Annual
Report
2023

FIDELITY BANK

Believe with us.

Notice of Virtual Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting (AGM) of Fidelity Bank Ghana LTD, whose registered place of business is No.10 Ambassadorial Enclave, Ridge Tower, West Ridge, Accra, Ghana, will be held **virtually on Friday 31st May 2024** at **11:00 am (GMT) via Microsoft® Teams** to transact the following business:

By Ordinary Resolution:

1. To receive and adopt the Reports of the Directors, Auditors and the Financial Statements for the year ended 31st December 2023;
2. To declare a final dividend for the year ended 31st December 2023 subject to approval by the Bank of Ghana;
3. To ratify the appointment of Non-Executive Director, George-Thomas Svanikier;
4. To re-elect Directors, Adwoa Nyantakyiwa Annan, Skander Khalil Oueslati and Abayomi Theophilus Akinade retiring by rotation;
5. To authorise the Directors to fix the remuneration of the Auditors.

DATED THIS 3RD DAY OF MAY 2024

BY ORDER OF THE BOARD

MAATAA OPARE
(COMPANY SECRETARY)

Members and/or their proxies may attend and participate in the Annual General Meeting of Fidelity Bank Ghana LTD virtually. A member of the Company entitled to attend and vote is entitled to appoint a Proxy to attend the virtual meeting and vote instead of him. A Proxy need not be a member. A form of Proxy is attached and for it to be valid for the purpose of the meeting, it must be completed and emailed to **companysecretary@myfidelitybank.net or deposited at the offices of the Company Secretary, Fidelity Bank Ghana LTD, 2nd Floor, Ridge Tower, Accra not less than 48 hours before the appointed time of the meeting.**

Agenda

Annual General Meeting of Fidelity Bank Ghana LTD

Friday, 31st May 2024, 11:00am(GMT)
via Microsoft® Teams

1. Opening Prayer
2. Notice of Meeting
3. Adoption of Minutes of AGM of 26th May, 2023
4. Chairman and Managing Director's Speech
5. Q&A
6. To receive and adopt the Reports of the Directors, Auditors and the Financial Statements for the year ended 31st December 2023
7. To declare a final dividend for the year ended 31st December 2023 subject to approval from the Bank of Ghana
8. To ratify the appointment of Non-Executive Director, George-Thomas Svanikier
9. To re-elect Directors, Adwoa Nyantakyiwa Annan, Skander Khalil Oueslati and Abayomi Theophilus Akinade retiring by rotation
10. To authorise the Directors to fix the remuneration of the Auditors.
11. Closing Prayer

Contents

Financial Highlights

For the year ended 31 December 2023

[All amounts are expressed in thousands of Ghana cedis]

	GROUP		BANK	
	December	December	December	December
As at	2023	2022	2023	2022
Total assets	17,213,491	13,776,690	17,220,009	13,785,897
Loans and advances to customers	3,213,860	2,736,268	3,213,860	2,815,748
Deposits	12,915,089	10,061,242	12,653,206	9,874,809
Shareholders' equity	1,533,536	709,658	1,440,459	656,377
For the year ended				
Operating Income	2,035,848	1,458,462	2,030,720	1,433,043
Profit/(Loss) before tax	1,189,141	(533,409)	1,165,380	(518,623)
Profit/(Loss) after tax	766,356	(399,085)	750,825	(388,585)
Earnings/(loss) per share	30.35	(15.81)	29.74	(15.39)
Return on average equity (%)	68.33	(39.96)	71.62	(40.94)
Return on average assets (%)	4.95	(2.94)	4.95	(2.94)
Number of staff	1,182	1,188	1,163	1,171
Number of branches	82	76	82	76
Number of ATMs	132	124	132	124

Corporate Profile

Fidelity commenced business in October 1998 as a discount house. Fidelity Discount House attracted a rich client base and was noted for its innovative and attractive investment product offerings, making us the discount house of choice. With the quality of services offered, our customers requested for a deeper and richer business relationship, making it logical to move into the banking sector. On the 28th of June 2006, we obtained a universal banking license.

Investment banking has always been a key pillar in the overall strategy of the Bank, thus, Fidelity Securities Limited (FSL), a fully owned subsidiary of the Bank, was incorporated as the investment banking arm of the Bank. Formerly known as Fidelity Asset Management, FSL's business includes providing advisory services, issuing securities, raising capital and undertaking portfolio investment management for clients.

In 2012, the Bank established Fidelity Asia Bank Limited (FABL) in Labuan, Malaysia as a wholly owned Asian subsidiary in Malaysia. FABL provides offshore banking services. The continued growth of the Bank culminated in Fidelity's acquisition of ProCredit Savings and Loans Company Limited (PCSL) from ProCredit Holding Germany (PCH) and the DOEN Foundation of the Netherlands in 2014.

Currently, a Tier 1 Bank, Fidelity continues to perform its primary role of financial intermediation through our Wholesale Banking and Retail Banking divisions to meet the banking needs of our diverse customer base.

Our successful journey to the top tier of the banking sector has been largely driven by good governance, superior products, well trained staff and key investments in technology. As the largest privately-owned Ghanaian bank, our focus is on continuing to innovate and provide value-added products and services to our growing customer base.

Subsidiaries

FIDELITY SECURITIES

Fidelity Securities Limited (FSL), a fully owned subsidiary of Fidelity Bank Ghana LTD, is the investment banking arm of the Bank. Formerly known as Fidelity Asset Management, FSL's business includes providing advisory services, issuing securities, raising capital and undertaking portfolio investment management for clients.

Fab
FIDELITY ASIA BANK

Fidelity Asia Bank Limited (FABL) was established in July 2012 as a wholly owned Asian subsidiary in Malaysia. FABL provides offshore banking services.

Corporate Information

Mission

To become an established top three (3) bank in Ghana by 2024 based on the following key performance indicators: Quality of Deposits; Operating Income; Quality of Loan Book; Return on Equity and Cost to Income Ratio. Anchored on three key pillars:

- our people
- our service and processes, and
- return to stakeholders.

This will be premised on exceptional corporate governance standards and risk management practices, knowledge of the local market, professionalism, proactivity, innovation and above all, a customer-centric culture.

Vision

Fidelity Bank's vision is to become a world-class financial institution that provides superior returns for all stakeholders as follows:

Our Customers:
The best place to bank

Our Shareholders:
The best place to invest

Our Employees:
The best place to work

Our Regulators:
The best place to benchmark

Board of Directors

James Reynolds Baiden	*Board Chairman*
Julian Kingsley Opuni	*Managing Director*
Harold Richardson	*Independent Non-Executive Director*
Abubakar Sulemana	*Independent Non-Executive Director*
Lisa Mensah	*Independent Non-Executive Director*
Adwoa Nyantakyiwa Annan	*Non-Executive Director*
Skander Khalil Oueslati	*Non-Executive Director*
Abayomi Theophilus Akinade	*Non-Executive Director*
George-Thomas Svanikier	*Non-Executive Director*

Company Secretary
Ms. Maataa Opare

Registered Office
Fidelity Bank Ghana LTD,
Ridge Tower,
10 Ambassadorial Enclave,
West Ridge, Accra,
Ghana

Solicitors
Bari & Co.
Suite No. 1, 1st Floor No. 27,
Castle Road,
Adabraka, Accra

Independent Auditor
Ernst and Young
Chartered Accountants,
60 Rangoon Lane
Cantonment City
P. O. Box 16009
Airport, Accra

Bankers
Citibank N. A.
Oddo BHF Bank
Ghana International Bank (UK)
Bank of China
JP Morgan Chase Bank
Banque De Commerce Et Placements
ABSA
UBA, America

Board of Directors

James Reynolds Baiden
Chairman of the Board of Directors

James Reynolds Baiden was appointed Chairman of the Board of Directors of Fidelity Bank from 1st January 2023 to succeed Edward Effah who completed his tenure on 31st December 2022.

Jim Baiden, as he is widely known, is a consummate Banking Professional who garnered more than 35 years experience working in the Banking & Finance Industry right from his first job at National Investment Bank in the early '80s until his retirement in 2018 as the Managing Director of Fidelity Bank Ghana.

In October 1998 Jim Baiden teamed up with Edward Effah to cofound Fidelity Discount House and subsequently served as the General Manager & Executive Director from inception in 1998 to 2006.

In October 2006 Jim Baiden came together with Edward Effah and Thomas Svanikier, a key shareholder to develop the transitional framework that culminated in the transformation and founding of Fidelity Bank, a wholly owned Private Sector Bank. Jim was subsequently appointed the first Deputy Managing Director of Fidelity Bank Ghana LTD.

In June 2016 after 10 years of impeccable service to the Bank as the Deputy Managing Director and working with a world class Management team that transformed Fidelity into a Top 5 bank in Ghana, Jim was appointed the Managing Director of Fidelity Bank. Jim maintained the reputation of the Bank as an outstanding Ghanaian success story and led the Management team to continue growing the Balance Sheet and Profitability of the Bank during his tenure. During the Banking crisis in 2017, Jim then the Managing Director of the Bank, came in for special mention in many fora for his leadership role in building a strong bank that was not indicted by the happenings in the banking industry that led to the collapse of 9 banks.

In October 2018, Jim retired as an Executive Director and Managing Director of Fidelity Bank, having served Fidelity for a total of 20 years.

After a 3-year cooling-off period, Jim was re-appointed to the Board of Fidelity Bank in May 2021.

At the 4th Ghana CEOs Summit in March 2019, Jim Baiden was inducted into the Ghana Banking Hall of Fame in recognition of his immense contribution to the development of Banking in Ghana.

During his active working days, Jim gained extensive international experience as an alumnus of Gerrard & National, a City of London based Discount House. He also attended the Darden School of Management, University of Virginia, USA, specialising in "Managing Critical Resources."

Jim holds a Master's Degree in Banking & Finance from the Finafrica Foundation, Milan, Italy and a Bachelor's degree in Economics with Statistics from the University of Ghana, Legon.

Jim is married to Joyce and they have 3 adult children. It is not a secret that Jim is passionate about the things of God and serves as the Chairman of the Action Chapel Scholarship Foundation. In many circles Jim is known as the "TrueBlue" because of his die-hard support of Chelsea Football Club.

Julian Kingsley Opuni
Managing Director

Julian Opuni is the Managing Director of Fidelity Bank and serves as an executive member of the Board. He joined the bank as the Head of Commercial Banking at the inception of the unit. After incubating and building the new business line, he led the growth and consolidation of the wider Commercial & SME Banking segments and ultimately the entire Retail Banking Directorate.

Julian has over 26 years of experience in the financial services sector both locally and internationally. He has extensive experience in business development, credit analysis, and sales management and has also participated in various youth entrepreneurship & business mentoring projects.

Prior to joining Fidelity Bank, Julian had a successful career with Lloyds Bank in the United Kingdom where he worked for over 18 years. He joined Lloyds as a member of their Expedited Management Training Program, holding various roles in Operations and Retail Banking which included Branch Management. Additionally, he held several senior positions in both Business & Corporate Banking, finally leaving as a Senior Manager with responsibility for various business centres in the west of London. His great leadership skills and business acumen have earned him recognition both locally and internationally. He was the recipient of the Ghana Business Awards' Outstanding Leadership Award in 2020. He was also adjudged the Best Banking CEO of the Year in Ghana by International Business Magazine while Global Banking and Finance Magazine adjudged him as the Best Banking CEO in Ghana.

He is an Associate of the Institute of Financial Services (Aifs) and holds a B.Sc. in Banking & Financial Services from the University of Manchester Institute of Science & Technology. Julian is also an accredited specialist in Manufacturing, Legal and Property Lending and he was recently conferred a fellowship by the Chartered Institute of Bankers, Ghana.

Mrs. Adwoa Nyantakyiwa Annan
Non-Executive Director

Mrs. Adwoa Annan is the co-founder of Geothermal Management Services Ltd, a green technology company. She is also a non-executive director of Waveline Growth Partners Limited, a finance company in Nigeria and a consulting Advisor at Alfie Designs, a garment manufacturing company and J&J Plastics Ltd

Prior to that, Mrs. Annan had a successful 30 year career in the financial services sector having worked in both the main stream banking and microfinance sectors. She has extensive experience in banking operations, customer service, sales management and strategic management.

She started her career with Barclays as a management trainee where she worked for 23 years, holding various senior management roles in operations, internal audit, branch management and business development.

Following a passion to empower women, she joined Women's World Banking in 2007 as the Chief Operations Officer overseeing all aspects of business strategy growth with specific concentration on the banking operations, credits, IT, Human Resources and Administration units. In 2011, she became the CEO and voluntarily retired after 4 years of implementing a successful turnaround program.

She holds an International Baccalaureate diploma from United World College of the Atlantic (U.K), a Bachelor's Degree in Economics from the University of Kent at Canterbury (UK) and a professional graduate diploma in management (International Professional Managers Association). She is also a graduate member of the Chartered Institute of Administration and Management Consultancy.

Adwoa is a member of the United World Colleges (Ghana National committee).

Sulemana Abubakar
Independent Non-Executive Director

Sulemana Abubakar (Abu) is the General Electric (GE) Chief Information Officer (CIO) for GE International Markets and the Chief Executive Officer for GE Ghana.

He is a growth-focused and execution-oriented ICT leader with over 30 years of executive and hands-on experience in digitising multibillion-dollar Fortune 100 organisations.

He has a solid track record in delivering ICT solutions in both matured and emerging markets. He has a proven ability in establishing and directing global program teams and planning and deploying business systems in various industries and countries. Abu has also established Project Management Centers of Excellence, managed rescued efforts of multimillion-dollar programs and delivered business solutions across the US, Canada, Western Europe, Brazil, Russia, China, Africa and the Middle East. Sulemana Abubakar holds a BSc in Civil Engineering from the Kwame Nkrumah University of Science & Technology, an MBA from Imperial College London, and has several technology certificates from various institutions including MIT and Harvard.

Lisa Mensah
Independent Non-Executive Director

Lisa Afua Serwah Mensah is a US citizen who is the President and CEO of The Oregon Community Foundation. The Oregon Community Foundation manages over $3 billion of philanthropic resources for the benefit of improving the lives in the state of Oregon. Prior to becoming CEO of the Oregon Community Foundation, Lisa was the President and CEO of Opportunity Finance Network (OFN) a network of community development financial institutions that manage over $27 billion of investments in housing, business, and facilities in low-income areas throughout America. She is a development finance expert with experience using public and private sector financial tools to improve economic security. She previously served as President Obama's Under Secretary of Agriculture for Rural Development and founded the Initiative on Financial Security at The Aspen Institute. She was educated at Harvard and Johns Hopkins and has worked extensively on small and micro business development, housing, and financial and savings policy. Ms. Mensah began her career in commercial banking at Citibank before joining the Ford Foundation where she was responsible for the country's largest philanthropic grant and loan portfolio of investments in rural America. She serves on the boards of Feeding America, Ecotrust and the Heritage and Cultural Society of Africa, U.S.A.

Harold Richardson
Independent Non-Executive Director

Harold Richardson is a Ghanaian with over 33 years' experience as a Chartered Accountant and currently serves as the Principal at Harry Richardson Consult, an Accounting firm he owns.

Harold is a member of professional bodies including the Institute of Chartered Accountants Ghana (ICAG), the Chartered Institute of Taxation Ghana (CITG) and the Ghana Association of Restructuring and Insolvency Advisors (GARIA). Harold has served as the General Manager (Finance & Admin.) of Vanef STC Ltd, Chief Financial Officer of Regimanuel Gray Ltd and Deputy Director of Finance, Ghana Airways Ltd. He has also served in various capacities at the Old Achimotan Association (Achimota School), where he was Treasurer, and became the Vice President. He served as a Trustee of the Achimota School Endowment Trust, a member of the Board of Governors of Achimota School, and a member of the Board of Governors of Christ the King School, He was a director of Vanef STC Ltd. Harold currently sits on the board of North Ridge Lyceum Limited and he is a member of the University of Ghana Audit Committee.

Skander Khalil Oueslati
Non-Executive Director

Skander was nominated to represent AfricInvest 4.5 as a non-executive director on the board of the bank. He is a Tunisian and has been a member of AfricInvest for the past 15 years. He has garnered over 24 years of professional experience in the banking and finance industry. He is currently a Senior Partner at AfricInvest and its Chief Investment Officer. Prior to joining AfricInvest, Skander was the Executive Director and Head of Structured and Project Finance at BMCE International London, United Kingdom. He also served as a Senior Investment Officer with the International Financial Corporation (IFC) in Washington, DC, USA. Prior to this, he worked as a Project Finance Analyst with BNP Paribas, Paris, France. Skander has previously served on the Boards of Family Bank (Kenya), Bridge Bank Group West Africa, UAP Insurance (East Africa), and MTNCI (Cote d'Ivoire). He currently serves on the Boards of Prime Bank (Kenya) and Tausi Insurance (Kenya).

Abayomi T. Akinade
Non-Executive Director

Yomi has a combined professional experience of over 40 years in banking, technology consulting, cyber security and project management. He is a Nigerian American. Yomi attended Oklahoma State University (BSc. Business Admin & Economics), University of Oklahoma (MBA), Northwestern University (Postgraduate – Advance Management) and University of Wisconsin (Postgraduate – Project Management). He has been nominated by a significant shareholder of Fidelity Bank Ghana LTD, Messrs. LF III BankCo S.à r.l. Yomi is currently the Managing Partner and Chief Executive Officer of Holmen Consulting Limited in Nigeria engaged in the provision of IT consulting and project implementation services to clients in the banking, finance, power and energy sectors. Prior to this, he served as a Consultant and Chief Information Officer for Union Bank of Nigeria in charge of technology transformation from 2010 to 2015. He was also an Oracle Practice Lead from 1999 to 2003 with Whittman-Hart Inc. in the USA where he participated in over 25 successful projects in Oracle applications and database, JD Edwards applications and process automation implementations. He was also the General Manager, Head of Corporate and Investment Banking at the Marina International Bank in Nigeria from 1997 to 1998. Yomi has served in various senior executive roles within the banking and finance industry. He served as the Managing Director of Mutual Trust Savings and Loans, Nigeria from 1991 to 1997. Prior to this, he took up the role of Deputy General Manager and Corporate Bank Head at Société General Bank Nigeria where he nurtured the Bank's Corporate Banking Division thus making it the most profitable division of the Bank. Between 1984 and 1989, he served as Head of Financial Institutions Department at Citibank NA (Nigeria). He also occupied the role of Head, Foreign Exchange at Habib Bank in Nigeria from 1982 to 1984 where he was a founding member. Abayomi remains the Chief Executive Officer of Akinade Associates Inc, USA, an IT Consulting Firm where he is an independent IT contractor and leads projects in the spheres of IT infrastructure, Enterprise Resource Planning, Database Management, Customer Relationship Management and Data Analytics among others. He has occupied both roles at Holmen Consulting and Akinade Associates Inc. for the past 18 years.

George-Thomas Svanikier
Non-Executive Director

George-Thomas Svanikier (GT) has over 10 years of experience across the technology and finance industries and is currently a Strategy & Operations Lead at Google.

Previously, GT held positions at Goldman Sachs on their Engineering Management & Strategy team. There, he offered strategic guidance and business solutions to engineering leadership. Prior to that, GT worked in FX Cash settlements at Morgan Stanley, where he managed trade allocations, settlements, and post-settlement resolutions for foreign exchange products, catering to both corporate and institutional clients.

GT holds a Bachelor's Degree in Economics with a minor in Political Science from Washington College (USA) and an MBA from Columbia Business School (USA).

His commitment extends beyond professional endeavors; he serves on the boards of SEVN group, The American Friends of Stowe, HACSA USA and The Washington Center, a D.C.-based organisation that provides dynamic, experiential learning opportunities to empower and motivate young people to become engaged global citizens.

He brings a global perspective to his work, having lived and worked on three continents.

Executive Committee

Atta Yeboah Gyan
Deputy Managing Director

Atta Gyan was appointed Deputy Managing Director in April 2022 with oversight responsibility for Operations and Support Functions. Prior to his appointment as DMD, he served as the Bank's Chief Financial Officer for six years and was responsible for the overall financial functions of the Group.

Atta is a hands-on executive with over twenty-two years of experience in financial and corporate strategy, financial risk management, financial analysis and reporting, budgeting and forecasting, mergers and acquisitions, banking operations, audit and control. Atta joined Fidelity Bank in September 2007 and held many senior roles in the Bank before he was appointed Finance Director/ Chief Financial Officer in March 2016.

Atta began his banking career at SG-SSB Ltd (now Société Generale Ghana) as an Inspector after a stint at Ghana Airways. At SG-SSB, he was a key member of the task force of Operations and Control staff that led the bank's transition from a locally controlled bank to a foreign owned entity. Prior to joining Fidelity Bank, he worked at Multimedia Group Ltd as the Finance Manager for Joy FM. In that role, he set up the Finance function at the station, coordinated the station's strategy and budget, and had oversight responsibility for credit control and client service.

Atta is a certified Financial Risk Manager (FRM®) and a member of the Global Association of Risk Professionals (GARP), USA. He also holds GARP's certification in Sustainability and Climate Risk (SCR®). He is a Chartered Accountant and a member of the Institute of Chartered Accountants, Ghana. He holds a Master's degree in Finance and a Bachelor of Science degree in Business Administration from the University of Ghana Business School, Legon. Atta also holds a post-chartered diploma certificate in International Financial Reporting Standards (IFRS).

Kwabena Boateng
Divisional Director,
Corporate & Institutional Banking

Kwabena is the current Divisional Director, Corporate & Institutional Banking with over twenty (20) years' experience in the Banking Industry.

Prior to joining Fidelity, he was Executive Director, Commercial Banking of Standard Chartered Bank Ghana Ltd. He joined Standard Chartered Bank in 2006 as Senior Relationship Manager, Corporate Banking and rose through the ranks to become General Manager, SME Banking and Director, Local Corporate.

He has vast experience in the industry especially SME and Corporate Banking. He made significant impact on Standard Chartered Bank Ghana's SME business by developing it to be a major part of the SME franchise in Africa.

Prior to joining Standard Chartered Bank, he was with The Trust Bank (now Ecobank) and Amalgamated Bank (now Bank of Africa) where he was Senior Relationship Manager, Corporate Banking.
Kwabena practiced Civil Engineering for 6 years before joining the banking industry. He holds an MBA (Finance) and BSc Civil Engineering from University of Ghana and University of Science & Technology, Kumasi respectively.

Nana-Esi Idun-Arkhurst
Divisional Director,
Retail and Business Banking

Nana Esi Idun-Arkhurst is the Divisional Director of Retail and Business Banking at Fidelity Bank Ghana LTD. She handles strategy to address the financial needs of diverse client profiles within the Retail business of Fidelity. She has led the transformation of the business into a dominant Retail Bank meeting the needs of customers through strong value propositions, innovative products and excellent relationship management. She has also seen to onboarding of key strategic partnerships to support vertical markets in the agricultural, health, education, women and young entrepreneurs and alternative business in insurance.

With 20 years of experience in Banking, she has expertise in SME Financing, Financial Inclusion, Wealth Management, Bancassurance and Digital Transformation. She is an Independent Non-Executive Director and Board Chair of Sanlam Life Insurance Ghana Limited. Prior to joining Fidelity Bank in 2016, Nana Esi worked with Standard Chartered Bank for 12 years where she worked in different roles and headed various units. She holds a BSc. in Chemical Engineering from the Kwame Nkrumah University of Science and Technology and an MBA from The University of Edinburgh Business School where she was a Chevening Scholar as well as the school's 25th Anniversary Scholar.

She also holds a Post-graduate Certificate in Business Excellence in Global Banking: Fintech | Digital | Analytics from Columbia Business School Executive Education.

Christopher Lalusha
Group Chief Information Officer
(Resigned April 2023)

An innovative and accomplished Technology and Business executive with diverse financial services and Technology experience including performance driven results in IT management, project management, strategic planning, IT governance, corporate leadership, budgeting, operational efficiency, staffing models, shared services management and execution strategies. He holds an MBA in International Business, an MSc. In Information Systems Management and a BSc in Computer Science. He is a dynamic leader who is well-grounded in all technology and business aspects with a proven track record of excellence.

Dr. Shirley-Ann Awuletey-Williams
Chief Risk Officer
(Resigned April 2023)

Dr. Shirley-Ann Awuletey-Williams joined Fidelity Bank in May 2008 as a Corporate Account Manager responsible for the Manufacturing & Distribution Desk in the Corporate Banking Department. She was transferred to the Risk Management Department as Acting Head in January 2009 and was appointed the Chief Risk Officer of the Bank in 2015.

Prior to joining Fidelity, Shirley-Ann worked with Merchant Bank (Ghana) Limited (now UMB Bank) for 13 years in various departments/roles including Domestic Banking, Foreign Operations, Corporate & Institutional Banking and SME Banking. She also managed the Credit Analysts Unit as well as the Business Support function and was a Senior Relationship Manager responsible for various account portfolios. With about 27 years' experience in banking, her core competencies include Account Relationship Management, Credit Analysis & Monitoring and Enterprise Risk Management.

Shirley-Ann holds a Doctorate Degree in Business Administration and a Masters Degree in Applied Business Research both from SBS Swiss Business School. She also holds an MBA (Finance) from University of Leicester School of Management, UK and Bsc. (Hons) Agricultural Economics from the University of Ghana, Legon. She is a Chartered Banker and a Fellow of the Chartered Institute of Bankers, Ghana.

Maataa Opare
Group Head of Legal
& Company Secretary

Maataa's career in Fidelity began as a Legal Officer, Legal Counsel, then Head of Legal and Company Secretary. Prior to joining the Bank, she was a Specialist Contract Manager at Santander Private Banking UK where she provided astute legal guidance to its offshore entity, share dealing service and private banking. The previous six years were spent in Bank of Cyprus UK where she was instrumental in effecting changes brought in by the Consumer Credit Act and the Payment Services Directive. Maataa has had over sixteen years of experience as an in-house lawyer in financial institutions and has also worked in Property Litigation and Product Liability in Hogan Lovells, London. As a Solicitor of the Supreme Court of England & Wales and called to the Bar in Ghana, she is dual jurisdiction qualified.

Maataa holds a B.Sc. in Politics and International Relations from the University of Southampton. She also took the CPE and Legal Practice Course at the College of Law, Store Street. Her Post-Call was completed at the Ghana School of Law. She was recently awarded the Best Achiever in Legal Services Award, Banking Category and inducted into the Ghana Feminine Hall of Fame for her outstanding contributions and achievements in the banking industry. She has been named as one of Ghana's Top 100 Inspirational Women and has also received an Honorary Award for her contribution and support towards the growth and development of young people through the Head of State Award Scheme under the Duke of Edinburgh 's International Award scheme, the Business Executive Award for her contributions and achievement in the Ghanaian Banking Industry and the Ghana Outstanding Woman in Banking and Finance, 2021.

Owusu Boahen
Director, Human Resources

Owusu is an experienced HR professional with a passion for excellence and a good background in the implementation of HR change initiatives aligned to business objectives. Owusu has about 18 years of HR experience in the Banking industry, the majority of which has been with Fidelity Bank Ghana LTD. He joined Fidelity Bank in 2013 as a Human Resources Business Partner for Retail Banking and later as a Business Partner for our Corporate and Investment Banking department. Owusu was a vital player in the Human Resources team that helped build the required HR infrastructure to support the Bank's growth agenda. Prior to joining Fidelity Bank, Owusu worked with Barclays Bank Ghana in various capacities in the Human Resources Department. He joined Barclays Bank Ghana in 2005 and rose through the ranks to later become an HR Business Partner and a key member of the HR department. He is a Member of the Society for Human Resource Management (SHRM), USA, a Member of the Academy to Innovate HR (AHIR), and an associate member of the Institute of Human Resource Management Practitioners, Ghana. Owusu holds an MPhil in Industrial/ Organisational Psychology from the University of Ghana, Legon.

Okyere Kwasi Akyeampong
Chief Transformation Officer

Kwasi leads a multi-faceted and cross-functional team mandated to spearhead transformation across the Bank to improve efficiency, enhance customer experience and drive business growth. Before joining Fidelity Bank, Kwasi served as a global leader in diverse roles spanning a variety of world-class banks in Europe. He was the Head of Technology Strategy for Fixed Income and Wealth Management within the Global Markets at Credit Suisse in London.

Prior to joining Credit Suisse in 2010, as the Global Head of Commodities Technology, he worked for Morgan Stanley as the Global Head of Commodities Trading and Sales Technology and held other global roles, with a deep understanding of a majority of the Fixed income asset classes. Over the course of his career, he has held a variety of senior roles within the investment banking industry, with experience in leading teams globally working on a variety of technology offerings.

While at Credit Suisse, Kwasi also served as the Chair for the UK Financial Inclusion Advocates. This role enabled him to leverage the skills and enthusiasm of Credit Suisse employees in order to raise awareness, build, advance financial inclusion and impact investing efforts across the firm. As part of a global cohort of senior leaders, he travelled to Uganda in June 2019 to strengthen existing partnerships with financial inclusion organisations.

Kwasi holds a first-class Computer Science degree from Salford University in England and is an alumnus of the MSc Finance program from London Business School. He is also an Amanfo, a proud alumnus of Prempeh College in Kumasi- Ghana, where he attended Senior High School.

In his free time, he loves to read, play golf and exercise, he regularly runs half marathons to raise money for worthy causes. Kwasi is passionate about Fintech, Data Science and Agriculture in Africa and is keen to address the issue of food security using technology.

Prince Thomas Essilfie

Divisional Director,
Treasury & Markets

Prince is the Divisional Director for the Treasury & Markets Division. He is a banking professional with over 12 years of experience in financial and capital markets, treasury management and corporate funding in the US, London and several African markets. Prince joined from Africa Finance Corporation (AFC), where he was a Senior Vice President and led the Treasury Client Solutions business, an initiative he started at AFC.

Prior to starting Treasury Client Solutions, Prince teamed up with the other members of the AFC Treasury team to raise a significant amount of funding for AFC in capital markets (Eurobonds and Medium-Term Notes issuances), loan markets (syndicated and bilateral loans) as well as through swaps and structured Repo transactions. He also led the AFC's principal investments into various fixed income securities including Credit Linked Notes, Eurobonds, long term Promissory Notes, among others.

Before AFC, Prince was a Director on the Matched Principal Trading desk at UBS Investment Bank and also spent time at Morgan Stanley trading emerging market fixed income securities and currencies with a focus on African markets. He also traded US interest rate derivatives at a proprietary trading company in Chicago.

Earlier in his career, Prince was an IT and process consultant at CGI in the US. In his 5 years at the global IT and business consulting firm, he developed and led the implementation of large-scale IT systems for financial institutions and US Federal Government agencies.

He holds an MBA in Finance & Economics from the University of Chicago, Booth School of Business and a Bachelor of Arts degree with a double major in Computer Science & Economics Management and a minor in Mathematics from Ohio Wesleyan University.

2023
Sustainability Report

Content

About This Report

Fidelity Bank Ghana LTD (FBGL) has evolved significantly since its inception in October 1998 as a Discount House. Known for its innovative investment products and exceptional services, Fidelity made a natural progression into the banking sector, obtaining a universal banking license on June 28, 2006. Since then, the Bank has marked key milestones including the establishment of Fidelity Securities Limited (FSL) and Fidelity Asia Bank Limited (FABL), as well as the acquisition of ProCredit Savings and Loans Company Limited in 2014. Today, as the largest privately-owned Ghanaian bank, Fidelity stands at the forefront of the banking sector, driven by a commitment to good governance, superior products, well-trained staff, and technological advancements. The Bank in 2023 had 1,163 full time employees with forty-four percent (44%) of the work base being female. The Bank in its quest to provide quality banking services to communities has 82 branches across the country.

Parallel to its business growth, Fidelity's journey in sustainability has been equally impressive. The Bank's sustainability vision is centred on creating a sustainable future for all Ghanaians. This vision encompasses supporting inclusive economic growth, reducing environmental footprints, upholding high standards of governance and ethics, and engaging in meaningful partnerships. Fidelity's dedication to sustainability is further emphasised through its mission in the Partnerships, Sustainability and CSR department, where the focus is on embedding Environmental, Social, and Governance (ESG) considerations into all operations and investments. This annual report shows the Bank's sustainability progress and commitments for the 2023 reporting period.

Our Sustainability Impact in 2023

SUSTAINABLE FINANCE

TOTAL SME BENEFICIARIES - FIDELITY YOUNG ENTREPRENEURSHIP PROGRAMME (FYEF, Orange Corners Fund): **86**

SDGs CONTRIBUTED TO: **2, 4, 6, 7, 8, 9,11,13**

TYPES OF SME BUSINESSES SUPPORTED:

- Manufacturing
- Creative Arts
- WASH
- Agriculture
- Technology
- Service

TOTAL DISBURSED UNTIL 2023: **GH¢ 11.5 Million**

NO. OF PERSONS REACHED THROUGH REMITTANCES & FINANCIAL INCLUSION PROGRAMMES (IFAD) IVR: **7,279**

FIDELITY YOUNG ENTREPRENEURS MENTORING PROGRAMME (FYEMP) BENEFICIARIES: **65**

SAVINGS MOBILISED THROUGH REMITTANCES & FINANCIAL INCLUSION PROGRAMMES (IFAD): **GH¢10.9 Million**

SUSTAINABLE OPERATIONS

AMOUNT OF PAPER WASTE RECYCLED: **1.5 Tonnes**

WATER CONSUMPTION REDUCTION: **20%** estimated decrease in 2023

SDGs CONTRIBUTED TO: **5, 8, 12, 13**

CO_2

GHG EMMISIONS:
Scope 1 851.05 t CO2e
Scope 2 1027.63 t CO2e

ELECTRICITY CONSUMPTION REDUCTION: **11.8%** estimated decrease in 2023

CSR

- Education
- Economic Empowerment
- Health
- Environment
- Climate change

NO. OF BENEFICIARIES: **21,234**

Male **39%** Female **61%**

SDGs CONTRIBUTED TO: **3, 4, 5, 8, 9, 13, 14, 16 17**

NO. OF SCHOOLS BENEFITTING FROM ORANGE IMPACT INITIATIVE: **= 4**

1. Mamprobi Ebenezer 4 (G/A)
2. Douse D/A School (U/W)
3. Okogyeasuo M/A JHS (A/R)
4. Fodome Kodzeto M/A School (V/R)

REGIONAL SPREAD OF CSR PROJECTS:

NO. OF STAFF VOLUNTEERS: **200**

VOLUNTEER HOURS AMASSED: **567hrs**

TOTAL CSR SPEND: **GH¢ 3.72 Million**

FIDELITY BANK

Believe with us.

Our Sustainability Pillars

In our journey toward sustainable banking, Fidelity Bank Ghana LTD has anchored its strategy on three foundational pillars: Sustainable Finance, Sustainable Operations, and Corporate Social Responsibility (CSR). Each of these pillars represent a commitment to integrating sustainability into every aspect of our operations and leveraging our institutional strength to contribute positively to society and the environment.

The Sustainable Finance Pillar reflects our goal to become the preferred banking partner for Development Finance Institutions (DFIs) committed to supporting both public and private sectors in achieving the Sustainable Development Goals (SDGs). We are dedicated to utilising innovative financing mechanisms that not only bolster national development but also resonate with the aspirations of the Paris Agreement and the urgent need to avert biodiversity loss. Our suite of financial products and services is meticulously designed to catalyse economic development, foster societal well-being, and ensure environmental protection. This approach is intrinsic to our mission, as we help our customers navigate the evolving economic landscape with sustainability at the forefront of our offerings.

Transitioning to Sustainable Operations, our aim is to weave Environmental, Social, and Governance (ESG) principles into the very fabric of our internal workings and our broader value chain. This goal is in harmony with our support for the SDGs and global initiatives focused on climate and biodiversity. The bank is currently improving its Environmental and Social Management System to be reflective of and responsive to climate change and biodiversity issues. We are actively pursuing a reduction in our carbon footprint through resource efficiency initiatives, demonstrating our commitment to environmental stewardship. This holistic approach to sustainability is not just confined to our staff; it extends to our customers, making it a shared journey towards a more sustainable future.

Our Sustainability Pillars (continued)

Under the aegis of our philanthropic activities, our objective is to contribute meaningfully to the social fabric of the communities we serve. By collaborating with non-profit organisations and institutions, we aim to deliver targeted philanthropic activities that have a lasting impact. Economic empowerment is at the heart of our charity initiatives, particularly for the youth, women, and vulnerable communities who are pivotal to the nation's progress. By increasing access to education—through the provision of training, educational materials, and infrastructure improvements—we invest in the country's future leaders. Environmental consciousness is also a significant focus area, as we strive to heighten community awareness about environmental issues, encouraging stewardship and sustainable practices. In sectors such as education, health, and the environment, our efforts are geared towards creating a ripple effect of benefits that extend well beyond our immediate engagements.

Through these pillars, Fidelity Bank Ghana LTD affirms its unwavering commitment to sustainable development. We understand that our role as a financial institution extends beyond economic transactions—it is about fostering growth, enabling progress, and ensuring that the impact of our actions endures to benefit future.

ESG & Impact Policy

Fidelity Bank Ghana LTD believes that people, planet, and community are key parts of the long-term success of our business.

Through our ESG & Impact Policy, we therefore confirm our commitment to contributing to a sustainable future for all Ghanaians, by supporting inclusive economic growth, reducing our environmental footprint, maintaining high standards of governance and ethics, and engaging with our stakeholders to build trust and foster long term partnerships.

The Environmental Social and Governance (ESG) and Impact Policy seeks to integrate environmental, social, governance and Impact considerations into the activities and operation of FBGL. The policy is applicable, subject to internal criteria/thresholds, to FBGL and all its subsidiaries, our supply chain, and our customers. The policy is in line with our dedication to complying with the Bank of Ghana Sustainable Banking Principles, UNEP FI Principles of Responsible Banking, and the Sustainable Development Goals.

FBGL to this end, commits to ensuring that we;

- Adopt this ESG and Impact Policy and supporting procedures across the business; FBGL will assess, mitigate, and manage ESG and impact risks across the business, on an ongoing basis.
- Ensure that management commitment is demonstrated in the adequacy of resources devoted to active ownership and engagement management and training.
- Track and monitor compliance with ESG and Impact requirements and entering active dialogue across the business on material ESG and Impact issues, either directly or collectively with other stakeholders to ensure implementation of identified action/management items.
- Ensure that our personnel receive adequate training on ESG and Impact policies and procedures and other resources required to implement this policy.
- Ensure that our Business reports on ESG and Impact metrics, at the highest decision-making levels.
- Enhance industry awareness of responsible banking and sustainable finance solutions by working towards banking industry leadership status in ESG and Impact performance.
- Integrate ESG and Impact throughout FBGL's operations, practices, and daily business processes.
- Engage and encourage units across the business to collaborate widely with their critical stakeholders and industry players to share knowledge and improvement of the management of ESG and Impact risks and opportunities.

FBGL recognises that implementing, and continuously improving the management of ESG risks and impact opportunities contributes to sustainable development and positive impact creation. Sustainable development is core to delivering on FBGL's growth objectives. Underpinning our corporate philosophy and growth path is an appreciation that our growth drivers cannot be achieved effectively without a committed focus to ESG management and sustainable development.

This policy, in line with our commitment to continuous improvement, would be reviewed on a regular basis and revised as appropriate considering legislative changes and improvement in best practice.

Reporting Boundaries and Frameworks

Bank of Ghana Sustainable Banking Principles:
The seven Bank of Ghana Sustainable Banking Principles are to assist banks to respond to the emerging global megatrend issues, such as human security, anti-money laundering, socially responsible stewardship, information communication transparency and disclosure, corporate integrity, environmental and climate change. At Fidelity Bank we have made it our priority to measure and report on our implementation of these Sustainable Banking Principles into our value chain.

Principles	Our Commitment
Principle 1 Environmental and Social Risk Management (ESRM):	Fidelity Bank recognises the importance of identifying and managing environmental and social risks associated with its activities. The Bank has improved its Environmental and Social Management System to ensure thorough due diligence, monitoring, and mitigation of potential risks. By incorporating key environmental and social factors into its risk assessment process, Fidelity Bank aims to protect the environment and contribute to sustainable development.
Principle 2 Internal Environment Social and Governance (ESG) in banks operations:	Fidelity Bank is committed to integrating ESG considerations into its internal operations. The Bank has established policies and procedures including a stand-alone ESG and Impact Policy that promote responsible business practices, social responsibility, and good governance. By embedding ESG principles throughout its operations, Fidelity Bank aims to minimise its environmental footprint, foster employee well-being, and maintain strong ethical standards.

Principles	Our Commitment
Principle 3 Corporate Governance and Ethical Standards:	Fidelity Bank upholds high standards of corporate governance and ethical conduct. The Bank has implemented a robust governance framework that promotes transparency, accountability, and integrity across all levels. Fidelity Bank's board of directors actively oversees the Bank's adherence to ethical standards and ensures that the interests of all stakeholders are considered in decision-making processes.
Principle 4 Gender Equality:	Fidelity Bank recognises the importance of promoting gender equality in its operations and society at large. The Bank has implemented various initiatives including the 5 year gender action plan to enhance gender diversity within its workforce, equal opportunities for career advancement and leadership roles. Additionally, Fidelity Bank provides financial products and services that address the unique needs of women such as Fidelity Young Entrepreneurship Fund and Fie Ne Fie, thereby empowering them economically and promoting gender equality in access to financial resources.
Principle 5 Financial Inclusion:	Fidelity Bank is committed to promoting financial inclusion by ensuring access to affordable financial services for all segments of society. The Bank has developed innovative products and services through a dedicated Financial Inclusion team that cater to the unbanked and underbanked populations, enabling them to participate in the formal financial system. Fidelity Bank also collaborates with government agencies and other stakeholders to expand financial literacy and inclusion programs across Ghana through our business operations and CSR efforts .
Principle 6 Resource Efficiency, Sustainable Production and Consumption:	Fidelity Bank recognises the importance of promoting resource efficiency, sustainable production, and consumption patterns. The Bank has the Waste to Cash Initiative. The Bank actively supports businesses and individuals in adopting sustainable practices by providing financing services. Fidelity Bank will seek to invest in renewable energy, energy-efficient technologies, and sustainable production methods, thus contributing to the transition to a low-carbon economy.
Principle 7 Reporting:	Fidelity Bank prioritises transparency and accountability by ensuring comprehensive reporting on its sustainability performance. The Bank will regularly publish sustainability reports that disclose its environmental, social, and governance metrics, allowing stakeholders to assess its progress and impact. By providing clear and reliable information, Fidelity Bank aims to foster trust and enable informed decision-making among its stakeholders.

UN Sustainable Development Goals

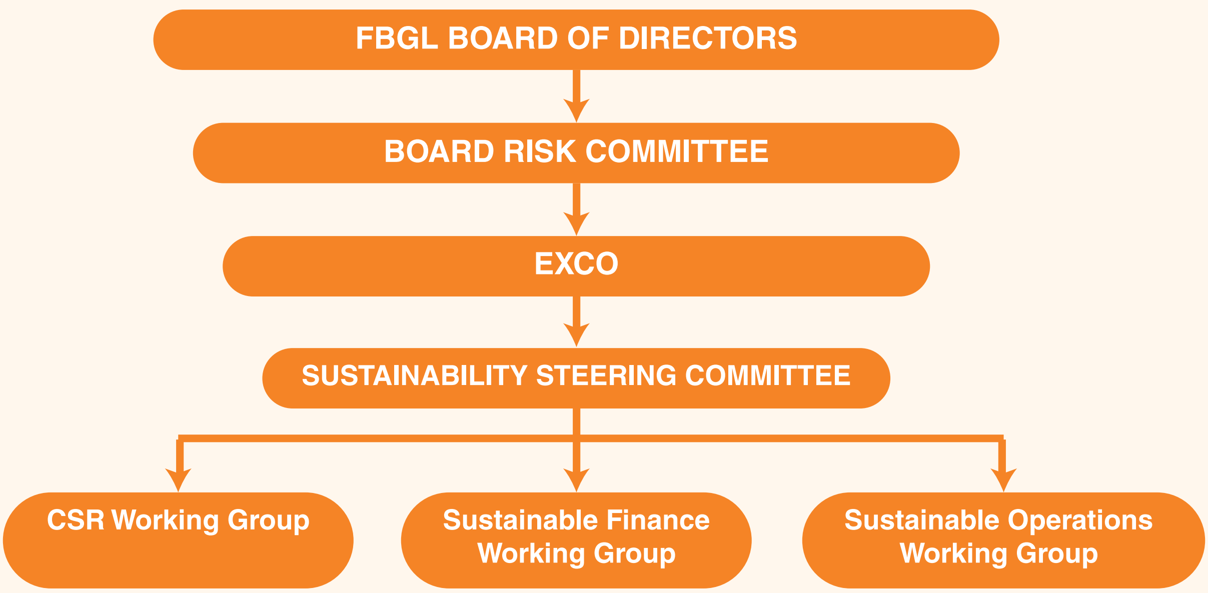
Fidelity Bank aligns its sustainability efforts with various UN Sustainable Development Goals, including No Poverty, Zero Hunger, Good Health and Well-being, Quality Education, Gender Equality, Clean Water and Sanitation, Affordable and Clean Energy, Decent Work and Economic Growth, Industry Innovation and Infrastructure, Sustainable Cities and Communities, Responsible Consumption and Production, Climate Action, and Partnerships for the Goals.

Global Reporting Initiative (GRI)

This report is in reference to the Global Reporting Initiative standards, including GRI 101: Foundation, GRI 102: General Disclosures, GRI 103: Management Approach, and all relevant GRI Topic Standards. These standards guide the comprehensive disclosure of sustainability impacts and performance, ensuring transparency and accountability in Fidelity Bank's sustainability reporting.

Our Sustainability Governance

Fidelity Bank Ghana LTD has established a robust sustainability governance structure that is designed to ensure that sustainability is integrated into all levels of our operations and decision-making processes. This structure is central to our mission to embed sustainability into the core of our banking practices.



FBGL Board of Directors

At the apex of our governance structure is the FBGL Board of Directors. This body holds the ultimate responsibility for sustainability, setting the strategic direction and ensuring that sustainability is incorporated into the bank's overall strategy. The board also provides oversight for sustainability-related risks and opportunities.

Board Risk Committee

Directly under the Board of Directors is the Board Risk Committee. This sub-committee is tasked with the oversight of sustainability risks, ensuring that these are identified, assessed, and managed appropriately. The Board Risk Committee evaluates the bank’s risk exposure and ensures that adequate controls are in place to manage and mitigate these risks.

Executive Committee (EXCO)

The Executive Committee (EXCO) is responsible for the implementation of the board’s sustainability strategy. EXCO oversees the day-to-day management of sustainability issues and ensures that sustainability principles are integrated into the bank's operations and corporate culture.

Sustainability Steering Committee

The Sustainability Steering Committee is a cross-functional team that develops and drives the bank's sustainability agenda. This committee is responsible for the formulation and execution of sustainability initiatives across the bank. It serves as a bridge between the strategic directives from the EXCO and operational implementation by the various working groups.

Working Groups

Three dedicated working groups operate under the guidance of the Sustainability Steering Committee. Each working group is composed of members from various departments, ensuring that a wide range of perspectives and expertise are brought to bear on the bank’s sustainability efforts. They are tasked with identifying specific goals, developing initiatives, and monitoring progress against those goals.

1. Sustainable Finance Working Group:
Tasked with integrating sustainability into the Bank’s financial products and services, this group looks at how to support customers in achieving their sustainability goals. It explores innovative financial solutions that can drive sustainable economic growth, such as blended finance products.

2. CSR Working Group:
This group focuses on the Bank's community outreach and philanthropic efforts. It coordinates the Bank's charitable initiatives and ensures that these initiatives align with the Bank's sustainability goals and create tangible impacts in the communities where we operate.

3. Sustainable Operations Working Group:
Responsible for minimising the Bank's own environmental footprint, this group implements sustainable practices within the Bank’s operations. It leads on matters such as energy efficiency, environmental and social risk assessments and waste management.

Materiality Issues

Fidelity Bank Ghana LTD recognises that a strategic approach to sustainability requires a keen understanding of the material issues that affect our business and our stakeholders. To this end, we embarked on a rigorous ESG materiality assessment in partnership with EBS Advisory, a leading consultant in the field. This assessment was instrumental in pinpointing the sustainability topics that carry the most significance for our operations and activities as well as stakeholder groups, including our shareholders, customers, employees, suppliers, regulators, and the broader society.

Our approach involved engagement with various stakeholder groups, leveraging direct one-on-one dialogues, collaborative workshop sessions with our management team, and in-depth sector-specific research. This multi-faceted engagement process was crucial in ensuring a well-rounded and informed identification of material topics.

Through this systematic and inclusive process, we have identified 13 concentrated impact sustainability topics that are of paramount importance to the bank:

Local Economic Stimulus: Recognising our role in bolstering the local economy through targeted financial services and community investments.

Employee Development: Commitment to nurturing our workforce through continuous learning and development opportunities.

Growth in Market Share: Strategies to expand our reach and services, contributing to sustainable economic growth.

Governance and Compliance: Upholding high standards of corporate governance and adherence to regulatory requirements.

Board Capacity: Ensuring that our Board has the necessary skills and knowledge to steer the Bank towards sustainability.

Product R&D/Innovation: Developing new products and services that meet the evolving needs of our customers and promote sustainable practices.

Environmental Footprint: Minimising our environmental impact through efficient operations and sustainable resource use.

Climate Risk: Identifying and mitigating risks associated with climate change to ensure the resilience of our business.

Enhanced Productivity: Driving efficiency across our operations to maximise value creation and minimise waste.

Enhanced Access: Broadening the accessibility of our Financial services to underserved populations.

Responsible Investment: Emphasising ESG criteria in our investment decisions to generate sustainable financial returns and societal benefits.

Business Continuity Planning: Strengthening our ability to operate during and recover from disruptive events, ensuring stability for our customers and stakeholders.

Customer Protection: Ensuring appropriate product design, prevent over-indebtedness, maintain clear terms and transparent pricing, provide grievance redress, and track complaints resolution efficiency and satisfaction.

A strategic focus on these material topics can drive significant progress in our sustainability journey. These topics serve as key pillars in prioritising and integrating sustainability across all facets of our operations and guide our reporting and stakeholder engagement efforts. Through continued focus on these material topics, Fidelity Bank reaffirms its commitment to advancing sustainability in a way that is both impactful and aligned with the expectations of our stakeholders. This Sustainability Report will focus on all material issues except Business Continuity Planning, Governance and Compliance, Board Capacity and Customer Protection as they are explained thoroughly through the annual report.

Message from the Head of Partnerships, Sustainability and CSR

Dear Stakeholders,

As we reflect on the journey of Fidelity Bank Ghana LTD through 2023, it is with a profound sense of responsibility and optimism that I share with you our strides in embedding sustainability into the heart of our operations. At Fidelity Bank, our commitment to sustainable development transcends mere policy—it is an ethos that informs our actions, guides our decisions, and shapes our aspirations.

This past year has been a testament to our dedication to our three foundational pillars: Sustainable Finance, Sustainable Operations, and Corporate Social Responsibility (CSR). Each pillar represents a critical aspect of our holistic approach to sustainability, reflecting our unwavering commitment to creating value that endures— for our clients, our communities, and the environment. These pillars portray our dire commitment to meeting the dictates of the Bank of Ghana Sustainable Banking Principles.

Sustainable Finance has been at the forefront of our efforts to integrate environmental, social, and governance (ESG) principles into our financial products and services. We recognise the power of finance to drive positive change, and we are committed to fostering economic growth that is not only robust but also equitable and environmentally sound. By developing innovative financial solutions, we aim to support our clients in achieving their sustainability goals, thereby contributing to the broader global agenda for sustainable development.

In the realm of Sustainable Operations, we have focused on minimising our environmental footprint and enhancing operational efficiency. From reducing energy consumption and managing waste to promoting sustainable resource use, our operational practices are designed to reflect our commitment to environmental stewardship. We believe that by leading by example, we can inspire change within our industry and beyond.

Our Corporate Social Responsibility initiatives continue to be a powerful vehicle for our engagement with the community. Through a diverse array of programs and partnerships, we have strived to address social challenges, empower underserved populations, and contribute to the well-being of society. These charitable efforts underscore our belief in the Bank's role as a catalyst for social impact, leveraging our resources and reach to make a meaningful difference in people's lives.

This is the beginning of our progressive sustainability journey.

Looking ahead, we are excited about the opportunities and challenges that the future holds. We are steadfast in our resolve to continue advancing our sustainability agenda, driven by innovation, collaboration, and a deep sense of duty to our planet and its people. As we navigate the path forward, we remain guided by the principles of transparency, accountability, and inclusivity, committed to reporting our progress and learning from our experiences.

I extend my heartfelt gratitude to our clients, partners, and team members for their support, dedication, and partnership in this journey. Together, we are laying the foundations for a future that is not only prosperous but also sustainable and just.

Thank you for being a part of our story.

Warm regards,

Nana Yaa Duodu Afriyie Ofori-Koree
Head of Partnerships, Sustainability, and CSR
Fidelity Bank Ghana LTD

Sustainable Operations

Employee Development:

Commitment to nurturing our workforce through continuous learning and development opportunities.

SDG Goals:

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY INNOVATION AND INFRASTRUCTURE

Bank of Ghana Sustainable Banking Principle 2:

Promote good environmental, social and governance practices in our internal business operations.

Fidelity Bank Ghana LTD has steadfastly committed to fostering a culture of continuous learning and development, with a significant focus on enhancing the skills and competencies of our workforce. Our dedication to this cause is evident in the substantial investment of GH¢ 3.7 million in training programs during the reporting period, reflecting our acknowledgment of the crucial role that a skilled workforce plays in our success and sustainability.

In our pursuit of excellence, we utilised the Percipio platform to deliver an extensive range of training modules to our staff. The training schedule was carefully curated to address the diverse needs of our employees, ensuring relevance and impact across all levels of the organisation. These training programs were designed to be comprehensive and adaptive, covering a myriad of subjects pertinent to the evolving financial sector and our organisational objectives.

Our structured training programs collectively amounted to 68,938 hours of training provided. This investment in our people has yielded an average of 34.6 hours of training per employee. This figure not only reflects the depth of our commitment but also ensures that each employee is equipped with the knowledge and skills necessary to navigate the complex and dynamic landscape of modern banking.

The training covered a broad spectrum of areas including technical skills, customer service excellence, regulatory compliance, leadership development, and digital transformation. By aligning our training efforts with the SDGs, particularly SDG 4 (Quality Education), we are contributing to the larger global goal of inclusive and equitable quality education and promoting lifelong learning opportunities for all.

The strategic approach to employee development is a testament to our belief that the growth of our employees is inextricably linked to the growth of our institution. As we continue to invest in our human capital, we are not only upskilling our workforce but also nurturing an environment that values progress, innovation, and shared success. This philosophy is central to our commitment to being an employer of choice, where development opportunities are not just available but are also integral to each employee's journey within Fidelity Bank Ghana LTD.

Regarding staff promotions, Fidelity Bank Ghana LTD in 2023 made considerable strides in staff development and gender representation in leadership roles. Of the 110 promotions that took place across the organisation, 51 were women, illustrating a substantial increase in gender parity within our promotion practices. This figure represents 46% of the total promotions, highlighting our concerted efforts to foster an inclusive work environment that supports the advancement of women. Our commitment to staff development is mirrored in these promotion statistics, as we continue to prioritise the growth and professional development of all employees, ensuring that opportunities for advancement are accessible and equitable. Through targeted training programs, mentorship, and a transparent promotion process, we are dedicated to maintaining a dynamic and supportive atmosphere that champions diversity and empowers every member of our team.

Sustainability-Related Trainings

At Fidelity Bank Ghana LTD, we recognise the critical role that sustainability plays in our operations and the broader banking sector. To this end, we have prioritised Environmental and Social Management (ESM) and related training and capacity building for our staff, ensuring they are well-equipped to integrate sustainable practices into their daily responsibilities and decision-making processes.

Throughout the year, we have conducted a series of targeted training programs aimed at enhancing our team's understanding and implementation of environmental and social risk management (ESRM), sustainable banking operations, and the identification of risks and opportunities associated with climate change. These sessions have been delivered through a mix of in-person, virtual, and online platforms, catering to the diverse needs of our staff and ensuring maximum participation and impact.

Highlights of our sustainability training efforts include the ESRM training for 106 relationship officers which was delivered by IBIS, focusing on the application of ESRM principles in banking operations. Also, a training organised by AfircInvest saw 34 bank staff trained on Climate Management. The Orange Learning Webinar Series, which reached 243 Fidelity Bank staff, delved into integrating sustainable practices into banking operations and addressing climate change risks and opportunities. Moreover, specialised ESRA training was conducted for both relationship officers and managers, with 149 participants in total, aimed at fostering a deeper understanding of our ESRA application process as part of the loan assessment process.

In addition, our engagement sessions on Environmental and Social (E&S) Risks and Opportunities tailored for the Retail Banking and Corporate and Investment Banking teams, as well as the comprehensive the "Orange Goes Green Webinar" on Trends in Sustainable Finance further expanded our staff's knowledge on sustainable finance trends, reaching 133 participants.

In total, these training programs have engaged a significant portion of our staff, equipping over 1,000 Fidelity Bank Ghana employees with the knowledge and skills necessary to advance our sustainability agenda. Through these efforts, we are not only enhancing our Environmental and Social Management System (ESMS) but also ensuring our team is prepared to meet the challenges and opportunities presented by the evolving landscape of sustainable banking. Our commitment to sustainability training underscores our dedication to being a responsible and forward-thinking banking institution, poised to lead by example in the transition towards a more sustainable and equitable future.

Environmental Footprint

SDG Goals:

Bank of Ghana Sustainable Banking Principle 2 & 6:

Promote good environmental, social and governance practices in our internal business operations.

Promote resource efficiency and sustainable consumption and production

Fidelity Bank Ghana LTD is deeply committed to reducing its environmental footprint as a fundamental aspect of its operations and corporate philosophy. In alignment with the Bank of Ghana's Sustainable Banking Principle 6, which emphasises resource efficiency and sustainable consumption, we have launched several key initiatives aimed at enhancing our environmental stewardship. These include our 'Waste to Cash' recycling program at our Orange Heights Office in Accra and the introduction of a branch partially powered by solar energy, significantly cutting down our reliance on non-renewable energy sources and diminishing our carbon footprint.

Furthermore, our commitment to environmental sustainability is underscored through meticulous efforts to measure and manage our Scope 1, Scope 2, and Scope 3 greenhouse gas (GHG) emissions. By actively tracking direct and indirect emissions, Fidelity Bank Ghana LTD is not only advancing its sustainability objectives but also contributing to global climate change mitigation efforts.

This section highlights our dedication to these initiatives which reflect our belief in the critical role financial institutions play in fostering a sustainable and eco-friendly economic future, setting a standard in the financial sector for responsible environmental management.

I. Water Usage

In our continuous efforts to foster environmental sustainability, Fidelity Bank Ghana LTD has also been focusing on efficient water usage and conservation practices. Our dedication to reducing water consumption has yielded tangible results, with our water usage for 2023 amounting to an estimated 29.50 thousand cubic meters. This represents a notable decrease of roughly 20% from the estimate of 37.08 thousand cubic meters recorded in 2022.

This significant reduction can largely be attributed to the bank's proactive measures to sensitise staff on the importance of water conservation through screensavers. We have implemented various awareness campaigns and practical initiatives throughout the year, educating our employees on the impact of water usage and encouraging more mindful consumption habits. Through these efforts, Fidelity Bank has not only decreased its operational costs associated with water consumption but has also reinforced its commitment to environmental stewardship and the sustainable management of vital resources.

II. Electricity Consumption

In our commitment to sustainability and responsible resource management, Fidelity Bank Ghana LTD has made commendable progress in reducing electricity consumption. This past year, our purchased electricity from the Electricity Company of Ghana amounted to approximately 3.72 million kWh, which, when compared to the previous year's consumption of 4.22 million kWh, indicates a notable reduction of around 11.8%.

This decrease in electricity usage is a direct result of concerted efforts by the bank to raise awareness among our staff regarding the importance of energy conservation. Initiatives such as the design of screensavers on staff computers on, energy-saving tips, and the implementation of energy-efficient practices in the workplace have been instrumental in achieving this reduction. By promoting a culture of conservation among our employees, Fidelity Bank has not only succeeded in lowering our operational energy costs but also contributed to the wider goal of reducing the environmental impact of our operations.

III. Renewable Energy Utilisation

In our journey towards sustainability and responsible energy use, Fidelity Bank Ghana LTD has made significant strides in harnessing solar energy across our operations. In 2022, we successfully generated a 37.95 thousand kWh of clean energy, thanks to our solar panel installations at our Orange Heights branch. However, in 2023, the total energy generated from our solar installations experienced a slight decrease, totalling 29.70 thousand kWh. This reduction was primarily due to technical challenges encountered with the solar panels at our Orange Heights office. Despite these setbacks, the installation of new solar panels at the Kaneshie facility has continued to contribute to our renewable energy goals, reflecting our dedication to overcoming obstacles and ensuring the continuity of our sustainability initiatives.

Fidelity Bank is actively addressing the issues with our solar panels to restore and enhance our renewable energy capacity. We are confident that these challenges are surmountable and remain dedicated to optimising our use of solar energy. Our commitment to solar energy is unwavering, as it plays a crucial role in our broader environmental strategy to embrace clean and renewable resources.

IV. Waste To Cash Initiative

In June 2023, Fidelity Bank Ghana LTD embarked on a pioneering environmental sustainability initiative, the Waste to Cash program, piloted at Orange Heights in Tesano. This innovative project is designed to address the critical challenge of excessive waste production within the bank's operations, including paper, plastic, and e-waste. The generation of such waste not only poses significant environmental risks, such as deforestation, pollution, and resource depletion, but also undermines our commitment to sustainability and affects our reputation as a responsible corporate citizen.

The Waste to Cash initiative is strategically aligned with the Sustainable Development Goals (SDGs), specifically SDG 12 (Responsible Consumption and Production) and SDG 13 (Climate Action), highlighting our dedication to not only mitigating environmental impact but also fostering a culture of sustainability within the banking sector. The initiative focuses on the three Rs: Reduce, Reuse, and Recycle, aiming to effectively manage waste materials while generating economic value from these efforts.

To facilitate this process, color-coded labelled bins were strategically placed at vantage points within the Orange Heights facility, encouraging staff to segregate waste accordingly. Furthermore, a plastic bottle receptacle was installed at Orange Heights, serving both internal and external stakeholders to effectively dispose of plastic bottles for recycling. This setup not only aids in waste segregation and collection but also symbolises our commitment to environmental stewardship.

A notable achievement of the Waste to Cash pilot has been the recycling of 1.5 tonnes of paper, showcasing the tangible impact of our efforts to manage waste responsibly. Encouraged by the success of this pilot program, Fidelity Bank Ghana LTD is poised to expand the Waste to Cash initiative across all branches in 2024 with a waste recycling target of 3 tonnes. This expansion underscores our commitment to scaling up our sustainability efforts, reducing our environmental footprint, and leading by example in the transition towards a more sustainable and responsible banking industry. Through initiatives like Waste to Cash, we reaffirm our dedication to contributing positively to the environment and society, reinforcing our role as a forward-thinking institution committed to sustainability and responsible corporate citizenship.

V. Greenhouse Gas Emissions

Fidelity Bank Ghana LTD proudly presents its first official report on greenhouse gas (GHG) emissions, marking a significant milestone in our sustainability journey. Through meticulous calculation and analysis, we have developed a comprehensive emissions profile, providing a transparent overview of our environmental impact.

Our total emissions for the year have been estimated at 2.11 thousand tonnes CO2e, encompassing Scope 1, Scope 2, and Scope 3 emissions. For Scope 1 emissions, calculated from the fuel consumption of our bank car fleet and generator set usage, we have reached a total of 846.68 tonnes CO2e. This includes an estimated 710.25 thousand KgCO2e from diesel consumption, estimated at 262.52 thousand litres, and 136.42 thousand KgCO2e from petrol, estimated at 58.31 thousand litres.

Scope 2 emissions, derived from our electricity consumption provided by the Electricity Company of Ghana, totalled 909.62 tonnes CO2e for the year, based on an electricity consumption of 3.29 million kWh. This highlights the energy intensity of our operations and the significant impact of purchased electricity on our overall carbon footprint.

Our Scope 3 emissions, encompassing indirect emissions from limited to water supply, transmission and distribution losses from fuel and energy-related-activities, and waste generated in operations , were estimated at 231.61 tonnes CO_2e. This includes emissions transmission and distribution losses from fuel and energy-related-activities estimated at 69.96 tonnes CO_2e, waste generated in operations at 157.25 thousand $KgCO_2e$ (from an estimated 342.10 thousand kg of waste produced), and water supplied emissions at 4.39 thousand $KgCO_2e$ (from an estimated consumption of 29.50 thousand cubic meters).

The methodology we employed for these calculations adheres to the United Nations Framework Convention on Climate Change (UNFCCC) Greenhouse Gas Emissions Calculator, aligning our reporting with internationally recognised standards and practices. While our goal was to include all financed emissions in accordance with the Partnership for Carbon Accounting Financials (PCAF) and the International Financial Reporting Standards (IFRS) S1 and S2 requirements, we were unable to do so due to the unavailability of specific data segments along the PCAF and IFRS S1 and S2 lines. As a result, our emissions calculations do not currently encompass all financed emissions. Recognising this shortfall, we, Fidelity Bank Ghana LTD, are committed to enhancing our data collection systems in 2024 to ensure the comprehensive inclusion of financed emissions in our GHG emissions calculations.

Climate Risk (Environmental And Social Risk Assessment)

SDG Goal:

13 CLIMATE ACTION

Bank of Ghana
Sustainable Banking Principle 1:

Identify measure, mitigate, and monitor environmental and social risks in our business activities. Identify environmental and social opportunities in our business activities.

Fidelity Bank Ghana LTD is acutely aware of the profound impact climate change poses to the banking sector and the broader economy. In recognition of this, we are updating our Environmental and Social Management System (ESMS) to integrate a comprehensive approach to climate risk assessment and management.

Our strategy begins with a thorough assessment of environmental and social risk which encapsulates environmental-related risks that contribute to climate change, particularly understanding geographic risk factors that are tied to climate change. This includes engaging with our diverse client base to assess the environmental and social risks associated with their business, ensuring that our financial practices consider environmental impact alongside economic factors. The bank has also instituted formal vulnerability assessments through a comprehensive Environmental and Social Risk Questionnaire that include risks related to climate change as a critical component of our risk register. By recognising and preparing for these risks, we are positioned to respond proactively to ensure that the bank's operations can withstand and adapt to emerging climate-related challenges.

In response to the outputs of these assessments, FBGL has set out to implement a climate risk strategy in 2024. This involves setting clear targets and metrics that guide our progress and demonstrate our commitment to reducing our environmental impact.

Moreover, as previously indicated we are dedicated to measuring and managing our operational environmental footprint, with specific focus areas including paper usage, energy and water consumption, and business travel. FBGL is transparent in our efforts, disclosing annual environmental footprint performance indicators through our sustainability reporting.

Environmental and Social risk disclosures form an integral part of our reporting to key stakeholders, including regulators. By maintaining transparency, we not only demonstrate our adherence to national and international legislation and conventions but also reflect our commitment to sustainable development and our role in mitigating the effects of climate change.

In our resolve to contribute to a greener future, Fidelity Bank Ghana LTD has acknowledged the private sector's leading role in this endeavour. We lend and invest in renewable energy, resource efficiency, and green products, encouraging our clients to comprehend and respond to environmental and social risks. Our Environmental and Social Risk Management, governs the due diligence process of our customers' activities. We ensure due diligence in our project evaluations, taking into consideration environmental permits, risk categorisation, existing environmental issues, and potential sustainable measures to minimise environmental impact.

As we navigate the complexities of climate change and its implications, Fidelity Bank Ghana LTD stands committed to playing a critical role in catalysing the energy transition, ensuring that we contribute to sustainable development and the attainment of the Sustainable Development Goals.

Sustainable Finance

SDG Goals:

1 NO POVERTY

10 REDUCED INEQUALITIES

Bank of Ghana
Sustainable Banking Principle 5:

Promote financial inclusion.

Fidelity Bank Ghana LTD is unwavering in its commitment to financial inclusion, recognising that access to financial services is a key driver of economic empowerment and development. We firmly believe that broadening the accessibility of our financial products and services is essential to building a more inclusive economy that serves all segments of society, particularly underserved populations.

Our inclusive banking initiatives have been thoughtfully designed to bridge the gap between traditional banking and the financial needs of those who have previously been excluded from the financial system. We take pride in our ability to offer innovative and user-friendly financial solutions that cater to the diverse needs of our customers, no matter where they are located or what their economic circumstances may be.

The success of our inclusive banking efforts is reflected in the significant number of customers who have embraced our Smart Account and Y'ello Save Account products. Our total customer base stands at an impressive 1,496,848, with our Smart Account customer base accounting for 535,049 of that total. Moreover, our Y'ello Save Account, which exemplifies our drive towards innovation and accessibility, has been embraced by 961,799 customers. These numbers are not just statistics; they represent individuals and businesses that now could grow and thrive financially. In partnership with the International Fund for Agricultural Development (IFAD), the Bank is implementing an innovative financial inclusion project which leverages remittances to drive digitization and financial literacy in rural communities.

Fidelity Bank Ghana LTD has embarked on a transformative journey to leverage remittances as a tool for driving financial inclusion in rural Ghana. In an innovative partnership with IFAD , we are not only driving reduction of remittance costs through digitisation of rural cash remittances but also propelling the adoption of digital financial products and services through financial literacy education.

Our project is rooted in four fundamental objectives.

Firstly, we aim to contribute to the reduction of international remittance transfer costs to Ghana, fostering the adoption of transparent and gender-responsive, low-cost services. Secondly, we are accelerating the use of digital products and the digital payments ecosystem, which support international remittances to our country. Thirdly, we leverage these international remittances to bolster the financial inclusion and resilience of both the senders and recipients. Lastly, our goal is to promote greater access to and use of formal international remittance transfers into Ghana.

The project is being rolled out in rural catchment areas of the Brong Ahafo and Central regions. By harnessing digital technologies, we are ensuring that remittance recipients are not only beneficiaries of funds but also participants in the financial system at large. By leveraging financial literacy training via an innovative Interactive Voice Response (IVR) technology, we disseminate remittance-related education on-demand and in local language making it more accessible and convenient for beneficiaries.

15,000 beneficiaries will benefit from financial literacy education and inclusive banking services via this project. So far, the enthusiastic response from the communities indicates a strong demand for accessible financial services. This demonstrates the enthusiastic response from the community and indicates strong demand for accessible financial services. As of December 2023, savings deposits mobilised via the digital accounts hit GH¢ 10.9 million. This remarkable progress is a testament to the effectiveness of our strategic approach and the potential for scalable impact.

Furthermore, we have developed a comprehensive suite of financial literacy content tailored to the local context, available in Bono, English, Twi, and Fante. This content, focusing on remittances, savings, and budgeting, is designed to empower recipients with the knowledge to manage their finances effectively. So far 7,279 rural beneficiaries, comprising 6,037 remittance recipients, have engaged with the IVR content.

Through this project, Fidelity Bank Ghana LTD is championing the vision of a more inclusive financial environment while also contributing to the economic well-being and financial resilience of rural dwellers.

Product R&D/Innovation

SDG Goal:

9 INDUSTRY INNOVATION AND INFRASTRUCTURE

Bank of Ghana
Sustainable Banking Principle 6:

Resource efficiency, Sustainable Production and Consumption

In the realm of product R&D and innovation, Fidelity Bank Ghana LTD is pioneering new pathways to meet the evolving sustainable finance needs of the market. Recognising the growing demand for services imbued with environmental, social, and governance (ESG) principles, our Partnerships, Sustainability and CSR department is at the forefront of developing innovative sustainability-linked products. These products are not only responsive to our clients' needs but also contribute to the broader sustainable finance ecosystem.

A significant milestone in this journey is the approval of FBGL by the Mastercard Foundation as a partner financial institution for the 'Building Resilience and Investing in the Development and Growth of Entrepreneurs in Agriculture' (BRIDGE-In Agriculture) program. This 5-year initiative will provide FBGL with a USD 2.0 million per annum facility for on-lending to SMEs in agriculture and adjacent sectors in the middle and southern belt regions of Ghana. The BRIDGE-In Agriculture program seeks to address three key objectives namely: access to affordable capital for businesses in agriculture, technical assistance and capacity-building for SMEs and banks, and ecosystem development. Through this program, we aim to have a significant impact on the SDGs related to poverty alleviation, gender equality, and job creation for youth and women as we contribute to the overall program targets of supporting 200,000 farmers, impacting 280,000 women and creating 20,000 new jobs.

Looking ahead to 2024, FBGL is set to broaden its impact by rolling out the Sustainability-as-a-Service (SAAS). This innovative grant fund will offer technical assistance, feasibility studies, and sustainability-related advisory services to support project sponsors, SMEs, and corporates in their sustainable ventures. To successfully launch SAAS, we aim to secure a dedicated grant fund from development finance partners.

Furthermore, we are actively seeking partnerships with Development Finance Institutions (DFIs) and multinationals to secure blended financing and technical assistance. These strategic collaborations will be instrumental in expanding our sustainable finance product offerings, underscoring our commitment to innovation and sustainable development.

FBGL is determined to remain at the vanguard of sustainable finance, providing cutting-edge financial products that not only fulfil the immediate needs of our customers but also pave the way for a more sustainable and equitable future. Through these concerted efforts, we reaffirm our dedication to sustainability and innovation, which are integral to our corporate strategy and our vision for the growth of the financial sector in Ghana.

Local Economic Stimulus

SDG Goal:

9 INDUSTRY INNOVATION AND INFRASTRUCTURE

Bank of Ghana Sustainable Banking Principle 6:

Resource Efficiency, Sustainable Production and Consumption

Fidelity Bank Ghana LTD deeply understands the critical role we play in stimulating local economic growth. Through the Fidelity Young Entrepreneurship Initiative (FYEI), we are dedicated to fortifying the entrepreneurial spirit in Ghana by providing targeted financial services and investments that enable businesses to not only survive but thrive in today's competitive marketplace.

At the heart of FYEI is the Fidelity Young Entrepreneurs Fund (FYEF), an initiative designed to bolster youth-related businesses, particularly those with a focus on solving societal problems, employing climate-smart practices, or exhibiting potential for scalability. Our comprehensive support system extends beyond financial aid, offering up to GH¢ 1.0 million to each selected enterprise. The assistance package encompasses training programs, mentorship, networking opportunities, capacity-building sessions, and both pre and post-investment loan support. This initiative has reduced interest rates to an annual 10%, enabling 32 entrepreneurs to receive support and disbursing GH¢ 3.89 million to catalyse their growth.

The Orange Corners Innovation Fund (OCIF), a collaboration between the Kingdom of the Netherlands, MDF West Africa, the Ghana Innovation Hub, and various private sector partners including Fidelity Bank, epitomises our vision of nurturing the entrepreneurial ecosystem. The 6-month acceleration programme which is coordinated by MDF, a training and consultancy firm, provides entrepreneurs with the skills, opportunities, and access to capital they need to formalise and scale their operations. Blended finance facility from OCIF, comprising of 30% grant and 70% commercial loan at a competitive 5% interest rate, have empowered 54 young entrepreneurs to date with an amount of GH¢ 7.9 million disbursed up to the year 2023.Moreover, the Fidelity Young Entrepreneurs Mentoring Programme (FYEMP), in partnership with Mowgli Mentoring UK, offered mentorship and complementary support to small and medium-scale businesses under FYEF. This mentorship, crucial to the sustainability and growth of these enterprises, has benefited 65 entrepreneurs up to the year 2023.

Fidelity Bank's initiatives under FYEI are a testament to our unwavering commitment to fuelling entrepreneurial growth and nurturing sustainable businesses. We remain resolute in our dedication to fostering a thriving youth entrepreneurship ecosystem that contributes to the economic vitality and resilience of Ghana.

Corporate Social Responsibility

At Fidelity Bank Ghana LTD, our Corporate Social Responsibility (CSR) is not merely a program; it is an integral part of our identity and a central component of our mission to support the communities we serve through charitable activities. We believe that our success is deeply intertwined with the well-being of the communities in which we operate. Thus, our CSR initiatives are crafted not just to address immediate needs, but to foster long-term social development and create opportunities that spur growth and resilience.

This section of our report offers a comprehensive look at our CSR undertakings. Our CSR strategy is meticulously developed to not only respond to immediate community needs but also to drive sustainable social development. By concentrating our efforts on education, health, and environmental stewardship, we strive to effectuate the most profound and enduring impact on local communities. We approach CSR with the same rigor and strategic intent as we do our banking services, ensuring that every initiative aligns with our overarching sustainability goals and contributes to the progress of the Sustainable Development Goals (SDGs).

Through our partnerships with various non-profit organisations and institutions, we have been able to channel resources effectively to empower youth, women, and vulnerable communities, recognising that these groups are critical to the nation's future. The following narratives and analyses will provide insight into how we are making a difference, the lessons we have learned along the way, and our aspirations for the future of CSR at Fidelity Bank. We are proud to share these stories of change and look forward to the continued journey of positive impact and shared value creation.

Orange Impact

The Orange Impact Initiative stands as a testament to Fidelity Bank Ghana LTD's unwavering commitment to social upliftment and educational empowerment. This initiative, generously funded by the Bank and voluntary contributions from our dedicated staff, is tailored to meet the educational infrastructure needs of communities across Ghana. By providing support in the construction and refurbishment of classroom blocks, as well as the essential provision of teaching and learning materials, the Orange Impact Initiative is making tangible strides in enhancing the quality of education for numerous children.

In the year 2023, the Orange Impact Initiative proudly completed several transformative projects, each addressing the unique educational needs of their respective beneficiary schools. In the Upper West Region, the Duose DA; WA benefited from the construction of a 6-unit classroom block, equipped with solar facilities, directly impacting the lives of 245 students. This solar integration not only provides a reliable power source but also educates students on sustainable energy.

In the vibrant city of Accra, within the Greater Accra Region, the Orange Impact Initiative embarked on the rehabilitation of a classroom block for Mamprobi Ebenezer 4 School, enhancing the learning environment for 172 beneficiaries. This renovation work represents our commitment to not just building new structures but also maintaining and improving existing educational facilities.

The initiative extended its reach to the Ashanti Region, where the Okogyeasuo School Refurbishment Project was successfully completed, offering a renewed space for education to 491 beneficiaries. Refurbishment projects like this are vital as they breathe new life into existing structures, ensuring safety, comfort, and an environment conducive to learning.

Furthermore, the collaboration between Fidelity Bank and Pencils of Promise (PoP) culminated in the construction of a three-unit classroom block for lower primary levels, a new urinal, and the renovation of both a 3-unit kindergarten classroom and a previously dilapidated pavilion into a standard classroom block for upper primary students at the Fodome Kodzeto M/A School in the Volta Region. Complementing these structures, two 20,000-liter water tanks were installed, securing a safe water supply for the school, and promoting hygiene and sanitation.

These projects under the Orange Impact Initiative are more than just infrastructural developments; they are beacons of hope and progress, symbolising the potential for transformative change through collaborative effort and shared vision. Fidelity Bank Ghana LTD remains dedicated to continuing this meaningful work, fostering environments where the youth can learn, thrive, and become the leaders of tomorrow.

Employee Volunteering Program

At Fidelity Bank Ghana LTD, we understand that our role in the community extends beyond financial services. It is about investing in the fabric of society, nurturing it to thrive and prosper. This ethos is the driving force behind our Employee Volunteering Program (EVP), a testament to our dedication to corporate citizenship and sustainable development. In the past year, our EVP has been a beacon of hope and support, bringing over 300 staff volunteers who have generously contributed 579 hours of their time and talent to causes that transcend the boundaries of our bank and reach deep into the heart of our communities.

This report section highlights the commendable achievements of the EVP. Our dedicated employees have taken part in various projects, each carefully chosen to align with the United Nations' Sustainable Development Goals (SDGs), thus ensuring that our volunteering efforts contribute to global objectives. The initiatives range from health and well-being campaigns to environmental conservation and educational support, each project tailored to address the unique needs of different beneficiaries.

Through this structured program, Fidelity Bank demonstrates its commitment to the SDGs by not only providing opportunities for employees to engage in meaningful community service but also by tracking the impact of these activities. The EVP is a clear reflection of our values in action — community engagement, social responsibility, and sustainable development. Below is a summary table of our EVP achievements, showcasing the projects, the number of beneficiaries, and the specific SDGs each initiative supports.

EVP Project Name	Project Summary	Beneficiaries	SDG Goal
Orange Blood Drive	Blood donation drive in Accra	72 (52 Males/ 20 Females)	3 GOOD HEALTH AND WELL-BEING
Beach Clean-up Exercise	Clean-up of Mighty Beach Sakumono, Accra	Users of Mighty Beach, Sakumono	13 CLIMATE ACTION
Book Drive-Accra Royal JHS	Providing educational materials in Greater Accra	500 (260 Males/ 240 Females)	4 QUALITY EDUCATION

EVP Project Name	Project Summary	Beneficiaries	SDG Goal
Day of Care-Ho Branch	Social support in the Volta Region	40 (24 Males / 16 Females)	2 ZERO HUNGER
Support for The Marginalised at Gbui Special School	Aid for special needs education in Hohoe	76 (44 Males / 32 Females)	10 REDUCED INEQUALITIES
Mental Health & Financial Literacy Awareness	Awareness campaign in the Ashanti region	500 (340 Males/ 160 Females)	4 QUALITY EDUCATION
Donation of A Refurbished Laptop	Support for digital literacy in Greater Accra	(1 Female)	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
The Junior Camp Ghana Program	Educational program at Tuba Islamic Senior High School	62 (36 Males / 26 Females)	4 QUALITY EDUCATION
Bankwide End of Year Outreach	Support for vulnerable communities across Ghana	962 (553 Males / 409 Females)	17 PARTNERSHIPS FOR THE GOALS

Our volunteers, through their selfless service and dedication, have not only enriched the lives of those they have served but have also experienced personal growth and fulfilment. This synergy of benefits fortifies our resolve to continue and expand our EVP, reinforcing the Bank's reputation as an institution that truly cares for and invests in its community.

EmpowerAll Project

In an era marked by continuous global changes and challenges, Fidelity Bank Ghana, in collaboration with Reach for Change, unveiled a pivotal economic empowerment initiative dubbed "Empower All." This program signifies a leap towards inclusive growth and empowerment, specifically targeting entrepreneurs with disabilities in the Eastern Region of Ghana. Through this initiative, Fidelity Bank Ghana underscores its commitment to driving enterprise development at the grassroots level, empowering 50 dedicated entrepreneurs to not only sustain but also expand their businesses.

The "EmpowerAll" initiative revolves around a meticulously designed 4-day entrepreneurship bootcamp, complemented by a comprehensive pre-and-post-program needs assessment and business development training. This approach is strategically aimed at equipping participants with the entrepreneurial mindset, knowledge, and skills crucial for navigating the complexities of business development. The program is structured to support the growth of entrepreneurs with disabilities in low-income communities, enabling them to refine their business ideas and innovations into viable ventures. Furthermore, it aims to strengthen the capacity of the Ghana Chamber of Entrepreneurs with Disabilities (GCED), with a particular focus on supporting disabled women-led businesses.

A cornerstone of this initiative is the needs assessment phase, which was instrumental in tailoring the training curriculum to meet the specific requirements of the participants. This phase involved structured interviews and focus group discussions with key stakeholders, including the 53 participating entrepreneurs with disabilities in Koforidua. The findings from this assessment highlighted a range of knowledge gaps and training needs, from basic business setup tools to more complex issues like digital skills utilisation and mentorship program design.

Armed with these insights, the entrepreneurship bootcamp offered an immersive learning experience, covering critical topics such as Entrepreneur Mindset and Design Thinking, Product Design, Practical Steps to Starting a Small Business, and Financial Management and Pitch Training. The training methodology embraced interactive formats, including videos, role plays, and group exercises, ensuring that the sessions were not only informative but also engaging and applicable to the participants' businesses.

The outcomes of this capacity-building initiative have been remarkably positive, with a significant impact on the beneficiaries, particularly women, who accounted for 75% of the program's participants. Many of these entrepreneurs had ventured into business without formal training, and the bootcamp provided them with a much-needed foundation in entrepreneurial and management skills. The program has been lauded for its practical approach and its focus on addressing real-world challenges faced by entrepreneurs with disabilities.

As we look ahead, Fidelity Bank Ghana is committed to continuing its support for the "Empower All" initiative, with plans to expand the program and further its reach. Our partnership with Reach for Change is a testament to our shared vision of fostering a more inclusive and sustainable economic landscape in Ghana. Through targeted support and capacity building, we are dedicated to empowering the next generation of entrepreneurs, driving social and economic development, and building a stronger, more resilient entrepreneurship ecosystem.

ECO Schools Project

Fidelity Bank in partnership with Centre for Sustainable Transformation (CeST) Ghana has embarked on an initiative dubbed the Eco-Schools Project for the Orange Schools. The Eco-Schools Project is an ideal way for schools to embark on a meaningful path towards improving the natural environment in both the school and the local community, while having a life-long positive impact on the habits and perspectives of young people, their families, school staff and local authorities.

The Agenda 2030 for Sustainable Development is calling on all sectors, public, private and civil society, to engage in the effort for a Sustainable Development Globally. To this end, the 17 Sustainable Development Goals and their 169 targets serve as a guide to making the world a more just, equitable and greener place by the year 2030. For this to be achieved, strong partnerships and Education for Sustainable Development (ESD) are crucial (SDG target 4.7 "By 2030 ensure all learners acquire knowledge and skills needed to promote sustainable development and sustainable lifestyles").

The target schools are the 15 Orange Impact schools, however for Year 1 the following schools are currently undergoing the pilot.

1. Duose DA, Upper West Region
2. Abbeykorpe DA, Greater Accra Region
3. Accra Royal JHS, Greater Accra Region
4. La Bawaleshie Presby, Greater Accra Region
5. Assin Worakese Methodist, Central Region

The objectives of the Eco-Schools project are as follows:

- Education and Awareness: Raising awareness about the SDGs in the Orange Impact Schools will provide students with valuable knowledge about global issues. Through the initiatives of plastic waste management, gardening among others, the students would be empowered to become informed and engaged global citizens who understand the importance of sustainable development.
- Youth Engagement: Engaging the students in the Orange Impact Schools in SDG-related activities fosters a sense of social responsibility and inspires the younger generation to take an active role in addressing global challenges. It will empower them to become future leaders and change-makers.
- Brand Reputation: Supporting educational initiatives enhances the Bank's reputation as a socially responsible and forward-thinking organisation. This can be appealing to customers, employees, and partners who value ethical and socially conscious businesses.
- Community Outreach: The initiative seeks to strengthen ties with the local communities where these schools are located. It will showcase Fidelity Bank's commitment to the community's well-being which can lead to stronger community relationships and goodwill.
- Employee Engagement: This forms a part of the Fidelity Employee Volunteering Program, and this would encourage staff to take pride in supporting such a meaningful cause. This project would also help boost employee morale, engagement, and job satisfaction.


ORANGE
IMPACT


Eco-Schools
PLASTIC FREE
SCHOOL


ORANGE
IMPACT

Other CSR Activities

As Fidelity Bank Ghana LTD deepens its commitment to corporate social responsibility, our approach extends far beyond our financial expertise to include meaningful philanthropic contributions that spur societal growth and environmental stewardship. Our donations are carefully aligned with the Sustainable Development Goals (SDGs), ensuring that each contribution we make serves not just immediate needs, but also contributes to the overarching global agenda for sustainable development.

Below is a detailed overview of the various donations we have made, highlighting the partnerships that amplify our impact, the number of beneficiaries reached by each initiative, and the specific SDGs that these contributions support. This table serves as a testament to our ongoing efforts to enact positive change and underscores our role as a responsible corporate citizen committed to the well-being of our communities.

EVP Project Name	Project Summary	Number of Beneficiaries	SDG Goal
Chocolate Day for Orange Impact Schools	Fidelity Bank CSR Sector Champions	5,310 (2,177 Males / 3,133 Females)	4 QUALITY EDUCATION
Sponsorship for National Climate and Green Economy Week 2023	Environmental Protection Agency (EPA)	Environmental Protection Agency (EPA)	13 CLIMATE ACTION
The Girl Child Project, 2023	Touching the Lives of Girls Foundation	5,500 (All Female)	3 GOOD HEALTH AND WELL-BEING
Financial Literacy for Basic Schools	Oiada Foundation and Fidelity Securities Limited	14 (8 Males / 6 Females)	4 QUALITY EDUCATION

EVP Project Name	Project Summary	Number of Beneficiaries	SDG Goal
Sponsorship for Maiden Blue Economy Conference 2023	SDG Advisory Unit of the Presidency	300 Participants	13 CLIMATE ACTION
Donation to Wa Na School, Wa	Woodfield Manor School of Autism	475 (283 Males / 192 Females)	4 QUALITY EDUCATION
Donation for 10th Anniversary of Woodfield Manor School of Autism	Osu Mantse	52 (35 Males / 17 Females)	4 QUALITY EDUCATION
Donation for 2023 Osu Homowo Celebrations	Ghana Institute of Bankers	Osu Township	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Sponsorship for Ghana Institute of Bankers Anniversary	(GIB)	GIB	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Provision of GES-Approved Dual Desks	Making Learning Happen	2,860 (1,401 Males / 1,459 Females)	4 QUALITY EDUCATION

EVP Project Name	Project Summary	Number of Beneficiaries	SDG Goal
Ultrasound Breast Cancer Screening for Makola	BME Diagnostics	110 (All Female)	3 GOOD HEALTH AND WELL-BEING
Police Public Safety Training School Borehole Project	Police Public Safety Training School, Pwalugu	4,000 (3,000 Males / 1,000 Females)	4 QUALITY EDUCATION
The Africa Women and Children Conference	The Africa Women and Children Conference	150 (60 Males / 90 Females)	13 CLIMATE ACTION
Radiance Girl Foundation - Creativity for A Change Project	The Creativity for A Change Project	100 (All Female)	4 QUALITY EDUCATION
Akua Kuenyehia Foundation - Empower Her	Empower Her	37 (All Female)	8 DECENT WORK AND ECONOMIC GROWTH
Sponsorship for ENACTUS Competition	Enactus CKT-UTAS team	3 (1 Male / 2 Females)	4 QUALITY EDUCATION

EVP Project Name	Project Summary	Number of Beneficiaries	SDG Goal
Eco Schools Project for Orange Impact Schools	Center for Sustainable Transformation	1,408 (718 Males / 690 Females)	13 CLIMATE ACTION
Support for Little Osborn Koranteng's Surgery	N/A	1 (Male)	3 GOOD HEALTH AND WELL-BEING

These initiatives, ranging from educational support to health interventions and environmental stewardship, reflect our holistic approach to philanthropy. We are proud to contribute to the betterment of our society and to take part in the global movement towards sustainable development.






2023 Financial Statements

Chairman's Statement

Dear Shareholders,

On behalf of the Board of Directors, I welcome you all to the 2024 Annual General Meeting of Fidelity Bank Ghana LTD. I am delighted to present to you the Annual Report of Fidelity Group for the financial year ended 31 December 2023.

You may recall that our financial position at the end of last year was the worst ever due to the adverse effects of the Government's Domestic Debt Exchange Program and its ramifications. However, at the outset of 2023, we expressed our confidence in bouncing right back to deliver a very strong financial performance and a more sustainable return for our shareholders. I am proud to announce that your Bank experienced a notable rebound, a testament to our collective efforts, resilience, and unwavering pursuit of excellence amidst unprecedented challenges.

Operating Environment

In 2023, the global economy had to grapple with a mixture of challenges and opportunities. Despite concerted efforts to recover from the COVID-19 effects, global economic growth remained subdued, with the International Monetary Fund (IMF) projecting a modest expansion of 3.0%. Persistent inflationary pressures, exacerbated by disruptions in supply chains and geopolitical tensions, presented significant hurdles for policymakers worldwide.

On the domestic front, Ghana's growth rate was projected at only 1.5% in 2023 (according to the World Bank), a decrease from the 3.1% expansion observed in 2022. Nevertheless, there was a notable improvement in the inflation rate, which declined from 54.1% in December 2022 to 23.2% in December 2023. The high level of inflation was primarily driven by food prices whereas the downward trend in inflation was attributable to factors such as the Bank of Ghana's (BOG) prudent tightening of monetary policy and the relative stability of the exchange rate between January and December 2023.

The Monetary Policy Committee (MPC) of the BOG raised the policy rate from 27% at the beginning of 2023, progressively to 28%, 29.50% and then to 30%, all aimed at alleviating inflationary pressures in the economy.

Following the successful implementation of the Government of Ghana Domestic Debt Exchange Programme (DDEP) in 2023 and the approval by the IMF Executive Board, Ghana secured a three-year IMF Extended Credit Facility (ECF) of USD 3 billion aimed at supporting the restoration of macroeconomic stability in the economy.

Banking Sector Developments

At the beginning of 2023, there were concerns regarding how the lingering effects of the DDEP, compounded by the challenging macroeconomic environment, could potentially adversely affect the banking sector. This apprehension stemmed from the substantial losses incurred by banks as a result of their full participation in the DDEP. Nonetheless, thanks to the ongoing support from the Bank of Ghana, the banking sector managed to maintain its stability, demonstrating growth in assets, deposits, and advances. Notably, the sector experienced significant profitability growth in 2023, marking a recovery from the losses incurred in 2022.

Total assets surged by 29.7% year-on-year to reach GH¢ 274.9 billion as at December 2023, higher than the 17.9% growth recorded in the same period of 2022. This growth was primarily propelled by a 34.0% year-on-year growth in deposits which closed the year at GH¢ 214.5 billion (2022: GH¢ 160.02 billion). The increase in deposits is attributed to the increase in domestic currency deposit mobilisation and the revaluation of the foreign currency component of the banks' deposits.

The Bank of Ghana indicated in the January 2024 Monetary Policy Report that credit growth moderated in 2023 on account of a general risk aversion by banks as well as a softening in credit demand following the recent macroeconomic challenges. Growth in gross loans and advances moderated to 10.9% in December 2023, from 29.1% in December 2022, while growth in net loans and advances (gross loans adjusted for provisions and interest in suspense) moderated to 9.4%, from 26.8% over the same review period.

The Financial Soundness Indicators (FSI) as at December 2023 were broadly positive following improvements in liquidity, efficiency, and profitability during the review period. Solvency and asset quality indicators, however, experienced only modest improvements during the review period.

Profitability of the banking sector was particularly strong in 2023, an indication of a rebound from the DDEP-related losses posted in 2022. Profit-before-tax recorded a sharp growth rate of 267.1% to reach GH¢13.3 billion in December 2023, relative to a contraction of 207.2% i.e. a loss before tax of GH¢8.0 billion recorded in December 2022. Similarly, profit after-tax recorded a significant growth of 224.6% to GH¢8.3 billion, from a loss of GH¢6.6 billion in December 2022, according to the Central Bank.

The industry's capital adequacy ratio (CAR) decreased to 13.9% but remained above the revised prudential minimum requirement of 10% as of December 2023, down from 16.2% in December 2022.

In summary, Ghana's banking sector exhibited robust performance, with a remarkable growth in profit before tax, reaching GH¢13.3 billion as at December 2023. This is a very strong recovery from the loss (before tax) of GH¢8.0 billion in 2022. Looking ahead to 2024, it is anticipated that from the favorable trends in macroeconomic indicators, the economy will ride on the momentum to create a more conducive environment for the banking sector to thrive, potentially fostering an even stronger performance and growth.

Highlights of Fidelity Group's Financial Results for 2023

Notwithstanding the macro-economic challenges, 2023 was a year of strong performance and significant recovery for the Group, with your bank generating record revenues and profit. The Group achieved a robust operating income of GH¢ 2.04 billion, marking a 40% increase over the previous year's result of GH¢ 1.46 billion. Furthermore, the Group enhanced its profitability, with profit before tax significantly improving from a loss of GH¢ 533 million in 2022 to a profit of GH¢ 1.19 billion in 2023. This is an indication of the strong underlying performance across all our business segments – retail banking, corporate and institutional banking, and financial and capital markets.

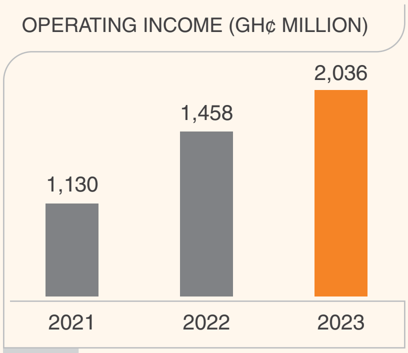


Fig. 1

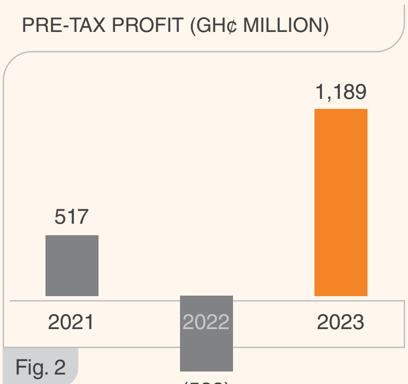


Fig. 2

The Group continued to focus on prudent expense management in the face of inflationary headwinds and local currency depreciation, resulting in a further decline in the Group's cost-to-income ratio from 46% in 2022 to 44% in 2023. Operational efficiency and improved turnaround time for customer transactions remain strategic focus areas for the Board and Management.

The Group's balance sheet expanded by 25% to reach GH¢ 17.21 billion at the end of 2023 (2022: GH¢ 13.78 billion), driven by a 28% increase in customer deposits, which closed the year at GH¢ 12.92 billion. The incremental funding enabled us to grow the loans & advances portfolio by 17% to GH¢ 3.21 billion (2022: GH¢ 2.74 billion), and the Securities Investment book by 28% to GH¢ 7.70 billion (2022: GH¢ 6.02 billion).

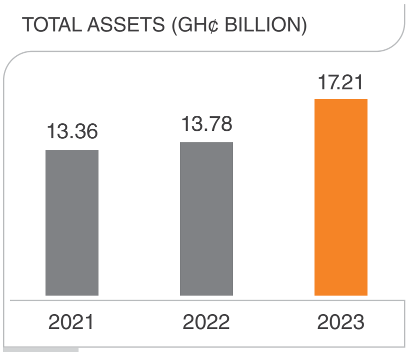


Fig. 3

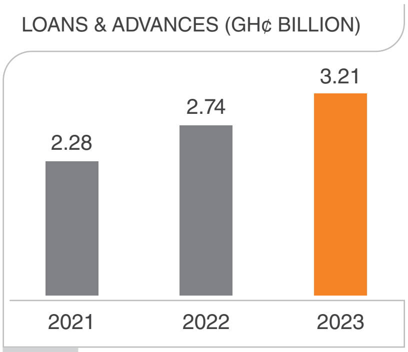


Fig. 4

The Group witnessed a notable 116% increase in shareholder funds, reaching GH¢ 1.53 billion at the end of the year. This growth followed a sharp decline to GH¢ 0.71 billion in 2022, attributed to the Bank's provisioning for expected credit losses post DDEP. Furthermore, the Bank's year-end capital adequacy ratio (CAR), with regulatory reliefs, rose to 20.9% in 2023 from 16.8% in 2022, indicating that the Bank remains adequately capitalised.

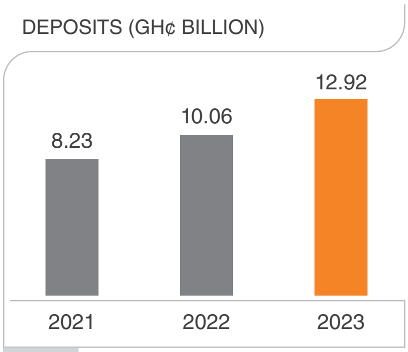


Fig. 5

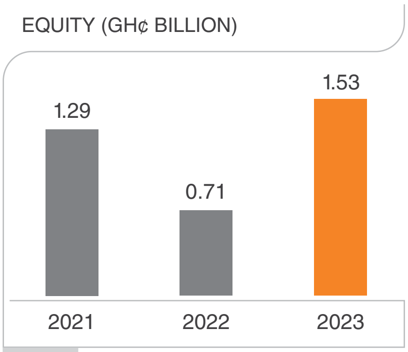


Fig. 6

Dividends

The consolidated reported profit for the year attributable to the ordinary shareholders of the Bank was GH¢ 766 million. On 26 March 2024, the Directors resolved to propose a dividend of GH¢ 3.41 per share to the ordinary shareholders in respect of the financial year ending 31 December 2023, subject to the required approval by the Bank of Ghana.

Corporate Governance

The Group continued to operate in accordance with the Group's principles and practices on corporate governance that are also informed and guided by the BOG Corporate Governance Directive 2018; the Corporate Governance Disclosure Directive 2022 and the Fit and Proper Persons Directive 2019 as well as the Basel Committee Standards on corporate governance which constitutes the best of international practice in this area.

As of 31 December 2023, the Board of Directors of Fidelity Bank Ghana LTD consisted of nine (9) members with at least thirty per cent (30%) Ghanaian membership, 30% independent Non-Executive Directors and one Executive Director.

In 2023, the Board had the pleasure of welcoming Mr. George-Thomas (GT) Svanikier as a new Non-Executive Director, duly approved by the Bank of Ghana. GT has over 10 years of experience spanning the technology and finance sectors and currently holds the position of Strategy & Operations Lead at Google, USA. Beyond his professional achievements, GT is deeply committed to various philanthropic endeavors, serving on the boards of SEVN group, the American Friends of Stowe, HACSA USA, and the Washington Center, USA. GT brings with him an extensive international experience that can only contribute to the benefit of the Board and the Bank at large. GT will be presented formally at our upcoming AGM for Shareholders to ratify his appointment. Meanwhile on behalf of your Board, Management and Staff of your Bank, I warmly welcome GT to the Board.

Against the backdrop of the domestic debt exchange program (DDEP) and its ramification on the Group, the board held seven (7) emergency meetings in addition to the regular quarterly meetings in 2023. At these meetings the board received the relevant updates from Management and provided the necessary guidance and direction for Management action.

Outlook for 2024

Despite the uncertainties of 2023, it proved to be a remarkable year for the Group in terms of business growth and profitability. Your bank continues to grow in stature and market share whilst consolidating our niche as the largest indigenous private sector Bank in the country.

In response to the current era of digitalisation, the Group continues to invest in technology-driven solutions to introduce more efficiency in the way we operate and delight our customers. We continue to seek partnerships with financial technology and sustainable development organisations with the view to aligning our strategies towards emerging growth in financial services and ESG propositions for higher value creation.

The strong financial performance of the Group in 2023 has significantly improved our capital base and solvency position, setting us apart as the most resilient privately owned Ghanaian bank. We will leverage our uniquely placed position as a top 5 bank and roll out our strategic initiatives and various measures to provide high quality financial solutions for our customers and create value for our Shareholders.

Conclusion and Acknowledgements

On behalf of the Board, I would like to thank our regulators for their guidance and support during the year under review. My profound appreciation also goes out to the numerous business partners and customers who have worked with us over the years for their diligence, custom, loyalty and unfailing commitment. We are also indebted to our financiers and shareholders who have provided us with the financial muscle to grow our operations and contribute to the economic development of our country.

I would equally like to express my appreciation to my colleague directors on the Board of Fidelity for their commitment to the Group and wise counsel in steering the Bank to stay on course, even in the most challenging times. Likewise, the progress and positive outcomes we recorded in 2023 would not have been possible without the hard work, dedication, loyalty and professionalism of our top management team. The Board joins me in saying a big thank you to our top Management and to all our teams across the Bank.

We truly believe in scaling for greater heights and would like to assure you that we remain determined and well placed to deliver high quality and sustainable growth to all stakeholders. We are proud of the position we are in currently, the trust we have earned from you and the opportunity we have, to move confidently into the future to deliver even more stellar results in 2024 and beyond.

Signed

James Reynolds Baiden
Board Chairman

Managing Director's Report

Dear Distinguished Shareholders,

Welcome to the 2024 Annual General Meeting of Fidelity Bank Ghana LTD. It is with genuine enthusiasm that I present to you the performance highlights for the fiscal year ending 31 December 2023.

As we reflect on the past year, it is evident that our journey was marked by both challenges and opportunities which we approached with resilience and strategic foresight. This year, Fidelity Bank not only weathered the storm but emerged stronger, re-positioning itself firmly on the path of growth that preceded the significant economic headwinds faced in 2022.

In 2023, the global economic landscape remained tumultuous and was characterised by geopolitical tensions, inflationary pressures, and supply chain disruptions that hindered the recovery efforts from the COVID-19 pandemic. The International Monetary Fund (IMF) reported a slight decline in global growth rates which demonstrated the enduring challenges experienced in both advanced economies and emerging markets. Global economic growth contracted from 3.5% in 2022 to 3.0% in 2023 with the slowdown more pronounced in advanced economies (2023:1.5%; 2022:2.6%) than in emerging markets and developing economies (2023:4.0%; 2022:4.1%).

Inflation remained a pressing concern, surpassing central bank targets in numerous countries and prompting policymakers to implement measures aimed at striking the difficult balance between containing inflation without stemming economic recovery. Rising energy prices, supply chain bottlenecks, and wage pressures contributed to elevated price levels which negatively impacted consumer purchasing power and business operations worldwide.

Geopolitical tensions and trade disputes added further complexity to the global economic landscape, affecting market sentiment and investment decisions. Escalating conflicts, such as the Russia-Ukraine war, reverberated across regions, intensifying uncertainty and volatility.

In Ghana, the market reflected the backdrop of the challenging global economic landscape shaped by the aftermath of the COVID-19 pandemic, the impact of the Government of Ghana domestic debt exchange program, and the aforementioned global economic stressors.

The economy declined from 3.3% in Q1 2023 to 2.0% in Q3 2023 due to various factors such as rising living cost pressures, continued implementation of both monetary and fiscal tightening measures, and reduced access to credit for both public and private sectors.

However, inflation slowed down significantly to 23.2% by the end of the year, marking a notable decrease from the 53.6% rate recorded in January 2023.

The local currency experienced significant decline between January 2023 and December 2023. As of December 2023, the Ghana Cedi had depreciated against the US dollar by 27.8% compared to 30.0% over the same period in 2022. The exchange rate environment was supported by the improvement in forex liquidity following the IMF Extended Credit Facility (ECF) inflows, and the inflow from the cocoa syndicated loan.

Despite these challenges, your bank remained steadfast, adapting its strategies to the evolving market dynamics while remaining in accord with our commitment to sustainable growth and service to the community. We continued to play a crucial role in supporting our customers and the wider local economy. We provided credit in excess of GH¢2 billion to catalyse local businesses in key sectors including agriculture, manufacturing, services and commerce while also providing a safe and secure haven for the savings and investments of our clients.

Recognising the importance of supporting Ghana's bid to be more self-sufficient in food production, we deepened our funding of the agricultural sector. Over 10% of our loan portfolio is actively dedicated to supporting agricultural businesses, ranging from established enterprises through to small-scale entrepreneurs. Leveraging our network of partnerships including the Development Bank of Ghana and the Ghana Incentive-Based Risk Sharing System for Agricultural Lending (GIRSAL), we extended credit combined with capacity building services to small-scale and large-scale entrepreneurs in the agricultural sector. Moving forward, we are committed to expanding our support for earlier stage agro-ventures, with a particular focus on female entrepreneurs, through initiatives such as the Mastercard BRIDGE-in Agriculture program which has a target of supporting 200,100 smallholder farmers, impacting 280,000 women and youth, creating 20,499 new jobs while sustaining 120,651 jobs over the next five years.

Our investment in agriculture underscores our wider commitment to sustainability which is at the core of our business ethos. Our vision for sustainability is comprehensive, striving to create a future that ensures inclusive economic growth, environmental stewardship, high standards of governance and ethics, and forging meaningful partnerships. To reinforce this vision, we have approved an Environmental, Social, and Governance (ESG) and Impact Policy, which guides our commitments and actions. Our sustainability efforts are built upon three foundational pillars: Sustainable Finance, Sustainable Operations, and Corporate Social Responsibility (CSR). Aligned with the Bank of Ghana Sustainable Banking Principles and using the United Nations' Sustainable Development Goals (SDGs) as benchmarks, we are dedicated to not only achieving financial success but also making a positive impact on society and the environment.

Along our commitment to Sustainable Finance and inclusive banking we are dedicated to solutions that contribute towards Achieving Zero Hunger (SDG 2), Quality Education (SDG 4), Affordable and Clean Energy (SDG 7), Decent Work and Economic Growth (SDG 8), Industry, Innovation, and Infrastructure (SDG 9), Sustainable Cities and Communities (SDG 11), and Climate Action (SDG 13). We partnered with the International Fund for Agricultural Development IFAD to utilise remittances as a catalyst for financial inclusion in rural Ghana leveraging digital technologies and an innovative Interactive Voice Response (IVR) system to simultaneously deliver financial literacy education in local languages.

In our pursuit of sustainable operations, we made significant strides in minimising our own environmental impact through initiatives promoting Affordable and Clean Energy (SDG 7), Decent Work and Economic Growth (SDG 8), Responsible Consumption and Production (SDG 12) and Climate Change (SDG 13). This year, we achieved an impressive 20% reduction in our water usage and an 11.8% decrease in electricity consumption. Our recycling initiatives have successfully processed 1.5 tonnes of paper waste, contributing to a substantial reduction in our carbon footprint. Additionally, our greenhouse gas emissions have been meticulously quantified, with Scope 1 emissions at 851.05 t CO_2e and Scope 2 emissions at 1,027.63 t CO_2e. We also intensified our focus on Environmental and Social Risk Assessment, particularly within our loan portfolio, ensuring that our business practices not only foster financial success but also prioritise environmental and social responsibility.

In line with our corporate commitment to serve our community, Fidelity Bank championed numerous CSR initiatives across the nation with a focus on promoting Quality Education (SDG 4), Gender Equality (SDG 5), and Climate Change (SDG 13). Our CSR initiatives significantly impacted 21,234 individuals and we are proud of the gender distribution among our beneficiaries, with 61% female and 39% male, underscoring our commitment to inclusivity. Our flagship CSR program, Orange Impact, successfully built ultra-modern school facilities in communities like Duose and Fodome, benefiting thousands of children of school-going age across the country. Additionally, our newly launched Employee Volunteering Program (EVP) engaged over 300 staff members who dedicated more than 579 hours to various causes. This effort has greatly advanced goals in education and gender equality.

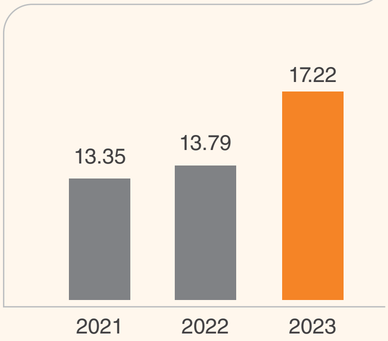
Financial Performance Highlights

Fidelity Bank's financial performance in 2023 was exceptional, marking a significant turnaround from the previous year. Our robust earnings and prudent financial management propelled us to achieve record-breaking results, solidifying our position as a leading bank in the industry.

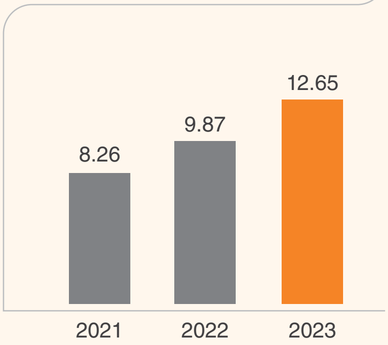
Balance Sheet Strength

In 2023, our balance sheet witnessed significant growth, with total assets reaching GH¢ 17.22 billion, reflecting a 25% increase from the previous year. This growth was propelled by a 14% uptick in the loans and advances portfolio which grew from GH¢ 2.82 billion in 2022 to GH¢ 3.21 billion in 2023. Our investment securities portfolio experienced a 29% surge, moving from GH¢ 5.95 billion to GH¢ 7.70 billion. Moreover, there was significant growth in customer deposits, which increased by 28% from GH¢ 9.87 billion in 2022 to GH¢ 12.65 billion in 2023.

TOTAL ASSETS (GH¢ BILLION)



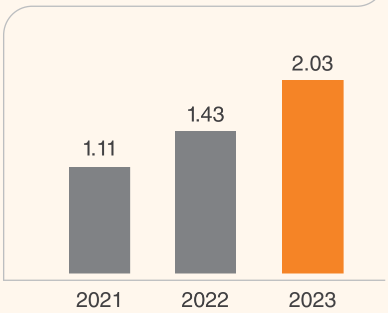
DEPOSITS FROM CUSTOMERS (GH¢ BILLION)



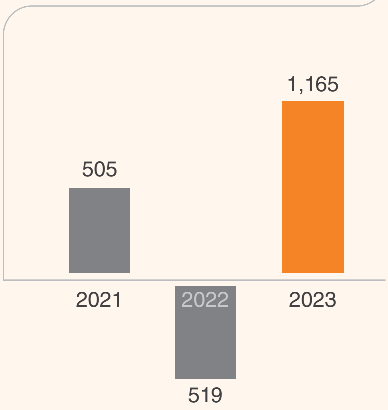
Income Statement Resilience

Following a challenging 2022, characterised by the impact of the Government of Ghana's debt exchange program, Fidelity Bank Ghana LTD. demonstrated remarkable improvement in its financial performance in 2023. The bank achieved a notable pre-tax profit increase to GH¢ 1.17 billion, driven by a substantial surge in overall operating income, particularly net interest income, which grew by 70% (2023: GH¢ 1.52 billion; 2022: GH¢ 896 million). This revenue growth exceeded cost growth, resulting in a decrease in the cost-to-income ratio from 46% in 2022 to 44% in 2023.

OPERATING INCOME (GH¢ BILLION)



PRE-TAX PROFIT (GH¢ MILLION)



Awards and Recognitions

The underlisted awards and recognitions serve as testament to the Bank’s unwavering dedication to providing best-in-class financial services and solutions. As we celebrate these achievements, we remain steadfast in our commitment to serve.

- Bancassurance Leader Award – Ghana Insurance Awards
- Best Bank for Digital Solutions in Ghana by Euromoney
- Best Commercial Lending Firm Ghana 2023 by International Business Magazine
- Best Banking and Cash Management Company Ghana 2023 by International Business Magazine
- Best Digital Bank Ghana 2023 by World Economic Magazine Awards
- Best Bank for Financial Inclusion Ghana 2023 by World Economic Magazine Awards
- Best Banking Initiative for Youth Entrepreneurs Ghana 2023 by World Economic Magazine Awards
- Best Company in Employee Health & Wellbeing Initiatives – HESS Awards
- Best Company in Customer Safety and Security Management Practices – HESS Awards
- CSR Bank of the Year – Ghana CSR Excellence Awards
- Most Responsive Partner Financial Institution of the Year – GIRSAL Excellence Awards
- Winner for Highest Staff Participation in GIRSAL's Agric & Agribusiness Finance Training - GIRSAL Excellence Awards

Notable Events

Organisation Restructure

As part of the Bank’s commitment to adapting to the changing business landscape, the Bank undertook revisions to its organisational structure, aiming to enhance efficiency and accountability within its business model. These adjustments are vital for maintaining competitiveness and advancing the Bank's strategic goals in its growth journey.

Furthermore, the newly created positions resulting from the organisational restructuring were filled by internal candidates, showcasing the Bank's confidence in its employees' abilities and its dedication to fostering internal talent development and succession planning.

Business Banking Unit

The establishment of the newly formed Business Banking unit underscores our commitment to leveraging business banking opportunities and solidifying our position as a local bank deeply attuned to the nuances of the Ghanaian business environment. This strategic initiative aligns with our goal of providing tailored financial solutions and personalised services to meet the diverse needs of businesses across Ghana.

Maiden Fidelity Sustainability Conference

The inaugural Fidelity Sustainability Conference was the culmination of the bank’s month-long sustainability drive and brought together a diverse array of experts, advocates, and thought-leaders to engage in discussions on a wide range of sustainability-related topics. The event saw significant attendance from government officials, civil society representatives, academia, media, and the general public, underscoring its broad-reaching impact. The conference format included presentations, panel discussions, and breakout sessions, facilitating in-depth exploration of specific subjects, idea exchange, experience sharing, and collaborative brainstorming for potential solutions.

Conclusion

As we embark on the journey ahead, we remain committed to sustainable growth, community service, and impactful partnerships. We extend our heartfelt gratitude to every member of the Orange family for their unwavering dedication and contributions to our success. Together, we will continue to build a brighter future for Fidelity Bank Ghana LTD. and create sustainable value for all our stakeholders.

Signed

Julian Kingsley Opuni
Managing Director

Report of the Directors

The Directors submit their report together with the audited financial statements of the Bank and its subsidiaries, together called the Group, for the year ended 31 December 2023.

Statement of Directors' responsibility
The Bank's Directors are responsible for the preparation and fair presentation of the audited consolidated and separate financial statements comprising the consolidated and separate statements of financial position at 31 December 2023, the consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in equity, the consolidated and separate statements of cash flows for the year then ended, and the notes to the financial statements, which include a summary of material accounting policies and other explanatory notes in accordance with International Financial Reporting Standards (IFRS) including the IAS 29 Hyperinflation Directive issued by the Institute of Chartered Accountants Ghana, and in the manner required by the Companies Act 2019, (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

The Directors' responsibilities include designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of these 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.

Going Concern
The Directors have made an assessment of the Bank's ability to continue as a going concern and have no reason to believe the business will not be a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

In determining the appropriate basis of preparation of the Financial Statements, the Directors are required to consider whether the Group can continue in operational existence for the foreseeable future. Accordingly, the Directors have conducted liquidity and solvency assessment under various plausible scenarios and have concluded at the time of approving the Financial Statements, that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of these Financial Statements.

Principal activities
The company operates as a Bank under the Banks and Specialised Deposit-Taking Institutions Act, 2016, (Act 930).

Nature of business
The Bank is licensed to carry out universal banking business in Ghana, and there was no change in the nature of the Bank's business during the year.

General information
Fidelity Bank Ghana LTD, a company incorporated in Ghana, wholly owns Fidelity Securities Limited and Fidelity Asia Bank Limited.

Fidelity Securities Limited (FSL) was incorporated in Ghana on 28th September 2004 originally under the name Fidelity Asset Management Limited, as the asset management subsidiary of the Fidelity Group (Ghana). FSL is licensed and regulated by the Securities and Exchanges Commission, Ghana and is in good standing with the Regulator. As an approved pensions fund manager, FSL is also licensed by the National Pensions Regulatory Authority.

FSL's core objective is to empower clients with financial freedom by undertaking well-researched investments on their behalf. Having successfully operated for 15 years and counting, FSL has a very good understanding of the Ghanaian investment landscape and has a proven track record of building sustainable investment portfolios, which create financial stability over time. FSL manages Institutional Funds (Pensions, Provident Funds, and Endowments among others), Collective Investments Schemes and Individual Wealth portfolios.

Fidelity Asia Bank Limited (FAB) is a company incorporated in Malaysia and carries on the business of offshore banking.

Financial report and dividend

All amounts are expressed in thousands of Ghana cedis

The results for the year are set out below

	GROUP		BANK	
GH¢ 000	**2023**	2022	**2023**	2022
Profit/(loss) after tax (attributable to equity holders)	**766,356**	(399,085)	**750,825**	(388,585)
Retained earnings brought forward	**(191,748)**	374,940	**(209,826)**	346,362
	574,608	(24,145)	**540,999**	(42,223)
Transfer to statutory reserve fund	**(187,706)**	-	**(187,706)**	-
Transfer from credit risk reserve	**-**	3,783	**-**	3,783
Ordinary share dividend paid	**-**	(137,613)	**-**	(137,613)
Preference share dividend paid	**(50,309)**	(33,773)	**(50,309)**	(33,773)
Balance to be carried forward	**336,593**	(191,748)	**302,984**	(209,826)

Auditor
In accordance with Section 139(5) of the Companies Act, 2019 (Act 992), the Auditor, Ernst & Young Chartered Accountants, will continue in office. The audit fees payable for the year under review was GH¢ 731,000.

The financial statements of the Group and the Bank were approved by the Board of Directors and signed on their behalf:

BY ORDER OF THE BOARD

Signed

James Reynolds Baiden
Board Chairman

Date: 26 March 2024

Signed

Julian Opuni
Managing Director

Date: 26 March 2024

Corporate Governance Report

Fidelity Bank Ghana LTD and its Subsidiaries operate in accordance with the Fidelity Group principles and practices on corporate governance. These principles and practices are guided by the Corporate Governance Directive 2018 (the Directive), Corporate Governance Disclosure Directive 2022 and the Fit and Proper Persons Directive 2019 issued by the Bank of Ghana, as well as the Basel Committee standards on corporate governance which constitutes the best of international practice in this area.

The key guiding principles of the Group's governance practices are:

i. Good corporate governance enhances shareholder value;
ii. The respective roles of shareholders, board of directors and management in the governance architecture should be clearly defined; and
iii. The board of directors should have a membership of at least 30% independent directors, defined broadly as directors who do not have more than 5% equity interest directly or indirectly in the Bank, are not employed by the group or company, or who are not affiliated with organisations with significant financial dealings with the group as provided by the Directive.

These principles have been articulated in a number of corporate documents, including the company's constitution, a corporate governance charter, rules of procedures for Boards, a code of conduct for directors and rules of business ethics for staff.

The Board of Directors

The Board is responsible for setting the institution's strategic direction, leading and controlling the institution and monitoring activities of the executive management.

As of 31 December 2023, the Board of Directors of Fidelity Bank Ghana LTD consisted of nine (9) members with at least thirty per cent (30%) Ghanaian membership. The Board comprises of one Executive Director, three Independent Non-executive Directors and the remaining being Non-Executive Directors. There is an appropriate balance of power and authority on the Board between the executive and non-executive directors such that no one individual or group dominates the Board's decision-making process in line with section 29 of the Directive. The board members have wide experience and requisite knowledge which enables them to make informed decisions and valuable contributions to the Group's progress. The Board met ten times during the year, which is more than the minimum required meetings per Section 39 of the Corporate Governance Directive.

The Board has overall responsibility for the Bank, including approving and overseeing the implementation of its strategic objectives, risk strategy, corporate governance and corporate values. The Board is responsible for appointing and providing oversight of senior management and ensures a well-structured and rigorous selection process in line with the Fit and Proper Directive. This is in keeping with Sections 10 and 11 of the Directive. These responsibilities are set out in the Board Charter. The Board will ensure that within 90 days of the beginning of each financial year, the Board shall certify general compliance with the Directive. The Board further certifies that:

i. It has independently assessed and documented the corporate governance process of the Bank and has generally achieved its objectives.
ii. The Directors are aware of their responsibilities as persons charged with governance.
iii. The Board further confirms that it shall report any material deficiencies and weaknesses that have been identified in the course of the year along with action plans and time tables for the corrective action by the Board to the Bank of Ghana.

The Board has delegated various aspects of its work to its Audit, Risk, Cyber and Information Security, Technology and Payment Systems, and Staff Welfare and Remuneration Committees in order to strengthen its corporate governance and bring it in line with international best practice in accordance with Sections 49 to 58 of the Directive. The board committees have the following memberships and functions:

Board Audit Committee

Harold Richardson	Chairman
Adwoa Nyantakyiwaa Annan	Member
Sulemana Abubakar	Member
Lisa Mensah	Member
Skander Khalil Oueslati	Member

The Board Audit Committee is made up of a majority of independent Directors who are all non-executive, with at least 30% Ghanaian membership. The Committee performs the following functions among others:

- Establish the accounting policies and practices for the Bank.
- Provide oversight of the internal and external audit functions, the appointment, compensation and removal of auditors, reviewing and approving the audit scope and frequency.
- Receive key audit reports and ensuring that Senior Management is taking necessary corrective actions in a timely manner to address control weaknesses, noncompliance with policies, laws and regulations and other problems identified by auditors as well as any other relevant matters referred to the committee by the Board.

The summary of work carried out by the Board Audit Committee during the year includes assisting the Board ensure the adequacy of the Bank's audit function, promote, evaluate, and monitor the effectiveness and independence of the Bank's Internal Audit, ensured the adequacy of controls, processes and systems that guarantee the reliability and integrity of financial and operational reporting, and ensured the Bank's adherence to laws, regulations, policies and contracts.

Board Risk Committee

Lisa Mensah	Chairman
Harold Richardson	Member
Julian Kingsley Opuni	Member
Skander Khalil Oueslati	Member
Abayomi Theophilus Akinade	Member

The Board Risk Committee is made up of all categories of directors with at least 30% Ghanaian membership and performs the following functions among others:

- Challenge the assessment and measurement of key risks of the Bank;
- Provide advice, oversight and the encouragement necessary to embed and maintain a supportive risk culture throughout the institution;
- Provide high level oversight and critique of the day-to-day risk management and oversight arrangements of senior management;
- Provide high level oversight and critique of the design and execution of the scenario analysis and stress-testing of the institution;
- Review the internal capital adequacy assessment and internal liquidity adequacy assessment of the institution;
- Review the external risk information disclosures including annual report and accounts and quarterly disclosures of the institution; and
- Provide oversight and critique of due diligence on risk issues relating to material transactions and strategic proposals that are subject to approval by the Board.

The summary of work carried out by the Board Risk Committee includes advising the Board on the overall current and future risk tolerance/appetite of the Bank and strategy including on AML/CFT and for overseeing implementation of the Bank's risk strategy by senior management.

Board Staff Welfare and Remuneration Committee

Adwoa Nyantakyiwaa Annan	Chairperson
Julian Kingsley Opuni	Member
James Reynolds Baiden	Member
George-Thomas Svanikier	Member

The Board Staff Welfare and Remuneration Committee's main responsibility includes proposing and making recommendations on human resource issues and matters relating to terms and appointment of senior management and staff of the Bank.

The summary of work carried out by the Board Staff Welfare and Remuneration Committee includes overseeing the development and implementation of various staff welfare and management issues including capacity planning and practices, staff socialising and engagement, succession planning, workload models, change management and ensuring compliance with the Fit and Proper Persons Directive 2019.

Board Cyber and Information Security, Technology and Payment Systems Committee

Sulemana Abubakar	Chairperson
Abayomi Theophilus Akinade	Member
George-Thomas Svanikier	Member

The Committee is mandated to:

- Provide long term strategic guidance on technology;
- Oversee major Information Technology (IT) related strategies, projects and technology architecture decisions;
- Monitor whether the Bank's IT programs effectively support its business objectives and strategies;
- Confer with the Bank's senior IT management team;
- Inform the Board of Directors on IT related matters;
- Receive and assess Cyber Security Reports submitted by the Chief Information Security Officer and develop strategic direction on the Bank's cyber security policy for implementation by the Chief Information Security Officer;
- Monitor the effectiveness of the Bank's preparedness to withstand cyber-attacks and make recommendations to the Chief Information Security Officer for implementation;
- Keep the Board informed and updated on the Bank's Cyber Security strategy and direction.

The summary of work carried out by the Board Cyber and Information Security, Technology and Payment Systems Committee includes overseeing the execution of cyber & information security and technology strategies formulated by management, taking responsibility for the Company's IT strategies and the financial, tactical and strategic benefits of proposed major IT related projects and technology architecture alternatives. It also critically reviews the progress of major IT related projects and technology architecture decisions. It ensures the Bank is in compliance with the Payment Systems related laws, rules, standards, policies and directives.

The Board has adopted standard evaluation tools to help assess annually the performance of the Board, its committees and individual members.

Nominations Committee

The Committee is constituted as an ad hoc Committee of the Board and comprises of all Board members except the Managing Director and the Board Chairman.

The Committee is mandated to:

- Regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the board having regard to the requirements of the Corporate Governance directive and make recommendations to the Board with regard to any changes.
- Give full consideration to succession planning for directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the Bank, and the skills and expertise needed on the board in the future.
- Keep under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace.
- Keep up-to-date and be fully informed about regulatory and strategic issues impacting the committee's mandate.
- Identifying and nominating for the approval of the board, candidates to fill board vacancies as and when they arise and ensuring that they meet the Fit and Proper Persons test.

The summary of work carried out by the Nominations Committee includes advising the Board on composition structure of the Board, implementing clear transparent appointment process for appointment of directors and ensuring compliance with Corporate Governance Directive 2018 and Fit and Proper Persons Directive 2019.

Other Engagements of Directors

Subject to the provisions of the Directive, directors cannot hold more than five directorship positions at a time in both financial and non-financial companies (including offshore engagements). Before committing to an additional role, directors are required to confirm that no conflicts will arise. They must also provide the necessary assurance that the appointment will not adversely impact their ability to continue to fulfil their role as directors of the Bank. Details of external directorship and other management positions held by the directors can be found in the table below:

Profile of Directors

Director	Qualification	Position	Other Board Membership and Management Positions (section 45 of the Directive)
James Reynolds Baiden	Banker	Board Chairman	Action Chapel Scholarship Foundation Aya Institute of Finance and Management LBG
Julian Kingsley Opuni	Banker	Executive Director	Admiral Homes Company Limited Legacy Bonds Limited Orangetech Limited
Harold Richardson	Auditor /Chartered Accountant	Independent Non-Executive Director	North Ridge Lyceum Limited University of Ghana (Audit Committee) Harry Richardson Consult, Chartered Accountants

Director	Qualification	Position	Other Board Membership and Management Positions (section 45 of the Directive)
Sulemana Abubakar	IT Specialist	Independent Non-Executive Director	Datacore Limited Making Learning Happen Orangetech Limited
Lisa Mensah	Non-Profit Executive	Independent Non-Executive Director	Oregon Community Foundation Feeding America Ecotrust Heritage and Cultural Association of Africa
Adwoa Nyantakyiwa Annan	Economist/Banker	Non-Executive Director	Geothermal Management Services Limited Waveline Growth Partners Limited United World Ghanaian College
Skander Khalil Oueslati	Chief Investment Officer	Non-Executive Director	AfricInvest 4.5 LLC Tausi Assurance, Kenya Silafrica Plastic Packaging ICS International School Prime Bank, Kenya
Abayomi Theophilus Akinade	IT Consultant	Non-Executive Director	Quantum Manufacturing and Metering Solutions Limited Holmen Consulting Limited Akinade Associates Inc.
George-Thomas Svanikier	Strategy & Operations Lead	Non-Executive Director	The Washington Center The American Friends of Stowe SEVN Group

Schedule of Board And Board Committee Meetings Held During The Year

Board of Directors

Director	Year Appointed	Number of Meetings	Attendance
James Reynolds Baiden	2021	10	10
Julian Kingsley Opuni	2018	10	10
Harold Richardson	2020	10	10
Sulemana Abubakar	2020	10	10
Lisa Mensah	2020	10	10
Adwoa Nyantakyiwa Annan	2017	10	10
Skander Khalil Oueslati	2021	10	10
Abayomi Theophilus Akinade	2021	10	10
George-Thomas Svanikier (appointed 5 July 2023)	2023	10	2

Schedule of Board And Board- Sub Committee Meetings Held During The Year

Board Audit Committee

Director	Role	Date Appointed	Number of Meetings	Attendance
Harold Richardson	Chairperson	June 2020	5	5
Adwoa Nyantakyiwa Annan	Member	June 2020	5	5
Abubakar Sulemana	Member	June 2020	5	5
Lisa Mensah	Member	June 2020	5	4
Skander Khalil Oueslati	Member	May 2021	5	5

Board Risk Committee

Director	Role	Date Appointed	Number of Meetings	Attendance
Lisa Mensah	Chairperson	June 2020	4	4
Harold Richardson	Member	June 2020	4	4
Julian Kingsley Opuni	Member	June 2020	4	4
Skander Khalil Oueslati	Member	May 2021	4	4
Abayomi Theophilus Akinade	Member	December 2021	4	4

Board Staff Welfare & Remuneration Committee

Director	Role	Date Appointed	Number of Meetings	Attendance
Adwoa Nyantakyiwa Annan	Chairperson	March 2021	4	4
Julian Kingsley Opuni	Member	February 2019	4	4
James Reynolds Baiden	Member	May 2021	4	4
George-Thomas Svanikier (appointed 5 July 2023)	Member	July 2023	4	2

Board Cyber and Information Security, Technology and Payment Systems Committee

Director	Role	Date Appointed	Number of Meetings	Attendance
Sulemana Abubakar	Chairperson	June 2020	4	4
Abayomi Theophilus Akinade	Member	September 2021	4	4
George-Thomas Svanikier (appointed 5 July 2023)	Member	July 2023	4	2

The annual meeting calendar during the year 2023

QUARTER	MEETING	DATE
Quarter 1	Emergency Board Meeting	11 January 2023
	Emergency Board Meeting	23 January 2023
	Emergency Board Meeting	30 January 2023
	Emergency Board Meeting	6 February 2023
	Emergency Board Meeting	27 February 2023
	Board Committees	8, 9 February 2023
	Board Meeting	23 March 2023
	2023 Strategy Session	21, 22 March 2023
Quarter 2	Emergency Audit Committee	25 April 2023
	Emergency Board Meeting	25 April 2023
	Board Committees	20, 21 June 2023
	Board Meeting	22 June 2023
	Shareholders Conference/AGM	26 May 2023
Quarter 3	Board Committees	18, 19 September 2023
	Board Meeting	20 September 2023
Quarter 4	Board Committees	8,9 November 2023
	Board Meeting	6 December 2023
	2024 Strategy Session	4, 5 December 2023

Planned Board Committee activities for 2024

The following activities are scheduled for the Board Committees for the year 2024:

- Quarterly Board Committee meetings
- Annual In-House Performance Evaluation of the Board Committees
- Annual Fit and Proper Re-Assessment of Directors
- Half-yearly AML/CFT assessment and attestation
- Training activities specific to the needs of the Audit, Risk, Cyber, Remuneration and Nomination Committees

Calendar of activities of the Board Committees

QUARTER	SESSION	DATE
Q 1	Committee Meeting	18th & 19th March
	Board Meeting	20th March
Annual General Meeting		31st May
Q 2	Committee Meeting	25th & 26th June
	Board Meeting	27th June
Q 3	Committee Meeting	24th & 25th September
	Board Meeting	26th September
2025 Strategy Sessions		12th & 13th November
Q 4	Committee Meeting	3rd & 4th December
	Board Meeting	5th December

Code of Conduct

As part of the Bank's corporate governance practice, management has communicated the principles of the Bank's code of conduct to all employees. The code of conduct provides a basic framework and guidance for behaviours and business conduct. The code of conduct also serves as a reference point in all aspects of employee's working relationships with other employees, customers, suppliers, government officials, regulators, joint venture partners, competitors and the broader community. All employees and the Board have signed off as having read and understood the code of conduct and sanctions for breaching same.

Recruitment, Induction and Training of New Directors

Individuals selected to be members of the Board have an appropriate diversity of skills and come from backgrounds necessary to provide the needed direction for the Bank such as business, banking, accounting, audit, law, IT, etc.

All new directors to the board of the Bank are provided with a letter of appointment stating clearly the terms which shall govern their appointment. The oldest serving directors on the board are required to retire at each annual general meeting and may offer themselves for re-election in accordance with the Companies Act, 2019 (Act 992) and the Bank's Constitution. If recommended by the directors, the Board then proposes their re-election to shareholders. The term of non-executive directors is governed by the Bank of Ghana directive on corporate governance, which limits the maximum period of service for non-executive directors to nine years.

New board members participate in a comprehensive induction program covering the Group's financial, strategic, operational and risk management overviews. New directors are given access to the board portal where they access information on governance policies and business information. Presentations are made on the Group's business functions and activities by key executive management and the business units.

Board Qualifications and Composition

In accordance with Section 23 of the Directive, all Board members are qualified for the position and remain qualified through training, for their positions. They have a clear understanding of their role in corporate governance and are able to exercise sound and objective judgement about the affairs of the Bank. They also possess, individually and collectively, appropriate experience, competencies and personal qualities, including professionalism and integrity.

Remuneration Structure

In line with market practice, Non-executive directors receive quarterly fixed fees of USD 5,500 for serving on the Board and USD 1,000 and USD 1,500 per sitting for each board committee member and chairperson respectively. The Board members' remuneration is approved by the shareholders on the recommendation of the Board.

Executive directors receive a remuneration package and qualify for long-term incentives on the same basis as other employees.

The Board also oversees the design and operation of the compensation system of the Bank and quarterly monitors the review of the compensation system via the Staff Welfare & Remuneration Committee to ensure that it is effectively aligned with prudent risk taking. The Board ensures that levels of remuneration are sufficient to attract, retain, and motivate Executive Officers of the Bank and remuneration balanced yearly through salary structural adjustments to avoid excessive risk taking or potential risks to the Bank's capital base. The Board ensures that remuneration that is tied to performance and any variable remuneration scheme more generally, is designed in such a way as to prevent excessive risk taking. A committee of independent directors determine the remuneration of executive and non-executive directors; together with the Staff Welfare & Remuneration Committee, approves the compensation of Key Management Personnel. Executive remuneration policy aligns with the long-term sustainability of the Bank by providing a mix of short-term and long-term remuneration to incentivise sustainable long-term performance. The Bank's employee share policy is closed and is no longer in force. The Directors, Executive Management, and Staff remuneration are structured.

Annual Certification

In accordance with section 12 of the Directive, the Board certifies that the Bank is compliant with the Directive. The Board further certifies that;

It has independently assessed and documented the corporate governance process of the Bank and that it is effective and has successfully achieved its objectives.

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

No material deficiencies and weaknesses have been identified in the course of the year.

Directors are required to obtain certification from the National Banking College, or any other institution recognised by the Bank of Ghana to the effect that they have participated in a corporate governance programme and have completed a programme on Directors' responsibilities.

During the year, as part of regulatory requirements for director certification, all directors of the Bank completed their corporate governance programme for 2023, organised by the National Banking College.

The certification programme covered the following topics;

- Cyber Risk Governance and Management
- Fraud Risk Governance and Prevention
- Driving ESG Practices: Board's role from ESG strategy to reporting.

Board Evaluation

The Board hereby certifies that it has complied with Section 46 and 48 of the Directive on Board performance evaluation as well as AML/CFT Evaluation. As required in section 47, the Bank undertakes a formal and rigorous evaluation of its performance with external facilitation every two years in accordance with the Corporate Governance Directive. The last external evaluation of the Board was conducted for the year 2022 by Purple Almond Consulting Limited. The performance criteria used to assess the effectiveness of the Board were within the domain of Board Policy and Procedure, Board Renewal and Succession, Board Capability, Performance and Effectiveness, Board Structure and Operations, Strategy, Growth and Innovation, Operational Improvement and Sustainability, Risk Appetite and Oversight and Effective Reporting and Stakeholder Management. The detailed report was submitted to the Bank of Ghana in May 2023. The next external evaluation will be conducted for the year 2024 in 2025.

Business Strategy

In the year under review the Board approved and monitored the overall business strategy of the Bank, considering the long-term financial interest of the Bank, its exposure to risk, and its ability to manage risk effectively. This was in line with section 13 of the Directive.

The Board also approved the formulation and implementation of an overall risk strategy, including the risk tolerance/appetite; policies for risk, risk management and compliance, including anti-money laundering and combating the financing of terrorism (AML/CFT) risk; internal controls system; corporate governance framework, principles and corporate values including a code of conduct or comparable document; and a compensation system.

Risk Management and Internal Controls

The Board has put an effective internal control system in accordance with Sections 64 and 67 of the Directive and has a risk management in place. The Key Management Personnel holding these roles have sufficient authority, stature, independence, resources and access to the Board.

Internal controls have been designed to ensure that each key risk has a policy, process or other measure, as well as a control to ensure that such policy, process or other measure is being applied and works as intended.

In accordance with Section 68 of the Directive, the Bank also has a Chief Internal Auditor who is not involved in the audited activities and business line responsibilities of the Bank. He has the professional competence to collect and analyse financial information as well as evaluate audit evidence and to communicate with the stakeholders of the internal audit function. He possesses sufficient knowledge of auditing techniques and methodologies and reports directly to the Audit Committee but has direct access to the Board.

The Board recognises the importance of external auditors as vital to the corporate governance process and has engaged the services of Ernst & Young Chartered Accountants (EY), an independent, competent and qualified external auditor, to undertake the function in accordance with Section 71 of the Directive.

Key Management Oversight

In accordance with Sections 18 and 63 of the Directive, the Board also monitors and ensures that the actions of Key Management Personnel are consistent with the strategy and policies approved by the Board, including the risk tolerance/appetite and risk culture.

The Board has ensured that there is established a management structure that promotes accountability and transparency and oversees the implementation of appropriate systems for managing risks – both financial and non-financial - to which the Bank is exposed.

The Bank has engaged skilled and competent staff and provides training and development opportunities to sustain the delivery of short and long-term business objectives, the risk management framework that protects the reputation of the Bank.

Succession Planning

Per Section 17 of the Directive, the Bank continues to pursue a robust talent and succession management process, knowing that our success is hinged on our ability to attract and retain the best talent in the industry, whilst maintaining a bench strength that ensures seamless leadership continuity. The Bank promotes a culture of regularly reviewing and refreshing the succession pipeline to align with the fluid nature of the current talent landscape. Business Unit Heads have been empowered to own the succession management process end-to-end in their respective businesses. Executive Management's sponsorship and oversight of the process has ensured accountability from Business Heads across the Bank. Our succession planning process prioritises all critical roles at all levels in the organisation; to ensure business and leadership continuity.

Our focus on developing a talent pool for our key management staff has led to the introduction of a leadership accelerated program. The Bank's recruitment process has been aligned with the succession management process to serve as a source of future appointments into key leadership positions. We believe in creating an environment that enables staff to realise their career aspirations through internal appointments and promotions.

The Board through its ad hoc Nomination Committee considers succession planning by advising the Board on its composition and structure, implementing clear transparent appointment process for appointment of directors and ensuring that the Board is kept up to date with strategic commercial changes affecting its mandate area.

Corporate culture and values

The Bank has established corporate culture and values that promote and reinforces norms for responsible and ethical behaviour in terms of the Bank's risk awareness, risk-taking and risk management in accordance with section 15 of the Directive. This is achieved by the Bank through its board members setting and adhering to corporate values for itself. Key management and employees also create expectations that business should be conducted in a legal and ethical manner at all times.

The corporate values, professional standards it sets together with supporting policies and appropriate sanctions for unacceptable behaviours are communicated to all employees.

Related Party Transactions

The Board has in place, policies and procedures to ensure that all related party transactions are carried out at arm's length in accordance with Section 16 of the Directive and in accordance with the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). This is intended to ensure that there is no favourable or preferential treatment given to a related party. All connected transactions are reviewed by the Board to ensure that they are subject to appropriate restrictions, and that they comply with applicable legislation and other requirements regarding exposure limits for loans to Related Parties and staff. Therefore, in any connected transactions the Bank ensures Board approval is obtained prior to the execution of the transaction.

Separation of Powers

There is clearly in place a division of responsibilities between the positions of the Board Chair and the Managing Director in accordance with Section 19 of the Directive.

Conflict of Interest

In line with Paragraph 59 of the Corporate Governance Directive, 2018 and sections 192 and 194 of the Companies Act, 2019 (Act 992), the Bank has a Conflict-of-Interest Policy in place to guide directors against placing themselves in either real or perceived conflict of interest positions or in situations in which their individual conduct may adversely affect their judgment in the discharge of their responsibilities to the Bank. In line with the policy, the Board reviews actual or potential conflicts of interest annually to ensure that it is fully compliant with provisions of Paragraph 59 and 60 of the Directive. Each director is required to fully disclose to the Board annually and at each board meeting, any interest, which they may directly or indirectly hold or be related to, and which becomes the subject of Board action and shall refrain from voting on any matter relating thereto. Directors have a duty not to place themselves in a position which gives rise to a real or substantial possibility of conflict of interest or duty in relation to any matter which is or is likely to be brought before the Board. At no time during the year did any director hold a material interest in any contract of significance with the Bank or any of its subsidiary undertakings.

Particulars of entries in the interest register

1. Consultancy Agreement for the provision of consultancy/ advisory/guidance/ research services in ICT financial planning with an Independent Non-Executive Director, with a one (1) year renewable tenure.
2. Cash-Backed Loan of GH¢ 813,429 for a one-year tenure at a commercial rate for a Non-Executive Director

Anti-Money Laundering

The Bank has established an anti-money laundering system in compliance with the requirements of Ghana's Anti-Money Laundering Act, 2020 (Act 1044) and AML/CFT & P Guideline, December 2022. These include due diligence for opening new accounts, customer identification, monitoring of high-risk accounts, record keeping and training of staff on money laundering which assist in reducing regulatory and reputational risk to its business.

Corporate Social Responsibility

We are committed to operating as a responsible corporate citizen. Our Corporate Social Responsibility (CSR) initiatives focus on financial inclusion, environmental sustainability and community development. Through targeted programs and partnerships, we strive to create positive social impact alongside strong financial performance. In 2023, we directed GH¢ 3.80 million towards these important efforts. You can find a detailed update on our CSR activities in our annual report.

Signed

James Reynolds Baiden
Board Chairman

FIDELITY BANK

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2023 BOARD RISK MANAGEMENT DECLARATION

This declaration is made by the Board of Fidelity Bank Ghana LTD ("the Bank") pursuant to paragraph 39, 40 and 41 of the Bank of Ghana's Risk Management Directive, 2021 ("the Directive").

The Board hereby declares to the best of its knowledge and having made appropriate enquiries, in all material respects:

1. THAT the Bank has put in place systems for ensuring compliance with all prudential requirements;

2. THAT the systems and resources that are in place for identifying, measuring, evaluating, controlling, mitigating and reporting material risks, and the Risk Management Framework itself are appropriate to the Bank and is commensurate with its size, business mix and complexity;

3. THAT the Bank's risk management and internal control systems in place are operating effectively and are adequate;

4. THAT the Bank has an Risk Management Strategy that complies with this Directive, and has complied with the requirements described in the Risk Management Strategy;

5. THAT the Bank is satisfied with the effectiveness of its processes and management information systems; and

6. THAT there have been no significant breaches of or material deviations from the Bank's Risk Management Framework or the requirements set out in Annexure A to the Directive during the year.

James Reynolds Baiden
Board Chairman

Lisa Mensah
Chairperson, Board Risk Committee

Dated this 22nd day of March 2024

Independent Auditor's Report

To the Shareholders of Fidelity Bank Ghana LTD and its Subsidiaries

Report on the audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Fidelity Bank Ghana LTD (the Bank) and its subsidiaries (collectively ''the Group'') set out on pages, 72 to 161 which comprise the Consolidated and Separate Statement of Financial Position as at 31 December 2023, the Consolidated and Separate Statement of Profit or Loss and Other Comprehensive Income, the Consolidated and Separate Statement of Changes in Equity and the Consolidated and Separate Statement of Cash Flows for the year then ended, and notes to the Consolidated and Separate financial statements, including a summary of material accounting policies.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Group as at 31 December 2023, and its consolidated and separate Financial Performance and Cash Flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) including the IAS29 Hyperinflation Directive issued by the Institute of Chartered Accountants Ghana and also in the manner required by the provisions of the Companies Act, 2019 (Act 992) and the Banks and Specialized Deposit -Taking Institutions Act, 2016, (Act 930).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report.

We are independent of the Group and the Bank in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the Consolidated and Separate Financial Statements in Ghana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated and Separate Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, we have provided our description of how our audit addressed the matter as provided in that context.

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

Key audit matter	How our audit addressed the key audit matter
Allowance for expected credit losses on loans and advances to customers	
IFRS 9 introduced a forward-looking Expected Credit Loss (ECL) model. The ECL model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. The amount of ECL's recognised as a loss allowance or provision depends on the extent of credit deterioration since the initial recognition and recognition of impairment could be done on a 12-month expected credit losses or lifetime expected credit losses. Impairment computations under IFRS 9 therefore involves the use of models that takes into account: • The probability-weighted outcome. • Reasonable and supportable information that is available without undue cost or Loan loss provision is a key area of judgement for management. Significant judgements in the determination of the Bank's Expected Credit Loss includes: • Use of assumptions in determining ECL modelling parameters. • Portfolio segmentation for ECL computation • Determination of a significant increase credit risk and • Determination of associations between macroeconomic scenarios. The use of different models and assumptions can significantly affect the level of allowance for expected credit losses on loans and advances to customers. Due to the significance of such loans which account for about 18% of total assets of the Bank, and the significant use of judgements, the assessment of the allowance for expected credit losses is a key audit matter. The information on expected credit losses on loans and advances to customers is provided in Note 14 'Allowance for expected credit losses on financial assets' of the consolidated financial statements.	We obtained an understanding of the Bank's credit risk modelling methodology. We validated and tested the ECL model of the Bank by assessing the data integrity and the internal controls around the model. We have also performed, among others, the following substantive audit procedures: • Reviewed the accounting policies and framework of the methodology developed by the Bank in order to assess its compliance with IFRS 9; • Verified sampled underlying contracts of financial assets to determine the appropriateness of management's classification and measurement of these instruments in the ECL model; • Reviewed and tested the methodology developed to calculate loan loss provision under IFRS 9, concentrating on aspects such as factors for determining a 'significant increase in credit risk', staging of loans, testing specific models related to Probability of Default (PD), Loss Given Default (LGD), Exposure at Default (EAD) ; • Tested the accuracy and completeness of data used in modelling the risk parameter, Recalculating the ECL; • Reviewed forward looking information / multiple economic scenario elements; • For stage 3 exposures, we tested the reasonableness of the assumptions underlying the impairment identification and quantification including forecasts of future cash flows, valuation of underlying collateral, estimated period of realisation for collaterals, etc; • We have also analysed information relating to the allowance for expected credit losses on loans and advances to customers disclosed in the Notes to the consolidated and separate financial statements of the Bank.

Other information

The Directors are responsible for the other information. The other information comprises corporate information (Directors, Company Secretary, Registered Office, Solicitors and Bankers), Financial highlights, Report of the Directors, Corporate Governance Report, Value added statement and Shareholder information report included in the 161-page document titled "Fidelity Bank Ghana LTD financial statements for the year ended 31 December 2023", other than the financial statements and our Auditor's report thereon. Our opinion on the Consolidated and Separate Financial Statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

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

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

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

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

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

Auditor's responsibilities for the audit of the Consolidated and Separate Financial Statements

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

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

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

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

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

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

Report On Other Legal And Regulatory Requirements

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

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- In our opinion, proper books of account have been kept by the Bank, so far as appears from our examination of those books;
- Proper returns adequate for the purpose of our audit have been received from branches not visited by us; and
- The statements of Financial Position (Consolidated and Separate) and Statements of Profit or Loss (Consolidated and Separate) and Statements of Other Comprehensive Income (Consolidated and Separate) are in agreement with the books of account.
- As Auditors, we are independent of the Bank pursuant to Section 143 of the Companies Act, 2019 (Act 992).

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

- The accounts give a true and fair view of the statement of affairs of the Bank and the results of operations for the year under review;
- We were able to obtain all the information and explanations required for the efficient performance of our duties;
- The transactions of the Bank are generally within the powers of the Bank;
- The Bank has generally complied with the provisions of the Banks and Specialised Deposit-Taking Institutions Act, 2016, (Act 930).
- The Bank has generally complied with the provisions of the Anti-Money Laundering Act, 2008, (Act 749), the Anti-Terrorism Act, 2008 (Act 762) and regulations made under these enactments.

Other matters

The Bank has generally complied with the provisions of the Corporate Governance Disclosure Directive 2022 issued by the Bank of Ghana.

The Engagement Partner on the audit resulting in this independent Auditor's report is **Pamela Des Bordes** (ICAG/P/1329).

EY
Building a better working world

Ernst & Young (ICAG/F/2024/126)
Chartered Accountants
Accra, Ghana

Date: 27 March 2024

Consolidated and Separate Statements of Comprehensive Income For The Year Ended 31 December 2023

All amounts are expressed in thousands of Ghana cedis

	Notes	GROUP 2023	GROUP 2022	BANK 2023	BANK 2022
Interest income calculated using the effective interest method	8	**2,040,095**	1,646,458	**2,037,729**	1,647,183
Other interest income	8	**436,649**	228,304	**436,649**	228,304
Interest expense calculated using the effective interest method	9	**(934,339)**	(965,767)	**(951,555)**	(979,421)
Net interest income		**1,542,405**	908,995	**1,522,823**	896,066
Fee and commission income	10	**362,818**	256,485	**353,926**	244,106
Fee and commission expense	11	**(115,486)**	(108,041)	**(115,452)**	(108,017)
Net fee and commission income		**247,332**	148,444	**238,474**	136,089
Other operating income	12	**246,111**	401,023	**269,423**	400,888
Operating income		**2,035,848**	1,458,462	**2,030,720**	1,433,043
Derecognition loss on investment securities	14	**(819,648)**	-	**(819,648)**	-
Net impairment reversal/(loss) on investment securities	14	**879,581**	(1,055,658)	**850,432**	(1,026,322)
Net impairment loss on loans and advances, and others	14	**(3,248)**	(265,852)	**(3,248)**	(265,852)
Personnel expenses	13	**(400,550)**	(294,977)	**(393,833)**	(288,185)
Depreciation and amortisation	13	**(70,171)**	(56,904)	**(70,115)**	(56,747)
Other expenses	13	**(432,671)**	(318,480)	**(428,928)**	(314,560)
Profit/ (loss) before income tax		**1,189,141**	(533,409)	**1,165,380**	(518,623)
Income tax (expense)/credit	15	**(422,785)**	134,324	**(414,555)**	130,038
Profit/(loss) for the year		**766,356**	(399,085)	**750,825**	(388,585)
Other comprehensive income that will not be reclassified to the income statement:					
Net Property Revaluation Gain	33	**81,848**	-	**81,848**	-
Other comprehensive income/(loss) that may be reclassified to the income statement:					
Net change in investment securities measured at FVOCI	33	**1,718**	(25,592)	**1,718**	(25,592)
Currency translation differences on foreign subsidiary	33	**24,265**	17,936	**-**	-
Total other comprehensive income/(loss)		**107,831**	(7,656)	**83,566**	(25,592)
Total comprehensive (loss)/income for the year, net of tax		**874,187**	(406,741)	**834,391**	(414,177)
Earnings per share					
Basic/diluted earnings/(loss) per share (GH¢)	29	**30.35**	(15.81)	**29.74**	(15.39)

Items in the statement of other comprehensive income are disclosed net of tax. The income tax relating to each component of other comprehensive income is disclosed in note 15.

The accompanying notes 1 to 38 form an integral part of these consolidated and separate financial statements.

Consolidated and Separate Statements of Financial Position For The Year Ended 31 December 2023

All amounts are expressed in thousands of Ghana cedis

	Notes	GROUP 2023	GROUP 2022	BANK 2023	BANK 2022
Assets					
Cash and cash equivalents	17	**5,210,089**	3,419,799	**5,208,765**	3,421,897
Derivative financial instruments	17	**16,833**	368,886	**16,833**	368,886
Investment securities	18	**7,697,202**	6,019,160	**7,695,598**	5,945,309
Investments (other than securities)	19	**-**	-	**12,471**	12,471
Loans and advances to customers	20	**3,213,860**	2,736,268	**3,213,860**	2,815,748
Current tax asset	15	**-**	35,401	**-**	35,181
Property and equipment and right-of-use assets	22	**314,284**	185,170	**314,217**	185,058
Intangible assets	23	**66,713**	58,324	**66,387**	57,988
Deferred tax asset	16	**254,833**	309,513	**254,781**	302,178
Other assets	21	**408,539**	612,231	**405,959**	609,243
Non-current assets held for sale	24	**31,138**	31,938	**31,138**	31,938
Total assets		**17,213,491**	13,776,690	**17,220,009**	13,785,897
Liabilities					
Deposits from banks and other financial institutions	26	**217,216**	478,198	**229,784**	481,449
Deposits from customers	25	**12,697,873**	9,583,044	**12,423,422**	9,393,360
Borrowings	27	**2,366,096**	2,606,480	**2,731,436**	2,858,582
Current tax liability	15	**38,128**	-	**38,451**	-
Other liabilities	28	**360,642**	399,310	**356,457**	396,129
Total liabilities		**15,679,955**	13,067,032	**15,779,550**	13,129,520
Equity					
Stated capital	30	**422,840**	422,840	**422,840**	422,840
Statutory reserve	32	**628,462**	440,756	**628,462**	440,756
Other reserves	33	**145,641**	37,810	**86,173**	2,607
Retained earnings	35	**336,593**	(191,748)	**302,984**	(209,826)
Total equity attributable to equity holders		**1,533,536**	709,658	**1,440,459**	656,377
Total liabilities and equity		**17,213,491**	13,776,690	**17,220,009**	13,785,897

The accompanying notes 1 to 38 form an integral part of these consolidated and separate financial statements.

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

Signed

James Reynolds Baiden
Board Chairman

Date: 26 March 2024

Signed

Julian Kingsley Opuni
Managing Director

Date: 26 March 2024

Consolidated and Separate Statements of Changes in Equity For The Year Ended 31 December 2023

All amounts are expressed in thousands of Ghana cedis

GROUP - 2023

	Stated capital	Statutory reserve	Other reserves	Retained earnings	Total equity
Balance at 1 January 2023	**422,840**	**440,756**	**37,810**	**(191,748)**	**709,658**
Profit for the year	-	-	-	766,356	**766,356**
Net change in investment securities measured at FVOCI	-	-	1,718	-	**1,718**
Foreign currency translation differences for foreign subsidiary	-	-	24,265	-	**24,265**
Net property revaluation gains	-	-	81,848	**-**	**81,848**
Total comprehensive income	-	-	**107,831**	**766,356**	**874,187**
Regulatory and other reserve transfers:					
Transfer to statutory reserve	-	187,706	-	(187,706)	**-**
Transactions with owners:					
Dividend paid (preference shares)	-	-	-	(50,309)	**(50,309)**
Net transfer to reserves and transactions with owners	-	**187,706**	-	**(238,015)**	**(50,309)**
Balance at 31 December 2023	**422,840**	**628,462**	**145,641**	**336,593**	**1,533,536**

The accompanying notes 1 to 38 form an integral part of these consolidated and separate financial statements.

Consolidated and Separate Statements of Changes in Equity For The Year Ended 31 December 2023

All amounts are expressed in thousands of Ghana cedis

GROUP - 2022

	Stated capital	Statutory reserve	Other reserves	Credit risk reserve	Retained earnings	Total equity
Balance at 1 January 2022	**422,840**	**440,756**	**45,466**	**3,783**	**374,940**	**1,287,785**
Loss for the year	-	-	-	-	(399,085)	**(399,085)**
Net change in investment securities measured at FVOCI	-	-	(25,592)	-	-	**(25,592)**
Foreign currency translation differences for foreign subsidiary	-	-	17,936	-	-	**17,936**
Total comprehensive income	-	-	**(7,656)**	-	**(399,085)**	**(406,741)**
Regulatory and other reserve transfers:						
Transfer from credit risk reserve	-	-	-	(3,783)	3,783	**-**
Transactions with owners:						
Dividend paid (ordinary shares)	-	-	-	-	(137,613)	**(137,613)**
Dividend paid (preference shares)	-	-	-	-	(33,773)	**(33,773)**
Net transfer to reserves and transactions with owners	-	-	-	**(3,783)**	**(167,603)**	**(171,386)**
Balance at 31 December 2022	**422,840**	**440,756**	**37,810**	-	**(191,748)**	**709,658**

The accompanying notes 1 to 38 form an integral part of these consolidated and separate financial statements.

Consolidated and Separate Statements of Changes in Equity For The Year Ended 31 December 2023

All amounts are expressed in thousands of Ghana cedis

BANK - 2023

	Stated capital	Statutory reserve	Other reserves	Retained earnings	Total equity
Balance at 1 January 2023	**422,840**	**440,756**	**2,607**	**(209,826)**	**656,377**
Profit for the year	-	-	-	750,825	**750,825**
Net change in investment securities measured at FVOCI	-	-	1,718	-	**1,718**
Net property revaluation gains	-	-	81,848	-	**81,848**
Total comprehensive income	**-**	**-**	**83,566**	**750,825**	**834,391**
Regulatory and other reserve transfers:					
Transfer to statutory reserve	-	187,706	-	(187,706)	**-**
Transactions with owners:					
Dividend paid (preference shares)	-	-	-	(50,309)	**(50,309)**
Net transfer to reserves and transactions with owners	**-**	**187,706**	**-**	**(238,015)**	**(50,309)**
Balance at 31 December 2023	**422,840**	**628,462**	**86,173**	**302,984**	**1,440,459**

The accompanying notes 1 to 38 form an integral part of these consolidated and separate financial statements.

Consolidated and Separate Statements of Changes in Equity For The Year Ended 31 December 2023

All amounts are expressed in thousands of Ghana cedis

BANK - 2022

	Stated capital	Statutory reserve	Other reserves	Credit risk reserve	Retained earnings	Total equity
Balance at 1 January 2022	**422,840**	**440,756**	**28,199**	**3,783**	**346,362**	**1,241,940**
Loss for the year	-	-	-	-	(388,585)	**(388,585)**
Net change in investment securities measured at FVOCI	-	-	(25,592)	-	-	**(25,592)**
Total comprehensive income	**-**	**-**	**(25,592)**	**-**	**(388,585)**	**(414,177)**
Regulatory and other reserve transfers:						
Transfer from credit risk reserve	-	-	-	(3,783)	3,783	-
Transactions with owners:						
Dividend paid (ordinary shares)	-	-	-	-	(137,613)	**(137,613)**
Dividend paid (preference shares)	-	-	-	-	(33,773)	**(33,773)**
Net transfer to reserves and transactions with owners	**-**	**-**	**-**	**(3,783)**	**(167,603)**	**(171,386)**
Balance at 31 December 2022	**422,840**	**440,756**	**2,607**	**-**	**(209,826)**	**656,377**

The accompanying notes 1 to 38 form an integral part of these consolidated and separate financial statements.

Consolidated and Separate Statements of Cash Flows For The Year Ended 31 December 2023

All amounts are expressed in thousands of Ghana cedis

	Notes	GROUP 2023	GROUP 2022	BANK 2023	BANK 2022
Cash flows from operating activities					
Profit/(Loss) before income tax		**1,189,141**	(533,409)	**1,165,380**	(518,623)
Adjustments:					
Depreciation	22	**50,985**	40,443	**50,938**	40,319
Amortisation	23	**19,185**	16,461	**19,177**	16,428
Impairment on financial assets	14	**(861,171)**	1,335,980	**(832,023)**	1,306,644
Derecognition loss on investment securities	22	**819,648**	-	**819,648**	-
Profit on disposal of non-current held for sale		**-**	(2,537)	**-**	(2,537)
Exchange differences		**102,398**	471,076	**102,398**	471,073
Finance charge on lease liabilities	9	**3,882**	2,564	**3,882**	2,564
		1,324,068	1,330,578	**1,329,400**	1,315,868
Changes in working capital					
Changes in loans and advances to customers	20	**(186,192)**	(493,158)	**(94,175)**	(572,642)
Changes in investment securities held for trading	18	**(249,410)**	269,157	**(249,410)**	269,302
Changes in other assets	21	**183,318**	(307,550)	**182,908**	(306,081)
Changes in deposits from customers	26	**2,222,105**	860,643	**2,137,338**	844,001
Changes in deposits from banks and other financial institutions	26	**(260,982)**	332,990	**(251,665)**	124,816
Changes in other liabilities	28	**(9,377)**	165,054	**(10,380)**	164,159
Changes in derivatives financial instruments		**352,053**	(421,057)	**352,053**	(421,057)
Income tax and levies paid	15	**(322,431)**	(192,826)	**(321,382)**	(189,409)
Changes in operating assets and liabilities		**1,729,084**	213,253	**1,745,287**	(86,911)
Net cash flow generated from operating activities		**3,053,152**	1,543,831	**3,074,687**	1,228,957
Cash flow from investing activities					
Purchase of property and equipment	22	**(49,794)**	(39,932)	**(49,792)**	(39,861)
Purchase of intangible assets	23	**(27,575)**	(31,516)	**(27,575)**	(31,516)
Proceeds on disposal of non-current asset held for sale		**-**	20,487	**-**	20,487
Purchase of investment securities		**(11,093,983)**	(6,015,230)	**(11,198,758)**	(5,916,978)
Proceeds from sale/redemption of investment securities		**9,977,776**	6,489,582	**9,968,619**	6,478,495
Net cash flows (used in)/from investing activities		**(1,193,576)**	423,391	**(1,307,506)**	510,627
Cash flow from financing activities					
Dividends paid	31	**(50,309)**	(171,386)	**(50,309)**	(171,386)
Repayment of principal portion of lease liabilities	28	**(21,786)**	(17,073)	**(21,786)**	(17,073)
Draw-down of long term borrowings	27	**-**	120,002	**-**	120,002
Repayment of long term borrowings	27	**(206,766)**	(82,157)	**(206,766)**	(82,157)
Repayment of short term borrowings	27	**(343,710)**	(1,990,501)	**(230,472)**	(1,738,399)
Net cash flow used in financing activities		**(622,571)**	(2,141,115)	**(509,333)**	(1,889,013)
Net increase/(decrease) in cash and cash equivalents		**1,237,005**	(173,893)	**1,257,848**	(149,429)
Analysis of changes in cash and cash equivalents					
Cash and cash equivalents at 1 January	17	**3,419,799**	2,771,863	**3,421,897**	2,767,433
Effect of exchange rate fluctuations on cash and cash equivalents held		**553,446**	821,328	**529,181**	803,392
Impairment (charge)/reversal on cash equivalents		**(161)**	501	**(161)**	501
Net increase/(decrease) in cash and cash equivalents		**1,237,005**	(173,893)	**1,257,848**	(149,429)
Cash and cash equivalents at 31 December	17	**5,210,089**	3,419,799	**5,208,765**	3,421,897

The accompanying notes 1 to 38 form an integral part of these consolidated and separate financial statements.

All amounts are expressed in thousands of Ghana cedis

1. REPORTING ENTITY

Fidelity Bank Ghana LTD is a limited liability company, incorporated and domiciled in Ghana. The registered office is located at Ridge Tower, 10 Ambassadorial Enclave, West Ridge, Accra. FBGL operates under the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). The consolidated and separate financial statements of FBGL for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the Directors on 26 March 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

2.1 Basis of preparation

The set of financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board including the IAS 29 Hyperinflation Directive issued by the Institute of Chartered Accountants Ghana. Additional information required by the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930), and other related laws of Ghana have been included, where appropriate. These financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policy.

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

The Group's financial statements comprise the consolidated and separate statements of comprehensive income, the consolidated and separate statements of financial position, the consolidated and separate statements of changes in equity, the consolidated and separate statements of cash flows and related notes. The financial statements of the Bank standing alone comprises the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and related notes.

Items included in the consolidated and separate financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency").

The consolidated and separate financial statements are presented in Ghana cedis, which is the Group's functional and presentation currency. The figures shown in the consolidated and separate financial statements are stated in thousands of Ghana cedis unless otherwise stated.

The disclosures on risks from financial instruments are presented in the financial risk management report contained in Note 3.

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

Going concern

IAS 1 Presentation of Financial Statements requires management, when preparing financial statements, to make an assessment of an entity's ability to continue as a going concern, and whether the going concern assumption is appropriate, up to the date on which the financial statements are issued.

In determining the appropriate basis of preparation of the Financial Statements, the Directors are required to consider whether the Group can continue in operational existence for the foreseeable future. Accordingly, after making enquiries and having considered forecasts and appropriate sensitivities, the Directors have formed a judgement, at the time of approving the Financial Statements, that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of these Financial Statements.

Accordingly, the Directors consider there to be no material uncertainties that may cast significant doubt on the Group's ability to continue to operate as a going concern. They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of signing of these Financial Statements. For this reason, they continue to adopt the going concern basis in the preparation of these Financial Statements.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of Fidelity Bank Ghana LTD and its subsidiaries as at 31 December 2023.

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis at fair value. However, non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are recognised at either fair value or proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

When the Group ceases to control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities 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' (GH¢), rounded to the nearest thousand.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when deferred in other comprehensive income. All foreign exchange gains and losses are presented in profit or loss within `Other operating income'.

Changes in the fair value of monetary securities denominated in foreign currency classified as fair value through other comprehensive income (FVOCI) are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as fair value through other comprehensive income (FVOCI) are included in other comprehensive income.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

I. assets and liabilities for each statement of financial position presented are translated at the closing rate at the reporting date;
II. income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
III. all resulting exchange differences are recognised in other comprehensive income.

2.4 Revenue recognition

Revenue is derived substantially from banking business and related activities and comprises net interest income and non-interest income. Income is recognised on an accrual basis in the year in which it accrues.

2.4.1 Interest and similar income and expense

For all financial instruments measured at amortised cost and interest-bearing financial instruments classified as fair value through other comprehensive income (FVOCI), interest income or expense is recorded on an accrual basis using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate, but not future credit losses. The carrying amount of the financial asset or financial liability is adjusted if the Group revises its estimates of payment or receipts. The adjusted carrying amount is calculated on the original effective interest rate and the change in the carrying amount is recorded as interest income or expense.

2.4.2 Fee and commission income

The Group earns fees and commission income from services it provides to its customers. Fee income is divided into the following two categories:

(a) Fee income earned from services provided over a certain period of time

Fees earned for the provision of services over a period of time are accrued over that period. These fees include commission income and asset management, custody and other management and advisory fees. Loan commitment fees for loans that are likely to be drawn down and other credit related fees are deferred (together with any incremental costs) and recognised as an adjustment to the effective interest rate on the loan.

(b) Fee income from providing transaction services

Fees arising from negotiating or participating in the negotiation of a transaction for a third party – such as the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses – are recognised on completion of the underlying transaction. Fees or components of fees that are linked to a certain performance are recognised after fulfilling the corresponding criteria.

Fee and commission expense relates mainly to transaction and service fees which are expensed as the services are rendered.

2.4.3 Dividend income

Dividend income is recognised when the Group's right to receive the payment is established.

2.4.4 Net trading income

This comprises gains and losses from trading assets and liabilities and changes in fair value. Income is recognised on foreign exchange differences and margins on market making.

2.5 Financial assets and liabilities

2.5.1 Financial Assets

Measurement methods

Amortised cost and effective interest rate

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

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees. For purchased or originated credit-impaired ('POCI') financial assets – assets that are credit-impaired at initial recognition – the Group calculates the credit-adjusted effective interest rate, which is calculated based on the amortised cost of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows.

When the Group revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

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

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

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

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

(i) Classification and subsequent measurement

From 1 January 2018, the Group has applied IFRS 9 and classifies its financial assets in the following measurement categories:

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

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

Debt instruments

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

(i) Classification and subsequent measurement

Classification and subsequent measurement of debt instruments depend on:

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

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

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

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

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

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

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

Equity instruments

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

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

(ii) Impairment

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

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

(iii) Modification of financial assets

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

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

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

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

(iv) Derecognition other than on a modification

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Group transfers substantially all the risks and rewards of ownership, or (ii) the Group neither transfers nor retains substantially all the risks and rewards of ownership and the Group has not retained control.

Financial guarantee contracts and loan commitments

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and others on behalf of customers to secure loans, overdrafts and other banking facilities.

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

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

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

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

2.5.2. Financial liabilities

(i) Classification

The Group's holding in financial liabilities represents mainly deposits from banks and customers, and other liabilities. Such financial liabilities are initially recognised at fair value and subsequently measured at amortised cost.

(ii) Measurement

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

(iii) Derecognition

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

2.5.3 Determination of fair value

For financial instruments traded in active markets, the determination of fair values of financial instruments is based on quoted market prices or dealer price quotations. This includes listed equity securities and quoted debt instruments on major exchanges.

A financial instrument is regarded as quoted in an active market 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. If the above criteria are not met, the market is regarded as being inactive. Indicators that a market is inactive are when there is a wide bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions.

For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs (for example, LIBOR yield curve, FX rates, volatilities and counterparty spreads) existing at the reporting dates.

The Group uses widely recognised valuation models for determining fair values of non-standardised financial instruments. For these financial instruments, inputs into models are generally market-observable.

For more complex instruments, the Group uses internally developed models, which are usually based on valuation methods and techniques generally recognised as standard within the industry. Valuation models such as present value techniques are used primarily to value derivatives transacted in the over-the-counter market, unlisted debt securities (including those with embedded derivatives) and other debt instruments for which markets were or have become illiquid. Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The Group uses its own credit risk spreads in determining the current value for its derivative liabilities and all other liabilities for which it has elected the fair value option. When the Group's credit spreads widen, the Group recognises a gain on these liabilities because the value of the liabilities has decreased. When the Group's credit spreads narrow, the Group recognises a loss on these liabilities because the value of the liabilities has increased.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Group holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risks, liquidity risk and counterparty credit risk. Based on the established fair value model governance policies, related controls and procedures applied, the directors believe that these valuation adjustments are necessary and appropriate to fairly state the values of financial instruments carried at fair value. Price data and parameters used in the measurement procedures applied are generally reviewed carefully and adjusted, if necessary – particularly in view of the current market developments.

The fair values of contingent liabilities and irrevocable loan commitments correspond to their carrying amounts.

2.5.4 De-recognition of financial assets and financial liabilities

(i) Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and
- either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Group has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

(ii) Financial liabilities

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

2.5.5 Repurchase and reverse repurchase agreements

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

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

2.5.6 Offsetting financial instruments

Netting, where financial assets and liabilities are offset and the net amount reported in the statement of financial position, occurs if, and only if, there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise an asset and settle the liability simultaneously. In many cases, even though master netting agreements are in place, the lack of an intention to settle on a net basis result in the related assets and liabilities being presented gross in the statement of financial position.

2.5.7 Collateral

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

2.6 Leases

2.6.1 Leases

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

2.6.2 Group as a lessee

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

2.6.3 Right-of-use assets

The Group 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 22 Property, equipment and right-of-use assets.

2.6.4 Lease liabilities

At the commencement date of the lease, the Group 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 Group 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.

2.6.5 Group as a lessor

Leases where the Group does not transfer substantially all of the risk and benefits of ownership of the asset are classified as operating leases. Rental income is recorded as earned based on the contractual terms of the lease in other operating income. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned. The Group is not exposed to finance leases as a lessor.

2.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. For the purpose of the cash flow statement, cash and cash equivalents comprise balances with 91 days or less from the date of acquisition including cash and balances with Bank of Ghana, other eligible bills, money market placements and dealing securities.

2.8 Property, equipment and right-of-use assets

Recognition and measurement
Items of property and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

Right-of-use assets are presented together with property and equipment in the statement of financial position – refer to the accounting policy in Note 2.6.3. Right-of-use assets are depreciated on a straight-line basis over the lease term.

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

Depreciation
Depreciation is charged to profit or loss on a straight-line basis to write down the cost of each asset, to their residual values over the estimated useful lives of each part of an item of property and equipment. Leased assets are depreciated over the shorter of ten years, 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.

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

Leasehold Improvement	**Over the lease term**
Land	-
Building	50 years
Right-of-use assets	Over the lease term
Motor vehicles	4 years
Computer hardware	4 years
Furniture and fittings	4 years
Equipment	4 years

Depreciation methods, useful lives and residual values are re-assessed at each reporting date.

De-recognition
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 the profit or loss in the year the asset is derecognised.

2.9 Intangible assets

(a) Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditure that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent year.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which does not exceed four years.

(b) Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired, in the case of a bargain purchase, the difference is recognised directly in the income statement.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units (CGUs), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

2.10 Non-current assets held for sale

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

2.11 Financial guarantees

In the ordinary course of business, the Group gives financial guarantees consisting of letters of credit, guarantees and acceptances. Such financial guarantees are given to banks, other financial institutions and bodies on behalf of customers to secure loans, overdrafts and other banking facilities, and to other parties in connection with the performance of customers under obligations related to contracts, advance payments made by other parties, tenders, retentions and payment of import duties. These financial guarantees are accounted for as off-balance sheet transactions and disclosed as contingent liabilities.

The fee and commission income receivable on these financial guarantees are initially recognised in the financial statements at fair value on the date that the guarantee was given, in ‘Other liabilities’ and recognised in the statement of comprehensive income in ‘Fees and commission income’ on a straight line basis over the life of the guarantee.

2.12 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

2.13 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

2.14 Employee benefits

i. Defined contribution plans

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

ii. Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognised if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

iii. Short-term benefits

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

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

2.15 Income tax

Current income tax

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

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered or paid to the Ghana Revenue Authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the statement of financial position date. The tax charge includes the Financial Sector Recovery Levy which became effective on 31 March 2021. Under the Act, a 5% levy is charged on profit before tax and is payable on a quarterly basis. Also included in the tax charge is the Growth and Sustainability Levy which became effective on 1 May 2023. Under the Act, a 5% levy is charged on profit before tax and is payable on a quarterly basis.

Current income tax relating to items recognised directly in equity or other comprehensive income is recognised in equity or other comprehensive income respectively and not in the statement of profit or loss.

Deferred tax

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

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

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the differences will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current and deferred taxes are recognised as income tax benefits or expenses in the income statement except for tax related to the fair value remeasurement of debt instruments at fair value through OCI, foreign exchange differences and the net movement on cash flow hedges, which are charged or credited to OCI. These exceptions are subsequently reclassified from OCI to the income statement together with the respective deferred loss or gain.

Deferred and current tax assets and liabilities are only offset when they arise in the same tax reporting entity and the same taxation authority, and where there is both the legal right to set off current tax assets against current tax liabilities and the intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.16 Stated capital

i. Ordinary shares
Ordinary shares are classified as ‘stated capital’ in equity.

ii. Dividend on ordinary shares
Dividends on the Bank’s ordinary shares are recognised in equity in the year in which they are paid or, if earlier, approved by the Bank’s shareholders.

2.17 Preference shares

i. Preference shares
Preference shares are classified as equity. These are non-voting, irredeemable and non-cumulative. The holders have the option of converting into ordinary shares as stated in the agreement.

ii. Dividend on preference shares
Dividends on the Bank's preference shares are recognised in equity in the year in which they are paid.

2.18 Earnings per share (EPS)

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders by the number of ordinary shares outstanding during the period. 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.

2.19 New and amended standards and interpretations

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 new and amended standards and interpretations, if applicable, when they become effective.

(i) Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

Effective for annual periods beginning on or after 1 January 2024.

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted and that fact must be disclosed.

The amendments are not expected to have a material impact on the company's financial statements.

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

Effective for annual periods beginning on or after 1 January 2024.

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments:
Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted but will need to be disclosed.

The amendments are not expected to have a material impact on the company's financial statements.

(iii) Lack of exchangeability -Amendment to IAS 21

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

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

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

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

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

The amendments are not expected to have a material impact on the company's financial statements.

(iv) Amendments to IAS 1: Classification of Liabilities as Current or Non-current

Effective for annual periods beginning on or after 1 January 2024.
In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The Entity is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

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

In December 2015, the IASB decided to defer the effective date of the amendments until such time as it has finalised any amendments that result from its research project on the equity method. Early application of the amendments is still permitted.

The amendments address the conflict between IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in IFRS 3 Business combinations. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.

The amendments must be applied prospectively. Early application is permitted and must be disclosed. The amendments are intended to eliminate diversity in practice and give preparers a consistent set of principles to apply for such transactions. However, the application of the definition of a business is judgemental and entities need to consider the definition carefully in such transactions.

The amendments are not expected to have a material impact on the company's financial statements.

3. FINANCIAL RISK MANAGEMENT

(a) Introduction and overview

The Group's business involves taking on risks in a targeted manner and managing them professionally. The core functions of the Group's risk management units are to identify all key risks for the Group, measure these risks, manage the risk positions and determine capital allocations. The Group regularly reviews its risk management policies and systems to reflect changes in markets, products and best market practice. The Group's aim is to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Group's financial performance. The Group defines risk as the possibility of losses or profits foregone, which may be caused by internal or external factors.

(b) Risk management structure

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. Under this framework, the Board has established a number of separate independent bodies responsible for managing and monitoring risks. These include, Board sub-committees, Credit Committee of management (CC), Management Risk and Control Committee (MRCC), Asset and Liability Management Committee (ALCO) and the Risk Management Department, which are responsible for developing and monitoring the Group's risk management policies in their specified areas. All Board committees report regularly to the Board of Directors on their activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, 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 Group, 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.

Through its risk management structure, the Group seeks to manage efficiently the core risks to which it is exposed: credit, liquidity and market risks, which arise directly through the Group's commercial activities; and compliance, regulatory, and operational risks, which are normal consequences of any business undertaking.

(c) Operational risk management

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, including legal risk and any other risks that is deemed fit on an ongoing basis but excludes reputational & strategic risk. Operational risk exists in all products and business activities and the effective management of operational risk has always been a fundamental element of the Group's risk management programme. The Group has a broad operational risk management framework which defines the set of activities designed to proactively identify, assess and manage all operational risks by aligning the people, technology and processes with best risk management practices towards sustaining financial performance and enhancing stakeholders' value.

The Operational Risk, Internal Control and Compliance Units with oversight responsibility of the MRCC as well as the Audit Unit constantly carry out reviews to identify and assess the operational risk inherent in all products, activities, processes and systems.

These units also ensure that all business units within the Group monitor their operational risk using set standards and indicators. Significant issues and exceptions are reported to the MRCC for discussion and resolution.

Disaster recovery procedures, business continuity planning, self-compliance assurance and internal audit also form an integral part of our operational risk management process. There was no significant financial loss resulting from operational risk incidents during the year across the Group.

The Group's strict enforcement of ethical code of conduct for all employees, operational risk management policies, risk awareness training and other deliberate operational risk control activities have significantly reduced operational risk related incidents.

Measurement of operational risk

The Group adopts the standardised approach to compute operational risk regulatory capital. To manage and control operational risk, the Group uses various tools, including risk and control self-assessment, operational risk event management and key risk indicator monitoring. Risk and control self-assessment is conducted by each business or support unit to identify key operational risks and assess the effectiveness of internal controls. When control issues are identified, the units develop action plans and track the resolution of the issues. Operational risk events are classified in accordance with Basel standards. Such events, including any significant incidents that may impact the Group's reputation, must be reported based on certain established thresholds. Key risk indicators with predefined escalation triggers are employed to facilitate risk monitoring in a forward-looking manner.

3.1 Credit risk management

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

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

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

The Group has well documented policies and procedures for managing credit risk. The policies are based on the principle of: management responsibility; defined credit approval authorities; set standards for risk management; consistent approach to origination of credit, documentation and problem recognition; and portfolio management strategies.

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

3.1.1 Risk limit control and mitigation policies

The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups 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, industry sector and country are approved annually 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) Lending limits (for derivatives and loan books)

The Group maintains strict control limits on net open derivative positions (that is, the difference between purchase and sale contracts) by both amount and term. The amount subject to credit risk is limited to expected future net cash inflows of instruments, which in relation to derivatives are only a fraction of the contract, or notional values used to express the volume of instruments outstanding. This credit risk exposure is managed as part of the overall lending limits with customers, together with potential exposures from market movements. Collateral or other security is not always obtained for credit risk exposures on these instruments, except where the Group requires margin deposits from counterparties.

Settlement risk arises in any situation where a payment in cash, securities or equities is made in the expectation of a corresponding receipt in cash, securities or equities. Daily settlement limits are established for each counterparty to cover the aggregate of all settlement risk arising from the Group's market transactions on any single day.

(b) Master netting arrangements

The Group further restricts its exposure to credit losses by entering into master netting arrangements with counterparties with which it undertakes a significant volume of transactions. Master netting arrangements do not generally result in an offset of assets and liabilities of the statement of financial position, as transactions are either usually settled on a gross basis or under most netting agreements the right of set off is triggered only on default. However, the credit risk associated with favourable contracts is reduced by a master netting arrangement to the extent that if a default occurs, all amounts with the counterparty are terminated and settled on a net basis. The Group's overall exposure to credit risk on derivative instruments subject to master netting arrangements can change substantially within a short period, as it is affected by each transaction subject to the arrangement.

(c) 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, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Group 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 Group monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

3.1.2 Impairment and provisioning policies

Loans are designated as impaired and considered non-performing where recognised weakness indicates that full payment of either interest or principal becomes questionable or ordinarily as soon as payment of interest or principal is 90 days or more overdue.

3.1.3 Write-off policy

The Group writes off a loan balance (and any related allowances for impairment losses) when it 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.

3.1.4 Expected credit loss measurement

IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Group.
- If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired.
- If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'.
- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.
- A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information.

Significant increase in credit risk (SICR)

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

Quantitative criteria

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

Qualitative criteria

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

- In short-term forbearance
- Direct debit cancellation
- Extension to the terms granted
- Previous arrears within the last [12] months
- If the borrower is on the Watchlist and/or the instrument meets one or more of the following criteria:
- Significant increase in credit spread
- Significant adverse changes in business, financial and/or economic conditions in which the borrower operates
- Actual or expected forbearance or restructuring
- Actual or expected significant adverse change in operating results of the borrower
- Significant change in collateral value (secured facilities only) which is expected to increase risk of default
- Early signs of cashflow/liquidity problems such as delay in servicing of trade creditors/loans.

The assessment of SICR incorporates forward-looking information and is performed on a quarterly basis at a portfolio level. The criteria used to identify SICR are monitored and reviewed periodically for appropriateness.

Backstop

IFRS 9 contains a rebuttable presumption that credit risk has increased significantly when contractual payments are more than 30 days past due. This means that where payments are 30 days past due, the financial asset needs to migrate from stage 1 to stage 2. The group views that where the customer and the group have agreed to a deferral of payment for a specified period, such an extension will not trigger the counting of days past due.

Definition of default and credit-impaired assets

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

Quantitative criteria

The borrower is more than 90 days past due on its contractual payments except as modified in the backstop modifications as above.

Qualitative criteria

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

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

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

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

Measuring ECL — Explanation of inputs, assumptions and estimation techniques

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

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

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

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

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

The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type. Forward-looking economic information is also included in determining the 12-month and lifetime PD, EAD and LGD. These assumptions may vary by product type or industry.

The assumptions underlying the ECL calculation such as how the maturity profile of the PDs and how collateral values change etc. are monitored and reviewed on a quarterly basis.

Forward-looking information incorporated in the ECL models

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. Forward-looking macroeconomic information has been incorporated into expected loss estimates through the application of quantitative modelling and expert judgement-based adjustments. Both quantitative models and expert judgement-based adjustments consider a range of forecasted macroeconomic scenarios as inputs. Macroeconomic scenarios are defined by taking domestic macroeconomic considerations into account, and forecasts are developed for baseline, downside and upside scenarios. The baseline, downside and upside scenarios are used in the ECL calculations. ECL results are calculated as probability-weighted average results across multiple macroeconomic scenarios.
The creation of macroeconomic scenarios and the determination of associated probabilities are subjective, with final ECL results dependent on the assumptions applied during the process.

The Group has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio. Regression modelling techniques have been used to determine which borrower and transaction characteristics are predictive of certain behaviours, based on relationships observed in historical data related to the portfolio of accounts to which the model is applied. This results in the production of models that are used to predict impairment parameters based on the predictive characteristics identified through the regression process.

3. FINANCIAL RISK MANAGEMENT (Continued)
3.1 Credit risk management (Continued)
3.1.4 Expected credit loss measurement (Continued)

The ECL model has included forward looking information in the computation of the base PDs to reflect the likely impact of the weaker macroeconomic prospects on the loan portfolio.

Economic Variable Assumptions

The most significant forward-looking assumptions used for the ECL estimate as at 31 December 2023 are set out below:

Scenario	Weight %	GDP Growth %	Exchange Rate GH¢/ 1 USD	Inflation %
Baseline	50	2.80	13.50	25.00
Upside	20	3.08	12.00	22.22
Downside	30	2.49	14.85	27.50

The most significant variables affecting the ECL model are as follows:

1. GDP Growth – GDP growth is used to assess the relative health of the economy. Forward looking information is incorporated by using the projected GDP growth rate for the ensuing year.

2. Exchange Rate – The Bank of Ghana average USD rate is used as a determinant variable as a result of the sensitivity of the economy to exchange rate fluctuations.

3. Inflation – Inflation is used due to its influence on monetary policy and on interest rates. Interest rates has an impact on borrowers' likelihood of default. Forward looking information is incorporated by using the expected change in inflation rates for the next four quarters.

3.1.5 Maximum exposure to credit risk before collateral held

	Group		Bank	
Maximum exposure	**2023**	2022	**2023**	2022
Credit risk exposures (net) relating to on balance sheet assets are as follows:				
Balances with Bank of Ghana	**3,730,858**	2,534,644	**3,730,858**	2,534,644
Investment securities	**8,621,531**	5,936,517	**8,619,927**	5,864,023
Cash and balances with banks	**998,616**	686,378	**997,292**	688,476
Money market placements	**480,855**	198,777	**480,855**	198,777
Loans and advances to customers	**3,386,773**	2,736,268	**3,386,773**	2,815,748
Other assets (excluding prepayments)	**320,136**	492,331	**317,556**	489,343
	17,538,769	12,584,915	**17,533,261**	12,591,011
Credit risk exposures relating to off balance sheet items are as follows:				
Letters of credit	**332,947**	385,297	**332,947**	385,297
Financial guarantees	**330,986**	255,640	**330,986**	255,640
Commitments	**345,890**	161,271	**345,890**	161,271
At 31 December	**18,548,592**	13,387,123	**18,543,084**	13,393,219

The above table represents a worst case scenario of the credit risk exposure of the Group and the Bank at 31 December 2023. For on-balance sheet assets, the exposures set out above are based on net carrying amounts as reported in the statement of financial position.

At 31 December 2023, the Group's credit exposures were categorised under IFRS 9 as follows:

- Stage 1 – Performing
- Stage 2 – Underperforming
- Stage 3 – Credit Impaired

All amounts are in thousands of Ghana cedis

3.1.6 Maximum exposure to credit risk – financial instruments subject to impairment

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represent the Group's maximum exposure to credit risk on these assets.

2023

Group	Stage 1 12 Month ECL	Stage 2 Lifetime ECL	Stage 3 Credit Impaired Financial Assets	Total Gross maximum exposures
Cash and cash equivalents	5,210,329	-	-	**5,210,329**
Investment securities	4,845,774	-	3,775,757	**8,621,531**
Loans and advances to customers	2,601,686	431,153	353,934	**3,386,773**
Gross carrying amount	**12,657,789**	**431,153**	**4,129,691**	**17,218,633**
Loss allowance	(98,619)	(36,126)	(219,329)	**(354,074)**
Derecognition loss	-	-	(743,408)	**(743,408)**
Carrying amount	**12,559,170**	**395,027**	**3,166,954**	**16,121,151**

2023

Bank	Stage 1 12 Month ECL	Stage 2 Lifetime ECL	Stage 3 Credit Impaired Financial Assets	Total Gross maximum exposures
Cash and cash equivalents	5,209,005	-	-	**5,209,005**
Investment securities	4,845,774	-	3,774,153	**8,619,927**
Loans and advances to customers	2,601,686	431,153	353,934	**3,386,773**
Gross carrying amount	**12,656,465**	**431,153**	**4,128,087**	**17,215,705**
Loss allowance	(98,619)	(36,126)	(219,329)	**(354,074)**
Derecognition loss	-	-	(743,408)	**(743,408)**
Carrying amount	**12,557,846**	**395,027**	**3,165,350**	**16,118,223**

2022

Group	Stage 1 12 Month ECL	Stage 2 Lifetime ECL	Stage 3 Credit Impaired Financial Assets	Total Gross maximum exposures
Cash and cash equivalents	3,220,943	-	-	**3,220,943**
Investment securities	-	774,059	6,305,817	**7,079,876**
Loans and advances to customers	2,659,352	101,674	172,387	**2,933,413**
Gross carrying amount	**5,880,295**	**875,733**	**6,478,204**	**13,234,232**
Loss allowance	(58,706)	(30,862)	(1,168,372)	**(1,257,940)**
Carrying amount	**5,821,589**	**844,871**	**5,309,832**	**11,976,292**

3. FINANCIAL RISK MANAGEMENT (Continued)
3.1 Credit risk management (Continued)
3.1.6 Maximum exposure to credit risk – financial instruments subject to impairment (continued)

2022

Bank	Stage 1 12 Month ECL	Stage 2 Lifetime ECL	Stage 3 Credit Impaired Financial Assets	Total Gross maximum exposures
Cash and cash equivalents	3,223,041	-	-	**3,223,041**
Investment securities	-	774,059	6,202,603	**6,976,662**
Loans and advances to customers	2,738,832	101,674	172,387	**3,012,893**
Gross carrying amount	**5,961,873**	**875,733**	**6,374,990**	**13,212,596**
Loss allowance	(58,706)	(30,862)	(1,139,009)	**(1,228,577)**
Carrying amount	**5,903,167**	**844,871**	**5,235,981**	**11,984,019**

Maximum exposure to credit risk – financial instruments not subject to impairment

The maximum credit risk exposure (Group and Bank) from financial assets not subject to impairment (i.e. FVPL) is **GH¢ 330.7 million** (2022: GH¢ 81.29 million).

3.1.7 Collaterals and other credit enhancements

The Group employs a range of policies and practices to mitigate credit risk. The most traditional of these is the acceptance of security for funds advanced, which is common practice. The Group 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 lending to corporate entities are generally secured; revolving individual credit facilities are generally unsecured. In addition, in order to minimise credit loss, the Group will seek additional collateral from the counterparty as soon as impairment indicators are identified for the relevant individual loans and advances.

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

All amounts are in thousands of Ghana cedis

3.1.7 Collaterals and other credit enhancements (continued)

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

Group

At 31 December 2023	Gross exposure	Impairment allowance	Carrying amount	Fair value of collateral held
Credit-impaired assets				
Overdrafts	5,488	874	4,614	12
Term loans	348,446	58,343	290,104	239,808
Total credit impaired assets	**353,934**	**59,217**	**294,718**	**239,820**

Bank

At 31 December 2023	Gross exposure	Impairment allowance	Carrying amount	Fair value of collateral held
Credit-impaired assets				
Overdrafts	5,488	874	4,614	12
Term loans	348,446	58,343	290,104	239,808
Total credit impaired assets	**353,934**	**59,217**	**294,718**	**239,820**

Credit impaired financial assets with gross exposure of **GH¢ 276.39 million** (2022: GH¢ 30.68 million) were fully covered by collateral held. Hence no impairment allowance was charged on these exposures.

Group

At 31 December 2022	Gross exposure	Impairment allowance	Carrying amount	Fair value of collateral held
Credit-impaired assets				
Overdrafts	24,168	23,415	753	10
Term loans	148,219	86,744	32,822	100,277
Total credit impaired assets	**172,387**	**110,159**	**33,575**	**100,287**

Bank

At 31 December 2022	Gross exposure	Impairment allowance	Carrying amount	Fair value of collateral held
Credit-impaired assets				
Overdrafts	24,168	23,415	753	10
Term loans	148,219	86,744	32,822	100,277
Total credit impaired assets	**172,387**	**110,159**	**33,575**	**100,287**

3.1.8 Loss Allowance

The following tables show reconciliations from the opening to closing balance of the loss allowances for all classes of financial assets:

Group
Investment Securities

At 31 December 2023	Stage 1 12 Month ECL	Stage 2 Lifetime ECL	Stage 3 Credit Impaired Financial Assets	Total
Balance at the beginning of the reporting period	-	2,503	1,058,213	1,060,716
Transfers to Stage 1	2,503	(2,503)	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Write off	-	-	(1,060,716)	(1,060,716)
Pay downs and Credit quality related changes	-	-	162,616	162,616
New assets originated	18,305	-	-	18,305
Balance at the end of the reporting period	**20,808**	**-**	**160,113**	**180,921**

The reversal of the ECL is primarily attributed to the derecognition of bonds exchanged under the Domestic Debt Exchange Programme. This derecognition led to losses as disclosed in Note 14c.

Group
Cash and cash equivalents

At 31 December 2023	Stage 1 12 Month ECL	Stage 2 Lifetime ECL	Stage 3 Credit Impaired Financial Assets	Total
Balance at the beginning of the reporting period	79	-	-	79
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Write off	-	-	-	-
Pay downs and Credit quality related changes	-	-	-	-
New assets originated	161	-	-	161
Balance at the end of the reporting period	**240**	**-**	**-**	**240**

Group
Loans and advances to customers

At 31 December 2023	Stage 1 12 Month ECL	Stage 2 Lifetime ECL	Stage 3 Credit Impaired Financial Assets	Total
Balance at the beginning of the reporting period	58,626	28,360	110,159	197,145
Transfers to Stage 1	47,023	(2,929)	(44,094)	-
Transfers to Stage 2	(898)	33,683	(32,785)	-
Transfers to Stage 3	(568)	(23,663)	24,231	-
Write off	-	-	(38,171)	(38,171)
Pay downs and Credit quality related changes	(32,306)	2,263	47,921	17,878
Foreign exchange movement	(4,528)	(2,190)	(8,508)	(15,226)
New assets originated	10,222	602	463	11,287
Balance at the end of the reporting period	**77,571**	**36,126**	**59,216**	**172,913**

All amounts are in thousands of Ghana cedis

Bank
Investment Securities

At 31 December 2023	Stage 1 12 Month ECL	Stage 2 Lifetime ECL	Stage 3 Credit Impaired Financial Assets	Total
Balance at the beginning of the reporting period	-	2,503	1,028,850	1,031,353
Transfers to Stage 1	2,503	(2,503)	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Write off	-	-	(1,031,353)	(1,031,353)
Pay downs and Credit quality related changes	-	-	162,616	162,616
New assets originated	18,305	-	-	18,305
Balance at the end of the reporting period	**20,808**	**-**	**160,113**	**180,921**

The reversal of the ECL is primarily attributed to the derecognition of bonds exchanged under the Domestic Debt Exchange Programme. This derecognition led to losses as disclosed in Note 14.c

Bank
Cash and cash equivalents

At 31 December 2023	Stage 1 12 Month ECL	Stage 2 Lifetime ECL	Stage 3 Credit Impaired Financial Assets	Total
Balance at the beginning of the reporting period	79	-	-	79
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Write off	-	-	-	-
Pay downs and Credit quality related changes	-	-	-	-
New assets originated	161	-	-	161
Balance at the end of the reporting period	**240**	**-**	**-**	**240**

Bank
Loans and advances to customers

At 31 December 2023	Stage 1 12 Month ECL	Stage 2 Lifetime ECL	Stage 3 Credit Impaired Financial Assets	Total
Balance at the beginning of the reporting period	58,626	28,360	110,159	197,145
Transfers to Stage 1	47,023	(2,929)	(44,094)	-
Transfers to Stage 2	(898)	33,683	(32,785)	-
Transfers to Stage 3	(568)	(23,663)	24,231	-
Write off	-	-	(38,171)	(38,171)
Pay downs and Credit quality related changes	(32,306)	2,263	47,921	17,878
Foreign exchange movement	(4,528)	(2,190)	(8,508)	(15,226)
New assets originated	10,222	602	463	11,287
Balance at the end of the reporting period	**77,571**	**36,126**	**59,216**	**172,913**

Group
Investment Securities

At 31 December 2022	Stage 1 12 Month ECL	Stage 2 Lifetime ECL	Stage 3 Credit Impaired Financial Assets	Total
Balance at the beginning of the reporting period	5,296	-	-	5,296
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	(5,296)	-	5,296	-
Write off	-	-	-	-
Pay downs and Credit quality related changes	-	-	78,247	78,247
New assets originated	-	2,503	974,670	977,173
Balance at the end of the reporting period	**-**	**2,503**	**1,058,213**	**1,060,716**

The increase in the ECL largely resulted from the Bank's participation in the Domestic Debt Exchange Programme.

Bank
Investment Securities

At 31 December 2022	Stage 1 12 Month ECL	Stage 2 Lifetime ECL	Stage 3 Credit Impaired Financial Assets	Total
Balance at the beginning of the reporting period	5,031	-	-	5,031
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	(5,031)	-	5,031	-
Write off	-	-	-	-
Pay downs and Credit quality related changes	-	-	78,247	78,247
New assets originated	-	2,503	945,572	948,075
Balance at the end of the reporting period	**-**	**2,503**	**1,028,850**	**1,031,353**

The increase in the ECL largely resulted from the Bank's participation in the Domestic Debt Exchange Programme.

All amounts are in thousands of Ghana cedis

Bank
Cash and cash equivalents

At 31 December 2022	Stage 1 12 Month ECL	Stage 2 Lifetime ECL	Stage 3 Credit Impaired Financial Assets	Total
Balance at the beginning of the reporting period	580	-	-	580
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Write off	-	-	-	-
Pay downs and Credit quality related changes	(580)	-	-	(580)
New assets originated	79	-	-	79
Balance at the end of the reporting period	**79**	**-**	**-**	**79**

Bank
Loans and advances to customers

At 31 December 2022	Stage 1 12 Month ECL	Stage 2 Lifetime ECL	Stage 3 Credit Impaired Financial Assets	Total
Balance at the beginning of the reporting period	44,594	9,595	62,127	116,316
Transfers to Stage 1	7,935	(2,821)	(5,114)	-
Transfers to Stage 2	(3,071)	3,239	(168)	-
Transfers to Stage 3	(10,529)	(5,500)	16,029	-
Write off	-	-	(202,746)	(202,746)
Pay downs and Credit quality related changes	(19,810)	17,278	188,737	186,205
Foreign exchange movement	8,268	1,779	11,518	21,565
New assets originated	31,239	4,790	39,776	75,805
Balance at the end of the reporting period	**58,626**	**28,360**	**110,159**	**197,145**

The increase in the ECL is as a result of the growth in the loan portfolio and movement of some credit impaired assets to stage 3.

3.2 Market risk

The Group 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, foreign exchange rates and equity prices. The Group separates exposures to market risk into either trading or non-trading portfolios.

The market risks arising from trading and non-trading activities are concentrated in Bank Treasury and monitored by both Treasury and Risk Management departments separately. Regular reports are submitted to the Board of Directors and heads of each business unit. Trading portfolios include those positions arising from market-making transactions where the Group acts as principal with clients or with the market.

Non-trading portfolios primarily arise from the interest rate management of the Group's retail and corporate banking assets and liabilities. Non-trading portfolios also consist of foreign exchange and equity risks arising from the Group's financial assets.

3.2.1 Market risk measurement techniques

The objective of market risk measurement is to manage and control market risk exposures within acceptable limits while optimising the return on risk. The Bank's Chief Risk Officer is responsible for the development of detailed risk management policies and for the day-to-day implementation of those policies.

The Group identifies market risk through daily monitoring of levels and profit and loss balances of trading and non-trading positions. The Risk Management department monitors daily trading activities to ensure that risk exposures taken are within the approved price limits and the overall risk tolerance levels set by the Board. In addition, Assets and Liabilities Committee (ALCO) members, the Treasurer and the Risk Manager monitor market risk factors that affect the value of trading and non-trading positions as well as income streams on non-trading portfolios on a daily basis. They also track the liquidity indicators to ensure that the Group meets its financial obligations at all times.

3.2.2 Foreign exchange risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The open positions of currencies held are monitored on a daily basis. The objective of monitoring the open position in foreign currency is to manage foreign exchange risk due to movements in rates as well as changes in liquidity positions. The Bank maintains a total open position which is capped at 10% of it net own funds. Within this limit, the bank also maintains single currency open positions capped at 5% of net own funds.

All amounts are in thousands of Ghana cedis

Included in the table below are assets and liabilities at carrying amounts categorised by currency:

Group

At 31 December 2023	EUR GH¢	GBP GH¢	USD GH¢	GH¢ GH¢	Total GH¢
Assets					
Cash and cash equivalents	729,695	364,407	591,494	3,524,493	**5,210,089**
Investment securities	-	-	996,023	6,701,179	**7,697,202**
Loans and advances to customers	1,289	2	1,055,970	2,156,599	**3,213,860**
Other assets	55	78	10,411	309,592	**320,136**
Total assets	**731,039**	**364,487**	**2,653,898**	**12,691,863**	**16,441,287**
Liabilities					
Deposits from customers	305,434	130,602	3,097,928	9,163,909	**12,697,873**
Deposits from banks and other financial institutions	9,813	38,148	36,288	132,967	**217,216**
Borrowings	127,789	37,582	790,209	1,410,516	**2,366,096**
Other liabilities	12,345	9,937	75,740	262,620	**360,642**
Total liabilities	**455,381**	**216,269**	**4,000,165**	**10,970,012**	**15,641,827**
Net on balance sheet position	**275,658**	**148,218**	**(1,346,267)**	-	**-**

The Bank has entered into forward agreements that effectively hedge the net on-balance sheet position for the various foreign currencies.

3. FINANCIAL RISK MANAGEMENT (Continued)
3.2 Market risk (Continued)
3.2.2 Foreign exchange risk (Continued)

Group

At 31 December 2022	EUR GH¢	GBP GH¢	USD GH¢	GH¢ GH¢	Total GH¢
Assets					
Cash and cash equivalents	338,898	211,218	542,492	2,327,191	**3,419,799**
Investment securities	-	-	801,900	5,217,260	**6,019,160**
Loans and advances to customers	1,532	2	772,965	1,961,769	**2,736,268**
Other assets	39	53	8,415	483,824	**492,331**
Total assets	**340,469**	**211,273**	**2,125,772**	**9,990,044**	**12,667,558**
Liabilities					
Deposits from customers	245,045	123,899	2,267,205	6,946,895	**9,583,044**
Deposits from banks and other financial institutions	122	325	123,786	353,965	**478,198**
Borrowings	2,724	28,352	1,282,054	1,293,350	**2,606,480**
Other liabilities	8,023	560	150,443	240,287	**399,313**
Total liabilities	**255,914**	**153,136**	**3,823,488**	**8,834,497**	**13,067,035**
Net on balance sheet position*	**84,555**	**58,137**	**(1,697,716)**	-	**-**

The Bank has entered into forward agreements that effectively hedge the net on-balance sheet position for the various foreign currencies.

Foreign currency sensitivity analysis

The Group's principal foreign currency exposures are to the US Dollar, the Euro and the Pound Sterling. The table below illustrates the hypothetical sensitivity of reported profit to a 15% decrease in the value of the Ghana Cedi against these foreign currencies at the year end, assuming all other variables remain unchanged. The sensitivity rate of 15% represents the directors' assessment of a reasonably possible change, based on historic volatility.

Cedi weakens by 15%	Impact on statement of comprehensive income	
	2023	2022
US Dollar	18,538	11,319
Euro	788	530
Pound Sterling	391	3,712

Year-end exchange rates applied in the above analysis are **GH¢ 11.8800** (2022: GH¢8.576) to the US dollar, **GH¢ 13.1264** (2022: GH¢9.1457) to the Euro and **GH¢ 15.1334** (2022: GH¢10.3118) to the Pound Sterling. The strengthening of the Ghana Cedi will produce symmetrical results.

All amounts are in thousands of Ghana cedis

3. FINANCIAL RISK MANAGEMENT (Continued)
3.2 Market risk (Continued)
3.2.2 Foreign exchange risk (Continued)

Bank

At 31 December 2023	EUR GH¢	GBP GH¢	USD GH¢	GH¢ GH¢	Total GH¢
Assets					
Cash and cash equivalents	729,695	364,407	590,171	3,524,492	5,208,765
Investment securities	-	-	996,023	6,699,575	7,695,598
Loans and advances to customers	1,289	2	1,055,970	2,156,599	3,213,860
Other assets	55	78	10,411	307,012	317,556
Total assets	**731,039**	**364,487**	**2,652,575**	**12,687,678**	**16,435,779**
Liabilities					
Deposits from customers	305,434	130,602	2,821,827	9,165,559	12,423,422
Deposits from banks	9,813	38,148	48,856	132,967	229,784
Borrowings	127,789	37,582	1,155,549	1,410,517	2,731,437
Other liabilities	12,345	9,937	75,740	258,435	356,457
Total liabilities	**455,381**	**216,269**	**4,101,972**	**10,967,478**	**15,741,100**
Net on balance sheet position	**275,658**	**148,218**	**(1,449,397)**	-	-

The Bank has entered into forward agreements that effectively hedge the net on-balance sheet position for the various foreign currencies.

3. FINANCIAL RISK MANAGEMENT (Continued)
3.2 Market risk (Continued)
3.2.2 Foreign exchange risk (Continued)

Bank

At 31 December 2022	**EUR GH¢**	**GBP GH¢**	**USD GH¢**	**GH¢ GH¢**	**Total GH¢**
Assets					
Cash and cash equivalents	338,898	211,218	545,161	2,326,620	**3,421,897**
Investment securities	-	-	801,900	5,143,409	**5,945,309**
Loans and advances to customers	1,532	2	772,965	2,041,249	**2,815,748**
Other assets	39	53	5,398	483,853	**489,343**
Total assets	**340,469**	**211,273**	**2,125,424**	**9,995,131**	**12,672,297**
Liabilities					
Deposits from customers	245,045	123,899	2,076,952	6,947,464	**9,393,360**
Deposits from banks	122	325	127,037	353,965	**481,449**
Borrowings	2,724	28,352	1,534,156	1,293,350	**2,858,582**
Other liabilities	8,023	560	148,053	239,493	**396,129**
Total liabilities	**255,914**	**153,136**	**3,886,198**	**8,834,272**	**13,129,520**
Net on balance sheet position	**84,555**	**58,137**	**(1,760,774)**	-	**-**

The Bank has entered into forward agreements that effectively hedge the net on-balance sheet position for the various foreign currencies.

Foreign currency sensitivity analysis

Cedi weakens by 15%	Impact on statement of comprehensive income	
	2023	2022
US Dollar	3,069	1,860
Euro	788	3,712
Pound Sterling	391	530

Year-end exchange rates applied in the above analysis are **GH¢ 11.8800** (2022: GH¢8.576) to the US dollar, **GH¢ 13.1264** (2022: GH¢9.1457) to the Euro and **GH¢ 15.1334** (2022: GH¢10.3118) to the Pound Sterling. The strengthening of the Ghana Cedi will produce symmetrical results.

All amounts are in thousands of Ghana cedis

3.2.3 Interest rate risk

Interest rate risk is the exposure of current and future earnings and capital to adverse changes in the level of interest rates. Exposure to interest rate risk can result from a variety of factors, including:

- differences between the timing of market interest rate changes and the timing of cash flows (re-pricing risk)
- changes in the market interest rates producing different effects on yields on similar instruments with different maturities (yield curve risk); and
- changes in the level of market interest rates producing different effects on rates received or paid on instruments with similar re-pricing characteristics (basis risk).

The Group uses gap analysis to measure its exposure to interest rate risk. Through this analysis, it compares the values of interest rate sensitive assets and interest rate sensitive liabilities that mature or re-price at various time periods in the future. The Group may make judgemental assumptions about the behaviour of assets and liabilities which do not have specific contractual maturity or re-pricing dates.

The table below summarises the re-pricing profiles of financial instruments as at 31 December 2023 and 31 December 2022. Items are allocated to time periods with reference to the earlier of the next contractual interest rate re-pricing date and the maturity date.

Group

At 31 December 2023	Up to 1 month	1-3 months	3-12 months	Over 1 year	Non interest bearing	Total
Assets						
Cash and cash equivalents	1,344,960	-	-	-	3,865,129	**5,210,089**
Investment securities	1,428,337	2,889,186	564,510	2,815,169	-	**7,697,202**
Loans and advances to customers	171,695	794,981	676,187	1,570,997	-	**3,213,860**
Financial assets	**2,944,992**	**3,684,167**	**1,240,697**	**4,386,166**	**3,865,129**	**16,121,151**
Liabilities						
Deposits from customers	846,859	1,242,151	1,773,374	2,664,638	6,170,851	**12,697,873**
Deposits from banks	32,689	14,009	23,349	34,130	113,039	**217,216**
Borrowings	985,909	1,060,555	286,959	32,673	-	**2,366,096**
Financial liabilities	**1,865,457**	**2,316,715**	**2,083,682**	**2,731,441**	**6,283,890**	**15,281,185**
Total interest re-pricing gap	**1,079,535**	**1,367,452**	**(842,985)**	**1,654,725**	**-**	**-**

Group

At 31 December 2022	Up to 1 month	1-3 months	3-12 months	Over 1 year	Non interest bearing	Total
Assets						
Cash and cash equivalents	201,110	-	-	-	3,218,689	3,419,799
Investment securities	804,010	1,449,450	458,628	3,307,072	-	6,019,160
Loans and advances to customers	189,265	398,069	693,219	1,455,715	-	2,736,268
Financial assets	**1,194,385**	**1,847,519**	**1,151,847**	**4,762,787**	**3,218,689**	**12,175,227**
Liabilities						
Deposits from customers	235,075	459,197	1,380,791	3,258,389	4,249,592	9,583,044
Deposits from banks	106,129	9,950	16,583	29,914	315,622	478,198
Borrowings	455,858	1,475,468	363,390	311,764	-	2,606,480
Financial liabilities	**797,062**	**1,944,615**	**1,760,764**	**3,600,067**	**4,565,214**	**12,667,722**
Total interest re-pricing gap	**397,323**	**(97,096)**	**(608,917)**	**1,162,720**	-	-

Interest rate sensitivity analysis

The interest re-pricing gap analysis is supplemented by monitoring the sensitivity of the Group’s financial assets and liabilities to various standard and non-standard interest rate scenarios. Standard scenarios that are considered on a monthly basis include a 100 basis points (bps) parallel shift in all yield curves. An analysis of the Group’s sensitivity to an increase or decrease in market interest rates (assuming no symmetrical movement in yield curves and a constant balance sheet position) and its impact on the net interest margin is as follows:

All amounts are in thousands of Ghana cedis

3. FINANCIAL RISK MANAGEMENT
3.2 Market risk
3.2.3 Interest rate risk (Continued)

Bank

At 31 December 2023	Up to 1 month	1-3 months	3-12 months	Over 1 year	Non interest bearing	Total
Assets						
Cash and cash equivalents	1,344,960	-	-	-	3,863,805	5,208,765
Investment securities	1,428,337	2,889,185	564,510	2,813,566	-	7,695,598
Loans and advances to customers	171,695	794,980	676,187	1,570,998	-	3,213,860
Financial assets	**2,944,992**	**3,684,165**	**1,240,697**	**4,384,564**	**3,863,805**	**16,118,223**
Liabilities						
Deposits from customers	846,859	1,242,153	1,773,374	2,390,187	6,170,849	12,423,422
Deposits from banks	32,689	14,010	23,349	46,698	113,038	229,784
Borrowings	1,351,249	1,060,555	286,959	32,673	-	2,731,436
Financial liabilities	**2,230,797**	**2,316,718**	**2,083,682**	**2,469,558**	**6,283,887**	**15,384,642**
Total interest repricing gap	**714,195**	**1,367,447**	**(842,985)**	**1,915,006**	-	-

Bank

At 31 December 2022	Up to 1 month	1-3 months	3-12 months	Over 1 year	Non interest bearing	Total
Assets						
Cash and cash equivalents	453,212	-	-	-	2,968,685	3,421,897
Investment securities	803,450	1,449,450	453,744	3,238,665	-	5,945,309
Loans and advances to customers	189,265	398,069	692,538	1,535,876	-	2,815,748
Financial assets	**1,445,927**	**1,847,519**	**1,146,282**	**4,774,541**	**2,968,685**	**12,182,954**
Liabilities						
Deposits from customers	235,075	459,197	1,380,791	3,068,705	4,249,592	9,393,360
Deposits from banks	106,129	9,950	16,583	33,165	315,622	481,449
Borrowings	707,960	1,475,468	363,390	311,764	-	2,858,582
Financial liabilities	**1,049,164**	**1,944,615**	**1,760,764**	**3,413,634**	**4,565,214**	**12,733,391**
Total interest re-pricing gap	**396,763**	**(97,096)**	**(614,482)**	**1,360,907**	-	-

Interest rate sensitivity analysis

The interest re-pricing gap analysis is supplemented by monitoring the sensitivity of the Bank's financial assets and liabilities to various standard and non-standard interest rate scenarios. Standard scenarios that are considered on a monthly basis include a 100 basis points (bps) parallel shift in all yield curves. An analysis of the Bank's sensitivity to an increase or decrease in market interest rates (assuming no symmetrical movement in yield curves and a constant balance sheet position) and its impact on the net interest margin is as follows:

3.3 Liquidity risk management

Liquidity risk is the risk that the Bank is unable to meet its obligations when they fall due as a result of customer deposits being withdrawn, cash requirements from contractual commitments, or other cash outflows, such as debt maturities or margin calls for derivatives. Such outflows would deplete available cash resources for client lending, trading activities and investments. In extreme circumstances, lack of liquidity could result in reductions in the statement of financial position and sales of assets, or potentially an inability to fulfil lending commitments. The risk that the Bank will be unable to do so is inherent in all banking operations and can be affected by a range of institution-specific and market-wide events including, but not limited to, credit events, merger and acquisition activity, systemic shocks and natural disasters.

3.3.1 Liquidity risk management process

The Bank's liquidity management process, as carried out within the Bank and monitored by a separate team in Treasury Department, includes:

- 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. The Bank maintains an active presence in the money market to enable this to happen;
- maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;
- monitoring the liquidity ratios of the statement of financial position against internal and regulatory requirements and;
- managing the concentration and profile of debt maturities.

Finally, the Bank is statutorily required to maintain a reserve of 15% of the local currency equivalent of foreign currency customer deposits held as well as 15% of local currency customer deposits in one account with the Bank of Ghana. These balances are used to support all inter-bank transactions.

3.3.2 Liquidity risk measurement

The Bank prepares and uses liability mismatch reports to manage funding needs. The weekly liquidity mismatch report is used to measure the ability of the Bank to meet maturing liability obligations. This is supplemented by weekly cash flow reports produced to show the projected cash flow on a daily basis incorporating projected customer withdrawals, including credit disbursements, as well as deposits.

The deposit concentration ratio is monitored monthly to ensure that decisions of individual and or groups of depositors do not severely impact on liquidity. Particular attention is given to wholesale borrowing. Due to their size, withdrawals of such funds tend to impact negatively on liquidity. As a rule, wholesale borrowing transactions are entered into as repurchase contracts where each transaction is collateralised with a treasury bill or bond. Alternatively, such transactions are contracted to support specific credits in a back-to-back transaction. The monthly deposit concentration report is examined as part of the Assets and Liabilities Committee (ALCO) process and the necessary preventive/remedial action taken.

In addition to the above, the Group observes an internally defined volatile liability dependency ratio which is measured as (volatile funds – liquid assets) / long term investments. This measures the reliance on volatile funds to finance long term investments as well as other non-liquid assets. (Volatile funds are short term wholesale funds e.g. call accounts).

3.3.3 Liquidity crisis management

Liquidity crisis is defined as a condition where the Bank is unable to meet maturing liabilities/or regulatory reserve requirements due to inadequate liquid assets or a condition that arises from a sudden deterioration of the perceived safety and credibility of the Bank resulting in substantial withdrawal of funds by depositors.

This is deemed to have occurred when any of the following conditions exist:

- Liquidity guidelines/ratios have been breached for four consecutive weeks.
- Bank of Ghana (BoG) support facilities have been accessed for three or more consecutive weeks.

Management has put in place a Contingency Action Plan to manage liquidity crisis. The plan includes action points together with responsibilities for ensuring that steps are taken to manage the crisis.

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

The table below presents the cash flows payable by the Group under non-derivative financial liabilities and assets held for managing liquidity risk by remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows, whereas the Group manages the liquidity risk based on a different basis not resulting in a significantly different analysis.

Group

At 31 December 2023	0-3 months GH¢	3-6 months GH¢	6-12 months GH¢	Over 12 months GH¢	Total GH¢
Liabilities					
Deposits from customers	2,089,010	589,474	1,182,249	9,256,630	13,117,363
Deposits from banks	62,389	36,043	43,826	78,631	220,889
Borrowings	2,046,464	95,653	191,306	34,274	2,367,697
Total liabilities (Contractual maturity date)	**4,197,863**	**721,170**	**1,417,381**	**9,369,535**	**15,705,949**
Assets					
Cash and cash equivalents	5,550,316	-	-	-	5,550,316
Investment securities	4,317,523	188,170	349,808	3,296,373	8,151,874
Loans and advances to customers	966,675	229,903	446,283	1,822,358	3,465,219
Total assets held for managing liquidity risk (contractual maturity date)	**10,834,514**	**418,073**	**796,091**	**5,118,731**	**17,167,409**
Total liquidity gap	**6,636,651**	**(303,097)**	**(621,290)**	**(4,250,804)**	**1,461,460**

Group

At 31 December 2022	0-3 months GH¢	3-6 months GH¢	6-12 months GH¢	Over 12 months GH¢	Total GH¢
Liabilities					
Deposits from customers	789,398	554,821	920,527	7,815,942	10,080,688
Deposits from banks	191,733	84,433	89,961	119,692	485,819
Borrowings	1,928,074	121,130	242,260	332,964	2,624,428
Total liabilities (Contractual maturity date)	**2,909,205**	**760,384**	**1,252,748**	**8,268,598**	**13,190,935**
Assets					
Cash and cash equivalents	3,721,045	-	-	-	3,721,045
Investment securities	2,253,461	152,876	341,773	3,794,419	6,542,529
Loans and advances to customers	587,334	235,463	456,395	1,702,816	2,982,008
Total assets held for managing liquidity risk (contractual maturity date)	**6,561,840**	**388,339**	**798,168**	**5,497,235**	**13,245,582**
Total liquidity gap	**3,652,635**	**(372,045)**	**(454,580)**	**(2,771,363)**	**54,647**

All amounts are in thousands of Ghana cedis

3. FINANCIAL RISK MANAGEMENT (Continued)
3.3 Liquidity risk management (Continued)
3.3.4 Non-derivative financial liabilities and assets held for managing liquidity risk (continued)

Bank **At 31 December 2023**	**0-3 months GH¢**	**3-6 months GH¢**	**6-12 months GH¢**	**Over 12 months GH¢**	**Total GH¢**
Liabilities					
Deposits from customers	2,089,010	591,125	1,182,249	8,980,529	12,842,913
Deposits from banks	74,958	36,043	43,826	78,631	233,458
Borrowings	2,411,804	95,653	191,306	34,274	2,733,037
Total liabilities (Contractual maturity date)	**4,575,772**	**722,821**	**1,417,381**	**9,093,434**	**15,809,408**
Assets					
Cash and cash equivalents	5,548,781	-	-	-	5,548,781
Investment securities	4,317,523	188,170	376,340	3,263,735	8,145,768
Loans and advances to customers	966,675	229,903	446,283	1,822,358	3,465,219
Total assets held for managing liquidity risk (contractual maturity date)	**10,832,979**	**418,073**	**822,623**	**5,086,093**	**17,159,768**
Total liquidity gap	**6,257,207**	**(304,748)**	**(594,758)**	**(4,007,341)**	**1,350,360**

Bank **At 31 December 2022**	**0-3 months GH¢**	**3-6 months GH¢**	**6-12 months GH¢**	**Over 12 months GH¢**	**Total GH¢**
Liabilities					
Deposits from customers	694,271	460,264	920,527	7,815,942	9,891,004
Deposits from banks	194,984	84,433	89,961	119,692	489,070
Borrowings	2,183,428	121,130	242,260	332,964	2,879,782
Total liabilities (Contractual maturity date)	**3,072,683**	**665,827**	**1,252,748**	**8,268,598**	**13,259,856**
Assets					
Cash and cash equivalents	3,683,142	-	-	-	3,683,142
Investment securities	2,252,901	151,248	302,496	3,756,850	6,463,495
Loans and advances to customers	587,334	235,463	457,075	1,781,616	3,061,488
Total assets held for managing liquidity risk (contractual maturity date)	**6,523,377**	**386,711**	**759,571**	**5,538,466**	**13,208,125**
Total liquidity gap	**3,450,694**	**(279,116)**	**(493,177)**	**(2,730,132)**	**(51,731)**

3.3.5 Assets held for managing liquidity risk

The Group 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 Group's assets held for managing liquidity risk comprise:

- Cash and balances with banks;
- Balances with the Bank of Ghana;
- Government of Ghana bills and bonds; and
- Secondary sources of liquidity in the form of highly liquid instruments in the Group's trading portfolios.

3.3.6 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities presented according to when they are expected to be recovered or settled. Trading assets and liabilities including derivatives have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities of the products.

Group 2023	Notes	Within 12 months GH¢	After 12 months GH¢	Total GH¢
Assets				
Cash and cash equivalents	**17**	5,210,089	-	**5,210,089**
Derivative financial instruments	**17**	16,833	-	**16,833**
Investment securities	**18**	4,882,032	2,815,170	**7,697,202**
Loans and advances to customers	**20**	1,642,863	1,570,997	**3,213,860**
Property and equipment and right-of-use assets	**22**	78,571	235,713	**314,284**
Intangible assets	**23**	16,678	50,035	**66,713**
Deferred tax asset	**16**	22,935	231,898	**254,833**
Other assets	**21**	253,294	155,245	**408,539**
Non-current assets held for sale	**24**	31,138	-	**31,138**
Total assets		**12,154,433**	**5,059,058**	**17,213,491**
Liabilities				
Deposits from banks and other financial institutions	**26**	183,086	34,130	**217,216**
Deposits from customers	**25**	10,033,235	2,664,638	**12,697,873**
Borrowings	**27**	2,333,423	32,673	**2,366,096**
Current tax liability		38,128	-	**38,128**
Other liabilities	**28**	234,417	126,225	**360,642**
Total liabilities		**12,822,289**	**2,857,666**	**15,679,955**

All amounts are in thousands of Ghana cedis

3. FINANCIAL RISK MANAGEMENT (Continued)
3.3 Liquidity risk management (Continued)
3.3.6 Maturity analysis of assets and liabilities (Continued)

The table below shows an analysis of assets and liabilities presented according to when they are expected to be recovered or settled. Trading assets and liabilities including derivatives have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities of the products.

Group 2022	Notes	Within 12 months GH¢	After 12 months GH¢	Total GH¢
Assets				
Cash and cash equivalents	**17**	3,419,799	-	**3,419,799**
Derivative financial instruments	**17**	368,886	-	**368,886**
Investment securities	**18**	2,712,088	3,307,072	**6,019,160**
Loans and advances to customers	**20**	1,280,553	1,455,715	**2,736,268**
Current tax asset	**15**	35,401	-	**35,401**
Property and equipment and right-of-use assets	**22**	46,292	138,878	**185,170**
Intangible assets	**23**	14,581	43,743	**58,324**
Deferred tax asset	**16**	46,427	263,086	**309,513**
Other assets	**21**	379,583	232,648	**612,231**
Non-current assets held for sale	**24**	31,938	-	**31,938**
Total assets		**8,335,548**	**5,441,142**	**13,776,690**
Liabilities				
Deposits from banks and other financial institutions	**26**	448,284	29,914	**478,198**
Deposits from customers	**25**	6,324,655	3,258,389	**9,583,044**
Borrowings	**27**	2,606,480	-	**2,606,480**
Other liabilities	**28**	259,551	139,759	**399,310**
Total liabilities		**9,638,970**	**3,428,062**	**13,067,032**

3. FINANCIAL RISK MANAGEMENT (Continued)
3.3 Liquidity risk management (Continued)
3.3.6 Maturity analysis of assets and liabilities (Continued)

The table below shows an analysis of assets and liabilities presented according to when they are expected to be recovered or settled. Trading assets and liabilities including derivatives have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities of the products.

Bank **2023**	**Notes**	**Within 12 months GH¢**	**After 12 months GH¢**	**Total GH¢**
Assets				
Cash and cash equivalents	**17**	5,208,765	-	**5,208,765**
Derivative financial instruments	**17**	16,833	-	**16,833**
Investment securities	**18**	4,882,032	2,813,566	**7,695,598**
Investments (other than securities)		-	12,471	**12,471**
Loans and advances to customers	**20**	1,642,862	1,570,998	**3,213,860**
Property and equipment and right-of-use assets	**22**	78,554	235,663	**314,217**
Intangible assets	**23**	16,597	49,790	**66,387**
Deferred tax asset	**16**	22,930	231,851	**254,781**
Other assets	**21**	251,695	154,264	**405,959**
Non-current assets held for sale	**24**	31,138	-	**31,138**
Total assets		**12,151,406**	**5,068,603**	**17,220,009**
Liabilities				
Deposits from banks and other financial institutions	**26**	183,086	46,698	**229,784**
Deposits from customers	**25**	10,033,235	2,390,187	**12,423,422**
Borrowings	**27**	2,698,763	32,673	**2,731,436**
Current tax liability	**15**	38,451	-	**38,451**
Other liabilities	**28**	231,697	124,760	**356,457**
Total liabilities		**13,185,232**	**2,594,318**	**15,779,550**

All amounts are in thousands of Ghana cedis

The table below shows an analysis of assets and liabilities presented according to when they are expected to be recovered or settled. Trading assets and liabilities including derivatives have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities of the products.

Bank 2022	Notes	Within 12 months GH¢	After 12 months GH¢	Total GH¢
Assets				
Cash and cash equivalents	**17**	3,421,897	-	**3,421,897**
Derivative financial instruments	**17**	368,886	-	**368,886**
Investment securities	**18**	2,706,644	3,238,665	**5,945,309**
Investments (other than securities)	**19**	-	12,471	**12,471**
Loans and advances to customers	**20**	2,712,415	103,333	**2,815,748**
Current tax asset	**15**	35,181	-	**35,181**
Property and equipment and right-of-use assets	**22**	46,264	138,794	**185,058**
Intangible assets	**23**	14,497	43,491	**57,988**
Deferred tax asset	**16**	45,327	256,851	**302,178**
Other assets	**21**	377,731	231,512	**609,243**
Non-current assets held for sale	**24**	31,938	-	**31,938**
Total assets		**9,760,780**	**4,025,117**	**13,785,897**
Liabilities				
Deposits from banks and other financial institutions	**26**	448,284	33,165	**481,449**
Deposits from customers	**25**	6,324,655	3,068,705	**9,393,360**
Borrowings	**27**	2,546,818	311,764	**2,858,582**
Other liabilities	**28**	257,484	138,645	**396,129**
Total liabilities		**9,577,241**	**3,552,279**	**13,129,520**

3.4 Off balance sheet items (Group & Bank)

The table below presents the analyses of the undiscounted cash flows of the Group's off-balance sheet financial assets and liabilities held by earliest draw down or utilisation date.

2023	0-3 months GH¢	3-6 months GH¢	6-12 months GH¢	Over 12 months GH¢	Total GH¢
Letters of credit	191,360	103,144	38,444	-	**332,948**
Guarantees and indemnities	71,786	42,780	196,627	19,793	**330,986**
Loan commitments	63,219	40,315	233,663	8,694	**345,891**
	326,365	**186,239**	**468,734**	**28,487**	**1,009,825**

2022	0-3 months GH¢	3-6 months GH¢	6-12 months GH¢	Over 12 months GH¢	Total GH¢
Letters of credit	340,380	35,913	9,005	-	**385,298**
Guarantees and indemnities	25,080	146,807	82,864	890	**255,641**
Loan commitments	64,285	20,894	74,001	2,091	**161,271**
	429,745	**203,614**	**165,870**	**2,981**	**802,210**

(a) Loan commitments

The expected credit loss on outstanding loan commitments stands at **GH¢ 4.50 million** (2022: GH¢1.81 million).

(b) Guarantees and indemnities

The Group had outstanding guarantees, indemnities and endorsements at the year-end of **GH¢ 663.93 million** (2022: GH¢ 640.94 million). The Group has made a provision for credit losses of **GH¢ 8.35 million** (2022: GH¢22.11 million) on this portfolio which is classified as stage 1.

(c) Capital commitments

The Group had no capital commitments at year end.

All amounts are in thousands of Ghana cedis

3.5 Country analysis - Bank

The assets and liabilities of the Bank held inside and outside Ghana are analysed below:

	2023		2022	
	Ghana GH¢	Outside GH¢	Ghana GH¢	Outside GH¢
Assets				
Cash and cash equivalents	**4,694,573**	**514,192**	3,030,156	391,741
Investment securities	**7,695,598**	**-**	5,945,309	-
Derivative financial instruments	**16,833**	**-**	368,886	-
Loans and advances to customers	**3,213,860**	**-**	2,815,748	-
Investments (other than securities)	**101**	**12,370**	101	12,370
Other assets	**405,959**	**-**	609,243	-
Current tax asset	**-**	**-**	35,181	-
Deferred tax asset	**254,781**	**-**	302,178	-
Property and equipment and right-of-use of assets	**314,217**	**-**	185,058	-
Intangible assets	**66,387**	**-**	57,988	-
Non-current assets held for sale	**31,138**	**-**	31,938	-
	16,693,447	**526,562**	13,381,786	404,111
Liabilities				
Deposits from customers	**12,423,422**	**-**	9,393,360	-
Deposits from banks and other financial institutions	**217,216**	**12,568**	478,198	3,251
Borrowings	**1,958,086**	**773,350**	2,152,052	706,530
Current tax liability	**38,451**	**-**	-	-
Other liabilities	**356,457**	**-**	396,129	-
	14,993,632	**785,918**	12,419,739	709,781

3.6 Classification of financial assets and liabilities

The following table provides a reconciliation between line items in the statement of financial position and categories of financial instruments:

Group

2023

	Notes	Financial instruments at amortised cost GH¢	Financial instruments mandatory at FVTPL GH¢	FVTOCI - Debt Instruments GH¢	Non-financial assets, liabilities and equity GH¢	Total GH¢
Assets						
Cash and cash equivalents	17	5,210,089	-	-	-	**5,210,089**
Derivative financial instruments	17	-	16,833	-	-	**16,833**
Investment securities	18	5,739,621	330,696	1,626,885	-	**7,697,202**
Loans and advances to customers	20	3,102,936	110,924	-	-	**3,213,860**
Property and equipment and right-of-use assets	22	-	-	-	314,290	**314,290**
Intangible assets	23	-	-	-	66,706	**66,706**
Deferred tax asset	16	-	-	-	254,833	**254,833**
Other assets	21	-	-	-	408,539	**408,539**
Non-current assets held for sale	24	-	-	-	31,138	**31,138**
Total assets		**14,052,646**	**458,453**	**1,626,885**	**1,075,506**	**17,213,490**
Liabilities						
Deposits from banks and other financial institutions	26	217,216	-	-	-	**217,216**
Deposits from customers	25	12,697,873	-	-	-	**12,697,873**
Borrowings	27	2,366,096	-	-	-	**2,366,096**
Current tax liability	15	-	-	-	38,128	**38,128**
Other liabilities	28	-	-	-	360,642	**360,642**
Total liabilities		**15,281,185**	-	-	**398,770**	**15,679,955**
Equity						
Stated capital	30	-	-	-	422,840	**422,840**
Statutory reserve	32	-	-	-	628,462	**628,462**
Other reserves	33	-	-	-	145,641	**145,641**
Retained earnings	35	-	-	-	336,593	**336,593**
Total equity attributable to equity holders		-	-	-	**1,533,536**	**1,533,536**
Total liabilities and equity		**15,281,185**	-	-	**1,932,306**	**17,213,491**

All amounts are in thousands of Ghana cedis

The following table provides a reconciliation between line items in the statement of financial position and categories of financial instruments:

Group
2022

	Notes	Financial instruments at amortised cost GH¢	Financial instruments mandatory at FVTPL GH¢	FVTOCI - Debt Instruments GH¢	Non-financial assets, liabilities and equity GH¢	Total GH¢
Assets						
Cash and cash equivalents	17	3,419,799	-	-	-	**3,419,799**
Derivative financial instruments	17	-	368,886	-	-	**368,886**
Investment securities	18	5,549,411	82,643	387,106	-	**6,019,160**
Loans and advances to customers	20	2,632,935	103,333	-	-	**2,736,268**
Current tax asset	15	-	-	-	35,401	**35,401**
Property and equipment and right-of-use assets	22	-	-	-	185,170	**185,170**
Intangible assets	23	-	-	-	58,324	**58,324**
Deferred tax asset	16	-	-	-	309,513	**309,513**
Other assets	21	-	-	-	612,231	**612,231**
Non-current assets held for sale	24	-	-	-	31,938	**31,938**
Total assets		**11,602,145**	**554,862**	**387,106**	**1,232,577**	**13,776,690**
Liabilities						
Deposits from banks and other financial institutions	26	478,198	-	-	-	**478,198**
Deposits from customers	25	9,583,044	-	-	-	**9,583,044**
Borrowings	27	2,606,480	-	-	-	**2,606,480**
Other liabilities	28	-	-	-	399,310	**399,310**
Total liabilities		**12,667,722**	-	-	**399,310**	**13,067,032**
Equity						
Stated capital	30	-	-	-	422,840	**422,840**
Statutory reserve	32	-	-	-	440,756	**440,756**
Other reserves	33	-	-	-	37,810	**37,810**
Retained earnings	35	-	-	-	(191,748)	**(191,748)**
Total equity attributable to equity holders		-	-	-	**709,658**	**709,658**
Total liabilities and equity		**12,667,722**	-	-	**1,108,968**	**13,776,690**

3. FINANCIAL RISK MANAGEMENT (Continued)
3.6 Classification of financial assets and liabilities (Continued)

The following table provides a reconciliation between line items in the statement of financial position and categories of financial instruments:

Bank
2023

	Notes	Financial instruments at amortised cost GH¢	Financial instruments mandatory at FVTPL GH¢	FVTOCI - Debt Instruments GH¢	Non-financial assets, liabilities and equity GH¢	Total GH¢
Assets						
Cash and cash equivalents	17	5,208,765	-	-	-	**5,208,765**
Derivative financial instruments	17	-	16,833	-	-	**16,833**
Investment securities	18	5,738,017	330,696	1,626,885	-	**7,695,598**
Investments (other than securities)	19	-	-	-	12,471	**12,471**
Loans and advances to customers	20	3,102,936	110,924	-	-	**3,213,860**
Property and equipment and right-of-use assets	22	-	-	-	314,217	**314,217**
Intangible assets	23	-	-	-	66,387	**66,387**
Deferred tax asset	16	-	-	-	254,781	**254,781**
Other assets	21	-	-	-	405,959	**405,959**
Non-current assets held for sale	24	-	-	-	31,138	**31,138**
Total assets		**14,049,718**	**458,453**	**1,626,885**	**1,084,953**	**17,220,009**
Liabilities						
Deposits from banks and other financial institutions	26	229,784	-	-	-	**229,784**
Deposits from customers	25	12,423,422	-	-	-	**12,423,422**
Borrowings	27	2,731,436	-	-	-	**2,731,436**
Current tax liability	15	-	-	-	38,451	**38,451**
Other liabilities	28	-	-	-	356,457	**356,457**
Total liabilities		**15,384,642**	-	-	**394,908**	**15,779,550**
Equity						
Stated capital	30	-	-	-	422,840	**422,840**
Statutory reserve	32	-	-	-	628,462	**628,462**
Other reserves	33	-	-	-	86,173	**86,173**
Retained earnings	35	-	-	-	302,984	**302,984**
Total equity attributable to equity holders		-	-	-	**1,440,459**	**1,440,459**
Total liabilities and equity		**15,384,642**	-	-	**1,835,367**	**17,220,009**

All amounts are in thousands of Ghana cedis

The following table provides a reconciliation between line items in the statement of financial position and categories of financial instruments:

Bank
2022

	Notes	Financial instruments at amortised cost GH¢	Financial instruments mandatory at FVTPL GH¢	FVTOCI - Debt Instruments GH¢	Non-financial assets, liabilities and equity GH¢	Total GH¢
Assets						
Cash and cash equivalents	17	3,421,897	-	-	-	**3,421,897**
Derivative financial instruments	17	-	368,886	-	-	**368,886**
Investment securities	18	5,476,917	81,286	387,106	-	**5,945,309**
Investments (other than securities)	19	-	-	-	12,471	**12,471**
Loans and advances to customers	20	2,712,415	103,333	-	-	**2,815,748**
Current tax asset	15	-	-	-	35,181	**35,181**
Property and equipment and right-of-use assets	22	-	-	-	185,058	**185,058**
Intangible assets	23	-	-	-	57,988	**57,988**
Deferred tax asset	16	-	-	-	302,178	**302,178**
Other assets	21	-	-	-	609,243	**609,243**
Non-current assets held for sale	24	-	-	-	31,938	**31,938**
Total assets		**11,611,229**	**553,505**	**387,106**	**1,234,057**	**13,785,897**
Liabilities						
Deposits from banks and other financial institutions	26	481,449	-	-	-	**481,449**
Deposits from customers	25	9,393,360	-	-	-	**9,393,360**
Borrowings	27	2,858,582	-	-	-	**2,858,582**
Other liabilities	28	-	-	-	396,129	**396,129**
Total liabilities		**12,733,391**	-	-	**396,129**	**13,129,520**
Equity						
Stated capital	30	-	-	-	422,840	**422,840**
Statutory reserve	32	-	-	-	440,756	**440,756**
Other reserves	33	-	-	-	2,607	**2,607**
Retained earnings	35	-	-	-	(209,826)	**(209,826)**
Total equity attributable to equity holders		-	-	-	**656,377**	**656,377**
Total liabilities and equity		**12,733,391**	-	-	**1,052,506**	**13,785,897**

4. FAIR VALUE OF FINANCIAL INSTRUMENTS

4.1 Fair value hierarchy

IFRS 13 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 Group's market assumptions. These two types of inputs have created the following fair value hierarchy:

- **Level 1** – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges (for example, Ghana Stock Exchange).
- **Level 2** – Inputs are quoted prices for the asset or liability, (other than those included in Level 1) that are observable either directly (that is, as prices) or indirectly (that is, derived from prices).
- **Level 3** – Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components.

This hierarchy requires the use of observable market data when available. The Group considers relevant and observable market prices in its valuations where possible.

Derivative financial instruments

The Group uses observable market data in the valuation of derivative financial instruments. The inputs used for the valuation are derived from directly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, and observable inputs such as interest rates and yield curves, implied volatilities, and credit spread.

4.2 Financial instruments measured at fair value

Group

2023	**Level 1**	**Level 2**	**Level 3**
Derivative financial instruments	-	**16,833**	-
Investment securities	-	**2,827,311**	-
2022			
Derivative financial instruments	-	368,886	-
Investment securities	-	469,749	-

Bank

2023	**Level 1**	**Level 2**	**Level 3**
Derivative financial instruments	-	**16,833**	-
Investment securities	-	**2,827,311**	-
2022			
Derivative financial instruments	-	368,886	-
Investment securities	-	468,392	-

Inputs used for the valuation of investment securities are the quoted prices and interest rates for the various tenors of Government of Ghana treasury bills and bonds as at year end. The Group uses discounted cashflow models with observable market inputs of similar instruments for the valuation of its investment securities.

The Group uses observable market data in the valuation of derivative financial instruments. The inputs used for the valuation are derived from directly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, and observable inputs such as interest rates and yield curves, implied volatilities, and credit spreads.

5. CAPITAL MANAGEMENT

Fidelity Bank considers a strong and efficient capital position to be a priority. The Bank's objectives when managing capital are:

(i) to comply with the capital requirements set by the Bank of Ghana;
(ii) to maintain sufficient capital resources to support the group's risk appetite
(iii) to safeguard the Bank's ability to continue as a going concern and;
(iv) to maintain a sufficient capital base to ensure strong credit ratings and to support its business and maximise shareholder value.

Compliance with capital adequacy ratios set by the Bank of Ghana is monitored monthly with reports outlining their calculation reviewed and signed by the Bank's Chief Financial Officer. Under the current capital requirements set by the Bank of Ghana, banks have to maintain a ratio of regulatory capital to risk weighted assets ("capital adequacy ratio") minimum of 13%.

Regulatory capital as defined by the Bank of Ghana has two (2) components:

- **Tier 1 Capital or "going-concern capital":** This refers to capital that supports the bank's operations and can absorb losses as required, and is made up of Common Equity Tier 1 ("CET1") and Additional Tier 1 ("AT1").
- **Tier 2 Capital or "gone-concern capital":** Tier 2 capital is available to absorb losses or convert to equity on a gone-concern basis or if the Bank is being wound up.
- **The CET1 capital consists of the following elements:**

  a. Ordinary (common) shares issued by the Bank that meet the criteria for classification as ordinary shares;
  b. Retained Earnings;
  c. Statutory Reserves; and
  d. Regulatory adjustments to CET1.

The Pillar 1 CET 1 minimum capital requirement applicable to the Bank is 6.50% of risk-weighted assets (RWAs). The capital conservation buffer is implemented in Sections 79 to 82 of the Capital Requirements Directive and equals 3.00% of CET 1 capital. On 5th January 2023, as part of measures to help manage the impact of the DDEP on the capital of banks that fully participated, the Bank of Ghana reduced the capital conservation buffer from 3% to zero, effectively reducing the minimum capital adequacy ratio from 13% to 10%. Additionally, the Central Bank reduced the minimum CET1 capital from 6.5% to 5.5% of Total Risk Weighted Assets.

The AT1 capital consists of perpetual non-cumulative preference share issued and fully paid up in accordance with the Bank of Ghana's Capital Requirement Directive. The instruments are neither secured nor covered by guarantee, do not have credit sensitive dividend features and are subordinated to all other creditors and senior only to ordinary shareholders. The permissible amount of total qualifying AT1 capital is limited to a maximum of 1.5% of risk weighted assets (RWAs) except that excess AT1 may serve as Tier 2 for the purpose of computing the capital adequacy ratio.

Tier 2 capital comprises eligible capital instruments and subordinated long-term debt. To qualify as Tier 2 capital, capital instruments or subordinated debt must have an original maturity of at least five years. Moreover, eligible capital instruments may inter alia not contain an incentive to redeem, a right of investors to accelerate repayment, or a credit sensitive dividend feature.

The permissible amount of total qualifying Tier 2 capital is limited to a maximum of 2% of risk weighted assets (RWAs). To further mitigate the impact of the DDEP on participating banks, the Central Bank increase Tier 2 component of regulatory from 2% to 3% of Total Risk Weighted Assets.

The risk-weighted assets are measured using the standardised approach as prescribed by the Bank of Ghana. It takes into account the nature of, and reflects an estimate of credit, operational and market risks associated with each asset and counterparty and the Bank's operations.

5. CAPITAL MANAGEMENT (Continued)

The table below summarises the composition of regulatory capital, total weighted risk assets and the capital adequacy ratios of the Bank for the years ended 31 December 2023 and 2022.

	2023 Without Regulatory forbearance	**2023 With Regulatory forbearance**	2022 Without Regulatory forbearance	2022 With Regulatory forbearance
Common Equity Tier (CET1) capital				
Paid up capital (ordinary shares)	**285,551**	**285,551**	285,551	285,551
Statutory reserves	**628,462**	**628,462**	440,756	440,756
Retained earnings/Other reserves	**302,984**	**1,181,339**	(209,826)	821,527
Total CET1 before deductions/adjustments	**1,216,997**	**2,095,352**	516,481	1,547,834
Regulatory adjustments to CET1 capital				
Intangibles	**(392,884)**	**(832,062)**	(471,494)	(729,330)
Intra group transactions	**(14,578)**	**(14,578)**	(754)	(86,191)
Total regulatory adjustments	**(407,462)**	**(846,640)**	(472,248)	(815,521)
CET 1 capital after regulatory adjustments	**809,535**	**1,248,712**	44,233	732,313
Additional Tier 1 capital (AT1)	**103,364**	**103,364**	77,906	77,906
Total Tier 1 capital (Tier 1)	**912,899**	**1,352,076**	122,139	810,219
Tier 2 capital (Tier 2)	**78,316**	**86,672**	61,990	61,990
Total regulatory capital	**991,215**	**1,438,748**	184,129	872,209
Risk weighted assets				
Total credit risk equivalent weighted assets	**3,947,845**	**3,947,845**	3,200,574	3,200,574
Total operational risk equivalent weighted assets	**2,849,772**	**2,849,772**	1,936,840	1,936,840
Total market risk equivalent weighted assets	**93,299**	**93,299**	56,330	56,330
Total risk weighted assets (RWA)	**6,890,916**	**6,890,916**	5,193,744	5,193,744
Risk-based capital ratios				
CET1/RWA	**11.75%**	**18.12%**	0.85%	14.10%
AT1/RWA	**1.50%**	**1.50%**	1.50%	1.50%
Tier 1/RWA	**13.25%**	**19.62%**	2.35%	15.60%
Tier 2/RWA	**1.14%**	**1.26%**	1.19%	1.19%
Total capital adequacy ratio (CAR)	**14.38%**	**20.88%**	3.55%	16.79%
Leverage Ratio	**5.1%**	**7.78%**	0.87%	5.8%
Risk-based capital ratios – Regulatory requirements				
Minimum CET1 Ratio	**9.50%**	**5.50%**	9.50%	5.50%
Maximum AT1 Ratio	**1.50%**	**1.50%**	1.50%	1.50%
Minimum Tier 1 Ratio	**11.00%**	**7.00%**	11.00%	7.00%
Maximum Tier 2 Ratio	**2.00%**	**3.00%**	2.00%	3.00%
Total capital adequacy ratio (CAR)	**13.0%**	**10.0%**	13.0%	10.0%
Minimum leverage ratio	**4.50%**	**4.50%**	4.50%	4.50%

Bank of Ghana Regulatory Reliefs

Banks that participated in the Domestic Debt Exchange Programme (DDEP) in 2023 experienced a notable negative impact on their equity and capital adequacy. In response to this challenge and to uphold financial stability, the Bank of Ghana (BoG) announced regulatory and solvency reliefs on January 5th, 2023, for banks that fully engaged in the DDEP. These reliefs became effective on December 31st, 2022. The relief measures include the following:

Solvency Reliefs

- **Capital Conservation Buffer (CCB):** Reduction of CCB from 3% to zero, effectively reducing the minimum Capital Adequacy Ratio (CAR) from 13% to 10%
- **Derecognition of losses:** Derecognition losses emanating from the Debt Exchange shall be spread equally over a period of four (4) years for the purpose of CAR and Net Own Funds computation.
- **Restoration of paid-up capital:** Banks have a maximum of four(4) years to restore minimum paid-up capital as a result of any capital shortfall arising solely from the derecognition losses.
- **Tier II component of regulatory capital:** Increase in Tier II component of regulatory capital from 2% to 3% to Total Risk Weighted Assets (RWA).
- **Common Equity Tier 1 (CET1):** Reduction of minimum CET1 capital from 6.5% to 5.5% of Total RWA.
- **Property revaluation gains in capital computation:** Increase in allowable portion of property revaluation gains for Tier II capital computation, from 50% to 60%.

The Bank's capital is assessed to be adequate for planned growth. The Bank's capital adequacy without regulatory reliefs stands at 14.38%. However, with the application of regulatory reliefs, the capital adequacy increases to 20.88%.

6. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

(a) Measurement of the expected credit loss allowance

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

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

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

The Group applied a significant judgement in the determination of the ECL on the investment securities porfolio resulting from the Domestic Debt Exchange programme. The assessment of SICR and the calculation of ECL both incorporate forward-looking and macroeconomic information into expected loss estimates through the application of quantitative modelling and expert judgement-based adjustments as described in notes 3.1.4 to 3.1.5.

(b) Fair value of financial instruments

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

(c) Income tax

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

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

(d) Hold to collect financial assets

The Group classifies some non-derivative financial assets with fixed or determinable payments and fixed maturity as hold to collect. This classification requires significant judgement. In making this judgement, the Group uses the Business model and Solely for Payment of Principal and Interest (SPPI) model to assess that the purpose for holding these assets was to collect the contractual cash flows associated with the assets. If the Group were to fail to keep these investments to maturity other than for the specific circumstances – for example, selling an insignificant amount close to maturity – the Group is required to reclassify the entire category as hold to collect and sell. Accordingly, the investments would be measured at fair value instead of amortised cost.

All amounts are in thousands of Ghana cedis

7. SEGMENT INFORMATION

For management purposes, the Group is organised into five operating segments as described below based on products offered, market segment and customer turnover.

Corporate Banking: Principally responsible for providing banking services and products to multinationals, large regional and domestic clients, financial institutions, public sector, international organisations and other institutional clients.

Financial & Capital Markets: Undertakes the Bank's funding, asset and liability management and centralised market risk management activities through borrowing and investment in liquid assets such as short-term placements and government debt securities.

Retail Banking: Provides financial products and services to individuals (personal, private and inclusive segments) and small and medium scale enterprises. The unit provides financial solutions across various channels (ATM, mobile banking, agents etc.) and platforms.

Investment Banking: Fidelity Securities Limited (FSL) is the investment banking arm of the Bank. Investment banking services cover activities such as the provision of business advisory services, issuance of securities and arranging financing for short, medium and long term funding needs of clients as well as investment portfolio management.

Offshore banking: Fidelity Asia Bank Limited (FAB) is principally responsible for providing banking services to offshore customers in the Asia Pacific region.

Management monitors the operating results of these business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects is measured differently from operating profit or loss in the financial statements. Transactions between operating segments are on an arm's length basis in a manner similar to transactions with third parties. For the purposes of segment reporting, interest is allocated to the business units based on a pool rate determined by Treasury using the Bank's cost of funds and weighted yields.

The following table shows an analysis of the performance of the various business units across the Group:

	BANK			FSL	FAB	GROUP
2023	**Corporate Banking**	**Financial & Capital Markets**	**Retail Banking**	**Investment Banking**	**Offshore Banking**	
Net interest income	171,774	1,356,904	(5,855)	3,027	16,555	1,542,405
Net fee and commission income	64,564	36,415	137,495	8,717	141	247,332
Other operating income	68,982	97,307	103,134	(23,461)	149	246,111
Inter-segment revenue	182,780	(799,176)	616,396	-	-	-
Total segment revenue	**488,100**	**691,450**	**851,170**	**(11,717)**	**16,845**	**2,035,848**
Direct cost	(55,319)	(27,236)	(220,409)	(5,620)	(4,897)	(313,481)
Net impairment charges	(14,048)	47,523	(5,939)	29,149	-	56,685
Allocated cost	(176,973)	(117,982)	(294,956)	-	-	(589,911)
Segment profit	**241,760**	**593,755**	**329,866**	**11,812**	**11,948**	**1,189,141**
Reportable segment assets (loans and advances)	2,258,830	-	955,030	-	-	3,213,860
Reportable segment liabilities (customer deposits)	3,998,835	711,759	7,942,612	-	261,883	12,915,089

7. SEGMENT INFORMATION (Continued)

2022	BANK Corporate Banking	BANK Financial & Capital Markets	BANK Retail Banking	FSL Investment Banking	FAB Offshore Banking	GROUP
Net interest income	127,804	806,645	(38,383)	2,600	10,329	908,995
Net fee and commission income	27,698	37,716	70,656	12,255	119	148,444
Other operating income	57,946	206,424	136,518	-	135	401,023
Inter-segment revenue	28,301	(641,363)	613,062	-	-	-
Total segment revenue	**241,749**	**409,422**	**781,853**	**14,855**	**10,583**	**1,458,462**
Direct cost	(45,434)	(20,418)	(161,043)	(5,306)	(5,582)	(237,783)
Net impairment charges	(237,110)	(1,034,515)	(20,549)	(29,336)	-	(1,321,510)
Allocated cost	(129,773)	(86,516)	(216,289)	-	-	(432,578)
Segment profit	**(170,568)**	**(732,027)**	**383,972**	**(19,787)**	**5,001**	**(533,409)**
Reportable segment assets (loans and advances)	1,761,459	-	974,809	-	-	2,736,268
Reportable segment liabilities (customer deposits)	3,313,564	273,832	6,283,593	-	190,253	10,061,242

The Group operates in two geographic markets: Ghana (Fidelity Bank Ghana LTD & Fidelity Securities Limited) and Malaysia (Fidelity Asia Bank Limited). The following tables show the distribution of operating profit and non-current assets allocated based on the location of the customers and assets respectively for the years ended 31 December 2023 and 2022:

2023	Ghana	Malaysia	Total
Interest income	2,453,540	23,204	**2,476,744**
Interest expense	(927,690)	(6,649)	**(934,339)**
Net interest income	**1,525,850**	**16,555**	**1,542,405**
Non-interest income	493,153	290	**493,443**
Operating income	**2,019,003**	**16,845**	**2,035,848**
Operating expenses	(898,495)	(4,897)	**(903,392)**
Net impairment charge on financial assets	56,685	-	**56,685**
Operating profit	**1,177,193**	**11,948**	**1,189,141**

All amounts are in thousands of Ghana cedis

2022	Ghana	Malaysia	Total
Interest income	1,859,713	15,049	**1,874,762**
Interest expense	(961,047)	(4,720)	**(965,767)**
Net interest income	**898,666**	**10,329**	**908,995**
Non-interest income	549,214	253	**549,467**
Operating income	**1,447,880**	**10,582**	**1,458,462**
Operating expenses	(664,780)	(5,581)	**(670,361)**
Net impairment charge on financial assets	(1,321,510)	-	**(1,321,510)**
Operating profit	**(538,410)**	**5,001**	**(533,409)**

8. INTEREST INCOME

	Group		Bank	
	2023	2022	**2023**	2022
Interest income calculated using the effective interest method				
Cash and short-term funds	**120,577**	30,997	**121,274**	34,322
Debt instruments at amortised cost	**857,582**	535,302	**843,890**	528,487
Debt instruments at FVOCI	**369,809**	564,231	**369,809**	564,231
Loans and advances	**692,127**	515,928	**702,756**	520,143
	2,040,095	1,646,458	**2,037,729**	1,647,183
Other interest income				
Other financial asset measured at fair value	**436,649**	228,308	**436,649**	228,304

9. INTEREST EXPENSE

	Group		Bank	
	2023	2022	**2023**	2022
Interest expense calculated using the effective interest method				
Savings accounts	**135,484**	180,364	**135,484**	180,364
Time and other deposits	**330,570**	220,725	**324,618**	220,922
Overnight and call accounts	**130,656**	144,442	**153,824**	157,899
Current accounts	**23,056**	24,109	**23,056**	24,109
Borrowings	**310,691**	393,563	**310,691**	393,563
Finance charge on lease liabilities	**3,882**	2,564	**3,882**	2,564
	934,339	965,767	**951,555**	979,421

10. FEE AND COMMISSION INCOME

	Group		Bank	
Fee income earned from services that are provided over time:	**2023**	2022	**2023**	2022
Guarantee fees	**9,169**	4,584	**9,169**	4,584
Fee income from providing financial services at a point in time:				
Trade finance fees	**34,022**	12,763	**34,022**	12,763
Credit related fees and commissions	**2,092**	30,644	**2,092**	30,644
Service charges	**254,607**	177,865	**254,623**	177,884
Other fees and commissions	**62,928**	30,629	**54,020**	18,231
	362,818	256,485	**353,926**	244,106

Other fees and commissions includes bancassurance fees, custodian service fees, advisor fees etc.

11. FEE AND COMMISSION EXPENSE

Direct charges for services	**115,486**	108,041	**115,452**	108,017

12. OTHER OPERATING INCOME

Foreign exchange:				
Net foreign exchange gain	**266,187**	372,814	**266,061**	372,712
Net securities trading income	**(25,125)**	19,539	**(1,663)**	19,539
Sundry income	**5,049**	8,670	**5,025**	8,637
	246,111	401,023	**269,423**	400,888

13. OPERATING EXPENSES

(a) Personnel expenses comprise:				
Wages and salaries	**145,502**	131,371	**138,785**	124,579
Social security fund contribution	**16,794**	14,467	**16,794**	14,467
Provident fund contribution	**8,985**	8,303	**8,985**	8,303
Other employee cost	**229,269**	140,836	**229,269**	140,836
	400,550	294,977	**393,833**	288,185

Other employee cost comprises allowances, staff medicals, expenses on the fair valuation of employee loans and other employee related costs.

The number of persons employed by the Group and the Bank at the end of the year was **1,182** (2022: 1,188) and **1,163** (2022: 1,171) respectively.

All amounts are in thousands of Ghana cedis

13. OPERATING EXPENSES (Continued)

	Group		Bank	
(b) Depreciation and amortisation expenses comprise:	**2023**	2022	**2023**	2022
Depreciation (Note 22)	**50,985**	40,443	**50,938**	40,319
Amortisation (Note 23)	**19,186**	16,461	**19,177**	16,428
	70,171	56,904	**70,115**	56,747

(c) Other expenses comprise:

	Group 2023	Group 2022	Bank 2023	Bank 2022
Advertising and marketing	**26,837**	22,410	**26,289**	22,050
Audit fees	**937**	649	**700**	567
Directors' expenses	**4,940**	3,235	**4,592**	2,934
Utilities	**25,294**	18,252	**24,518**	17,633
Repairs and maintenance	**4,875**	4,891	**4,353**	3,643
Stationery and print expenses	**9,148**	6,011	**9,142**	6,005
Outsourced services	**58,785**	51,831	**58,785**	51,831
Other operating expenses	**272,568**	196,816	**271,316**	195,588
Legal and consultancy fees	**21,784**	10,456	**21,800**	10,391
Training	**4,867**	3,327	**4,810**	3,318
Donations and sponsorship	**2,636**	602	**2,623**	600
	432,671	318,480	**428,928**	314,560

Other operating expenses cover insurance, software maintenance, fuel, occupancy etc.

14. ALLOWANCE FOR EXPECTED CREDIT LOSSES ON FINANCIAL ASSETS

	Group		Bank	
	2023	2022	**2023**	2022
(a)) Breakdown of allowance for expected credit losses				
Cash and cash equivalents	**161**	(501)	**161**	(501)
Financial guarantees and undrawn commitments	**(1,980)**	11,724	**(1,980)**	11,724
Letters of credit	**(9,098)**	7,089	**(9,098)**	7,089
	(10,917)	18,312	**(10,917)**	18,312
Loans and advances to customers	**29,165**	262,010	**29,165**	262,010
Recoveries*	**(15,000)**	(14,470)	**(15,000)**	(14,470)
	14,165	247,540	**14,165**	247,540
Total allowance on loans and advances and others	**3,248**	265,852	**3,248**	265,852

* This relates to recovery of loans that have been previously written-off.

	Group 2023	Group 2022	Bank 2023	Bank 2022
(b) Allowance for expected credit losses and derecognition loss on investment securities				
Net impairment loss on investment securities	**181,136**	1,055,658	**180,921**	1,026,322
Reversal of prior year impairment loss on investment securities on derecognition	**(1,060,717)**	-	**(1,031,353)**	-
Total allowance on investment securities	**(879,581)**	1,055,658	**(850,432)**	1,026,322
(c) Derecognition loss on investment securities				
Derecognition loss on investment securities	**819,648**	-	**819,648**	-
Total allowance on loans and advances, investment securities and others	**(56,685)**	1,321,510	**(27,536)**	1,292,174

In 2022, Ghana faced a severe economic and financial crisis, with a debt burden assessed as unsustainable. Specifically, a combination of pre-existing vulnerabilities and external shocks such as the COVID-19 pandemic and Russia's war in Ukraine had resulted in acute financing pressures, a depreciating cedi, declining international reserves, slowing economic activity and high inflation.

Against this backdrop, the Ghanaian authorities put in place a reform program to restore macroeconomic stability and debt sustainability and lay the foundations for stronger and more inclusive growth. Ghana requested International Monetary Fund (IMF) financial support, and on May 17, 2023, the IMF Executive Board approved a US$ 3 billion, 3 year Extended Credit Facility (ECF) arrangement to support Ghana's economic recovery program. The ECF arrangement required a comprehensive restructuring of Ghana's debt both domestic and external. The domestic debt exchange included local cedi bonds, pension funds, local usd bonds and cocoa bills. The domestic debt exchange was completed in 2023. The Group tendered in a total of GH¢ 4.86 billion (in principal and unpaid interest) in local cedi bonds, local usd bonds and cocoa bills.

All amounts are in thousands of Ghana cedis

In line with IFRSs, the old bonds were derecognised and a new asset in the new bonds recognised. This resulted from the cash flows of the new bonds being substantially different from the contractual cash flows of the original financial assets. Based on this, a derecognition loss of GH¢ 819.65 million was recorded at exchange. The carrying amount of the old bonds before derecognition was GH¢ 3.99 billion. The new bonds are deemed to be purchased or originated credit impaired (POCI).

(d) Movement in allowance for expected credit losses on loans and advances is as follows:	**Group**		**Bank**	
	2023	2022	**2023**	2022
At 1 January	**197,145**	116,316	**197,145**	116,316
Increase in allowance for expected credit losses	**29,165**	262,010	**29,165**	262,010
Amounts written off as uncollectible	**(38,171)**	(202,746)	**(38,171)**	(202,746)
Foreign exchange movement	**(15,226)**	21,565	**(15,226)**	21,565
At year end	**172,913**	197,145	**172,913**	197,145

15. INCOME TAX EXPENSE

	Group		**Bank**	
	2023	2022	**2023**	2022
Current income tax	**278,830**	150,199	**278,475**	147,212
Deferred tax (Note 16)	**26,826**	(284,523)	**19,542**	(277,250)
Income tax expense	**305,656**	(134,324)	**298,017**	(130,038)
Growth and Sustainability Levy	**58,860**	-	**58,269**	-
Financial Sector Recovery Levy	**58,269**	-	**58,269**	-
	422,785	(134,324)	**414,555**	(130,038)

The tax on the Group and Bank's profit before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

Profit before tax	**1,189,141**	(533,409)	**1,165,380**	(518,623)
Corporate tax rate at **25%** (2022: 25%)	**297,285**	(133,352)	**291,345**	(129,656)
Effect of different tax rates in other countries	**(2,629)**	(1,100)	**-**	-
Effect of non-deductible items	**1,214**	169	**1,214**	169
Effect of non-taxable items	**9,786**	(41)	**5,458**	(551)
Growth and Sustainability Levy at **5%** (2022: 5%)	**58,860**	-	**58,269**	-
Financial Sector Recovery Levy at **5%** (2022: 5%)	**58,269**	-	**58,269**	-
Income tax expense	**422,785**	(134,324)	**414,555**	(130,038)
Effective tax rate	**35.55%**	25.18%	**35.57%**	25.07%

Current tax (asset)/liability

The movement on current income tax for 2023 is as follows:

Group	At 1 January	Paid during the year	Charge	At 31 December
Year of assessment				
Current income tax				
Up to 2022	19,937	-	-	19,937
2023	-	(270,330)	278,830	8,500
	19,937	**(270,330)**	**278,830**	**28,437**
Growth and Sustainability Levy				
Up to 2022	(29,662)	-	-	(29,662)
2023	-	(25,451)	58,860	33,409
	(29,662)	**(25,451)**	**58,860**	**3,747**
Financial Sector Recovery Levy				
Up to 2022	(25,676)	-	-	(25,676)
2023	-	(26,649)	58,269	31,620
	(25,676)	**(26,649)**	**58,269**	**5,944**
Total current tax liability				**38,128**
Bank				
Year of assessment				
Current income tax				
Up to 2022	19,739	-	-	19,739
2023	-	(269,869)	278,475	8,606
	19,739	**(269,869)**	**278,475**	**28,345**
Growth and Sustainability Levy				
Up to 2022	(29,244)	-	-	(29,244)
2023	-	(24,863)	58,269	33,406
	(29,244)	**(24,863)**	**58,269**	**4,162**
Financial Sector Recovery Levy				
Up to 2022	(25,676)	-	-	(25,676)
2023	-	(26,649)	58,269	31,620
	(25,676)	**(26,649)**	**58,269**	**5,944**
Total current tax liability				**38,451**

All amounts are in thousands of Ghana cedis

15. INCOME TAX EXPENSE (Continued)

Current tax (asset)/ liability

The movement on current income tax for 2022 is as follows:

Group Year of assessment	At 1 January	Paid during the year	Charge	At 31 December
Current income tax				
Up to 2021	6,282	-	-	6,282
2022	-	(136,549)	150,204	13,655
	6,282	**(136,549)**	**150,204**	**19,937**
National Fiscal Stabilisation Levy				
Up to 2021	(1,281)	-	-	(1,281)
2022	-	(28,381)	-	(28,381)
	(1,281)	**(28,381)**	-	**(29,662)**
Financial Sector Recovery Levy				
Up to 2021	2,220	-	-	2,220
2022	-	(27,896)	-	(27,896)
	2,220	**(27,896)**	-	**(25,676)**
Total current tax liability				**(35,401)**

Bank Year of assessment	At 1 January	Paid during the year	Charge	At 31 December
Current income tax				
Up to 2021	6,144	-	-	6,144
2022	-	(133,617)	147,212	13,595
	6,144	**(133,617)**	**147,212**	**19,739**
National Fiscal Stabilisation Levy				
Up to 2021	(1,348)	-	-	(1,348)
2022	-	(27,896)	-	(27,896)
	(1,348)	**(27,896)**	-	**(29,244)**
Financial Sector Recovery Levy				
Up to 2021	2,220	-	-	2,220
2022	-	(27,896)	-	(27,896)
	2,220	**(27,896)**	-	**(25,676)**
Total current tax liability				**(35,181)**

16. DEFERRED TAX

Deferred tax (assets)/liabilities are attributable to the following:

Group	2023 Assets	2023 Liabilities	2023 Net	2022 Assets	2022 Liabilities	2022 Net
Property and equipment	**(3,805)**	**-**	**(3,805)**	9,002	-	9,002
Allowances for expected credit losses	**(277,581)**	**-**	**(277,581)**	(322,219)	-	(322,219)
Lease liability and ROU asset	**(14,234)**	**12,933**	**(1,301)**	(8,496)	12,200	3,704
Property revaluation gain	**-**	**27,283**	**27,283**	-	-	-
Gains/Losses on FVOCI instruments	**-**	**571**	**571**	-	-	-
Net tax (assets)/liabilities	**(295,620)**	**40,787**	**(254,833)**	(321,713)	12,200	(309,513)

Bank	2023 Assets	2023 Liabilities	2023 Net	2022 Assets	2022 Liabilities	2022 Net
Property and equipment	**(3,753)**	**-**	**(3,753)**	8,996	-	8,996
Allowances for expected credit losses	**(277,581)**	**-**	**(277,581)**	(314,878)	-	(314,878)
Lease liability and ROU asset	**(14,234)**	**12,933**	**(1,301)**	(8,496)	12,200	3,704
Property revaluation gain	**-**	**27,283**	**27,283**	-	-	-
Gains/Losses on FVOCI instruments	**-**	**571**	**571**	-	-	-
Net tax (assets)/liabilities	**(295,568)**	**40,787**	**(254,781)**	(314,378)	12,200	(302,178)

Deferred tax is calculated using the enacted income tax rate of **25%** (2022: 25%). Deferred tax charges in the statement of comprehensive income are attributable to the following items:

Group

2023	At 1 January	Movement	At 31 December
Property and equipment	9,002	(12,807)	(3,805)
Allowances for expected credit losses	(322,219)	44,638	(277,581)
Lease liability and ROU asset	3,704	(5,005)	(1,301)
Deferred tax (income)/expense through profit or loss	**(309,513)**	**26,826**	**(282,687)**
Property revaluation gain	-	27,283	27,283
Deferred tax expense through equity (gains on FVOCI instruments)	-	571	571
Total	**(309,513)**	**54,680**	**(254,833)**

The deferred tax assets related to allowances for expected credit losses primarily pertain to the recognition of anticipated credit losses on investment securities exchanged under the Domestic Debt Exchange Programme.

All amounts are in thousands of Ghana cedis

16. DEFERRED TAX (continued)

Bank

2023	At 1 January	Movement	At 31 December
Property and equipment	8,996	(12,749)	(3,753)
Allowances for expected credit losses	(314,877)	37,296	(277,581)
Lease liability and ROU asset	3,704	(5,005)	(1,301)
Deferred tax (income)/expense through profit or loss	**(302,177)**	**19,542**	**(282,635)**
Property revaluation gain	-	27,283	27,283
Deferred tax expense through equity (gains on FVOCI instruments)	-	571	571
Total	**(302,177)**	**47,396**	**(254,781)**

Group

2022	At 1 January	Movement	At 31 December
Property and equipment	7,615	1,387	9,002
Allowances for expected credit losses	(35,678)	(286,541)	(322,219)
Lease liability and ROU asset	3,071	633	3,704
Deferred tax (income)/expense through profit or loss	**(24,992)**	**(284,521)**	**(309,513)**
Deferred tax expense through equity (gains on FVOCI instruments)	7,273	(7,273)	-
Total	**(17,719)**	**(291,794)**	**(309,513)**

Bank

2022	At 1 January	Movement	At 31 December
Property and equipment	7,678	1,318	8,996
Allowances for expected credit losses	(35,678)	(279,200)	(314,878)
Lease liability and ROU asset	3,071	633	3,704
Deferred tax (income)/expense through profit or loss	**(24,929)**	**(277,249)**	**(302,178)**
Deferred tax expense through equity (gains on FVOCI instruments)	7,273	(7,273)	-
Total	**(17,656)**	**(284,522)**	**(302,178)**

17a. CASH AND CASH EQUIVALENTS

	Group		Bank	
	2023	2022	**2023**	2022
Cash and balances with Banks	**998,616**	686,378	**997,292**	688,476
Balances with the Central Bank	**3,730,858**	2,534,644	**3,730,858**	2,534,644
Money market placements	**480,855**	198,856	**480,855**	198,856
Allowance for expected credit losses on placements (Note 3.1.8)	**(240)**	(79)	**(240)**	(79)
Total	**5,210,089**	3,419,799	**5,208,765**	3,421,897

17b. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments

The table below shows the fair value of derivative financial instruments recorded as asset or liabilities together with their notional amounts. The notional amounts, recorded gross, is the amount of a derivative's underlying asset, reference rate or index and is the basis upon which changes in the value of the derivates are measured.

Group	**2023 Fair value of derivatives instrument-Asset**	**2023 Notional Amount**	2022 Fair value of derivatives instrument-Liability	2022 Notional Amount
Fair valuation on foreign exchange currency swap	**16,833**	**1,012,424**	368,886	2,095,653

Bank	**2023 Fair value of derivatives instrument-Asset**	**2023 Notional Amount**	2022 Fair value of derivatives instrument-Liability	2022 Notional Amount
Fair valuation on foreign exchange currency swap	**16,833**	**1,012,424**	368,886	2,095,653

The derivative financial instruments mature within three months of the reporting date.

All amounts are in thousands of Ghana cedis

18. INVESTMENT SECURITIES

	Group		Bank	
Analysis of investment securities by tenor	**2023**	2022	**2023**	2022
Maturing within 91 days of acquisition	**4,819,127**	2,253,461	**4,817,523**	2,252,901
Maturing after 91 days but within 182 days of acquisition	**37,695**	92,572	**37,695**	92,572
Maturing after 182 days of acquisition but within 1 year of acquisition	**26,815**	368,351	**26,815**	363,467
Maturing after 1 year of acquisition	**3,737,894**	4,365,492	**3,737,894**	4,267,722
Gross Total	**8,621,531**	7,079,876	**8,619,927**	6,976,662
Allowance for expected credit losses on investment securities (Note 3.1.8)	**(180,921)**	(1,060,716)	**(180,921)**	(1,031,353)
Derecognition loss	**(743,408)**	-	**(743,408)**	-
At 31 December	**7,697,202**	6,019,160	**7,695,598**	5,945,309
Classification of investment securities				
Debt instruments at FVOCI	**1,684,324**	387,106	**1,684,324**	387,106
Debt instruments at FVPL	**330,696**	82,643	**330,696**	81,286
Held at fair value	**2,015,020**	469,749	**2,015,020**	468,392
Held at amortised cost	**6,606,511**	6,610,127	**6,604,907**	6,508,270
Allowance for expected credit losses on investment securities	**(180,921)**	(1,060,716)	**(180,921)**	(1,031,353)
Derecognition loss	**(743,408)**	-	**(743,408)**	-
Total	**7,697,202**	6,019,160	**7,695,598**	5,945,309
Classification of investment securities				
Non-Pledged Assets	**6,240,883**	5,207,960	**6,239,279**	5,134,109
Pledged Assets	**1,456,319**	811,200	**1,456,319**	811,200
Total	**7,697,202**	6,019,160	**7,695,598**	5,945,309

Debt instruments comprise various bills and bonds issued by the Government of Ghana and the Bank of Ghana.

Pledged assets are investment securities that have been pledged as collateral to secure borrowing.

In 2022, Ghana faced a severe economic and financial crisis, with a debt burden assessed as unsustainable. Specifically, a combination of pre-existing vulnerabilities and external shocks such as the COVID-19 pandemic and Russia's war in Ukraine had resulted in acute financing pressures, a depreciating cedi, declining international reserves, slowing economic activity and high inflation.

Against this backdrop, the Ghanaian authorities put in place a reform program to restore macroeconomic stability and debt sustainability and lay the foundations for stronger and more inclusive growth. Ghana requested International Monetary Fund (IMF) financial support, and on May 17, 2023, the IMF Executive Board approved a US$ 3 billion, 3 year Extended Credit Facility (ECF) arrangement to support Ghana's economic recovery program. The ECF arrangement required a comprehensive restructuring of Ghana's debt both domestic and external. The domestic debt exchange included local cedi bonds, pension funds, local usd bonds and cocoa bills. The domestic debt exchange was completed in 2023. The Group tendered in a total of GH¢ 4.86 billion (in principal and unpaid interest) in local cedi bonds, local usd bonds and cocoa bills.

In line with IFRSs, the old bonds were derecognised and a new asset in the new bonds recognised. This resulted from the cash flows of the new bonds being substantially different from the contractual cash flows of the original financial assets. Based on this, a derecognition loss of GH¢ 819.65 million was recorded at exchange. The carrying amount of the old bonds before derecognition was GH¢ 3.99 billion. The new bonds are deemed to be purchased or originated credit impaired (POCI).

19. INVESTMENTS (OTHER THAN SECURITIES)

	Group		Bank	
	2023	2022	**2023**	2022
Fidelity Securities Limited	**-**	-	**101**	101
Fidelity Asia Bank Limited	**-**	-	**12,370**	12,370
Total	**-**	-	**12,471**	12,471

The Bank holds a 100% equity stake in both Fidelity Asia Bank and Fidelity Securities Limited.

All amounts are in thousands of Ghana cedis

20. LOANS AND ADVANCES TO CUSTOMERS

(a) Analysis by product type:

	Group		Bank	
	2023	2022	**2023**	2022
Term loans	**2,540,530**	2,420,180	**2,540,530**	2,499,660
Overdrafts	**735,319**	409,900	**735,319**	409,900
Staff	**110,924**	103,333	**110,924**	103,333
Gross loans and advances to customers	**3,386,773**	2,933,413	**3,386,773**	3,012,893
Allowance for expected credit losses (Note 14c)	**(172,913)**	(197,145)	**(172,913)**	(197,145)
Net loans and advances to customers	**3,213,860**	2,736,268	**3,213,860**	2,815,748
Current	**1,642,862**	1,279,192	**1,642,862**	1,279,872
Non-current	**1,570,998**	1,457,076	**1,570,998**	1,535,876
	3,213,860	2,736,268	**3,213,860**	2,815,748

(b) Analysis by type of customer:

	Group		Bank	
	2023	2022	**2023**	2022
Individuals	**523,641**	504,943	**523,641**	504,493
Private enterprises	**2,651,649**	2,051,429	**2,651,649**	2,131,359
State enterprise and public institutions	**100,559**	273,708	**100,559**	273,708
Staff	**110,924**	103,333	**110,924**	103,333
	3,386,773	2,933,413	**3,386,773**	3,012,893
Allowance for expected credit losses (Note 14)	**(172,913)**	(197,145)	**(172,913)**	(197,145)
Net loans and advances to customers	**3,213,860**	2,736,268	**3,213,860**	2,815,748

(c) Analysis by industry:

	Group		Bank	
	2023	2022	**2023**	2022
Agriculture, forestry & fishing	**47,199**	84,237	**47,199**	84,237
Commerce & finance	**697,616**	428,177	**697,616**	507,657
Electricity, gas & water, construction	**553,553**	656,380	**553,553**	656,380
Manufacturing	**549,437**	283,616	**549,437**	283,616
Mining & quarrying	**34,814**	55,882	**34,814**	55,882
Services	**1,118,866**	1,209,265	**1,118,866**	1,209,265
Transport, storage & communication	**385,288**	215,856	**385,288**	215,856
Gross loans and advances	**3,386,773**	2,933,413	**3,386,773**	3,012,893
Impairment Allowance	**(172,913)**	(197,145)	**(172,913)**	(197,145)
Net loans and advances	**3,213,860**	2,736,268	**3,213,860**	2,815,748

(d) Key ratios on loans and advances	Group		Bank	
	2023	2022	**2023**	2022
Loan loss provision ratio	**5.11%**	6.70%	**5.11%**	6.52%
50 largest exposures to total exposures	**74.58%**	68.45%	**74.58%**	66.64%

21. OTHER ASSETS

	Group		Bank	
	2023	2022	**2023**	2022
Prepayments	**88,403**	119,900	**88,403**	119,900
Sundry assets	**320,136**	492,331	**317,556**	489,343
Net other assets	**408,539**	612,231	**405,959**	609,243

Sundry assets include balances on MTO settlement platforms, online vendor accounts, other payment platform balances and other account receivables. Prepayments mainly consists of other services paid for in advance.

There are no material items within other assets that requires impairment allowance.

All amounts are in thousands of Ghana cedis

22. PROPERTY, EQUIPMENT AND RIGHT-OF-USE ASSETS

Group - 2023	Motor vehicles	Computers-Hardware	Equipment	Furniture and fittings	Leasehold improvement	Right-of-use assets	Building	Land	Capital work-in-progress	Total
Cost										
Balance at 1 January 2023	32,354	50,742	72,565	15,307	91,406	111,052	2,127	12,454	5,193	**393,200**
Additions	8,594	6,008	5,361	1,039	1,628	21,174	-	-	27,165	**70,969**
Transfers	-	-	5,222	477	4,105	-	-	-	(9,804)	**-**
Property revaluation gain	-	-	-	-	78,200	-	-	30,930	-	**109,130**
Balance at 31 December 2023	**40,948**	**56,750**	**83,148**	**16,823**	**175,339**	**132,226**	**2,127**	**43,384**	**22,554**	**573,299**
Depreciation										
Balance at 1 January 2023	15,069	42,527	45,615	11,766	30,785	62,252	16	-	-	**208,030**
Charge for the year	7,203	4,024	11,775	1,782	7,957	18,244	-	-	-	**50,985**
Balance at 31 December 2023	**22,272**	**46,551**	**57,390**	**13,548**	**38,742**	**80,496**	**16**	**-**	**-**	**259,015**
Net Book Value	**18,676**	**10,199**	**25,758**	**3,275**	**136,597**	**51,730**	**2,111**	**43,384**	**22,554**	**314,284**

Right of use assets relate to branches and locations leased by the bank.

The Group revalued its land and buildings within the reporting period. The asset revaluation exercise was undertaken by one of the Group's approved independent valuers. The revaluation resulted in the recognition of a gain of GH¢ 109.13 million (2022: Nil) and a corresponding additional depreciation of GH¢ 2.28 million. In accordance with Section 156 of the Banks and Specialised Deposit-Taking Institutions Act, 2016, Act 930, the Group's Net Own Funds shall exclude revaluation reserves on property, plant, and equipment. Furthermore, the revaluation surplus is not distributable to shareholders. If the land and buildings were measured using the cost model, the carrying amounts would be as follows:

	Group 2023	Bank 2023
Cost	**64,877**	**64,877**
Accumulated depreciation	**(8,940)**	**(8,940)**
Net Book Value	**55,937**	**55,937**

Valuation technique, significant input and assumptions

The fair value of the land and buildings was determined using the market value approach and was conducted in accordance with the standards of the Ghana Institution of Surveyors (GhIS).

The following assumptions were considered in valuing the various properties:

- That the property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings and that a good title can be shown.
- That the property and its value are not affected by any matters, which would be revealed by a local search and replies to the usual enquires or by any statutory notice, and that neither property nor its condition, nor its intended use, is or will be unlawful.
- That all the data gathered from property stakeholders for the purpose of this valuation exercise is deemed to be correct and accurate.

There were no capitalised borrowing costs related to the acquisition of property and equipment during the year ended December 31, 2023 (December 31, 2022: nil). Additionally, there were no restrictions on title, and no property and equipment have been pledged as security for a liability as of December 31, 2023 (December 31, 2022: Nil).

Bank - 2023	**Motor vehicles**	**Computers-Hardware**	**Equipment**	**Furniture and fittings**	**Leasehold improvement**	**Right-of-use assets**	**Land**	**Capital work-in-progress**	**Total**
Cost									
Balance at 1 January 2023	32,275	50,203	72,491	15,202	91,212	111,052	14,565	5,193	**392,193**
Additions	8,594	6,008	5,361	1,037	1,628	21,174	-	27,165	**70,967**
Transfers	-	-	5,222	477	4,105	-	-	(9,804)	**-**
Property revaluation gain	-	-	-	-	78,200	-	30,930	-	**109,130**
Balance at 31 December 2023	**40,869**	**56,211**	**83,074**	**16,716**	**175,145**	**132,226**	**45,495**	**22,554**	**572,290**
Depreciation									
Balance at 1 January 2023	15,001	42,058	45,543	11,689	30,592	62,252	-	-	**207,135**
Charge for the year	7,198	3,998	11,773	1,768	7,957	18,244	-	-	**50,938**
Balance at 31 December 2023	**22,199**	**46,056**	**57,316**	**13,457**	**38,549**	**80,496**	**-**	**-**	**258,073**
Net Book Value	**18,670**	**10,155**	**25,758**	**3,259**	**136,596**	**51,730**	**45,495**	**22,554**	**314,217**

Right of use assets relate to branches and locations leased by the bank.

There were no capitalised borrowing costs related to the acquisition of property and equipment during the year ended December 31, 2023 (December 31, 2022: nil). Additionally, there were no restrictions on title, and no property and equipment have been pledged as security for a liability as of December 31, 2023 (December 31, 2022: Nil).

All amounts are in thousands of Ghana cedis

22. PROPERTY, EQUIPMENT AND RIGHT-OF-USE ASSETS (continued)

Group - 2022	Motor vehicles	Computers -Hardware	Equipment	Furniture and fittings	Leasehold improvement	Right-of-use assets	Building	Land	Capital work-in-progress	Total
Cost										
Balance at 1 January 2022	22,307	45,687	56,238	13,518	86,625	101,151	2,127	12,454	3,260	**343,367**
Additions	7,301	5,055	14,218	1,233	630	9,901	-	-	11,495	**49,833**
Transfers	2,746	-	2,109	556	4,151	-	-	-	(9,562)	**-**
Balance at 31 December 2022	**32,354**	**50,742**	**72,565**	**15,307**	**91,406**	**111,052**	**2,127**	**12,454**	**5,193**	**393,200**
Depreciation										
Balance at 1 January 2022	10,079	38,411	37,035	10,168	25,994	45,884	16	-	-	**167,587**
Charge for the year	4,990	4,116	8,580	1,598	4,791	16,368	-	-	-	**40,443**
Balance at 31 December 2022	**15,069**	**42,527**	**45,615**	**11,766**	**30,785**	**62,252**	**16**	**-**	**-**	**208,030**
Net Book Value	**17,285**	**8,215**	**26,950**	**3,541**	**60,621**	**48,800**	**2,111**	**12,454**	**5,193**	**185,170**

Right of use assets relate to branches and locations leased by the bank.

Bank - 2022	Motor vehicles	Computers -Hardware	Equipment	Furniture and fittings	Leasehold improvement	Right-of-use assets	Land	Capital work-in-progress	Total
Cost									
Balance at 1 January 2022	22,228	45,187	56,164	13,445	86,431	101,151	14,565	3,260	**342,431**
Additions	7,301	5,016	14,218	1,201	630	9,901	-	11,495	**49,762**
Transfers	2,746	-	2,109	556	4,151	-	-	(9,562)	**-**
Balance at 31 December 2022	**32,275**	**50,203**	**72,491**	**15,202**	**91,212**	**111,052**	**14,565**	**5,193**	**392,193**
Depreciation									
Balance at 1 January 2022	10,016	38,046	36,973	10,096	25,801	45,884	-	-	**166,816**
Charge for the year	4,985	4,012	8,570	1,593	4,791	16,368	-	-	**40,319**
Balance at 31 December 2022	**15,001**	**42,058**	**45,543**	**11,689**	**30,592**	**62,252**	-	-	**207,135**
Net Book Value	**17,274**	**8,145**	**26,948**	**3,513**	**60,620**	**48,800**	**14,565**	**5,193**	**185,058**

Right of use assets relate to branches and locations leased by the bank.

There were no capitalised borrowing costs related to the acquisition of property and equipment during the year ended December 31, 2022 (December 31, 2021: nil). Additionally, there were no restrictions on title, and no property and equipment have been pledged as security for a liability as of December 31, 2022 (December 31, 2021: Nil).

23. INTANGIBLE ASSETS

2023	Computer software	Capital work-in-progress	Total
Group			
Cost			
Balance at 1 January 2023	123,669	13,751	137,420
Additions	15,491	12,084	27,575
Transfers	14,540	(14,540)	-
Balance at 31 December 2023	**153,700**	**11,295**	**164,995**
Amortisation			
Balance at 1 January 2023	79,096	-	79,096
Charge for the year	19,186	-	19,186
Balance at 31 December 2023	**98,282**	-	**98,282**
Net Book Value	**55,418**	**11,295**	**66,713**

	Computer software	Capital work-in-progress	Total
Bank			
Cost			
Balance at 1 January 2023	120,477	13,455	133,932
Additions	15,491	12,085	27,576
Transfers	14,540	(14,540)	-
Balance at 31 December 2023	**150,508**	**11,000**	**161,508**
Amortisation			
Balance at 1 January 2023	75,944	-	75,944
Charge for the year	19,177	-	19,177
Balance at 31 December 2023	**95,121**	**-**	**95,121**
Net Book Value	**55,387**	**11,000**	**66,387**

There are no internally generated intangibles.

All amounts are in thousands of Ghana cedis

2022	Computer software	Capital work-in-progress	Total
Group			
Cost			
Balance at 1 January 2022	97,351	8,553	105,904
Additions	11,442	20,074	31,516
Transfers	14,877	(14,877)	-
Balance at 31 December 2022	**123,670**	**13,750**	**137,420**
Amortisation			
Balance at 1 January 2022	62,635	-	62,635
Charge for the year	16,461	-	16,461
Balance at 31 December 2022	**79,096**	**-**	**79,096**
Net Book Value	**44,574**	**13,750**	**58,324**

	Computer software	Capital work-in-progress	Total
Bank			
Cost			
Balance at 1 January 2022	94,158	8,260	102,418
Additions	11,442	20,072	31,514
Transfers	14,877	(14,877)	-
Balance at 31 December 2022	**120,477**	**13,455**	**133,932**
Amortisation			
Balance at 1 January 2022	59,516	-	59,516
Charge for the year	16,428	-	16,428
Balance at 31 December 2022	**75,944**	**-**	**75,944**
Net Book Value	**44,533**	**13,455**	**57,988**

There are no internally generated intangibles.

24. NON-CURRENT ASSETS HELD FOR SALE

These relates to assets repossessed from loan defaulting customers which has been classified as held for sale in the Group's financial statement for the year ended 31 December 2023. Where the proceeds of disposal are expected to be lower than the gross carrying amount of the assets, an impairment provision has been made for the expected shortfall.

	Collaterals repossessed	
	2023	2022
Land and buildings	**31,938**	31,938
Less: Cost to sell	**(800)**	-
Total non-current assets classified as held for sale	**31,138**	31,938

25. DEPOSITS FROM CUSTOMERS

	Group		Bank	
	2023	2022	**2023**	2022
Current accounts	**6,826,919**	4,977,649	**6,721,836**	4,910,276
Call accounts	**1,585,200**	1,416,353	**1,585,200**	1,416,353
Savings accounts	**3,048,619**	2,406,711	**3,048,619**	2,406,711
Time deposits	**1,237,135**	782,331	**1,067,767**	660,020
Total	**12,697,873**	9,583,044	**12,423,422**	9,393,360
Current	**2,593,557**	2,264,746	**2,319,106**	2,075,062
Non-current	**10,104,316**	7,318,298	**10,104,316**	7,318,298
Total	**12,697,873**	9,583,044	**12,423,422**	9,393,360
20 largest depositors to total deposit ratio	**27.35%**	26.42%	**27.35%**	26.42%

26. DEPOSITS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group		Bank	
	2023	2022	**2023**	2022
Other deposits	**217,216**	478,198	**229,784**	481,449

Deposits from banks and other financial institutions consist of short-term deposits from various banks and financial institutions.

All amounts are in thousands of Ghana cedis

27. BORROWINGS (GROUP AND BANK)

(a) Borrowings

At the end of the year, the Bank had short term and long term obligations as detailed below:

	Group		Bank	
	2023	2022	**2023**	2022
Short term borrowings	**2,297,767**	2,406,015	**2,663,107**	2,658,117
Long term borrowings	**68,329**	200,465	**68,329**	200,465
	2,366,096	2,606,480	**2,731,436**	2,858,582

Short term borrowings are overnight placements by banks and other financial institutions.

(b) Long term borrowings

The movement in long term borrowings during the year is as follows:

2023	At 1 January	Interest	Repayments	Exchange differences	At 31 December
PROPARCO	13,229	1,159	(18,548)	4,160	-
EUROPEAN INVESTMENT BANK	58,178	5,080	(34,917)	20,090	**48,431**
FINANCE IN MOTION	129,053	5,153	(153,301)	38,993	**19,898**
Total	**200,460**	**11,392**	**(206,766)**	**63,243**	**68,329**
Current					**51,988**
Non -current					**16,341**
Total					**68,329**

The movement in long term borrowings during the year is as follows:

2022	At 1 January	At 1 January	Interest	Repayments	Exchange differences	At 31 December
PROPARCO	18,450	-	1,558	(17,007)	10,229	13,230
DEG, FMO and SWEDFUND (TIER II CAPITAL)	30,450	-	370	(35,997)	5,177	-
EUROPEAN INVESTMENT BANK	56,515	-	3,339	(26,825)	25,151	58,180
FINANCE IN MOTION	-	120,002	2,741	(2,328)	8,640	129,055
Total	**105,415**	**120,002**	**8,008**	**(82,157)**	**49,197**	**200,465**
Current						66,065
Non -current						134,400
Total						**200,465**

(a) Societe de Promotion et de Participation Pour la Cooperation Economique (PROPARCO)

A loan of US$ 13 million was granted to the Bank on 5 December 2013 for the purposes of on-lending to its customers. The facility is for a period of ten (10) years at an interest rate of the sum of 6 months LIBOR USD rate, the basis swap rate on the determination date and the applicable margin of 4.475% p.a. This facility has run through its full term and duly paid in 2023.

(b) DEG, FMO & Swedfund International Aktiebolag ("SWEDFUND")

On 1 August 2014, at the Bank's request, DEG, FMO and SWEDFUND INTERNATIONAL AKTIEBOLAG ("SWEDFUND"), provided a seven-year subordinated term loan facility of US$60 million for the purpose of increasing the Bank's Tier II Capital and supporting the growth strategy of the Bank.

On 15 March 2019, part payment of the principal was made, reducing the outstanding loan balance to US$50 million. Subsequently US$30 million of this amount was restructured into a senior credit facility. Repayment of the senior credit facility is made semi-annually with an interest rate pegged to the 6-month LIBOR USD rate plus a margin of 4.50%. The remainder of US$20 million continued to run as Tier II Capital, this was however fully paid off in 2022.

(c) European Investment Bank

On 14 October 2016, a EUR 15 million loan agreement was signed between European Investment Bank and Fidelity Bank for the purpose of on-lending. Repayment is agreed to be on a half yearly basis at an interest rate of the sum of 6 months LIBOR USD rate plus an all-in-spread of 2.638% p.a. over a period of nine (9) years and is expected to be fully paid off in April, 2025.

(d) Finance in Motion

The Eco. Business Fund, an impact investment fund advised by Finance in Motion, extended USD 15 million to Fidelity Bank in 2022. The senior loan will be on-lent to a wide range of agribusinesses that cover the entire value chain - from food production to logistics and supply chains across domestic staples and export crops – while promoting production and consumption practices that contribute to the sustainable use of natural resources and biodiversity conservation. The facility was secured at a rate of the sum of Secured Overnight Financing Rate (SOFR) index and a margin of 3.57% p. a. Under the agreement, the expected final repayment is December 2024 and pegged at the SOFR index and a margin of 3.00%.

All amounts are in thousands of Ghana cedis

28. OTHER LIABILITIES

	Group		Bank	
	2023	2022	**2023**	2022
Lease liabilities	**56,936**	33,986	**56,936**	33,986
Expected credit loss on off balance sheet items	**27,202**	23,922	**27,202**	23,922
Other creditors	**276,504**	341,402	**272,319**	338,221
	360,642	399,310	**356,457**	396,129

Other creditors includes accruals, balances on transit accounts and other sundry payables.

Set out below are the carrying amounts of lease liabilities and the movement during the period:

Group and Bank	**2023**	2022
As at 1 January	**33,986**	42,983
Additions	**44,735**	8,075
Accretion of interest	**3,882**	2,564
Payments	**(25,667)**	(19,636)
As at 31 December	**56,936**	33,986
Current	**22,570**	12,793
Non-current	**34,366**	21,193
	56,936	33,986
Principal portion of lease liabilities payment	**21,786**	17,073

The group has elected not to recognise a lease liability for short term leases (leases of expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. At 31 December 2023 the Group was committed to short term leases and the total commitment at that date was **GH¢ 12.77 million** (2022: GH¢ 2.93 million).

Set out below is the maturity profile of the Group's lease liabilities based on contractual undiscounted payments:

	2023	2022
Within one year	**20,280**	12,105
After one year but not more than five years	**29,485**	17,600
More than five years	**11,345**	6,772
	61,110	36,477

29. EARNINGS PER SHARE

The calculation of basic earnings per share as at 31 December 2023 was based on the (loss)/profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding of **25.25 million** (2022: 25.25 million), calculated as follows:

	Group		Bank	
	2023	2022	**2023**	2022
Profit/(loss) attributable to ordinary shareholders				
Net profit for the year	766,356	(399,085)	750,825	(388,585)
Weighted average number of ordinary shares (000' of shares)				
Issued ordinary shares at 1 January	25,250	25,250	25,250	25,250
Effect of additional issue of shares	-	-	-	-
Weighted average number of ordinary shares at year end	**25,250**	25,250	**25,250**	25,250
Basic earnings per share (GH¢)	30.35	(15.81)	29.74	(15.39)
Diluted earnings per share (GH¢)	30.35	(15.81)	29.74	(15.39)

All amounts are in thousands of Ghana cedis

30. STATED CAPITAL

Group and Bank

a. Summary

	2023 GH¢	2022 GH¢
Ordinary shares		
At 1 January	**285,551**	285,551
At year end	**285,551**	285,551
Preference shares		
At 1 January	**137,289**	137,289
At year end	**137,289**	137,289
Total stated capital	**422,840**	422,840

b. Ordinary shares

	2023 GH¢	2022 GH¢
Authorised		
Ordinary shares of no par value ('000)	**1,000,000**	1,000,000
Issued and fully paid ('000):		
At 1 January	**25,250**	25,250
Issued during the year	**-**	-
At 31 December	**25,250**	25,250

There is no unpaid liability on any ordinary shares and there are no calls or instalments unpaid. There are no treasury shares.

c. Preference shares

	2023 GH¢	2022 GH¢
Authorised		
Preference shares ('000)	**50,000**	50,000
Issued and fully paid ('000):		
At 1 January	**9,200**	9,200
At 31 December	**9,200**	9,200

31. DIVIDEND

Group and Bank

Preference shares
Dividend in respect of preference shares amounting to **GH¢ 50.31 million** (2022: GH¢ 33.77 million) was paid in the year ended 31 December, 2023 in accordance with the underlying agreements.

32. STATUTORY RESERVE

This is a non-distributable reserve representing transfers from profit after tax in accordance with Section 34 of the Banks and Specialised Deposit -Taking Institutions Act, 2016 (Act 930). The movement is included in the statement of changes in equity.

33. OTHER RESERVES

Group

Year ended 31 December 2023	**FVOCI reserve**	**Revaluation reserve**	**Translation reserve**	**Total**
At 1 January 2023	**2,607**	**-**	**35,203**	**37,810**
Change in investment securities measured at FVOCI- gross	2,288	-	-	**2,288**
Change in investment securities measured at FVOCI- tax	(571)	-	-	**(571)**
Revaluation Reserve	-	109,131	-	**109,131**
Property Revaluation Reserve - Deferred tax	-	(27,282)	-	**(27,282)**
Foreign currency translation differences of foreign subsidiary	-	-	24,265	**24,265**
	1,717	**81,849**	**24,265**	**107,831**
At 31 December 2023	**4,324**	**81,849**	**59,468**	**145,641**

Year ended 31 December 2022	**FVOCI reserve**	**Translation reserve**	**Total**
At 1 January 2022	**28,199**	**17,267**	**45,466**
Change in investment securities measured at FVOCI- gross	(32,865)	-	**(32,865)**
Change in investment securities measured at FVOCI- tax	7,273	-	**7,273**
Foreign currency translation differences of foreign subsidiary	-	17,936	**17,936**
Net change in investment securities measured at FVOCI	**(25,592)**	**17,936**	**(7,656)**
At 31 December 2022	**2,607**	**35,203**	**37,810**

All amounts are in thousands of Ghana cedis

Bank

Year ended 31 December 2023	FVOCI reserve	Revaluation reserve	Total
At 1 January 2023	**2,607**	-	**2,607**
Change in investment securities measured at FVOCI- gross	2,288	-	**2,288**
Change in investment securities measured at FVOCI- tax	(571)	-	**(571)**
Revaluation Reserve	-	109,131	**109,131**
Property Revaluation Reserve - Deferred tax	-	(27,282)	**(27,282)**
	1,717	**81,849**	**83,566**
At 31 December 2023	**4,324**	**81,849**	**86,173**

Year ended 31 December 2022	FVOCI reserve	Total
At 1 January 2022	**28,199**	**28,199**
Change in investment securities measured at FVOCI- gross	**(32,865)**	**(32,865)**
Change in investment securities measured at FVOCI- tax	7,273	**7,273**
Net change in investment securities measured at FVOCI	**(25,592)**	**(25,592)**
At 31 December 2022	**2,607**	**2,607**

34. CREDIT RISK RESERVE

This is an accumulation of transfers from the retained earnings account to meet the minimum regulatory requirements in respect of allowance for credit losses for non-performing loans and advances. The movement is included in the statement of changes in equity.

The movement in the Bank's credit risk reserve is as follows:	2023	2022
Balance as at 1 January	**-**	3,783
Movement from/(to) retained earnings	**-**	(3,783)
Balance as at year end	**-**	-
The table below compares the impairment allowances for loans and advances per IFRS 9 to that required by the Bank of Ghana guideline:		
At year end		
Bank of Ghana Provisioning	**137,232**	118,000
IFRS 9 allowance for expected credit losses	**(172,913)**	(197,145)
Excess of Bank of Ghana Provisioning over IFRS 9 allowance for expected credit losses	**-**	-

35. RETAINED EARNINGS

This represents the accumulated profits over the years after appropriations. The balance is available for distribution to shareholders.

36. RELATED PARTY DISCLOSURES

Transactions with related parties have been entered into in the normal course of business.

Transactions with subsidiaries

(i) Transactions between Fidelity Bank Ghana LTD and its subsidiaries meet the definition of related party transactions.

The following transactions were carried out with subsidiaries:

	2023		
	FSL	**FAB**	**Total**
Interest income	10,665	-	**10,665**
Interest expense	697	23,168	**23,865**
Fee and commission income	16	-	**16**
(i)Year end balances resulting from transactions with subsidiaries			
Borrowing/Deposit from subsidiaries	-	365,340	**365,340**
Deposits from subsidiaries	1,650	12,568	**14,218**
Amount due from (to) subsidiaries	(349)	-	**(349)**

	2022		
	FSL	**FAB**	**Total**
Interest income	4,147	4,720	**8,867**
Interest expense	197	13,457	**13,654**
Fee and commission income	19	-	**19**
(i)Year end balances resulting from transactions with subsidiaries			
Borrowing/Deposit from subsidiaries	569	255,354	**255,923**
Lending to subsidiaries	79,411	-	**79,411**
Amount due from (to) subsidiaries	(754)	-	**(754)**

All amounts are in thousands of Ghana cedis

(ii) Transactions with key management personnel

Key management personnel are defined as persons having authority and responsibility for planning, directing and controlling the activities of Fidelity Bank Ghana LTD and comprise the Directors and officers of Fidelity Bank Ghana LTD.

Loan balances due from key management personnel are as follows:

	2023	2022
Executive directors	2,037	2,346
Non-executive directors	813	629
Total	**2,850**	2,975

The Bank or Group has entered into transactions with its directors as follows:

	2023	2022
As at 1 January	2,975	3,447
Interest charged	171	135
Loans disbursed	144	1,324
Pay-down	(440)	(1,931)
As at 31 December	**2,850**	2,975

Interest rates charged on balances outstanding on director loans are based on agreed terms and conditions. Secured loans granted are secured over property of the respective borrowers. No impairment losses have been recorded against balances outstanding during the year with key management and therefore no specific allowances have been made for impairment losses on balances with key management.

(iii) Non-executive directors' emoluments

Remuneration paid to non-executive directors in the form of fees, allowances and related expenses are disclosed in Note 13.

(iv) Key management personnel remuneration

	2023	2022
Salaries and short-term employee benefits	8,000	8,729
Social security fund contribution	713	767
Provident fund contribution	548	590
	9,261	10,086

(v) Connected lending

Included in loans and advances is **GH¢ 31.95 million** (2022: GH¢ 96.77 million) being advances to companies where a relationship exists by virtue of shareholding. The advances are entered into in the ordinary course of business.

(vi) Related party deposits

Included in the Banks deposits is an amount of **GH¢ 14.22 million** (2022: GH¢ 3.82 million) due to subsidiary companies. Interest paid on these deposits during the year amounted to **GH¢ 23.86 million** (2022: GH¢ 13.65 million).

37. CONTINGENCIES AND COMMITMENTS

(a) Guarantees and indemnities

The Bank had outstanding guarantees, indemnities and endorsements at the year end of **GH¢ 331.00 million** (2022: GH¢ 255.64 million).

(b) Documentary credit

The Bank had established documentary credits at the year end of **GH¢ 332.90 million** (2022: GH¢ 385.30 million).

(c) Commitments

The Bank had loan commitments amounting to **GH¢ 345.89 million** at the year end (2022: GH¢ 161.27 million).

38. REGULATORY DISCLOSURES

(i) Non-performing loans ratio

Percentage of gross non-performing loans (“substandard to loss”) to total credit/advances portfolio (gross) was **8.88 %** as the year end (2022: 7.83%). Non-performing loans amounted to GH¢ 344.07 million at year end.

(ii) Amount of loans written-off

The Bank wrote off a total amount of **GH¢ 38.17 million** during the year (2022: GH¢ 210.67 million) in principal and unpaid interest on loans and advances assessed and found to be uncollectible.

All amounts are in thousands of Ghana cedis

(iii) Breaches in statutory liquidity

The Bank complied with all requirements with respect to statutory liquidity during the year.

(iv) Capital Adequacy Ratio

The Bank's capital adequacy ratio (CRD) with regulatory forbearance at end of 2023 was **20.88%** (2022: 16.79%). The capital adequacy ratio (CRD) without regulatory forbearance at end of 2023 was **14.38%** (2022: 3.55%)

(v) Liquid Ratio

	2023	2022
As at 31 December	**1.46**	1.52
Average for the year	**1.40**	1.81
Maximum for the year	**1.54**	2.05
Minimum for the year	**1.28**	1.52

(vi) Conflicts of interest

The Bank has established appropriate conflicts authorisation procedures, where actual or potential conflicts are regularly reviewed and authorisations sought as appropriate. During the year under review, no such conflicts arose and no such authorisations were sought.

Value Added Statement For The Year Ended 31 December 2023

	Group		Bank	
	2023	2022	**2023**	2022
Interest earned and other operating Income	**2,022,350**	1,455,925	**2,017,222**	1,430,506
Direct cost of services	**(427,731)**	(315,245)	**(424,336)**	(311,626)
Value added by banking services	**1,594,619**	1,140,680	**1,592,886**	1,118,880
Non-banking income	**13,498**	2,537	**13,498**	2,537
Net impairment loss on financial assets	**56,685**	(1,321,510)	**27,536**	(1,292,174)
Value added	**1,664,802**	(178,293)	**1,633,920**	(170,757)
Distributed as follows :				
To Employees				
Directors	**(4,940)**	(3,235)	**(4,592)**	(2,934)
Executive Directors	**(8,852)**	(6,693)	**(8,852)**	(6,693)
Other employees	**(391,698)**	(288,284)	**(384,981)**	(281,492)
To Government				
Income tax	**(422,785)**	134,324	**(414,555)**	130,038
To expansion and growth				
Depreciation	**(50,985)**	(40,443)	**(50,938)**	(40,319)
Amortisation	**(19,186)**	(16,461)	**(19,177)**	(16,428)
To retained earnings	**766,356**	(399,085)	**750,825**	(388,585)

Shareholder Information

Top 20 Ordinary Shareholders as at 31 December 2023

	Name of shareholder	2023 Shareholding	
		No. of Shares	% Holding
1	Africa Capital LLC	9,345,687	37.01%
2	AfricInvest 4.5 LLC	4,277,500	16.94%
3	LF III BankCo S.à r.l.	4,277,500	16.94%
4	Social Security & National Insurance Trust	2,400,000	9.50%
5	SIC Life Insurance LTD	1,065,818	4.22%
6	ENO International LLC	765,000	3.03%
7	Mr. Edward Effah	399,000	1.58%
8	Mr. Bernard Lind	287,500	1.14%
9	PAL Trustees Limited/Kwamina Duker	282,313	1.12%
10	Ambassador (Mrs.) Johanna Svanikier	258,970	1.03%
11	Wingham Holding Limited	252,500	1.00%
12	Lifeforms Limited	190,000	0.75%
13	Mr. Philip Addison	150,000	0.59%
14	Mr. Jonathan Adjetey	125,000	0.50%
15	GCB Bank Limited	125,000	0.50%
16	Mr. Alex Dodoo	82,424	0.33%
17	Prof. John & Prof. (Mrs.) Margaret Gyapong	60,000	0.24%
18	Dr. William Panford Bray	52,424	0.21%
19	Research Development Financial Consultants	50,000	0.20%
20	Prof. Oheneba & Mrs. Hilda Boachie Adjei	50,000	0.20%
	Total	**24,496,636**	**97.02%**
	Others	753,364	2.98%
	Grand Total	**25,250,000**	**100%**

Shareholder Information

ANALYSIS OF SHAREHOLDING AS AT 31 DECEMBER 2023

Category	Number of Shareholders	Number of Shares	% Holding
1 - 50,000	34	653,364	2.59%
50,001 - 500,000	13	2,465,131	9.76%
500,001 - 1,000,000	1	765,000	3.03%
Over 1,000,000	5	21,366,505	84.62%
Total	**53**	**25,250,000**	**100.00%**

DIRECTORS' SHAREHOLDING

No directors held shares at any time during the year.

KEY MANAGEMENT PERSONNEL SHAREHOLDING

Name	Position	Number of Shares	% Holding
Shirley-Ann Awuletey-Williams (resigned April 2023)	Chief Risk Officer	25,000	0.10%
Alfred Quaye	Head, Internal Audit	16,000	0.06%
Total		**41,000**	**0.16%**

PREFERENCE SHAREHOLDERS AS AT 31 DECEMBER 2023

Shareholder	No. of Pref Shares	% Holding
Social Security & National Insurance Trust	4,200,000	45.65%
AfricInvest 4.5 LLC	2,000,000	21.74%
LF III BankCo S.à r.l.	2,000,000	21.74%
SIC Life Insurance LTD	1,000,000	10.87%
Total	**9,200,000**	**100.00%**

Detach Here

Proxy Form

Proxy Form for use at the Annual General Meeting to be held **Virtually on Friday 31st May 2024 at 11:00 am (GMT) via Microsoft ® Teams**

I/We____of____

being a Member of the above-named Company hereby appoint____ or failing him 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 Members to be held on **31st May 2024** and at any adjournment thereof. Please indicate with an "X" in the spaces below how you wish your votes to be cast.

	FOR	AGAINST
Ordinary Resolutions		
1. To receive and adopt the Reports of the Directors, Auditors and the Financial Statements for the year ended 31st December 2023;		
2. To declare a final dividend for the year ended 31st December 2023 subject to approval from the Bank of Ghana;		
3. To ratify the appointment of Non-Executive Director, George-Thomas Svanikier;		
4. To re-elect Director, Adwoa Nyantakyiwa Annan, retiring by rotation;		
5. To re-elect Director, Skander Khalil Oueslati, retiring by rotation;		
6. To re-elect Director, Abayomi Theophilus Akinade retiring by rotation;		
7. To authorise the Directors to fix the remuneration of the Auditors;		

Dated this___________day of____________________2024

Shareholders Signature/Seal____

Notes: If executed by a Company the Proxy Form should bear its common seal or be signed on its behalf by a Director. Please download, sign and deliver Proxy Form via the **Shareholders' Portal** or send to **companysecretary@myfidelitybank.net** or by courier to the Company Secretary, Fidelity Bank Ghana LTD, 2nd Floor, Ridge Towers not later than 11:00am (GMT) on 29th May 2024.

FIDELITY BANK

Believe with us.