	2024	2023	Limit
Interest Rate Trading Fcy	0.2	0.2	2.0

Interest rate risk in the banking book

Interest rate risk in the banking book (IRRBB) can be defined as the reduction in banking book net interest income due to changes in interest rates arising from the different re-pricing characteristics of banking book assets and liabilities. IRRBB is further divided into the following sub-risk types:

- Repricing risk referring to the timing differences in the maturity (fixed rate) and repricing (floating rate) of assets and liabilities.
- Yield curve risk arising when unanticipated shifts in the yield curve have adverse effects on the Bank's income.
- Basis risk arising from the imperfect correlation in the adjustment of the rates earned and paid on different instruments with otherwise similar repricing characteristics.
- Optionality risk arising from the options embedded in bank asset and liability portfolios, providing the holder with the right, but not the obligation, to buy, sell, or in some manner alter the cash flow of an instrument or financial contract.
- Endowment risk referring to the interest rate risk exposure arising from the net differential between interest rate insensitive assets such as non-earning assets and interest rate insensitive liabilities such as non-paying liabilities and equity.

Approach to managing interest rate risk on positions in the banking book

Banking-related market risk exposure principally involves the management of the potential adverse effect of interest movements on banking book earnings (net interest income and banking book mark-to-market profit or loss).

The Bank's approach to managing IRRBB is governed by prudence and is in accordance with the applicable laws and regulations, best international practice and the competitive situation within which it operates in financial markets. Interest rate risk is transferred to and managed within the Bank's treasury operations under supervision of ALCO.

Measurement of IRRBB

The analytical technique used to quantify IRRBB is an earnings based approach. A dynamic, forward-looking net interest income forecast is used to quantify the Bank's anticipated interest rate exposure. Desired changes to a particular interest rate risk profile are achieved through the restructuring of on-balance sheet repricing or maturity profiles. All assets and liabilities are allocated to gap intervals based on either their repricing or maturity characteristics. However, assets and liabilities for which no identifiable contractual repricing or maturity dates exist are allocated to gap intervals based on behavioural profiling.

Notes to the financial statements (continued)

34 Risk and capital management (continued)

Market risk (continued)

Concentrations of currency risk - on- and off-balance sheet financial instruments

	GHS GHS'000	USD GHS'000	GBP GHS'000	ZAR GHS'000	Others GHS'000	Total GHS'000
2024						
At 31 December 2024						
Financial assets						
Cash and cash equivalents	6,961,829	4,460,311	596,748	186,324	1,595,857	13,801,069
Pledged trading assets	150,990	-	-	-	-	150,990
Non-pledged trading assets	2,165,532	-	-	-	-	2,165,532
Investment securities	3,341,734	3,823,628	-	-	-	7,165,362
Loans and advances to customers	4,481,706	3,070,387	22,288	-	272,335	7,846,716
Other non-financial assets	1,416,399	44,167	241	-	445	1,461,252
	18,518,190	11,398,493	619,277	186,324	1,868,637	32,590,921
Financial liabilities						
Trading liabilities	2,119,933	-	-	-	-	2,119,933
Deposits from banks	243,195	302,059	-	-	262,756	808,010
Deposits from customers	11,472,541	10,805,545	103,782	1,237	789,104	23,172,209
Other non-financial liabilities	754,110	778,141	30,138	178,081	46,456	1,786,926
Borrowings	5,169	568,010	-	-	-	573,179
	14,594,948	12,453,755	133,920	179,318	1,098,316	28,460,257
Net on-balance sheet financial position	3,923,242	(1,055,262)	485,357	7,006	770,321	4,130,664
Off balance sheet	391,819	2,275,118	-	-	96,284	2,763,221

	GHS GHS'000	USD GHS'000	GBP GHS'000	ZAR GHS'000	Others GHS'000	Total GHS'000
At 31 December 2023						
Financial assets						
Cash and cash equivalents	3,428,017	4,449,250	177,566	97,454	688,944	8,841,231
Non-pledged trading assets	2,055,380	-	-	-	-	2,055,380
Investment securities	3,116,839	3,188,953	-	-	-	6,305,792
Loans and advances to customers	3,795,019	2,132,340	31,159	-	30,824	5,989,342
Other non-financial assets	1,083,431	3,053	420	786	-	1,087,690
Other financial assets	354,103	-	-	-	-	354,103
	14,692,359	9,773,596	209,145	98,240	719,768	25,493,108
Financial liabilities						
Trading liabilities	807,720	-	-	-	-	807,720
Deposits from banks	496,502	296,564	-	-	1,659	794,725
Deposits from customers	9,059,655	9,128,223	104,054	321	330,401	18,622,654
Other non-financial liabilities	673,833	624,743	14,624	101,795	16,574	1,431,569
Borrowings	31,497	-	-	-	-	31,497
	11,069,207	10,049,530	118,678	102,116	348,634	21,688,165
Net on-balance sheet financial position	3,623,152	(275,934)	90,467	(3,876)	371,134	3,804,943
Off balance sheet	277,337	2,148,521	-	-	313,236	2,739,094

Exchange rates applied

year-end spot rate*	2024	2023
US Dollar	14.7001	11.8800
GBP	18.4008	15.1334
EURO	15.2141	13.1264
ZAR	0.7786	0.6495

34 Risk and capital management (continued)

Operational risk

Operational risk is the loss arising as a result of the inadequacy of, or a failure in the internal processes, people, systems or external events. The Bank recognises the significance of operational risk in all facets of its business. Accordingly, a comprehensive framework detailing the identification, assessment, measurement, monitoring and reporting of operational risks have been formulated to guide all line managers in the collective effort to minimise exposures.

The tools for achieving the objective of minimal losses resulting from operational risk include:

- operational loss reports which enable management to identify improvements to processes and controls arising from loss trends;
- risk and control self assessments through which existing and potential future risks and their related controls are identified and assessed; and
- key risk indicators which measure specific factors to provide an early warning to proactively address potential exposures.

In addition to these, a comprehensive insurance programme covering losses from fraud, theft and professional liability claims and damage to physical assets is held. The Bank manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its activities.

Measurement of operational risk with respect to capital management

Operational risk regulatory capital is determined in accordance with the CRD which adopts The Standardized Approach (TSA). In line with the approach, the Bank's activities are divided into eight business lines and the related betas are applied to each business line.

The capital charge for each business line is calculated by multiplying gross income by the beta factor assigned to that business line. The average (current year plus previous two years) beta adjusted total gross income is then multiplied by the scale factor of 12.5%. The factor (known as the beta factor) ranges from 12% to 18% depending on the business line as detailed below.

Business line	Beta Factor (β)
Corporate Function (CF)	18%
Trading and Sales (TS)	18%
Retail Banking (RB)	12%
Commercial Banking (CB)	15%
Payment and Settlement (PS)	18%
Agency Services (AS)	15%
Asset Management (AM)	12%
Retail Brokerage (RBr)	12%

Equity-linked transactions

Definition

The bank has exposure to changes in Group share price arising from its equity-linked remuneration contractual commitments. The group is exposed to income statement risk due to increases in the price of SBG's share price above the award grant price. The following table summarises the Bank's most material share schemes together with an explanation of which risk (where applicable) the share scheme exposes the Bank to, and why, and an indication as to whether the share schemes are hedged.

Share scheme	Risk to the Bank	Explanation	Hedged ¹	Hedged risk
Cash-settled DBS	Income statement risk	The DBS awards that are cash-settled result in losses being recognised in the income statement as a result of increases in the group's share price.	No	No

Stanbic Bank Ghana LTD	2024 GHS'000	2023 GHS'000
Expenses recognised in staff costs		
Deferred bonus scheme (DBS)		6,827
Total expenses recognised in staff costs	14,281 14,281	6,827
Summary of liabilities recognised in other liabilities		
Deferred bonus scheme (DBS)		(16,050)
Total liability recognised in other liabilities	(11,350) (11,350)	(16,050)
Deferred bonus scheme		

All employees granted an annual performance award over a certain threshold have part of their award deferred. In addition, the group makes special awards to qualifying employees in employment of the entity. The awards are indexed to SBG's share price and accrues notional dividends during the vesting period, which are payable on vesting. Awards vest in three equal amounts at 18, 30 and 42 months from the date of the award. The maturity value is determined with reference to SBG's share price on the vesting date. These awards are classified as cash-settled awards from an SBSA group and Stanbic Bank Ghana LTD perspective, and have been partially hedged through the use of equity forwards.

Notes to the financial statements (continued)

34 Risk and capital management (continued)

	2024 GHS'000	2023 GHS'000
Movement summary		
Units outstanding at beginning of the year	73,490	322,330
Granted	111,014	7,439
Exercised	(47,772)	(141,034)
Lapsed	-	(6,803)
Transfer	(40,762)	(108,442)
Net transfers (to)/from other group companies	-	-
Units outstanding at end of the year	95,970	73,490
Weighted average fair value at grant date [®]	142.37	116.79
Expected life (years)	2.51	2.51

Environmental, Social and Governance (ESG) and Sustainability Report

Executive summary

As we continue to navigate the complexities of the global economy, Stanbic Bank Ghana (SBG) remains steadfast in its commitment to creating a more sustainable future. Our dedication to environmental stewardship, social responsibility, and economic empowerment is fundamental to our business.

In this year's sustainability report, we highlight our progress in key areas:

1. Governance: Our commitment to strong governance practices, including board mandate and responsibility for sustainability, and transparency in our decision-making processes.

2. Risk Management Our robust risk management framework, is designed to identify, assess, and mitigate environmental, social, and governance (ESG) risks. Of note is our focus on climate action and our efforts to reduce our carbon footprint and promote sustainable practices throughout our operations and our initiatives to offset our emissions and support renewable energy projects.

3. Social Intervention: Our community development programs focused on education, healthcare, women and the girl child and financial inclusion. A total investment of GHS8.4million was spent on 104 initiatives over the review period.

4. Capacity Development: Our training and mentorship initiatives empowering Small and Medium-sized Enterprises (SMEs) and women in business to drive economic growth.

5. SME Support: Our tailored financial solutions and advisory services, aimed at supporting the growth and resilience of SMEs through business clinics across the country. Three SME business clinics were held in Tamale, Kumasi and Takoradi with 254 entrepreneurs out of which 161 were women led businesses attending. The Stanbic X-spaces, a virtual platform that fills business knowledge gaps held eight session for over 4,500 business persons.

Governance

Role of the Board

The Board has oversight and strategic responsibility for SBG Sustainability program. The Board establishes the vision, mission and values, oversees the execution of all policies and monitors progress of key performance indicators (KPIs) relating to sustainability. The Board in addition ensures regulatory compliance and regular policy reviews in line with trends and developments in this area.

Role of the Executive Management Committee (EXCO)

On a daily basis, the Head of Sustainability provides strategic and thought leadership through the executive committee, ensuring that the bank's sustainability objectives are integrated into the risk management processes. The Executive committee oversees the development and monitoring of sustainability key Performance Indicators (KPIs), management of key stakeholders, and ensure accurate reporting to the Board and external stakeholders.

Key Policy approval in 2024

In June 2024, the Board approved a Climate Risk Policy with a commitment to achieve net-zero carbon emissions from the Bank's

1. Own operations for newly built facilities by 2030;

2. Existing facilities by 2040, and

3. from its portfolio of financed emissions by 2050.

Due to the long-term nature of this target commitments, SBG will appoint a consultant with expertise in climate change and finance to scope and analyse the financial, operational and sustainability implications of our committed targets on the Bank. The findings will be presented to the Board subsequently and may lead to a modification of these targets to ensure consistency with Standard Bank Group expectations, country commitments and financial resources to execute within the proposed time framework.

Risk Management

The bank's enterprise risk management framework forms the basis for how ESG risks are managed across the bank. The existing policies and standards for risk identification, assessment, management, and mitigation are thus also applied to climate-related risks. Enhancements to the environmental and social (E&S) risk screening tool have enabled improved transaction-specific climate-related risk identification. Given the topical nature of climate risk, the following formed our focus over the year under review and will be in the medium term.

Following an exploratory climate stress test in 2021, a thorough test was undertaken in 2024 focused on qualitative assessments to confirm the Bank's resilience to climate related risks. This involved evaluating the potential impact of climate related scenarios across economic sectors on the banks financial stability, credit quality and overall risk profile. Our considerations covered transition risks driven by higher carbon taxation, changing consumer preferences and technology change threats. In addition, physical risks were considered using parameters like heat stress and wildfires, droughts and dependence on water and riverine and sea flooding. The resultant heatmap provides a qualitative assessment of sector specific portfolio-level sensitivities to climate risk. In the coming years, our stress test will also evaluate the quantitative impact of our portfolio.

Environmental Responsibility

The Bank will leverage off the Ghana governments efforts to reduce deforestation and promote sustainable land use. This forms part of our effort to support the Ghana's nationally determined commitments and also offset our carbon footprint. Over the reporting period, 5,000 trees were planted across the country by employees. This in addition to 2,500 trees plant in the previous year. The Bank will progressively increase its tree planting in collaboration with The Forestry Commission and other partners including clients. Our procurement and client screening processes have in-built ESG elements as our effort to bring all stakeholders along this journey. The Bank will be guided by the science-based target initiative (SBTi) to compute our carbon credit/savings.

34 Risk and capital management (continued)**Environmental, Social and Governance (ESG) and Sustainability Report (Continued)****Corporate Social Investment Report**

At SBG, Corporate Social Investment (CSI) is more than just a responsibility; it is an integral part of who we are. Guided by our mission to drive economic growth, promote social inclusivity, and advance sustainability, we aim to make a tangible difference in the communities we serve. Over the review period, impactful programs and strategic partnerships enabled the Bank to address critical societal needs, including education, healthcare, youth empowerment, and community development.

Through these efforts, the Bank did not only enhance the lives of countless individuals but also contributed meaningfully to national development priorities, ensuring that our investments created a ripple effect of positive change across Ghana. We are proud of the strides we have made in 2024 and remain committed to our purpose of uplifting communities and shaping a brighter future for all.

Our CSI activities were anchored on five key areas:

1. Education and Youth Empowerment

- Investment - 2024: GHS1,902,209
- Investment - 2023: GHS1,298,401

2. Youth enablement and development

- Investment: 2024: GHS582,405
- Investment: 2023: GHS152,000

3. Financial Education and Health

- Investment: 2024: GHS582,405
- Investment: 2023: GHS152,000

4. Entrepreneurship Development and Agriculture

- Investment: 2024: GHS1,074,895
- Investment: 2023: GHS685,337

5. Community Health and Wellness

- Investment: 2024: GHS4,468,104
- Investment: 2023: GHS3,213,264

Overall Impact Metrics

- Total Investment: GHS8,421,041
- Number of Initiatives: 104
- Lives touched: Over 100,000 Ghanaians, spanning students, youth, SMEs, healthcare beneficiaries, and community members.

Capacity Development**Stanbic SME Clinic**

The SME Clinic is a dedicated program designed to support small and medium enterprises (SMEs). Tailored to address the unique challenges and opportunities for growth faced by local entrepreneurs, the clinic offers hands-on training, mentorship, and access to resources that empower SMEs to enhance their business operations.

Overall Impact Metrics

- Empowered 254 Entrepreneurs including 161 women owned and led businesses.

Stanbic X spaces

The Bank's X-Spaces is a virtual monthly program aimed at empowering SMEs and entrepreneurs with the knowledge, tools, and connections they need to thrive in today's competitive business landscape. The platform offers a bridge gaps in access to expert advice, industry insights, and peer-to-peer networking.

Overall Impact Metrics

- Delivered eight editions featuring expert insights, engaging over 4,500 listeners.

Back to Basics

The Back-to-Basics Initiative, in partnership with Boxplay Ventures and Junior Achievement, was a comprehensive capacity-building program aimed at empowering entrepreneurs, intrapreneurs, SMEs, and business professionals. This initiative focuses on equipping participants with foundational business skills, practical knowledge, and essential tools to enhance their operational efficiency and promote sustainable growth.

Overall Impact Metrics

The program trained 230 young entrepreneurs, equipping them with the tools and confidence to manage and grow their businesses effectively.

Business Incubator Training

This year, a business incubator training was held over two days in partnership with Divaloper. The training focused on equipping entrepreneurs and SMEs with essential skills in business development strategies, financial planning, market technologies, and technology integration.

Overall Impact Metrics

- The program trained 70 female entrepreneurs, equipping them with the tools and confidence to manage and grow their businesses effectively.

Notes to the financial statements (continued)

34 Risk and capital management (continued)

Capital Management

The Bank manages its capital levels to support business growth, maintain depositor and creditors confidence, create value for the shareholders and ensure regulatory compliance.

The Bank's capital management function is designed to ensure that regulatory requirements are met at all times and that the Bank is capitalised in line with its risk appetite and target ranges, both of which are approved by the Board of Directors.

It further aims to facilitate the allocation and use of capital, such that it generates a return that appropriately compensates shareholders for the risks incurred. Capital adequacy is actively managed and forms a key component of the Bank's budget and forecasting process. The capital plan is tested under a range of stress scenarios as part of the Bank's annual ICAAP and recovery plan.

The capital management function is governed primarily by management level committees that oversee the risks associated with capital management, namely the Bank's asset and liability committee (ALCO) and the executive management committee. The principal governance documents are the capital management governance framework and the model risk governance framework.

Regulatory Capital

Regulatory capital adequacy is measured based on capital requirement directive of Bank of Ghana. Capital adequacy ratio is calculated by dividing the capital held by total risk-weighted assets. Risk weighted assets comprise computed risk weights from credit, operational and market risks associated with the business of the Bank. Notional risk weighted asset for market risk is calculated using the standardised approach while operational risk is determined using the basic indicator approach. Management monitors the capital adequacy ratio on a proactive basis.

Throughout the year, Stanbic Bank Ghana LTD operated above its targeted capitalisation range and well over the minimum regulatory capital adequacy ratio of 10% as mandated by Bank of Ghana.

Regulatory capital adequacy is measured through the following risk-based ratios:

- Tier 1 capital which comprises share capital, retained earnings and reserves created by appropriations of retained earnings.
- Tier 2 capital relates to subordinated debts.

Capital adequacy computation

	2024 GHS'000	2023 GHS'000
Tier 1 Capital		
Capital and unimpaired reserve funds		
Issued ordinary share capital	3,206,673	2,352,270
Retained earnings	414,213	414,213
Statutory reserves	1,881,006	1,186,655
Other reserves	680,234	520,182
	231,220	231,220
Less: regulatory deduction	585,253	432,932
Software	38,509	46,850
Intra group transactions	173,415	41,885
Prepayment	54,647	228,587
Deferred tax	318,682	115,610
Total Tier 1 Capital	2,621,420	1,919,338
Tier 2 Capital	491,453	345,918
Total regulatory capital	3,112,873	2,265,256
Risk weighted assets:		
Credit risk		
On-balance sheet	12,133,438	8,742,118
Off-balance sheet	11,050,406	7,584,146
	1,083,032	1,157,972
Operational risk	4,086,880	2,689,284
Market risk	161,460	99,207
Total risk weighted assets	16,381,778	11,530,609
Total capital adequacy ratio	19.0%	19.6%
Tier 1 capital adequacy ratio	16.0%	16.6%
Leverage ratio computation	2024 GHS'000	2023 GHS'000
Off-Balance Sheet Exposures	6,201,450	4,987,304
On Balance Sheet Total Assets	32,590,921	24,633,538
Total Exposure	38,207,118	29,187,909
Leverage Ratio	6.86%	6.58%

ANNEXURE 1:

VALUE ADDED STATEMENT

for the year ended 31 December 2024

	2024 GHS'000	2023 GHS'000
Interest income and other operating income	3,653,246	3,332,562
Direct cost of services	(655,040)	(539,407)
Value added by banking services	2,998,206	2,793,155
Credit impairments	(364,191)	(31,876)
Valued Added	2,634,015	2,761,279
Distributed as follows:		
To Employees	745,741	627,795
Non-executive directors	2,776	2,271
Executive directors	15,436	8,450
Other employees	727,529	617,074
To Government	613,208	753,073
Taxation	613,208	753,073
To expansion and growth	112,464	99,996
Depreciation	104,123	91,562
Amortisation	8,341	8,434
Retained earnings	1,162,602	1,280,415

ANNEXURE 2:

RISK MANAGEMENT DECLARATION

for the year ended 31 December 2024

The Board of Directors ('Board') of Stanbic Bank Ghana LTD ('Stanbic Bank Ghana') is ultimately responsible for the Bank's Risk Management Framework. The Board exercises oversight over Senior Management, and to provide reasonable assurance, we declare that Stanbic Bank Ghana:

- Has systems in place for ensuring compliance with all prudential requirements.
- Has systems and resources in place for identifying, measuring, evaluating, controlling, mitigating, and reporting material risks,
- Has a Risk Management Framework that is appropriate and commensurate with the size, business mix and complexity of the Bank.
- Has Risk Management and internal control systems in place operating effectively and are adequate.
- Has a Risk Management Strategy that complies with the Bank of Ghana Risk Management Directive, and the Bank complies with the requirements described in its Risk Management Strategy.
- Is satisfied with the effectiveness of the processes and management information systems.

We confirm that the Board and Management are aware of their responsibilities and that adequate action plans to address identified deficiencies are documented and implemented. During the period under review, no material loss, was recorded.



Esi Tawia Addo-Ashong (Mrs)
Chairman, Board



John Baisie
Chairman, Board Risk Committee



ANNUAL FINANCIAL STATEMENTS

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