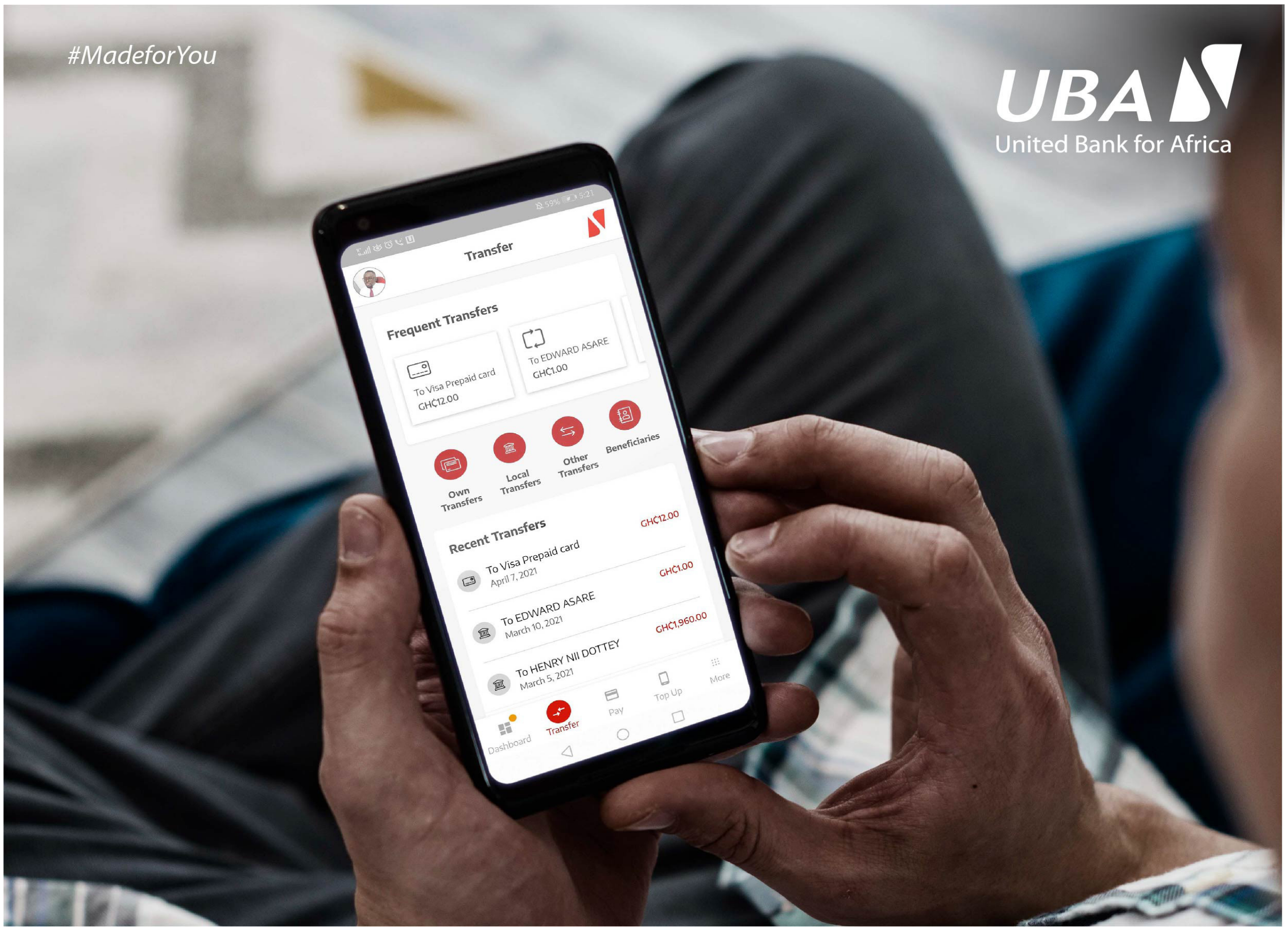

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Reduce the rate at which you handle cash by using the UBA Mobile App to perform all your banking transactions.

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Overview

WELCOME TO A NEW WORLD

As a Pan African bank, UBA Ghana appreciates the burgeoning and increasingly multifaceted business environment in which the bank operates.

We are focused on delivering superior banking products and services to our customers as we chart a more intense Customer First (C1st) philosophy.

UBA Ghana has developed a branch footprint and delivery network that has ensured that the bank's services are always within the reach of valued customers.

In a bid to anticipate and solve problems of our customers and stakeholders, we have incorporated a philosophy of innovation and through an enterprise-wide approach, we are able to channel resources towards developing promising ideas that translate into profit and sustainable business growth.

For a Pan-African organisation such as ours, we have always taken pride in investing our resources towards activities that are economically progressive, and of immense benefits to the Region. Reason why we are harnessing the power of innovation as a tool for implementing sustainable development, as reflected across every facet of our business; from our core values to our product delivery.

We are inching closer to achieving our vision and creating a remarkable growth story, which is fueled by innovation with the introduction of our new UBA Mobile App, Virtual Banker- Leo, Internet Banking and Magic Banking. The future for us is bright and our innovative strategies are constantly illuminating our pathway for the next decade in our growth phase and in becoming the world's most respected African bank.

Financial Highlights

638
Gross Earnings
2019 : 575

162
Profit After Tax
2019 : 188

224
Profit Before Tax
2019 : 282

1,108
Loans
2019 : 949

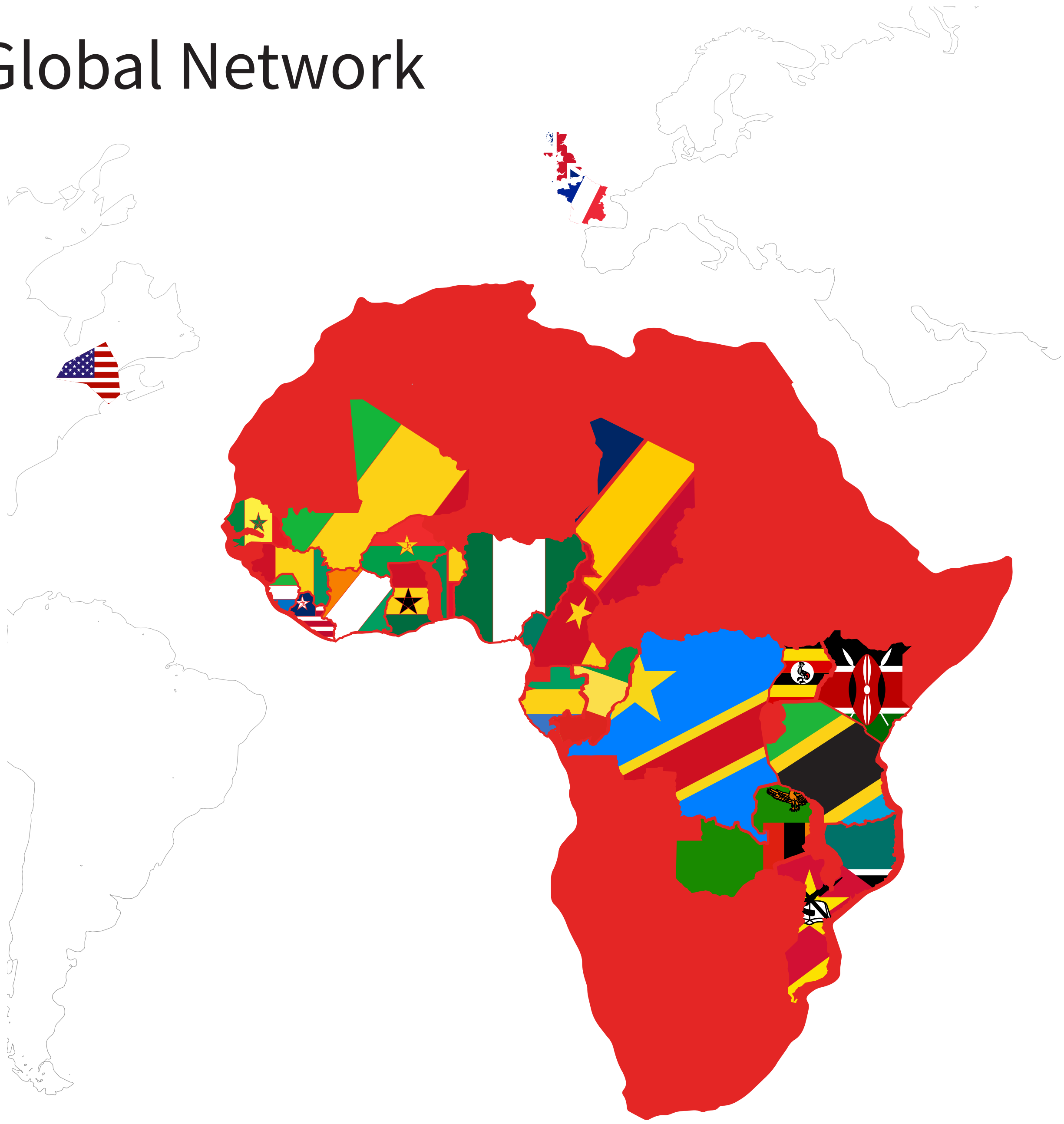
2,787
Customer Deposits
2019 : 2,339

992
Shareholder's Funds
2019 : 830

3,950
Total Assets
2019 : 4,498

Figures are in millions of Ghana Cedis

Global Network



Europe, North America

London
Paris
New York

Africa

Benin
Burkina Faso
Cameroon
Côte D'ivoire
Congo Brazzaville
Congo DRC
Gabon
Ghana
Guinea
Kenya
Liberia
Mozambique
Liberia
Mali
Mozambique
Senegal
Sierra Leone
Tanzania
Tchad
Uganda
Zambia

Chairman's Statement

Mr. Kweku Andoh Awotwi
Chairman, Board of Directors

Dear Shareholders,

It is my privilege to present to you the Annual Report and Accounts of United Bank for Africa (Ghana) Limited for the 2020 financial year.

The year 2020 was a year like no other in recent history as the COVID-19 pandemic shocked economies and businesses across the globe in unprecedented ways. Global trade and commerce, travel and tourism, industries, health and educational institutions, oil prices, lifestyle and entertainment and even religious activities across the globe were severely impacted by the pandemic as governments adopted various measures to curb the spread of the virus. The year was characterized by lockdowns, curfews, remote working measures and border closures which put a severe strain on economic activities and caused a slow-down in significant sectors of the economy.

Despite these challenges, I am pleased to report that our resilient customer-focused approach, investments in our digital banking and technology platforms and business continuity and sustainability strategies stood us in good stead to continue to deliver exceptional service to our customers and provide support to our employees and communities during this period. Our financial performance during the year remained positive even as we accelerate steps to ensure further performance improvements in line with our vision and mandate of becoming a systematically important bank in Ghana. As a Board, we remain committed to this mandate and will continue to work closely with Executive Management to fast-track execution of the strategies required to propel the Bank towards industry leadership.

I will like to highlight some of the key global and local events that shaped the year after which I will review our financial performance and outlook.

Chairman's Statement (continued)

The Operating Environment

The COVID-19 pandemic had a significant impact on the global economy in 2020 resulting in a contraction of 3.5% globally and 4.9% in advanced economies, according to data released by the International Monetary Fund (IMF). Global trade was severely impacted by the lock- downs and border closures and world trade is estimated to have declined by 9% in 2020. Global FDI flows also declined by an estimated 42% in 2020. Emerging market economies contracted by an estimated 2.4% in 2020 while sub-Saharan markets also contracted by 4.2% having been severely impacted by declining commodity prices, reduction in tourism and hospitality activities and reduced remittances and foreign direct investment.

On the domestic front, the Government of Ghana responded to the health impacts of the pandemic with the National COVID-19 Emergency Preparedness and Response Plan (EPRP) and later a more holistic plan dubbed 'National Strategic COVID-19 Response Plan covering July 2020 - December 2024' (NSCRP). Government substantially subsidized the cost of electricity and water services from April to the end of December 2020 and provided food rations to vulnerable groups during the partial lockdown. The launch and operationalization of the GH¢750 million Coronavirus Alleviation Programme - Business Support Scheme (CAP- BuSS) further mitigated the impact of the pandemic on Micro, Small and Medium Sized Enterprises (MSMEs).

The Bank of Ghana also put in place strong policy measures and regulatory reliefs to mitigate the impact of the pandemic. These measures included a cut in the policy rate by 150 basis points to 14.5%, a reduction in the Capital Adequacy Ratio (CAR) from 13% to 11.5%, and a reduction in primary reserves ratio by 200 basis points. These measures served to boost liquidity in the banking system and provide incentives for increased lending to critical sectors of the economy. The policy rate remained unchanged at 14.5% for the rest of the year.

The thrust of monetary policy in 2020 was to deliver inflation within the medium-term target of 8±2 % while supporting the overall economic policy of Government. However, COVID-related factors drove prices up. Headline inflation for December 2020, driven largely by food inflation was 10.4% against a revised rate of 11.0%. Largely due to these fiscal and monetary policy efforts, Ghana's GDP growth for 2020 turned out at 0.9% compared to the contractions recorded in a number of economies.

Though the Ghana Cedi fell against the major trading currencies in 2020, it was at a lower rate compared to 2019. The local currency depreciated by 3.9% against the US dollar, 7.1% depreciation against the British Pound and 12.1% against the Euro in 2020. The cedi continued to show signs of stability in early 2021 on the back of the continued sale of FX forwards by the Bank of Ghana and the oversubscription of the $3billion Eurobond issued by the Government of Ghana.

Interest rates in the money market generally trended downward in 2020 with the 91-day to 182-day Treasury bill rates declining to 14.08% and 14.3% respectively. Rates on the secondary bond market also declined except for rates on the 5-year and 20-year bonds. Interbank lending rates also declined in line with the cut in the monetary policy rate.

The banking sector withstood the first wave of the COVID-19 pandemic shock on the back of strong policy support and regulatory reliefs. Banks also provided some reliefs to customers in the form of loan restructuring and moratoriums to cushion businesses severely impacted by COVID-19. Overall, the sector remained well-capitalized, liquid, and profitable with strong buffers to withstand the adverse shocks and support economic recovery efforts. Total industry assets increased by 15.8% while industry deposits increased by 26.8% during the year.

The pandemic also had very minimal impact on the operations of banks as banks activated their Business Continuity Plans (BCPs) including activating their electronic banking platforms resulting in a significant surge in the use of electronic banking services and mobile money transfers.

Financial Performance

Amidst the challenging operating environment in 2020, your Bank recorded gross earnings of GHS 637.7 million an appreciable 11% growth over the performance in 2019. The headline performance reflected simultaneous growth in interest and non-interest income which grew by 12% and 3% respectively in 2020. Operating income also increased to GHS 407.4 million from GHS 393.9 million recorded in 2019.

Despite the increase in earnings however, profit before tax for the year declined to GHS 223.9 million from GHS 281.5 million in 2019 largely due to additional loan impairment charges during the year. As a result, profit after tax declined to GHS 162.2 million from GHS 188.1 million in 2019. Despite the decline in profitability compared to 2019, the Bank returned modest post-tax returns on equity and assets of 17.8% and 3.8% respectively.

Customer deposits increased by 19% in 2020 to close at GHS 2.8 billion reflecting the moderate success of initiatives to drive increased customer acquisition in the retail and corporate banking space. The newly launched "Leo" product which is the pioneer Artificial Intelligence

Chairman's Statement (continued)

(AI) virtual conversational banking platform also proved successful in supporting increased accounts acquisition and transactional volumes particularly for our younger customers. Despite the challenges of the pandemic and its impact on businesses, we recorded 17% loan growth in 2020 further demonstrating our commitment to supporting our customers and their businesses through this challenging period.

Notwithstanding the growth in our loan book in 2020, the bank remains liquid and well- capitalized, with year-end capital adequacy ratio of 24.4% which is well above the regulatory minimum. Our capital buffer remains strong to support future growth while we continue to leverage internally generated capital by way of prudent and proactive earnings retention. Further reinforcing the health of our balance sheet is our liquidity ratio which averaged 75.5% during the year.

The bank's performance for the year is a testament to the resilience of our business model and our commitment to move forward despite the challenges. We, however, recognize that there is a lot of progress to be made in order to achieve our objective of becoming a systematically important bank in Ghana. My colleagues and I on the Board will continue to support Executive Management to implement and sustain the initiatives required to achieve this objective.

Board Appointments

In line with the bank's commitment to sustaining a strong corporate governance structure, a number of changes to the Board composition were effected during the year. I, Kweku Awotwi was appointed an Independent Director and Chairman of the Board, effective 07 July 2020. Four other new directors were appointed during the year, two executive and two independent directors. Mr. Olalekan Balogun and Mrs. Sylvia Inkoom were appointed Managing Director/CEO and Deputy Managing Director respectively while Mr. Jerry Djangmah and Mrs. Merene B. Benyah were appointed as Independent Directors. Our new directors will help deepen our institutional knowledge while also bringing on board industry perspectives and vast experience across different sectors of the global and local economy. On behalf of the Board, I want to welcome all the new directors.

The erstwhile Managing Director/CEO, Mr. Isong Udom also retired during the year. I also take this opportunity to thank Isong for his immense contributions to the growth of the bank and wish him the best in his future endeavors.

Outlook

Global growth prospects for 2021are positive as fiscal support is stepped up, economies adopt to social distancing measures and vaccination roll-out gathers momentum. The IMF forecasts global GDP growth of 5.5% and 4.2% in 2021 and 2022 respectively. Sub-Sahara Africa is expected to benefit from the rebound in the global economy although this may depend on the pace of domestic vaccination programmes and the reopening of global economies which will impact consumption of African commodities. Commodity markets are already witnessing price-rises, for example, oil prices were at $64 per barrel in April 2021 from a low of $20 per barrel in 2020.

In Ghana, growth is expected to rebound as the government of Ghana's 2021 budget projects a robust real GDP growth of 5% underpinned by forecast growth of 4%, 4.8% and 5.6% in the Agriculture, Industry and Services sectors respectively. The social and economic disruptions arising from the COVID-19 pandemic meant that government had to revise its medium term outlook and suspend its Fiscal Responsibility Act (2018). The budget projects a fiscal deficit of 9.5% in 2021 which is expected to decline to 5% by 2024.

I remain optimistic about the Bank's prospects for 2021 and I believe that we can take advantage of our global and regional spread to benefit from the global recovery trends. The Board is confident in the ability of Management and staff to seize the right opportunities to deliver on our set goals. The Board, on its part, will sustain its effective oversight and strategic guidance to Management.

Appreciation

On behalf of the Board, I would like to thank our customers for their continued patronage as demonstrated during the height of the pandemic. We will continue to go the extra mile to ensure that we surpass your expectations.

I will also like to thank the Executive Management and staff who continued to work tirelessly and relentlessly even during the pandemic. My sincere gratitude also goes to my colleagues on the Board for the commitment and passion we have all shown in delivering on our core mandate of taking the bank to industry leadership.

Finally, I would like to thank every shareholder for the opportunity to serve and for your support, understanding and commitment to the goals we have set out to achieve.

Thank you.

Kweku Awotwi

Chairman, Board of Directors

Managing Director's Review

Mr. Olalekan Balogun
MD/CEO

Dear Shareholders,

It is my pleasure to present to you, the annual report for your bank, United Bank for Africa (Ghana) Limited for the 2020 financial year. This being the first year of my stewardship following my appointment as Managing Director/CEO in May 2020, I would start by thanking you, our esteemed shareholders, for your investment in UBA Ghana and for the trust you have placed in the Board and Management of the Bank. I would also like to express my thanks to the Board of Directors for their support and commitment to sound governance and oversight.

Our primary goal remains to consistently deliver superior and sustainable returns to you, our shareholders while ensuring the safety and security of depositors funds. We have a vision of being the undisputed, leading and dominant financial services institution and the strategic aspiration of becoming a systemically important bank in Ghana. We have come a long way in this regard but we recognise that there is still a lot of work to be done in order to fully actualise our vision and aspirations. I therefore humbly implore you to continue to extend your support and encouragement to this new Management team, as we consolidate on the foundations that have been established and project the Bank through its next growth phase.

I hereby provide some details on the events that shaped the operating environment in 2020 and our response to the COVID-19 situation, the bank's financial performance for the year as well as our outlook and strategic focus for 2021 and beyond.

Operating Environment

The year 2020 was shaped by the outbreak of COVID-19 which was declared a pandemic by the World Health Organization in March 2020. The outbreak of the pandemic had wide-spread implications for individuals, businesses and governments resulting in authorities implementing

Managing Director's Review (continued)

numerous measures to contain the spread of the virus and save lives and livelihoods. Some of the measures introduced include travel bans and restrictions, quarantines, shelter-in-place orders and limitations on business activity including closures.

These measures severely restricted global economic activity, disrupting global supply chains, lowering asset valuations, increasing unemployment and underemployment levels and causing volatility and disruptions in the financial, energy and commodity markets. As a result, the global economy is estimated to have contracted by 3.5% in 2020, while emerging markets and Sub-saharan Africa economies are estimated to have contracted by 2.4% and 4.2% respectively in 2020, based on estimates by the International Monetary Fund (IMF).

Policymakers in developed and emerging markets adopted various forms of quantitative easing, accommodative monetary policies and stimulus measures in an attempt to mitigate the impact of the pandemic on their economies. The US Federal Reserves (Fed) left rates at near zero while the Government injected over $1 trillion fiscal stimuli to support the economy. In the UK, the Bank of England kept the official interest rate at 0.1% towards the end of the year, while also leaving the Bank's quantitative easing bond-buying programme at £895bn after pumping an additional £150bn into the economy.

In Ghana, the Government took unprecedented steps to combat the spread of the virus while introducing measures to mitigate the impact on individuals and businesses. As part of these measures, the Government launched and operationalized the GH¢750 million Coronavirus Alleviation Programme - Business Support Scheme (CAP-BuSS), further mitigated the impact of the pandemic on Micro, Small and Medium Sized Enterprises (MSMEs) while also substantially subsidizing the cost of electricity and water services from April to December 2020. Similarly, the Bank of Ghana (BOG) introduced several policy measures aimed at complementing the fiscal authorities including a reduction in the monetary policy rate (MPR) by 150 basis points to 14.5%, reduction in the cash reserve ratio (CRR) by 2% as well as a reduction in the capital conservation buffer by 1.5%, effectively reducing banks' minimum capital adequacy ratio requirement to 11.5%. These measures served as a means to boost liquidity in the banking system and provided incentives for increased lending to critical sectors of the economy. These measures proved moderately successful as the Ghanaian economy is estimated to have expanded by 0.9% in 2020 outperforming the global economy and other major regional sub-groupings, many of which recorded contractions in 2020.

Domestic headline inflation however surged from 7.80% to a high of 11.40% in July 2020 largely due to panic purchases made ahead of lockdowns during the initial phases of the pandemic. As the restrictions eased, inflation declined to 10.4% in December, slightly above the benchmark of 8±2%. Interest rates on the money market largely showed downward movements along the yield curve. The 91-day interest rate declined to 14.1 percent in December 2020 from 14.7 percent in the previous year while the 182-day Treasury bill rate fell to 14.1 percent from 15.2 percent over the same period. On the secondary bond market, yields on 6-year, 7-year, 10-year, and 15-year bonds all declined.

The interbank market reflected a similar trend as the weighted average interbank rate declined to 13.6 percent from 15.2 percent, reflecting the reduction in the monetary policy rate in March 2020, and improved liquidity conditions on the market. Similarly, average lending rates of banks declined to 21.1 percent in December 2020 from 23.6 percent recorded in the corresponding period of 2019, consistent with the monetary policy stance.

The foreign exchange market was relatively stable in 2020 with the Ghana Cedi performing better than in 2019. Inflows from the Government's Eurobond issuance and the IMF Rapid Credit Facility were largely sufficient to mitigate pressures from portfolio outflows, corporate demand and energy related forex demand. Cumulatively, the Ghana Cedi depreciated against the US Dollar, the Pound Sterling, and the Euro by 3.9 percent, 7.1 percent, and 12.1 percent, respectively in 2020.

Our Covid-19 response

As a responsible corporate citizen, UBA Ghana remained committed to supporting our customers, communities and employees to overcome the challenges posed by the Covid-19 outbreak. At the onset of the pandemic, we triggered our business continuity plans and strengthened our operational and technological infrastructure to ensure that services to our customers was in no way disrupted. We ensured that our ATMs and digital banking platforms experienced minimal downtimes. We supported our customers with financial advice, credit and liquidity at a time when this support was most critical.

Managing Director's Review (continued)

We also worked with the government and the Ghana Association of Bankers (GAB) to provide support to our community during the pandemic. In order to support those directly involved in battling the spread of the virus, we donated a sum of $350,000 (GHS 1.94 million) to the Government of Ghana's Covid-19 related aid projects.

Our employees' response to the pandemic was remarkable as they demonstrated resilience and dedication to serving our customers despite the challenges posed by the pandemic. At the height of the pandemic, we implemented a "work from home" policy for a majority of our employees while we enhanced procedures to safeguard those whose presence on our facilities was deemed essential. I am immensely proud and grateful to our employees for their commitment during this period.

Financial Highlights

Despite the challenging operating environment in 2020, your bank grew gross earnings by 11% to GHS 637.7 million driven largely by a 12% growth in interest income and a 3% growth in non-interest income. Operating income also increased to GHS 407.4 million from GHS 393.9 million recorded in 2019.

We recorded profit before tax of GHS 223.9 million and profit after tax of GHS162.2 million translating to a modest 17.8% post-tax return on average equity and a 3.8% post-tax return on assets. Year-on-year, profit after tax however declined by 13.7% largely due to increased loan impairment charges coupled with a decline in yields on treasury instruments particularly in the second half of the year.

We however leveraged our transaction banking channels and trade product offerings to grow our net fees and commissions income by 30% year-on-year. While our non-funded income for 2020 still represents about 18% of our gross earnings, we are optimistic that our continued investments in alternative channels will support the growth of these income lines which we believe should contribute 40% of gross earnings in the medium term.

We also continue to reap the benefits of these investments in alternative channels on our cost efficiency. Despite a 15% increase in operating expenses arising largely from increases in personnel expenses, COVID-19 related expenses and regulatory-related charges, we maintained cost-to-income ratio within target at 30.1% which is among the top-ranked in the industry.

Despite the highly competitive operating environment, we grew our core funding base of customer deposits by 19% to close at GHS 2.8 billion at the end of 2020. We leveraged our franchise, innovative product offerings as well as excellent customer delivery to increase our share of existing customers' wallet while also on-boarding new customers. I am particularly pleased with the 32% growth in our retail deposits which is a testament to our investment in service channels and our innovative digital banking offerings. Despite our relatively moderate risk appetite, our net loan book also grew 17% year-on-year in line with our commitment to continue to support the key sectors of the economy despite the uncertainty arising from the COVID-19 pandemic.

We remain very liquid and well capitalized. During the year, liquidity ratio averaged 75.5% with a year-end position of 74.3%. Year-end capital adequacy ratio was 24.4% which is well above the minimum required and provides sufficient head-room to support our future growth.

Strategic Focus

While we made modest progress towards our aspirations in 2020, we are not satisfied and committed to successfully unlocking the next phase of our growth trajectory. We will continue to explore opportunities in our markets and devote attention and resources to the execution of initiatives that will drive the achievement of our strategic aspiration. In order to achieve our mandates for 2021 and beyond, we will be guided by the following key strategic pillars:

1. Significantly growing our market share by creating value for our customers. We intend to grow our customer base across all channels while also becoming the preferred bank for trade and remittance flows.
2. Further enhancing our customer service culture and ensuring that we continue to be one of the most preferred banks in customer service.
3. Driving internal efficiency by reducing all process steps by 50% in order to provide faster, convenient and seamless service to our customers.
4. Sustaining our culture of innovation in service and product offerings by investing new technologies for digital banking.
5. Enhancing people productivity by retooling our talent and performance management, ensuring that we put our rich human capital resources in their best fit while reducing regrettable attrition to the barest minimum.
6. Build on our reputation for compliance with all relevant regulations with zero tolerance for regulatory infractions and penalties.
7. Every staff member is well acquainted with these imperatives and is fully committed to delivering on the set goals, with measurable key performance indicators. These strategic themes have created a greater intensity of focus and provided a whole new perspective for our drive towards industry leadership. In line with our overall objectives, we are prioritizing the adoption of a revised structure for our sales force

to drive penetration in our target sectors particularly in corporate banking, commercial banking, SME and personal banking as well as consumer lending. This new sales structure is to become fully operational as from Q2 2021.

Notwithstanding the progress the we have made in our digital banking products, platforms and channels, we remain committed to strategically expanding the physical distribution coverage through our branches. We have plans to set up two new branch locations in Q2 2021 with a further two branches schedule to open later in the year. Despite these proposed new branch openings, we will continue to leverage our electronic self-service channels as a convenient value proposition and cost-efficient alternative to our network of brick and mortar branches.

Conclusion

In conclusion, I want to thank the Chairman and all members of the Board for their support and guidance. I also appreciate my colleagues, management and staff at all levels for their hard work and commitment towards achievement of our strategic objectives. I am also thankful to our customers – our 'Employers', who are the reason we exist. We appreciate your patronage, partnership, as well as your feedback, particularly on how to serve you better. I also want to thank the Bank of Ghana and other regulatory authorities for their support.

And, finally, to our esteemed shareholders, we thank you for your support and reaffirm our commitment to delivering you superior and sustainable returns.

Thank you.

Olalekan Balogun

Managing Director/CEO

Ghana's macroeconomic performance in 2020

The adverse impact of the COVID-19 pandemic has eroded recent impressive gains made by the Ghanaian economy since 2017.

As envisaged in the 2021 Budget Statement, Ghana's 2020 revised Overall real GDP growth is projected to hover around 0.9% compared to 6.5% Overall real GDP growth recorded in 2019; thus 5.6 percentage points lower (Budget Statement and Economic Policy, 2021). With an estimated population of 30.4 million, Ghana's per capita income is forecasted to drop by 1.49% and end 2020 at US$2,188 relative to US$2,221 recorded a year earlier (IMF, 2020).

Per the 2021 Budget Statement, Ghana's overall fiscal deficit on a cash basis in 2020 weakened to 11.7% against the year-end revised target of 11.4% of GDP and markedly higher than the 4.8% overall fiscal deficit recorded in 2019. The 6.9 percentage points increase in the overall fiscal deficit on a cash basis was driven on the back of 4.5 percentage points increase in budgeted expenditure outturn of 26.1% of GDP, coupled with 2.5 percentage points shortfall in budgeted revenue outturn of 16.9% of GDP in 2020. COVID-19 induced dip in demand and prices of crude oil on the International Commodities Market resulted in 1.3 percentage points decline in provisional Oil & Gas Receipts outturn of 0.9% of GDP compared to budgeted outturn of 2.2% of GDP. Dampened oil receiptsincreased Governmnet's debt service obligations,which explains the widening overall fiscal deficit outturn in 2020. Accordingly, Ghana's provisional debt-to-GDP including financial and energy sector bailouts stood at 76.1% of GDP at the end-2020 (Budget Statement and Economic Policy, 2021) compared to 62.4% recorded at the end of 2019.

Ghana's trade surplus declined to 3.1% of GDP at the end of 2020 from 3.4% recorded a year earlier on account of significant dip in inflows from oil exports during the period. Consistently, the Country's overall balance of payments weakened markedly from a surplus of 2.0% of GDP to a recorded 0.55% surplus, due to 0.4 and 0.3 percentage points deterioration in both the current account and capital & financial account balances respectively in 2020. Meanwhile, Ghana's Gross International Reserves in 2020 improved to 4.1 months of import cover compared to 4.0 month of import cover recorded a year earlier.

Money Market Developments in 2020

In 2020, total liquidity (M2+) improved markedly ending the year with 29.6% year-on-year growth relative to 21.7% year-on-year growth recorded at the end of 2019. Improved year-on-year growth in savings and time deposits of 27.1% in 2020 relative to 3.4% year-on-year growth recorded in 2019 largely accounts for the significant increase in M2+ though foreign currency deposits growth declined by 29 percentage points on the back of improved Cedi performance. Additionally, Monetary Policy Committee's decision to reduce the cash reserve ratio by 200 basis points to 8% and the monetary policy rate by 150 basis points to 14.5% further enhanced M2+ during the period.

Consistently, the money and credit market responded positively to the improved total liquidity and subdued foreign exchange pressures 2020. Average interbank lending rates also declined by 160 basis points during the period to end 2020 at 13.56% per annum. Credit market rates during 2020 responded positively to the improved M2+as Ghana Reference Rate and the average lending rate dropped markedly by 134 and 249 basis points to end 2020 at 14.77% and 21.10% per annum respectively. Likewise, treasury instrument and secondary market rates declined in excess of 50 basis points in 2020 resulting in relative improvement in the Country's domestic debt service burden.

Ghana's macroeconomic performance in 2020 (continued)

Exchange rates

Though the Ghana Cedi fell against the major trading currencies in 2020, it recorded a much lower rate of depreciation compared to its performance in 2019. The local currency depreciated by 3.9% against the US dollar compared to the 12.9% depreciation it managed a year earlier on the interbank market. The local currency recorded 7.1% depreciation against the British Pound compared to 15.7% depreciation it recorded in 2019. The Cedi however depreciated by 12.1% against the Euro in 2020 compared to the 11.2% depreciation it managed in 2019 on the interbank market. The decline in the value of Cedi against the major trading currencies in 2020 is attributed to the rising fiscal imbalances that impacted negatively on investor confidence in Cedi and heightened speculation on currency trends towards the end of the year.

Inflation

Inflationary pressure increased markedly during the second quarter of 2020 amidst the outbreak of the COVID-19 pandemic. Headline inflation rose to 11.3% in May 2020 on the back of COVID-19 food price induced inflation but fluctuated subsequently and ended the year at 10.4% compared to 7.9% recorded at end-2019 on a year-on-year basis.

The Banking Sector Performance

Total Assets of the Ghanaian Banking Sector improved from GHS129.0 billion at the end of 2019 to GHS149.3billion in 2020 which represents 15.8% year-on-year growth compared to 22.7% recorded during the same period a year earlier. Industry's total advances consistently recorded a modest 5.8% improvement to end 2020 at GHS47.8billion compared to 22.4% annual growth recorded in 2019 reflecting the risk appetite of the Banking Sector in the COVID-19 era. The modest 5.8% annual growth in total advances was mainly funded from GHS20.3 billion increase in the industry's total deposits which stood at GHS103.8 billion at the end of 2020 compared to GHS83.5 billion recorded at the end of 2019.

The Banking Industry's Capital Adequacy Ratio (Basel II/III) stood at 19.8% at the end of 2020 up from 17.5% recorded during the same period a year earlier. The 2.3 percentage points increase in Industry's CaR is explained by the impact of the new capital requirement directive that allocates capital to every aspect of the Banks operations and ensures that the sector's growth is proportionate to available quality capital. The Ghanaian banking sector's capital adequacy ratio of 19.8% signifies a sound capital base and the ability of the industry to grow the size of its assets, since the 19.8% capital adequacy ratio recorded at the end of 2020 far exceeds both the regulatory minimum capital adequacy ratio of 10% and the revised prudential minimum capital adequacy ratio of 11.5%.

The quality of industry's advances weakened during 2020 on the back of the adverse impact COVID-19 pandemic on cash flows of businesses. The industry's total non-performing loans witnessed a marginal deterioration to end the year at 14.8% up from 14.3% recorded at the end of 2019. However, NPLs excluding the loss category also improved marginally to 6.5% at the end-2020 down from 7.0% recorded at the same period a year earlier. The marginal deterioration in the industry's assets quality is largely associated with repayment concessions granted by some Bank's in response to the adverse impact of the COVID-19 pandemic on cash flows of businesses in 2020.

UBA Ghana's Performance

Though UBA Ghana balance sheet size deteriorated by 12.2% in 2020 relative to 26.2% growth recorded in 2019, the bank remains a major force in the Ghanaian Banking System. The bank significantly reduced its reliance on the interbank market for liquidity support by a whopping 94.1% and subsequently grew customer deposits by 17.0% amidst the adverse impact of the COVID-19 pandemic. Total customer deposits stood at GHS2.79 billion at end-2020 up from at GHS2.34 billion recorded at end-2019.

Though UBA Ghana's balance sheet size reduced in 2020, it closed the year with a 3.5% increase in net operating income ending the period at GHS407.5 million up from GHS393.9 million recorded at end-2019. Meanwhile, the downside effect of impairment charges on Legacy Debts in the Energy Sector negatively impacted UBA Ghana's profits before taxes by 20.5% to end the financial year with GHS223.9 million compared to GHS281.6 million reported at end-2019. UBA Ghana's operating cost increased marginally and ended the year at 21.08%. Additionally, the ratio of non-interest income to gross earnings declined by 0.91 percentage points to end 2020 at 16.83%.

Meanwhile, UBA Ghana improved its shareholder's wealth by 19.5% to close the year with GHS991.7 million. UBA Ghana's resolve to consistently improve service delivery and risk management practices enhanced the bank's capacity to meet, in excess, both the 10% required minimum capital adequacy and the 13% prudential minimum capital adequacy ratio, ending 2020 at 24.4%, compared to 22.3% recorded at end-2019 and higher than the industry's average of 19.8%.

Ghana’s macroeconomic performance in 2020 (continued)

Ghana’s Economic Outlook

The Ghanaian economy is forecasted to grow by 5.0% in 2021 relative to the provisional outturn of 0.9% in 2020 (Ghana’s Budget Statement, 2021). Ghana Government’s 2021Overall real GDP growth projection is in line with Fitch Solutions’s 4.8% Overall real GDP growth projection, International Monetary Fund’s 4.6% Overall real GDP growth projection and Moody’s Rating 4.0% GDP growth for the Ghanaian economy. Ghana’s growth projections are anchored on the Government’s Digitization Agenda, COVID-19 Alleviation and Revitalization of Enterprises Support (GHS100 billion Ghana CARES) Programme, Agriculture Modernization,Industrialization through the One-District-One Factory program, improved cocoa, oil and gold prices as well as the anticipated benefits from the African Continental Free Trade Agreement (ACFTA), and improved foreign direct investments to achieve the projected 5.0% GDP growth in 2021 fiscal year. Meanwhile, Ghana’s fiscal challenges, especially the growing public debt situation, uncertainties in the external environment, the rippling effect of COIVD-19, probable capital flight, tax revenue shortfalls are major risks to the realization of Ghana’s forecasted GDP growth in 2021.

According to Ghana’s 2021 budget statement, a fiscal deficit of 9.5% of GDP is projected for the year compared to the 2020 provisional outturn of 11.7%. The Government of Ghana is therefore forecasted to operate outside the fiscal responsibility space that restricts annual budget deficit to 5% of GDP (Ghana’s Fiscal Responsibility Act 2018) in two successive years. Ghana’s annual debt accumulation rate, which hovered around 26% in 2019, ended the year 2020 around 33% mainly driven by the COVID-19 Pandemic effect, crystallization of contingent liabilities in the energy and financial sectors. Debt servicing will therefore remain a major risk factor in the Government’s economic recovery strategy.

In the medium term, Ghana’s economic growth is projected to average 5.0% between 2021 and 2024 down from the 5.7% projected for 2020-2023 due to the uncertainties surrounding the COVID-19 pandemic and its side effects on both domestic and global economic recovery. The country’s non-oil sector GDP growth is expected to average around 4.9% in the medium-term. Meanwhile, Government is expected to tightly control expenditure, leverage the Ghana Digitization Agenda to improve revenue mobilization and efficiency, improve its industrialization drive as well as planned investments in modernizing Agriculture to enhance the chances of achieving the projected medium-term growth. Likewise, the current declining trend in interest and inflation rates are expected to remain unchanged with the medium-term inflation target of 8±2%. Overall fiscal deficit target is expected to remain within the fiscal rule of not more than 5.0% by 2024 yeilding a surplus primary balance in the foreseeable future. Gross international reserves of at least 4 months import cover is projected to be manitained in the medium term, while the Ghana Cedi is expected to remain relatively stable against major trading currencies.

Business Review

Corporate Profile

United Bank for Africa Plc

January 2005, a pioneering year for United Bank for Africa (Ghana) Limited, as they chartered a new path of entry into Ghana, birthing a new generation of foreign banks and changing the landscape of relationship banking.

The vision and strategy of Pan-Africanism was simultaneously birthed by United Bank for Africa (UBA) Plc which until that moment was simply a leading financial service bank operating in all regions of Nigeria. When the subsidiary in Ghana was created, UBA then grew into group status in Sub-Saharan African region, now with presence in 20 African countries: Ghana, Benin Republic, Cote d'Ivoire, Burkina Faso, Guinea, Chad, Cameroon, Kenya, Gabon, Tanzania, Zambia, Uganda, Liberia, Sierra-Leone, Mozambique, Senegal, Congo DR, Congo Brazzaville, and Mali, as well as United Kingdom, United States of America and France. 2005 was truly historic for UBA as it was in this same year it completed one of the biggest mergers in the history of Nigeria's capital markets with the business combination of Standard Trust Bank (STB) Plc and the then United Bank for Africa.

The origin of UBA dates back to 1949 when it was first referred to as the British and French Bank Limited (BFB). It took over the assets and liabilities of BFB and was incorporated as a limited liability company on 23 February, 1961 under the Compliance Ordinance (Cap 37) 1922.

UBA was the first Nigerian bank to make an Initial Public Offering (IPO), following its listing on the Nigerian Stock Exchange (NSE) in1970. It was also the first bank to issue Global Depository Receipts (GDRs).

Who We Are

"We work for one of the strongest and most successful financial services institutions in Africa. Our bank, the United Bank for Africa and our brand have grown significantly and require no introduction across our Continent. We should be proud of what we have achieved and I look forward to welcoming further countries into our family this year, as we deliver on our promise to be Africa's Global Bank." Kennedy Uzoka UBA GMD, Jan 2017.

UBA is a full financial service institution offering a plethora of unique banking products and services. As Africa's global bank, UBA Ghana has developed a branch footprint and delivery network that has ensured that the bank's services are always within the reach of valued customers. In line with the bank's positioning statement and strategic intent, UBA Ghana has a footprint of 26 fully networked branches, 2 agencies and close to 60 visa enabled ATM's spread across Accra, Tema, Tarkwa, Tamale, Takoradi, Kumasi, and Aflao.

What We Do

United Bank for Africa (Ghana) Limited, is a subsidiary of the United Bank for Africa Plc which is one of Africa's leading financial institutions with assets in excess of US$20 billion and offering services to more than 7.5 million customers across 850 branches and over 2000 ATMs in 20 African countries.

The bank's new goal is simple. Excellent Service ... Delivered. We have interrogated ourselves, our processes and the evolving internal and external environments. We have challenged who we are, what we want to be known for and how we want to do business. This exercise, has given us a new Corporate Goal: 'Excellent Service...Delivered'.

To deliver this, we have fundamentally refined our Core Values, to ensure our commitment to deliver:

Enterprise. Excellence. Execution (EEE).

These values will drive all our actions towards our internal and external customers. Since August 1, 2016, we have directed efforts in the three critical areas:

Deployment of customer focused IT systems

Re-engineering our processes to speak to what the customers really need; and

Creating a workforce of engaged and productive People.

Our People:

People are central to our new Corporate Strategy.

Our Processes:

Our Processes speak to how we serve our customers. We are challenging the status quo, to completely align our processes ground-up from the customer's perspective.

Our Technology:

We have continued to increase investment in Information Systems (IS) and Digital Banking Channels reliability to attain overall positive customer experience.

With presence in New York, London and Paris, UBA is connecting people and businesses across Africa through retail and corporate banking and our innovative Africa Trade Platform.

UBA Plc has been rated by "the Financial Times Magazine" as one of the five African banks in the top global 500 banks and the second fastest growing brand in the world and by the Boston Consulting Group as one of the top "40 African Challengers" on account of globalization, workforce and asset diversity, cash flow and leverage ratio.

UBA VISION

To be the undisputed leading and dominant financial services institution in Africa.

UBA MISSION

"We shall be a role model for African businesses by creating superior value for all stakeholders; abiding by the utmost professional and ethical standards and building an enduring institution"

CORE VALUES

Our corporate identity rests on our core values. These values are: Enterprise . Excellence . Execution

United Bank for Africa (Ghana) Limited

Our objective has been to become Africa's leading and most respected Pan African bank. Our purpose is to be where the growth is, connecting customers to opportunities. We have engaged businesses to discover their potential and to prosper, by helping people fulfill dreams and realize their ambitions. We have developed the primary strategy of our Parent company into our own secondary and tertiary strategies that reflect our purpose and distinctive advantage:

To be a fully automated network of business offices connecting Ghana to Africa and the world. We are well positioned to capture intercontinental trade and to be the conduit for capital inflows. Our reach and range of services place us in a strong position to serve clients as they grow from small enterprises into diverse businesses all over Ghana and Africa.

To combine sound financial management with a delicate mix of some embryonic and some maturing wholesale and retail banking on a local scale with a global view: we aim to make the most of opportunities arising from the developing economy we deal in along with the demographic changes in our dynamic industry sectors. We will study the pace carefully and deal in full-scale private and public sector markets and businesseswhere we can achieve profitable margins at varying levels.

As the flow of goods, agriculture, oil and gas services as well as trade continues to expand, driven by the new FinTech revolution of mobile money, digital and virtual banking and technology, we in turn expect to be within and amongst the top tier in Ghana, becoming strong enough to be termed a Systemically Important Bank.

The growth of our industry is bringing the people of Ghana into the global middle class, and United Bank for Africa (Ghana) is one of the few truly Pan African banks with the financial backing as well as trade and capital flows that can connect our customers to the fastergrowing and developed markets. We have a diversified banking model that supports a strong capital and funding base, reduces our risk profile and volatility, and generates stable shareholder returns. These are distinctive competitive advantages that the Bank will bring to its customers, going forward.

Insights on the EMDOs Business

EMDOs is an acronym for Embassies, Multilateral and Bilateral Donor Organisations. The players in this segment play a significant role in addressing Africa's developmental challenges mainly through grants, technical assistance and debt financing of developmental programs in order to alleviate poverty, improve quality of life as well as promote economic development in line with Sustainable Development Goals of the United Nations.

As Africa's global bank with international and, pan-African footprint, UBA is well poised to become the bank of choice for inflow of Official Development Assistance (ODA) through the different embassies, multilateral and donor organisations. Our interest in the EMDO business stems from the passion we have about Africa's development coupled with the unique banking solutions we can deploy to the EMDO community in the pursuit of Sustainable Development Goals.

Our wide footprint in Africa and unique presence in major financial cities in the world are factors that give UBA a competitive advantage as we are closer to the EMDO community locally and globally. We also have the UBA Foundation through which we can achieve further social impact and enter into strategic partnerships within the EMDO community that competitors don't have and this ultimately leads to being able to deliver to the last mile.

COVID -19 introduced challenges to the business but, also presented new opportunities in the EMDO space as EMDO institutions now realise the importance of digital banking solutions. UBA is leveraging this opportunity to differentiate itself by continuing to invest in the digital infrastructure as well as innovative services that would ensure uninterrupted service within the EMDO space.

Innovating through our digital and online solutions

The last year has been both challenging and interesting for the Banking Industry due to disruptions introduced by the COVID-19 Pandemic.

The lock downs and restrictions of movement introduced new customer engagement models as institutions including Banks have had to device alternative methods of distribution and access to channels and products without compromising the safety of customers.

In broad terms the pandemic introduced significant margin pressures especially in the payments space with regulator induced fee restructuring and overall low economic activity being the leading factors responsible for the headwinds experienced in payment revenue. We also witnessed complete absence of actiwvity in certain industries like Aviation, Entertainment, Education and Hospitality for extended periods all contributing to a very challenging year for businesses generally.

In United Bank for Africa Ghana we were very well positioned for the challenges because of more than 2 decades of investment in cutting edge technology aimed at providing convenience to the customer. Our mantra of having all our digital interactions on a SELFIE (Self Service) mode came in handy when our customers were forced to embrace digital payments as a result of the pandemic.

We continue to lead the pack on our innovation journey with the introduction of the UBA REDD APP which is an open banking platform that will converge our Retail Digital Payments offerings in one window. The App whose mobile version we just launched comes loaded with complete payments functionality and a world class personal financial Management tool. The strength of this open banking platform is in its core architecture which empowers us to orchestrate third party services seamlessly with amazingly short go to market cycles. The convergence will ultimately bring together our Mobile, USSD, Web and Chatbot interface together.

The restrictions in movement lead to a massive upsurge in transactions processed on our digital channels especially the Mobile and Web Channels. Our Corporate and SME leveraged tools bulk file upload on our Cash Management platform UBA Internet Banking to make payments to vendors both within and outside Ghana without leaving their office.

This multi country, multi-currency platform gave them immense advantage in funding their partners making sure that their supply chain was not disrupted.

In the local payments space UBA internet Banking also provided them the agility they needed to manage payments from a single interface to all the possible rails like Accounts, Cards and Mobile Money. Our customers on this platform can pay Salaries or vendors in any Bank in Ghana either singly or bulk upload to Accounts, UBA Prepaid Cards and any Mobile Money Wallet in Ghana.

We have adjusted very well to the challenging times and in the coming year our focus will be on achieving the best

Innovating through our digital and online solutions (continued)

user experience across all our touch points especially the digital interactions.

Our first priority will be expanding our channels presence and that we have already started by providing more than 5000 point of sale terminals for merchants in Ghana which they can access at no extra cost. Our Point of Sale terminals utilize best in class technology to enable businesses acquire card transactions specifically GH Link, Ezwich, MasterCard, Verve Visa Cards. One of the differentiating aspects of our terminals is the ability to accept Mobile Money Payments from all the available wallets in Ghana.

UBA is also deploying more than 100 ATMs to strategic locations across the country to increase convenience for all card holders in Ghana. In the same vein we have earmarked more than 1,000 agent locations where UBA will offer basic Banking Services like Cash Deposit, Cash Withdrawal, Bill Payment, Airtime Top Up and Prepaid Card Loading in select locations leveraging our Agency Banking Platform.

One of the lessons of the Pandemic also is the importance of local payments in our sustainability as a business. In this respect UBA remains one of the clear leaders in the domestic space where we have increased our capacity with the newly launched GHQR which is live on both our Mobile Banking and USSD rail *822#. We introduced the first GH Link Prepaid Card in the country and also launched the GH Link Dual Card which combines the GH Link Debit and Ezwich Card in one chip.

The Bank continues to lead in innovation in Ghana. Last year we were the first bank in the country to introduce Leo an AI powered BOT that provides end to end Banking services through WhatsApp, Facebook Messenger and more recently Apple Business Chat. This award winning app has seen more than 50,000 enrolments for existing customers. Leo has also proven to be our most useful tool for onboarding new customers because of the degree of convenience if provides. The chatbot allows you to create an account and start transacting without coming to the branch. Leo continues to mature and our dream is to make it a go to place for all interactions in the bank from payments, complaints management, loyalty, communication, offerings to mention a few.

This year we will continue to engage our publics on new developments in our Digital Banking offerings and the opportunity it provides our dear customers to access excellent service on the go. We will continue to listen actively to the yearnings and expectations our users and in our characteristic culture tweak our services to meet their needs

The Evolution of a Contact Centre to an Experience Centre

With the era of social media, comes a new order: The Customer as King.

The Customer is not just king, but an informed King privileged to every aspect of knowledge, a click away from his throne. To this new order the role of Excellent Customer Experience is expedient and cannot be overemphasized in this new age of Digital evolution and adoption. The technologized King requires information and resolution quicker than ever through his or her channels of choice.

At UBA Ghana, we appreciate this customer needs and the complexities of our King hence the Bank responded to the urgent need for our customers to be provided with the avenue to enable them to effortlessly reach us with their enquiry, requests and complaints by the click of a button or a call to meet their growing financial demands, lifestyle and transactional interactions. This led to the evolution from a regular contact centre to the UBA Ghana Customer Fulfilment Centre(CFC) - a 24/7 Customer Experience Hub.

The UBA Customer Fulfilment Centre is a world class Revenue Generating Customer Experience Hub that provides a first aid clinic and single stop shop for all Customer Complaints in Ghana by achieving prompt and satisfactory resolution of customer complaints into the hub. Customers are also reached via our Telemarketing medium for their feedback and recommendation on in-branch service experience and Digital Banking channels.

CFC Ghana primarily interacts with customers by telephone, email, social media, live chats and Telemarketing.

At CFC there is a continuous improvement in our professional delivery and quality of service at all our Human and Digital Touch Points.

CFC Ghana also support service across all UBA Business Offices and Support Functions to deliver exceptional customer service to our customers to improve on customer acquisition, retention and experience.

The ultimate goal of CFC Ghana is to drive excellence customer experience and assure a continuous relationship with customers.

Redefining our Customer satisfaction metrics.

Previously, the contact centre used to measure customer satisfaction through how quickly an Agent answered the phone and gave a response. This led to Agents having a hasty approach towards resolving requests, often leaving the customer unsatisfied. However, with the introduction of the modern-day CFC, metrics such as first-contact resolution, chat rating, the average time in queue, average call abandonment rate, average handle time, etc. can now be used to track how best customers are being attended to and how their expectations are being met.

Transition to Omni channel

CFC Ghana's shift to Omni-channel communication has also provided customers with a range of options to contact us via phone, email, chat, text, social media, via our Digital Channels and more. The use of bots also enables our customers to get quick-fix answers to some of their questions outside business hours.

Transition to tracking customer journey

CFC Ghana now offers a better understanding of users' needs and deliver a better request resolving experience. Customer journey tracking provides data that can be analysed for personalized customer service delivery.

Transition to multiple roles

With the introduction of Telemarketing roles at CFC Ghana, calls are initiated to customers for consistent engagement, education and for cross selling and upselling opportunities. The Resolution Team of CFC Ghana is also responsible for escalating unresolved customer issues for complete resolution. The Inbound Team or Enquiry Team handles customer complaints, enquiry and requests via phone, email, social media and live Chat.

At CFC "We strive to: Serve our customers in the channel of their choice… …24 hours a day, 7 days a week… …with a best-in-class response time… …addressing questions, compliments and complaints… …in a personalized manner… …keeping with our brand voice and personality.

Our People, Culture & Diversity

United Bank for Africa Ghana (UBA) philosophy is that the 'Customer is our Employer' and our Employees our greatest Assets and the only vehicle to achieving our Customer First agenda and delivering on our promise of Africa's global bank.

UBA continuously work to create an enabling environment that develops and draws out the best from our people.

Highlights

Recruitment

In 2020 despite the challenges of the Covid 19 pandemic we hired 20 staff. These candidates were selected from within the industry and our graduate entry programme. Our new hires aside from undergoing the rigorous in country on boarding process including induction, also participated in the UBA Academy induction programme which culminates with an interaction with the Group Board Chairman. We utilised virtual channels in undertaking our induction programmes.

Training & Career Development

Training and development is essential in today's volatile, uncertain, complex and ambiguous world. We undertook numerous trainings to develop soft skills, hard skill as well as regulatory training. Notable trainings for the year were leadership, bank-wide customer service, IFRS, AML, ACI Dealing/Ops Certification, Credit among other specialist training. Each staff averagely attended a minimum of 3 trainings in 2020. Staff also undertook training on our e-Learning platform

People Productivity

UBA Ghana demands performance and recognises staff who perform. In 2020 we recognised 7 staff for monthly customer service awards and promoted 148 staff. In 2019 UBA Ghana achieved 70% plus of the Profit Before Tax Budget as such in 2020 staff were paid performance bonus. We also celebrated 7 and 14 staff who celebrated their 15 years and 10 years anniversary with the Bank respectively.

Employee Engagement

The Covid 19 pandemic did not slow down our Employee Engagement but made us innovative, we were able to organise a "Thank God is Friday" (TGIF) before the lockdown was announced. We held virtual Jogging to Bond, engaged staff virtually through Town Hall meetings and Human Capital Management Clinics. Personality of the Week was instituted as an avenue for staff to still interact as they could not meet physically. To also encourage reading and self-learning the Reading Club was instituted. Our U-Lioness also reached out to support our women in various areas.

Partnerships

UBA Ghana believes in supporting our stakeholders as such despite the constrains of the pandemic we still enrolled interns and National Service Personnel as the Bank prefers to recruit fresh graduates who are developed to become future leaders of the Bank.

Control Environment

The overarching approach to managing enterprise-wide risk is based on the "Three Lines of Defence" principle.

First Line of Defence: Risk owners/business and functional units/departments

Risk owners/business units take ownership of their risks and have the responsibility and accountability for direct assessment, control and mitigation of their risks. All employees are required to ensure the effective management of risks within the scope of their direct responsibilities.

Second Line of Defence: Control Functions (Risk Management, Internal Control, Compliance)

Control Functions are to monitor and facilitate the deployment of effective risk management practices. They assist risk owners in reporting adequate risk related information up and down the organisation with accountability for directly assessing, controlling and mitigating their risks. The Control Functions review, challenge as well as provide oversight and advisory functions.

Third Line of Defence: Internal Audit

Independent assessment and evaluation of the control environment is undertaken by Internal Audit, providing assurance to the Board of Directors and Senior Management on effectiveness of the first and second lines of defence, and the effectiveness of how the Bank assesses and manages risk. The Internal Audit function monitors compliance with policies and

standards and the effectiveness of internal control structures of the Bank through its programme of both regular and

ad hoc reviews. The work of the Internal Audit function is focused on the areas of greatest risk as determined by a risk-based methodology. The Internal Audit function reports directly to the Board Audit Committee.

CORPORATE SOCIAL RESPONSIBILITY

- COVID-19 Donation
- National Essay Competition (NEC)
- Read Africa Project
- Community Support
- Awards

Corporate Investment - Streghtening Our Base For Development

In the course of 2020, United Bank for Africa (Ghana) Ltd. (UBA) positioned itself as a brand that supports health, education and implemented various interventions to propel its support towards the general wellbeing of its customers and Ghanaians in general.

The year 2020 was hampered with many restrictions due to the COVID-19 pandemic and a year filled with lots of activities and innovations as UBA Ghana focused on enhancing its relationship with customers, government and other stakeholders. This was buttressed with rigorous initiatives to ensure the bank which is a subsidiary of UBA PLC supersedes its limitations, envisage new opportunities and commit to the general development of the customers and the country at large.

UBA Group being one of the foremost banks in Africa sees development to be people centred. Reason why UBA Ghana continues to boost its corporate social responsibilities by rolling out initiatives tied to the three core values of Enterprise, Excellence and Execution (3 EEEs). Several other promotions activities were executed through the digital platforms as part of efforts to stay glued to its valued customers.

Through the UBA Foundation, the bank empowered staff to take up personal projects within host communities with "Each One Teach One" project- a programme designed for various business offices to engage their operational areas with entrepreneurial or vocational skills. It is widely said that development is about the people, so staff of UBA Ghana Business Offices nationwide joined their peers across Africa where they were deployed into various communities to impact knowledge through skill training and motivation.

COVID-19 Donation

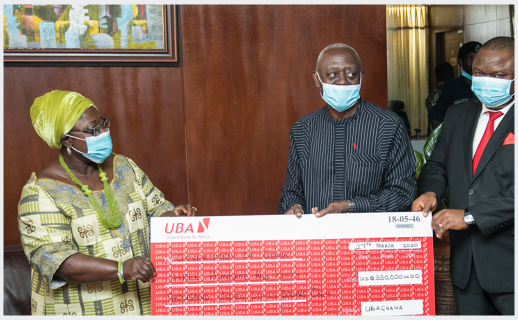
United Bank for Africa Ghana donated a total amount of US$350,000 (GHS1,944,928) to the Government of Ghana to support the fight against the novel Coronavirus pandemic that rocked the world.

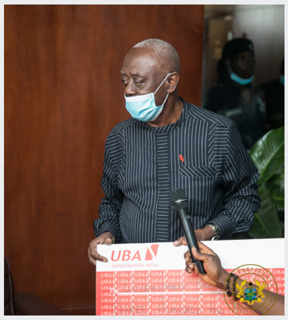
Non-Executive Director of UBA Ghana Hon. Bartels who was in the company of the Former Country MD/CEO, Mr. Isong Udom presented the cheque to the Chief of Staff at the Office of the President, Frema Akosua Osei Opare.

The United Bank for Africa (Ghana) Limited (UBA) moved by its commitment to help Government of Ghana fight the coronavirus pandemic donated a total amount of US$350,000, out of which US$75,000 was donated to the Ghana Association of Bankers (GAB).

The donation by UBA Ghana through the UBA Foundation was the single largest donation so far by a corporate body in Ghana demonstrating the bank's commitment to support in critical moments. This shows that the bank is not only interested in profit but to also help people when the need arises.

COVID-19 Donation





National Essay Competition (NEC)

The 7th Edition of National Essay Competition added lots of light to the year. The 2020 edition recorded the highest number of entries since inception with entries coming from the remote regions of Ghana.

As part of its Corporate Social Responsibility, the United Bank of Africa (Ghana) Limited presented grants worth US$10,000 to the top three winners and laptops to all finalists of the 2020 National Essay Competition winners. This is addition to other logistical and support offered to the participants of the NEC.

The winner of the competition Kwame Ahenkora Antwi, a final year student of the Presbyterian Boys' Senior High School (PRESEC, Legon) bagged the ultimate $5,000 prize, a laptop and a trophy.

Gracious Dzidzorli Adonoo, also from PRESEC Legon who was the first runner-up of the competition also received $3,000, a laptop and a plague.

Richmond Ayiku Lartey, a final year student of Labone Secondary School and second runner-up, bagged $2,000, a laptop and plague.

After witnessing massive entries which enabled students to develop their cognitive prowess and also receive academic support from the bank. The 2020 edition was brimmed with students with high intelligence and intriguing track records, making the competition a keenly contested one. Each of the 10 finalists were given a UBA branded laptop as a token for the bold step taken to encourage others to participate in the next competition.

Read Africa Project

Through the intervention of the Read Africa project, the bank distributed books by African writers to various schools and community libraries. Some beneficiary schools were Presbyterian Boys' Senior High School and Labone Senior Schools in Accra. UBA's immense support for education motivated the Bank's effort to publish thousands of African writers' series been distributed to schools and community libraries across the country.

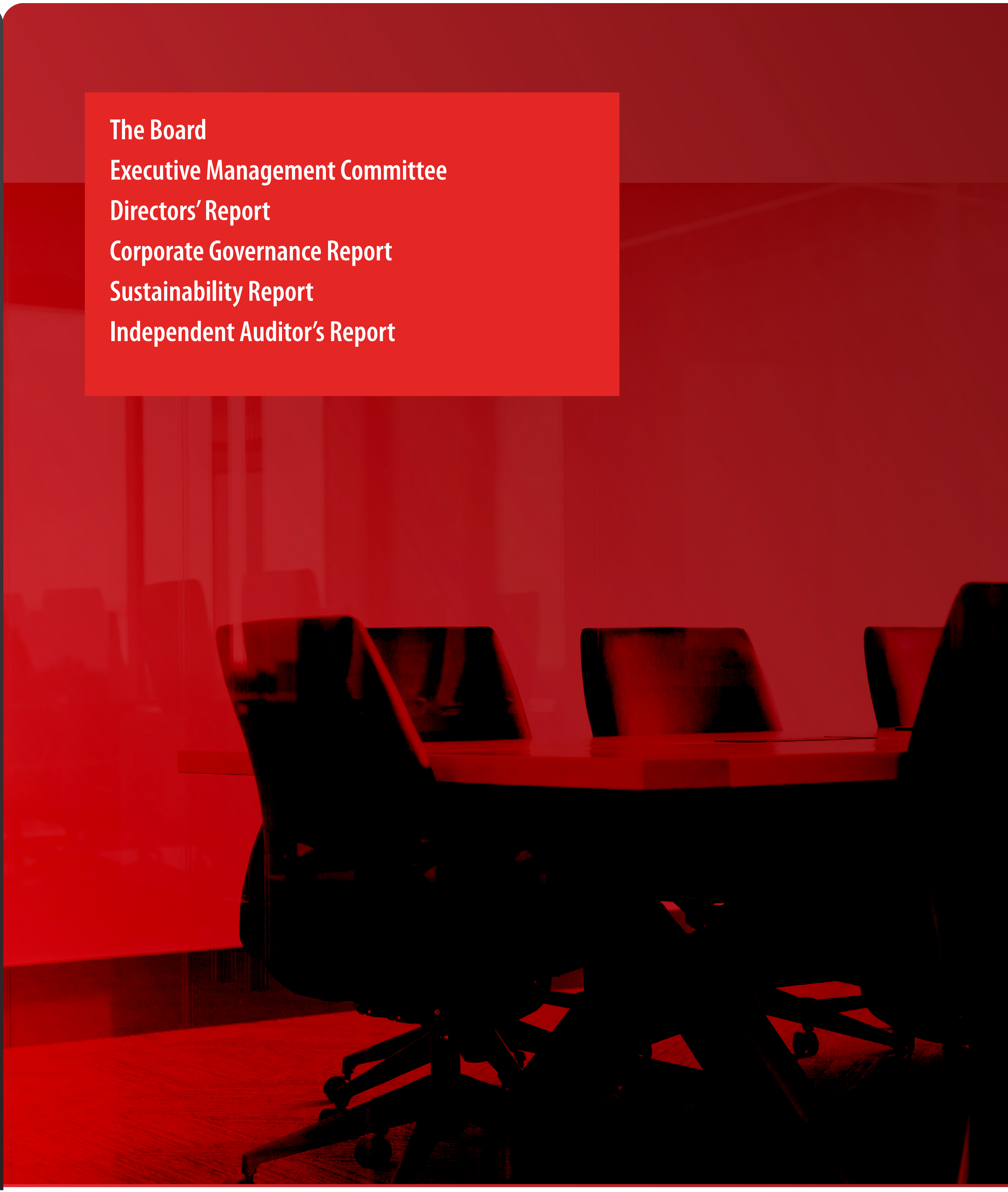
Community Support

In a bid to support the security agencies in the communities, the bank donated sports equipment to the 48 Engineers Regiment at Teshie to support the military keep fit.

Awards

The significant efforts placed in the bank's corporate responsibility was highly recognized when the bank bagged two awards at the fourth edition of the Sustainability and Social Investment (SSI) Awards.

Corporate Governance



The Board
Executive Management Committee
Directors' Report
Corporate Governance Report
Sustainability Report
Independent Auditor's Report

Board of Directors

Mr. Kweku Andoh Awotwi

Board Chairman

Mr. Kweku Awotwi has over thirty working years' experience with Corporate organizations and industry. After graduating from Yale University in 1984, Kweku worked as a design engineer at the ITT Advanced Technology Centre (Shelton, Connecticut) and the David Sarnoff Research Centre (Princeton, New Jersey). He then worked as a Business Manager, Planning and Analysis at Kaiser Aluminium & Chemical Limited (Pleasanton, California) from 1990 to 1998. He also worked at Ashanti Goldfields Company Ltd (London, UK) from 1998 to 2004 as Director, Strategic Planning and New Business development.

From 2006 to 2009, he was the CEO of Midway Resources International at the Cayman Islands and from 2009 to 2013 Kweku was the CEO of the Volta River Authority in Ghana. Kweku retired on June 30, 2020 as Managing Director of Tullow Oil Ghana and Executive Vice President of Tullow Oil PLC, London UK.

Mr. Awotwi attended Mfantsipim Secondary School from 1971 to 1978. Thereafter he entered Yale University in the U.S.A from 1980 and graduated in 1984 with B.S. Engineering and Applied Sceinece (Electrical), Economics and Political science. He did his postgraduate studies at the Stanford University, U.S.A from 1988 to 1990 where he obtained an MBA in General Management.

Mr. Olalekan Balogun

Manging Director/Chief Executive Officer

Mr. Olalekan Balogun has acquired a wealth of experience ranging over twenty-Five (25) years in banking. He joined United Bank for Africa Plc. as a fresh graduate in June 1994 in the Operations department. He moved to Marketing in 1995 and quickly rose through the ranks to become a Relationship Manager in charge of Commercial Banking at the level of Manager in six (6) years. After a six (6) year sojourn at United Bank for Africa Plc., Lekan resigned in August 2000, to join New Nigerian Bank Plc (NNB) as one of the turnaround staff to reposition the bank that had been under the Central Bank of Nigeria holding action for 10years. In NNB, he worked in several key roles as Business Manager and Head, Structured Business Group. After the Bank Consolidation exercise in 2005, NNB merged to be part of Unity Bank and he was appointed as Regional Manager, Commercial Banking in charge of five (5) States out of the thirty-six (36) States in Nigeria. After seven (7) years, he re-joined UBA Plc. in 2007 as a Business Manager. He was appointed as the Strategic Business Group Head in 2014 to manage a larger portfolio covering 28 Businesses Offices in Lagos before he was appointed MD/CEO of UBA Liberia in June 2016.

He holds a Masters in Business Administration (Finance) from the Lagos State University, Ojo, Lagos (2010) and Bachelor of Science Degree in Economics from the Lagos State University, Ojo, Lagos (1991).

Mrs. Sylvia Inkoom

Deputy Managing Director

Mrs. Sylvia Inkoom has over fifteen (15) years Banking experience spanning across Corporate Banking, Relationship Management, Global Markets(Treasury) among others. From June 2012 to February, 2020, she was the Executive Head, Client Coverage of Stanbic Bank Ghana Limited where she spearheaded the restructuring and transformation of Stanbic Ghana Corporate Banking Department with Key responsibility for Client Engagement, Sales and Deal origination. Before then, she was the Sales Manager (Treasury Department) of the same Bank from 2007 to 2011. She had also worked with Zenith Bank Ghana Limited as Unit Head, Commercial Banking/Corporate Banking from August 2005 to September, 2007. She holds Masters in Business Administration (Finance) from the University of Ghana, Bsc. Administration (Banking and Finance) from the University of Ghana, Certificate in Corporate Finance from the London School of Economics and Certificate in Client Strategic Management from University of Cape Town.

Board of Directors (continued)

Mr. Oliver Alawuba

Non-Executive Director

Mr. Oliver Alawuba has over twenty years work experience in the banking industry and the academia. Oliver was at various times an Executive Director at Finbank Nigeria Plc (now FCMB Plc), MD/CEO of UBA Ghana Ltd, MD/CEO of UBA West Africa, Regional CEO, UBA Africa – Anglophone, Directorate Head, Public Sectorand Personal Banking and Executive UBA Plc incharge of North-West, Nigeria. He is presently an Executive Director UBA Plc and CEO, UBA Africa.

Oliver has B.Sc and M.Sc degrees in Food Science and Technology and MBA in Banking and Finance. He is an alumnus of the AMP and SEP programmes of the prestigious Insead Business School, France and London Business School respectively. He is also a Fellow of Nigerian Institute of Management and Honorary Senior Member of Chartered Institute of Bankers of Nigeria.

Mrs. Marufatu Abiola Bawuah

Non-Executive Director

Mrs. Abiola Bawuah has enormous experience in retail banking and marketing. She holds a BSc in Actuarial Science from the University of Lagos, Nigeria, an LLB with honours from the University of London, a diploma in Marketing from GIMPA and an EMBA (Finance) from the University of Ghana and also has numerous leadership qualifications from Harvard Business School, Columbia, University of New York, INSEAD and Institut Villa Pierrefeu in Switzerland.

At the 2016 Chartered Institute of Marketing Ghana Awards, she was adjudged the "CIMG Marketing Woman of the Year" and subsequently went on to win the "Finance Personality of the Year Award" at the Ghana Accountancy and Finance Awards barely two months after. Mrs Bawuah is on the Woman Rising inspiring list of Top 50 Women Corporate Leaders in Ghana. Again, she was adjudged by the Chief Finance Officers (CFO) in 2016 as "Woman of Excellence in Finance". In 2017, she was crowned as "Female Expatriate CEO of the Year by the Millennium Excellence Foundation for her hard work, achievements and contribution to Ghana.

Mrs. Abiola Bawuah is currently the Regional Chief Executive Officer of UBA West Africa, overseeing the Bank's operation in West Africa.

Mr. Ebele Ogbue

Non-Executive Director

Mr. Ebele Ogbue holds a B.Sc (Honours) degree in Accounting from the University of Lagos and an MBA (IT & Management) from CASS Business School London.

His professional career started at Price Waterhouse in 1991 before his foray into banking, where he has spent the last two decades working at international banks such as, Citibank and Standard Chartered Bank, before joining UBA in 2004. His banking experience spans various areas of banking from Asset Based Finance to core Corporate Banking and Trade Finance.

Prior to his current role, he was MD/CEO, UBA Capital Europe Limited and the pioneer MD/CEO, UBA Liberia." Ebele is currently the General Manager, Energy (UBA Plc).

Board of Directors (continued)

Hon. Peter Kwamena Bartels

Non-Executive Director

Hon. Kwamena Bartels is an astute politician, and a lawyer by profession. His experience spans both the private and public sectors as well as on the international scene. He served in different ministerial portfolios in the NPP Government of 2000-2004 and 2004 to 2008. Apart from his ministerial duties, he served as Member of Parliament for the Ablekuma-North Constituency from 1997 to 2008.

Mr. Bartels graduated from the University of Ghana with an LLB (Honours) degree and was called to the Bar in 1974. He also has a Post-Graduate Certificate in Personnel Administration from the Ghana Institute of Management and Public Administration and Post-Graduate Certificate in University Administration from University of Ife in Nigeria. He was Principal Assistant Registrar and Principal Lecturer at the Anambra State Polytechnic, Oko in Nigeria.

Mr. Ivan Avereyireh

Independent Non-Executive Director

Mr. Ivan Avereyireh is a Chartered Insurer and an Associate of the Chartered Insurance institute of London, a holder of West African Insurance Institute Diploma and Bsc Administration (Marketing) from the University of Ghana.

He has over thirty years working experience in the insurance industry with a few achievements to his credit. The notable one being the head of a team, that turned around the fortunes of Ghana Life Insurance Company Ltd from a collapsing Company to a revived and strong one till date. He worked with the State Insurance Company from 1981 to 2008 where he rose through the ranks to the grade of a Senior Manager. From 2009 to 2018, he was the Managing Director of Ghana Life Insurance Company Ltd.

Mr. Samuel Kumi Ayim

Independent Non-Executive Director

Mr. Samuel Ayim is Lawyer by profession with over 26 years' professional experience in Legal Advisory, Company Secretarial Practice, Board and Corporate Governance, Banking, Finance, Investment, Capital Markets and Management across Sub-Saharan Africa with high international Exposure. He is also an entrepreneur and motivational Speaker.

Between January,1997 and July, 2016 he worked with the Ecobank Group, where he held various positions, including; General Counsel and Company Secretary, Executive Director-Business Development in Ecobank Tanzania (Dar es salam- Tanzania), Group Legal Adviser and Deputy Company Secretary – Ecobank Transnational Incorporated (ETI), Lome, Togo.

Between 1992 to 1996, he was the Company Secretary and Legal Adviser of the Ghana Stock Exchange. He is currently the CEO of Focus Life Group which he founded in October, 2016 with four businesses under the Group; a leadership and personal development centre, an African Wear Company, a real estate Company and a transport Company.

Samuel holds an LLB from the University of Ghana, MBA (International Financial Management) from Exeter University –UK and Post Graduate Diploma in International Comparative Arbitration Law from the Queen Mary University of London.

Board of Directors (continued)

Mr. Francis S. Oduro Koranteng

Independent Non-Executive Director

Mr. Francis Koranteng has over thirty working years' experience with professional accountancy firms and in industry. After qualifying as a chartered accountant in the United Kingdom, he returned to Ghana to work with Coopers & Lybrand, now PricewaterhouseCoopers.

He has served in various management positions in industry, namely Finance & Administration Manager for NCR Ghana Ltd, Management Accountant for Guinness Ghana Ltd, Group Internal Audit Manager for UAC of Ghana Limited/Unilever Ghana Ltd, General Manager for the Swanzy Real Estate Division of Unilever Ghana Ltd, Finance Director of Kumasi Brewery Ltd, and Finance Director of Ghana Breweries Ltd. He was seconded to Heineken International, the parent company of Ghana Breweries Ltd as the Internal Control Improvement Project Manager for operating companies in Sub-Saharan Africa between November 2001 and February 2005. He was the Managing Director of Crocodile Matchets (Ghana) Limited from March 2005 to early 2009.

He served on the Professional Standards and Ethics Committee of the Institute of Chartered Accountants Ghana from August 2012 to May 2018.

Franicis graduated from the University of Ghana, Legon from in 1976 with Bsc. Business Administration (Accounts Major). Professionally, Mr. Koranteng is a Fellow of the Institute of Chartered Accountants in England and Wales. He is also a member of the Institute of Chartered Accountants Ghana.

Mrs. Merene Botsio Benyah

Independent Non-Executive Director

Mrs. Merene Botsio Benyah is a Lawyer by profession and obtained her legal and post degree professional qualifications at the London School of Economics and Political Science (London University), The Council for Legal Education, UK; The Honourable Society of Gray's Inn; and The Ghana School of Law. She is called to the Ghana Bar and the Bar of England and Wales. Merene is a member of the International Bar Association; the Honourable Society of Gray's Inn and the Ghana Bar among others. She is also a Notary Public.

Merene was called to the Bar of England and Wales in 1979 and has had extensive and varied legal and commercial experience since that time. She has considerable experience in all fields of legal practice and has years of experience in advising major international companies, financial institutions and organizations investing and operating in Ghana. Companies she has advised include Exxon Mobil Corporation, Tullow Oil Plc and BP Ltd.

Merene is a leading legal authority in Oil and Gas/Petroleum; Mining; Corporate and Commercial Practice; Capital Markets; Mergers and Acquisitions and Aviation, and has received multiple recognitions over her career, including recognition as a Highly Regarded Lawyer in Mining, Oil and Gas, Banking and Capital Markets; Energy and Infrastructure and M & A.

Mr. Jerry Djangmah

Independent Non-Executive Director

Mr. Jerry Djangmah has over twenty-one (21) working years of experience with National and Multinational organizations. He is a part qualified Actuary and an Infrastructure Investment Banker with extensive experience in Corporate, Project and Structured finance in various sectors including Power, Oil & Gas, Transport and Telecoms Sectors.

He has structured and arranged over US$3 billion of financing for infrastructure projects in Nigeria, Ghana and other sub Saharan African countries.

He was formerly a Vice President at the Africa Finance Corporation ("AFC"), and a Vice President at Citigroup. He is now the Managing Partner at MergeOne Global Partners Limited, a boutique project and infrastructure finance advisory firm.

Jerry attended Mfantsipim Secondary School where he completed his O'Level in 1987 and the Presby Boys Secondary School for his A'Level in 1989. He holds a BSc Mathematics from the University of Science & Technology Kumasi, Ghana. He also has a Postgraduate Diploma in Actuarial Science, at City University, London, UK and MBA from the Wharton School, University of Pennsylvania Philadelphia, USA.

Management Team

Adedayo Marcus Adesipo
Chief Operating Officer

Adedayo Marcus Adesipo is the Chief Operating Officer for UBA Ghana Ltd. He started his Banking career in Nigeria with the defunct Crystal Bank of Africa Ltd; and was a pioneering staff of Standard Trust Bank Plc before its merger with United Bank for Africa Plc. He is an astute Banker with 26 years' experience spanning all areas of branch banking operation. He has also served and overseen the Banks Operations Directorate at Zonal, Regional and Group levels. He has a Bachelor of Science degree in Fisheries Management with a Post Graduate Diploma in Management.

Ugochukwu Abanum
Chief Finance Officer

Ugochukwu is a Chartered Accountant and seasoned financial analyst with 13 years' experience spanning audit and assurance, accounting advisory, financial control, financial reporting, performance management and strategy. Prior to his current role, he was Head of Group Financial Reporting at UBA Plc. Before joining the UBA Group in 2014, he had a career in the audit and assurance division of KPMG Nigeria where he led several successful financial statement audits in the banking and financial services industry. Ugo holds a Bsc degree in Estate Management from Obafemi Awolowo University, Ile-Ife, Nigeria and an MBA from Warwick Business School, Coventry, United Kingdom. He is an Associate Member of the Institute of Chartered Accountants of Nigeria (ICAN) with the national overall best prize award in one of the stages of the Institutions' qualifying examinations. He is also an Associate Member of the Association of Chartered Certified Accountants (ACCA).

Peter Dery
Head, Corporate Banking 2

Peter Dery has enormous wealth of experience in Corporate Banking as well as Credit Management. His experience in the sector through various roles span over a decade. He holds a BSc degree in Banking & Finance from University of Ghana, an MBA (Project Management) from Ghana Institute of Management and Public Administration (GIMPA). He has worked as Director, Sales & Relationship Management at Standard Chartered Bank Ghana Limited; where he played key role in driving liabilities and assets growth and was credited with significant achievements. Prior to that, he served as Head of High Value Small Businesses in the SME Segment of the Bank. Before joining Standard Chartered Bank, he worked at CAL Bank as a Relationship Manager and credit Analyst and has participated in various leadership and Training programmes. In 2017, he was appointed as Head, Wholesale Banking, at United Bank for Africa (Ghana) Limited.

Kwadwo Addai
Chief Risk Officer

Kwadwo has over 13years banking experience with expertise in the Credit Delivery Value Chain, Credit Risk Assessment, Enterprise Risk Management, and Economic Review & Analysis. He holds a Master's Degree in Water Resources Engineering & Management and a Bachelor's Degree in Civil Engineering. He also holds the Chartered Financial Analyst (CFA) designation.

Jocelyn Emma Ackon (Mrs)
Head, Human Capital Management

Jocelyn has a first and second degree in Human Resource Management as well as a Post Graduate Diploma in Organisation Development. Jocelyn has been in Human Resource Management practice for over 14 years, with the greater part in management. Her experience in Human Resource Management covers diverse sectors such as Transportation, Pharmaceutical and Banking.

Philip Odoom
Head, Compliance & AMLRO

Philip is a Chartered Accountant and a member of Association of Chartered Certified Accountants. He is an associate member of Association of Certified Fraud Examiners. He holds first degree in Bachelor of Commerce (B.COM) from the University of Cape Coast. He has over 10 years banking experience covering Audit, Internal Controls and Compliance and Anti-Money Laundering/Counter Financing of Terrorism function. He has knowledge and understanding of applicable banking operations and Anti-Money Laundering/Counter Financing of Terrorism laws, regulations and international best standards.

Management Team (continued)

Emmanuel Sackey

Country/Regional Treasurer

Prior to his appointment as Country/Regional Treasurer of UBA Ghana, Emmanuel was the Regional Treasurer, Eastern & Southern Africa of United Bank for Africa. He brings to this role, over 15 years of structuring, origination, trading and execution experience in several African markets. Emmanuel has held many leadership roles including Country Treasury at United Bank of Africa (Tanzania) Ltd, Head, Treasury Sales at United Bank for Africa Ghana Ltd. Emmanuel holds a Master's Degree in Business Administration from University of South Wales and an ACI certificate. He had his secondary education at the Presbyterian Boys Secondary School, Legon. Emmanuel is devoted to the continuous growth of businesses and people.

Evans Amenyo Sallah

Head, Internal Control

Evans is a result oriented young man with over thirteen years banking experience. He has expertise and experience in information security, risk management, internal controls and audit. He joined United Bank for Africa (Ghana) Limited as an Information Systems Auditor and holds an MSc. in Strategic Management and Leadership and a BSc. (Hons) degree in Computer Science from the Kwame Nkrumah University of Science and Technology. Evans is a member of the Information Systems Audit and Control Association (ISACA) and holds international certifications in Information Systems Auditing (CISA) and Information Security Management (CISM). As he puts it, his passion is to ensure there are adequate controls to protect the assets of the Bank and all its stakeholders at all times.

Michael Terkpetey Narh

Head, Legal/Company Secretary

Michael Narh is a Lawyer by profession and a member of the Ghana Bar Association (GBA). He has significant expertise in corporate law and governance having served as Secretary for several Boards within the Jospong Group of Companies from 2012 to 2019. Prior to joining UBA Ghana in 2019, he was the Company Secretary of OmniBSIC Bank Ghana as well as the Head of the Legal and Recovery Department. Before the merger between OmniBank and BSIC in December,2018, Michael was the Company Secretary of OmniBank and the Head of the Legal Department. He also had brief stint with Kwaku Addeah Law Office (Financial Law Institute) as a Legal Officer. Michael holds a Bachelor of Arts Degree in Psychology from the University of Ghana and Bachelor of Laws (LLB) Degree also from the same University. He holds a Qualifying Certificate in Law (QCL) from the Ghana School of Law and an MBA in Corporate Governance from the University of Professional Studies, Accra. He has attended training programmes in the Law of Banking, Credit risk Management and Corporate Governance in Ghana and South Africa.

Henry Nii Dottey

Head Marketing & Corporate Communications

Henry Nii Dottey, has over 20years years' experience in Journalism, Public Relations, Corporate Communications, Marketing and Branding across various private enterprises and mainstream government departments.

Prior to joining UBA Nii, worked Media General Ghana Limited and held various roles including; Managing News Editor of 3FM 92.7, Head of News Planning, coordinator of the 2016 elections project team, Head of News Online and, Group Head Corporate Affairs and CEO of 3Foundation, the CSR wing of the company.

He also worked for the Metropolitan Group of Companies made of Metropolitan Life Insurance, Metropolitan Health Insurance and Metropolitan Pensions Trust, Dominion University College, Students Loan Trust Fund (SLTF), the then VAT Service, now the Ghana Revenue Authority (GRA) and Citi FM, in various capacities. He is the Vice President of the Institute of Public Relations, Ghana.

Mr. Dottey holds a Master of Business Administration, Marketing Option from the University of Ghana Business School, Legon and B.A. in Communication Studies from the Ghana Institute of Journalism, Accra. He is an accredited member of the Institute of Public Relations, Ghana. He is a currently member of the Entity Tender committee of the Ministry of Information and the National Engineering Coordinating Team (NECT).

Management Team (continued)

Chiedu Okonta

Country Chief Inspector

Chiedu, a Fellow of the Institute of Chartered Accountants of Nigeria and holder of Executive MBA from the prestigious Lagos Business School, with Second Class Upper BSc. Honours in Accounting. He has vast post qualification experience that spans over 25 years, most of which were in UBA in various leadership positions covering several aspects of banking. Chiedu has used his unique Strategic Management expertise to add enormous value to the Bank since resumption at UBA Ghana as the Country Chief Inspector.

Kenneth Ugwuanyi

Head, Digital Banking Products & Sales

Kenneth is a quality oriented and highly experienced graduate of the Action Learning MBA from the Business School of Nederland. He is a Certified Retail Banker (CRB) and an Associate of the International Academy of Retail Banking London. He is also Certified Cards and Payments Professional and an Associate member of the International Academy of Cards and Payments (CCPP). Kenneth has more than 18 years of work experience spanning Business Consulting, Banking Operations, Retail Banking, Digital Financial Services and Digital Banking Technical Sales and Support. He has provided Leadership for exceptional Product Development and Sales Teams, with proven experience in Managing projects from product conceptualization to Scale in Digital Banking across different Geographies in Africa with enviable financial results.

Noble Eduamah

Head, Corporate Banking 1

Noble Eduamah is a Senior Executive with over 13 years of progressive experience in all domains of Corporate Banking. He is a banking professional with proven track record of c-level leadership, and passion to lead the c-level.

Prior to joining UBA Ghana in December 2019, he was the Head of Mining and Power at Fidelity Bank Ghana Limited from 2017to 2019, where he spearheaded the establishment of a Mining Desk in Corporate & Investment Banking Department, to provide client coverage support to originate and execute sales opportunities across domestic and multinational clients in the extractive industry. He also participated in strategic planning with executives and key stakeholders, establish actionable targets and ensure achievements for the Unit.

Noble had also worked with Stanbic Bank Ghana Limited as Head of Mining and Real Estates in the Client Coverage Department from September 2004 to July 2016 where he demonstrated proven ability to drive increased sales, market share and business growth by leveraging management, product and support teams.

Noble holds an MBA in Banking and Finance from KNUST School of Business and a Bachelor of Science Degree in Accounting from Central University. He also has a Bachelor of Laws (LLB) from the GIMPA Law School and a Certificate in Client Strategic Management from University of Cape Town. He has also attended several domestic and international workshops and conferences in strategic client relationship management to become an expert in acquiring, building and maintaining a holistic relationship management for a target client base.

Benjamin Kwamina Arthur

Head of IT

Benjamin is an Information Technology professional with over 15 years banking experience. He has extensive experience in the design, development, and deployment of IT and Digital Banking solutions, IT Resources Management, and IT Project Delivery.

He joined UBA Ghana from Universal Merchant Bank Ghana Ltd (UMB) where he served in IT and Electronic Banking roles. In UBA, he has also served as Deputy Head of IT for UBA Ghana and Regional Head of Project Delivery and Support for West Africa where he successfully worked with teams across Liberia, Benin Republic, Sierra Leone, Burkina Faso, and Cote D'Ivoire to deploy various digital banking solutions.

He holds an International Executive Master of Business Administration (IEMBA) in Marketing Management from Paris Graduate School of Management (PGSM), Bachelor of Science (BSc) in Computer Science from Kwame Nkrumah University of Science and Technology (KNUST), as well as IT Infrastructure Library (ITIL) Foundation certificate in IT Service Management

Report of the Directors

In accordance with the requirements of Section 136 of the Companies Act 2019 (Act 992) we, the Board of United Bank for Africa (Ghana) Limited submit herewith the annual report on the state of affairs of the Bank for the year ended 31 December 2020.

Statement of directors' responsibilities

The Companies Act 2019 (Act 992) requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Bank as at the end of the financial year and of the operating results of the Bank for that year.

It also requires the directors to ensure that the Bank keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Bank. They are also responsible for safeguarding the assets of the Bank.

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Companies Act 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards and the requirements of Companies Act 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Bank and of its operating results. The directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the directors to indicate that the Bank will not remain a going concern for at least the next twelve months from the date of this financial statements.

Holding Company

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

Nature of business

The Bank is licensed to carry out universal banking business in Ghana. There was no change in the nature of the bank's business during the year.

Directors and their interests

The names of the directors who served during the year are provided on Page 2 of this report.

None of the Bank's directors has any direct or indirect interest in the issued share capital of the Bank.

No director had a material interest, at any time during the year, in any contract, other than a service contract with the Bank. All contracts with related parties during the year were conducted at arm's length. Information concerning related party transactions are disclosed in Note 31 to the financial statements.

Dividend

The directors do not recommend the payment of a dividend (2019: nil).

Directors' Other Engagements

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

S/n	Director	Designation (UBA Ghana)	Other Engagements
1	Mr. Kweku Awotwi	Board Chairman	Chairman, Volta River Authority (Ghana), Chairman, Multimedia Group Limited (Ghana), Chairman & Member, Play Soccer (Ghana), Play Soccer (USA), Member, Cenpower Generation Company Ltd.
2	Mr. Olalekan Balogun	Managing Director	Nil
3	Mrs. Sylvia Inkoom	Deputy Managing Director	Nil
4	Mr. Oliver Alawuba	Non-Executive Director	Executive Director - UBA Plc Non-Executive Director, UBA Kenya, UBA Tanzania and UBA Uganda
5	Mr. Ebele Ogbue	Non-Executive Director	Non-Executive Director, UBA Kenya, UBA Tanzania and UBA Uganda
6	Mrs. Abiola Bawuah	Non-Executive Director	Non-Executive Director - UBA Cote d'Ivoire, UBA Liberia, UBA Burkina Faso, Legacy Bond Limited
7	Honourable Kwamena Bartels	Independent Director	Chairman, Ghana Oil Company (GOIL)
8	Mr.Samuel Ayim	Independent Director	Director – Centre for Transformational Leadership in Africa, Focus Life design Limited, De Empire Shuttle Limited.
9	Mr.Ivan Avereyireh	Independent Director	Non-Executive Director – Ghana Life Insurance Co., Private Enterprises Federation, SIC Insurance Co. Public Ltd,, Sahara Quarries & Construction Ltd.

S/n	Director	Designation (UBA Ghana)	Other Engagements
10	Mr. Francis Koranteng	Independent Director	Chairman -Enterprise Funeral Services Ghana Limited trading as "TRANSITIONS" Non-Executive Director- Enterprise Insurance Company Limited Non-Executive Director -Multimedia Broadcasting Corporation.
11	Mr. Jerry Djangmah	Independent Director	Managing Partner – MergeOne Global Partners Ltd Director – Aventura Developers Ltd Director- JMI Energy Ltd.
12	Mrs. Merene Botsio Benyah	Independent Director	Managing Partner - JLD & MB Legal Consultancy, Member-Governing Board of Merton Educational Group, Member, Council of the Ghana Stock Exchange.

Financial results

The financial results for the year are set out below:

(All amounts are expressed in Ghana cedis unless otherwise stated)

	2020	2019
Net operating income	**407,521,425**	393,904,302
Profit before tax	**223,910,798**	281,552,754
Income tax expense and national fiscal stabilisation levy	**(61,694,568)**	(93,467,646)
Profit after tax	**162,216,230**	188,085,108
Income surplus brought forward from the previous year	**159,303,031**	27,078,896
Total	**321,519,261**	215,164,004
Opening adjustment on adoption of IFRS 16	**-**	(458,494)
Transfer to statutory reserves fund	**(40,554,057)**	(47,021,277)
Transfer from/(to) credit risk reserve fund	**8,381,202**	(8,381,202)
Balance on the income surplus account	**289,346,406**	159,303,031

(All amounts are expressed in Ghana cedis unless otherwise stated)

Corporate Social Responsibility

As part of the Bank's commitment to support and give back to the society in which we operate, a total of GHS2,022,530 was given out as charity contributions during the financial year 2020. The beneficiaries are as follows:

SN	Name of Beneficiary	Amount (GHS)
1	COVID-19 support fund donation	1,944,928
2	National Essay competition	57,602
3	University of Ghana Alumni Association	20,000
	Total	**2,022,530**

Professional Development and Training

UBA Ghana provides a formal and tailored induction programme for Directors appointed to the Board to familiarise them with the Bank's businesses, polices and key risk areas. Directors are also made aware of the economic, competitive, legal and regulatory environment in which the Bank operates. Other trainings are also provided to ensure Directors continually update their skills and knowledge of the Bank's business to enable them effectively perform their role on the Board and its Committees. A Corporate Governance training was also organised for the Board members during the year to keep them abreast of the Bank's governance framework.

Evaluation of the impact of Covid-19

The COVID-19 pandemic has caused disruptions to global economic and social activities during the period ended 31 December 2020. The direct impact in our market was most significantly experienced in the second quarter of the year, by way of reduction in social interactions and disruptions in economic activities. The Bank has reviewed the current uncertainty as a result of this pandemic and nothing has come to the attention of the Directors to indicate that the Bank will not remain a going concern for at least twelve months from the date of this statement.

The Bank responded as appropriate by activating its Business Continuity Plans across the different locations to ensure continuous service to its stakeholders. The Bank has also assessed on a line-by-line basis the impact of Covid-19 on the amounts presented on the statement of financial position and concluded that no further adjustment will be required in these financial statements.

Auditors

Messrs Deloitte & Touche have indicated their willingness to continue in office as auditors in accordance with the Companies Act 2019, (Act 992) and in line with the provisions of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). Details of audit fees for the current and comparative periods are disclosed in note 15 of the financial statements.

On behalf of the Board

Kweku Awotwi
Board Chairman
17 March 2021

Olalekan Balogun
MD/CEO
17 March 2021

Corporate Governance Report

United Bank for Africa (Ghana) Limited holds good governance as one of its core values and confirms its commitment to the implementation of effective corporate governance principles in its business operations. The Directors endorse the principles of best practice Corporate Governance as stated in the "Corporate Governance Directive, 2018" issued by the Bank of Ghana. The importance of governance is premised on the importance UBA Ghana accords to its relationships with its regulators, stakeholders and the public as a whole. The Bank has structures and processes set out in its regulations and policies, including the Board's Governance Charter which guarantee transparency and accountability.

The Board of Directors of UBA Ghana has the overall responsibility for ensuring that the highest standards of corporate governance are maintained and adhered to by the Bank. In order to promote effective governance of the Bank, the following structures have been put in place for the execution of UBA Ghana's Corporate Governance strategy:

1. Board of Directors
2. Board Committees
3. Executive Management Committees

As at 31 December 2020, the Board comprised six (6) Independent Directors, four (4) Non-Executive Directors and two (2) Executive Directors, all of whom bring a wide range of skills and experience to the Board.

The Board of Directors carries out its responsibility through its standing Committees. These are the Board Governance and Finance Committee, the Board Credit Committee, the Board Risk Management Committee, the Board Audit Committee and the Board Cyber and Information Security Committee. Through the workings of these committees, the Board sets broad policy guidelines and ensures the proper management and direction of the Bank.

In addition to the Board Committees, there are a number of Management Committees which ensure effective and good corporate governance at the managerial level.

1. The Board of Directors

As at 31 December 2020, the UBA Ghana (Limited) Board had twelve (12) members made up of four (4) Non-Executive Directors, two (2) Executive Directors and Six (6) Independent Directors.

They are:

1	Mr. Kweku Awotwi	Board Chairman
2	Mr. Olalekan Balogun	Managing Director/CEO
3	Mrs. Sylvia Inkoom	Deputy Managing Director
4	Mr. Oliver Alawuba	Non-Executive Director
5	Mrs. Abiola Bawuah	Non-Executive Director
6	Mr. Ebele Ogbue	Non-Executive Director
7	Hon. Kwamena Bartels	Independent Director
8	Mr. Samuel Ayim	Independent Director
9	Mr. Ivan Avereyireh	Independent Director
10	Mr. Francis Koranteng	Independent Director
11	Mr. Jerry Djangmah	Independent Director
12	Mrs. Merene Botsio Benyah	Independent Director

The Directors are people of very high integrity, with extensive knowledge in management, governance and expertise in the financial industry which equips them to make informed decisions relating to the Bank's performance. In the performance of its mandate, the Board has delegated some of its specific authorities to Board Committees to discharge its responsibilities.

It has also delegated some of its decision-making authority to Executive Management specified in the Executive Management Charter.

Responsibility

The mandate of the Board of Directors is to act on behalf of the shareholders in the overall interest of UBA Ghana and its stakeholders and is accountable to the shareholders. The Board provides overall guidance and policy direction and provides oversight in the Bank's strategic direction, policy formulation and is the ultimate decision making body of the Bank.

The roles of Chairman and Chief Executive Officer are separated and clearly defined. The Chairman is primarily responsible for the working of the Board whilst the Chief Executive Officer is responsible for the running of the business and implementation of Board strategy and policy. The Chief Executive Officer is assisted in managing the business of the Bank on a day-to-day basis by the Executive Management Committee, which he chairs and comprises Senior Management personnel and other critical functional heads. The Board is accountable to shareholders and is responsible for the management of the relationships with its various stakeholders.

The Board is also responsible for the Bank's structure and areas of operation, financial reporting, ensuring there is an effective system of internal control and risk management and appointments to the Board. The Board has the authority to delegate matters to Directors, Board Committees and the Executive Management Committee.

Executive Management is accountable to the Board for the development and implementation of strategy and policies. The Board regularly reviews the Bank's performance, matters of strategic concern and any other matters it regards as material.

The Board meets quarterly and additional meetings are convened as the need arises. The Board evaluates itself on an annual basis.

Appointments and Retirements

During the 2020 financial year, the following Directors were appointed after the approval of the Bank of Ghana:

1.Mr. Kweku Awotwi – Chairman

2.Mr. Olalekan Balogun - Managing Director

3.Mrs. Sylvia Inkoom - Deputy Managing Director

4.Mr. Jerry Djangmah - Independent Director

5.Mrs. Merene Botsio Benyah - Independent Director

Mr. Isong Udom, the previous Managing Director retired from the Board on May 6, 2020. He was succeeded by Mr. Olalekan Balogun.

Financial Reporting

The Board has presented a balanced assessment of the Bank's position and prospects. The Board is mindful of its responsibilities and is satisfied that in the preparation of its Financial Report, it has met its obligation under the Bank's Corporate Governance Charter.

The Directors make themselves accountable to the shareholders through regular publication of the Bank's financial performance and Annual Reports. The Board has ensured that the Bank's reporting procedure is conveyed on the most recent infrastructure to ensure accuracy. This procedure involves the monitoring of performance throughout the financial year, in addition to monthly reporting of key performance indicators.

Deloitte and Touche acted as external auditors to the Bank during the 2020 financial year. Their report is contained on pages 56-59 of this Annual Report.

Attendance at Board Meetings

Membership and attendance at Board meetings during the year are set out below:

	Members	Number of meetings entitled to attend	Number of meetings attended
1	Mr. Kweku Awotwi*	2	2
2	Mr. Olalekan Balogun**	3	3
3	Mrs. Sylvia Inkoom***	3	3
4	Honourable Kwamena Bartels	4	4
5	Mr. Samuel Ayim	4	4
6	Mr. Ivan Avereyireh	4	4
7	Mr. Oliver Alawuba	4	4
8	Mrs. Abiola Bawuah	4	4
9	Mrs. Merene Botsio Benyah****	1	1
10	Mr. Ebele Ogbue	4	4
11	Mr. Francis Koranteng	4	4
12	Mr. Jerry Djangmah*****	1	1
13	Mr. Isong Udom******	1	1

* Mr. Kweku Awotwi was appointed to the Board on July 7, 2020.
** Mr. Olalekan Balogun was appointed on May 6, 2020.
*** Mrs. Sylvia Inkoom was appointed to the Board on June 8, 2020.
**** Mrs. Merene Botsio Benyah was appointed to the Board on November 24, 2020.
*****Mr. Jerry Djangmah was appointed to the Board on November 24, 2020
****** Mr. Isong Udom retired from the Board on May 6, 2020.

2. Board Governance and Finance Committee

As at 31 December 2020, the Chairman of the Board Governance and Finance Committee was Mr. Oliver Alawuba a Non-Executive Director. The other members were Hon. Kwamena Bartels , Mrs. Abiola Bawuah, Mr. Samuel Ayim, Mrs. Sylvia Inkoom and Mrs. Merene Botsio Benyah.

The purpose of the Board Governance and Finance Committee includes the following:

- Discharge the Board's responsibilities with regard to strategic direction and budgeting.
- Provide oversight on financial matters and the performance of the Bank.
- Review and approve UBA Ghana policies of a financial and general nature.
- Making financial and investment decisions within its approved limits on behalf of the Board.
- Establishing procedures for the nomination of Directors.
- Advising and recommending to the Board the composition of the Board.
- Reviewing and evaluating the skills of members of the Board.
- Advising the Board on corporate governance standards and policies.

- Reviewing and approving all human resources and governance policies for UBA Ghana.
- Recommending the organizational structure of UBA Ghana to the Board for approval.

The Committee met four (4) times during the year-ended 2020. Membership and attendance at Board Governance and Finance Committee meetings during the year is set out below:

S/n	Members	Number of meetings entitled to attend	Number of meetings attended
1	Mr. Oliver Alawuba	4	4
2	Mrs. Abiola Bawuah	4	4
3	Mrs. Sylvia Inkoom*	2	2
5	Honourable Kwamena Bartels	4	4
6	Mr. Isong Udom**	1	1

* Mrs. Sylvia Inkoom was appointed to the Board on June 8, 2020.

** Mr. Isong Udom retired from the Board on May 6, 2020.

3. Board Risk Management Committee

As at 31 December 2020, Mr. Francis Koranteng, an Independent Director, was Chairman of the Board Risk Management Committee. The other members of the Committee were Mr. Ebele Ogbue, Mr. Olalekan Balogun and Mr. Ivan Avereyireh.

The purpose of the Committee includes but is not limited to the following:

- Discharging the Board's risk management responsibilities as defined in UBA Ghana's Risk policies and in compliance with regulation, law and statute.
- Discharging the Board's responsibilities for information technology (IT) governance and ensuring it aligns with UBA Ghana's objectives, enables the business strategy, delivers value and improves performance.
- Reviewing and assessing the integrity and adequacy of the overall risk management function of UBA Ghana.
- Reviewing the adequacy of UBA Ghana's capital (economic and regulatory) and its allocation to UBA Ghana's business.
- Reviewing risk limits and periodic risk and compliance reports and making recommendations to the Board.

The Committee met four (4) times in the year ended December 31, 2020. Membership and attendance at Board Risk Management Committee meetings during the year is set out below:

S/n	Members	Number of meetings entitled to attend	Number of meetings attended
1	Mr. Francis Koranteng	4	4
2	Mr. Ivan Avereyireh	4	4
3	Mr. Ebele Ogbue	4	4
4	Mr. Olalekan Balogun*	3	3
5	Mr. Isong Udom**	1	1

* Mr. Olalekan Balogun was appointed to the Board on May 6, 2020.

** Mr. Isong Udom retired from the Board on May 6, 2020.

4. Board Cyber and Information Security Sub-Committee:

As at 31 December 2020, the Chairman of the Board Cyber and Information Security Committee was Mr. Ivan Avereyireh an Independent Director. The other members are Mr. Ebele Ogbue and Mr. Olalekan Balogun.

The purpose of the Committee includes but is not limited to the following:

- Approve the Cyber and Information security management policies.
- Establish an acceptable risk level that forms the basis of the Bank's security policies and security activities.
- Discharge the Board's responsibilities for Cyber and Information Security risk governance and ensure it aligns with the Bank's objectives, enables the business strategy, delivers value and improves performance.
- Consider Cyber and Information Security as a business enabler and strategic asset for the Bank and ensure its related risks and constraints are well governed and controlled.
- Ensure the Integration of cyber and information security governance into the overall enterprise governance framework of the Bank.
- Ensure that management invest in information security programme, measure and monitor report on programme effectiveness.
- Review investments in information security for alignment with the Bank's strategy and risk profile.

The Sub-Committee met four times in the year ended December, 2020. Membership and attendance at Cyber and Information Security Sub-Committee meeting during the year is set out below:

S/n	Members	Number of meetings held	Number of meetings attended
1	Mr. Ivan Avereyirh	4	4
2	Mr. Ebele Ogbue	4	4
3	Mr. Olalekan Balogun*	3	3
4	Mr. Isong Udom**	1	1

* Mr. Olalekan Balogun was appointed to the Board on May 6, 2020.

** Mr. Isong Udom retired from the Board on May 6, 2020.

5. Board Audit Committee

As at 31 December 2020, the Board Audit Committee was made up of five (5) Non-Executive Directors and was chaired by Hon. Kwamena Bartels. The other members are, Mr. Francis Koranteng, Mr. Oliver Alawuba and Mr. Ivan Avereyireh.

The purpose of the Board Audit Committee includes the following:

- Monitoring and assessing the overall integrity of the financial statements and disclosures of the financial condition and results of operations of UBA Ghana.
- Monitoring management's responsibilities to ensure that an effective system of financial and internal controls is in place.
- Assisting the Board in discharging its responsibilities on Information Technology (IT) as it relates to financial reporting and the status of the company as a going concern.
- Monitoring and evaluating on a regular basis the qualifications, independence and performance of the External Auditors and the Internal Audit and Control Department.
- Monitoring processes designed to ensure compliance by UBA Ghana with respect to all legal and regulatory requirements, including disclosure controls and procedures and the impact (or potential impact) of developments related thereto.

The Committee met four (4) times during the year ended December, 2020. Membership and attendance at Board Audit Committee meetings during the year is set out below:

S/n	Members	Number of meetings held	Number of meetings attended
1	Honourable Kwamena Bartels	4	4
2	Mr. Francis Koranteng	4	4
3	Mr. Ivan Avereyirh	4	4
4	Mr. Oliver Alawuba	4	4

6. Internal Control

UBA Ghana recognizes the importance of the Internal Control function in the Bank's overall operations and has put in place control systems to ensure that the Bank's operations are carried in a safe, objective and effective manner. The Directors review the effectiveness of the system of internal control through regular reports and reviews at Board and Risk Management Committee meetings.

7. Anti-Money Laundering

The Board and Management of UBA Ghana are committed to upholding all the laws and regulations regarding Anti-Money Laundering. Staff are continuously trained on the provisions of the Bank's anti-money laundering policies as well as the Anti- Money Laundering Act, 2008 (Act 749) and the Anti-Laundering (Amendment) Act, 2014 (Act 874) to ensure strict compliance to these laws and regulations.

8. Conflicts of Interest

The Bank has a comprehensive policy regarding conflicts of interests which staff and directors are expected to abide to. Directors are made aware of their duty to avoid situations or activities that could create conflicts of interests and to disclose any activities that may result in or have already resulted in a conflict of interest. Staff and Directors are also required to make periodic declarations on conflicts of interest, to the regulator.

9. Shareholdings Rights

The Board of UBA Ghana Limited has always placed considerable emphasis on effective communication with its shareholders. It ensures that the rights of shareholders are always protected. Notice of meetings and all other statutory notices and information are communicated to the shareholders regularly. The Bank ensures the protection of statutory and general rights of shareholders at all times, particularly their right to vote at General Meetings. All shareholders are treated equally regardless of their equity interest or social status.

The General Meeting of Shareholders is the highest decision-making body of the Bank and meetings are conducted in a fair and transparent manner that gives shareholders the opportunity to express their opinion. The Bank publishes quarterly, half-yearly and annual reports on its website as well as national newspapers. The Bank also provides other relevant communications that provide requisite information to shareholders and the general public, especially as regards the performance, strategy and developments in the Bank.

10. Directors' Compensation

Package	Type	Description	Timing
Basic salary	Fixed	This is part of gross salary package for Executive Directors only. It reflects the banking industry competitive salary package and the extent to which the Bank's objectives have been met for the financial year.	Paid monthly during the financial year
13th month salary	Fixed	This is part of gross salary package for Executive Directors only. It reflects the banking industry competitive salary package and the extent to which the Bank's objectives have been met for the financial year.	Paid in a month during the financial year
Directors fees	Fixed	This is paid quarterly to Non-Executive and independent Directors only.	Paid quarterly
Sitting allowances	Fixed	Sitting allowances are paid to the Non-Executive and Independent Directors only for attending Board and Board Committee meetings.	Paid after each meeting

11. Annual Certification

The Board certifies that for the financial year ended 31 December 2020, the Bank has complied with the provisions of the Corporate Governance Directive 2018, as issued by the Bank of Ghana, including but not limited to:

a) Board qualification and composition

b) Board size and structure

c) Board Secretary

d) Other engagements of Directors

e) Board sub-committees

In addition, the Board certifies that:

1) It has independently assessed and documented that the Bank's corporate governance process is effective and has successfully achieved its objectives.

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

Sustainability Report

In United Bank for Africa Ghana Limited (UBAG), we remain committed to the sustainable growth and development of the Ghanaian economy and the broader African continent; the overall progress of the populace; and the physical wellbeing of the earth. As a leading financial services institution, we understand and are committed to playing our role towards infrastructure development, women empowerment, economic diversification, capacity building and inclusive growth and development. We understand our responsibility in ensuring that our products, investments and business activities do not harm the environment. We continue to work with our customers, subsidiaries, associates, investees, partners, vendors, contractors and other third parties to ensure that they understand and comply with relevant environmental policies, laws and regulations.

We integrate sustainability principles in our business operations. Our policy is centred on mainstreaming sustainable business practices into operations for strategic growth and long-term success. The drive for sustainability practice is championed by the Board and Executive Management Committee anchors the execution of strategic initiatives, thus ensuring that the philosophy is institutionalised and the ethical cultures are imbibed by every staff, who are obligated to adhere strictly to the principles in their day-to-day functions.

Progress Report on Stakeholder Engagements

1. Employee:

The key concerns expressed by our employees during our engagement with them were: Frequency of Promotion and Work-Life-Integration.

UBA’s Commitment:

- Day-to-day engagement and feedback
- Quest for excellence sessions
- Various trainings and capacity building sessions
- GMD’s visioning meetings
- Employee satisfaction surveys
- CEO’s Awards
- Regular electronic newsletters
- Workplace gender diversity and equal opportunities activities.
- The Bank ensures that all staff participate in the annual wellness check in collaboration with our Health Management Organisation (HMO).
- In addition, we organise quarterly fitness sessions (tagged; “Jogging to Bond”) for all members of staff across the Bank in different locations and we collaborate with the HMO in sensitising and educating staff on health issues, with attention to preventive medicine and natural therapies.

2. Customers:

Key concerns: Limited access to lending and project financing.

UBA’s Commitment

- We ensure strict compliance to regulatory requirement on lending and project financing, including the integration of the Group’s policy on ESG in credit appraisals and overall lending decision.
- We ensure strict business ethics and professionalism in our service delivery.

- State-of-art technology to deliver superior customer service experience and respond to changing needs of our customers
- Customer surveys, marketing visits and calls.
- Transitioned the Customer Fulfillment Centre (CFC) into an end-to-end resolution channel for all complaints
- Dedicated offerings for SMEs and structural support for businesses.
- Loan products for the retail customers and enhancement of channels for exceptional service experience.**3. Shareholders: Increased wealth creation.**

UBA's Commitment

- Provision of timely information to all shareholders; annual reports and accounts, quarterly results and press releases.
- In ensuring strict adherence to the Bank's governance principles, the Board is evaluated bi-annually by a reputable firm of consultants.

4. Suppliers: Key concerns are sustainability of the transparent and fair assessment or selection process of vendors, pricing and payment terms.

UBA's Commitment:

- The Bank recently enhanced the Vendor Selection and Assurance team and improved the procurement process, including accreditation and review of vendors and contractors to ensure that the most qualified vendors are duly registered and shortlisted for relevant projects.
- The selection is overseen by a Cost Optimisation Committee made up of Senior Management staff across relevant divisions. This ensures that adequate due diligence is carried out before, during and after the selection of vendors and award of contracts or procurements.
- Periodic price checks and vendor reviews are conducted, in addition to vendor rating by relevant divisions in the Bank, through an anonymous survey conducted periodically and independently analysed for MIS purposes.

5. Communities: Key concerns include environment and social footprint, contributions to the development of the youth, particularly less privileged persons.

UBA's Commitment:

- UBA is committed to charitable donations and sponsorships of impactful projects, especially youth-oriented initiatives that align with our empowerment philosophy.
- We engage in various community development initiatives either directly through UBA Foundation, our special purpose vehicle for Corporate Social Responsibility, or in partnership with credible non-governmental organisations and public institutions. Charitable donations during the year are disclosed in the Corporate Governance Report.

6. Regulators: Disclosure of Environmental and Social performance through reporting progress on the implementation of Sustainable Banking Principles.

UBA's Commitment:

- Continuous consultations with relevant regulatory authorities and public institutions on the progress made in the advocacy and adherence to environmental and social principles.
- Periodic onsite meetings and supervisory visits by representatives of regulatory bodies.

Managing Environmental and Social Risks

UBA's activities expose the Bank to a variety of financial risks that require analysis, evaluation, acceptance and management. We reckon that assuming risk is a core aspect of financial services business and operational risks are an inevitable consequence of being in business.

Hence, we appreciate that achieving a balanced performance scorecard requires integrating environmental and social considerations into our performance measurement scale, as we look beyond explicit financial profit. It also entails imbibing global best practices in our business policies and practices by ensuring that our entire process and people are carried along in our sustainability journey. As a responsible Bank, UBA has carefully identified the sectors and operations that portend significant social and/or environmental risks, through our Social and Environmental Risk Department. The

Environmental and Social policy form part of our overall operational policy framework. UBA's Environmental and Social policy specifies the requirements for Environmental and Social due diligence and the criteria for adopting responsible credit decisions.

Social and Environmental Due Diligence

UBA will not provide any service (including direct loan, funding, investment or advisory services) to customers engaged in any activity involving;

i. Production or trade in any product or activity deemed illegal under Republic of Ghana laws or regulations or international conventions and agreements.
ii. Production or trade in weapons and ammunitions.
iii. Trade in wildlife or wildlife products regulated under Convention on International Trade in Endangered Species (CITES).
iv. Production or trade in radioactive materials.
v. Production or trade in or use of unbonded asbestos fibres.
vi. Purchase of logging equipment for use in primary tropical moist forest.
vii. Drift net fishing in the marine environment using nets in excess of 2.5km in length.
viii. Production or trade in pharmaceuticals under international phase outs or bans.
ix. Production or trade in pesticides or herbicides under international phase outs or bans.
x. Production or activities involving harmful or exploitative forms of forced labour or child labour.
xi. Production or trade in products containing polychlorinated biphenyl (PCB).
xii. Production, trade, storage or transport of significant volumes of hazardous chemicals, or commercial scale usage of hazardous chemicals.
xiii. Production or trade in ozone depleting substances subject to international phase out.
xiv. Production or activities that impinge on the land owned, or claimed under adjudication, by indigenous people, without full documented consent of such people.

Business Continuity

UBA recognizes its responsibility to sustain banking operations during disruptive events and retain our employees and assets at all times. We are fully aware that the unexpected can and does occur, from simple situations to major outages and since we recognize how heavily our clients rely on our systems and services, it is a challenge to continually provide high-quality services and sustain critical functions while minimizing customer impact.

Major efforts have been funneled into the cyber and information security domain to ensure that UBA is fortified with the ability to handle cyber security threats. UBA's security strategy has been developed in alignment with our digital transformation strategy. This effort ensures that security requirements and measures are considered as early as possible during product and solution development so that a seamless, unified, and secure customer experience is provided. Business Continuity Management also ensured the development and testing of critical business continuity plans and manages this process in an efficient manner through implementation of the Business Continuity Management (BCM) life cycle automation system. Business Continuity Management is done to protect our Staff, minimize potential operational loss and ensure UBA continues in business, protect the Bank's reputation and customers' perception and to protect customers' data to ensure confidentiality, integrity and availability.

BCM is implemented via following steps:

- Development of Business Impact Analysis which is the process of identifying critical business functions and the impact on the Bank if these business functions are disrupted due to crisis event or disaster. BIA is developed for all Business functions in the Bank.
- Development of Continuity of Business Plan is made up of two segments.
    i. Crisis Management Plan: This is framework for managing crisis events, which includes development of Crisis Management Teams.

ii. Business Recovery Plan: This is the process of recovering business process when disrupted and unable to provide services to customers. It may involve relocation of business processes or its Information Technology resource to alternate site to ensure business continuity.

iii. Testing; is a trial run to ensure that plans and facilities that provide UBA's Business recovery solutions are appropriate to recover business operation in the event of crisis or disaster.

iv. Maintenance; is regular update of all business continuity plans in line with policy requirements, business needs and regulations. All business continuity plans are updated at least once a year.

v. Monitoring and Reporting; is the process of tracking compliance of each business function, to implementation of business continuity in its processes in line with policy requirements and regulations.

vi. Training and Awareness: provide continuity of Business personnel with skills and knowledge to plan and respond to crisis events or business disruption. Awareness is an initiative that ensures communication of important Continuity of Business topics to all staff.

Report on the Audit of the Financial Statements

Deloitte.

Opinion

We have audited the financial statements of United Bank for Africa (Ghana) Limited, set out on pages 61 to 138, which comprise the statement of financial position as at 31 December 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, the notes to the financial statements, including a summary of significant accounting policies and other explanatory disclosures.

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

Basis for Opinion

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

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

Key Audit Matters

Key audit matters is the matters that, in our professional judgement, was of most significance in our audit of the financial statements of the current period. The matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matter.

Key audit matter	**How our audit addressed the key audit matter**
Loan Loss Provision	
The Bank measures financial instruments in accordance with IFRS 9 – Financial Instruments during the year, which requires the measurement of expected credit loss allowance for financial assets at amortised cost and fair value through other comprehensive income. The Bank reviews its loans and advances for impairment at the end of each reporting period. There are significant judgements made in the following areas in applying IFRS 9 – Financial Instruments. These include; • Determining the staging of financial assets of the Bank which includes establishing groups of similar financial assets • Determining criteria for significant increase in credit risk.	We evaluated the design and tested the implementation and operating effectiveness of the key controls over the computation of impairment loss. In evaluating the design of controls, we considered the appropriateness of the control considering the nature and significance of the risk, competence and authority of person(s) performing the control, frequency and consistency with which the control is performed. In performing operating effectiveness of controls, we selected a sample of transactions based on the control frequency to determine whether the control operated effectively during the year.

Key audit matter	How our audit addressed the key audit matter
Loan Loss Provision	
• Determination of the probability of default (PD) and Loss Given Default (LGD), which includes establishing the relative weightings of forward-looking scenarios for each type of loan and the associated Expected Credit Loss (ECL). Due to the significant judgements that are applied by management in determining whether an impairment loss has occurred we considered this to be a key audit matter. The Bank is also required to compute loan provision in accordance with the Bank of Ghana (BOG) prudential guidelines. There is the risk of inappropriate classification of loans and advances in accordance with BOG's guidelines that results in inaccurate loan impairment computations. The Bank is also required to make transfers from income surplus to regulatory credit risk reserve based on the excesses of IFRS impairment and Bank of Ghana provision. The disclosures relating to impairment of loans and advances to customers, which are included in notes to the financial statements, are considered important to the users of the financial statements given the level of judgement and estimation involved. Additionally, given this is a first time adoption of IFRS 9, additional disclosures are required in the financial statements.	We performed an evaluation of management's key assumptions over the expected credit loss model (ECL), including the probability of default and the Loss Given Default. We challenged management's staging of its financial assets in the ECL module and tested facilities to ensure they have been included in the correct stage. We tested the underlying calibration data behind the determination of the probability of default by agreeing same to underlying supporting documentation. We found that the assumptions used by management were comparable with historical performance and have been assessed as reasonable. We further tested the disclosures to ensure that the required disclosures under IFRS 9 have been appropriately disclosed. We further assessed as appropriate the classifications of the Bank's loans and advances in accordance with Bank of Ghana, prudential guidelines and the transfer of any excess provision over the IFRS computed provisions to the regulatory credit Risk Reserve.

Other Information

The directors are responsible for the other information. The other information comprises the Report of the Directors, the Corporate Governance Report, the Sustainability Report, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. The other information does not include 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 and will 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 on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, the requirements of the Companies Act, 20019 (Act 992) and the Banks and Specialised Deposit Taking-Institutions Act, 2016 (Act 930) and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

1. We have obtained the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of the audit.

2. In our opinion:

- proper books of accounts have been kept by the Bank, so far as appears from our examination of those books.
- the information and explanations given to us, were in the manner required by the Companies Act, 2019 (Act 992) and give a true and fair view of the:

  a. statement of financial position of the Bank at the end of the financial year, and

  b. statement of profit or loss and other comprehensive income for the financial year.

3. The Bank's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the accounting records and returns.

4. We are independent of the Bank, pursuant to Section 143 of the Companies Act, 2019 (Act 992)

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

1. We confirm that the accounts give a true and fair view of the state of the affairs of the Bank and the results of operations for the year under review.

2. We were able to obtain all the information and explanation required for the efficient performance of our duties as auditors.

3. We confirm that the transactions of the entity were within the powers of the Bank.

4. In our opinion, the Bank has generally complied with the provisions of the Anti-Money Laundering Act, 2008 (Act 749), as amended by the Anti-Money Laundering (Amendment) Act, 2014 (Act 874), the Anti-Terrorism Act, 2008 (Act 762) and Regulations made under these enactments.

5. The Bank has generally complied with the provisions of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) except for the breaches mentioned on note 33.

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

For and on behalf of Deloitte & Touche (ICAG/F/2021/129)
Chartered Accountants
The Deloitte Place, Plot No.71
Off George Walker Bush Highway
North Dzorwulu
Accra Ghana

25th March 2021

Financials Statements

Statement of Profit or Loss and other Comprehensive Income
Statement of Financial Position
Statement of Changes in Equity
Statement of Cash Flows
Notes to Financial Statements

Statement of Profit or Loss and other Comprehensive Income

(All amounts are expressed in Ghana cedis unless otherwise stated)

	Note	2020	2019
Interest income	7	**530,392,323**	473,112,551
Interest expense	8	**(218,296,404)**	(171,414,131)
Net interest income		**312,095,919**	301,698,420
Fees and commission income	9	**59,558,454**	46,636,040
Fees and commission expense		**(11,916,002)**	(9,851,298)
Net fees and commission income		**47,642,452**	36,784,742
Net trading and revaluation income	10	**46,400,700**	55,366,981
Other operating income	11	**1,382,354**	54,161
Net trading and other income		**47,783,054**	55,421,142
Net operating income		**407,521,425**	393,904,302
Allowance for credit losses on financial assets	12	**(61,102,973)**	(5,594,973)
Personnel expenses	13	**(61,186,565)**	(53,506,591)
Depreciation and amortisation	14	**(11,231,647)**	(6,398,944)
Other operating expenses	15	**(50,089,442)**	(46,851,040)
Profit before income tax		**223,910,798**	281,552,754
Income tax expense	17	**(61,694,568)**	(93,467,646)
Profit for the year		**162,216,230**	188,085,108
Other comprehensive income			
Items that will be reclassified to the income statement			
Net charge in fair value during the year (net of tax)	29	**(432,471)**	512,317
Total comprehensive income for the year		**161,783,759**	188,597,425
Basic and diluted earnings per share	16	**0.02**	0.03

The accompanying notes are an integral part of these financial statements

Statement of Financial Position

(All amounts are expressed in Ghana cedis unless otherwise stated)

	Note	2020	2019
Assets			
Cash and bank balances	19	**951,072,339**	583,517,707
Investment securities:			
- At amortised cost	20	**1,249,506,992**	2,550,894,370
- At fair value through other comprehensive income	20	**472,509,032**	335,011,836
Loans and advances to customers	21	**1,108,455,471**	948,607,338
Other assets	22	**85,021,723**	29,100,013
Property and equipment	23	**67,328,683**	44,180,726
Intangible assets	24	**709,003**	191,514
Income tax asset	17	**12,497,649**	5,517,973
Deferred tax asset	18	**3,045,372**	658,874
Total assets		**3,950,146,264**	4,497,680,351
Liabilities			
Deposits from customers	25	**2,786,764,201**	2,338,800,005
Deposits from banks	26	**72,444,352**	1,238,363,261
Other liabilities	27	**99,189,281**	90,552,414
Total liabilities		**2,958,397,834**	3,667,715,680
Equity			
Stated capital	28	**400,000,000**	400,000,000
Income surplus	29	**289,346,406**	159,303,031
Fair value reserve	29	**845,536**	1,278,007
Credit risk reserve	5	**-**	8,381,202
Statutory reserve	29	**301,556,488**	261,002,431
Total equity		**991,748,430**	829,964,671
Total liabilities and equity		**3,950,146,264**	4,497,680,351

The financial statements were approved by the Board of Directors on 17 March 2021 and signed on its behalf by:

Kweku Awotwi
Chairman

Olalekan Balogun
Managing Director/CEO

Statement of Changes in Equity

(All amounts are expressed in Ghana cedis unless otherwise stated)

For the year ended 31 December 2020

	Stated capital	Income surplus	Statutory reserve	Credit risk reserve	Fair value reserve	Total
At 1 January 2020	**400,000,000**	**159,303,031**	**261,002,431**	**8,381,202**	**1,278,007**	**829,964,671**
Profit for the year	-	162,216,230	-	-	-	162,216,230
Net change in fair value during the year (net of tax)	-	-	-	-	(432,471)	(432,471)
Total comprehensive income for the year	**-**	**162,216,230**	**-**	**-**	**(432,471)**	**161,783,759**
Transfer between reserves						
Transfer to statutory reserve	-	(40,554,057)	40,554,057	-	-	-
Transfer to/from credit risk reserve	-	8,381,202	-	(8,381,202)	-	-
Total transfer between reserves	**-**	**(32,172,855)**	**40,554,057**	**(8,381,202)**	**-**	**-**
Transactions with owners						
Total transactions with owners	-	-	-	-	-	-
At 31 December 2020	**400,000,000**	**289,346,406**	**301,556,488**	**-**	**845,536**	**991,748,430**

Statement of Changes in Equity (Continued)

(All amounts are expressed in Ghana cedis unless otherwise stated)

For the year ended 31 December 2019

	Stated capital	Income surplus	Statutory reserve	Credit risk reserve	Fair value reserve	Total
At 31 December 2018	400,000,000	27,078,896	213,981,154	-	765,690	641,825,740
Changes on initial application of IFRS 9	-	(458,494)	-	-	-	(458,494)
At 1 January 2019 (IFRS 9)	400,000,000	26,620,402	213,981,154	-	765,690	641,367,246
Profit for the year	-	188,085,108	-	-	-	188,085,108
Net charge in fair value during the year (net of tax)	-	-	-	-	512,317	512,317
Total comprehensive income for the year	**-**	**188,085,108**	**-**	**-**	**512,317**	**188,597,425**
Transfer to statutory reserves	-	(47,021,277)	47,021,277	-	-	-
Transfer to credit risk reserves	-	(8,381,202)	-	8,381,202	-	-
Transfer between reserves	**-**	**(55,402,479)**	**47,021,277**	**8,381,202**	**-**	**-**
At 31 December 2019	**400,000,000**	**159,303,031**	**261,002,431**	**8,381,202**	**1,278,007**	**829,964,671**

The accompanying notes are an integral part of these financial statements

Statement of Cash Flows

(All amounts are expressed in Ghana cedis unless otherwise stated)

	Note	2020	2019
Cash flows from operating activities			
Profit before income tax		**223,910,798**	281,552,754
Adjustments for:			
Depreciation and amortisation	14	**11,231,647**	6,398,944
Allowance for credit loss on loans to customers	12	**61,375,691**	8,508,268
Allowance for credit loss on other assets	12	**-**	5,105,913
Allowance/(reversal) of credit loss on contingent liabilities	12	**23,810**	(7,444,552)
Allowance for credit loss on investment securities	12	**11,147**	636,556
Reversal of credit loss on placements with banks	12	**(67,339)**	(400,000)
Finance cost on lease liabilities	8	**2,279,451**	992,831
Gain on disposal of property and equipment	23	**(62,008)**	(27,172)
Write-off of property and equipment	23	**102,172**	7,983
Foreign currency exchange difference on borrowings		**-**	7,283,468
Net interest income		**(312,095,919)**	(301,698,420)
		(13,290,550)	916,573
Change in operating assets and liabilities			
Change in mandatory reserve deposits		**(44,796,420)**	(22,408,213)
Change in loans and advances to customers		**(221,223,824)**	(374,295,121)
Change in other assets		**(55,639,864)**	46,520,446
Change in deposits from banks		**(1,165,918,909)**	656,816,263
Change in deposits from customers		**447,964,196**	224,082,126
Change in other liabilities		**20,751,600**	(15,735,119)
Interest received		**530,392,323**	473,112,551
Interest paid		**(220,575,855)**	(159,230,150)
Income tax paid	17	**(71,342,587)**	(96,315,196)
Net cash (used in)/from operating activities		**(793,679,890)**	733,464,160
Cash flows from investing activities			
Purchase of investment securities		**(3,458,396,509)**	(2,842,235,011)
Proceeds from sale/redemption of investment securities		**4,727,123,484**	2,179,134,120
Purchase of property and equipment	23	**(34,326,675)**	(4,611,141)
Proceeds from sale of property and equipment	23	**64,574**	29,096
Purchase of intangible assets	24	**(675,153)**	(8,819)
Net cash from/(used in) investing activities		**1,233,789,721**	(667,691,755)
Cash flows from financing activities			
Interest paid on borrowings		**-**	(13,174,197)
Repayment of borrowings		**-**	(127,202,500)
Payments of principal on lease liabilities	27	**(12,071,207)**	(8,554,490)
Net cash used in financing activities		**(12,071,207)**	(148,931,187)
Net decrease in cash and cash equivalents		**428,038,624**	(83,158,782)
Cash and cash equivalents at 1 January	19	**351,269,881**	434,428,663
Cash and cash equivalents at 31 December	19	**779,308,505**	351,269,881

Notes

REPORTING ENTITY

United Bank for Africa (Ghana) Limited ("the Bank") is a limited liability company and is incorporated and domiciled in Ghana. The registered office is Heritage Towers, Ambassadorial Enclave, Accra. The Bank operates under the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). The Bank is a subsidiary of United Bank for Africa Plc of Nigeria and provides retail, corporate banking and investment banking services.

The financial statements for the year ended 31 December 2020 were approved and authorised for issue by the Board of Directors on 17 March 2021.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The Bank's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The financial statements have been prepared under the historical cost convention, except for financial assets measured at fair value through other comprehensive income. Additional information required under the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) have been included, where appropriate.

The same accounting policies and methods of computation were followed in preparation of these financial statements as compared with the Bank's most recent annual financial statements.

The preparation of financial statements requires the directors to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, incomes and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

2.2 Foreign currency translation

(a) Functional and presentation currency

Items included in the Bank's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

The financial statements are presented in Ghana Cedi, which is the Bank's functional currency.

(b) Transactions and balances

Foreign currency transactions are recorded at the rate of exchange on the date of the transaction. At the reporting date, monetary assets and liabilities denominated in foreign currencies are reported using the closing exchange rate. Exchange differences arising on the settlement of transactions at rates different from those at the date of the transaction, as well as unrealised foreign exchange differences on unsettled foreign currency monetary assets and liabilities, are recognised in the income statement. The Ghana Interbank Exchange rates are used to translate foreign currency items into the functional currency.

Unrealised exchange differences on non-monetary financial assets are a component of the change in their entire fair value. For non-monetary financial assets measured at fair value through profit or loss, unrealised exchange differences are recognised in profit or loss. For non-monetary financial assets measured at fair value through other comprehensive income, unrealised exchange differences are recorded in other comprehensive income until the asset is sold or becomes impaired.

2.3 Sale and repurchase agreements

Securities sold subject to repurchase agreements ('repos') are reclassified in the financial statements as pledged assets when the transferee has the right by contract or custom to sell or repledge the collateral; the counterparty liability is included in due to other banks or customer deposits, as appropriate. Securities purchased under agreements to resell ('reverse repos') are recorded as loans and advances to customers or due from other banks, as appropriate. The difference between sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest method. Securities lent to counterparties are also retained in the financial statements.

2.4 Property and equipment

Items of property and equipment are carried at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Subsequent expenditures are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. The carrying

Notes to Financial Statements (Continued)

2. Summary of significant accounting policies (continued)

amount of the replaced part is derecognised. All other repair and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

Right - of – use assets are presented together with property and equipment in the statement of financial position – refer to accounting policy in Note 2.19. Right – of – use assets are depreciated on a straight – line basis over the lease term.

Depreciation of owned assets is calculated on a straight – line basis over the estimated useful life of the assets as follows;

Building	50 years
Leasehold improvement	Over the period of lease
Computers	5 years
Motor vehicles	4 years
Equipment, furniture and fittings	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in other operating income/expenses in profit or loss.

Capital work-in-progress (CWIP)

These are costs in respect of property, plant and equipment and other construction work-in-progress that will eventually be capitalised. Amounts paid or accrued either in a lump sum or on an instalment basis related to the construction, alteration, or renovation of premises, installations, and equipment (including special equipment such as computers) that are not yet functional or in use are accumulated in capital work-in-progress sub-accounts that are reported in the appropriate fixed asset accounts. Payments made for capital work-in-progress projects that will eventually be expensed are expensed as incurred.

Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted if appropriate. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

An item of property and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

2.5 Intangible assets

Intangible assets comprise computer software licences and other intangible assets. Intangible assets are recognised at cost less accumulated amortisation and accumulated impairment losses. Intangible assets with a definite useful life are amortised using the straight-line method over their estimated useful economic life, generally not exceeding four (4) years. Intangible assets with an indefinite useful life are not amortised. Generally, the identified intangible assets of the Bank have a definite useful life. At the end of each reporting period, intangible assets are reviewed for indications of impairment or changes in estimated future economic benefits. If such indications exist, the intangible assets are analysed to assess whether their carrying amount is fully recoverable. An impairment loss is recognised if the carrying amount exceeds the recoverable amount.

Intangible assets with indefinite useful life are annually tested for impairment and whenever there is an indication that the asset may be impaired.

2.6 Impairment of non-financial assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). The impairment test also can be performed on a single asset when the fair value less cost to sell or the value in use can be determined reliably. Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.7 National Fiscal Stabilisation Levy

The National Stabilisation Levy is assessed under the

Notes to Financial Statements (Continued)

2. Summary of significant accounting policies (continued)

National Fiscal Stabilisation Levy Act (Act 862) of 2013 at 5% on accounting profit before tax and became effective on 12 July 2013. The levy is not tax deductible and it is accounted for on accrual basis.

2.8 Income tax

Current income tax

The tax expense for the period comprises current and deferred income tax. Tax is recognised in the profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax laws enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Bank and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.9 Employee benefits

a. Defined Contribution Plans

The Bank operates a defined contribution pension scheme. A defined contribution plan is a pension plan under which the Bank makes fixed contributions on contractual basis. The Bank has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Obligations for contributions to defined contribution plans are recognised as an expense in profit or loss when they are due.

b. Termination benefits

The Bank recognises termination benefits as an expense when the Bank is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. The Bank settles termination benefits within 12 months and are accounted for as short- term benefits.

c. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term employee benefits 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.

2.10 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 will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due

Notes to Financial Statements (Continued)

2. Summary of significant accounting policies (continued)

2.10 Provisions (continued)

to passage of time is recognised as interest expense.

2.11 Stated capital

a. Ordinary shares

Ordinary shares are classified as "Stated capital" in equity.

b. Dividends on ordinary shares

Dividends on ordinary shares are recognised in equity in the period in which they are approved by the Bank's shareholders. Dividends for the year that are declared after the reporting date are dealt with in the subsequent events note.

2.12 Contingent liabilities

Letters of credit, acceptances, guarantees and performance bonds are generally written by the Bank to support performance by a customer to third parties. The Bank will only be required to meet these obligations in the event of the customer's default. These obligations are accounted for as off balance sheet transactions and disclosed as contingent liabilities; credit risk, liquidity risk, market risk-comprising currency, interest rate and other price risk.

2.13 Cash and cash equivalents

Cash and cash equivalents comprise balances with less than three months' maturity at the date of acquisition, including cash in hand, deposits held at call with other Banks, and other short term highly liquid investments with original maturities of three months or less.

2.14 Interest income and expense

Interest income and expense for all interest-bearing financial instruments are recognised in profit or loss using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

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

2.15 Fees and commissions

The Bank earns fee and commission income from a diverse range of financial services it provides to its customers. Fee and commission income is recognised at an amount that reflects the consideration to which the Bank expects to be entitled in exchange for providing the services. The performance obligations, as well as the timing of their satisfaction, are identified, and determined, at the inception of the contract. The Bank's revenue contracts do not include multiple performance obligations. When the Bank provides a service to its customers, consideration is invoiced and generally due immediately upon satisfaction of a service provided at a point in time or at the end of the contract period for a service provided over time. The Bank has generally concluded that it is the principal in its revenue arrangements because it typically controls the services before transferring them to the customer.

2.16 Net trading and revaluation income

Net trading income and revaluation income comprises gains less losses related to trading assets and liabilities, and includes all realised and unrealised fair value changes and foreign exchange differences.

2.17 Earnings per share

The Bank presents basic earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

2.18 Financial Instruments

(i) Classification and measurement of financial assets

Financial assets are recognised in the Bank's balance sheet when the Bank becomes a party to the contractual provisions of the instrument. Financial assets are measured at initial recognition at fair value, and are classified and subsequently measured at fair value through profit or loss (FVTPL), fair value through other comprehensive income (FVOCI) or amortised cost. Subsequent classification and measurement for debt securities is based on the Bank's business model for managing the financial instruments and the contractual cash flow characteristics of the instruments.

Debt instruments are measured at amortised cost if both of the following conditions are met and the asset is not designated as FVTPL:

Notes to Financial Statements (Continued)

3. Changes in accounting policies and disclosures (continued)

2.18 Financial Instruments (continued)

(i) Classification and measurement of financial assets (continued)

(a) the asset is held within a business model that is Held-to-Collect (HTC) as described below, and

(b) the contractual terms of the instrument give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

Debt instruments are measured at FVOCI if both of the following conditions are met and the asset is not designated as FVTPL:

(a) the asset is held within a business model that is Held-to-Collect-and-Sell (HTC&S) as described below, and

(b) the contractual terms of the instrument give rise, on specified dates, to cash flows that are SPPI.

(ii) Business model assessment

The Bank determines the business models at the level that best reflects how portfolios of financial assets are managed to achieve the Bank's business objectives. Judgment is used in determining the business models, which is supported by relevant, objective evidence including:

- How the economic activities of our businesses generate benefits, for example through trading revenue, enhancing yields or other costs and how such economic activities are evaluated and reported to key management personnel;
- The significant risks affecting the performance of our businesses, for example, market risk, credit risk, or other risks and the activities undertaken to manage those risks; and
- Historical and future expectations of sales of the loans or securities portfolios managed as part of a business model.
- The Bank's business models fall into three categories, which are indicative of the key strategies used to generate returns:
- Hold-to-Collect (HTC): The objective of this business model is to hold loans and securities to collect contractual principal and interest cash flows. Sales are incidental to this objective and are expected to be insignificant or infrequent.
- Hold-to-Collect-and-Sell (HTC&S): Both collecting contractual cash flows and sales are integral to achieving the objective of the business model.

Other fair value business models: These business models are neither HTC nor HTC&S, and primarily represent business models where assets are held-for-trading or managed on a fair value basis.

(iii) SPPI Assessment

Instruments held within a HTC or HTC&S business model are assessed to evaluate if their contractual cash flows are comprised of solely payments of principal and interest. SPPI payments are those which would typically be expected from basic lending arrangements. Principal amounts include par repayments from lending and financing arrangements, and interest primarily relates to basic lending returns, including compensation for credit risk and the time value of money associated with the principal amount outstanding over a period of time. Interest can also include other basic lending risks and costs (for example, liquidity risk, servicing or administrative costs) associated with holding the financial asset for a period of time, and a profit margin.

Where the contractual terms introduce exposure to risk or variability of cash flows that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

(iv) Investment Securities

Investment securities include all securities classified as FVOCI and amortised cost. All investment securities are initially recorded at fair value and subsequently measured according to the respective classification

Investment securities carried at amortised cost are measured using the effective interest method, and are presented net of any allowance for credit losses, calculated in accordance with the Bank's policy for allowance for credit losses, as described below. Interest income, including the amortization of premiums and discounts on securities measured at amortised cost are recorded in interest income. Impairment gains or losses recognised on amortised cost securities are recorded in Allowance for credit losses. When a debt instrument measured at amortised cost is sold, the difference between the sale proceeds and the amortised cost of the security at the time of the sale is recorded as a gain/(loss) on Investment securities in Net trading and revaluation income.

Debt securities carried at FVOCI are measured at fair value with unrealised gains and losses arising from changes in fair value included in fair value reserve. Impairment gains and losses are included in allowance for credit losses and correspondingly reduce the accumulated changes in fair value included in fair value reserve. When a debt instrument measured at FVOCI is sold, the cumulative gain or loss is reclassified from fair value reserve to net gain/(loss) on Investment securities in net trading and revaluation income

Notes to Financial Statements (Continued)

2. Changes in accounting policies and disclosures (continued)

2.18 Financial Instruments (continued)

(v) Loans

Loans are debt instruments recognised initially at fair value and are subsequently measured in accordance with the classification of financial assets policy provided above. Loans are carried at amortised cost using the effective interest method, which represents the gross carrying amount less allowance for credit losses.

Interest on loans is recognised in interest income using the effective interest method. The estimated future cash flows used in this calculation include those determined by the contractual term of the asset and all fees that are considered to be integral to the effective interest rate. Also included in this amount are transaction costs and all other premiums or discounts. Fees that relate to activities such as originating, restructuring or renegotiating loans are deferred and recognised as Interest income over the expected term of such loans using the effective interest method. Where there is a reasonable expectation that a loan will be originated, commitment and standby fees are also recognised as interest income over the expected term of the resulting loans using the effective interest method. Otherwise, such fees are recorded as other liabilities and amortised into Other operating income over the commitment or standby period.

Impairment losses on loans are recognised at each balance sheet date in accordance with the three-stage impairment model outlined below.

(vi) Allowance for credit losses

An allowance for credit losses (ACL) is established for all financial assets, except for financial assets classified or designated as FVTPL and equity securities designated as FVOCI, which are not subject to impairment assessment. Assets subject to impairment assessment include loans, overdrafts and debt securities. These are carried at amortised cost and presented net of ACL on the Statement of Financial Position. ACL on loans is presented in Allowance for credit losses - loans and advances. ACL on debt securities measured at FVOCI is presented in Fair value reserve in equity. Off-balance sheet items subject to impairment assessment include financial guarantees and undrawn loan commitments. For all other off-balance sheet products subject to impairment assessment, ACL is separately calculated and included in Other Liabilities – Provisions.

The ACL is measured at each reporting date according to a three-stage expected credit loss impairment model which is based on changes in credit risk of financial assets since initial recognition:

1) Performing financial assets:

- Stage 1 – From initial recognition of a financial asset to the reporting date, where the asset has not experienced a significant increase in credit risk relative to its initial recognition, a loss allowance is recognised equal to the credit losses expected to result from defaults occurring over the 12 months following the reporting date. Interest income is calculated on the gross carrying amount of these financial assets.
- Stage 2 – Following a significant increase in credit risk relative to the initial recognition of the financial asset, a loss allowance is recognised equal to the credit losses expected over the remaining lifetime of the asset. Interest income is calculated on the gross carrying amount of these financial assets.

2) Impaired financial assets

- Stage 3 – When a financial asset is considered to be credit-impaired, a loss allowance is recognised equal to credit losses expected over the remaining lifetime of the asset. The Stage 3 expected credit loss impairment model is based on changes in credit quality since initial recognition. Interest revenue is calculated based on the carrying amount of the asset, net of the loss allowance, rather than on its gross carrying amount.

The ACL is a discounted probability-weighted estimate of the cash shortfalls expected to result from defaults over the relevant time horizon. For loan commitments, credit loss estimates consider the portion of the commitment that is expected to be drawn over the relevant time period. For financial guarantees, credit loss estimates are based on the expected payments required under the guarantee contract. Increases or decreases in the required ACL attributable to purchases and new originations, derecognitions or maturities, and re-measurements due to changes in loss expectations or stage migrations are recorded in provision for credit losses. Write-offs and recoveries of amounts previously written off are recorded against ACL.

The ACL represents an unbiased estimate of expected credit losses on our financial assets as at the balance sheet date. Judgment is required in making assumptions and estimations when calculating the ACL, including movements between the three stages and the application of forward looking information. The underlying assumptions and estimates may result in changes to the provisions from period to period that significantly affect our results of operations.

(vii) Measurement of expected credit losses

Expected credit losses are based on a range of possible outcomes and consider all available reasonable and supportable information including internal and external ratings, historical credit loss experience, and expectations about future cash flows. The measurement of expected

Notes to Financial Statements (Continued)

2. Changes in accounting policies and disclosures (continued)

2.18 Financial Instruments (continued)

(vii) Measurement of expected credit losses (continued)

credit losses is based primarily on the product of the instrument's probability of default (PD), loss given default (LGD) and exposure at default (EAD) discounted to the reporting date. Stage 1 estimates project PD, LGD and EAD over a maximum period of 12 months while Stage 2 estimates project PD, LGD and EAD over the remaining lifetime of the instrument.

An expected credit loss estimate is produced for each individual exposure. Relevant parameters are modelled on a collective basis using portfolio segmentation that allows for appropriate incorporation of forward looking information. Expected credit losses are discounted to the reporting period date using the effective interest rate.

The assessment of significant increase in credit risk requires significant judgment. The Bank's process to assess changes in credit risk is based on the use 'backstop' indicators. Instruments which are more than 30 days past due may be credit-impaired. There is a rebuttable presumption that the credit risk has increased significantly if contractual payments are more than 30 days past due; this presumption is applied unless the bank has reasonable and supportable information demonstrating that the credit risk has not increased significantly since initial recognition.

(viii) Assessment of significant increase in credit risk

In addition, the Bank also considers the following conditions in assessing a significant increase in credit risk especially for corporate loans and advances:

i. Inadequate or unreliable financials and other information such as unavailability of audited financial statements.

ii. A downgrade of a borrower by a recognised credit rating agency.

iii. Non-cooperation of the borrower in matters pertaining to documentation.

iv. Borrower is the subject of litigation by third parties that may have a significant impact on his financial position.

v. Frequent changes in senior management of the obligor.

vi. Intra-group transfer of funds without underlying transactions.

vii. Deferment/delay in the date of commencement if commercial operations by more than one year.

viii. Modification of terms resulting in concessions granted to the borrower including extension of moratorium, deferment of payment, waiver of covenants etc.

ix. Expectation of forbearance or restructuring due to financial difficulties.

The following are however considered as exceptions:

1. Outstanding obligation is a result of an amount being disputed between the bank and obligor where the dispute is not more than 90 days.

2. Outstanding obligation is an insignificant amount compared to the total amount due. Any amount not more than 10% is considered insignificant. Only applicable where there is no significant increase in credit risk and analysed on a case by case basis.

The assessment is generally performed at the instrument level and it is performed at least on quarterly basis. If any of the factors above indicate that a significant increase in credit risk has occurred, the instrument is moved from Stage 1 to Stage 2. The assessments for significant increases in credit risk since initial recognition and credit-impairment are performed independently as at each reporting period. Assets can move in both directions through the stages of the impairment model. After a financial asset has migrated to Stage 2, if it is no longer considered that credit risk has significantly increased relative to initial recognition in a subsequent reporting period, it will move back to Stage 1 after 90 days.

Similarly, an asset that is in Stage 3 will move back to Stage 2 if it is no longer considered to be credit-impaired after 90 days. An asset will not move back from stage 3 to stage 1 until after a minimum of 180 days, if it is no longer considered to be credit impaired.

For certain instruments with low credit risk as at the reporting date, it is presumed that credit risk has not increased significantly relative to initial recognition. Credit risk is considered to be low if the instrument has a low risk of default, and the borrower has the ability to fulfill their contractual obligations both in the near term and in the longer term, including periods of adverse changes in the economic or business environment.

(ix) Use of forward looking information

The measurement of expected credit losses for each stage and the assessment of significant increase in credit risk considers information about past events and current conditions as well as reasonable and supportable projections of future events and economic conditions. The estimation and application of forward-looking information requires significant judgment.

The PD, LGD and EAD inputs used to estimate Stage 1 and Stage 2 credit loss allowances are modelled based on the macroeconomic variables (or changes in macroeconomic variables) that are most closely correlated with credit losses in the relevant portfolio. Each macroeconomic scenario

Notes to Financial Statements (Continued)

2. Summary of significant accounting policies (continued)

2.18 Financial Instruments (continued)

(ix) Use of forward looking information (continued)

used in our expected credit loss calculation includes a projection of all relevant macroeconomic variables applying scenario weights. Macroeconomic variables used in our expected credit loss models include GDP growth rate, interbank rates, inflation rate and population growth rate.

Our estimation of expected credit losses in Stage 1 and Stage 2 is a discounted probability-weighted estimate that considers a minimum of three future macroeconomic scenarios. Our base case scenario is based on macroeconomic forecasts published by relevant government agencies. Upside and downside scenarios vary relative to our base case scenario based on reasonably possible alternative macroeconomic conditions. Additional and more severe downside scenarios are designed to capture material non-linearity of potential credit losses in portfolios. Scenario design, including the identification of additional downside scenarios, occurs at least on an annual basis and more frequently if conditions warrant.

Scenarios are designed to capture a wide range of possible outcomes and weighted according to our best estimate of the relative likelihood of the range of outcomes that each scenario represents. Scenario weights take into account historical frequency, current trends, and forward-looking conditions and are updated on a quarterly basis. All scenarios considered are applied to all portfolios subject to expected credit losses with the same probabilities.

The inputs and models used for calculating ECL may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material. Detailed information about these inputs and sensitivity analysis are provided in Note 6.1.

(x) Definition of default

A default is considered to have occurred with regard to a particular obligor when either or both of the following events have taken place.

- The bank considers that the obligor is unlikely to pay its credit obligations in full, without recourse by the bank to actions such as realizing security (if held).
- The obligor is past due more than 90 days on any material credit obligation to the bank (principal or interest). Overdrafts will be considered as being past due once the customer has breached an advised limit or been advised of a limit smaller than current outstanding.
- Interest payments equal to 90 days or more have been capitalised, rescheduled, rolled over into a new loan (except where facilities have been reclassified).

The elements to be taken as indications of unlikeliness to pay include:

- The bank sells the credit obligation at a material credit-related economic loss.

- The bank consents to a distressed restructuring of the credit obligation where this is likely to result in a diminished financial obligation caused by the material forgiveness, or postponement, of principal, interest or (where relevant) fees.

- The bank has filed for the obligor's bankruptcy or a similar order in respect of the obligor's credit obligation to the banking group.

The following are considered as exceptions:

a. Outstanding obligation is a result of an amount being disputed between the bank and obligor where the dispute is not more than 150 days;

b. In the case of specialised loans, default is defined as where the obligor is past due more than 180 days on any material credit obligation to the bank (principal or interest). In addition, it is consistent with the Bank's historical default pattern on this category of loans. The specialised loans to which this is applicable are Project Financing, Object Financing, Income Producing Real Estate, Commercial Real Estate and Mortgage Loans;

c. Outstanding obligation is an insignificant amount compared to the total amount due. Any amount not more than 10% of amount due is considered insignificant. Only applicable where there is no significant increase in credit risk and analysed on a case by case basis.

d. Exposure is still in default due to a new debit when the initial debit has been cleared. Usually occurs when the debit that initiated the initial days past due has been paid but the days past due continues to reflect a debit

(xi) Credit-impaired financial assets (Stage 3)

Financial assets are assessed for credit-impairment at each balance sheet date and more frequently when circumstances warrant further assessment. Evidence of credit-impairment may include indications that the borrower is experiencing significant financial difficulty, probability of bankruptcy or other financial reorganization, as well as a measurable decrease in the estimated future cash flows evidenced by the adverse changes in the payments status of the borrower or economic conditions that correlate with defaults. A loan is considered for transfer from stage 2 to stage 1 where there is significant improvement in credit risk and from stage 3 to stage 2 (declassified) where the facility is no longer in default. Factors that are considered in such backward transitioning include the following:

i) Declassification of the exposure by all the licensed private

Notes to Financial Statements (Continued)

2. Summary of significant accounting policies (continued)

2.18 Financial Instruments (continued)

(xi) Credit-impaired financial assets (Stage 3) (continued)

credit bureau or the credit risk management system;

ii) Improvement of relevant credit risk drivers for an individual obligor (or pool of obligors);

iii) Evidence of full repayment of principal or interest.

Generally, the above are to represent an improvement in credit risk to warrant consideration for a backward transition of loans. Where there is evidence of significant reduction in credit risk, the following probationary periods should apply before a loan may be moved to a lower stage (indicating lower risk):

Transfer from Stage 2 to 1: - 90 days

Transfer from Stage 3 to 2: - 90 days

Transfer from Stage 3 to Stage 1: - 180 days

When a financial asset has been identified as credit-impaired, expected credit losses are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the instrument's original effective interest rate. For impaired financial assets with drawn and undrawn components, expected credit losses also reflect any credit losses related to the portion of the loan commitment that is expected to be drawn down over the remaining life of the instrument.

When a financial asset is credit-impaired, interest ceases to be recognised on the regular accrual basis, which accrues income based on the gross carrying amount of the asset. Rather, interest income is calculated by applying the original effective interest rate to the amortised cost of the asset, which is the gross carrying amount less the related ACL.

(xii) Write-off

Loans and debt securities are written off when the Bank has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Bank determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Bank may apply enforcement activities to financial assets written off. Recoveries resulting from the Bank's enforcement activities will result in impairment gains."

(xiii) Presentation of allowance for Expected Credit Loss in the Statement of Financial Position

Loss allowances for ECL are presented in the statement of financial position as follows:

- for financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- for debt instruments measured at FVTOCI: no loss allowance is recognised in the statement of financial position as the carrying amount is at fair value. However, the loss allowance is included as part of the revaluation amount in the investments revaluation reserve;
- for loan commitments and financial guarantee contracts: as a provision; and
- where a financial instrument includes both a drawn and an undrawn component, and the Bank cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Bank presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision.

Debt and equity instruments that are issued are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Bank or a contract that will or may be settled in the Bank's own equity instruments and is a non-derivative contract for which the Bank is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Bank's own equity instruments.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Bank are recognised at the proceeds received, net of direct issue costs. Repurchase of the Bank's own equity instruments is recognised and deducted directly in equity. No gain/loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Bank's own equity instruments.

(xiv) Financial Liabilities and Equity

The Bank recognises financial liabilities when it first becomes a party to the contractual rights and obligations in the relevant contracts.

Financial liabilities are either classified as financial liabilities at amortised cost or financial liabilities at FVTPL.

The Bank classifies its financial liabilities as measured at amortised cost, except for:

Notes to Financial Statements (Continued)

Summary of significant accounting policies (continued)

2.18 Financial Instruments (continued)

(xiv) Financial Liabilities and Equity (continued)

i. Financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in the trading booking) and other financial liabilities designated as such at initial recognition. Gains or losses from financial liabilities designated at fair value through profit or loss are presented partially in other comprehensive income (the amount of change in the fair value of the financial liability that is attributable to changes in the Bank's own credit risk, which is determined as the amount that is not attributable to changes in market conditions that give rise to market risk) and partially profit or loss (the remaining amount of change in the fair value of the liability). This is unless such a presentation would create, or enlarge, an accounting mismatch, in which case the gains and losses attributable to changes in the Bank's credit risk are also presented in profit or loss;

ii. Financial guarantee contracts and commitments.

Other financial liabilities (not measured at FVTPL), including deposits and borrowings, are initially measured at fair value, net of transaction costs and subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The EIR is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

The Bank derecognises financial liabilities when, and only when, the Bank's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Bank exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Bank accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability.

(xv) Reclassification of financial assets

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

(xvi) Modification and derecognition of financial assets and liabilities

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date.

In addition, the introduction or adjustment of existing covenants of an existing loan would constitute a modification even if these new or adjusted covenants do not yet affect the cashflows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g. a change to the increase in the interest rate that arises when covenants are breached).

The Bank renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. A loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms.

The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants.

When a financial asset is modified the Bank assesses whether this modification results in derecognition. In accordance with the Bank's policy a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms the Bank considers the following:

- Qualitative factors, such as contractual cash flows after modification are no longer SPPI, change in currency or change of counterparty, the extent of change in interest rates, maturity, covenants. If these do not clearly indicate a substantial modification, then;
- A quantitative assessment is performed to compare the present value of the remaining contractual cash

Notes to Financial Statements (Continued)

2. Summary of significant accounting policies (continued)

2.18 Financial Instruments (continued)

(xvi) Modification and derecognition of financial assets and liabilities (continued)

flows under the original terms with the contractual cash flows under the revised terms, both amounts discounted at the original effective interest.

In the case where the financial asset is derecognised the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition.

The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated credit impaired. This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised par amount because there remains a high risk of default which has not been reduced by the modification.

The Bank monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms. When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Bank determines if the financial asset's credit risk has increased significantly since initial recognition by comparing:

• the remaining lifetime PD estimated based on data at initial recognition and the original contractual terms; with

• the remaining lifetime PD at the reporting date based on the modified terms.

For financial assets modified as part of the Bank's forbearance policy, where modification did not result in derecognition, the estimate of PD reflects the Bank's ability to collect the modified cash flows taking into account the Bank's previous experience of similar forbearance action, as well as various behavioural indicators, including the borrower's payment performance against the modified contractual terms.

If the credit risk remains significantly higher than what was expected at initial recognition the loss allowance will continue to be measured at an amount equal to lifetime ECL. The loss allowance on forborne loans will generally only be measured based on 12-month ECL when there is evidence of the borrower's improved repayment behaviour following modification leading to a reversal of the previous significant increase in credit risk.

Where a modification does not lead to derecognition the Bank calculates the modification gain/loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then the Bank measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset. The Bank derecognises a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity.

If the Bank neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Bank recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Bank retains substantially all the risks and rewards of ownership of a transferred financial asset, the Bank continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognised in OCI and accumulated in equity is recognised in profit or loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Bank retains an option to repurchase part of a transferred asset), the Bank allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer.

The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain/loss allocated to it that had been recognised in OCI is recognised in profit or loss. A cumulative gain/loss that had been recognised in OCI is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts. This does not apply for equity investments designated as measured at FVTOCI, as the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss.

Notes to Financial Statements (Continued)

2. Summary of significant accounting policies (continued)

2.18 Financial Instruments (continued)

(xvii) Financial Guarantee Contracts

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

Financial guarantee contracts issued by the Bank are initially measured at their fair values and, if not designated as at FVTPL and not arising from a transfer of a financial asset, are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with IFRS 9; and
- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the Bank's revenue recognition policies.

Financial guarantee contracts not designated at FVTPL are presented as provisions on the consolidated statement of financial position and the re-measurement is presented in other revenue. The Bank has not designated any financial guarantee contracts as at FVTPL.

(xviii) Commitments to provide a loan at below market interest rate

Commitments to provide a loan at a below-market interest rate are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with IFRS 9; and
- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the revenue recognition policies.

Commitments to provide a loan below market rate not designated at FVTPL are presented as provisions in the statement of financial position and the re-measurement is presented in other revenue.

The Bank has not designated any commitments to provide a loan below market rate designated at FVTPL.

2.19 Leases

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

(i) Bank as a Lessee

The Bank applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Bank recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Bank recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

The right-of-use assets are presented within Note 23 - Property, equipment and right-of-use assets and are subject to impairment in line with the Bank's policy as described in Note 2.6 - Impairment of non-financial assets.

Lease Liabilities

At the commencement date of the lease, the Bank recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (less any lease incentives receivable), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Bank and payments of penalties for terminating the lease, if the lease term reflects exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

(ii) Bank as a Lessor

Leases in which the Bank does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Notes to Financial Statements (Continued)

3. Changes in accounting policies and disclosures

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

The Bank has applied the following standards and amendments for the first time for the annual reporting period commencing 1 January 2020:

- Definition of Material – amendments to IAS 1 and IAS 8
- Definition of a Business – amendments to IFRS 3
- Interest Rate Benchmark Reform – amendments to IFRS 9, IAS 39 and IFRS 7
- Revised Conceptual Framework for Financial Reporting

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

The Bank has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

(b) Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Bank's financial statements are disclosed below. The Bank intends to adopt these standards, if applicable, when they become effective.

IFRS 17 – Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. IFRS 17 introduces new accounting requirements for banking products with insurance features that may affect the determination of which instruments or which components thereof will be in the scope of IFRS 9 or IFRS 17.

Credit cards and similar products that provide insurance coverage: most issuers of these products will be able to continue with their existing accounting treatment as a financial instrument under IFRS 9. IFRS 17 excludes from its scope credit card contracts (and other similar contracts that provide credit or payment arrangements) that meet the definition of an insurance contract if, and only if, the entity does not reflect an assessment of the insurance risk associated with an individual customer in setting the price of the contract with that customer. When the insurance coverage is provided as part of the contractual terms of the credit card, the issuer is required to:

- Separate the insurance coverage component and apply IFRS 17 to it
- Apply other applicable standards (such as IFRS 9, IFRS 15 Revenue from Contracts with Customers or IAS 37 Provisions, Contingent Liabilities and Contingent Assets) to the other components

Loan contracts that meet the definition of insurance but limit the compensation for insured events to the amount otherwise required to settle the policyholder's obligation created by the contract: Issuers of such loans – e.g. a loan with waiver on death – have an option to apply IFRS 9 or IFRS 17. The election would be made at a portfolio level and would be irrevocable.

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

This standard does not impact the Bank in anyway as the Bank does not engage in insurance business.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

As part of its 2018-2020 Annual Improvements to IFRS standards process, the IASB issued an amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Bank will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual period in which it will first apply the amendment and does not expect this will result in a material impact on its financial statements.

Amendment to IAS 1

This amendment relates to classification of Liabilities as Current or Non-current which will provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the balance sheet date.

The amendment only affects the presentation of liabilities in the statement of financial position and not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about

Notes to Financial Statements (Continued)

3. Changes in accounting policies and disclosures (continued)

Amendment to IAS 1 (continued)

those items. The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and are to be applied retrospectively. Earlier application is permitted.

The Bank does not anticipate early adopting the standard and is currently evaluating its impact.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

The standard prohibits an entity from deducting proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management from the cost of an item of property, plant and equipment. Entities are however allowed to recognize the proceeds from selling such items, and the cost of producing those items, in profit or loss.

The amendment is effective for annual periods beginning on or after 1 January 2022. Early adoption is permitted.

The Bank does not anticipate early adopting the standard and is currently evaluating its impact.

4. Financial risk management

The Bank's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the Bank's business, and the operational risks are an inevitable consequence of being in business. The Bank's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on its financial performance. The most important types of risk include; credit risk, liquidity risk and market risk- comprising currency, interest rate and other price risk.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Bank's risk management framework. The Board has established a Risk Management Committee in support of their risk oversight objectives and responsibilities. There is also a Risk Management Department which has responsibility for the implementation of the Bank's risk control principles, frameworks and processes across the entire risk spectrum.

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

4.1 Credit Risk

Credit risk is the risk of financial loss to the Bank if a customer or counterparty to a financial instrument fails to fulfil its contractual obligations. Credit risk arises mainly from interbank, commercial and consumer loans and advances and loan commitments arising from such lending activities but can also arise from credit enhancements provided such as financial guarantees, letters of credits, endorsements and acceptances.

The Bank is also exposed other credit risks arising from investments in debt securities and exposures arising from its other trading activities including settlement balances with market counterparties and reverse purchase agreements.

Credit risk is the single largest risk for the Bank's business; Management therefore carefully manages its exposure to credit risk.

4.1.1 Credit Risk Management

The Board of Directors has delegated responsibility for the management of Credit risk to its Sub-Committee on Risk Management. A separate Credit Department, reporting to the Chief Risk Officer, is responsible for oversight of the Bank's credit risk, including:

- Formulating credit policies in consultation with business units, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements..
- Establishing the authorisation structure for the approval and renewal of credit facilities. Authorisation limits are allocated to business units. Larger facilities require approval by the Board Committee on Risk Management.
- Reviewing and assessing credit risk. The Credit department assesses all credit exposures in excess of designated limits, prior to facilities being committed to customers by the business unit concerned. Renewals and reviews of facilities are subject to the same review process. Limiting concentrations of exposure to counterparties, and industries for loans and advances.
- Developing and maintaining the Bank's risk grading in order to categorise exposures according to the degree of risk of financial loss faced and to focus management's attention on the attendant risks. The responsibility for setting risk grades lies with the Board of Directors. Risk grades are subject to regular reviews by the Risk Management Division.

Notes to Financial Statements (Continued)

4. Financial risk management (continued)

4.1.1 Credit Risk Management (continued)

(i) Significant increase in credit risk

The Bank monitors all financial assets that are subject to impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Bank will measure the loss allowance based on lifetime rather than 12-month ECL. Details of factors that will result in the significant increase in credit risk are disclosed in Note 2.18 (viii).

(ii) Internal Credit Risk Rating

In order to minimise credit risk, the Bank has tasked its credit management committee to develop and maintain the Bank's credit risk grading to categorise exposures according to their degree of risk of default. The Bank's credit risk grading framework comprises ten categories. The credit rating information is based on a range of data that is determined to be predictive of the risk of default and applying experienced credit judgement.

The nature of the exposure and type of borrower are taken into account in the analysis. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default.

The Bank's risk rating buckets and definitions are as follows:

Grade	Description	Rating	Rating bucket	Risk range	Risk range (description)
1	Extremely low risk	Low to fair risk	AAA	90% - 100%	Low risk range
2	Very low risk		AA	80% - 89%	
3	Low risk		A	70% - 79%	
4	Acceptable risk	Monitoring	BBB	60% - 69%	Acceptable risk range
5	Moderately high risk		BB	50% - 59%	
6	High risk	Substandard	B	40% - 49%	High risk range
7	Very high risk		CCC	30% - 39%	
8	Extremely high risk		CC	0% - 29%	
9	High likelihood of default	Doubtful	C	Below 0%	Unacceptable risk range
10	Default	Impaired	D	Below 0%	

The risk ratings are a primary tool for the review and decision making in the credit process. The Bank does not lend on unsecured basis to obligors that are below investment grade (BB and above). The Bank will not lend to obligors in the unacceptable risk range.

The credit risk grades are designed and calibrated to reflect the risk of default as credit risk deteriorates. As the credit risk increases the difference in risk of default between grades changes. Each exposure is allocated to a credit risk grade at initial recognition, based on the available information about the counterparty.

All exposures are monitored and the credit risk grade is updated to reflect current information. The monitoring procedures followed are both general and tailored to the type of exposure.

The following data are typically used to monitor the Bank's exposures:

- Payment record, including payment ratios and ageing analysis;
- Extent of utilisation of granted limit;
- Forbearances (both requested and granted);
- Changes in business, financial and economic conditions;
- Credit rating information supplied by external rating agencies;
- For retail exposures: internally generated data of customer behaviour, affordability metrics etc.

Notes to Financial Statements (Continued)

4. Financial risk management (continued)

4.1.1 Credit Risk Management (continued)

4. Financial risk management

The Bank uses credit risk grades as a primary input into the determination of the term structure of the PD for exposures. The Bank collects performance and default information about its credit risk exposures analysed by jurisdiction or region and by type of product and borrower as well as by credit risk grading. The information used is both internal and external depending on the portfolio assessed.

The Bank analyses all data collected using statistical models and estimates the remaining lifetime PD of exposures and how these are expected to change over time. The factors taken into account in this process include macro-economic data such as GDP growth, unemployment and benchmark interest rates.

The Bank generates a 'base case' scenario of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. The Bank then uses these forecasts, which are probability-weighted, to adjust its estimates of PDs. The Bank uses different criteria to determine whether credit risk has increased significantly per portfolio of assets. The criteria used are both quantitative changes in PDs as well as qualitative.

Internal Credit Risk Rating

Irrespective of the outcome of the above assessment, the Bank presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due unless the Bank has reasonable and supportable information that demonstrates otherwise.

The Bank has monitoring procedures in place to make sure that the criteria used to identify significant increases in credit are effective, meaning that significant increase in credit risk is identified before the exposure is defaulted or when the asset becomes 30 days past due.

The Bank performs periodic back-testing of its ratings to consider whether the drivers of credit risk that led to default were accurately reflected in the rating in a timely manner.

Incorporation of forward looking information

The Bank uses forward-looking information that is available without undue cost or effort in its assessment of significant increase of credit risk as well as in its measurement of ECL. The Bank employs experts who use external and internal information to generate a 'base case' scenario of future forecast of relevant economic variables along with a representative range of other possible forecast scenarios.

The external information used includes economic data and forecasts published by governmental bodies and monetary authorities. The Bank applies probabilities to the forecast scenarios identified. The base case scenario is the single most-likely outcome and consists of information used by the Bank for strategic planning and budgeting.

The Bank has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using a statistical analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses. The Bank has not made changes in the estimation techniques or significant assumptions made during the reporting period.

Measurement of ECL

The key inputs used for measuring ECL are:

• probability of default (PD);

• loss given default (LGD); and

• exposure at default (EAD).

As explained above these figures are generally derived from internally developed models and other historical data and they are adjusted to reflect probability-weighted forward-looking information. PD is an estimate of the likelihood of default over a given time horizon. It is estimated as at a point in time.

The calculation is based on statistical rating models, and assessed using rating tools tailored to the various categories of counterparties and exposures. These statistical models are based on market data (where available), as well as internal data comprising both quantitative and qualitative factors. PDs are estimated considering the contractual maturities of exposures and estimated prepayment rates.

The estimation is based on current conditions, adjusted to take into account estimates of future conditions that will impact PD. LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from any collateral.

The LGD models for secured assets consider forecasts of future collateral valuation taking into account sale discounts, time to realisation of collateral, cross-collateralisation and seniority of claim, cost of realisation of collateral and cure rates (i.e. exit from non-performing status). LGD models for unsecured assets consider time of recovery, recovery rates and seniority of claims.

The calculation is on a discounted cash flow basis, where the cash flows are discounted by the original EIR of the loan. EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after

Notes to Financial Statements (Continued)

4. Financial risk management (continued)

4.1.1 Credit Risk Management (continued)

Measurement of ECL (continued)

the reporting date, including repayments of principal and interest, and expected drawdowns on committed facilities.

The Bank's modelling approach for EAD reflects expected changes in the balance outstanding over the lifetime of the loan exposure that are permitted by the current contractual terms, such as amortisation profiles, early repayment or overpayment, changes in utilisation of undrawn commitments and credit mitigation actions taken before default.

The Bank uses EAD models that reflect the characteristics of the portfolios. The Bank measures ECL considering the risk of default over the maximum contractual period (including extension options) over which the entity is exposed to credit risk and not a longer period, even if contact extension or renewal is common business practice. However, for financial instruments such as credit cards, revolving credit facilities and overdraft facilities that include both a loan and an undrawn commitment component, the Bank's contractual ability to demand repayment and cancel the undrawn commitment does not limit the Bank's exposure to credit losses to the contractual notice period.

For such financial instruments the Bank measures ECL over the period that it is exposed to credit risk and ECL would not be mitigated by credit risk management actions, even if that period extends beyond the maximum contractual period. These financial instruments do not have a fixed term or repayment structure and have a short contractual cancellation period.

However, the Bank does not enforce in the normal day-to-day management the contractual right to cancel these financial instruments. This is because these financial instruments are managed on a collective basis and are cancelled only when the Bank becomes aware of an increase in credit risk at the facility level. This longer period is estimated taking into account the credit risk management actions that the Bank expects to take to mitigate ECL, e.g. reduction in limits or cancellation of the loan commitment.

4.1.2 Risk limit control and mitigation policies

The Bank manages, limits and controls concentrations of credit risk wherever they are identified − in particular, to individual counterparties and banks, and to industries and countries.

The Bank structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or banks of borrowers, and to geographical and industry segments. Such risks are monitored on a revolving basis and subject to an annual or more frequent review, when considered necessary. Limits on the level of credit risk by product and industry sector are approved quarterly by the Board of Directors.

The exposure to any one borrower including banks and brokers is further restricted by sub-limits covering on- and off-balance sheet exposures, and daily delivery risk limits in relation to trading items such as forward foreign exchange contracts. Actual exposures against limits are monitored daily.

Lending limits are reviewed in the light of changing market and economic conditions and periodic credit reviews and assessments of probability of default.

Some other specific control and mitigation measures are outlined below:

(a) Collateral

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

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

Collateral held as security for financial assets other than loans and advances depends on the nature of the instrument. Longer-term finance and lending to corporate entities are generally secured; revolving individual credit facilities are generally unsecured. In addition, in order to minimise the credit loss the Bank will seek additional collateral from the counterparty as soon as impairment indicators are identified for the relevant individual loans and advances.

(b) Financial covenants (for credit related commitments and loan books)

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit carry the same credit risk as loans. Documentary and commercial letters of credit – which are written undertakings by the Bank on behalf of a customer authorising a third party to draw drafts on the Bank up to a stipulated amount under specific terms and conditions – are collateralised by the underlying shipments of goods to which they relate and therefore carry less risk than a direct loan.

Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans,

Notes to Financial Statements (Continued)

4. Financial risk management (continued)

4.1.2 Risk limit control and mitigation policies(continued)

guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Bank is potentially exposed to loss in an amount equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments, as most commitments to extend credit are contingent upon customers maintaining specific credit standards (often referred to as financial covenants).

The Bank monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

4.1.3 Maximum exposure to credit risk before collateral held or other credit enhancements

The Bank's maximum exposure to credit risk is represented by the gross carrying amounts of the financial assets with the exception of financial and other guarantees issued by the Bank for which the maximum exposure to credit risk is represented by the maximum amount the Bank would have to pay if the guarantees are called on. The financial assets are categorised by the industry sectors of the Bank's counterparties.

Loans and advances to customers form 34.6% of the total maximum exposure (2019: 26%); 41.0% represent investments in government securities (2019: 61.0%) and 24.4% represent balances with banks, placements and other assets (2019: 13.0%).

The following table breaks down the Bank's credit exposure at carrying amounts (without taking into account any collateral held or other credit support), as categorised by the industry sectors of the Bank's counterparties

Notes to Financial Statements (Continued)

(All amounts are expressed in Ghana cedis unless otherwise stated)

4. Financial risk management (continued)

4.1.3 Maximum exposure to credit risk before collateral held or other credit enhancements (continued)

On balance sheet

At 31 December 2020	Loans and advances to customers	Cash and balances with Bank of Ghana	Due from other banks	Investment securities	Other financial assets	Total
Agriculture	1,318,842	-	-	-	-	1,318,842
Manufacturing	194,310,775	-	-	-	-	194,310,775
Commerce and Finance	177,718,899	466,731,404	484,340,936	1,723,743,169	76,236,792	2,928,771,200
Transport and communications	19,353,379	-	-	-	-	19,353,379
Building and construction	60,447,806	-	-	-	-	60,447,806
Services	17,640,071	-	-	-	-	17,640,071
Oil and Gas	802,328,988	-	-	-	-	802,328,988
Education	159,558,614	-	-	-	-	159,558,614
Miscellaneous	20,562,460	-	-	-	-	20,562,460
Total	**1,453,239,834**	**466,731,404**	**484,340,936**	**1,723,743,169**	**76,236,792**	**4,204,292,135**
Allowance for credit losses	(344,784,363)	-	-	(1,727,145)	-	(346,511,508)
Net carrying amount	**1,108,455,471**	**466,731,404**	**484,340,936**	**1,722,016,024**	**76,236,792**	**3,857,780,627**

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Notes to Financial Statements (Continued)

(All amounts are expressed in Ghana cedis unless otherwise stated)

4. Financial risk management (continued)

4.1.3 Maximum exposure to credit risk before collateral held or other credit enhancements (continued)

On balance sheet

At 31 December 2019	Loans and advances to customers	Cash and balances with Bank of Ghana	Due from other banks	Investment securities	Other financial assets	Total
Agriculture	169,118	-	-	-	-	169,118
Manufacturing	84,851,639	-	-	-	-	84,851,639
Commerce and Finance	117,913,088	436,595,367	146,989,679	2,887,622,204	23,244,133	3,612,364,471
Transport and communications	12,639,271	-	-	-	-	12,639,271
Building and construction	190,232	-	-	-	-	190,232
Services	39,654,445	-	-	-	-	39,654,445
Oil and Gas	768,880,771	-	-	-	-	768,880,771
Education	152,144,571	-	-	-	-	152,144,571
Miscellaneous	55,571,675	-	-	-	-	55,571,674
Total	**1,232,014,811**	**436,595,367**	**146,989,679**	**2,887,622,204**	**23,244,133**	**4,726,466,193**
Allowance for credit losses	(283,407,473)	-	(67,339)	(1,715,998)	(23,270)	(285,214,079)
Net carrying amount	**948,607,338**	**436,595,367**	**146,922,340**	**2,885,906,206**	**23,220,863**	**4,441,252,114**

Notes to Financial Statements (Continued)

(All amounts are expressed in Ghana cedis unless otherwise stated)

4. Financial risk management (continued)

4.1.3 Maximum exposure to credit risk before collateral held or other credit enhancements (continued)

Off balance sheet

At 31 December 2020	Letters of credit	Letters of guarantee	Loan commitments	Total
Agriculture	-	178,958	-	178,958
Manufacturing	760,346	323,000	518,372	1,601,718
Commerce and Finance	64,502	18,001,303	5,617,455	23,683,260
Transport and communications	-	1,994,862	39,638	2,034,500
Building and construction	-	590,955,916	442,868	591,398,784
Services	835,795	97,307,959	1,419,184	99,562,938
Oil and Gas	77,978,708	3,002,865	3,844,478	84,826,051
Power	-	-	-	-
Mining and quarrying	-	86,558,000	-	86,558,000
Miscellaneous	-	-	492,035	492,035
Total	**79,639,351**	**798,322,863**	**12,374,030**	**890,336,244**
Allowance for credit losses	-	(1,742,960)	-	(1,742,960)
Net carrying amount	**79,639,351**	**796,579,903**	**12,374,030**	**888,593,284**

Notes to Financial Statements (Continued)

(All amounts are expressed in Ghana cedis unless otherwise stated)

4. Financial risk management (continued)

4.1.3 Maximum exposure to credit risk before collateral held or other credit enhancements (continued)

Off balance sheet

At 31 December 2019	Letters of credit	Letters of guarantee	Loan commitments	Total
Agriculture	-	4,739,196	515,760	5,254,956
Manufacturing	-	5,076,064	2,209,671	7,285,735
Commerce and Finance	-	4,437,718	13,887,119	18,324,837
Transport and communications	-	36,526,346	56,482	36,582,828
Building and construction	-	498,155,217	-	498,155,217
Services	2,546,008	18,920,487	176,115	21,642,610
Oil and Gas	38,154,862	1,103,567	6,847,487	46,105,916
Power	-	11,331,261	-	11,331,261
Mining and quarrying	-	83,005,500	-	83,005,500
Miscellaneous	-	98,015,955	475,928	98,491,883
Total	**40,700,870**	**761,311,311**	**24,168,562**	**826,180,743**
Allowance for credit losses	(17,892)	(1,701,258)	-	(1,719,150)
Net carrying amount	**40,682,978**	**759,610,053**	**24,168,562**	**824,461,593**

Notes to Financial Statements (Continued)

4. Financial risk management (continued)

4.1.4 Credit Quality

The Bank manages the credit quality of its financial assets using internal credit ratings. It is the Bank's policy to maintain accurate and consistent risk ratings across the credit portfolio. This facilitates focused management of the applicable risks and the comparison of credit exposures across all lines of business, geographic regions and products. The rating system is supported by a variety of financial analytics, combined with processed market information to provide the main inputs for the measurement of counterparty risk. All internal risk ratings are tailored to the various categories and are derived in accordance with the Bank's rating policy. The attributable risk ratings are assessed and updated regularly.

The credit quality of the Bank's loans and advances are categorised as follows:

Stage 1 Loans and Advances

These are loans and advances that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (where the optional simplification is applied) at the reporting date. They are considered "performing" credits and are rated 1 in the Bank's internal credit risk grading system.

Stage 2 Loans and Advances

These are loans and advances that have deteriorated significantly in credit quality since initial recognition but do not have objective evidence of a credit loss event. These are considered "the Watch list credit" in the Bank's internal credit risk grading system and are rated 2.

Stage 3 Loans and Advances

These are loans and advances that have objective evidence of a credit loss event. Stage 3 allocation is driven by either the identification of credit impairment or an exposure being classified as defaulted. These loans are considered "non performing" in the Bank's internal credit risk grading system and are rated 3 or 4.

Loans with renegotiated terms

The contractual terms of a loan may be modified for a number of reasons including changing market conditions, customer retention and other factors not related to a current or potential credit deterioration of the customer. The Bank renegotiates loans to customers to maximise collection opportunities and minimise the risk of default. The revised terms of renegotiated facilities usually include extended maturity, changing timing of interest payments and amendments to the terms of the loan agreement. As at 31 December 2020, the carrying amount of loans with renegotiated terms was GHS 8.2 million (December 2019: 126.7 million).

Impairment assessment

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

The ECL model has three stages. The Bank recognises a 12-month expected loss allowance on initial recognition (stage 1) and a lifetime expected loss allowance when there has been a significant increase in credit risk since initial recognition (stage 2). Stage 3 requires objective evidence that an asset is credit-impaired and then a lifetime expected loss allowance is recognised.

Write-off policy

The Bank writes off a loan / security balance (and any related allowances for impairment losses) when the Credit department determines that the loans are uncollectible. This determination is reached after considering information such as the occurrence of significant changes in the borrower's financial position such that the borrower can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure.

For smaller balance standardised loans, charge off decisions generally are based on a product specific past due status. Loan write off requires approval of the Board of Directors and the Bank of Ghana.

Credit Risk Exposure

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

Notes to Financial Statements (Continued)

4. Financial risk management (continued)

4.1.4 Credit Quality (continued)

Impairment assessment under IFRS 9 (continued)

Loans and advances to customers at amortised cost	**Stage 1**	**Stage 2**	**Stage 3**		**Total**
31 December 2020	**12-month ECL**	**Lifetime ECL**	**Lifetime ECL**	**Purchased credit-impaired**	
Grades 1-3: Low to fair risk	809,253,471	-	-	-	809,253,471
Grades 4-5: Monitoring	-	-	-	-	-
Grades 6-8 : Substandard	-	-	195,670,523	-	195,670,523
Grade 9 : Doubtful	-	-	-	-	-
Grades 9-10 : Impaired	-	-	448,315,840	-	448,315,840
Gross carrying amount	**809,253,471**	**-**	**643,986,363**	**-**	**1,453,239,834**
Loss allowance	(9,892,320)	-	(334,892,043)	-	(344,784,363)
Carrying amount	**799,361,150**	**-**	**309,094,320**	**-**	**1,108,455,471**

	Stage 1	**Stage 2**	**Stage 3**		**Total**
31 December 2019	**12-month ECL**	**Lifetime ECL**	**Lifetime ECL**	**Purchased credit-impaired**	
Grades 1-3: Low to fair risk	553,910,709	-	-	-	553,910,709
Grades 4-5: Monitoring	-	-	-	-	-
Grades 6-8 : Substandard	-	-	678,104,102	-	678,104,102
Grade 9 : Doubtful	-	-	-	-	-
Grades 9-10 : Impaired	-	-	-	-	-
Gross carrying amount	553,910,709	-	678,104,102	-	1,232,014,811
Loss allowance	(3,639,364)	-	(279,768,109)	-	(283,407,473)
Carrying amount	**550,271,345**	**-**	**398,335,993**	**-**	**948,607,338**

Notes to Financial Statements (Continued)

4. Financial risk management (continued)

4.1.4 Credit Quality (continued)

Impairment assessment under IFRS 9 (continued)

Investment securities

	Stage 1	Stage 2	Stage 3		Total
31 December 2020	**12-month ECL**	**Lifetime ECL**	**Lifetime ECL**	**Purchased credit-impaired**	
Grades 1-3: Low to fair risk	1,723,743,169	-	-	-	1,723,743,169
Gross carrying amount	**1,723,743,169**	**-**	**-**	**-**	**1,723,743,169**
Loss allowance	(1,727,145)	-	-	-	(1,727,145)
Carrying amount	**1,722,016,024**	**-**	**-**	**-**	**1,722,016,024**

	Stage 1	Stage 2	Stage 3		Total
31 December 2019	**12-month ECL**	**Lifetime ECL**	**Lifetime ECL**	**Purchased credit-impaired**	
Grades 1-3: Low to fair risk	2,887,622,204	-	-	-	2,887,622,204
Gross carrying amount	**2,887,622,204**	**-**	**-**	**-**	**2,887,622,204**
Loss allowance	(1,715,998)	-	-	-	(1,715,998)
Carrying amount	**2,885,906,206**	**-**	**-**	**-**	**2,885,906,206**

Notes to Financial Statements (Continued)

4. Financial risk management (continued)

4.1.4 Credit Quality (continued)

Impairment assessment under IFRS 9 (continued)

Other assets

Other assets	**Stage 1**	**Stage 2**	**Stage 3**		**Total**
31 December 2020	**12-month ECL**	**Lifetime ECL**	**Lifetime ECL**	**Purchased credit-impaired**	
Grades 1-3: Low to fair risk	76,236,792	-	-	-	76,236,792
Grades 9-10 : Impaired	-	-	-	-	-
Gross carrying amount	**76,236,792**	**-**	**-**	**-**	**76,236,792**
Loss allowance	-	-	-	-	-
Carrying amount	**76,236,792**	**-**	**-**	**-**	**76,236,792**

	Stage 1	**Stage 2**	**Stage 3**		**Total**
31 December 2019	**12-month ECL**	**Lifetime ECL**	**Lifetime ECL**	**Purchased credit-impaired**	
Grades 1-3: Low to fair risk	23,220,863	-	-	-	23,220,863
Grades 9-10 : Impaired	-	-	23,270	-	23,270
Gross carrying amount	**23,220,863**	**-**	**23,270**	**-**	**23,244,133**
Loss allowance	-	-	(23,270)	-	(23,270)
Carrying amount	**23,220,863**	**-**	**-**	**-**	**23,220,863**

Notes to Financial Statements (Continued)

4. Financial risk management (continued)

4.1.4 Credit Quality (continued)

Impairment assessment under IFRS 9 (continued)

Off balance sheet

	Stage 1	Stage 2	Stage 3		Total
31 December 2020	**12-month ECL**	**Lifetime ECL**	**Lifetime ECL**	**Purchased credit-impaired**	
Grades 1-3: Low to fair risk	890,336,244	-	-	-	890,336,244
Gross carrying amount	**890,336,244**	**-**	**-**	**-**	**890,336,244**
Loss allowance	(1,742,960)	-	-	-	(1,742,960)
Carrying amount	**888,593,284**	**-**	**-**	**-**	**888,593,284**

	Stage 1	Stage 2	Stage 3		Total
31 December 2019	**12-month ECL**	**Lifetime ECL**	**Lifetime ECL**	**Purchased credit-impaired**	
Grades 1-3: Low to fair risk	826,180,743	-	-	-	826,180,743
Gross carrying amount	**826,180,743**	**-**	**-**	**-**	**826,180,743**
Loss allowance	(1,719,150)	-	-	-	(1,719,150)
Carrying amount	**824,461,593**	**-**	**-**	**-**	**824,461,593**

Loss allowance

The loss allowance recognised in the period is impacted by a variety of factors, as described below:

- Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent “step up” (or “step down”) between 12-month and lifetime ECL;
- Additional allowances for new financial instruments recognised during the period as well as releases for financial instruments derecognised during the period;
- Impact on the measurement of ECL due to changes in PD’s, EAD’s and LGD’s in the period, arising from regular refreshing of inputs to models;
- Impacts on the measurement of ECL due to changes made to models and assumptions;
- Discount unwind within ECL due to passage of time, as ECL is measured on a present value basis;
- Foreign exchange translations for assets denominated in foreign currencies and other movements; and
- Financial assets derecognised during the period and write-offs of allowances related to assets that were written off during the period.

Notes to Financial Statements (Continued)

4. Financial risk management (continued)

4.1.5 Credit Concentration

The Bank monitors concentrations on credit risk by sector, geographic location and industry. The analysis of concentrations of credit risk by location at the reporting date is shown below:

	2020		2019	
	In Ghana	**Outside Ghana**	In Ghana	Outside Ghana
Assets				
Cash and cash equivalents	**555,962,367**	**395,109,972**	486,633,078	96,884,629
Investment securities - amortised cost	**1,072,087,683**	**177,419,309**	2,359,884,813	191,009,557
Investment securities - FVOCI	**472,509,032**	**-**	335,011,836	-
Loans to customers	**1,108,455,471**	**-**	948,607,338	-
Other financial assets	**76,236,792**	**-**	23,220,863	-
	3,285,251,345	**572,529,281**	4,153,357,928	287,894,186
Liabilities				
Deposits from customers	**2,786,764,201**	**-**	2,338,800,005	-
Deposits from banks	**72,444,352**	**-**	424,909,361	813,453,900
Other financial liabilities	**43,514,054**	**-**	21,960,158	-
	2,902,719167	**-**	2,785,669,524	813,453,900
Off Balance Sheet Items				
Letters of credit	**-**	**79,639,351**	-	40,700,870
Guarantees	**383,393,811**	**414,929,052**	761,311,311	-
	383,393,811	**494,568,403**	761,311,311	40,700,870

4.1.6 Credit Collateral

The Bank holds collateral against loans and advances to customers in the form of cash, treasury bills/certificates, stock and shares of reputable quoted companies, legal mortgages, debentures and guarantees. Estimates of fair value are based on the value of collateral assessed at the time of borrowing, and updated periodically.

Collateral generally is not held over placements with other Banks, except when securities are held as part of reverse repurchase and securities borrowing activity. Collateral is usually also not held against investment securities.

An estimate of the fair value of collateral and other security enhancements held against loans and advances to customers is shown below:

	Dec 2020	Dec 2019
Against stage 3 loans	348,175,198	666,381,344
Against stage 2 loans	-	-
Against stage 1 loans	839,374,916	458,041,798
	1,187,550,114	**1,124,423,142**

Notes to Financial Statements (Continued)

4. Financial risk management (continued)

4.1.6 Credit Collateral (continued)

Details of collateral held against loans and advances and their carrying amounts are shown below. The Bank manages collaterals for loans and advances based on the nature of those collaterals.

	Dec 2020		Dec 2019	
	Total exposure	**Value of collateral**	**Total exposure**	**Value of collateral**
Secured against real estate	144,253,217	208,924,485	52,594,584	122,873,770
Secured against cash	157,752,194	158,286,326	88,676,061	88,676,060
Secured against other collateral*	1,151,234,423	820,339,303	1,090,744,166	912,873,312
Unsecured	-	-	-	-
	1,453,239,834	**1,187,550,114**	**1,232,014,811**	**1,124,423,142**

* Other collateral are mainly domiciliation of payments (sales, invoices, salaries, allowances and terminal benefits), lien on shipping documents, corporate guarantees and similar collaterals.

Other financial assets comprising cash and bank balances (including balances with the central bank), investment securities and accounts receivable are not secured. The Bank's investment in government securities as well as balances held with the Central Bank are not considered to require collaterals given their sovereign nature.

During the year, the Bank did not take possession of any security held as collateral against loans (2019: nil).

4.2 Liquidity risk

Liquidity risk is the risk that the Bank does not have sufficient financial resources to meet maturing obligations or can only access these financial resources at excessive cost. Liquidity risk arises because of the possibility that the Bank may be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of cash flows under normal and stress circumstances. To limit this risk, management has arranged for diversified funding sources in addition to its core deposit base, and adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a daily basis. The Bank met all its financial commitments and obligations without any liquidity risk issues during the year.

4.2.1 Management of liquidity risk

The Bank's liquidity management process, which is carried out within the Bank and monitored by a separate team in the Risk Management department includes:

(i) Day-to-day funding, managed by monitoring future cash flows to ensure that requirements can be met. This includes replenishment of funds as they mature or are borrowed by customers;

(ii) Maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;

(iii) Monitoring the liquidity ratios of the statement of financial position against internal and regulatory requirements; and

(iv) Managing the concentration and profile of debt maturities.

Monitoring and reporting take the form of cash flow measurement and projections for the next day, week and month respectively, as these are key periods for liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets. The Bank's Risk Management department also monitors unmatched medium-term assets, the level and type of undrawn lending commitments, the usage of overdraft facilities and the impact of contingent liabilities such as standby letters of credit and guarantees.

Notes to Financial Statements (Continued)

4. Financial risk management (continued)

4.2.2 Funding approach

The Bank manages its liquidity prudently in all locations and for all currencies. The principal uncertainties for liquidity risk are that customers withdraw their deposits at a substantially faster rate than expected, or that asset repayments are not received on the expected maturity date. To mitigate these uncertainties, our funding base is diverse and largely customer-driven, while customer assets are of short tenor. In addition, we have contingency funding plans including a portfolio of liquid assets that can be realised if a liquidity stress occurs, as well as ready access to wholesale funds under normal market conditions. We have significant levels of marketable securities, including government securities that can be monetised or pledged as collateral in the event of a liquidity stress.

Contingency funding plans are reviewed annually. They provide a broad set of Early Warning Indicators, an escalation framework and a set of management actions that could be effectively implemented by the appropriate level of senior management in the event of a liquidity stress.

4.2.3 Exposure to liquidity risk

The key measure used by the Bank for managing liquidity risk is the ratio of net liquid assets to deposits from customers. For this purpose, net liquid assets are considered as including cash and cash equivalents and investment grade debt securities for which there is an active and liquid market less any deposits from Banks, debt securities issued, other borrowings and commitments maturing within the next month. Details of the Bank's (liquid ratio) ratio of net liquid assets to customer deposits at the reporting date was as follows:

	31 Dec 2020	31 Dec 2019
At 31 December	**74.3%**	77.4%
Average for the year	**75.5%**	83.8%
Maximum for the year	**95.1%**	94.2%
Minimum for the year	**67.2%**	72.1%

4.2.4 Analysis of financial assets and liabilities by remaining contractual maturities

The tables below show the undiscounted cash flow on the Bank's financial liabilities and on the basis of the earliest possible contractual maturity. The Gross nominal inflow/outflow disclosed in the table is the contractual, undiscounted cash flows on the financial liabilities or commitments. The Bank's expected cash flows on some financial assets and financial liabilities vary significantly from the contractual cash flows. Demand and savings deposits are expected to remain stable or increase.

Notes to Financial Statements (Continued)

4. Financial risk management (continued)

4.2.4 Analysis of financial assets and liabilities by remaining contractual maturities (continued)

At 31 December 2020	Gross Nominal Amount	Up to 3 months	3-6 months	6-12 months	Over 1 year	Carrying Amount
Financial liabilities						
Deposits from customers	2,796,788,811	2,681,335,978	108,672,162	6,780,672	-	2,786,764,201
Deposits from banks	72,508,892	72,508,892	-	-	-	72,444,352
Other financial liabilities	43,513,710	16,210,949	1,472,803	-	25,829,958	43,513,710
Total financial liabilities	**2,912,811,413**	**2,770,055,819**	**110,144,965**	**6,780,672**	**25,829,958**	**2,902,722,263**
Assets used to manage liquidity						
Cash and bank balances	951,390,928	951,390,928	-	-	-	951,072,339
Investment securities	1,952,672,618	352,612,380	725,795,503	695,127,762	179,136,973	1,722,016,024
Loans and advances to customers	1,333,417,521	520,144,250	215,339,051	75,874,653	522,059,567	1,108,455,471
Other financial assets	76,236,792	76,236,792	-	-	-	76,236,792
Total financial assets	**4,377,593,552**	**1,900,348,189**	**934,719,371**	**765,178,237**	**777,347,755**	**3,857,780,626**
Net liquidity gap	**1,464,781,795**	**(869,707,974)**	**826,047,209**	**758,397,566**	**750,044,994**	**955,058,019**

The net liquidity gap is funded by the shareholders' funds.

Notes to Financial Statements (Continued)

4. Financial risk management (continued)

4.2.4 Analysis of financial assets and liabilities by remaining contractual maturities (continued)

At 31 December 2019	Gross Nominal Amount	Up to 3 months	3-6 months	6-12 months	Over 1 year	Carrying Amount
Financial liabilities						
Deposits from customers	2,351,196,845	2,311,477,799	35,368,068	1,506,892	2,844,086	2,338,800,005
Deposits from banks	1,243,404,909	1,243,404,909	-	-	-	1,238,363,261
Other financial liabilities	22,713,445	12,544,076	-	-	10,169,369	21,960,158
Total financial liabilities	**3,617,315,199**	**3,567,426,784**	**35,368,068**	**1,506,892**	**13,013,455**	**3,599,123,424**
Assets used to manage liquidity						
Cash and bank balances	583,836,295	583,836,295	-	-	-	583,517,707
Investment securities	3,078,503,799	819,298,883	1,077,198,384	871,195,337	310,811,195	2,885,906,206
Loans and advances to customers	981,476,478	689,311,575	5,310,104	9,631,819	277,222,980	948,607,338
Other financial assets	23,220,863	23,220,863	-	-	-	23,220,863
Total financial assets	**4,667,037,435**	**2,115,667,616**	**1,082,508,488**	**880,827,156**	**588,034,175**	**4,441,272,114**
Net liquidity gap	**1,049,722,236**	**(1,451,759,168)**	**1,047,140,420**	**879,320,264**	**575,020,720**	**842,128,690**

The net liquidity gap is funded by the shareholders’ funds.

Notes to Financial Statements (Continued)

4. Financial risk management (continued)

4.2.5 Assets held for managing liquidity risk

The Bank holds a diversified portfolio of cash and high-quality highly-liquid securities to support payment obligations and contingent funding in a stressed market environment. The Bank's assets held for managing liquidity risk comprise:

(I) Cash and balances with Bank of Ghana;

(II) Placement and balances with other Banks;

(III) Government bonds and other securities that are readily acceptable in repurchase agreements

(IV) Short term loans and advance

4.3 Market risks

The Bank takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads, foreign exchange rates and equity prices. The Bank separates exposures to market risk into either trading or non-trading portfolios.

Overall responsibility for management of market risk rests with the Assets and Liability Committee (ALCO). The risk department is responsible for the development of detailed market risk management policies (subject to review and approval by ALCO) and for the day to day implementation of those policies. The Board Sub-Committee on Risk Management has oversight responsibility for market risk management.

4.3.1 Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Bank takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce losses in the event that unexpected movements arise. The Board sets limits on the level of mismatch of interest rate repricing and value at risk that may be undertaken, which is monitored daily by Bank Treasury.

Interest rates on advances to customers and other risk assets are based on the individual risk profile of the customer, taking into account the Bank's cost of fund.

The Asset and Liability Committee closely monitors the interest rate trends to minimize the potential adverse impact of interest rate changes.

Notes to Financial Statements (Continued)

4. Financial risk management (continued)

4.3.1 Interest rate risk (continued)

The table below summarises the Bank's exposure to interest rate risks. Included in the table are the Bank's financial assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates. The Bank does not bear an interest rate risk on off balance sheet items.

At 31 December 2020	Up to 3 months	3-6 months	6-12 months	Over 1 year	Non-interest bearing	Total
Financial assets						
Cash and bank balances	252,301,071	-	-	-	698,771,269	951,072,339
Investment securities	344,063,871	668,575,828	635,317,686	74,058,639	-	1,722,016,024
Loans and advances to customers	532,411,077	204,077,567	75,126,528	296,840,300	-	1,108,455,471
Other financial assets	-	-	-	-	76,236,792	76,236,792
Total financial assets	**1,142,349,279**	**861,425,256**	**703,942,778**	**375,055,252**	**775,008,060**	**3,857,780,626**
Financial liabilities						
Deposits from customers	1,103,579,957	92,095,000	6,210,911	-	1,584,878,333	2,786,764,201
Deposits from banks	72,444,352	-	-	-	-	72,444,352
Other financial liabilities	-	-	-	-	43,514,054	43,514,054
Total financial liabilities	**1,176,024,308**	**92,095,000**	**6,210,911**	**-**	**1,628,392,387**	**2,902,722,607**
Interest rate sensitivity gap	**(33,675,029)**	**769,330,256**	**697,731,867**	**375,055,252**	**(853,384,327)**	**955,058,019**

Notes to Financial Statements (Continued)

4. Financial risk management (continued)

4.3.1 Interest rate risk (continued)

At 31 December 2019	Up to 3 months	3-6 months	6-12 months	Over 1 year	Non-interest bearing	Total
Financial assets						
Cash and bank balances	96,802,509	-	-	-	486,715,198	583,517,707
Investment securities	818,168,070	1,077,198,384	831,542,283	158,997,469	-	2,885,906,206
Loans and advances to customers	688,121,810	2,223,092	6,426,577	251,835,859	-	948,607,338
Other financial assets	-	-	-	-	23,220,863	23,220,863
Total financial assets	**1,603,092,389**	**1,079,421,476**	**837,968,860**	**410,833,328**	**509,936,061**	**4,441,252,114**
Financial liabilities						
Deposits from customers	963,540,542	33,562,135	1,366,561	2,584,369	1,337,746,398	2,338,800,005
Deposits from banks	1,238,363,261	-	-	-	-	1,238,363,261
Borrowings	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	21,960,158	21,960,158
Total financial liabilities	**2,201,903,803**	**33,562,135**	**1,366,561**	**2,584,369**	**1,359,706,556**	**3,599,123,424**
Interest rate sensitivity gap	**(598,811,414)**	**1,045,859,341**	**836,602,299**	**408,248,959**	**(849,770,495)**	**842,128,690**

Notes to Financial Statements (Continued)

4. Financial risk management (continued)

4.3.1 Interest rate risk (continued)

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of the Bank.

Sensitivity analysis

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

Sensitivity analysis of interest rate risks - Increase of 100 basis points in net interest margin

	2020	2019
Interest income impact	**30,827,726**	39,313,161
Interest expense impact	**(12,743,302)**	(22,394,169)
Net impact on profit	**18,084,424**	16,918,992

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

4.3.2 Foreign exchange risk

The Bank operates wholly within Ghana and its assets and liabilities are carried in local currency. The Bank maintains trade with correspondent Banks and takes deposits and lends in foreign currencies. The Bank is exposed to the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Bank's currency position and exposure are managed within the exposure guideline of 5% and 10% of the core capital for single currency position and aggregate currency position respectively as stipulated by the Bank of Ghana. These positions are reviewed on a daily basis by management.

The Bank applied the Bank of Ghana mid-rates indicated below to translate balances denominated in foreign currencies to Ghana cedi as at 31 December 2020:

Currency	**31 Dec 2020**	31 Dec 2019
USD	**5.7602**	5.5337
GBP	**7.8742**	7.3164
EUR	**7.0643**	6.2114

Notes to Financial Statements (Continued)

4. Financial risk management (continued)

4.3.2 Foreign exchange risk (continued)

The table below summarises the Bank's exposure to foreign currency exchange rate risk as at the reporting date.

As at 31 December 2020

Financial assets	GH¢	USD	EUR	Others	Total
Cash and bank balances	437,872,166	431,793,737	62,817,014	18,589,423	951,072,340
Investment securities	1,544,596,716	177,419,309	-	-	1,722,016,025
Loans and advances to customers	1,108,225,726	229,745	-	-	1,108,455,471
Other financial assets	76,045,803	190,989	-	-	76,236,792
Total financial assets	**3,166,740,411**	**609,633,780**	**62,817,014**	**18,589,423**	**3,857,780,628**
Financial liabilities					
Deposits from customers	2,190,572,717	518,743,583	60,327,988	17,119,914	2,786,764,202
Deposits from banks	60,923,952	11,520,400	-	-	72,444,352
Other financial liabilities	36,524,329	5,658,095	1,247,033	84,604	43,514,061
Total financial liabilities	**2,288,020,998**	**535,922,078**	**61,575,021**	**17,204,518**	**2,902,722,615**
Net balance sheet position	**878,719,413**	**73,711,702**	**1,241,993**	**1,384,905**	**955,058,013**
Off balance sheet items					
Letters of credit	-	79,574,849	64,502	-	79,639,351
Letters of guarantee	383,393,810	247,102,287	167,826,766	-	798,322,863
Loan commitments	12,374,030	-	-	-	12,374,030

Notes to Financial Statements (Continued)

(All amounts are expressed in Ghana cedis unless otherwise stated)

4. Financial risk management (continued)

4.3.2 Foreign exchange risk (continued)

The table below summarises the Bank's exposure to foreign currency exchange rate risk as at the reporting date.

As at 31 December 2019

Financial assets	GH¢	USD	EUR	Others	Total
Cash and bank balances	425,360,781	107,143,541	25,200,228	25,813,157	583,517,707
Investment securities	2,694,896,649	191,009,557	-	-	2,885,906,206
Loans and advances to customers	770,498,372	178,108,966	-	-	948,607,338
Other financial assets	22,310,097	910,766	-	-	23,220,863
Total financial assets	**3,913,065,899**	**477,172,830**	**25,200,228**	**25,813,157**	**4,441,252,114**
Financial liabilities					
Deposits from customers	1,673,237,556	617,231,371	21,973,968	26,357,110	2,338,800,005
Deposits from banks	62,322,690	1,176,040,571	-	-	1,238,363,261
Other financial liabilities	17,031,574	3,796,335	1,015,134	117,115	21,960,158
Borrowings	**-**	**-**	**-**	**-**	**-**
Total financial liabilities	**1,752,591,820**	**1,797,068,277**	**22,989,102**	**26,474,225**	**3,599,123,424**
Swap contracts	(1,356,130,000)	1,356,130,000	-	-	-
Net balance sheet position	804,344,079	36,234,553	2,211,126	(661,068)	842,128,690
Off balance sheet items					
Letters of credit	-	40,545,585	155,285	-	40,700,870
Letters of guarantee	339,805,422	421,437,508	-	68,381	761,311,311
Loan commitments	24,168,562	-	-	-	24,168,562

Notes to Financial Statements (Continued)

(All amounts are expressed in Ghana cedis unless otherwise stated)

4. Financial risk management (continued)

4.3.2 Foreign exchange risk (continued)

Sensitivity analysis

A 5% strengthening of the cedi against foreign currencies at 31 December 2020 would have impacted equity and profit / (loss) by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 31 December 2019:

	2020	2019
Loss	**(5,272,771)**	(1,889,231)

A 5% weakening of the Ghana cedi against foreign currencies at 31 December 2020 would have had the equal but opposite effect on the amount shown above, on the basis that all other variables remain constant.

4.4 Operational risks

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Bank's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Bank's operations and are faced by all business entities.

The Bank's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Bank's or Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall Bank standards for the management of operational risk in the following areas:

Requirements for appropriate segregation of duties, including the independent authorisation of transactions

- Requirements for the reconciliation and monitoring of transactions
- Compliance with regulatory and other legal requirements
- Documentation of controls and procedures
- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- Requirements for the reporting of operational losses and proposed remedial action
- Development of contingency plans
- Training and professional development
- Ethical and business standards
- Risk mitigation, including insurance where this is effective.

Compliance with Bank standards is supported by a programme of periodic reviews undertaken by Internal Audit. The results of Internal Audit reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the Audit Committee and senior management of the Bank.

Notes to Financial Statements (Continued)

COVID-19 impact on the Bank for the year ended 31 December 2020

In the first quarter of 2020, the outbreak of COVID-19 was declared a pandemic by the World Health Organization. The COVID-19 pandemic has resulted in authorities implementing numerous measures attempting to contain the spread and impact of COVID-19, such as travel bans and restrictions, quarantines, shelter-in-place orders and limitations on business activity, including closures. These measures are, among other things, severely restricting global economic activity, which is disrupting global supply chains, lowering asset valuations, significantly increasing unemployment and underemployment levels, decreasing liquidity in markets for certain securities and causing significant volatility and disruptions in the financial, energy and commodity markets. These measures have also negatively impacted, and could continue to negatively impact Ghanaian businesses, market participants, our counterparties and customers, and the global economy for a prolonged period.

In response to spill over and consequential adverse effect of the pandemic on the Ghanaian economy, the Government of Ghana and the Bank of Ghana (BOG) came up with measures to support affected households, businesses, regulated financial institutions and other stakeholders. The BOG announced a number of policy and regulatory measures in March and May 2020, including the following:

- Reduction of Monetary Policy Rate (MPR) by 150 basis points to 14.5%.
- Reduction of the cash reserve ratio (CRR) from 10% to 8% for banks, from 8% to 6% for savings and loans, finance houses and rural and community banks, and from 10% to 8% for microfinance companies.
- Reduction of the capital conservation buffer from 3% to 1.5% to enable banks lend to the critical sectors of the economy.
- Reduction in provisioning for Other Loans Especially Mentioned (OLEM) category from 10% to 5% for loans that may experience difficulty in payment to offer Profit and Loss (P&L) reliefs to banks.

Additionally, the Bank of Ghana issued regulatory guidance on the:

1. The prudential treatment of credit repayment relief and loan restructuring measures for banks and specialized deposit-taking institutions (SDI's) during the COVID-19 pandemic.
2. Guidance notes for the application of IFRS 9 expected credit loss (ECL) impairment model in response to the COVID-19 pandemic.

The regulator also asked banks to ensure that bank-owned and bank-operated interfaces that customers interact with physically (e.g. banking halls, ATMs, money counting machines, etc.) are sanitised frequently.

Our response to the COVID-19 pandemic:

In response to the pandemic, we have also implemented protocols and processes to help protect our employees, operations and customers. These measures include:

1. **Economic Support:** We are actively engaged in lending activities to support our customers and the real economy across our businesses. We have responded to these unprecedented conditions from a position of strength, and are able to support our customers with advice, credit and liquidity at a time they need those the most. We are actively involved in the execution of government-backed programs to assist businesses.
2. **Support for Communities:** We recognize the strain and hardship the current situation is causing to our stakeholders. Being in a position to help and in order to support those who are directly involved in battling the spread of the virus, we donated a sum of $350,000 (GHS 1.94 million) to the Government of Ghana's COVID-19-related aid projects. Additionally, we continue to sensitise the public through our Corporate Social Responsibility department of the risks inherent in disregard to social distancing, non-use of face masks and regular handwashing.
3. **Support for employees:** Our employees' response across the Bank to the current pandemic has been remarkable; they have demonstrated resilience, dedication and customers' focus. As our employees are not isolated from the hardships caused by the pandemic, we are providing them with additional support. Over 70% of our employees can effectively work remotely, and we have enhanced procedures to safeguard those whose presence in our facilities is

Notes to Financial Statements (Continued)

critical. We are also providing extra flexibility for employees to address other post-isolation evolving needs.

4. **Operational Resilience:** Operating our businesses from remote locations, leveraging our business continuity plans and capabilities that include having majority of employees work from home, and other employees operating using pre-planned contingency strategies for critical site-based operations. These arrangements allowed us to continue to serve our customers. With a significant component of our workforce now working outside of our offices, we face new challenges and operational risks, including maintenance of supervisory and surveillance controls, as well as increased fraud and data security risks.

We have taken measures that we believe are appropriate to manage these risks, although such measures have never been tested on the scale or duration that we are currently experiencing.

Key risks and impact on Financial Performance

As a result of the pandemic, financial institutions were exposed to key risks including liquidity risk, capital deterioration, decline in asset quality, business and operating risks.

Like most other financial institutions, the impact of the COVID-19 pandemic undercut the bank's operating income during the financial year. Consequent to the declaration of Covid-19 as global pandemic, travel bans by governments, business closures, restrictions around international trading activities have impacted on the bank's trade transactions and FX remittance income, respectively. Treasury activities was also impacted by Covid-19 owing to businesses lockdown during the same period.

Conversely, Covid-19 directly and indirectly led to a downturn in the Bank's operating costs in Q2-20 particularly as it relates to printing and stationery, business travels (both local and foreign), adverts, promotion branding costs and others; and thus resulted in cost savings.

The Bank also experienced an increase in impairment charges arising from the impact of COVID-19 as a result of the adverse economic developments, the sharp decline in macro- economic variables and the increase in volatility in the second quarter. In addition, increases in credit impairments were recognized for some counterparties that were already credit-impaired before the impact of the COVID-19 pandemic came into full effect.

In connection with reviewing our financial condition in light of the pandemic, we evaluated our assets for potential impairment, and reviewed fair values of financial instruments that are carried at fair value. Based upon our review as of December 31, 2020, no impairments have been recorded and there have been no significant changes in fair value hierarchy classifications.

The Bank is endowed with strong and diversified funding base to sustain its business throughout the period of the crisis and take advantage of market opportunities as they arise.

The Bank remains adequately capitalised with a capital adequacy ratio (CAR) of 24.4% (2019 : 22.3%). Also, liquidity ratio stood at 74.3% as at 31st December 2020 (2019: 77.4%).

The Bank has reviewed the current uncertainty as a result of this pandemic and nothing has come to the attention of the Directors to indicate that the Bank will not remain a going concern for at least twelve months from the date of this statement.

4.5 Fair value measurement

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the company's market assumptions. These two types of inputs have created the following fair value hierarchy:

Level 1 - inputs that are quoted market prices (unadjusted) in active markets for identical instruments. The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3 - inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant

Notes to Financial Statements (Continued)

(All amounts are expressed in Ghana cedis unless otherwise stated)

4. Financial risk management (continued)

4.5 Fair value measurement (continued)

unobservable adjustments or assumptions are required to reflect differences between the instruments.

Valuation techniques include net present value and discounted cashflow models, comparison with similar instruments for which market observable prices exist, Black-Scholes and polynomial option pricing models and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rate, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations.

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised. All fair value measurements are recurring.

31 December 2020	**Level 1**	**Level 2**	**Level 3**	**Total**
Investment securities at FVOCI				
Government bonds	-	472,509,032	-	472,509,032
Total	**-**	**472,509,032**	**-**	**472,509,032**
31 December 2019				
Investment securities at FVOCI				
Government bonds	-	335,011,836	-	335,011,836
Total	**-**	**335,011,836**	**-**	**335,011,836**

There has been no change in the valuation techniques and inputs used in the valuation of fair value measurements categorised as level 2 in the fair value hierarchy.

During the year, there were no transfers between levels of the fair value hierarchy.

The carrying amount of financial assets and liabilities not measured at fair value, is deemed to be a reliable estimate of fair value.

4.6 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position where the Bank currently has a legally enforceable right to set-off the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. In the normal course of business, the Bank may enter into various master netting agreements or other similar arrangements that do not meet the criteria for offsetting in the statement of financial position but still allow for the related amounts to be set off in certain circumstances.

Except for electronic banking and similar payment transactions for which the standard terms of agreement allow for net settlement of payments in the normal course of business, the Bank has no financial instruments that are offset, or subject to enforceable master netting arrangements or other similar agreements but not offset, as at the reporting date (2019: nil).

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(All amounts are expressed in Ghana cedis unless otherwise stated)

5. Capital management

5.1 Regulatory capital

Bank of Ghana sets and monitors capital requirements for the Bank.

The Bank's objectives when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position, are:

- To safeguard the Banks ability to continue as a going concern so that it can continue to provide returns for the shareholders and benefits for the other stakeholders.
- To maintain a strong capital base to support the current and future development needs of the business.
- To comply with the capital requirements set by the Bank of Ghana.

Capital adequacy and the use of regulatory capital are monitored daily by the Bank's management, based on the guidelines set by Bank of Ghana (the regulator), for supervisory purposes. The required information is filed with the Bank of Ghana on a monthly basis.

The regulatory capital requirements are strictly observed when managing economic capital. The Bank's regulatory capital is managed by the Bank's Risk Management Department and comprises two tiers:

(i) Tier 1 capital: stated capital (net of any book values of the treasury shares), statutory reserve, retained earnings and reserves created by appropriations of retained earnings. This excludes credit risk reserve.

(ii) Tier 2 capital: qualifying subordinated loan capital and unrealised gains arising on the fair valuation of equity instruments held as available-for-sale and a percentage of unaudited profits.

(iii) The Bank of Ghana requires each Bank to:

(iv) Hold the minimum level of regulatory capital of GH¢400 million; and

(v) Maintain a ratio of total regulatory capital to risk weighted assets plus risk weighted off balance assets at above the required minimum of 13% (inclusive of the Capital Correction Buffer).

Effective 1 January 2020, the Bank is fully complied with the Capital Requirements Directive (CRD) issued in June 2018 by the Bank of Ghana under Section 92(1) of the Banks and Specialised Deposit-Taking Institutions Act, 2016. The CRD which is based on Basel II guidelines requires Banks to maintain a minimum risk weighted capital adequacy ratio of 10%, with a minimum Tier 1 Capital of 8%. Banks are also required to maintain a Capital Conservation Buffer of 3.0% above the risk based capital requirement of 10%. In total, Banks are required to manage their capital to meet the total capital requirement of 13%.

The table below summarizes the composition of regulatory capital and the ratios of the Bank for the respective periods ended 31 December 2020 and 31 December 2019. During both periods, the Bank complied with all of the externally imposed capital requirements.

Notes to Financial Statements (Continued)

(All amounts are expressed in Ghana cedis unless otherwise stated)

5. Capital management

5.1 Regulatory capital (continued)

	31 Dec 2020	31 Dec 2019
Paid up capital	**400,000,000**	400,000,000
Income surplus	**289,348,991**	159,303,031
Statutory reserves	**301,557,350**	261,002,431
Common Equity Tier 1 (CET 1) capital before deductions	**990,906,341**	820,305,462
Less: Regulatory adjustments to Common Equity Tier 1 Capital:		
Intangible assets (software)	**709,003**	191,514
Deferred tax assets	**3,045,372**	658,874
Other intangibles	**18,730,095**	13,851,632
Intra-group transactions	**-**	55,726,280
Other regulatory deductions	**167,299,290**	-
Common Equity Tier 1 (CET 1) capital after deductions	**801,122,580**	749,877,162
Tier 2 capital		
Fair value gains on investment at FVOCI	**845,536**	1,278,007
Total regulatory capital	**801,968,117**	751,155,169
Composition of risk weighted assets		
Risk-weighted amount for credit risk	**1,467,915,120**	1,580,760,971
Risk-weighted amount for operational risk	**1,193,969,127**	1,292,762,386
Risk-weighted amount for market risk	**622,467,601**	488,848,248
Total risk weighted assets	**3,284,351,848**	3,362,371,605
Risk ratios		
Common Equity Tier 1 ratio	**24.4%**	22.3%
Capital adequacy ratio	**24.4%**	22.3%
Leverage ratios		
Off balance sheet exposures	**883,721,492**	2,158,073,801
On balance sheet total assets	**3,933,305,887**	4,498,557,623
Total exposure	**4,817,027,379**	6,656,631,424
Leverage ratio	**15.4%**	11.3%

Notes to Financial Statements (Continued)

(All amounts are expressed in Ghana cedis unless otherwise stated)

5. Capital management

5.2 Regulatory credit reserve

Provisions under prudential guidelines are determined using the time based provisioning prescribed by the Bank of Ghana. This is at variance with the expected credit loss model required by IFRS 9. Provisions for loans recognised in the profit and loss account should be determined based on the requirements of IFRS.

However, the IFRS provision should be compared with provisions determined under prudential guidelines and the expected impact/changes in general reserves should be treated as follows:

- Where prudential provisions is greater than IFRS provisions; the excess provision resulting there from should be transferred from the general reserve account to a "regulatory credit risk reserve".
- Where prudential provisions is less than IFRS provisions; IFRS determined provision is charged to the statement of comprehensive income. The cumulative balance in the regulatory risk reserve is thereafter reversed to the general reserve account.

The movement in regulatory credit risk reserve during the year was as follows:

	31 Dec 2020	31 Dec 2019
1 January	**8,381,202**	-
Transfer (to)/from income surplus	**(8,381,202)**	8,381,202
31 December	**-**	8,381,202
Total impairment based on IFRS	**344,784,363**	**286,933,229**
Total impairment based on prudential guidelines	**340,173,948**	295,314,431
Regulatory credit risk reserve	**-**	8,381,202

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Notes to Financial Statements (Continued)

6. Critical accounting estimates and judgements in applying the bank's accounting policies

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

Existing circumstances and assumptions about future developments may change due to circumstances beyond the Bank's control and are reflected in the assumptions if and when they occur. Items with the most significant effect on the amounts recognised in the consolidated financial statements with substantial management judgement and/or estimates are collated below with respect to judgements/estimates involved.

6.1 Impairment losses on financial assets

The measurement of impairment losses both under IFRS 9 across all categories of financial assets in scope requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk.

These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The Bank's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies.

Elements of the ECL models that are considered accounting judgements and estimates include:

- The Bank's internal credit grading model, which assigns PDs to the individual grades.
- The Bank's criteria for assessing if there has been a significant increase in credit risk.
- The segmentation of financial assets when their ECL is assessed on a collective basis.
- Development of ECL models, including the various formulas and the choice of inputs.
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs.
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

It has been the Bank's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

The calculation of ECL involves significant accounting judgements, estimates and assumptions. The level of estimation uncertainty has increased since 31 December 2019 as a result of the economic disruption and consequential impact of the Covid-19 pandemic. This includes significant judgements relating to:

- The selection and weighting of macro-economic scenarios;
- The effect of government and other support measures put in place to mitigate the negative economic impact;
- The uncertainty over the duration and severity of the effect of the pandemic as well as the timing and duration of the recovery;
- Determination of the impact of the macro-economic scenarios on ECL and whether the required parameters can be modelled given the unavailability of historical information for a similar event;
- Identification and assessment of significant increases in credit risk and impairment especially for customers who have received support under the various government support schemes and the inherent limitations in data availability to facilitate a reliable segmentation.

Impact on modelled ECL allowance

The Bank's models have been constructed and calibrated using historical trends and correlations as well as forward looking economic scenarios. The severity of the current macro-economic projections and the added complexity caused by the various support schemes and regulatory guidance could not be reliably modelled for the time being. As a consequence, the existing models may generate results that are either overly conservative or overly optimistic depending on the specific

Notes to Financial Statements (Continued)

6. Critical accounting estimates and judgements in applying the bank's accounting policies (continued)

Impact on modelled ECL allowance (continued)

portfolio / segment. As a result, post-model adjustments may be needed. Given model changes take a significant amount of time to develop and test and the data limitation issues noted above, the Bank expects that post-model adjustments may be applied in the future. The Bank has however not adopted any post-model adjustments in the current financial year.

Management overlays reflect the significant uncertainty as a consequence of the Covid-19 pandemic. Considerations included the potential severity and duration of the economic disruption and the heightened credit risk of specific sectors and loan classes/ segments. Management overlays also reflect the changes to the model inputs applied to particular exposures that may be deemed to have peculiar characteristics which may be different from the portfolio in which they have been segmented.

Management overlays were applied to certain exposures in the Oil and Gas portfolio which resulted in a reduction in the reduction in the ECL for those exposures. The Probability of Default (PD) estimated for the Oil and Gas sector of the Bank's portfolio is structured using historical information relating to the period when the Government regulated the market prices of petroleum products and provided subsidies on the petroleum products even in the face of escalating world oil prices. At the time, default rates in the portfolio were exceptionally high for a number of reasons including liquidity challenges and a depreciation of the local currency.

The market dynamics have however changed as the oil market has now been deregulated and petroleum prices are sold at prevailing market prices. Though default rates are now significantly lower, the revised circumstances are yet to be fully reflected in modelled ECL. As a result, though the weighted PD of the Oil and Gas sector in the modelled is 21%, Management applied an overlay which resulted in weighted average PD of 10% for selected customer exposures in the Oil and Gas portfolio. The weighted average PD applied to these oil and gas exposures was based on estimated historical sectoral loss rates based on data published by the Bank of Ghana, adjusted for the impact of forward looking information.

The post-model adjustments and management overlays made in estimating the reported ECL as at 31 December 2020 are set out in the following table:

	Modelled ECL	Post-model adjustments	Management overlays	Total ECL	Adjustments as a % of total ECL
Oil and Gas Sector	308,631,589	-	(10,556,257)	298,075,332	3%

6.2 Going Concern

The Bank's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt on the Bank's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

6.3 Fair value of Financial Instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility. For further details about determination of fair value please see Note 4.4.

6.4 Deferred tax assets

Deferred tax assets are recognised in respect of tax losses to the extent that it is probable that future taxable profit will be available against which the tax losses can be utilised. Judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits, together with future tax-planning strategies.

Notes to Financial Statements (Continued)

All amounts are expressed in Ghana cedis unless otherwise stated)

6. Critical accounting estimates and judgements in applying the bank's accounting policies (continued)

6.5 Estimating the incremental borrowing rate

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

The preparation of the Bank's financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. In the process of applying the Bank's accounting policies, management has made the following judgements and assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities. Existing circumstances and assumptions about future developments may change due to circumstances beyond the Bank's control and are reflected in the assumptions if and when they occur. Items with the most significant effect on the amounts recognised in the financial statements with substantial management judgement and/or estimates are collated below.

7. Interest income

	2020	2019
Loans to banks	**51,933,617**	25,910,501
Loans to customers	**127,624,730**	99,109,195
Investment securities:		
- At amortised cost	**236,357,692**	234,147,640
- At fair value through other comprehensive income	**114,476,284**	113,945,215
	530,392,323	473,112,551

Interest income at amortized costs and fair value through OCI are calculated using the effective interest method.

Interest income on loans to customers includes accrued interest on impaired loans of GHS 9,408,807 (2019: GHS 21,129,570) for the year.

8. Interest expense

Deposits from customers:		
Fixed deposits	**53,433,759**	52,268,464
Savings deposits	**3,434,561**	2,497,470
Demand and call deposits	**55,456,646**	45,717,284
	112,324,966	100,483,217
Deposits from banks	**103,691,987**	57,754,102
Borrowings	**-**	12,183,981
Finance cost on lease liability	**2,279,451**	992,831
	105,971,438	70,930,914
	218,296,404	171,414,131

Interest expense at amortized costs is calculated using the effective interest method.

Notes to Financial Statements (Continued)

All amounts are expressed in Ghana cedis unless otherwise stated)

9. Fees and commission income

	2020	2019
Commission on turnover	**6,453,628**	5,625,673
Credit-related fees and commissions	**12,655,397**	8,000,923
Trade finance fees	**13,187,786**	12,804,103
Electronic banking income	**12,122,757**	9,891,512
Guarantee charges and commissions	**8,976,931**	6,380,724
Other commissions on transactional services	**6,161,955**	3,933,106
	59,558,454	46,636,040
Fees and commission expenses	**(11,916,002)**	(9,851,300)
Net fees and commission income	**47,642,452**	36,784,740

Fees and commission expense comprise expenses related to electronic banking as well as other bank charges.

10. Net trading and revaluation income

Foreign exchange trading income	**45,263,827**	52,303,944
Foreign currency revaluation gain/(loss)	**1,136,873**	3,063,037
	46,400,700	55,366,981

11. Other operating income

Profit on disposal of property and equipment	**62,008**	27,172
Other income	**1,320,346**	26,989
	1,382,354	54,161

12. Allowance for credit losses on financial assets

Allowance for credit loss on loans to customers	**61,375,691**	28,211,878
Reversal of allowance for credit loss on loans to customers	**-**	(19,703,610)
Allowance for credit loss on investment securities	**11,147**	636,556
Reversal of allowance for credit loss on bank placements	**(67,339)**	(400,000)
Allowance/(Reversal) charged for credit loss on contingent liabilities	**23,810**	(7,444,552)
Allowance for credit loss on other assets	**-**	5,105,913
Recoveries on loans written off	**(240,336)**	(811,212)
	61,102,973	5,594,973

Notes to Financial Statements (Continued)

All amounts are expressed in Ghana cedis unless otherwise stated)

13. Personnel expenses

	2020	2019
Salaries and wages	**35,576,076**	28,319,675
Social security fund contribution	**2,768,945**	2,180,834
Staff provident fund	**2,600,781**	1,897,277
Other staff benefits	**20,240,763**	21,108,804
	61,186,565	53,506,591
Number of staff at year end	**514**	542

14. Depreciation and amortisation

Depreciation of property and equipment	**4,151,815**	3,250,276
Depreciation of right of use assets	**6,881,595**	2,630,426
Amortisation of intangible assets	**198,237**	518,242
	11,231,647	6,398,944

15. Other operating expenses

Directors fees	**2,666,563**	1,347,500
Auditors remuneration	**580,608**	508,524
Occupancy and premises maintenance costs	**6,786,941**	9,044,056
Business travels	**587,439**	1,818,409
Advertising, promotions and branding	**2,290,408**	3,983,023
Legal and professional service fees	**6,057,903**	7,067,276
IT and Communication expenses	**7,079,214**	5,880,871
Printing, stationery and subscriptions	**2,190,227**	1,953,253
Security and cash handling expenses	**4,524,343**	3,511,655
Deposit insurance premium	**5,235,876**	1,532,971
Other insurance costs	**408,097**	324,861
Fuel, repairs and maintenance	**4,315,856**	4,234,427
Property and equipment written off	**102,172**	7,983
Donations	**2,022,530**	231,202
Other expenses	**5,241,261**	5,405,029
	50,089,442	46,851,040
Number of directors at year end	**12**	7

Notes to Financial Statements (Continued)

All amounts are expressed in Ghana cedis unless otherwise stated)

16. Basic and diluted earnings per share

	2020	2019
Profit attributable to equity holders	**162,216,230**	188,085,108
Weighted average number of ordinary shares outstanding	**7,400,500,000**	7,400,500,000
Basic and diluted earnings per share	**0.02**	0.03

The Bank has no dilutive instruments. Hence basic and diluted earnings per share are equal.

17. Income tax

Current income tax	**53,194,600**	79,627,797
National fiscal stabilisation levy	**11,168,311**	14,104,867
Deferred income tax	**(2,668,343)**	(265,018)
Income tax expense	**61,694,568**	93,467,646

Reconciliation of actual to effective tax rate

Profit before income tax	**223,910,798**	281,552,754
Tax calculated at the tax rate of 25%	**55,977,699**	70,388,188
National fiscal stabilization levy of 5%	**11,195,540**	14,077,638
Expenses not deductible for tax purposes	**499,660**	2,007,775
Income not subject to tax	**(52,306)**	(586,394)
Prior year (overpayment)/charge	**(5,926,025)**	7,580,439
Total income tax expense	**61,694,568**	93,467,646
Effective tax rate	**28%**	33%

Corporate tax	**Balance at 1 January**	**Charge for the year**	**Payment**	**Balances at 31 December**
At 1 January 2020	(3,847,991)	-	-	**(3,847,991)**
2020		53,194,600	(59,342,587)	**(6,147,987)**
Prior year tax liability	-	-	-	**-**
	(3,847,991)	53,194,600	(59,342,587)	**(9,995,978)**
National fiscal stabilisation levy				
At 1 January 2020	(1,669,982)	-	-	**(1,669,982)**
2020	-	11,168,311	(12,000,000)	**(831,689)**
	(1,669,982)	11,168,311	(12,000,000)	**(2,501,671)**
Current income tax 31 December 2020	**(5,517,973)**	**64,362,911**	**(71,342,587)**	**(12,497,649)**

Notes to Financial Statements (Continued)

All amounts are expressed in Ghana cedis unless otherwise stated)

18. Deferred tax

	Property and equipment	Allowances for credit losses	Leases	Investment securities at FVOCI	Total
At 1 January 2020	1,187,533	(2,178,278)	-	331,871	(658,874)
Debited/Credited to profit or loss	(952,446)	(1,911,027)	195,130	-	(2,668,343)
Debited to other comprehensive income	-	-	-	281,845	281,845
At 31 December 2020	**235,087**	**(4,089,305)**	**195,130**	**613,716**	**(3,045,372)**
At 1 January 2019	470,640	(1,196,367)	-	161,099	(564,628)
Debited/Credited to profit or loss	716,893	(981,911)	-	-	(265,018)
Credited to other comprehensive income	-	-	-	170,772	170,772
At 31 December 2019	1,187,533	(2,178,278)	-	331,871	(658,874)

Reconciliation of recognised deferred tax assets and liabilities on the statement of financial position.

	2020	2019
Deferred tax assets		
Allowance for credit losses	**(4,089,306)**	(2,178,279)
Total deferred tax assets	**(4,089,306)**	(2,178,279)
Deferred tax liabilities		
Property and equipment	**235,087**	1,187,533
Leases	**195,130**	
Investment securities at FVOCI	**613,716**	331,871
Total deferred tax liabilities	**1,043,934**	1,519,404
Net deferred tax assets/liabilities	**(3,045,372)**	(658,874)

Notes to Financial Statements (Continued)

All amounts are expressed in Ghana cedis unless otherwise stated)

19. Cash and bank balances

	2020	2019
a) Cash and Balances with Bank of Ghana		
Cash on hand	**40,702,397**	27,299,103
Balances with Bank of Ghana (Mandatory)	**278,676,420**	233,880,000
Balances with Bank of Ghana (Unrestricted)	**147,352,586**	175,416,264
	466,731,403	436,595,367
b) Due from other banks		
Items in course of collection	**15,191,227**	8,894,141
Placements and balances with local banks	**74,039,737**	41,143,569
Placements with foreign banks	**178,261,334**	55,726,280
Nostro account balances	**216,848,638**	41,225,689
Allowance for credit loss on placements with banks	**-**	(67,339)
	484,340,936	146,922,340
Net cash and bank balances	**951,072,339**	583,517,707
c) Cash and cash equivalents for purposes of the statements of cash flows		
Cash and balances with Bank of Ghana	**466,731,403**	436,595,367
Mandatory deposit reserve	**(278,676,420)**	(233,880,000)
Unrestricted cash and bank balances	**188,054,983**	202,715,367
Due from other banks	**484,340,936**	146,922,340
Short term treasury bills	**106,912,586**	1,632,174
	779,308,505	351,269,881

Balances with Bank of Ghana include mandatory deposit reserve of GHS 278,676,420 (2019: GHS 233,880,000) which is not available for day to day operations.

Notes to Financial Statements (Continued)

All amounts are expressed in Ghana cedis unless otherwise stated)

20. Investment securities

(a) Amortised Cost	2020	2019
(i) Treasury Bills		
91-Day Treasury Bill	106,912,586	1,632,174
182-Day Treasury Bill	599,740,918	755,313,706
364-Day Treasury Bill	108,895,032	537,369,611
Other government treasury bills	177,419,309	191,009,557
	992,967,845	1,485,325,048
(ii) Government Bonds		
5- Year Fixed Bond	**82,468,095**	79,334,841
7- Year Fixed Bond	**27,087,907**	27,388,696
10- Year Fixed Bond	**53,279,232**	53,173,448
12- Year Fixed Bond	**17,866,134**	-
	180,701,368	159,896,984
(iii) Commercial papers	**77,564,924**	907,388,336
Gross carrying amount	**1,251,234,137**	2,552,610,368
Allowance for credit loss on investment securities	**(1,727,145)**	(1,715,998)
Net carrying amount	**1,249,506,992**	2,550,894,370
(b) Fair value through other Comprehensive Income (FVOCI)		
2- Year Fixed Bond	**174,989,590**	114,530,087
3- Year Fixed Bond	**206,952,116**	151,766,738
5- Year Fixed Bond	**86,567,326**	215,949
7- Year Fixed Bond	**-**	68,499,062
10-Year Fixed Bond	**4,000,000**	-
	472,509,032	335,011,836
Treasury bills	**992,967,845**	1,485,325,048
Government bonds	**651,483,254**	493,192,822
Commercial papers	**77,564,924**	907,388,336
	1,722,016,023	2,885,906,206
Current	**1,647,957,385**	2,726,908,737
Non-current	**74,058,639**	158,997,469
	1,722,016,024	2,885,906,206

Notes to Financial Statements (Continued)

All amounts are expressed in Ghana cedis unless otherwise stated)

	2020	2019
(c) Movement of impairment on investment securities		
At January 1	**1,715,998**	1.079.442
Charge for the year	**11,147**	636,556
	1,727,145	1,715,998

21. Loans and advances to customers

Analysis by type of advance	2020	2019
Overdrafts	**1,127,122,124**	950,530,303
Term Loans	**326,117,710**	281,484,508
Gross loans and advances	**1,453,239,834**	1,232,014,811
Allowance for credit losses on loans to customers	**(344,784,363)**	(283,407,473)
Net loans and advances	**1,108,455,471**	948,607,338
Analysis by type of customer		
Private enterprises	**1,432,425,477**	1,222,732,887
Individuals	**11,042,818**	2,333,798
Staff	**9,771,539**	6,948,126
Gross loans and advances	**1,453,239,834**	1,232,014,811
Analysis by Sector		
Retail customers	**132,544,391**	124,968,083
Corporate customers	**1,320,695,443**	1,107,046,728
Gross loans and advances	**1,453,239,834**	1,232,014,811
Allowance for credit losses on loans to customers	**(344,784,363)**	(283,407,473)
Net loans and advances to customers	**1,108,455,471**	948,607,338
Current	**1,156,399,534**	980,178,952
Non- current	**296,840,300**	251,835,859
	1,453,239,834	1,232,014,811
Loan loss provision ratio	**23.73%**	23.00%
Gross non-performing loans ratio	**44.31%**	55.04%

Notes to Financial Statements (Continued)

All amounts are expressed in Ghana cedis unless otherwise stated)

21. Loans and advances to customers (continued)

Movement in impairment on loans and advances to customers

At 1 January	**283,407,473**	286,001,549
Charge for the year	**61,375,691**	28,211,878
Reversals during the year	**-**	(19,703,610)
Amounts written off	**-**	(12,117,527)
Exchange gains	**1,199**	1,015,183
Balance at end of year	**344,784,363**	283,407,473

a) Loans and advances to customers per IFRS 9 classification

31 December 2020

	Stage 1	**Stage 2**	**Stage 3**	**Total**
Gross Amount				
Loans to individuals:	19,234,606	-	1,579,750	20,814,356
Loans to corporate entities	790,018,864	-	642,406,614	1,432,425,478
	809,253,470	-	643,986,364	1,453,239,834

	Stage 1	**Stage 2**	**Stage 3**	**Total**
Allowance for credit losses				
Loans to individuals:	31,614	-	1,761,094	1,792,708
Loans to corporate entities	9,860,706	-	333,130,949	342,991,655
Total allowance for credit losses	9,892,320	-	334,892,043	344,784,363
Carrying amount	**799,361,150**	**-**	**309,094,321**	**1,108,455,471**

Notes to Financial Statements (Continued)

All amounts are expressed in Ghana cedis unless otherwise stated)

21. Loans and advances to customers (continued)

a) Loans and advances to customers per IFRS 9 classification (continued)

31 December 2019

	Stage 1	Stage 2	Stage 3	Total
Gross Amount				
Loans to individuals:	7,849,395	-	1,432,529	9,281,924
Loans to corporate entities	546,061,314	-	676,671,573	1,222,732,887
	553,910,709	-	678,104,102	1,232,014,811

	Stage 1	Stage 2	Stage 3	Total
Allowance for credit losses				
Loans to individuals:	78,494	-	1,312,309	1,390,803
Loans to corporate entities	3,560,870	-	278,455,800	282,016,670
Total allowance for credit losses	3,639,364	-	279,768,109	283,407,473
Carrying amount	**550,271,345**	**-**	**398,335,993**	**948,607,338**

b) Allowance for credit loss on loans and advances to customers

31 December 2020

2020	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2020	3,639,364	-	279,768,109	283,407,473
Transfers:	-	-	-	-
Allowance for credit losses	6,252,956	-	55,122,735	61,375,691
Exchange gains on provision	-	-	1,199	1,199
Balance at 31 December 2020	**9,892,320**	**-**	**334,892,043**	**344,784,363**

31 December 2019

2020	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2020	7,803,547	-	278,198,002	286,001,549
Transfers:	-	-	28,211,878	28,211,878
Allowance for credit losses	(4,164,183)	-	(15,539,427)	(19,703,610)
Write-offs	-	-	(12,117,527)	(12,117,527)
Exchange gains on provision	-	-	1,015,183	1,015,183
Balance, at 31 December 2020	**3,639,364**	**-**	**279,768,109**	**283,407,473**

Notes to Financial Statements (Continued)

All amounts are expressed in Ghana cedis unless otherwise stated)

22. Other assets

	2020	2019
Financial assets		
Mobile money receivables	**68,136,275**	20,742,421
Accounts receivable	**8,100,517**	2,501,712
	76,236,792	23,244,133
Allowance on accounts receivable	**-**	(23,270)
	76,236,792	23,220,863
Non-financial assets		
Prepayments	**8,491,733**	5,570,302
Stationery stock	**293,198**	308,848
	8,784,931	5,879,150
Total	**85,021,723**	29,100,013
Current	**85,021,723**	11,957,708
Non- current	**-**	17,142,305
	85,021,723	29,100,013

Movement in allowance on accounts receivable

	2020	2019
At 1 January	**23,270**	1,347,690
Impairment charge for the year	**-**	5,105,913
Balances written off	**(23,270)**	(6,430,333)
At 31 December	**-**	23,270

a) Accounts receivable per IFRS 9 classification

December 2020	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross amount				
Balance beginning of year	2,478,442	-	23,270	2,501,712
Amounts originated/derecognised (net)	5,622,075	-	(23,270)	5,598,805
Balance, at 31 December	**8,100,517**	**-**	**-**	**8,100,517**

December 2019	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross amount				
Balance beginning of year	42,662,372	-	1,347,690	44,010,062
Amounts originated/derecognised (net)	(35,078,016)	-	(6,430,334)	(41,508,350)
Transfer from stage 1 to stage 3	(5,105,913)	-	5,105,913	-
Balance, at 31 December	**2,478,442**	**-**	**23,270**	**2,501,712**

Notes to Financial Statements (Continued)

All amounts are expressed in Ghana cedis unless otherwise stated)

22. Other assets (continued)

b) Allowance for credit losses on accounts receivable

31 December 2020	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January	-	-	23,270	23,270
Balances written off	-	-	(23,270)	(23,270)
Balance, at 31 December	**-**	**-**	**-**	**-**

31 December 2019	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January	-	-	1,347,690	1,347,690
Allowances for the year	-	-	5,105,913	5,105,913
Balances written off			(6,430,333)	(6,430,333)
Balance, at 31 December	**-**	**-**	**23,270**	**23,270**

23. Property and Equipment

	2020	2019
Right-of-use assets (i)	**33,568,149**	13,888,820
Property and Equipment (ii)	**33,760,534**	30,291,906
Carrying amount	**67,328,683**	44,180,726

The Bank previously classified leases as operating and finance leases based on its assessment of whether the lease transferred substantially all the risks and rewards of ownership of the underlying asset to the Bank. Under IFRS 16, the Bank recognises right-of-use assets and lease liabilities as part of “property and equipment” and “other liabilities respectively.

(i) Right of use assets		
Balance - 1 January	**16,519,246**	13,397,138
New lease contracts	**26,560,923**	3,122,108
Balance - 31 December	**43,080,169**	16,519,246

Notes to Financial Statements (Continued)

All amounts are expressed in Ghana cedis unless otherwise stated)

23. Property and Equipment (continued)

	2020	2019
Amortisation		
Balance - 1 January	**2,630,425**	-
Amortisation charge for the year	**6,881,595**	2,630,426
Balance - 31 December	**9,512,020**	2,630,426
Carrying amount		
Balance 31 December	**33,568,149**	13,888,820

23. (ii) Property and Equipment

31 December 2020	Land and buildings	Leasehold improvements	Office fittings and equipment	Motor vehicles	Computers	Capital work in progress	Total
Cost							
At 1 January	3,751,318	9,450,438	17,810,184	6,455,824	6,086,022	13,824,459	57,378,245
Additions	-	1,340,366	3,572,269	32,029	1,262,872	1,558,217	7,765,753
Disposals	-	-	(159,237)	(263,463)	(507,036)	-	(929,736)
Transfers between classes	-	-	520,171	-	2,447	522,618	-
Transfers to intangible assets	-	-	-	-	-	(40,573)	(40,573)
Write offs	-	-	-	-	-	(102,172)	(102,172)
At 31 December	**3,751,318**	**10,790,804**	**21,743,387**	**6,224,390**	**6,844,305**	**14,717,313**	**64,071,517**
Accumulated Depreciation							
At 1 January	440,879	4,849,873	12,584,295	5,183,929	4,027,362	-	27,086,338
Charge for the year	79,114	424,712	2,235,916	628,188	783,885	-	4,151,815
Disposals	-	-	(156,671)	(263,463)	(507,036)	-	(927,170)
At 31 December	**519,993**	**5,274,585**	**14,663,540**	**5,548,654**	**4,304,211**	**-**	**30,310,983**
Net book value	**3,231,325**	**5,516,219**	**7,079,847**	**675,736**	**2,540,094**	**14,717,313**	**33,760,534**

There was no indication of impairment of property and equipment held by the Bank at 31 December 2020 (2019: Nil). None of the property and equipment of the Bank had been pledged as security for liabilities and there were no restrictions on the title of any of the Bank's property and equipment at the reporting date (2019:nil)

Notes to Financial Statements (Continued)

All amounts are expressed in Ghana cedis unless otherwise stated)

23. Property and Equipment (continued)

31 December 2019	Land and buildings	Leasehold improvements	Office fittings and equipment	Motor vehicles	Computers	Capital work in progress	Total
Cost							
At 1 January	3,750,462	9,323,733	15,593,143	5,679,737	4,641,143	13,256,135	52,244,353
Additions	856	126,705	2,041,392	806,895	772,526	862,767	4,611,141
Disposals	-	-	(110,811)	(30,808)	(2,448)	-	(144,067)
Transfers between classes	-	-	286,461	-	-	(286,461)	-
Transfers from intangible assets	-	-	-	-	674,801	-	674,801
Write offs	-	-	-	-	-	(7,983)	(7,983)
At 31 December	**3,751,318**	**9,450,438**	**17,810,185**	**6,455,824**	**6,086,022**	**13,824,458**	**57,378,245**
Accumulated Depreciation							
At 1 January	361,765	4,484,944	11,065,600	4,563,645	3,417,902	-	23,893,856
Charge for the year	79,114	364,929	1,626,875	651,799	527,559	-	3,250,276
Disposal	-	-	(108,887)	(30,808)	(2,448)	-	(142,143)
Transfers between classes	-	-	707	(707)		-	-
Transfers to intangible assets	-	-	-	-	84,350	-	84,350
At 31 December	**440,879**	**4,849,873**	**12,584,295**	**5,183,929**	**4,027,363**	**-**	**27,086,339**
Net book value	**3,310,439**	**4,600,565**	**5,225,890**	**1,271,895**	**2,058,659**	**13,824,458**	**30,291,906**

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Notes to Financial Statements (Continued)

All amounts are expressed in Ghana cedis unless otherwise stated)

23. Property and equipment (continued)

The profit on disposal is as follows:

	Dec 2020	Dec 2019
Cost	**929,736**	144,067
Depreciation	**(927,170)**	(142,143)
Net book value	**(2,566)**	(1,924)
Proceeds	**64,574**	29,096
Profit on disposal	**62,008**	27,172

24. Intangible assets

Intangible assets represent computer software purchased by the Bank. The movement during the year is as follows:

Cost		
At 1 January	**3,728,202**	4,394,184
Additions	**675,153**	8,819
Transfer from property and equipment	**40,573**	(674,801)
At 31 December	**4,443,928**	3,728,202
Amortisation		
At 1 January	**3,536,688**	3,102,796
Charge for the year	**198,237**	518,242
Transfer from/(to) property and equipment	**-**	(84,350)
At 31 December	**3,734,925**	3,536,688
Net book value	**709,003**	191,514

25. Customer deposits

Analysis by type of customer		
Savings deposits	**221,799,094**	144,498,354
Demand and call deposits	**2,123,892,948**	1,707,719,710
Fixed deposits	**441,072,159**	486,581,941
	2,786,764,201	2,338,800,005
Current	**2,786,764,201**	2,336,271,011
Non-current	**-**	2,528,994
	2,786,764,201	2,338,800,005
Analysis by sector		
Retail customers	**1,442,949,374**	1,092,209,861
Corporate customers	**1,343,814,827**	1,246,590,144
	2,786,764,201	2,338,800,005

Notes to Financial Statements (Continued)

All amounts are expressed in Ghana cedis unless otherwise stated)

26. Deposits from banks

	2020	2019
From local banks	**72,444,352**	424,909,361
From foreign banks	**-**	813,453,900
	72,444,352	1,238,363,261

All deposits from banks are current.

27. Other liabilities

	2020	2019
Financial liabilities		
Accounts payable	**9,318,040**	5,101,615
Customers' deposits for foreign trade (i)	**997,453**	202,460
Foreign cheques for collections	**-**	244,404
Sundry liabilities (ii)	**7,052,254**	6,995,598
Lease liabilities (iv)	**26,146,316**	9,416,081
	43,514,063	21,960,158
Non-financial liabilities		
Accrued expenses	**52,913,422**	62,648,243
Provisions for legal claims	**124,660**	119,146
Deferred income	**894,176**	4,105,717
Allowance for credit loss on contingents (iii)	**1,742,960**	1,719,150
	55,675,218	68,592,256
Total	**99,189,281**	90,552,414
Current	**74,589,321**	81,136,331
Non- current	**24,599,960**	9,416,083
	99,189,281	90,552,414

(i) Customers' deposit for foreign trade represents funds held to cover letter of credit transactions.

(ii) Items under sundry liabilities include banker's drafts and managers cheques, outstanding inward remittance and withholding tax payable.

(iii) This represents allowance for credit loss for off balance sheet loan commitments and financial guarantees.

(iv) Lease liabilities represent the present value of the remaining lease payment for the bank's leases discounted using the Bank's incremental borrowing rate. The movement in lease liabilities during the year is as follows:

Lease liabilities	2020	2019
Balance at 1 January	**9,416,081**	13,855,632
Additions (new lease contracts during the year)	**26,521,991**	3,122,108
Repayments during the year	**(12,071,207)**	(8,554,490)
Interest accrued	**2,279,451**	992,831
Balance at 31 December	**26,146,316**	9,416,081

Notes to Financial Statements (Continued)

All amounts are expressed in Ghana cedis unless otherwise stated)

28. Stated capital

Issued :	2020	2019
Authorised Shares (number)	**9,000,000,000**	9,000,000,000
Issued shares (number)	**7,400,500,000**	7,400,500,000
Share capital (in GHS)	**400,000,000**	400,000,000

The movement in the issued shares account during the year is as follows:

Number of shares in issue at the start of the year	**7,400,500,000**	7,400,500,000
Additional number of shares from bonus issue	**-**	-
Number of shares in issue at the end of the year	**7,400,500,000**	7,400,500,000

29. Reserves

a. Statutory reserve

Statutory reserve represents transfer of 25% of profit after tax to reserve in compliance with Bank of Ghana's regulatory requirement. The statutory reserve is not distributable.

b. Income surplus

This is the carried forward recognised income out of expenses plus current year's profit attributable to shareholders.

c. Fair value reserves

This includes the net cumulative change in the fair value of investments at fair value through other comprehensive income. Such fair value charges are maintained until the investment is derecognised or impaired.

	Fair value reserve
At 1 January 2020	1,278,007
Net change in fair value during the year (net of tax)	(432,471)
Total comprehensive income for the year	**845,536**

The investments revaluation reserve represents the cumulative gains and losses arising on the revaluation of Investments in debt instruments classified as at FVTOCI, net of cumulative loss allowance recognised on these investments and cumulative gain/loss reclassified to profit or loss upon disposal or reclassification of these investments.

30. Contingent liabilities and commitments

a. Legal proceedings

There were legal cases proceeding against the Bank at 31 December 2020. Beside provision of GHS 124,660 (31 December 2019: GHS 165,707) made in respect of these cases, no contingent liability associated with legal actions has been disclosed as professional advice indicates that it is unlikely that any significant loss will arise.

Notes to Financial Statements (Continued)

All amounts are expressed in Ghana cedis unless otherwise stated)

30. Contingent liabilities and commitments (continued)

b. Loan commitments, guarantee and other financial facilities

At 31 December 2020, the Bank had contractual amounts of off-balance sheet financial instruments that commit the Bank to extend credit to customers, guarantee and other facilities as follows:

	2020	2019
Letters of credit	**79,639,351**	40,700,870
Guarantees and indemnities	**798,322,863**	761,311,311
Loan commitments	**12,374,030**	24,168,562
Gross amount	**890,336,244**	826,180,743
Allowance for credit losses	**(1,742,960)**	(1,719,150)
Carrying amount	**888,593,284**	824,461,593

Letters of credit commit the Bank to make payments to third parties, on production of documents, which are subsequently reimbursed by customers.

31. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. The Bank is a subsidiary of UBA Plc which owns 90.77% of the issued ordinary shares. UBA Plc is also the ultimate controlling party of the Bank. All transactions with related parties are done in the normal course of business and at arm's length.

Details of related party balances are as follows:

	2020	2019
Assets		
Loans to key management staff	**2,847,589**	943,032
Placements with UBA Plc and other subsidiaries/ associates	**178,261,334**	55,726,280
Nostro balances with UBA Plc and other subsidiaries/associates	**108,140,365**	16,286,557
Total	**289,249,288**	**72,955,869**
Interest income - key management staff	**75,856**	11,375
Interest income on placements with UBA Plc and its subsidiaries/associates	**6,968,756**	9,779,993
	7,044,612	9,791,368
Liabilities		
Deposits from key management staff	**797,099**	366,551
Due to Parent (UBA Plc)	**48,949,574**	45,495,351
Deposits from UBA Plc and subsidiaries/ associates	**-**	813,453,900
Total	**49,746,673**	859,315,802

Notes to Financial Statements (Continued)

All amounts are expressed in Ghana cedis unless otherwise stated)

31. (i) Related party transactions (continued)

	2020	2019
Interest expense - key management staff	**21,586**	27,234
Interest expense on takings from UBA Plc and its subsidiaries/associates	**5,141,821**	4,051,752
Other expenses	**7,053,900**	6,670,032
	12,217,307	10,749,018

Details of placements account balances with related parties for the year

Sn	Name of related party	Nature of relationship	2020 Amount	2019 Amount
1	UBA Plc	Parent	3,151,254	332,022,000
2	UBA UK	Affiliate	59,906,080	22,134,800
3	UBA New York	Affiliate	115,204,000	459,297,100
	Total		**178,261,334**	**813,453,900**

Details of nostro account balances with related parties for the year

Sn	Name of related party	Nature of relationship	2020 Amount	2019 Amount
1	UBA PLC	Parent	96,349,252	5,888,558
2	UBA UK	Affiliate	-	55,337,000
3	UBA Benin	Affiliate	9,809,818	6,582,021
4	UBA Cote D' Ivoire	Affiliate	371,811	3,889,719
5	UBA Burkina Faso	Affiliate	1,582,115	288,006
6	UBA Cameroon	Affiliate	22,513	17,776
7	UBA Gabon	Affiliate	4,698	4,131
8	UBA Congo Brazza-ville	Affiliate	99	3,401
9	UBA Liberia	Affiliate	-	1,605
10	UBA Chad	Affiliate	58	619
	Total		**108,140,364**	**72,012,837**

(ii) Key management compensation

Key management staff constitutes members of the Bank's Executive Committee. The remuneration of key management staff during the year were as follows:

Salaries and other short-term employment benefits		
Defined contribution for key management staff	**3,335,648**	4,526,843
	199,129	172,285
	3,534,777	4,699,128
(iii) Directors' remuneration		
Directors' fees and allowances	**2,666,563**	1,347,500

Notes to Financial Statements (Continued)

All amounts are expressed in Ghana cedis unless otherwise stated)

The total amount paid as emoluments to Executive and Non-Executive Directors, during the 2020 financial year is as disclosed below:

Sn	Name	Designation	Annual Fees	Sitting allowances	Salaries and Wages	Pension contributions	Other Benefits	Total
1	Mr. Kweku Awotwi	Board Chairman	100,625	21,563	-	-	-	122,188
2	Mr. Olalekan Balogun	Managing Director/ CEO	-	-	622,325	12,853	23,040	658,217
3	Mrs. Sylvia Inkoom	Executive Director	-	-	575,816	34,675	-	610,491
4	Honourable Kwamena Bartels	Non-Executive Director	186,875	172,500	-	-	-	359,375
5	Mr. Samuel Ayim	Independent Director	172,500	172,500	-	-	-	345,000
6	Mr. Ivan Avereyireh	Independent Director	172,500	172,500	-	-	-	345,000
7	Mr. Oliver Alawuba*	Non-Executive Director	172,500	172,500	-	-	-	345,000
8	Mrs. Abiola Bawuah*	Non-Executive Director	172,500	172,500	-	-	-	345,000
9	Mr. Ebele Ogbue*	Non-Executive Director	172,500	172,500	-	-	-	345,000
10	Mr. Francis Koranteng	Independent Director	172,500	172,500	-	-	-	345,000
11	Mrs. Merene Botsio Benyah	Independent Director	43,125	14,375	-	-	-	57,500
12	Mr. Jerry Djangmah	Independent Director	43,125	14,375	-	-	-	57,500
	Total		**1,408,750**	**1,257,813**	**1,198,141**	**47,527**	**23,040**	**3,935,271**

**Fees and sitting allowances for these Non-Executive Directors are paid directly to UBA Plc.*

Notes to Financial Statements (Continued)

All amounts are expressed in Ghana cedis unless otherwise stated)

31. Related party transactions (continued)

Loans and advances to directors related entities

SN	Name of company	Name of Director	Type of facility	Amount (GHS)	Rate(%)	Security	Status	Maturity date
1	GOIL COMPANY LIMITED	Honourable Kwamena Bartels - Member	Overdraft	8,661,058	16.63	Negative Pledge	Performing	09/07/2021
2	GOIL COMPANY LIMITED	Honourable Kwamena Bartels - Member	Term Loan	10,971,658	16.03	Negative Pledge	Performing	15/08/2022
3	GOIL COMPANY LIMITED	Honourable Kwamena Bartels - Member	Term Loan	9,630,411	16.03	Negative Pledge	Performing	29/10/2022
4	GOIL COMPANY LIMITED	Honourable Kwamena Bartels - Member	Term Loan	27,166,293	16.63	Negative Pledge	Performing	29/09/2024
5	GOIL COMPANY LIMITED	Honourable Kwamena Bartels - Member	Term Loan	21,781,631	16.63	Negative Pledge	Performing	29/09/2024
6	GOIL COMPANY LIMITED	Honourable Kwamena Bartels - Member	Term Loan	18,814,218	16.63	Negative Pledge	Performing	29/09/2024
7	GOIL COMPANY LIMITED	Honourable Kwamena Bartels - Member	Term Loan	14,890,875	16.63	Negative Pledge	Performing	29/09/2024
8	GOIL COMPANY LIMITED	Honourable Kwamena Bartels - Member	Term Loan	7,918,160	16.63	Negative Pledge	Performing	29/09/2024
9	GOIL COMPANY LIMITED	Honourable Kwamena Bartels - Member	Term Loan	1,038,726	16.63	Negative Pledge	Performing	29/09/2024
	Total			**120,873,032**				

Notes to Financial Statements (Continued)

All amounts are expressed in Ghana cedis unless otherwise stated)

32. Events after the reporting date

There were no significant events that have post-balance sheet adjustment effect, after the year ended 31 December 2020.

33. Compliance with prudential regulations

During the year, the Bank complied with all prudential regulations as stipulated by the Bank of Ghana, except for the following:

Sn	Description	Amount (GHS)
1	Breach of Cash Reserve Requirements (CRR)	53,480

34. Restatement of Comparative Financial Information

In reporting the comparative financial information in the current period's financial statements, an amount of GHS 8,965,865 was reclassified from other operating expenses (fuel, repairs and maintenance) to personnel expenses (other staff benefits), in order to align with the current period's presentation. There were no other reclassifications of comparative financial information during the current year.

Notes to Financial Statements (Continued)

Other disclosures

1. Shareholder information 2020

Shareholders	Shareholding	% holding
United Bank for Africa Plc	**6,717,200,750**	90.77%
Gold Coast Investment Project Ltd	**497,640,214**	6.71%
Teachers Fund	**127,044,500**	1.72%
Consortium Investment Trust	**22,832,556**	0.31%
Unique Insurance Co Ltd	**22,733,318**	0.31%
Labour Enterprises Trust Co. Ltd	**13,048,662**	0.18%
Totals	**7,400,500,000**	100%

2. Quantitative disclosures

	2020	2019
Capital adequacy ratio	**24.4%**	22.3%
Liquid ratio	**74.3%**	77.4%
Gross non-performing loans ratio	**44.3%**	55.0%

3. Value Added Statement

	2020	2019
Interest and other operating income	**589,950,777**	519,748,591
Direct cost of services	**(277,635,285)**	(235,734,837)
Value added by banking services	**312,315,492**	284,013,755
Non-banking income	**47,783,054**	55,421,142
Impairments	**(61,102,973)**	(5,594,973)
Value added	**298,995,573**	333,839,924
Distributed as follows:		
To employees:		
Directors (excluding executives)	**2,666,563**	1,347,500
Executive directors	**1,268,708**	1,380,879
Other employees	**59,917,857**	52,125,712
	63,853,128	54,854,091
To government:		
Income taxes	**61,694,568**	93,467,646
To providers of capital:		
To expansion and growth	**-**	-
Depreciation	**11,033,410**	5,880,702
Amortisation	**198,237**	518,242
	162,216,230	188,085,108

Notes to Financial Statements (Continued)

Other disclosures (continued)

4. Related parties

The Bank is a subsidiary of UBA Plc which owns 90.77% of the issued ordinary shares. UBA Plc is also the ultimate controlling party of the Bank. As a result the parent (UBA PLC) all subsidiaries/associate within the UBA Group are related parties to UBA Ghana. The list of the related parties are as follows:

Sn	Name of related party	Nature of relationship
1	UBA PLC	Parent
2	UBA Liberia	Affiliate
3	UBA Cote D' Ivoire	Affiliate
4	UBA Senegal	Affiliate
5	UBA Kenya	Affiliate
6	UBA Guinea	Affiliate
7	UBA Gabon	Affiliate
8	UBA Benin	Affiliate
9	UBA Sierra Leone	Affiliate
10	UBA Burkina Faso	Affiliate
11	UBA Chad	Affiliate
12	UBA Uganda	Affiliate
13	UBA Congo Brazzaville	Affiliate
14	UBA Mozambique	Affiliate
15	UBA Cameroon	Affiliate
16	UBA Mali	Affiliate
17	UBA Tanzania	Affiliate
18	UBA Congo DRC	Affiliate
19	UBA Zambia	Affiliate
20	UBA UK	Affiliate
21	UBA New York	Affiliate
22	UBA Paris	Affiliate

Notes to Financial Statements (Continued)

Other disclosures (continued)

b. Key Management Personnel

Key Management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of UBA Ghana (directly and indirectly) and comprise the Executive Directors and Senior Management of the Bank. The list of key management personnel as at the end of the year were:

No	Key Management Personnel	Designation
1	Mr. Olalekan Balogun	MD/CEO
2	Mrs. Sylvia Inkoom	Deputy Managing Director
3	Mr. Adedayo Adesipo	Chief Operating Officer
4	Mr. Ugochukwu Abanum	Chief Finance Officer
5	Mr. Peter Dery	Head, Wholesale Banking
6	Mr. Noble Eduamah	Head Corporate & Commercial Banking
7	Mr. Emmanuel Sackey	Country/Regional Treasurer
8	Mr. Kwadwo Addai	Chief Risk Officer
9	Mr. Kenneth Ugwuanyi	Head, Digital Banking Products & Sales
10	Mr. Michael Narh	Head, Legal/Company Secretary
11	Mrs. Jocelyn E. Ackon	Head, Human Capital Management
12	Mr. Philip Odoom	Head, Compliance
13	Mr. Evans Amenyo Sallah	Head, Internal Control
14	Mr. Henry Nii Dottey	Head Marketing & Corporate Communications
15	Mr. Benjamin Kwamina Arthur	Head of IT
16	Mr. Chiedu Okonta	Country Chief Inspector

SHAREHOLDER ENGAGEMENT

AGM Notice

Proxy Form

United Bank for Africa

NOTICE OF 2021 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of United Bank for Africa (Ghana) Limited will be held at 9.00am prompt on Wednesday, 28th April, 2021 at Heritage Tower, Ambassadorial Encl a ve, Off Liberia Road, West Ridge, Accra to transact the following business:

Ordinary Business

1. To receive the Audi te d Accounts for the year ended 31st December, 2020 together with the reports of the Directors and Auditors thereon.
2. To retire/elect Non-Executive Directors.
3. To authorize the Directors to fix the remuneration of the Auditors.
4. To declare dividends.

Special Business

5. To adopt a new suffix for the Company in line with the Companies Act, 2019 (Act 992).
6. To adopt a new Constitution for the Company in line with the Companies Act, 2019 (Act 992).
7. To transact any other business to be d ea lt with at an Annual General Meeting.

Thank you.
By Order of the Board

Michael Terkpetey Narh Esq.
COMPANY SECRETARY

A proxy form is enclosed.

United Bank for Africa (Ghana) Limited
Heritage Tower, Ambassadorial Enclave, Ridge. P.M.B. 29, Ministries, Accra, Ghana.

Tel: +233-030-263 4060 Fax: +233-302-680666
www.ubagroup.com

PROXY FORM

ANNUAL GENERAL MEETING to be held at 9.00am on Wednesday, April 28, 2021 at Heritage Tower, near Cedi House, Ambassadorial Enclave, West Ridge, Accra.

I/We .... being a member of United Bank for Africa (Ghana) Limited hereby appoint .... or failing him/her the Chairman of the meeting as my/our Proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on April 28, 2021.

Signed this .... day of .... 2021.

....
Shareholder's signature/Common Seal

No.	Resolutions from the Board	For	Against
1.	To receive the Audited Accounts for the year ended 31st December, 2020 together with the reports of the Directors and Auditors thereon.		
2.	To elect Directors. i) Mr. Kweku Awotwi ii) Mrs. Merene Botsio Benyah iii) Mr. Jerry Djangmah		
3.	To authorize the Directors to fix the remuneration of the Auditors.		
4.	To declare dividends.		
5	To adopt a new suffix for the Company in line with the Companies Act, 2019 (Act992).		
6	To adopt a new Constitution for the Company in line with the Companies Act, 2019 (Act 992).		
7	To transact any other business to be dealt with at an Annual General Meeting.		

Please indicate with an "X" in the appropriate square how you wish your votes to be cast on the resolutions set out above. Unless otherwise instructed the proxy will vote or abstain from voting at his/her discretion.

THIS PROXY FORM SHOULD NOT BE SENT TO THE SECRETARY IF THE MEMBER WILL BE ATTENDING THE MEETING.

Notes.

1. A member (Shareholder) who is unable to attend the Annual General Meeting is allowed by law to vote by proxy. The above Proxy Form has been prepared to enable you to exercise your vote if you cannot personally attend.
2. Provision has been made on the Form for the Chairman of the meeting to act as your proxy, but if you wish, you may insert in the blank space marked "name of the proxy" the name of any person whether a Member of the Company or not, who will attend the Meeting and vote on your behalf instead of the Chairman of the Meeting.
3. If executed by a Company/Trust, the Proxy Form should bear its Common Seal or be signed on its behalf by a Director/ Trustees of the Company/Trust.
4. Please execute the Proxy Form and deliver it so as to reach the Company Secretary not later than 8.00am on Wednes-day, April 28, 2021.

CORPORATE INFORMATION

- International Offices
- Branch Network
- Products & Services
- ATM Directory

Corporate Information

Board of Directors

Mr. Kweku Awotwi	Board Chairman (Appointed 7 July 2020)
Mr. Olalekan Balogun	Managing Director/Chief Executive Officer (Appointed 6 May 2020)
Mrs. Sylvia Inkoom	Deputy Managing Director (Appointed 8 June 2020)
Mr. Oliver Alawuba	Non-Executive Director
Mr. Ebele Ogbue	Non-Executive Director
Mrs. Abiola Bawuah	Non-Executive Director
Hon. Kwamena Bartels	Independent Director
Mr. Samuel Ayim	Independent Director
Mr. Ivan Avereyireh	Independent Director
Mr. Francis Koranteng	Independent Director
Mr. Jerry Djangmah	Independent Director (Appointed 24 November 2020)
Mrs. Merene B. Benyah	Independent Director (Appointed 24 November 2020)
Mr. Isong Udom	Managing Director/Chief Executive Officer (Retired 6 May 2020)

Company Secretary

Michael Terkpetey Narh Esq.
Heritage Towers,
Ambassadorial Enclave,
PMB 29, Ministries
Accra

Auditor

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

Bankers

United Bank for Africa Plc
UBA House 14th floor
57, Marina
P.O. Box 2406
Lagos- Nigeria

Citibank New York.
Citibank N. A, 111 Wall Street
NY 10043
New York, US

Registered Office

United Bank for Africa (Ghana) Limited
Heritage Towers,
Near Cedi House,
Ambassadorial Enclave,
Off Liberia Road,
PMB 29, Ministries
Accra

International Offices

UBA America
1 Rockefeller Plaza, 8th Floor
New York, NY 10020
USA

UBA UK
36 Queen Street London EC4R 1BN
London, United Kingdom

United Bank for Africa
Representative Office in France
Tour Egée 9-11 allée de l’Arche
92400 Courbevoie - Paris La Défense

BUSINESS OFFICES NETWORK

GREATER ACCRA

CORPORATE BUSINESS OFFICE
Address: Heritage Tower, Ambassadorial Enclave, Near Cedi House, Off Liberia Road, Ridge.
Tel.: 0302680094 / 0302681224 / 302681224 / 0302689000

LABONE
Address: Hse. No. 96B
Sithhole St., 5th
Circular Road – Opp. Bosphorus Restaurant & Café, Labone
Tel.: 0302 783015 / 6 / 782234

ABEKA LAPAZ
Address: Abeka Lapaz,Akro-Gate Towers, Off Akweteyman, Lapaz Road, Accra - Ghana
Tel.: 03024 14474 / 407547 / 416682

ABOSSEY OKAI
Address: Urban Rose Plaza,13
Winneba road, Pamprom Traffic Light, Abossey Okai
Tel.: 0289 555189 / Fax.: 302661108

ACCRA CENTRAL
Address: No. 507 Cerby Avenue,
White Chapel Building, Okaishie
Tel.: 0302 674085 / 674056 / 674112 / 674099 / 89

KANTAMANTO
Address: Tarzan Building Complex, Kantamanto
Tel.: 0302 681319 / 674112

RING ROAD CENTRAL
Address: Ring Road,
Opposite Swiss School
Tel.: 0302 246066 / 8

NORTH INDUSTRIAL AREA
Address: NIA No. 612
Dadeban Road NTC
Tel.: 0302 2581778 / 257177 / 258177

ACHIMOTA
Address: Achimota Banking Farm,
Mile 7, ABC Junction
Tel.: 0303- 976099/ 0303976100

AIRPORT
Address: 59 Patrice Lumumba Road,
Airport Residential Area.
Tel.: 0302 766172 / 3

DZORWULU
Address: No. 47 Blohum Street, Near Medi-fem Clinic, Dzorwulu
Tel.: 0302 774038

EAST LEGON - AMERICAN HOUSE
Address: 4 Boundary Road East Legon, (Near America House)
Tel.: 0302 520497 / 8 / 520493

EAST LEGON - LAGOS AVENUE
Address: Plot 85, Lagos Avenue, East Legon (Adjacent Mensvic Hotel)
Tel.: 0289 532533 / Fax.: 509038072

MADINA
Address: Hollywood Shopping Complex - REDCO, Madina
Tel.: 0302 520770 / 4 / 520778 / 9 / 0201352992
Fax.: 302520772

TESHIE
Address: Lascala junction,Near KAIPC,Teshie
Tel.: 0289549669 / 0289549889

SPINTEX
Address: 120B Spintex Road, Agapet Filling Station
Tel.: 0289 549821 / 0289 549838

TEMA COMMUNITY 4
Address: Konadu Shopping complex, Near Chemu Sec School, Comm. 4
Tel.: 03032 00847

TEMA COMMUNITY 1
Address: Greenwich Tower, Opp. former Black Star Line, Meridian Road,Community
Tel.: 03032 12162 / 65
Fax.: 303212180

ASHANTI

ADUM
Plot 2, Block II A Palace Road,
OTA Adum-Kumasi
Tel.: 03220 41006 / 8

KEJETIA
Opposite Unicom House,Kumasi Station,Kejetia, Kumasi
Tel.:03220 43898
Fax.: 322043898

ALABAR
ZE 66 Manhyia Road, Alabar - Kumasi
Tel.: 03220 31130

TANOSO
University of Education-Winneba
(Kumasi campus)
Tel.: 03220 52490 / 52495 / 52489

SUAME
Address: Plot 3 Block A, Suame Takwa Layout
Tel.: 03220 49101 / 3

KNUST
Opp. Old administration block,
KNUST campus, Kumasi
Tel.: 03220 64400
Fax.: 322064403

VOLTA

AFLAO
Aflao Border, Exit gate,
Southern–end, Aflao
Tel.: 0362099821 / 036099822
fax.: 96230906

WESTERN

TAKORADI
Address: No. 52/1 John Sarbah Road,
Former BHC Building, Market Circle.
Tel.: 03120 26330 / 26437 / 25787

TARKWA
Address: St. Matthew Catholic Church, Obuoso Road, Tarkwa.
Tel: 0312 292952/

NORTHERN

TAMALE
Address: Ward M, Plot C4, North
Lamashegu Res. Area.
Tel: 0372099002

PRODUCTS & SERVICES

SAVINGS ACCOUNT

1. KIDDIES ACCOUNT

A trust account designed for parents or guardians with children between ages 0-12 years who intend to save for short/long term goals

Benefit/Features

- Opening & Operating balance of GHS10
- Attractive Interest rate of 4% P.A
- Allows lodgment of cheques and dividend s
- 13th Month reward (10% of the monthly saving plan amount) when constant maintenance of standing order above GHC1000 for 12 months.

2. TEENS ACCOUNT

UBA Teen Account is a trust account designed and structured to appeal to students who are enrolled in Junior and Senior Secondary School; particularly demographics between 13 to 17 years.**Benefits/Features**

- GHS15 Minimum Opening Balance
- GHS 50 Minimum Opening Balance
- Interest rate of 3%
- Introduction to Financial Literacy/ children club membership (UBA Learn)
- Opportunity for Internship with the Bank subject to vacancy

3. UBA NEXT-GEN

UBA Next-Gen Account is a liability product designed and structured to appeal to the students in Tertiary Institution between the ages of 18 and 25 in order for them to maintain a relationship with the bank.

Benefits/Features

- GHS 20 Minimum Operating Balance
- Interestrate of 3%
- Opportunity for Internship with the Bank subject to vacancy
- Member of UBA Campus Ambassador club
- Benefit from group mentorship programs in high schools, universities etc

4.UBA BUMPER

A hybrid of a savings and current account which gives the customer the desired benefits derived from both accounts.

Benefits/Features

- GHS 100 Minimum Opening Balance
- GHS 50 Minimum Operating Balance
- Interest rate of 5.5%
- Cheque book on request

5. UBA TARGET

Targeted account that helps customer plan towards a project. Customer can enjoy high interest rate of up to 4.5% p.a, while having unlimited access to funds.

Benefits/Features

- GHS 1,000 Minimum Opening Balance
- GHS 1,000 Minimum Operating Balance
- Interest rate Band
- GHS1,000-GHS10,000 = 3%
- GHS10,001-GHS50,000 = 3.5%
- GHS50,001 – GHS100,000 = 4%
- GHS100,001 and above = 4.5%

6. EMPLOYEE SAVINGS ACCOUNT

The UBA Employee account is a salaried savings account designed for an efficient salary/pay roll administration for organizations. This is designed for employees in the private and public sectors of the economy.

Benefits/Features

- Zero account opening balance
- Minimum operating balance of GHS 20
- Minimum balance of GHS 50 attracts interest of 3% p.a
- Ease of conversion to a regular savings account upon request or on separation from place of employment.

7. Business Savings Account

The UBA Business Savings account is a savings account designed for all Corporate account holders to build Funds.

Benefits/Features

- Zero account opening balance
- Minimum operating balance of GHS 20
- 3% interest rate
- Minimum balance of GHS 50 attracts interest

8. SAVINGS FOR SOCIETIES AND CHURCHES

The UBA Savings account for churches and societies is a savings account designed for non-profit making organizations that are limited by guarantee.

Benefits/Features

- Minimum operating balance of GHS 20
- Minimum balance of GHS 50 attracts interest
- 3% interest rate

CURRENT ACOUNTS

1. LION PRIME ACCOUNT

Lion Prime product is a zero COT and remunerated current account designed to meet the needs of customers who desire to maximize returns on their accounts.

A) LION PRIME INDIVIDUAL ACCOUNT

Benefits/Features

- Opening/ operating balance of GHS3,000.00
- Free 1st Cheque book
- Zero COT charge if average monthly balance is GHS3,000.00 and above
- Zero Account Maintenance charge
- Default COT bands for individuals to apply if average monthly balance goes below GHS3,000.00 or customers make more than 10 withdrawals in a month (COT cycle) – For individual accounts and
- Withdrawals from electronic channels excluded from max of 10 withdrawal count. i.e. ATM, U-Direct, U-Direct Corporate & U-Mobile
- Interest: 1% p.a. interest rate is payable where the average balance of GHS3,000.00 is maintained.
- Access to credit facilities and all e-banking channels

B) LION PRIME CORPORATE

Benefits/Features

- Opening/operating balance of GHS10,000.00
- Interest payment of 1% on balance above GHS10,000.00
- Free 1st Cheque book
- Zero COT charge if average monthly balance is GHS10,000.00 and above
- Default COT bands for individuals to apply if average monthly balance goes below GHS10,000.00 or customers make more than 10 withdrawals in a month (COT cycle) – For Corporate accounts
- Zero Account Maintenance Charge
- Withdrawals from electronic channels excluded from max of 10 withdrawal count. i.e. ATM, U-Direct, U-Direct Corporate & U-Mobile
- Interest: 1% p.a. interest rate is payable where the daily minimum balance of GHS10,000.00 is maintained

2. RUBY ACCOUNT

Ruby current account is a gender specific product designed for discerning women so as to satisfy some of their special business and personal needs.

a) Ruby Premium

- Zero COT (Subject to maintaining the minimum balance)
- Attractive interest rate of up to 6% for balances above GHS 20,000
- Access to consumer credit facilities (terms apply)
- Discount on services offered by various Ruby partner outlets
- Free e-Banking channels enrolment - Internet Banking and Alert services
- Customized Ruby account cheque book and Debit Card

b) Ruby Classic

- Zero COT (Subject to maintaining the minimum balance)
- Attractive interest rate of up to 5% for balances above GHS 20,000
- Cash collateralized loans for up to 80% of account balance
- Access to consumer credit facilities (terms apply)
- Free e-Banking channels enrolment - Internet Banking and Alert services
- Customized Ruby account cheque book and Debit Card

3. LIMITED LABILITY ACCOUNT

The Limited Liability Company Account is a current Business Account for Limited Liability public and private sector companies.

Benefits/Features

- Minimum opening balance of GHS 50
- Allows direct debit instruction
- Third party transaction allowed
- Cheque book at a fee
- Access to all digital banking products
- COT of 1.5/mille (GHS1.5 for every 1,000 withdrawal)

4. PARTNERSHIP ACCOUNT

The Partnership Account is a corporate account opened for partnerships in which both partners have an equal interest in the business.

Benefits/Features

- Minimum opening balance of GHS 50
- Allows direct debit instruction
- Third party transaction allowed
- Cheque book at a fee
- Access to all digital banking products
- COT of 1.5/mille (GHS1.5 for every 1,000 withdrawal)

5. SOLE PROPRIETORSHIP ACCOUNT

The sole proprietorship account is a current account designed for small scale businesses(sole ownerships)

Benefits/Features

- Minimum opening balance of GHS 50
- Allows direct debit instruction
- Third party transaction allowed
- Cheque book at a fee
- Access to all digital banking products
- COT of 1.5/mille (GHS1.5 for every 1,000 withdrawal)

6. DIASPORA ACCOUNT

The Home Account is an account which enables Ghanaians living in the African diaspora to control their finances at home.

a) Diaspora Savings Account

Benefits/Features

- One free home transfer per month from Expatriate account to Diaspora
- Free debit card
- Access to UBA global network
- Zero Opening/operating balance
- Interest rate of 3% p.a

b) Diaspora Savings Account

Benefits/Features

- One free home transfer per month from Expatriate account to Diaspora
- Free debit card
- Access to UBA global network
- Zero Opening/operating balance
- Allows direct debit instruction
- Third party transaction allowed
- Cheque book at a fee
- Access to all digital banking products
- COT of 1.5/mille (GHS1.5 for every 1,000 withdrawal)

7. UBA BUSINESS ACCOUNT

The UBA Business Account offers a low-cost current account alternative to MSMEs by incentivizing them to route all their business lodgments and turnovers through the account without being penalized with the industry-wide debit turnover–based Account Maintenance Charge.

a) SME Micro

Benefits/Features

- GHS 1,000 Opening/operating balance
- Maximum COT charge of GHS 40
- Allows direct debit instruction
- Third party transaction allowed
- Cheque book at a fee
- Access to all digital banking products

b) SME Small

Benefits/Features

- GHS 2,000 Opening/operating balance
- Maximum COT charge of GHS 80
- Allows direct debit instruction
- Third party transaction allowed
- Cheque book at a fee
- Access to all digital banking products

c) SME Medium

Benefits/Features

- GHS 5,000 Opening/operating balance
- Maximum COT charge of GHS 100
- Allows direct debit instruction
- Third party transaction allowed
- Cheque book at a fee
- Access to all digital banking products

LOANS

1. Flexi Loan

Flexi Loan is a loan product for government workers who receive their salaries through the Controller and Accountant General's Department.

- Up to 36 months to repay full amount and interest

2. Personal Loan

It's a loan product the allows salaried workers of enlisted companies to access up to GHS 250,000.

- Up to 60 months to repay full amount and interest.

ATM LOCATIONS

S/N	Name	STATE	Location
1	ACCRA MALL	OFF SITE	ACCRA MALL
2	BAATSONA	OFF SITE	BAATSONA TOTAL FILLING STATION
3	ROYAL PARADE	OFF SITE	KNUST ROYAL PARADE GROUNDS, KUMASI
4	TAKORADI GOIL	OFF SITE	TAKORADI GOIL FILLING STATION
5	TAKORADI POLY	OFF SITE	TAKORADI POLYTECHNIC
6	TAKORADIAIRPORT	OFF SITE	TAKORADI AIRPORT
7	37 MILT HOSPITAL	OFF SITE	37 MILITARY HOSPITAL
8	ACHIMOTA MALL	OFF SITE	ACHIMOTA MALL
9	BURMA CAMP GOIL	OFF SITE	BURMA CAMP GOIL FILLING STATION
10	GOLDEN LINK SAVINGS AND LOANS	OFF SITE	GOLDEN LINK SAVINGS AND LOANS HEAD OFFICE TESANO
11	KUMASI GOLDEN LINK	OFF SITE	GOLDEN LINK SAVINGS AND LOANS, ADUM KUMASI
12	KWABENYA GOIL FILLING STATION	OFF SITE	GOIL FILLING STATION, KWABENYA
13	TANG PALACE	OFF SITE	TANG PALACE HOTEL, ROMAN RIDGE
14	TEMA COMMUNITY 8	OFF SITE	TEMA COMMUNITY 8, SHELL FILLING STATION
15	UG CENTRAL CAF	OFF SITE	CENTRAL CAFETERIA, UNIVERSITY OF GHANA
16	UPS ENGEN FILLING STATION	OFF SITE	ENGEN FILLING STATION, CLOSE TO UNIVERSITY OF PROFFESIONAL STUDIES.
17	KIA T3	OFF SITE	KOTOKA INTERNATIONAL AIRPORT, TERMINAL 3
18	GOIL ACP POKUASE	OFFSITE	GOIL FILLING STATION, ACP POKUASE.
19	ASHALEY BOTWE	OFFSITE	GOIL FILLING STATION, ASHALEY BOTWE
20	GOIL KASOA CITY	OFFSITE	GOIL FILLING STATION, KASOA CITY
21	GOIL LATERBIOKORSHIE	OFFSITE	GOIL FILLING STATION, LATERBIOKORSHIE
22	GOIL AMRAHIA	OFFSITE	GOIL FILLING STATION, AMRAHIA
23	GOIL SANTASI	OFFSITE	GOIL FILLING STATION, SANTASI NCR
24	GOIL KPONE BARRIER	OFFSITE	GOIL FILLING STATION. KPONE BARRIER, TEMA.