

ABSA BANK GHANA LTD
(Registration Number CS 144072016)
Annual Financial Statements
for the year ended 31 December 2024

Annual report and financial statements

ABSA BANK GHANA LTD

Annual Report and Financial Statements

For the year ended 31 December 2024

Index

	Page
Corporate information	2 - 3
Chairperson's statement	4 - 6
Managing Director's report	7 - 10
Report of the Directors	11 - 13
Corporate Governance report	14 - 42
Independent Auditor's Report	43 - 47
Statement of Financial Position	48
Statement of Comprehensive Income	49
Statement of Changes in Equity	50 - 51
Statement of Cash Flows	52 - 53
Notes to the Financial Statements	54 - 172
Value added statement	173

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Corporate information

Country of Incorporation and Domicile	Ghana	
Company Registration Number	CS 144072016	
Date of authorisation	20 March 2025	
Nature of Business and Principal Activities	The company is involved in Universal Banking.	
Board of Directors:	Name	Designation
	Mrs. Frances Adu-Mante	Chairperson
	Mr. Edward Nartey Botchway	Managing Director (Appointed 10th July 2024)
	Mr. Prince Adolph Kpegah	Executive Director
	Mr. Munatsi Mkushi	Executive Director
	Mr. Kobla Nyalety	Executive Director
	Mr. Kofi Sadick Yamoah	Independent Non Executive Director (Retired 31st August 2024)
	Mr. Philip Odotei Sowah	Independent Non Executive Director (Retired 31st August 2024)
	Mr. Charles Ayesu Darku	Independent Non Executive Director (Retired 31st August 2024)
	Mr. Stephen Ato Frimpong	Independent Non-Executive Director
	Mr. Clinton Clarke	Non-Executive Director
	Mrs. Benedicta Wontumi	Independent Non-Executive Director
	Mrs. Patricia Obo-Nai	Non-Executive Director ((Appointed 6th June 2024)
	Mrs. Angela Peasah	Independent Non Executive Director (Appointed 1st September 2024)
Registered Office and business address	ABSA Head Office John Evans Atta Mills High Street Accra Ghana	
Postal Address	P.O. Box GP 2949 Accra Ghana	
Holding company	ABSA Group Limited	
Ultimate Holding company	ABSA Group Limited	
Auditor	PricewaterhouseCoopers (PwC) PwC Tower, A4 Rangoon Lane Cantonments City PMB CT 42 Cantonments, Accra	

ABSA BANK GHANA LTD

Annual Report and Financial Statements

For the year ended 31 December 2024

Corporate information

Solicitors

Hayibor Djarbeng Danso & Co.
P.O. Box AC11
Arts Centre, Accra, Ghana

AB & David
8 Dr. Isert Road
North Ridge
P.O. Box TF 330
Accra, Ghana

Company Secretary

Edem Ama Sekyi

Website

absa.com.gh

ABSA BANK GHANA LTD

Annual Report and Financial Statements

For the year ended 31 December 2024

Chairperson's statement

Context

2024 has been a year of resilience, growth, and strategic progress for our bank as we navigated an evolving economic landscape while staying true to our mission of delivering value to all stakeholders.

Ghana's economy remained resilient, with significant growth driven by sectors such as agriculture, mining, and services. However, the country faced challenges including inflationary pressures, fluctuations in commodity prices, and external debt. The government implemented various fiscal and monetary policies to stabilize the economy, yet the rising cost of living and youth unemployment remained pressing issues.

The banking sector in Ghana mirrored the broader economic environment, navigating both growth opportunities and challenges. The banking industry faced increased regulatory scrutiny; and additional measures were instituted to ensure stability and protect consumers. Adapting to evolving regulations while maintaining profitability remains a balancing act for financial institutions.

Notwithstanding the challenges, Absa Bank Ghana operated efficiently and posted strong financial results.

Financial Performance

Our financial results for 2024 reflect the strength of our business model, disciplined execution, and the trust of our customers.

Absa Bank Ghana demonstrated remarkable financial resilience and growth in 2024. Our robust financial strategies and prudent risk management practices resulted in a strong balance sheet, enhanced profitability, and increased shareholder value. Notably, our Revenue increased by 14% to GHS3,449m and Profit Before Tax (PBT) grew by GHS 68m to GHS1,873m, which resulted in an impressive Return on Equity (ROE) of 33.78%. This performance is attributable to our responsiveness in refining our strategy to be contextually fit as well as the effective execution by the management team.

Strategic Direction

As we step into a new chapter of growth, our aim is for ABSA to be a leading financial institution recognized for its resilience, innovation, and unwavering commitment to excellence. Our ambition is to empower individuals, businesses, and economies to thrive by providing tailored financial solutions and fostering long-term partnerships.

At the heart of our strategy lies a clear focus on creating sustainable value for our customers, shareholders, employees, and the communities we serve.

The Board has played a pivotal role in this journey by providing robust support and good governance. We have worked closely with management to refine and execute our strategic initiatives. Looking ahead, the Board remains committed to empowering the management team with the necessary tools and support to achieve our strategic goals. We are confident that our collaborative approach will drive continuous success and ensure lasting values for our customers, employees, and shareholders.

Our Ambition and Purpose:

At the heart of everything we do is our unwavering purpose: "Empowering Africa's tomorrow together, one story at a time." This purpose continues to guide us as we contribute positively to society, invest in our people, empower our clients to achieve their ambitions, and support the broader developmental goals of our communities. Through these efforts, we reaffirm our commitment to being a force for good, delivering impact "...one story at a time."

In 2024, we maintained our focus on building a diverse and inclusive organizational culture that promotes collaboration and people-centered leadership. Our targeted interventions to develop our people and empower our leaders have strengthened our foundation, enabling employees to thrive in a dynamic environment. This dedication has once again earned Absa Bank Limited public recognition as a Top Employer, a title we are proud to have held for four consecutive years.

ABSA BANK GHANA LTD

Annual Report and Financial Statements

For the year ended 31 December 2024

Chairperson's statement

Our purpose is further amplified through our approach to Environmental, Social, and Governance (ESG) matters. By prioritizing financial inclusion, diversity, education, and climate-positive action, we continue to drive meaningful impact.

Through our partnership with the MasterCard Foundation, we expanded affordable credit access to over 4,400 SMEs, empowering women-led businesses and driving economic growth. Under the Absa Young Africa Works programme, we trained nearly 7,000 SMEs, creating over 12,000 jobs and fostering sustainable development.

Our investments in renewable energy transitioned 41 ATMs to solar power and piloted solar systems in three branches, advancing our 2030 renewable energy goals and reducing our environmental impact.

Sustainability remains at the core of our operations. In 2024, we intensified our efforts to support environmental sustainability, social welfare, and economic development within our communities. We successfully launched the ABSA Green Finance Initiative, aimed at funding projects that promote renewable energy and environmental conservation. Through our community outreach programs we have made significant strides in education, healthcare, and entrepreneurship, positively impacting thousands of lives across Ghana.

Corporate Governance and Board changes

The Board plays a fundamental role in ensuring that our bank operates with the highest standards of corporate governance. Through strategic oversight, risk management, ethical leadership, transparency, accountability, diversity, and continuous improvement, the board is dedicated to safeguarding the interests of all stakeholders and fostering the long-term success of the bank. The Board's unwavering commitment to these principles enables us to build and maintain trust, uphold integrity, and achieve sustainable growth.

As highlighted in the Corporate Information section of this Report, there have been changes to the composition of the Board since the last annual report was issued.

The Board deployed its Succession Plan to manage the retirement of three Directors. The onboarding, induction, and smooth transition of roles at the Board level and the transition from an interim bridge leader to the appointment of a substantive Managing Director were successfully executed.

Three Independent Non-Executive Directors retired at the end of their respective maximum tenure on 31st August 2024. They were:

- Mr. Kofi Sadick Yamoah
- Mr. Charles Ayesu Darku
- Mr. Philip Odotei Sowah

The Bank appointed new Directors after receipt of Regulatory approvals for the resulting vacancies on the Board, namely

- Mrs. Patricia Obo-Nai appointed a Non-Executive Director effective 6th June 2024;
- Dr. Edward Nartey Botchway appointed Managing Director and Executive Director effective 10th July 2024 and
- Mrs. Angela Peasah appointed an Independent Non-Executive Director effective 1st September 2024.

The Board and its various sub-committees were re-composed in accordance with regulatory expectations, Group, and In-Country governance requirements.

Conclusion

As we look ahead to 2025, we are optimistic about the future and remain steadfast in our mission to be Ghana's leading bank, trusted by customers for our unrivalled service, innovative solutions, and unwavering integrity. We will continue to leverage technology, invest in our people, and uphold our commitment to sustainable practices to drive growth and deliver value to all our stakeholders.

ABSA BANK GHANA LTD

Annual Report and Financial Statements

For the year ended 31 December 2024

Chairperson's statement

I would like to express my most sincere gratitude to Board members, our leadership team, our dedicated employees, loyal customers, supportive shareholders and the broader stakeholder community for their unwavering trust and partnership. Together, we have navigated the challenges of 2024 and emerged stronger and more resilient. I am confident that with your continued support, ABSA Bank Ghana will achieve even greater heights in the years to come.

Thank you for your continued trust and confidence.



Frances Adu-Mante (Mrs)

Board Chairperson

MANAGING DIRECTOR'S REPORT

It is my great pleasure to present to you the Annual Financial Statement for Absa Bank Ghana for the year ending December 31, 2024. This document reflects our financial performance, strategic achievements, and operational milestones over the past year. As we navigate through an ever-evolving economic landscape, our commitment to delivering sustainable value to our stakeholders remains steadfast.

The year 2024 was marked by significant global and local economic shifts. The aftermath of the global pandemic, coupled with geopolitical tensions and fluctuating commodity prices, created a complex economic environment. Despite these challenges, Ghana's economy showed resilience, underpinned by sectors such as agriculture, mining, and more recently, a burgeoning technology industry. The government has continued its commitment to macroeconomic stability, which has fostered investor confidence and laid the groundwork for sustainable development. Our nation's GDP growth has been encouraging, and inflation rates have been brought under control, reflecting prudent fiscal and monetary policies. Absa Bank Ghana adapted to these conditions by implementing robust risk management strategies and agile operational practices.

Throughout 2024, we embarked on several strategic initiatives aimed at enhancing our service delivery, expanding our digital footprint, and fostering financial inclusion.

Financial Performance

The Bank demonstrated resilience in its financial performance for the fiscal year 2024, overcoming adverse CRR effects and impairment headwinds to maintain growth in profitability.

- Revenue recorded a healthy growth of 14% to close at GHS3,449m, on the back of a 7.3% growth in Net Interest Income (NII) and 33% increase in Non-Interest Income (NIR).
- Operating Cost registered an increase of 24%, relative to prior year of 36%. The increase was partly influenced by adverse inflationary and Cedi depreciation effect on cost of operations.
- Profit Before Tax (PBT) grew by GHS 68m to GHS1,873m, representing a 4% uplift.
- Return on Equity (ROE) was at 33.78% in 2024 compared to a 43.57% in 2023. Notably this level exceeds average inflation for the period.
- Total customer deposits grew by 20.8% to GHS17,468m and was accompanied by Customer Asset growth of 35.8% to GHS8,248m, a reflection of the trust our customers have in us and our continuing support to the private sector despite the economic uncertainties.
- The Loan Loss Rate and Non-Performing Loan Ratio were 3.2% and 15.49% respectively in 2024, compared to 1.3% and 15.1% in 2023.
- The Bank remains solvent, well capitalized and liquid, and operates well above internal and regulatory thresholds.

Non-financial Milestones

Our non-financial milestones are evidenced in the external recognition and awards we have received, cutting across our business segments, customer service quality, our people centricity, our ESG footprints and our support for the Agri sector.

- Global Finance – World's Best Investment Bank Awards 2024 – Best Corporate Investment Bank in Ghana

MANAGING DIRECTOR'S REPORT (CONTINUED)

- The Asian Banker - Global Excellence in Retail Finance Awards 2024 - Best Retail Bank in Ghana
- World Economic Magazine Awards 2024 - Most Innovative Investment Bank for 2024 in Ghana
- Chartered Institute of Marketing (CIMG), Ghana Customer Service Index Awards
 - ✓ 5-Star in Service Quality – Business Banking
 - ✓ First Runner-up in Customer Satisfaction – Business Banking
- National Communications Awards 2024 - Excellence in Digital Customer Service
- Certified Top Employer Award – The only organization in the financial sector for 4 years in a row
- Sustainability & Social Investment Awards (SSI Award)
 - ✓ Best Company in Sustainable Financing and Investment
 - ✓ Sustainable Bank of the Year
- National Governance & Business Leadership Awards 2024
 - ✓ Trade Finance Excellence
 - ✓ Outstanding Employee Retention Policy Award
- Ghana Insurance Awards 2024 - Bancassurance Leader award for 2024
- Ghana Incentive Based Risk Sharing System for Agricultural Lending (GIRSAL)
 - ✓ Overall Best Partner Financial Institution of the Year,
 - ✓ Highest total number of GIRSAL Guaranteed Agricultural Credit,
 - ✓ Highest total value of GIRSAL Guaranteed Agricultural Credit, and
- Best Quality Agricultural Credit Guarantee Application

Our role in society:

In 2024, we reaffirmed our steadfast commitment to advancing socio-economic development. At the core of our role in society strategy are financial inclusion, education, and skills development, supporting positive social change and environmental sustainability, each serving as a cornerstone of our purpose of “Empowering Africa’s Tomorrow Together...One Story at a Time”. With these priorities as our guide, we have intensified our efforts to foster economic growth, empower the youth and marginalized communities, and promote environmental sustainability, enabling us to be a force for good in everything that we do.

- **SMEs Capacity Development:** Under the Absa Young Africa Works programme, we empowered nearly 7,000 SMEs through tailored capacity-building initiatives. Notably, 63% of these businesses were women-led, reflecting our dedication to advancing gender equity. This intervention has directly resulted in the creation of over 12,000 jobs, strengthening local economies and supporting livelihoods.
- **Financial Inclusion through Collateral-Free SME Business Loans:** In collaboration with the MasterCard Foundation, we disbursed GHS533 million in collateral-free SME loans at a highly affordable annual interest rate of 10%, significantly below prevailing market rates of 28-32%. This initiative benefited 4,453 SMEs, including smallholder farmers, with 54% of the funding directed toward women-led businesses.
- **Financial Literacy:** The Absa Money Matters Initiative successfully empowered 102,227 young pupils across 210 junior and senior high schools in Eastern, Volta, Greater Accra, Ashanti and Central regions of Ghana, promoting prudent financial management skills and knowledge. The programme empowered young people with essential skills in financial decision-making, responsible habits like saving and budgeting, and effective financial management, fostering a culture of prudent financial education for the next generation.

MANAGING DIRECTOR'S REPORT (CONTINUED)

- **Education and Skills Development:** Leveraged our Absa ReadytoWork Programme to prepare Tertiary Youth for the Future: We have successfully trained and equipped approximately 6,000 university graduates with essential skills for the world of work and have reached over 737,133 people with our ReadytoWork Webinar series. Our flagship ReadytoWork programme covers areas in Entrepreneurship, Digital Literacy, Blockchain Technologies, Computational Thinking, Creative Problem Solving, Creative Thinking, Time Management, Gig Economy, Work Skills, People Skills, and Personal Development.
- **Supporting Positive Social Change:** As part of our commitment to fostering sustainable development, we have made significant strides in advancing access to clean water and sanitation in 2024 through our Water for Life project. By constructing 11 boreholes across 11 regions, we have directly contributed to the achievement of SDG 6, ensuring that communities nationwide have access to safe and reliable water sources, thereby supporting public health and well-being. This initiative underscores our ongoing dedication to creating positive change in society.
- **Vocational Skills Training:** We proudly contributed to economic growth and social empowerment through our Vocational Skills Training programme, which enrolled 100 marginalized young women in the northern, central, and Greater Accra regions. In partnership with CAMFED, we provided training in key sectors including baking, weaving, beauty and personal care, and garment making. These training sessions, conducted within local districts by experienced trainers, equipped participants with valuable, hands-on skills and provided startup kits to help them launch their own businesses. The training duration ranged from one week to six months, depending on the skill complexity. Upon completion, participants continued to receive mentorship and ongoing support from trainers and CAMFED Business Guides, ensuring their sustainable success and contribution to local economies.
- **Climate and Resource Efficiency:** In alignment with our renewable energy goals, we installed solar panels generating 351kW of energy across 51 off-site ATMs, with 41 completed in 2024 alone. Additionally, we piloted solar systems in three branches, achieving a 20% reduction in energy costs, and set the stage for broader implementation in 2025. These efforts have contributed to 6% of our renewable energy target of 20% by 2030. Our clean energy initiatives have collectively delivered a 30% reduction in electricity consumption, saving GHS224,000, and a 20% reduction in water usage across our branch network.

Our strides in financial performance, societal impact, and sustainability have been transformative, and we are poised to leverage these accomplishments to drive even greater impact in 2025. By continuing to prioritize inclusion, capacity building, and climate action, we reaffirm our role as a force for good, ensuring that we remain agile and purposeful in navigating the challenges and opportunities of the evolving economic landscape.

2025 Outlook

As we look forward to the year 2025, I am filled with optimism and determination for Absa Bank Ghana. The past year has been transformative, marked by significant developments and achievements that have laid a robust foundation for our future growth and sustainability.

In 2025, we anticipate steady economic recovery and growth within Ghana and across the broader African continent. The government's continued focus on economic reforms, infrastructure development, and investment in various sectors such as agriculture, technology, and education will be pivotal in driving this growth. The banking sector is poised to benefit from these advancements, providing us with opportunities to support our clients and the broader economy.

As we look ahead to 2025, we remain optimistic about the opportunities that lie ahead. Our strategic priorities will continue to focus on digital innovation, customer-centricity, and sustainable growth. We will leverage our strong financial position, talented workforce, and customer insights to drive long-term value creation.

MANAGING DIRECTOR'S REPORT (CONTINUED)

Our Strategy

In 2024, Absa Bank Ghana built on its foundational values while preparing for future growth and innovation. Our strategy focused on enhancing customer experience through digital transformation, investing in cutting-edge technologies to streamline banking processes, and expanding our product offerings to meet the diverse needs of our clients.

We will focus on initiatives that amplify the momentum we have built from previous years and elevate our pace of execution, as follows:

- Drive cultural transformation to embed outperformance and growth mindset, and fostering a culture of collaboration, and execution excellence.
- Our commitment to digital transformation remains unwavering. Throughout 2024, we made substantial investments in technology to enhance our digital banking platforms, improve customer experience, and ensure operational efficiency. In 2025, we will build upon these initiatives by introducing innovative products and services that cater to the evolving needs of our customers. Our goal is to make banking more accessible, convenient, and secure for everyone.
- At the heart of our strategy is our customers. We recognize that the key to our success lies in understanding and meeting their needs. In 2025, we will focus on deepening our relationships with our customers, offering personalized solutions that align with their financial goals. By leveraging data analytics and customer feedback, we will continuously refine our offerings to deliver exceptional value and service.
- At Absa Bank Ghana, our employees are at the centre of everything we do. As we look ahead to 2025, we are dedicated to fostering a work environment that promotes growth, inclusivity, and well-being for all our team members. Our strategic initiatives for employees in 2025 are designed to ensure that our people are empowered, engaged, and equipped to thrive in their careers.

I am confident about our strategic direction and our ability to navigate the volatility in the operating environment, and I have full confidence in our collective ability to outperform our past and peers.

In conclusion, I would like to express my gratitude to our customers, shareholders, employees, and partners for their unwavering support and trust, and the Board for their challenge, guidance, and direction without which we would not have reached this height. I am proud of what we have achieved together. Together, we will continue to build a resilient and prosperous future for Absa Bank Ghana.

Thank you.



Dr. Edward Nartey Botchway
Managing Director

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

REPORT OF THE DIRECTORS

The directors present their report and the financial statements of the Bank for the year ended 31 December 2024.

Directors' responsibility statement

The Directors are responsible for the preparation of financial statements that give a true and fair view of Absa Bank Ghana LTD, comprising the statement of financial position at 31 December 2024, and the statements of comprehensive income, changes in equity and 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 IFRS Accounting Standards including the 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). In addition, the Directors are responsible for the preparation of the report of the Directors.

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

The Directors have assessed the ability of the Bank to continue as a going concern and have no reason to believe that the business will not be a going concern in the year ahead.

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

Principal activities

The Bank is registered to carry on the business of banking and the provision of related services. There was no change in the business of the Bank.

Holding company

Absa Bank Ghana LTD ("ABGH") is a wholly owned subsidiary of Absa Group Limited (AGL), which is a limited liability company incorporated in the Republic of South Africa.

Going concern and subsequent events

The Bank recorded strong profitability in 2024, a continuation from the impressive turnaround posted in 2023 after the effect of the Domestic Debt Exchange Programme (DDEP) in 2022. The balance sheet also remained strong at total net asset in excess of GHS 4.1 billion (2023: GHS 2.9 billion)

The directors have considered the following matters in making an assessment on the going concern assumption:

- Cash flow forecast – profit making, increase in income, containment of costs, liquidity management.
- The turnaround strategy reflective of the new business climate that is focused on driving growth in income and profitability for the foreseeable future, has so far yielded positive results.
- Risk management – rigorous selection process for clients, management of business risks and working capital.

The financial statements are prepared based on accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities will occur in the ordinary course of business.

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

REPORT OF THE DIRECTORS

Financial results and dividend

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

	GHS `000
Profit before tax	1,872,781
Profit after tax	1,194,729
Total assets	27,341,756
Total liabilities	23,163,726
Total equity	4,178,030

The Directors have not proposed a Dividend for the year ended 31 December 2024 as the business continues to rebuild capital buffers post the Domestic Debt Exchange Program. No dividend was paid for the year ended 31 December 2023.

The Directors consider the state of the Bank's affairs to be satisfactory.

Particulars of entries in the Interests Register during the financial year

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

Corporate social responsibility (CSR)

During the year under review, the Bank spent GHS 1,793,014 (2023: GHS 1,488,208) on CSR programmes with key focus on education and skill development and supporting positive social change.

Contribution to society

The Bank continues to be a leading participant in the Ghanaian banking industry as reflected in our continuous domestic systemically important bank status. In addition, the bank is a major source of employment, both direct and indirect, employing in excess of 2,000 persons. With a significant balance sheet size, and an impressive performance trajectory, we are a major contributor to government tax revenues (2024:GHS 657 million; 2023:GHS 678 million)

Succession Plan

In the year under review, 3 Independent Non-Executive Directors retired at the end of their respective maximum tenure on 31st August 2024.

In addition, a substantive Managing Director and Executive Director was appointed to the Board.

The Bank also appointed 2 new Directors after receipt of Regulatory approvals for the resulting vacancies on the Board and post 1st September 2024, the Board and its sub-committees had been re-composed in accordance with Regulatory, Group, and In-Country governance requirements.

Capacity building of directors to discharge their duties.

Upon assumption of office, Directors were provided with formal, tailored induction programmes to enable them to gain in depth knowledge about the Bank's business, the risks and challenges it faces, the economic environment, pertinent legal matters and regulatory framework within which the Bank operates etc.

On an ongoing basis, all Directors undergo mandatory regulatory and other recommended continuous professional development programmes to ensure that individually and collectively, Directors' capacity is enhanced for the effective discharge of their duties in accordance with statutory requirements and best practice.

Auditor fees

The audit fee for the year is GHS 2,300,000.

Approval of the report of the Directors

The report of the Directors of Absa Bank Ghana LTD, was approved by the board of directors on 20 March 2025 and signed on its behalf by:



Signature

Mrs. Frances Adu-Mante

Name



Signature

Dr. Edward Nartey Botchway

Name

CORPORATE GOVERNANCE REPORT

Introduction

Corporate governance refers to the manner and systems by which companies are managed and controlled. This includes setting the strategy and objectives, determining risk appetite, overseeing day-to-day business operations, protecting the interests of depositors and stakeholders, and ensuring compliance with applicable laws and regulations. Corporate governance is, therefore, of great importance to the Directors, Shareholders, and Stakeholders. Over the years, Absa Bank Ghana LTD ('the Bank' or 'ABGH') has conformed to applicable Governance Frameworks and Policies as well as compliance with Regulatory Directives and Guidelines including Bank of Ghana (BoG)'s Corporate Governance Directive (CGD), December 2018 and the Corporate Governance Disclosure Directive (CGDD), May 2022.

The Bank's Board is dedicated to maintaining professionalism and business integrity in all its activities. As part of this commitment, the Board supports the highest standards of corporate governance and the development of best practices. The Bank's corporate governance guidelines outline the Board's responsibilities, including the formulation of strategic objectives, risk strategy, corporate governance, core values, criteria and procedures for appointing new Directors and relationships with stakeholders amongst others.

Authorised business:

The Bank is licensed by BoG to undertake the business of universal banking, and other businesses incidental thereto. During the year under review, all licenses were renewed by regulatory authorities in support of ABGH's business.

Shareholding and beneficial ownership

Absa Group Ltd., a company incorporated in South Africa, owns the Bank entirely, with the ultimate beneficial shareholding as follows:

Sole Shareholder

ABSA GROUP LIMITED (AGL)	100%
Total	100%

Shareholders of AGL as of 31 st December 2024	2021	2022	2023	2024
NEWSHELF 1405 RF (Pty) Ltd.	-	-	7.00%	7.00%
NINETY ONE (SA)	6.87%	5.33%	-	-
OLD MUTUAL (SA, NA)	5.57%	5.18%	-	-
PUBLIC INVESTMENT CORPORATION (SA)	5.41%	4.89%	5.14%	4.86%
M&G (SA, UK)	5.32%	5.02%	5.06%	5.72%
BLACKPOOL INCORPORATED (US, UK, JP, AU, CA)	3.75%	4.40%	4.57%	4.38%
GIC ASSET MANAGEMENT (SA)	1.73%	4.23%	-	-
CITIGROUP GLOBAL MARKETS (SA)	4.03%	4.01%	-	3.90%
OTHERS (WITH UNDER 5% SHAREHOLDING EACH)	67.32%	66.94%	78.23%	74.14%
Total	100%	100%	100%	100%

CORPORATE GOVERNANCE REPORT (CONTINUED)

The Board

The Board is comprised of ten members including the Chairperson, who is an Independent Director. It also includes four Executive Directors (such as the Managing and Finance Directors, the Managing Principal, Retail and Business Banking, as well as the Chief Operations and Strategy Officer), three Independent Non-Executive Directors (INED) and two Non-Executive Directors (NED) including the shareholder's nominee.

Executive Directors are primarily responsible for making and implementing operational decisions and managing the Bank's businesses. The Non-Executive Directors bring complementary skills and experience to provide oversight, ensuring that Board decisions are made on a sound and well-informed basis, including the approval of the strategy and policy based on their knowledge and expertise.

During the year under review, the Board implemented its Succession Plan to manage the retirement of three Directors. This included onboarding, induction, and smooth transition of roles at the Board level. The Board also oversaw the effective transition from an interim bridge leader and acting Managing Director to the appointment of a substantive managing director. Three Independent Non-Executive Directors retired at the end of their respective maximum tenure on 31st August 2024. They are:

- Mr. Kofi Sadick Yamoah (Former Chairperson, Board Audit Sub-Committee)
- Mr. Charles Ayesu Darku (Former Chairperson, Board Remuneration Sub-Committee)
- Mr. Philip Odotei Sowah (Former Chairperson, Board Information Technology, Cybersecurity and Payment Systems Committee)

The Bank appointed new Directors after the receipt of Regulatory approvals to fill the resulting vacancies on the Board. They are:

- Mrs. Patricia Obo-Nai, appointed a Non-Executive Director effective 6th June 2024;
- Dr. Edward Nartey Botchway, appointed Managing Director and Executive Director effective 10th July 2024 and
- Mrs. Angela Peasah, appointed an Independent Non-Executive Director effective 1st September 2024.

Post 1st September 2024, the Board's sub-committees were re-composed in accordance with Regulatory, Group, and In-Country governance requirements.

Diversity and Inclusion

The Board has recognised the advantages of diversity in terms of gender, experience as well as representation from various industry sectors. This commitment to diversity is reflected in the Board's composition as outlined in its Board Charter. The Board has a membership made up of 40% independent non-executive directors, 20% non-executive directors, and 80% of the total Board Membership are of Ghanaian nationality.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Board Meetings

The Board meets regularly and has a formal schedule of matters it addresses. All directors have access to the advice of the Company Secretary as well as independent professional advice in appropriate circumstances at the Bank's expense. The Board's Sub-Committees decide on their respective areas of focus and planned activities for the ensuing year by approving the calendar of business/forward planner at the last regular meeting in the year under review. The Board approves its objectives for the year to guide its focus on key matters.

The Board maintains a register of attendance to meetings. The attendance for the 2024 Board meetings are as presented below:

Members		Mar-24	Apr-24	Jul-24	Oct-24	Dec-24
Mrs. Frances Adu-Mante	Independent Director and Board Chairperson	Y	Y	Y	Y	Y
Dr. Edward Nartey Botchway *	Managing Director	-	-	Y	Y	Y
Mr. Prince Adolph Kpegah	Executive Director	Y	Y	Y	Y	Y
Mr. Munatsi Mkushi	Executive Director	Y	Y	Y	Y	Y
Mr. Kobla Nyaletey	Executive Director	Y	Y	Y	Y	Y
Mr. Kofi Sadick Yamoah ***	Independent Director	Y	Y	Y	-	-
Mr. Philip Odotei Sowah ***	Independent Director	Y	Y	Y	-	-
Mr. Charles Ayesu Darku ***	Independent Director	Y	Y	Y	-	-
Mr. Stephen Ato Frimpong	Independent Director	Y	Y	Y	Y	Y
Mr. Clinton Clarke	Non-Executive Director	Y	Y	Y	Y	Y
Mrs. Patricia Obo-Nai ****	Non-Executive Director	-	-	Y	Y	Y
Mrs. Benedicta Wontumi	Independent Director	Y	Y	-Y	Y	Y
Mrs. Angela Peasah *****	Independent Director	-	-	-	Y	Y

Y – Present N – Not present

* Dr. Edward Nartey Botchway, appointed as Managing Director effective 10th July 2024 and thereafter attended the July, October and December 2024 Board meetings.

** Mr. Prince Adolph Kpegah attended meetings as Interim Managing Director before 9th July 2024 and thereafter attended meetings as Executive Director.

*** Mr. Kofi Sadick Yamoah, Mr. Philip Sowah, and Mr. Charles Ayesu Darku all retired as Independent Non-executive Directors effective 31st August 2024 hence their absence at the meetings held in October and December 2024.

**** Mrs. Patricia Obo-Nai attended the July, October and December 2024 meetings after her appointment as Non-Executive Director effective 6th June 2024.

***** Mrs. Angela Peash attended the October and December 2024 meetings after her appointment as Independent Director effective 1st September 2024.

CORPORATE GOVERNANCE REPORT (CONTINUED)

In course of the year under review, the Board held a total of 20 Emergency and Regular Meetings of which at least two were dedicated to consideration of matters on the board's succession (flight plan) and the search for a substantive managing director (i.e. 15th and 28th February 2024), while one other was focussed on the corporate strategy for the ensuing year 2025 (24th October 2024). Throughout the course of 2024, the Board performed the following key actions amongst others;

- Approval and deployment of approved succession plans and transition for vacancies on the Board and Management.
- Approval of recommended frameworks, policies, and standards.
- Approval of the quarterly financial publications and audited Annual Financial Statement (AFS)
- Approval of write-offs, new products and services etc.

Board Committees

The Board has delegated specific aspects of its mandate to its four sub-committees, namely:

- The Board Audit Committee;
- The Board Risk Committee;
- The Board Remuneration Committee; and
- The Board Information Technology, Cyber Security and Payment Systems (ITCS&PS) Committee.

The Sub-Committees derive their authority from the Board, with their respective mandates indicated in their Terms of Reference (ToR) which are reviewed annually. These Sub-Committees submit reports to the Board on a regular basis, particularly after their respective meetings, which are usually scheduled and held before the Board meeting.

Summary of the actions of the Board Committees for 2024

The Board Audit Sub-Committee performed the following key actions amongst others;

- Reviewed 2023 Annual Reports and Financial Statements and made recommendations to the Board for Approval at March 2024.
- Reviewed other significant matters referred to the Committee by the Board or Management, such as the Hyperinflationary reporting, Payment of Group Recharges and Matters Arising, and Tax Matters.
- Review of Quarterly Financial Information and recommendation to the Board for approval.
- Supervised the appointment and transition of office of the statutory auditors from KPMG, Ghana to PwC, Ghana after the end of the maximum tenure of the former.
- Reviewed and adopted a waiver in line with Institute of Chartered Accountants, Ghana (ICAG) guidance for International Financial Reporting Standards (IFRS) Standard (S)1 and S2.

The Board Remuneration Sub-Committee performed the following key actions amongst others:

- Staff welfare and remuneration matters
- Considered and reviewed the succession plans of the Bank.
- Ensured effective leadership, learning and talent management.
- Staff Occupational Pension and Provident Fund Schemes.

The Board Risk Sub-Committee performed the following key actions amongst others:

- Instituted appropriate frameworks and support structures to monitor sustainability risks, climate related risks and ESG.
- Monitored the macro-economic environment and recommended appropriate actions.
- Reviewed the Anti-Money Laundering (AML)/Counter Financing of Terrorism (CFT) Compliance Report.
- Monitored capital and liquidity levels.
- Review of Frameworks, Policies, Standards, Models, Limits etc.

CORPORATE GOVERNANCE REPORT (CONTINUED)

The Board ITCS&PS Committee performed the following key actions amongst others;

- Matters arising from visit by a BoG Team to audit the Absa Group's Data Centres in South Africa.
- Technology Performance Report including Technology Risk Overview.
- Monitored the Cyber Security environment including a review of the Cyber Security Manager's Report and Overview of Controls against Cyber Threats.
- Considered the Chief Risk Officer's Report including the Technology and Cyber Risk Indicators and Other Issues.
- Review and recommendation regarding ITCS&PS Frameworks, Policies, Standards etc.

The Board notes, amongst others, the following ongoing focus areas for 2025

- Execution of 2025 strategy
- Regulatory compliance and engagement
- Adoption of upcoming compliance directives and standard (e.g., BoG Climate Related Risk Directive, IFRS S1 and IFRS S2 etc.).

The roles of Chairperson and Managing Director are distinct, with a clear separation of responsibilities between them.

To also ensure the promotion of checks and balances in the governance structure of the Bank, the Board Chairperson does not serve as a chairperson of any of the Board's sub-committees.

Board Audit Committee

The Board Audit Committee convenes at least four times a year with the Bank's Senior Management, the Chief Internal Auditor, and the External Auditors. During these meetings, they review among other things, the Bank's financial matters, Audit and Compliance reports, and the effectiveness of the Bank's internal control systems.

The Committee consists of a membership of not less than three and not more than five Non-Executive Directors of the Bank appointed by the Board, a majority of whom shall be Independent. Members of the Committee are required to have a strong understanding of the business, a balanced mix of skills and experience, and collectively possess sufficient accounting, audit, and financial skills as well as techniques for assessing the risk and control environments.

The Chairperson of the Committee is an Independent Director appointed by the Board. Should he/she be unable to attend any meeting, another non-executive Director (i.e. from among Committee Members) chairs the meeting.

The following are also mandatory attendees / invitees to the Committee's meetings:

- Managing Director
- Finance Director
- Chief Internal Auditor
- External Auditor
- Chief Operating Officer
- Chief Risk Officer
- Chief Compliance Officer

CORPORATE GOVERNANCE REPORT (CONTINUED)

The attendance register for Audit Committee meetings in 2024 is as presented below:

2024 Audit Committee Meeting Attendance Record

Members		Mar-24	Jul-24	Oct-24	Nov-24
Mr. Stephen Ato Frimpong	Chairperson (INED) (appointment effective 1 st September 2024)	-	-	Y	Y
Mrs. Patricia Obo-Nai	Member (NED) (appointment effective 1 st September 2024)	-	-	Y	Y
Mrs. Angela Peasah	Member (INED) (appointment effective 1 st September 2024)	-	-	Y	Y
Mr. Kofi Sadick Yamoah	Chairperson (INED) (retired effective 31 st August 2024)	Y	Y	-	-
Mr. Philip Odotei Sowah	Member (INED) (retired effective 31 st August 2024)	Y	Y	-	-
Mr. Charles Ayesu Darku	Member (INED) (retired effective 31 st August 2024)	Y	Y	-	-

Y – Present

INED – Independent Non-Executive Director

NED – Non-Executive Director

An annual assessment was conducted to determine whether the Committee had fulfilled its mandate per its ToR in February 2024. The Chief Internal Auditor reports directly to the Committee and has unfettered access to the Committee and the Board. The Committee also holds private sessions without Management during its quarterly meetings with the External and Internal Auditors, Chief Risk Officer and Chief Compliance Officer to obtain the necessary assurances regarding the Bank's governance processes.

The Committee is responsible for assessing the Chief Internal Auditor and the Chief Compliance Officer. The Committee has had 100% of its membership being Ghanaian.

Board Risk Committee

The Board Risk Committee meets at least four times a year to among other things, oversee the implementation of strategy by senior management and to advise the Board on the overall current and future risk tolerance/appetite of the Bank and its strategy, including Anti-Money Laundering and Combating the Financing of Terrorism and Proliferation of Weapons of Mass Destruction (AML/CFT&P) matters.

The Committee also reviews credit requests from management within a specified timeframe. Additionally, the Committee considers the portfolio management information such as sector caps and portfolio quality as well as non-performing accounts in the credit portfolio.

Membership of the Committee is comprised of not less than three Non-Executive Directors and the Managing Director as voting members, the majority of whom are to be independent. The members of the Committee have a robust understanding of the nature of the business and an appropriate balance of skills and experience for assessing the risk environment.

The Chairperson of the Committee is an Independent Director appointed by the Board. Should he/she be unable to attend any

meeting, another non-executive Director (i.e. from among Committee Members) chairs the meeting.

CORPORATE GOVERNANCE REPORT (CONTINUED)

The Committee is responsible for assessing the Chief Risk Officer and the Bank's Anti-Money Laundering Reporting Officer (AMLRO). Both the Chief Risk Officer and the Bank's AMLRO have unfettered access to the Risk Committee.

The Committee in the year under review had 80% of its membership being Ghanaian.

The following are also mandatory attendees / invitees to the Committee's meetings:

- Finance Director
- Chief Risk Officer
- Managing Principal, Corporate and Investment Banking
- Managing Principal, Retail and Business Banking
- Chief Strategy and Operations Officer
- Country Treasurer
- Chief Internal Auditor
- Director, Compliance
- Head of Legal and Company Secretariat
- The Anti-Money Laundering Reporting Officer

The attendance register for Risk Committee meetings in 2024 is presented below:

2024 Risk Committee Meeting Attendance Record

Members		Apr-24	May-24	Jul-24	Oct-24	Dec-24
Mrs. Benedicta Wontumi	Chairperson (INED)	Y	Y	Y	Y	Y
(appointment as Chairperson effective 1 st September 2024)						
Dr. Edward Nartey Botchway*	Managing Director	-	-	Y	Y	Y
(appointment effective 10 th July 2024)						
Mrs. Angela Peasah	Member (INED)	-	-	-	Y	Y
(appointment Member effective 1st September 2024)						
Mr. Stephen Ato Frimpong	Chairperson (INED)	Y	Y	-	-	-
(Reassigned by the Board to the Audit Sub-Committee effective 1 st h September 2024)						
Mr. Prince Adolph Kpegah**	Acting Managing Director	Y	Y	-	-	-
Mr. Philip Odotei Sowah	Member (INED)	Y	Y	Y	-	-
(retired effective 31st August 2024)						
Mr. Kofi Sadick Yamoah	Member (INED)	Y	Y	Y	-	-
(retired effective 31st August 2024)						
Mr. Clinton Clarke	Member (NED)	Y	Y	***Y	Y	Y

Y – Present; N – Not present; INED – Independent Director; NED – Non-Executive Director

* Dr. Edward Nartey Botchway was appointed a member upon assumption of his role as Managing Director.

** Mr Adolph Kpegah attended the meeting while he was acting managing director.

***Mr. Clinton Clarke was *Chairperson for this Meeting*)

CORPORATE GOVERNANCE REPORT (CONTINUED)

Remuneration Committee

The Board Remuneration Committee is responsible for considering Human Resources, Remuneration, Nomination and Governance matters. Among other duties, the Committee recommends to the Board for approval of any significant changes in personnel policies, remuneration and related benefits for executive management and employees to the Board for approval. The Committee's mandate includes succession planning for the Board and Key Management Personnel roles in the short, medium, and long term.

The Committee's membership is comprised of a minimum of three Independent Directors and the Chairperson of the Board of Directors. The Head of Human Capital, the Managing Director and Head of Legal and Company Secretariat Department or Company Secretary attend Committee meetings in an *ex officio* capacity

The Chairperson of the Committee is an Independent Director appointed by the Board. If the Chairperson is unable to attend a meeting, a designated Independent Director (i.e. Committee member) chairs the meeting. The Chairperson of the Committee does not have a casting vote. The Committee meets at least two times each year with additional meetings held upon request by the Chairperson or any member.

The attendance register for the Remuneration Sub-Committee's meetings held in 2024 is as presented below:

2024 Remuneration Committee Attendance Record

Members		June-24	Nov-24
Mrs. Angela Peasah	Chairperson (INED)	-	Y
<i>(appointment as Chairperson effective 1st September 2024)</i>			
Mrs. Frances Adu-Mante	Member (INED)	Y	Y
Mrs. Benedicta Wontumi	Member (INED)	Y	Y
<i>(appointment effective 1st September 2024)</i>			
Mrs. Patricia Obo-Nai	Member (NED)	Y	Y
<i>(appointment effective 1st September 2024)</i>			
Mr. Stephen Ato Frimpong	Member (INED)	Y	Y
Mr. Charles Ayesu Darku	Chairperson (INED)	Y	-
<i>(retired effective 31st August 2024)</i>			
Mr. Kofi Sadick Yamoah	Member (INED)	Y	-
<i>(retired effective 31st August 2024)</i>			

Y – Present; INED – Independent Non-Executive Director; NED – Non-Executive Director.

The Remuneration Committee held several emergency / adhoc meetings to receive updates and close actions on the Board Succession Plan particularly with regards to the search for a substantive Managing Director, with escalations to the Board at the March and April 2024 Board meetings.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Information Technology, Cyber Security and Payment Systems Committee (ITCS&PS)

The ITCS&PS Committee was established pursuant to BoG's Directive on Cyber & Information Security (October 2018) ('the BoG Directive 2018') and the Payment Systems and Services Act, 2019 (Act 987).

The primary role of the Committee is to assist the Board with an effective oversight and governance of the Information Technology (IT) and cyber security risk for the Bank, ensure compliance with the provisions of the BoG Directive 2018. Additionally, the Committee assists the Board in its oversight and governance over the Bank's systems, processes regarding cyber security as well as risks related to payment systems and services.

The Committee was also established to enhance the Board's understanding of the systems including policies, controls, and procedures. Management has put measures in place to identify, manage, and mitigate risks related to cybersecurity, data privacy, disaster recovery, respond to incidents accordingly, and protect critical infrastructure assets.

The ITCS&PS Committee, as outlined in its ToR, is required to meet at least four times a year. The membership includes the Managing Director and no less than three Independent Directors of the Board who are possess the necessary skills and possess relevant knowledge to effectively fulfil the Committee's mandate.

The following are also mandatory invitees to the Committee's meetings:

- Chief Information and Enablement Officer
- Head, Cyber Risk Management
- Chief Risk Officer
- Chief Operating Officer
- Cyber and Information Security Officer
- Chief Internal Auditor
- Director, Compliance

The attendance register for ITCS&PS Committee meetings held in 2024 is as presented below:

Members		Apr-24	Jul-24	Oct-24	Dec-24
Mrs. Patricia Obo-Nai	Chairperson (NED)	-	Y	Y	Y
<i>(appointment as Chairperson effective 1st September 2024)</i>					
Dr. Edward Nartey Botchway	Member (ED)	-	Y	Y	Y
<i>(appointment effective 10th July 2024)</i>					
Mr. Prince Adolph Kpegah*	Acting Managing Director	Y	-	-	-
Mr. Stephen Ato Frimpong	Member (ID)	Y	Y	Y	Y
Mr. Charles Darku	Member (ID)	Y	Y	-	-
<i>(retired effective 31st August 2024)</i>					
Mr. Philip Odotei Sowah	Chairperson (ID)	Y	Y	-	-
<i>(retired effective 31st August 2024)</i>					

Y – Present

ID – Independent Director

* Mr. Adolph Kpegah's role as acting Managing Director ended upon the appointment of the substantive Managing Director.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Data Protection

The Bank has a Data Protection Certificate which allows the Bank to process personal information of clients, staff and third parties etc. The Board ensures that the Policy Framework with regards to data protection risks is in place and risks are adequately managed as part of the Bank's Conduct Risk Management.

The Data Privacy and Protection Policy, the Data Privacy Standard, Privacy Incident Management Standard, and supporting documents (Records Retention and Destruction in the Privacy Context, Assessing Potential Risk of Harm for Data Privacy Incidents Cross Border Data Transfer Guidance and Identification of Roles to Data Processing activities), have been reviewed to ensure regulatory compliance and adoption of best practices.

In the course of the year 2024, training programmes were held for employees to ensure adherence to the Data Protection Act, 2012 (Act 843) and Privacy related policies. Quarterly reports are submitted for Board consideration by the Compliance Function with Privacy Risk included as one of the key indicators for Conduct Risk.

Management Reporting Structures and Reports

The Board is collectively responsible for setting its agenda. The Company Secretary in consultation with the Chairperson and all other Directors, develops an annual calendar of Board business. This calendar provides a forward-looking indication of the items to be covered at each meeting, including presentations on the Bank's business and operations.

Papers relevant to the agenda of each Board or Committee meeting are distributed to the Board and Committee members, as appropriate, at least seven days in advance of the meeting.

Regular papers submitted at least every quarter to the Board include:

- i. Managing Director's Report
- ii. Finance Director's Report
- iii. Presentations on the implementation of the Company's strategy from each of its principal businesses, and Functional Heads
- iv. Chief Risk Officer's Report
- v. Governance matters
- vi. Treasurer's Report
- vii. Chief Customer Officer's Report
- viii. Chief Compliance Officer's Report including key developments in the financial system and Directives, Notices, and Guidelines issued by the BoG and other Regulators.
- ix. Anti-Money Laundering Reporting Officer's Report; and
- x. Reports from Board committees (with summaries of Committee minutes being made available as part of the Board Pack).

CORPORATE GOVERNANCE REPORT (CONTINUED)

The Reports, including adhoc submissions required, are provided to the Board to enable them to stay updated on the Bank's performance vis-à-vis the Strategic Plan and Budget. These reports also cover developments in the financial system, banking industry, in addition to the compliance of pieces of legislation and Directive Notices, and Guidelines issued by BoG.

All papers and matters discussed at meetings of the Board and its committees are strictly confidential. An official record is maintained by the Company Secretariat following Board and Committee meetings.

Calendar Activities for 2025

The Board's Calendar Activities for 2025 include the following on the ensuing tentative dates:

- i. Annual General Meeting
 - 20th March 2025
- ii. Meetings of the Board of Directors (Regular and Emergency if required)
 - 20th March 2025
 - 24th April 2025
 - 29th July 2025
 - 28th October 2025
 - 18th December 2025
- iii. Meetings of Board Sub-Committees – Audit, Remuneration, Risk & ITCS&PS (Regular and Emergency if required)
 - Audit
 - 20th February 2025
 - 24th July 2025
 - 23rd October 2025
 - 18th November 2025
 - Remuneration
 - 19th June 2025
 - 6th November
 - Risk
 - 17th April
 - 17th July 2025
 - 14th October 2025
 - 11th December 2025
 - ITCS&PS
 - 15th April 2025
 - 15th July 2025
 - 7th October 2025
 - 4th December
- iv. Regulatory/Mandatory training for Directors and continuous professional development
- v. Biennial Externally Facilitated Board Evaluation
- vi. Annual Self-Assessments by the Board and its Sub-Committees and
- vii. Board and Management Strategy session
 - 19th September 2025

Systems of Internal Control

The Bank has established internal control systems to identify, manage, and monitor risks. These systems are designed to provide reasonable assurance that the risks facing the business are being controlled. The Bank's corporate internal assurance function plays a key role in providing an objective view and continuously assessing the effectiveness of these internal control systems. These internal

CORPORATE GOVERNANCE REPORT (CONTINUED)

controls are implemented and monitored by appropriately trained personnel with clearly defined duties and reporting lines.

Following the conduct of the Ghana Enterprise Risk Management Framework, (ERMF) Review for the year 2024, the Board affirmed the effectiveness of the internal control framework. This annual review confirmed that ABGH had established and implemented a Risk Management Framework that enables ABGH to appropriately develop and implement strategies, policies, procedures, and controls to manage different types of material risks and provides the Board with a comprehensive enterprise-wide view of material risks.

The review provides the Board with an overview of the internal control policies and procedures for managing key risks, including any changes made to ensure their relevance. It also considers key points regarding risk exposures and strategies, internal control over financial reporting, and procedures for reporting internal control deficiencies, as well as any preventive or mitigating actions taken.

Risk Management Framework

There is an Enterprise Risk Management Framework (ERMF) which governs how the Bank identifies and manages its risks. The ERMF ensures that appropriate arrangements are in place to protect the Bank and its stakeholders while enabling the Bank's organisational design and business strategy. The Bank's strategic objectives and plans are set annually in alignment with the ERMF.

Internal Audit

The Chief Internal Auditor reports directly to the Audit Committee and has unrestricted access to the Board. Interactions between the Board's Audit Sub-Committee and Internal Audit are regular and documented. The Internal Audit Function, led by the Chief Internal Auditor, is responsible for assessing whether the overall system of internal controls is sound and supports the financial information presented in the Annual Financial Statements. Additionally, it evaluates the adequacy of risk management activities at the operational level as well as the scope and effectiveness of the independent risk management oversight function in terms of its mandate and responsibilities.

Every year the Board's Audit sub-committee evaluates the performance of the Chief Internal Auditor and by extension the Internal Audit Function, with feedback communicated to the Chief Internal Auditor regarding his effectiveness in the year under review.

The non-executive directors only meeting to discuss the performance of the Chief Internal Auditor for the year 2024 was held during the private session of meeting of the Board's Audit sub-committee held in February 2025.

Code of Business Ethics, Professionalism and Culture

The Board has complied with the requirement of the Corporate Governance Directive, 2018, ensuring that they are knowledgeable about the Code of Conduct, Ethics and Professionalism. The Bank's new purpose statement, "Empowering Africa's Tomorrow Together, One Story at the Time" guides daily activities. Throughout the year, the Bank has embedded its values which dictate expected behaviours when interacting with fellow employees, customers, clients, shareholders, governments, regulators, business partners, suppliers, competitors, and the broader community.

In 2024, the Board of Directors and colleagues attested to the relevant codes of conduct and related standards, which outline expected behaviours, and associated sanctions for breaches.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Code of Business Ethics, Professionalism and Culture

Management has communicated the Purpose, and Values to all employees to guide them in their duties. The Bank's Code of Conduct outlines the professionalism and integrity required for business operations. It covers compliance with the law, conflicts of interest, environmental issues, reliability of financial reporting and anti-bribery directives etc. Strict adherence to these principles helps eliminate the potential for illegal practices. This is achieved through a combination of the following:

- Tone from the top management
- Continuous mandatory training
- Governance process to oversee adherence and continuous enhancement.

Conflict of Interest and Potential Material Conflicts of Interest

The Board has a Conflict-of-Interest Policy in place as required by section 60 of the CGD 2018. Together with the Board's Charter objective compliance processes in place serve as a guide to Directors as follows:

- i. Outlines the Purpose, Scope (i.e. Standard of Persons covered, Conduct and Conflict of Interest definition), Policy Governance (i.e. Disclosure requirements and procedure), Board deliberations pursuant to a declared conflict, Records of Proceedings, Adherence, Non-Adherence and Consequences;
- ii. Duty of directors to avoid possible activities that could create conflicts of interest;
- iii. Review or approval process for directors to follow before they engage in certain activities to ensure that such activities do not create a conflict of interest;
- iv. Duty of directors to disclose in addition to section 59 of the CGD 2018, any matter that may result, or has already resulted in a conflict of interest;
- v. Responsibility of directors to abstain from voting as prescribed under section 59 of the CGD 2018 and on any matter where the director may have conflict of interest;
- vi. Adequate procedures for transactions with related parties and on a non-preferential basis; and
- vii. Process and Procedure by which the Board will deal with any non-compliance with the policy.

The Board maintains an up-to-date register for documenting and managing any conflict-of-interest situations in the Bank. Over the past year under review, the Board ensured that related party transactions complied with applicable legislation and other requirements, regarding exposure limits for loans to Related Parties and Staff.

Related party transactions

At every Board meeting, updates are provided on the potential/material conflicts of interest where Directors and Key Management Personnel (KMP) are concerned.

From a business perspective, there are Policies/Controls for managing any 'Potential Conflict of Interest' in the process of talent acquisition, procurement, and or business (i.e. Corporate and Investment Banking and Retail and Business Banking).

The Board also ensures that non-preferential terms and compliance with sections 67 to 70 of Banks and Specialised Deposit Taking Institutions Act, 2016 (Act 930) regarding exposure limits for related party facilities are complied with. Any consideration of a potential conflict situation by the Board or its sub-committees are duly recorded in the minutes.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Disclosure of interests by Directors

No.	Name / Date of Appointment	Qualification	Outside Board and Management position	Other External Professional Commitments	Position /Designation	Entities with shareholding by directors
1	Mrs. Frances Adu-Mante Appointment effective 5 th October 2017 as INED and from 1 st January 2021 as Board Chairperson	- Executive Masters in Business Administration (Finance) - Diplôme Supérieur de Français des Affaires, Diplôme de Langue, Alliance Française d'Accra - Certificate of Completion of Program in United States Law and Legal Institutions - Professional Qualifying Certificate in Law (QCL), Ghana School of Law - Bachelor of Laws, LLB (Honours)	Board of Trustees, University of Ghana Business School Endowment Fund	Rofam Consultancy Services	INED	None
2	Mr. Kofi Sadick Yamoah (Appointment effective 1 st April 2015) (Retired effective 31st August 2024)	- Institute of Chartered Accountants, Ghana - Master of Business Administration - Bachelor of Science (Administration)	- Accra Institute of Technology - Venture Capital Trust Fund - Ghana Commodity Exchange	China Europe International Business School (CIEBS), Africa	INED	None
3	Mr. Philip Sowah (Appointment effective 1 st April 2015) (Retired effective 31st August 2024)	- Bachelor of Arts (Physics) - Bachelor of Science (Mechanical Engineering)	- Unilever Ghana Ltd - Simbrella Ghana Ltd - mPharma Ltd - Rhema Energy Ltd	Nubuke Business Investment Advisory (Consulting)	INED	None
4	Mr. Charles Ayesu Darku (Appointment effective 1 st April 2015) (Retired effective 31st August 2024)	- Master's Degree in Public Administration - BSc. in Electrical Engineering	- Drake Energy Limited - Edward Mensah, Wood & Associates - Rainbow Services Ltd.	None	INED	Drake Energy Limited (50%)

CORPORATE GOVERNANCE REPORT (CONTINUED)

No.	Name	Qualification	Outside Board and Management position	Other External Professional Commitments	Position	Entities with shareholding by directors
5	Mr. Stephen Ato Frimpong (Appointment effective 1 st March 2021)	- Bachelor of Commerce - Master of Accounting - Certified Public Accountant (CPA) - Certified Management Accountant (CMA)	None	None	INED	None
6	Mr. Clinton Clarke (Appointment effective 14 th May 2021)	- Bachelor of Social Science - Bachelor of Laws	None	None	NED	None
7	Mrs. Benedicta Wontumi (Appointment effective 23 rd November 2023)	- Master of Science in Development Economics (M.Sc. - Finance Option) - Bachelor of Science (B.Sc. (Hons) Economics)	Therakidz School	Growth Investment Partners (GIP)	INED	BBGA Credit Risk Solutions (100%)
8.	Mrs. Patricia Obo-Nai (Appointment effective 6 th June 2024)	- Professional Engineer - Executive Masters in Business Administration, Project Management - Bachelor of Science (B.Sc.) Electrical / Electronic Engineering	- Ghana Telecommunications Company Ltd and its subsidiaries (Telcel Mobile Financial Services Limited, National Communication Backbone Limited) - Global Young Academy Advisory Board, Germany - KNUST Engineering Education Project (KEEP) - Restoration Community Chapel, Accra	Ghana Telecommunications Company Ltd and its subsidiaries (Telecel Mobile Financial Services Limited, National Communication Backbone Limited)	NED	None
9.	Mrs. Angela Peasah (Appointment effective 1 st September 2024)	- Executive Master of Science in Business Administration (EMBA – Entrepreneurial Management Option) - University of Ghana - Institute of Chartered Accountants, Ghana (ICA, Ghana)	None	Unilever Ghana Ltd	INED	None

CORPORATE GOVERNANCE REPORT (CONTINUED)

10.	Dr. Edward Nartey Botchway (Appointment effective 10 th July 2024 as ED and MD)	- Member, Ghana Association of Restructuring and Insolvency Advisors (GARIA, Ghana) - Chartered Member, Institute of Chartered Accountants, Ghana (ICA, Ghana) - Association of Chartered Certified Accountants, UK - Doctor of Business Administration - Swiss Business School - MA (Applied Business Research) - Swiss Business School - BA (Economics) - University of Ghana, Legon	• None	• None	Executive and Managing Director	Integrity Academy (51%)
11	Mr. Adolph Kpegah (Appointment effective 29 th November) Appointed Acting MD from 29 th November 2023 to 9 th July 2024)	- MSc., Business Administration (Finance) - GIMPA - Advanced Certificate in Commercial Lending - BA Economics with Statistics - University of Ghana, Legon	• None	None	Executive Director	None
12	Mr. Munatsi Mkushi (Appointment effective 1 st February 2022)	- Institute of Chartered Accountants of Scotland (ICAS) - University of Cambridge: MA (hons) Experimental & Theoretical Physics - Judge Business School, Cambridge Management Studies - Harvard Business School, General Management Program	• Nisela Tolki (PTY) Ltd	None	Executive Director	Nisela Tolki (PTY) Ltd (100%)
13	Mr. Kobla Nyaletey (Appointment effective 3 rd January 2023)	- EMBA, Finance - University of Ghana - Association of Chartered Certified Accountants, UK. - Certificate in Professional Management Development (PMD 14) Gordon Institute of Business Science, - University of Pretoria, South Africa. ACI Dealing Certificate, Credit Accredited Professional. - BSc in Banking & Finance, University of Ghana - Harvard Business School, General Management Program	• Farmgate Resources Ghana LTD	• None	Executive Director	Farmgate Resources Ghana LTD (30%)

Note:

- Disclosures under Directors' profiles relate to shareholding/equity interest of at least 5%.
- There has been no cross directorship.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Annual Board Certification Training Report

All Directors in 2024 underwent three (3) certificated courses organised by the National Banking College (NBC) with certificates issued to Directors for their participation. The governance programmes attended by all Directors were as follows:

- (i) Module 1: Emerging Regulatory Concerns to Effective Corporate Governance Practice.
- (ii) Module 2: Director Succession Planning and Board Renewal: Acting now for a Better Tomorrow.
- (iii) Module 3: Credit Risk Governance and Management in Times of Uncertainty.

BoG Corporate Governance Toolkit Breakfast (Hybrid) Meeting

All Directors on the Board as of June 2024 participated in training session facilitated by Banking Supervision Department of BoG.

Board Qualification and Continuous Competency development

All the Directors have met the criteria under the Fit and Proper Persons Directive (FPPD) in the year 2024. The Board continually undertakes competency development and training interventions to upskill directors' capabilities and improve overall board performance.

Some Continuous Professional Development Programmes undertaken were:

(i) CPDs facilitated by the Group's Secretariat

- a) ESG Director Training Session
- b) Market conditions update
- c) A global approach to Governance

(ii) Induction Sessions for Managing Director

Comprehensive Induction/Onboarding Pack and sessions organised by the Director, Human Capital.

(iii) Handing Over sessions by Outgoing and New Chairpersons of the Board's sub-committees

Handing over sessions between the outgoing and incoming Chairpersons of the Board's sub-committees were undertaken to facilitate the sharing of institutional memory, strategy from both Group and in-country perspective, regulatory expectations, personal insights etc. with key management personnel in attendance as part of the Board's transitional arrangements for the underlisted committees respectively:

- a) Audit Committee
- b) Remuneration Committee
- c) Risk Committee
- d) ITCS&PS Committee

(iv) CMC and Deep Dive Induction Sessions for New Joiners to the Board

The non-executive and independent non-executive directors appointed in course of the year (new joiners) received comprehensive and tailored Induction sessions from the Country Management Committee (CMC) to ensure their effective onboarding and effective delivery in their roles.

CORPORATE GOVERNANCE REPORT (CONTINUED)

(v) Annual Refresher for Directors

KPMG Ghana facilitated an annual refresher on the topic 'ESG, Climate Risk and BoG Sustainability'. This training which was originally planned to be held in December but was later rescheduled and held in January 2025.

Business Strategy

The Board is the ultimate decision-making body for all matters of importance and significance to the Company as a whole because of their strategic, financial, or reputational implications or consequences.

In furtherance of the above, in October 2024 the Board and Management held an off-site meeting to strategize for the year 2025. The Strategy reset meeting was to discuss the Goals, Strategy and Vision. The Country Strategy together with the key focus areas were subsequently approved by the Board at its December 2024 meeting.

Corporate values

The Board Charter outlines the governance framework and core values that guide the Board's decision-making and problem-solving processes. It emphasises the Board's commitment to maintaining the highest standards of integrity and ethical behaviour. The Charter also highlights how the Board sets the tone at the top, ensuring that the core values are communicated and upheld by every employee.

Succession Planning

The Board has a clear succession process that ensures the effective functioning of the Bank. The Board Skills Matrix guides the Board in its succession planning and search for new members. Through the Board Remuneration Committee, the Board considers the succession plan and Talent Management of the Bank's senior leadership team, ensuring satisfaction with the depth and skill level within the Bank's Leadership team.

The plans outline measures that ensure that as KMPs retire or resign, a pool of qualified candidates with the necessary skills and experience, who are ready to compete for key positions should they become vacant, have already been identified. This ensures that Management's competencies and balance are maintained and enhanced.

The Board is guided by the Board Competencies Matrix to identify any skills gaps on the Board (executive and non-executive) which helps determine qualifying persons who can be appointed when there is a vacancy subject to approval by the Bank's Regulators.

There were 3 new joiners to the Board of Directors in the year under review as follows:

No.	Director's Name	Role on the Board	Date of Regulatory (BoG) Approval	Effective date of Appointment
i.	Mrs. Patricia Obo-Nai	Non-Executive Director	24 th May 2024	6 th June 2024
ii.	Dr. Edward Nartey Botchway	Managing and Executive Director	20 th June 2024	10 th July 2024
iii.	Mrs. Angela Peasah	Independent Non-Executive Director	21 st August 2024	1 st September 2024

There was 1 new joiner to Management in the year under review as follows:

No.	Key Management Person's Name	Role	Date of Regulatory (BoG) Approval	Effective date of Appointment
i.	Mrs. Judith Adrienne Haizel	Director, Compliance / Chief Compliance Officer	15 th April 2024	2 nd May 2024

CORPORATE GOVERNANCE REPORT (CONTINUED)

Retirement of Directors

3 INEDs retired in the course of 2024 after they would have served in the capacity of INEDs up to their respective tenor of 9 years. Details are as follows:

No.	Director's Name	Role on the Board	Date of Appointment	Effective date of Retirement
i.	Mr. Charles Ayesu Darku	INED / Chairman, Remuneration Sub-Committee	1 st April 2015	31 st August 2024
ii.	Mr. Philip Odotei Sowah	INED / Chairman, ITCS&PS Sub-Committee	1 st April 2015	31 st August 2024
iii.	Mr. Kofi Sadick Yamoah	INED / Chairman, Audit Sub-Committee	1 st April 2015	31 st August 2024

There was 1 resignation from Management in the year under review as follows:

o.	Key Management Person's Name	Role	Date of Appointment	Effective date of Resignation
i.	Mr. Elias Augustine Dey	Head, Custody Business	Appointment effective 1 st November 2023	1 st October 2024

Regulatory Reviews on Corporate Governance:

The underlisted Regulatory reviews were conducted in the year 2024 on 'Corporate Governance' with 'satisfactory' outcomes:

- i. Corporate Governance and Branch Operations Review (Banking Supervision Division, BoG)
- ii. Joint South Africa Reserve Bank (SARB) and BoG Examination

Board Performance Evaluations

The Board conducted its annual performance evaluations to identify areas of improvement for individual directors, the Board's sub-committees, and the Board as a whole.

In-House Performance Evaluation on Board, Committee and Peer Evaluation

The Board carried out its annual self-assessment for 2024, by evaluating its performance, including that of each of its 4 subcommittees, and individual Board members. This review assessed the Boards effectiveness of its own governance practices and procedures. The Board was satisfied with its effectiveness in the areas assessed.

The Board's self-assessment for performance in 2024 covered the following areas:

- i. Anti-Money Laundering/Counter Financing of Terrorism (AML/CFT) matters
- ii. Board roles and responsibilities
- iii. Board self-assessments process
- iv. Board structure and composition
- v. Corporate governance self-assessment
- vi. Decision making processes
- vii. Information flows and presentations
- viii. Role of Directors
- ix. Supplementary self-assessment and
- x. Training and rewards

CORPORATE GOVERNANCE REPORT (CONTINUED)

The Peer evaluation elicited feedback received from all Directors in response to questions that were posed to assess colleague Directors and possibly identify among other things any areas for areas of strength or improvement.

Board In-House Performance Evaluation on Anti-Money Laundering and Counter Financing of Terrorism (AML/CFT) Issues

The Board conducted an evaluation of its performance on AML/CFT matters in June and December 2024. Detailed half-yearly reports were submitted to the BoG and the Financial Intelligence Centre (FIC).

Annual Assessment of Independence of Directors:

The Board assessment confirmed that all INEDs had in 2024 met the independence criteria as set in the CGD 2018's mandatory guidelines on independence.

Externally facilitated Evaluation of Board Performance

The Board has initiated the process and is on track to complete its externally facilitated evaluation of its performance in the years 2023 and 2024 by end of June 2025.

Upon completion of the externally facilitated evaluation, a detailed copy of the Report would be submitted to BoG and a statement on the external evaluation of the Board is included in the annual report of the Bank.

The first external evaluation for the years 2019 and 2020 was conducted by the National Banking College, Ghana, while the second externally facilitated performance evaluation in respect of the years 2021 and 2022 was conducted by Deloitte, Ghana.

In accordance with section 48(b) of the Corporate Governance Directive, 2018, a comprehensive report resulting from the most recent biennial evaluation of the Board's performance was submitted to the Bank of Ghana on 31st October 2023. Additionally, a statement regarding the external evaluation of the Board was included as a separate section in the 2024 Annual Report.

Remedial actions were taken and tracked to closure by the Board.

CERTIFICATION OF COMPLIANCE WITH CORPORATE GOVERNANCE DIRECTIVE, 2018

The Board certifies that:

- It has independently assessed and documented that the corporate governance process of the Bank is effective and has successfully achieved its objectives.
- Directors are aware of their responsibilities to the Bank as persons charged with governance.
- There are no material deficiencies or weaknesses in corporate governance identified in the year.
- Directors have obtained certification from the National Banking College after participation in the 2024 Corporate Governance Programme and completed the 2024 programme on Director's responsibilities.

CORPORATE GOVERNANCE REPORT (CONTINUED)

EFFECT OF FIT AND PROPER PERSONS DIRECTIVE, JULY 2019 (FPPD 2019)

The Board has overall responsibility for selecting and appointing KMP, this function is delegated to Executive Management which conducts enhanced due diligence on all KMP's using the criteria in the FPPD 2019.

The Board ensures that Nominees meet the 'Fit and Proper Assessment Criteria' before seeking to obtain the requisite prior approval/ 'no objection' from the Bank of Ghana (primary Regulator) and the South Africa Reserve Bank (SARB) (secondary Regulator).

On-going due diligence is conducted to determine suitability of the Bank's KMPs as well as middle and lower-level management, particularly those in critical roles or where there was a significant change in roles/responsibilities.

Key Management Personnel and their Particulars

Name	Qualification	Profession	Date appointed	Position
Dr. Edward Nartey Botchway	• Doctor of Business Administration - Swiss Business School : March 2015-April 2018– Zurich, Switzerland • MA (Applied Business Research) – Swiss Business School – Zurich, Switzerland • University of Ghana BA (Economics): Ghana 1998 • Association of Certified Chartered Accountants (United Kingdom) : - ACCA Fellow – 2009 - ACCA Member - 2004 • Chartered Member :Institute of Chartered Accountants(Ghana) : 2007 • Ghana Association of Restructuring and Insolvency Advisors (GARIA) 2021	Banker /Chartered Accountant	10-Jul.-2024	Country Managing Director
Mr. Adolph Kpegah	• MSc., Business Administration (Finance) – GIMPA • Advanced Certificate in Commercial Lending. • BA Economics with Statistics, University of Ghana, Legon.	Banker	29-Nov-2023 to 09-Jul-2024 01-Nov. - 2024	Acting Managing Director Chief Strategy & Operations Officer
Mr. Munatsi Mkushi	• Institute of Chartered Accountants of Scotland (ICAS) • University of Cambridge: MA (hons) Experimental & Theoretical Physics • Judge Business School, Cambridge: Management Studies • Harvard Business School, General Management Program	Chartered Accountant	18-Jan.-2022	Finance Director
Mr. Kobla Nyaletyey	• Executive Masters in Business Administration (MBA), Finance – University of Ghana • Association of Chartered Certified Accountants, UK. • Certificate in Professional Management Development (PMD 14) Gordon Institute of Business Science, • University of Pretoria, South Africa. ACI Dealing Certificate, Credit Accredited Professional. • BSc in Banking & Finance, University of Ghana • Harvard Business School, General Management Program	Investment Banker	23-Sept.-2022	Managing Principal, Retail and Business Banking

CORPORATE GOVERNANCE REPORT (CONTINUED)

Name	Qualification	Profession	Date appointed	Position
Mr. Jacob Brobbey	- EMBA (Finance), University of Ghana - Bachelor of Commerce, University of Cape Coast - Dealing Certificate, ACI - Fellow, Association of Certified Chartered Accountants	Investment Banker-Trader	01-Oct-2022	Head of Corporate and Investment Banking (Markets)
Mrs. Annie Aborah	- University of Ghana Business School, Executive Master of Business Administration, (Finance Option) - Kwame Nkrumah University of Science and Technology– Bachelor of Arts - IFS School of Finance (UK) - Diploma in Customer Relationship Management	Banker	15-Dec-2023	Acting Chief Risk Officer
Mrs. Angie Acquaye	- IFS School of Finance, UK – Qualified Analyst (Commercial Lending & Advance Commercial Lending) - University of Ghana, Legon-Accra – M.Phil. (Economics) - University of Cape Coast, Cape Coast – B.A Hons. (Economics)	Banker	15-Dec-2023	Acting Head of Credit
Mrs. Judith Adrienne Haizel	2021 Henley Business School Incorporated in the UK Postgraduate Diploma in Management Practice 2024 University of Ghana, Legon Masters in Business Administration (Finance) 2002 Chartered Institute of Bankers Accra Chartered Banker (Association of Chartered Institute of Bankers (Ghana) 1991 University of Ghana Legon Bachelor of Arts in Economics (Second Class Upper) Member, Association of Chartered Institute of Bankers, Ghana - Member, International Academy of Business and Financial Management (IABFM)	Banker	02-May-2024	Compliance Director
Mr. Seth Atvie	- University of Luton/Bedfordshire (United Kingdom): MSc. Finance and Business Management. - University of Ghana, Legon- Bachelor of Arts (Sociology and Political Science) - ACI- Financial Markets Association (ACI-Operations certificate)	Banker	11-Jul-2023	Head of Governance & Control
Mr. Frederick Nyinaku	- CIMA Advanced Diploma in Management Studies - ACI Operations Certificate - EMBA (Finance), University of Ghana - BSc. Land Economy, Kwame Nkrumah University of Science and Technology (KNUST)	Banker	06-Sept-2022	Chief Operating Officer

*** Dates for Appointment indicated for designated roles.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Name	Qualification	Profession	Date appointed	Position
Mrs. Nana Essilfuah Boison Tamakloe	- EMBA, Marketing, University of Ghana - BA, Social Science, Kwame Nkrumah University of Science and Technology (KNUST)	Marketing Practitioner	03-Dec-2007	Marketing & Corporate Relations Director
Mrs. Ellen Ohene-Afoakwah	- EMBA – GIMPA Business School, Accra. - Chartered Banker – Chartered Institute of Bankers Ghana. - Diploma in Customer Relationship Management – IFS School of Finance London UK. - Diploma in Credit Skills Development – IFS School of Finance London UK. - B.Sc. Agricultural Economics – KNUST	Banker	01-Apr-2017	Managing Principal, Corporate & Investment Banking (CIB)
Mr. William Easmon	- MA International Relations and Diplomacy, Legon Centre for International Affairs and Diplomacy – University of Ghana - Certificate in HRM, The International Management Training Institute, Israel. - Professional Certification, Human Resource Practitioner, Institute of Human Resource Management Practitioners, Ghana. - BA – Political Science & Philosophy – University of Ghana	HR Management Practitioner	01-Dec-2013	Director (Human Capital Function)
Mr. Justice Amegashie	- Project Management Professional (PMP) - Master’s Degree Business Management- Coventry University - Advanced Certificate (Computer & Information Science)- GIMPA - BSc. (Hon) Computer & Information Science – University of Ghana	Information Systems Professional	01-Jul-2022	Chief Information and Enablement Officer (CIEO)
Mr. Kenneth Jojob Gborglah	- MSc, Investment Management – Cass Business School, London - BSc. Administration – University of Ghana - ACI Certification	Treasurer	01-Jul-2015	Country Treasurer
Mrs. Grace Anim-Yeboah	- MBA (Oil & Gas) – Robert Gordon University Aberdeen Business School, Scotland - BA (Economics & English) – KNUST	Banker	01-Dec-2018	Business Banking Director
Ms. Evelyn Acquah	- Retail Banker – Retail Banking Academy Certification Programme – London - Certified Product Manager – AIPMM; - Executive EMBA – Paris Graduate School of Management-France - BSc Admin (Banking and Finance option) – University of Ghana	Banker	01-Aug-2020	Chief Customer Officer

ABSA BANK GHANA LTD

Annual Report and Financial Statements

For the year ended 31 December 2024

CORPORATE GOVERNANCE REPORT (CONTINUED)

Name	Qualification	Profession	Date appointed	Position
Mr. Charles Addo	- Advanced Diploma, Business Application Programme – Grasp College of IT, United Kingdom (UK). - M.Sc. International Money, Finance, and Investment – Brunel University, UK. - BSc (Hons) Business Economics – University of East London	Banker	01-Jun-2018	Personal Banking Director
Mr. Wisdom Nuworkpor	- Fellow – ACCA, Member – ICA, Ghana - Certified Associate in Project Management (PMI), - ACI Operations Certificate – Financial Markets Association, - MBA (Paris Graduate School of Management) - HND, University of Professional Studies, Accra (UPSA)	Chartered Accountant	01-Jun-2020	Chief Internal Auditor (CIA)
Mr. Isaac Adotey Kwashi Brown	- Bachelor of Laws, Central University - EMBA, KNUST - BSc. (Banking and Finance), University of Ghana - Teacher's Cert. A, Ada College of Education	Lawyer and Compliance Professional	17-Oct-2022	Anti-Money Laundering Reporting Officer
Mr. Albert Justin Kwame Gyan	- Bachelor of Laws, UG - University of Cambridge International Diploma in Business - Professional Qualifying Certificate in Law (PQCL)- Barrister and Solicitor of the Supreme Court of Ghana - Notary Public	Lawyer	30-Mar-2023	Head, Legal and Company Secretariat Department
Mr. Benjamin Abiemmo	- Ghana Telecom University, Accra – MSC. Telecommunication Management - Wisconsin International University College – BA Computer Science and Management	Cyber and IT Professional	01-Nov-2023	Head, Cyber Risk Management
Mr. Elias Augustine Dey	- MSC. Information Management and Finance, University of Westminster, London - BA Administration, Economics and Management, University of Ghana, Legon - Ghana Stock Exchange Certificate in Treasury Management – University of Professional Studies, Accra	Investment Banker	01-Nov-2023 (Resigned effective 01 Oct. 2024)	Head, Custody Business
Mrs. Edem Ama Sekyi	- BA (Law and Management) - EMBA (Human Resource Management), University of Ghana, Legon - Professional Qualifying Certificate in Law (PQCL) – Barrister and Solicitor of the Supreme Court of Ghana - Notary Public	Lawyer	10-Jun-2019	Company Secretary

*** Dates for Appointment indicated for designated roles.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Remuneration Policies

The Board through its Remuneration Committee has its responsibilities clearly set out in the relevant Terms of Reference. These may evolve from time to time and include (but are not limited to) the responsibility to considering strategic human resource, remuneration and other succession planning in respect of the Bank's executive management. The Board satisfies itself that executive remuneration practices do not encourage undue risk taking by management. This aligns the long-term interests of our executives and stakeholders, by ensuring transparent remuneration outcomes linked to the value created on a sustainable basis.

The relevant remuneration policies are the Employee Benefits Policy which specifies core and non-core benefits that employees may be entitled to as well as work-enabling benefits. In addition, the Bank's Remuneration Policy articulates the principles and philosophy applicable to remuneration, provides a detailed description of the core remuneration components that make up the total remuneration structure and framework as well as define the approach taken for payments on termination.

CERTIFICATION OF COMPLIANCE WITH NEW REGULATIONS/ GUIDELINES/ DIRECTIVES

The Board certifies that Directors are aware of their responsibilities to the Bank and confirms the Bank's adherence to new Regulations/Guidelines/Directives and embedment of requirements while noting that where there are gaps, remedial measures are being instituted and tracked to closure.

RISK MANAGEMENT DIRECTIVE

The Risk Management Directive issued by Bank of Ghana in 2021 provides guidance in ensuring that the requisite systems are in place to adequately identify, measure, evaluate, control, mitigate, and report material risks that may affect the Bank's ability to meet its obligations to depositors and other stakeholders have been maintained.

In compliance with the Directive, the approved Enterprise Risk Management Framework has been submitted to BoG. Internal Audit also undertook a review of the Bank's Risk Management Framework covering the period comprising January to December 2024, which was assessed as 'Outcome Achieved'.

RISK MANAGEMENT DECLARATION

There is an effective independent risk management function, under the direction of the Chief Risk Officer, with sufficient stature, independence, resources and access to the Board. The independent risk management function is a key component of the Bank's second line of defence. This function is responsible for overseeing risk-taking activities across the Bank. This is clearly detailed in the Board approved Enterprise Risk Framework and its supporting policies and standards.

For the purposes of paragraph 40 of the Risk Management Directive, November 2021, the Board declares that, to the best of its knowledge and having made appropriate enquiries, in all material respects:

- a) the Bank has put in place systems for ensuring compliance with all prudential requirements;
- b) the systems and resources that are in place for identifying, measuring, evaluating, controlling, mitigating, and reporting material risks, and the Risk Management Framework (RMF) itself are appropriate and commensurate with the size, business mix and complexity of the Bank;
- c) the risk management and internal control systems in place are operating effectively and are adequate;
- d) the Bank has a Risk Management Strategy (RMS) that complies with this Directive, and the Bank has complied with the requirements described in its RMS; and
- e) the Bank is satisfied with the effectiveness of its processes and management information systems.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Absa Bank Ghana LTD Sustainability Statement 2024

Absa Bank seeks to be an active force for good in everything we do. This is a crucial pillar of our strategy. To achieve this, the bank has been on a journey of integrating ESG aspirations into its core business strategy and operations. Absa's active force for good strategy aims to purposefully create inter-generational value through active participation in managing the environment, contributing meaningfully to the societies in which we operate and upholding the highest standards of governance and ethics.

Environmental Sustainability

As a bank, we are committed to minimising our own environmental footprint through deliberate initiatives that align with the Absa Group target of Net Zero by 2050 as well as the Bank of Ghana Sustainable Banking Principles. This has resulted in the following notable achievements

Green Care Initiative: We have planted over 200 coconut trees at Bortianor Beach as part of our greening initiative, contributing to environmental protection and supporting the fight against coastal erosion.

Clean Energy Initiative through Solar Power Pilot:

- We have installed solar panels to generate 174.25kW of energy across 41 off-site ATMs
- We have successfully piloted solar system installation in five (5) branches to replace AVR/UPS/Invertors, achieving approximately 20% cost savings on electricity bills (GHS124k). These efforts have contributed to achieving 6% of our renewable energy target of 20% by 2030. Plans are underway to expand this initiative to five (5) more branches in 2025.

Cost Savings & Efficiency Gains: Our Resource Efficiency and Clean Energy initiatives have led to a substantial 30% reduction in electricity consumption, which translates to overall savings of 309kWh (GHS433k) across the branch network, resulting from the solar installations. Additionally, we have achieved a 20% reduction in water consumption, which further reflects our dedication to sustainable practices.

Waste Segregation Programme: Our commitment to reducing our carbon footprint has led to the collection of 483.23kg of paper waste and 54.65Kg of plastic waste for recycling. This programme has promoted recycling and also resulted in an approximate 40% decline in net waste that would have otherwise ended up in landfills.

EDGE Certification: Our new head office building has received EDGE certification, exceeding the 20% green building standard across all resource efficiency metrics: Energy Efficiency (25.11%), Water (30.4%) and Embodied Carbon in Materials (26%).

United Nations Global Compact (UNGC) Participation: In July 2024, Absa Bank officially joined the United Nations Global Compact (UNGC), affirming our commitment to sustainability and being a force for good in the communities we serve. We look forward to accelerating our Sustainability initiatives in partnership with the UNGC.

Empowering SMEs and Financial Inclusion

Absa Bank has played a key role in supporting SMEs in line with our Financial Inclusion strategy. We are proud to have empowered these local businesses to grow their businesses sustainably, creating employment opportunities and contributing to Ghana's economic growth. In partnership with the MasterCard Foundation, we have disbursed collateral-free SME business loans to 4,453 SMEs, including small holder farmers (47% women), totalling over GHS573m, between January and December 2024, at an affordable interest rate of 10% per annum, significantly lower than the market rates of 28-32%.

The Bank was awarded Sustainability Bank of the year, Best Company in Sustainable Financing and Investment and Community Development Leadership impact for the year by Ghana Sustainability awards.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Commitment to Customers and the Economy

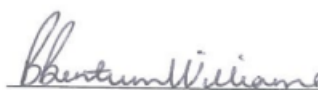
We believe in Empowering Africa's Tomorrow Together, One Story at a Time. For this reason, we will continue to support our cherished customers with innovative products and solutions that enable them to pursue their personal and business aspirations, while contributing meaningfully to the development of Ghana.

Key Highlights

Focus Area	Impact
SME @ 10%	GHS573m
Lending to Women	GHS305m
Jobs Created	5,902
Capacity Building	604 persons
SME Clinics	345 persons, with 41.6 % women
Personal Lending (including mortgages)	GHS1.157bn
Ahomka Loan (Digital Micro loans)	248.5k customers granted GHS 2.8bn
ReadytoWork (Empowerment and upskilling of tertiary students face to face & online)	7,162
Absa Money Matters (Financial Literacy drive)	101,234 students across 200 junior and senior high schools in Eastern, Volta, Greater Accra, Ashanti and Central regions
Technical & Vocational Skills Training (TVET) to provide employable skills to youth outside the school system	Trained and equipped 100 marginalized young women



Chairperson of Board



Chairperson of the Board Risk Committee

CORPORATE GOVERNANCE REPORT (CONTINUED)

SECURITIES AND EXCHANGE COMMISSION'S (SEC) APPROVED ACTIVITIES UNDER THE PRIMARY DEALERSHIP, ISSUING HOUSE, AND CUSTODY LICENSES

Issuing House:

Absa Bank Ghana LTD (ABGH), in fulfillment of its mandate, assists clients in raising capital through debt and equity securities to address their business financing requirements. Moreover, ABGH offers comprehensive financial advisory services, including guidance on mergers and acquisitions, ensuring clients receive strategic support throughout the transaction process to achieve expected outcomes.

For the period under review, ABGH acted as a Co-Arranger for Bayport Savings & Loans PLC's Medium-Term Note Programme. Consequently, ABGH assisted the issuer to successfully raise a total of GHS100 million across five (5) separate bond issuance transactions. All the transactions were duly approved by the SEC and complied with all relevant regulations and directives. The issuances were 3-year and 4-year bond tranches in July, September, October, and November 2024. These transactions were preceded by investor engagements with ABGH and other Arrangers (Databank Brokerage Limited and Stanbic Bank Ghana LTD) to drive investor interest and enhance issuance participation.

Statement of Confirmation

Absa Bank Ghana LTD hereby confirms that we have carried out all permitted activities under our Issuing House License, in accordance with the Securities Industry (Issuing House) Guidelines and the regulatory framework governing Issuing Houses. These activities have been executed utilizing our internal expertise and, where necessary, in collaboration with other Issuing Houses within the local market, in full compliance with the applicable guidelines and regulations.

To the best of our knowledge, we have fully complied with the obligations set forth in the rules, having obtained all requisite pre-deal and post-deal approvals from SEC for all transactions executed in 2024.

Primary Dealership

ABGH is authorized as a Primary Dealer by the Securities and Exchange Commission (SEC) and Bank of Ghana (BoG) to participate in wholesale auctions where Absa takes up, markets, and distributes Government of Ghana Treasury Bills. ABGH is also an authorized Bond Market Specialist (BMS) for the issuance and distribution of Government of Ghana Bonds.

Absa has a highly experienced Sales & Trading team that offers a high level of service and product expertise for a variety of local and international institutional clients. As a Primary Dealer and Bond Market Specialist of Government of Ghana securities, Absa is a leading market maker and liquidity provider to institutional clients.

Custody

The Absa Custody business is a specialized field licensed by SEC to undertake the business of settling trades, investing cash balances as directed, collecting income, processing corporate actions, and providing record-keeping and reporting services. Our clients are mainly institutional investors, Fund Managers, Collective Investment Schemes, Global Custodians and Pension Funds.

The services rendered include Safekeeping of client's assets (clients securities are not co-mingled with the assets of the bank), Corporate Action, Income Collections, Settlement of transactions. Reporting on marketable securities and cash. The service also helps the client to meet regulatory requirements, specifically as relates to domestic Pension Funds and Collective Investment Schemes.

ABGH has the requisite license to commence comprehensive custody services for local, regional, and global clients.

CORPORATE GOVERNANCE REPORT (CONTINUED)**SECURITIES AND EXCHANGE COMMISSION'S (SEC) APPROVED ACTIVITIES UNDER THE PRIMARY DEALERSHIP, ISSUING HOUSE, AND CUSTODY LICENSES (CONTINUED)****Training and Continuous Professional Development****Securities and Exchange Commission (SEC) Mandatory Training**

There was mandatory training organised for Directors by the SEC Team in partnership with the Ghana Institute of Securities and Investments (GISI) as follows:

Module 1

- Regulatory Frameworks / Requirements for Capital Market Operators

Module 2

- Regulatory Requirements under LI / 695 (CIS and REIT) and AML / CFT Requirements for the Capital Market Operators

**Some Directors are yet to complete training as result of the time they were onboarded as new joiners to the Board.*

- Training session for Company Secretaries and Directors on the submission of an electronic version of the Directors and Principal Officer's Personal Notes.

KEY PERFORMANCE INDICATORS

Key performance indicators	2024	2023
	GHS'000	GHS'000
Profit for the year	1,194,729	1,136,695
Total comprehensive income	1,201,480	838,299
Taxation	(678,052)	(668,338)
Net assets	4,178,030	2,975,311

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

Our opinion

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

What we have audited

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

The financial statements comprise:

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

Basis for opinion

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

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

Independence

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

Key audit matters

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

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

Key audit matter	How our audit addressed the key audit matter						
Impairment allowance on loans and advances to customers At 31 December 2024, the Bank’s impairment allowance on loans and advances to customers was as follows: <table><tr><td>Financial Statement Line Item</td><td>Gross Amount GHS’000</td><td>Impairment Allowance GHS’000</td></tr><tr><td>Loan and advances to customers</td><td>9,279,819</td><td>934,919</td></tr></table> The impairment of loans and advances to customers was determined on an expected credit loss (ECL) basis under IFRS 9 - Financial Instruments. IFRS 9 is a complex accounting standard which requires considerable judgement and interpretation in its implementation. These judgements and estimates were used in designing models which have been built and implemented to measure expected credit losses. The key areas of judgement were as follows: • The definition of default and the determination of qualitative and quantitative criteria for determining significant increase in credit risk (SICR); • The selection and determination of forward-looking economic scenarios and the probability weightings applied to each scenario; • The completeness, accuracy and integrity of data used in the ECL calculations; and • The determination of Probability of default (PD), Loss Given Default (LGD) and Exposure at default (EAD). Given the subjectivity and reliance on estimates and judgements inherent in the determination of the impairment of financial assets, we determined that this was a matter of most significance in our audit. The accounting policies, critical estimates and judgements and impairment charge are set out in notes 4, 6.7, 7.1.1 and 23 to the financial statements.	Financial Statement Line Item	Gross Amount GHS’000	Impairment Allowance GHS’000	Loan and advances to customers	9,279,819	934,919	We obtained an understanding of controls over loans and advances to customers. We evaluated and tested the controls over loan origination, monitoring and provisioning processes and assessed their operating effectiveness. We assessed the definition of default and the criteria applied by management in determining SICR. We applied a risk based targeted testing approach on samples of credit facilities for detailed review. We assessed the reasonableness of forward-looking information used in the impairment calculations by challenging the multiple economic scenarios used and the weighting applied. We assessed the completeness, accuracy and integrity of data used in the ECL model and reperformed selected model calculations to check that the inputs used were consistent with the requirements of IFRS 9. We assessed the reasonableness of PD assumptions applied and tested the reasonableness of the LGD by reviewing on a sample basis the valuation of the collateral held and expected future recoveries. We checked that the projected EAD over the remaining lifetime of financial assets were in compliance with the requirements of IFRS 9. We checked the appropriateness of IFRS 9 ECL disclosures.
Financial Statement Line Item	Gross Amount GHS’000	Impairment Allowance GHS’000					
Loan and advances to customers	9,279,819	934,919					

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

Other information

The directors are responsible for the other information. The other information comprises General Information, Directors Report and Value Added Statement but does not include the financial statements and our auditor's report thereon.

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

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

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

Responsibilities of the directors for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) in our opinion proper books of account have been kept by the Bank, so far as appears from our examination of those books; and
- iii) the Bank's statement of financial position and Bank's statement of comprehensive income are in agreement with the books of account.

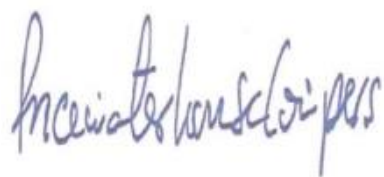
In accordance with section 85(2) of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) we hereby confirm that:

- i) the accounts give a true and fair view of the state of affairs of the Bank and the results of operations for the period under review;
- ii) we were able to obtain all the information and explanations required for the efficient performance of our duties as auditor;
- iii) the Bank's transactions were within its powers; and
- iv) the Bank has, in all material respects, complied with the provisions of this Act.

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

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

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



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

ABSA BANK GHANA LTD

Annual Report and Financial Statements

For the year ended 31 December 2024

STATEMENT OF FINANCIAL POSITION

	Notes	2024 GHS `000	2023 GHS `000
Assets			
Cash and cash equivalents	19	9,847,398	8,438,363
Non-pledged trading assets	20	1,206,738	677,060
Pledged trading assets	20	571,488	410,221
Derivative assets	21	87,444	21,280
Loans and advances to banks	22	130,166	-
Loans and advances to customers	23	8,344,900	6,344,791
Investment in securities	24	4,648,938	3,714,843
Other assets	25	1,305,034	833,524
Current tax assets	17	21,834	100,526
Property, plant and equipment	26	464,477	306,040
Intangible assets	27	83,331	64,771
Deferred tax assets	28	630,008	579,513
Total Assets		27,341,756	21,490,932
Liabilities			
Derivative liabilities	21	33,838	16,206
Deposits from Banks	29	372,284	376,048
Deposits from customers	30	17,631,015	15,883,067
Borrowings	31	3,031,398	730,815
Retirement benefit obligations	32	259,786	204,456
Other liabilities	33	1,835,405	1,305,029
Total liabilities		23,163,726	18,515,621
Equity			
Stated capital	36	400,000	400,000
Retained earnings		2,708,127	1,643,836
Statutory reserve		922,668	773,327
Credit risk reserve		217,100	236,003
Other reserves		(69,865)	(77,855)
Total equity		4,178,030	2,975,311
Total equity and liabilities		27,341,756	21,490,932

Approval of the financial statements

The financial statements on pages 54 to 172 were approved by the Board of Directors on 20 March 2025 and signed on their behalf by:

Signature: 
Name: Frances Adu Mante (Mrs)

Signature: 
Name: Dr. Edward Nartey Botchway

The notes on pages 54 - 172 are an integral part of these financial statements.

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Statement of Comprehensive Income

	Notes	2024	2023
		GHS'000	GHS'000
Interest income	10	3,187,865	2,779,322
Interest expense	10	(792,106)	(545,842)
Net interest income		2,395,759	2,233,480
Fees and commission income	9	468,656	300,765
Fees and commission expense	9	(21,827)	(44,808)
Net fees and commission income		446,829	255,957
Net trading income	11	606,038	534,640
Net trading income		606,038	534,640
Revenue		3,448,626	3,024,077
Other income	12	725	451
Operating income		3,449,351	3,024,528
Net impairment losses on financial assets	13	(264,764)	(165,396)
Personnel expenses	14	(734,130)	(516,564)
Depreciation and amortisation	26	(45,930)	(39,613)
Other expenses	15	(531,746)	(497,922)
Profit before tax		1,872,781	1,805,033
Income tax expense	17	(678,052)	(668,338)
Profit after tax attributable to equity holders of the Bank		1,194,729	1,136,695
Other comprehensive income net of tax			
Items that will not be reclassified to profit or loss:			
Actuarial loss on defined benefit liability	33	(15,041)	(44,666)
Items that are or may be reclassified to profit or loss:			
Expected credit loss release on investment securities at FVOCI	13	(3,869)	-
Release to profit or loss on derecognised FVOCI assets (net of tax)		-	(250,593)
Net gain/(loss) on fair value on financial assets at FVOCI (net of tax)	25	25,661	(3,137)
Other comprehensive income for the year net of tax		6,751	(298,396)
Total comprehensive income		1,201,480	838,299
Profit attributable to:			
Owners of the Bank		1,194,729	1,136,695
Total comprehensive income attributable to:			
Owners of the Bank		1,201,480	838,299
Earnings per share			
Basic and diluted earnings per share (Ghana Cedis per share)		13.28	12.63

The notes on pages 54 - 172 are an integral part of these financial statements.

ABSA BANK GHANA LTD

Annual Report and Financial Statements

For the year ended 31 December 2024

STATEMENT OF CHANGES IN EQUITY

	Stated Capital	Retained Earnings	Statutory reserve	Credit risk reserve	Other reserves	Total
	GHS'000	GHS'000	GHS'000	GHS'000	GHS'000	GHS'000
Balance at 1 January 2023	400,000	885,231	631,240	-	221,860	2,138,331
Profit for the year	-	1,136,695	-	-	-	1,136,695
<i>Other comprehensive income</i>						-
Defined benefit plan actuarial gain (loss)					(44,666)	(44,666)
Release to profit or loss FVOCI assets	-	-	-	-	(250,593)	(250,593)
Changes in fair value on financial asset at FVOCI	-	-	-	-	(3,137)	(3,137)
Total other comprehensive income		-			(298,396)	(298,396)
Total comprehensive income for the year	-	1,136,695	-	-	(298,396)	838,299
Transactions with equity holders of the bank						
Contributions and distributions						
Share-based payment scheme	-	-	-	-	(1,319)	(1,319)
Total contributions and distributions					(1,319)	(1,319)
Other transfers						
Transfers to credit risk reserve	-	(236,003)	-	236,003	-	-
Transfers to statutory reserve	-	(142,087)	142,087	-	-	-
Total other transfers	-	(378,090)	142,087	236,003	-	-
Balance at 31 December 2023	400,000	1,643,836	773,327	236,003	(77,855)	2,975,311

ABSA BANK GHANA LTD

Annual Report and Financial Statements

For the year ended 31 December 2024

STATEMENT OF CHANGES IN EQUITY

	Stated Capital GHS'000	Retained Earnings GHS'000	Statutory reserve GHS'000	Credit risk reserve GHS'000	Other reserves GHS'000	Total GHS'000
Balance at 1 January 2024	400,000	1,643,836	773,327	236,003	(77,855)	2,975,311
Profit for the year	-	1,194,729	-	-	-	1,194,729
<i>Other comprehensive income</i>						
Defined benefit plan actuarial gain (loss)	-	-	-	-	(15,041)	(15,041)
ECL on investment at FVOCI	-	-	-	-	(3,869)	(3,869)
Release to profit or loss FVOCI assets	-	-	-	-	-	-
Changes in fair value on financial asset at FVOCI	-	-	-	-	25,661	25,661
Total other comprehensive income	-	-	-	-	6,751	6,751
Total comprehensive income for the year	-	1,194,729	-	-	6,751	1,201,480
Transactions with equity holders of the bank						
Contributions and distributions						
Share-based payment scheme	-	-	-	-	1,239	-
Total contributions and distributions	-	-	-	-	1,239	1,239
Other transfers						
Transfer from credit risk reserve	-	18,903	-	(18,903)	-	-
Transfer to statutory reserve	-	(149,341)	149,341	-	-	-
Total other transfers	-	(130,438)	149,341	(18,903)	-	-
Balance at 31 December 2024	400,000	2,708,127	922,668	217,100	(69,865)	4,178,030

The notes on pages 54 - 172 are an integral part of these financial statements.

ABSA BANK GHANA LTD

Annual Report and Financial Statements

For the year ended 31 December 2024

STATEMENT OF CASH FLOWS

	Notes	2024 GHS'000	2023 GHS'000
Cash flows from operating activities			
Profit for the year		1,194,729	1,136,695
<i>Adjustments for:</i>			
Depreciation and amortisation	26	45,930	39,613
Impairment loss on financial assets	13	264,764	165,396
Income tax expense	17	678,052	668,338
Net interest income		(2,395,759)	(2,233,480)
Unrealised (gain)/loss on derivatives		(48,532)	306,726
Net loss/(gain)loss on trading assets		2,784	(387,023)
Equity settled SBP transactions		(1,239)	1,319
Gain on disposal of property and equipment		(281)	(33)
		(259,552)	(302,449)
<i>Changes in:</i>			
Non-pledged trading assets		(528,286)	792,064
Pledged trading assets		(159,875)	(407,572)
Loans and advances to financial institutions		(139,470)	768,246
Loans & advances to customers		(2,320,040)	(1,292,227)
Other assets		(415,662)	9,655
Restricted cash balance with Central Bank		(164,636)	(871,551)
Deposits and borrowings from banks		(3,764)	255,715
Deposits from customers		1,747,256	4,709,425
Other liabilities and provisions		(142,138)	(159,203)
		(2,386,167)	3,502,103
Interest paid on lease liabilities	35	(6,097)	(5,159)
Interest received		2,384,338	2,606,846
Interest paid		(789,050)	(576,691)
Income taxes paid	17	(657,117)	(677,802)
Net cash used/ from operating activities		(1,454,093)	4,849,297
Cash flows from investing activities			
Acquisition of investment securities	24	(313,859)	(20,472)
Proceeds from sale of investment securities	24	148,448	355,761
Acquisition of property and equipment	26	(194,870)	(97,288)
Proceeds from disposal of property and equipment	26	424	33
Acquisition of intangible assets	27	(22,236)	(53,808)
Net cash used in investing activities		(382,093)	184,226

ABSA BANK GHANA LTD

Annual Report and Financial Statements

For the year ended 31 December 2024

STATEMENT OF CASH FLOWS

	Notes	2024 GHS'000	2023 GHS'000
Cash flows from financing activities:			
Repayment of lease obligations	35	(4,693)	(25,860)
Proceeds from borrowed funds	31	2,869,541	1,158,805
Repayment of borrowed funds	31	(571,322)	(2,852,674)
Net cash from financing activities		2,293,526	(1,719,729)
Net increase in cash and cash equivalents		457,340	3,313,794
Cash and cash equivalents at 1 January		5,947,666	2,231,144
Effect of exchange rate fluctuations on cash held		787,215	402,728
Cash and cash equivalents as at 31 December**		7,192,221	5,947,666
 Cash and Cash equivalent for purpose of cash flow statement:			
Unrestricted balances with Bank of Ghana		701,757	444,694
Cash and balances with Banks		4,878,230	2,747,531
Money Market Placements		1,612,234	2,755,441
Total**		7,192,221	5,947,666

****The cash and cash equivalent in the cash flow statement excludes amount held as mandatory reserves at 15% of GHS 2,683,336,718 (2023: 2,518,701,028). Also, cash and cash equivalent on the Statement of Financial Position is net of credit loss of GHS 28,160 (2023:28,004)**

The notes on pages 54 - 172 are an integral part of these financial statements.

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

1. Reporting entity

ABSA BANK GHANA LTD ('the company') is a private company incorporated and domiciled in Ghana. ABSA Head Office, John Evans Atta Mills High Street, Accra, Ghana. The Bank primarily is involved in universal banking, spanning wholesale and retail banking, investment and asset management. These are the individual financial statements of the Bank.

ABSA BANK GHANA LTD is a wholly owned subsidiary of Absa Group Limited (AGL), a limited liability company incorporated in the Republic of South Africa.

2. Basis of accounting

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), with IAS 29 Directive issued by the Institute of Chartered Accountants Ghana (ICAG) and in the manner required by the Companies Act, 2019 (Act 992) and the Banks and Specialized Deposit Taking Institution Act, 2016 (Act 930).

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The ICAG issued a directive in November 2023 to accountants in business and accountants in practice, together with an update during January 2024 in terms of which the ICAG concluded that based on its analysis and interpretation, hyperinflationary will not be applicable for December 2023 financial reporting period since Ghana is not considered to be operating in a hyperinflationary economy. In this regard, the financial statements of the Bank, including the corresponding figures for the comparative period have not been stated in terms of the measuring unit current at the end of the reporting period. This position has been maintained by the ICAG as at 31 December 2024.

3. Functional and presentation currency

These financial statements are presented in Ghana Cedis, which is the Bank's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

4. Use of judgements and estimates

In preparing these financial statements, Management has made judgements, estimates and assumptions that affect the application of the Bank's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Use of judgements and estimates continued...

4.1 Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note 7.1.4 – This establishes the criteria for determining whether the credit risk on the financial asset has increased significantly since initial recognition and determining the methodology for incorporating forward-looking information into the measurement of ECL and selection and approval of models used to measure ECL.

Notes 6.7.2 and 18 – classification of financial assets: assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are sole payment of principal and interest (SPPI) on the principal amount outstanding.

4.2 Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have the most significant risk of resulting in a material adjustment in the year ended 31 December 2024 is included in the following notes:

- Notes 7.1.2, and 6.7.7 – impairment of financial instruments: determination of inputs into the ECL measurement model, including key assumptions used in estimating recoverable cash flows and incorporation of forward-looking information.
- Note 8 – determination of fair value of financial instruments with significant unobservable inputs;
- Note 3 – measurement of defined benefit obligations: key actuarial assumptions.

5. Basis of measurement

The financial statements have been prepared on a historical cost basis except for the following material items, which are measured on the following alternative basis at each reporting date.

Items	Measurement basis
Derivative financial instruments	Fair value
Non-derivative financial instruments at fair value through profit or loss	Fair value
Non-derivative financial instruments at fair value through other comprehensive income	Fair value
Liabilities for cash-settled share-based payment arrangements	Fair value
Net defined benefit liability	Present value of the defined benefit obligation

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

6. Material accounting policies

The Bank has consistently applied the following accounting policies to all periods presented in these financial statements, unless stated otherwise.

Set out below is an index of the material accounting policies, the details of which are available on the pages that follow.

- 6.1 Foreign currency transactions
- 6.2 Interest income and interest expense
- 6.3 Fee and commission
- 6.4 Net trading income
- 6.5 Leases
- 6.6 Income tax
- 6.7 Financial assets and financial liabilities
- 6.8 Property and equipment
- 6.9 Intangible assets
- 6.10 Impairment of non-financial assets
- 6.11 Provisions
- 6.12 Contingent liabilities
- 6.13 Employee benefits
- 6.14 Share-based payments
- 6.15 Stated capital and reserves
- 6.16 Earnings per share
- 6.17 Segment reporting

6.1 Foreign currency transactions

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

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the spot rate at reporting date. The foreign currency gain or loss on monetary items is the difference between the amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in the foreign currency translated at the spot exchange rate at the end of the year.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the spot exchange rate when the fair value is determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the spot exchange rate at the date of the transaction.

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

Notes to the Financial Statements

Figures in GHS `000

Material accounting policies continued...

6.2 Interest income and interest expense

Effective interest rate

Interest income and expense are recognised in profit or loss 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 to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired assets, the Bank estimates future cash flows considering all contractual terms of the financial instrument, but not ECL. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including ECL.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

Amortised cost and gross carrying amount

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on 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 expected credit loss allowance.

The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

Calculation of interest income and expense

The effective interest rate of a financial asset or financial liability is calculated on initial recognition of a financial asset or a financial liability. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating rate instruments to reflect movements in market rates of interest.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Material accounting policies continued...

Presentation

Interest income calculated using the effective interest method presented in the statement of comprehensive income includes:

- interest on financial assets measured at amortised cost.
- interest on debt instruments measured at fair value through other comprehensive income (FVOCI).

Interest expense presented in the statement of comprehensive income includes:

- interest on financial liabilities measured at amortised cost
- interest expense on lease liabilities

Interest income and expense on all trading assets and liabilities are considered to be incidental to the Bank's trading operations and are presented together with all other changes in the fair value of trading assets and liabilities in net trading income.

Cash flows related to capitalised interest are presented in the statement of cash flows consistently with interest cash flows that are not capitalised.

6.3 Fee and commission

Fee and commission income and expense that are integral to the effective interest rate on a financial asset or financial liability are included in the determination of effective interest rate.

Fee and commission income from contracts with customers is measured based on the consideration specified in a contract with a customer. The Bank recognises revenue when it transfers control over a service to a customer.

The Bank provides banking services to retail, business banking and corporate customers, including account management, provision of overdraft facilities, foreign currency transactions, credit card and servicing fees. Fees for ongoing account management are charged to the customer's account on a monthly basis or as product specifications may require. The Bank sets the rates separately for retail, business banking and corporate banking customers in line with its pricing policy. Transaction-based fees for interchange, foreign currency transactions and overdrafts etc. are charged to the customer's account when the transaction takes place. Servicing fees are charged on a monthly basis and are based on approved tariffs at any point in time.

Revenue from account service and servicing fees is recognised over time as the services are provided. Revenue related to transactions is recognised at the point in time when the transaction takes place.

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

6.4 Net trading income

Net trading income comprises gains less losses related to trading assets and liabilities and includes all fair value changes and interest from financial instruments measured at fair value through profit or loss, and foreign exchange differences.

Notes to the Financial Statements

Figures in GHS `000

Material accounting policies continued...

6.5 Leases

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

Bank acting as a lessee

At commencement or on modification of a contract that contains a lease component, the Bank allocates consideration in the contract to each lease component on the basis of its relative standalone price. However, for leases of branches and office premises, the Bank has elected not to separate non-lease components and accounts for the lease and non-lease components as a single lease component.

The Bank recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove any improvements made to branches or office premises.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Bank's incremental borrowing rate. Generally, the Bank uses its incremental borrowing rate as the discount rate.

The Bank determines its incremental borrowing rate by analysing its borrowings from various external sources and makes certain adjustments to reflect the terms of the lease and type of asset leased.

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Bank is reasonably certain to exercise, lease payments in an optional renewal period if the Bank is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Bank is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Bank's estimate of the amount expected to be payable under a residual value guarantee, if the Bank changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Material accounting policies continued...

The Bank presents right-of-use assets in 'property and equipment' and lease liabilities in 'other liabilities' in the statement of financial position.

Short-term leases and leases of low-value assets

The Bank has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases.

The Bank recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

6.6 Income tax

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

The Bank has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore has accounted for them under IAS 37 Provisions, Contingent Liabilities and Contingent Assets and has recognised the related expenses in 'other expenses'.

6.6.1 Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if certain criteria are met.

6.6.2 Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that the Bank is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Material accounting policies continued...

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if there is any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Bank expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

6.7 Financial assets and financial liabilities

6.7.1 Recognition and initial measurement

The Bank initially recognises cash and cash equivalents, loans and advances to customers, loans and advances to banks, investment securities, other assets, deposits from bank, deposits from customers and other liabilities on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Bank becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is measured initially at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. The fair value of a financial instrument at initial recognition is generally its transaction price.

6.7.2 Classification

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost, FVOCI or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Material accounting policies continued...

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Bank may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Note 19 sets out the amount of each class of financial asset or financial liability measured at FVTPL, FVOCI or amortised cost.

Business model assessment

The Bank makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to management;
- the risks that affect the performance of the business and its strategy for how those risks are managed;
- how the Bank has determined the appropriate level of aggregation at which the business model is applied; and
- how the entity determines whether the frequency and value of sales in prior periods and expected in future periods are infrequent/insignificant.

Certain non-trading loans and advances to customers and non-trading loans and advances to banks held by the Bank's Treasury business are managed with an objective of realising cash flows through sale. The Bank primarily focuses on fair value information and uses that information to assess the asset's performance and to make decisions.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Assessments whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Bank considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Bank considers:

- contingent events that would change the amount and timing of cash flows;

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Material accounting policies continued...

- leverage features;
- prepayment and extension terms;
- terms that limit the Bank's claim to cash flows from specified assets (e.g. non-recourse loans); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

Business model assessment (Continued)

The Bank holds a portfolio of long-term fixed-rate loans for which the Bank has the option to propose to revise the interest rate at periodic reset dates. These reset rights are limited to the market rate at the time of revision. The borrowers have an option to either accept the revised rate or redeem the loan at par without penalty. The Bank has determined that the contractual cash flows of these loans are SPPI because the option varies the interest rate in a way that is consideration for the time value of money, credit risk, other basic lending risks and costs associated with the principal amount outstanding. Contractual cash flows are assessed against the SPPI test in the currency in which the financial asset is denominated.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Bank changes its business model for managing financial assets.

Cash and cash equivalents

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

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

Non-pledged trading assets

Non-pledged trading assets are those assets that the Bank acquires or incurs principally for the purpose of selling or repurchasing in the near term or holds as part of a portfolio that is managed together for short-term profit or position taking. These primarily comprise trading bills and bonds issued by the Government of Ghana.

Trading assets are initially recognised and subsequently measured at fair value in the statement of financial position, with transaction costs recognised in profit or loss. All changes in fair value are recognised as part of net trading income in profit or loss.

Pledged trading assets

The Bank uses trading assets as collateral to support borrowing arrangements with counterparties. During this period, the Bank retains the rights over the assigned instrument and is therefore entitled to the coupons that may be due and therefore continue to value and recognize gains/losses in line with the FVTPL valuation technique applicable to the instrument categorization. Since these instruments are for the stated period encumbered, the counterparty reserves the right to repledge or resell to realize the proceeds to defraying the Bank's indebtedness to them should the Bank default. These instruments are initially and subsequently measured at fair value with changes in fair value recognised in net trading income.

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Material accounting policies continued...

Loans and advances to banks and customers

The 'loans and advances to banks' caption in the statement of financial position includes loans and advances mandatorily measured at FVTPL; these are measured at fair value with changes recognised immediately in profit or loss.

The 'loans and advances to customers' caption in the statement of financial position includes:

- loans and advances measured at amortised cost (see (g)(iii)); they are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method;
- loans and advances mandatorily measured at FVTPL (see (g)(iii)); these are measured at fair value with changes recognised immediately in profit or loss;

Investment securities

The 'investment securities' caption in the statement of financial position includes debt securities measured at FVOCI and bonds measured at amortised cost.

- For debt investment securities measured at amortised cost, these are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method.
- For debt investment securities measured at FVOCI, gains and losses are recognised in OCI, except for the following, which are recognised in profit or loss in the same manner as for financial assets measured at amortised cost:
 - interest revenue using the effective interest method;
 - ECL and reversals; and
 - foreign exchange gains and losses.

When debt security measured at FVOCI is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss.

Non-trading derivative assets and liabilities

Derivatives held for risk management purposes include all derivative assets and liabilities that are not classified as trading assets or liabilities. Derivatives held for risk management purposes are measured at fair value in the statement of financial position. All changes in fair value are recognised immediately in profit or loss as part of net trading income.

Financial liabilities

The Bank classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost or fair value through profit or loss. See disclosure of trading liabilities and derivative liabilities under note 7(g)(ii).

Deposits and borrowings

Deposits and borrowings from other banks are the Bank's sources of debt funding. The Bank classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instrument.

Deposits and borrowings from other banks are initially measured at fair value plus transaction costs, and subsequently measured at their amortised cost using the effective interest method.

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Material accounting policies continued...

Financial guarantees and loan commitments

Financial guarantees are contracts that require the Bank to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument. Loan commitments are firm commitments to provide credit under pre-specified terms and conditions. Such loan commitments are made either for a fixed period or are cancellable by the Bank subject to notice conditions.

Financial guarantees are initially recognised at fair value on the date that the guarantee was given. Subsequently, they are measured at the higher of the loss allowance determined in accordance with IFRS 9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15.

Other loan commitments issued are measured at the sum of (i) the loss allowance determined in accordance with IFRS 9 and (ii) the amount of any fees received, less, if the commitment is unlikely to result in a specific lending arrangement, the cumulative amount of income recognised. Liabilities arising from financial guarantees and loan commitments are included within other liabilities.

6.7.3 Derecognition

Financial assets

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

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Bank is recognised as a separate asset or liability.

The Bank enters into transactions whereby it transfers assets recognised on its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. In such cases, the transferred assets are not derecognised. Examples of such transactions are securities lending and sale-and-repurchase transactions. In transactions in which the Bank neither retains nor transfers substantially all of the risks and rewards of ownership of a financial asset and it retains control over the asset, the Bank continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

Financial liabilities

The Bank derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Material accounting policies continued...

6.7.4 Modifications of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, then the Bank evaluates whether the cash flows of the modified asset are substantially different.

If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows:

- fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset; and
- other fees are included in profit or loss as part of the gain or loss on derecognition.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the Bank plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place. This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

If the modification of a financial asset measured at amortised cost or FVOCI does not result in derecognition of the financial asset, then the Bank first recalculates the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognises the resulting adjustment as a modification gain or loss in profit or loss. For floating-rate financial assets, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs or fees incurred, and fees received as part of the modification adjust the gross carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses.

Financial liabilities

The Bank derecognises a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability derecognised and consideration paid is recognised in profit or loss. Consideration paid includes non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in profit or loss. For floating-rate financial liabilities, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs and fees incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument.

Offsetting

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

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Material accounting policies continued...

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

6.7.5 Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Bank has access at that date. The fair value of a liability reflects its non-performance risk.

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

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

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Bank determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out. If an asset or a liability measured at fair value has a bid price and an ask price, then the Bank measures assets and long positions at a bid price and liabilities and short positions at an ask price.

6.7.6 Offsetting

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

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

6.7.7 Impairment

The Bank recognises loss allowances for ECL on the following financial instruments that are not measured at FVTPL:

- financial assets that are debt instruments;
- financial guarantee contracts issued; and
- loan commitments issued.

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Material accounting policies continued...

The Bank measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments on which credit risk has not increased significantly since their initial recognition.

The Bank considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Bank does not apply the low credit risk exemption to any other financial instruments.

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which a 12-month ECL is recognised are referred to as 'Stage 1 financial instruments'.

Life-time ECL are the ECL that result from all possible default events over the expected life of the financial instrument. Financial instruments for which a lifetime ECL is recognised but which are not credit-impaired are referred to as 'Stage 2 financial instruments'.

Financial instruments for which lifetime ECL is recognised and that are credit-impaired are referred to as 'Stage 3 financial instruments'.

Measurement of Estimated Credit Losses (ECL).

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Bank expects to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Bank if the commitment is drawn down and the cash flows that the Bank expects to receive; and
- financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Bank expects to recover.

When discounting future cash flows, the following discount rates are used:

- financial assets other than purchased or originated credit-impaired (POCI) financial assets: the original effective interest rate or an approximation thereof;
- POCI assets: a credit-adjusted effective interest rate;
- undrawn loan commitments: the effective interest rate, or an approximation thereof, that will be applied to the financial asset resulting from the loan commitment; and
- financial guarantee contracts issued: the rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows.

Restructured financial asset

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised and ECL are measured as follows.

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Material accounting policies continued...

If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.

If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Credit-impaired financial assets

At each reporting date, the Bank assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired (referred to as 'Stage 3 financial assets'). A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by the Bank on terms that the Bank would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, loans that are overdue for 90 days or more is considered credit-impaired subject to other qualitative considerations.

In making an assessment of whether an investment in sovereign debt is credit-impaired, the Bank considers the following factors.

- The market's assessment of creditworthiness as reflected in bond yields.
- The rating agencies' assessments of creditworthiness.
- The country's ability to access the capital markets for new debt issuance.
- The probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness.
- The international support mechanisms in place to provide the necessary support as 'lender of last resort' to the country, as well as the intention, reflected in public statements, of governments and agencies to use those mechanisms. This includes an assessment of the depth of those mechanisms and, irrespective of the political intent, whether there is the capacity to fulfil the required criteria.

POCI financial assets

POCI financial assets are assets that are credit-impaired on initial recognition. For POCI assets, lifetime ECL are incorporated into the calculation of the effective interest rate on initial recognition. Consequently, POCI assets do not carry an impairment allowance on initial recognition. The amount recognised as a loss allowance subsequent to initial recognition is equal to the changes in lifetime ECL since initial recognition of the asset.

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Material accounting policies continued...

Presentation of allowance for ECL in the statement of financial position

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

- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- loan commitments and financial guarantee contracts: generally, as a provision and presented in other liabilities;
- where a financial instrument includes both a drawn and an undrawn component, and the Bank cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Bank presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision in other liabilities; and
- debt instruments measured at FVOCI: the loss allowance is charged to profit or loss and is recognised in other comprehensive income.

Write-off

Loans and debt securities are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Bank determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are recognised when cash is received and are included in 'impairment losses on financial assets' in the statement of comprehensive income. Financial assets that are written off could still be subject to enforcement activities in order to comply with the Bank's procedures for recovery of amounts due.

Financial guarantee contracts held

The Bank assesses whether a financial guarantee contract held is an integral element of a financial asset that is accounted for as a component of that instrument or is a contract that is accounted for separately. The factors that the Bank considers when making this assessment include whether:

- the guarantee is implicitly part of the contractual terms of the debt instrument;
- the guarantee is required by laws and regulations that govern the contract of the debt instrument;
- the guarantee is entered into at the same time as and in contemplation of the debt instrument; and
- the guarantee is given by the parent of the borrower or another company within the borrower's group.

If the Bank determines that the guarantee is an integral element of the financial asset, then any premium payable in connection with the initial recognition of the financial asset is treated as a transaction cost of acquiring it. The Bank considers the effect of the protection when measuring the fair value of the debt instrument and when measuring ECL.

If the Bank determines that the guarantee is not an integral element of the debt instrument, then it recognises an asset representing any prepayment of guarantee premium and a right to compensation for credit losses. A prepaid premium asset is recognised only if the guaranteed exposure neither is credit-impaired nor has undergone a significant increase in credit risk when the guarantee is acquired. These assets are recognised in 'other assets' (see Note 26). The Bank presents a gains or losses on a compensation right in profit or loss in the line item 'impairment losses on financial instruments'

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Material accounting policies continued...

6.8 Property and equipment

6.8.1 Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. If significant parts of an item of property and equipment have different useful lives, then they are accounted for as separate items (major components) of property and equipment. Any gain or loss on disposal of an item of property and equipment is recognised within other income in profit or loss.

6.8.2 Subsequent costs

Subsequent expenditure is capitalised only if it is probable that future economic benefits associated with the expenditure will flow to the Bank. Ongoing repairs and maintenance are expensed as incurred.

6.8.3 Depreciation

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values using the straight-line method over their estimated lives and is generally recognised in profit or loss. Freehold land is not depreciated.

Asset classified under Capital work-in-progress are only depreciated after they have been transferred to their respective asset classes.

The estimated useful lives of property and equipment for the current and comparative years are as follows:

Asset class	Useful lives
Freehold buildings	33.3 years
Leasehold property	Over the life of the lease
Furniture and equipment	5 years
IT equipment	5 years
Motor vehicles	5 years

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

6.8.4 Derecognition

Property and equipment are derecognised on disposal or when no future economic benefits are expected from its use. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

Notes to the Financial Statements

Figures in GHS `000

Material accounting policies continued...

6.9 Intangible assets

Computer software

Software acquired by the Bank is measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as it is incurred.

Software is amortised on a straight-line basis in profit or loss over its estimated useful life, from the date on which it is available for use. The estimated useful life of software for the current and comparative periods is five (5) years.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. Intangible assets are derecognised on disposal or when no future economic benefits are expected from its use. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

Internally generated assets are capitalised to the extent that is assessed as providing future economic value to the bank and cost can be measured reliably.

6.10 Impairment of non-financial assets

The carrying amounts of the Bank's non-financial assets other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that is largely independent of the cash inflows of other assets or cash-generating unit (CGUs). A cash-generating unit is the smallest identifiable asset that generates cash flows that are largely independent from other assets.

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

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

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

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Material accounting policies continued...

6.11 Provisions

Provisions are recognised for present obligations arising as consequences of past events where it is probable that a transfer of economic benefit will be necessary to settle the obligation, and it can be reliably estimated. The expense related to the provision is recognised in profit or loss net of any reimbursement. The present value of the provision is 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 the risks specific to the liability.

6.12 Contingent liabilities

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events, and present obligations where the transfer of economic resources is uncertain or cannot be reliably measured. Contingent liabilities are not recognised on the statement of financial position but are disclosed unless the outflow of economic resources is remote.

6.13 Employee benefits

6.13.1 Short term employee benefits

Short-term employee benefits, including salaries, accrued performance costs, salary deductions and taxes are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Bank has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

6.13.2 Other employee benefits - loans at concessionary rates

The Bank grants facilities to staff of the Bank on concessionary terms. The Bank recognises such offerings as part of employee benefits on the basis that such facilities are granted to staff on the assumption of their continued future service to the Bank and not for their past service. The Bank's lending rate adjusted for risk not associated with the Bank's staff is applied to fair value such facilities. Any discount arising there from is recognised as a prepaid staff benefit which is amortised through profit or loss over the shorter of the life of the related facilities and expected average remaining working lives of employees.

6.13.3 Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided and recognised as personnel expenses in profit or loss. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Under the national pension scheme, the Bank contributes 13% of employees' basic salary to the Social Security and National Insurance Trust (SSNIT) for employee pensions, representing both tier 1 and 2 employer contributions. The Bank's obligation is limited to the relevant contributions made to the scheme.

The Bank also contributes 10% of the basic salary of employees to a tier 3 voluntary pension scheme managed by United Pension Trustees. This represents the provident fund contributions. The Bank's obligation is limited to the contributions made to the fund.

Notes to the Financial Statements

Figures in GHS `000

Material accounting policies continued...

6.13.4 Defined benefit plans

The Bank provides post-employment healthcare benefits to its retirees which are accrued as a liability in the financial statements, using the projected unit credit method. The entitlement to these benefits is conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

Re-measurements, comprising actuarial gains and losses, the effect of the asset ceiling (excluding interest) and the return on plan assets (excluding interest) are recognised immediately in OCI (other comprehensive income) in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

The Bank determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the net defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into consideration any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in personnel expenses in profit or loss. Service costs comprising current service costs, past-service costs, gains and losses on settlements are recorded in personnel expenses.

The post-employment healthcare benefit obligations are valued annually by independent qualified actuaries.

6.14 Share-based payments

The Bank participates in the Absa Bank Group's equity-settled and cash-settled share-based payment plans.

Absa Group Limited, the parent company of Absa Bank Ghana LTD operates an equity incentive scheme for its Executive Board members including Executive Board members of its subsidiaries, under which it awards shares or pays equivalent amounts in cash to deserving employees at the end of the vesting period – referred to as share-based payment transactions among group entities.

Absa Bank Ghana LTD measures the services received from its employees under the group share-based payment transactions in accordance with the requirements applicable to equity-settled share-based payment transactions. The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

The group share-based payment transaction requires Absa Bank Ghana LTD to reimburse the ultimate holding company for granting the share-based payment. The recharge cost is based on the cost incurred by Absa Group Limited in settling its obligation under the share-based payment transaction therefore the recharge is linked to the share-based payment arrangement.

The recharge transaction is recognised and measured by analogy to the requirements for cash-settled share-based payment transactions. The fair value of amount payable to the parent company is recognised as a recharge liability in other liabilities, with a corresponding decrease in equity over the vesting period of the awards.

The liability is remeasured at each reporting date and at settlement date based on the fair value of the share unit. Changes in fair value (other than foreign exchange differences) of the recharge liability from initial recognition is treated as a true-up of the initial estimate recognised in equity.

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Material accounting policies continued...

6.15 Stated capital and reserves

6.15.1 Stated capital

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

6.15.2 Share issue costs

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

6.15.3 Dividends on equity shares

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

6.16 Earnings per share

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

6.17 Segment reporting

An operating segment is a component of the Bank that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses relating to transactions with any of the Bank's other components, whose operating results are regularly reviewed by the Bank's chief operating decision maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Bank's Managing Director (being the CODM) include items that are directly attributable to a segment as well as those that can be allocated on a reasonable basis. For management purposes, the bank is organised into three business segments based on products and services as follows:

- 1 Retail and Business Banking provides loans and overdrafts, as well as handles the deposits and other transactions of individual and Business Banking customers such as funds transfers, standing orders and ATM card services.
- 2 Corporate Banking principally responsible for providing loans and other credit facilities, as well as deposits and other transactions and services to corporate clients.
- 3 Sales and Trading Primarily undertakes fixed income and foreign exchange trading.

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

7. Financial risk review

This note presents information about the Bank's exposure to each of the financial risks below, the Bank's objectives, policies and processes for measuring and managing risk, and the Bank's management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the Bank's risk management framework. The Board has established the Bank Asset and Liability Committee (ALCO) and the Credit and Board Risk Committees, which are responsible for developing and monitoring the Bank's risk management policies in their specified areas. All Board committees have both executive and non-executive members and report regularly to the Board of Directors on their activities.

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

The Board Audit Committee is responsible for monitoring compliance with the Bank's risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Bank. The Audit Committee is assisted in these functions by Internal Audit. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

7.1 Credit risk

7.1.1 Credit quality analysis

7.1.2 Collateral held and other credit enhancements, and their financial effect

7.1.3 Amounts arising from ECL

7.1.4 Impaired financial assets - comparative information

7.1.5 Concentrations of credit risk

7.2 Liquidity risk

7.2.1 Maturity analysis for financial liabilities and financial assets

7.2.2 Assets held for managing liquidity risk

7.2.3 Settlement of derivative assets and liabilities

7.2.4 Exposure to liquidity risk

7.2.5 Liquidity positions

7.3 Market risk

7.3.1 Foreign exchange daily value at risk

7.3.2 Interest rate stress testing

7.3.3 Net interest income sensitivity

7.3.4 Foreign exchange risk

7.3.5 Exposure to interest rate risk

7.3.6 Exposure to currency risks

7.4 Operational risks

7.5 Capital management

Gearing ratio

Capital adequacy ratio

Capital allocation

Notes to the Financial Statements

Figures in GHS `000

Financial risk review continued...

7.1 Credit risk

Credit risk is the risk that the Bank's customers, clients or counterparties will not be able or willing to pay interest, repay capital or otherwise fulfil their contractual obligations under loan agreements or other credit facilities. Credit risk also arises through the downgrading of counterparties whose credit instruments the Bank may be holding, causing the value of those assets to fall. Furthermore, credit risk is manifest as country risk where difficulties experienced by the country in which the exposure is domiciled may impede payment or reduce the value of the asset or where the counterparty may be the country itself. Settlement risk is another special form of credit risk which is the possibility that the Bank may pay a counter party – for example, a bank in a foreign exchange transaction – and fail to receive the corresponding settlement in return.

Credit risk is the Bank's largest risk and considerable resources, expertise and controls are devoted to managing it.

The credit risk management teams in the business are accountable to the Head of Wholesale Credit Risk and the Head of Retail Credit Risk respectively. The credit risk function, led by the Head/Director, provides bank-wide direction of credit risk-taking. This team manages the resolution of all significant credit policy issues under individual discretion limit or refers same to functional credit for sanctions based on exposure and credit grading. The principal committees that review credit risk management are the Bank's Credit Risk Management Committee, Management Credit Committee and the Board Risk Committee. The Board, Risk Committee and Bank of Ghana review and approve write-off decisions.

Credit monitoring

Whilst the basic principles for monitoring weaknesses in corporate/ business banking and retail exposures are broadly similar, they will reflect the differing nature of the assets. As a matter of policy, all facilities granted to corporate/business banking customers are subject to a review on, at least, an annual basis, even when they are performing satisfactorily. Corporate/ business banking accounts that are deemed to show signs of delinquency based on early warning criteria are downgraded into various categories based on probability of default, perceived loss, and other internal and external factors. These are updated monthly and circulated to the relevant risk control points. Once an account has been placed on Early Warning List (EWL), the exposure is closely monitored and, where required, exposure reductions are effected. Should an account become impaired, it will normally have passed through each of the three EWL categories, which reflect the need for increasing caution and control. Where an obligor's financial health gives grounds for concern, it is immediately placed into the appropriate EWL category. While all obligors, regardless of financial health, are subject to a full review of all facilities on, at least, an annual basis, more frequent interim reviews may be undertaken should circumstances dictate. Specialist recovery functions deal with clients in default, collection or insolvency. Their mandate is to maximise shareholder value via the orderly and timely recovery of impaired debts while supporting the businesses to turnaround where appropriate.

Within the retail portfolios, which tend to comprise homogeneous assets, statistical techniques more readily allow potential weaknesses to be monitored on a portfolio basis. Retail accounts can be classified according to specified categories of arrears status, which reflects the level of contractual payments which are overdue on a loan. The probability of default increases with the number of contractual payments missed, thus raising the associated impairment requirement. Accounts in default are categorised into buckets with one instalment default being classified into Bucket 1, two instalment defaults into Bucket 2, and three instalment defaults into Bucket 3. Once a loan has passed through all three cycles, it will enter recovery status. In most cases, charge-off will result in the account moving to a legal recovery function or debt sale. This will typically occur after an account has been treated by a collections function.

However, in certain cases, an account may be charged off directly from a performing (up to date) status, such as in the case of insolvency or death. As a general principle, charge-off marks the point at which it becomes more economically efficient to treat an account through a recovery function or debt sale rather than a collections function. Economic efficiency includes the (discounted) expected amount recovered and operational and legal costs. For the majority of products, the standard period for charging off accounts is 90 days past due of contractual obligation. However, in the case of customer bankruptcy or insolvency, the associated accounts will be charged off within 60 days.

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Financial risk review continued...

7.1.1 Credit quality analysis

The following table sets out information about the credit quality of financial assets measured at amortised cost and FVOCI debt instruments. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts. For loan commitments and financial guarantee contracts, the amounts in the table represent the amounts committed or guaranteed, respectively.

2024	Stage 1 GHS `000	Stage 2 GHS `000	Stage 3 GHS `000	Total GHS `000
Loans and advances to customers at amortised cost				
Grade 1–6	2,352,884	-	-	2,352,884
Grade 7–10	36,865	204,533	-	241,397
Grade 11	4,848	-	33,529	38,378
Grade 12	86,103	-	60,192	146,295
Grade 13-23	4,237,373	1,233,416	1,030,076	6,500,865
Gross carrying amount	6,718,073	1,437,949	1,123,797	9,279,819
Loss allowance	(126,083)	(192,909)	(615,927)	(934,919)
Carrying amount	6,591,990	1,245,040	507,870	8,344,900

2023	Stage 1 GHS `000	Stage 2 GHS `000	Stage 3 GHS `000	Total GHS `000
Loans and advances to banks at amortised cost				
Loans and advances to customers at amortised cost				
Grade 1–6	1,806,478	-	-	1,806,478
Grade 7–10	40,214	211,490	-	251,704
Grade 11	44,966	-	14,451	59,417
Grade 12	25,050	-	14,945	39,995
Grade 13-23	2,182,583	1,613,054	991,703	4,787,340
Gross carrying amount	4,099,291	1,824,544	1,021,099	6,944,934
Loss allowance	(95,303)	(154,835)	(350,005)	(600,143)
Carrying amount	4,003,988	1,669,709	671,094	6,344,791

2024	Stage 1 GHS `000	Stage 2 GHS `000	Stage 3 GHS `000	POCI GHS `000	Total GHS `000
Investment securities at FVOCI					
Grades 13-23	311,823	-	-	274,488	586,311
Gross carrying amount	311,823	-	-	274,488	586,311
Carrying amount-fair value	311,823	-	-	274,488	586,311

2023	Stage 1 GHS `000	Stage 2 GHS `000	Stage 3 GHS `000	POCI GHS `000	Total GHS `000
Investment securities at FVOCI					
Grades 13-23	-	-	-	229,156	229,156
Gross carrying amount	-	-	-	229,156	229,156
Carrying amount-fair value	-	-	-	229,156	229,156

ABSA BANK GHANA LTD

Annual Report and Financial Statements

For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Financial risk review continued...

2024	Stage 1	Stage 2	Stage 3	POCI	Total
	GHS `000	GHS `000	GHS `000	GHS `000	GHS `000
Investment securities at amortised cost					
Grades 10-12	-	-	-	-	-
Grades 13-23	-	-	-	4,062,627	4,062,627
Gross carrying amount	-	-	-	4,062,627	4,062,627
Carrying amount	-	-	-	4,062,627	4,062,627

No cash shortfall was considered on initial recognition of the POCI instruments since management is of the view that cashflows from the extended repayment period and significant reduction of the interest rate will be collectible.

2023	Stage 1	Stage 2	Stage 3	POCI	Total
	GHS `000	GHS `000	GHS `000	GHS `000	GHS `000
Investment securities at amortised cost					
Grades 10-12	-	-	-	-	-
Grades 13-23	-	-	-	3,485,687	3,485,687
Gross carrying amount	-	-	-	3,485,687	3,485,687
Carrying amount	-	-	-	3,485,687	3,485,687

2024	Stage 1	Stage 2	Stage 3	Total
	GHS `000	GHS `000	GHS `000	GHS `000
Letters of credit				
Grades 12-17	1,371,246	145,522	-	1,516,768
Loss allowance	(11,920)	(3,830)	-	(15,750)
Carrying amount	1,359,326	141,692	-	1,501,018
Financial guarantee contracts				
Grades 4-19	1,224,287	30,194	-	1,254,481
Loss allowance	(7,762)	(1,183)	-	(8,945)
Carrying amount	1,216,525	29,011	-	1,245,536
Undrawn commitments to lend				
Grades 5-19	1,534,447	433,409	338	1,968,194
Loss allowance	(26,909)	(23,114)	-	(50,023)
Carrying amount	1,507,538	410,295	338	1,918,171

ABSA BANK GHANA LTD

Annual Report and Financial Statements

For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Financial risk review continued...

2023	Stage 1	Stage 2	Stage 3	Total
	GHS `000	GHS `000	GHS `000	GHS `000
Letters of credit	387,163	495,273	-	882,436
Grades 12-17	(7,191)	(24,499)	-	(31,690)
Loss allowance	379,972	470,774	-	850,746
Carrying amount				
Financial guarantee contracts				
Grades 4-19	761,652	648,597	60	1,410,309
Loss allowance	(1,548)	(25,432)	-	(26,980)
Carrying amount	760,104	623,165	60	1,383,329
Undrawn commitments to lend				
Grades 5-19	1,260,607	648,440	1,901	1,910,948
Loss allowance	(4,641)	(54,965)	(295)	(59,901)
Carrying amount	1,255,966	593,475	1,606	1,851,047

The carrying value of the Letters of Credit, Guarantees and Undrawn Commitments are shown here for information purposes only as they do not correspond to financial statement presentation given the substance of the balances and IFRS 9 implications.

The following table sets out information about the overdue status of loans and advances to customers in Stages 1, 2 and 3.

	2024			
Loans and advances to customers at amortised cost – gross carrying amount	Stage 1	Stage 2	Stage 3	Total
	GHS `000	GHS `000	GHS `000	GHS `000
Current	6,210,356	1,080,489	-	7,290,845
Overdue > 90 days with adequate collateral	507,717	152,927	68,135	728,779
Overdue > 90 days without adequate collateral	-	204,533	1,055,663	1,260,196
Total	6,718,073	1,437,949	1,123,798	9,279,820

	2023			
Loans and advances to customers at amortised cost – gross carrying amount	Stage 1	Stage 2	Stage 3	Total
	GHS `000	GHS `000	GHS `000	GHS `000
Current	4,099,291	1,609,666	2,396	5,711,353
Overdue > 90 days with adequate collateral	-	3,245	50,240	53,485
Overdue > 90 days without adequate collateral	-	211,634	968,462	1,180,096
Total	4,099,291	1,824,545	1,021,098	6,944,934

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Financial risk review continued...

Cash and cash equivalents

The Bank held cash and cash equivalents of GHS 9,847,396,974 at 31 December 2024 (2023: GHS 8,438,362,740). In 2024, cash and cash equivalents of GHS 4,878,230,000 and GHS 4,969,166,974 were classified as stage 1 and 2 exposures respectively. The cash and cash equivalents are held with central banks and financial institution counterparties. The related ECL on this exposure at year end was GHS 28,160,696 (2023: GHS 28,004,260)

The following table sets out the credit quality of trading debt securities measured at FVTPL.

	2024 GHS `000	2023 GHS `000
Trading assets		
Not rated	1,778,226	1,087,281
Carrying amount	1,778,226	1,087,281

At 31 December 2024, the maximum exposure to credit risk of the trading assets is their carrying amount of GHS 1,778,226 (2023: GHS 1,087,281).

The following table shows an analysis of counterparty credit exposures arising from derivative transactions. Derivative transactions of the Bank are generally fully collateralised by cash.

	Total		Over-the-counter			
			Absa Bank Ltd		Others	
	Notional amount	Fair value	Notional amount	Fair value	Notional amount	Fair value
	GHS `000	GHS `000	GHS `000	GHS `000	GHS `000	GHS `000
2024						
Derivative assets	62,997	87,444	21,373	34,434	41,624	53,010
Derivative liabilities	62,997	33,838	21,373	14,285	41,624	19,553
2023						
Derivative assets	9,045	21,280	1,884	12,169	7,161	9,111
Derivative liabilities	9,045	16,206	1,884	7,562	7,161	8,644

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Financial risk review continued...

7.1.2 Collateral held and other credit enhancements

The general creditworthiness of a corporate customer tends to be the most relevant indicator of credit quality of a loan extended to it. However, collateral provides additional security and the Bank generally requests that corporate borrowers provide it. The Bank may take collateral in the form of a first charge over real estate, floating overall corporate assets and other liens and guarantees. Because of the Bank's focus on corporate customers' creditworthiness, the Bank does not routinely update the valuation of collateral held against all loans to corporate customers. Valuation of collateral is performed at the time of borrowing and generally is not updated except when a loan is individually assessed as impaired. Valuation of collateral is updated in a three-year cycle for loans whose credit risk has deteriorated significantly and are being monitored more closely.

Collateral is not normally held for loans and advances to banks, except when securities are held as part of reverse repurchase and securities borrowing activity. If collateral are obtained, these are usually in the form of assignment of Government treasury bills and bonds.

Collateral is not usually held against investment securities, and no such collateral was held at 31 December 2024.

Collateral values of impaired loans are at cash flows of the forced sale values less estimated costs of sale as discounted to present values. The table below sets out the principal types of collateral held against different types of financial assets and an estimate of the fair value of collateral and other credit enhancements held against loans and advances to customers and Banks.

Type of credit exposure

2024	Carrying amount	Fair value of collateral	Principal type of collateral held
	GHS'000	GHS'000	
Loans and advances to banks	130,166	130,166	
Loans and advances to customers	8,344,900	11,059,304	Residential and commercial properties, Cash, Personal Guarantees, Legal Mortgage, Parent Co. Guarantee etc.
Letters of credit and guarantees	2,771,249	2,897,669	Cash, landed properties, guarantees etc.
2023	Carrying amount	Fair value of collateral	Principal type of collateral held
	GHS'000	GHS'000	
Loans and advances to banks	-	-	
Loans and advances to customers	6,344,791	11,686,274	Residential and commercial properties, Cash, Personal Guarantees, Legal Mortgage, Parent Co. Guarantee etc.
Letters of credit and guarantees	2,292,745	2,105,398	

Included in the loans and advances to customers balance are credit impaired financial assets with a carrying amount of GHS 984 million (2023: 871 million) and corresponding fair value of collaterals as GHS 629million (2023: 501 million)

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Financial risk review continued...

Reposessed collateral

The Bank took possession of collateral held as security against loans and advances and sold same at GHS 990,000 to defray part of the debt. (2023: nil). The bank does not have a stock of reposessed assets.

7.1.3 Amounts arising from expected credit losses (ECL)

Significant increase in credit risk

The Bank uses various quantitative, qualitative and backstop measures as indicators of a significant increase in credit risk. The thresholds applied for each portfolio are reviewed on a regular basis to ensure they remain appropriate. Where evidence of a significant increase in credit risk is not yet available at an individual instrument level, instruments that share similar risk characteristics are assessed on a collective basis.

Key drivers of a significant increase in credit risk include:

- Where the weighted average probability of default (PD) for an individual exposure or bank exposures as at the reporting date evidences a material deterioration in credit quality, relative to that determined on initial recognition;
- Adverse changes in payment status, and where accounts are more than 30 days in arrears at reporting date. In certain portfolios a more conservative arrears rule is applied where this is found to be indicative of increased credit risk (e.g. 1 day in arrears);
- Accounts in the Retail portfolio which meet the portfolio's impairment high risk criteria; and
- The Bank's watch list framework applied to the Wholesale portfolio, which is used to identify customers facing financial difficulties or where there are grounds for concern regarding their financial health.

Credit risk grades

The Bank allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of default and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of borrower.

Credit risk grades are defined and calibrated such that the risk of default occurring increases as the credit risk grade deteriorates so, for example, the difference in risk of default between credit risk grades 1 and 3 is smaller than the difference between credit risk grades 4 and 5.

Each exposure is allocated to a credit risk grade on initial recognition based on available information about the borrower. Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk grade. The monitoring typically involves use of the following data.

ABSA BANK GHANA LTD

Annual Report and Financial Statements

For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Financial risk review continued...

7.1.4 Impaired financial assets - comparative information

Corporate exposures	Retail exposures	All exposures
Information obtained during periodic review of customer files – e.g. audited financial statements, management accounts, budgets and projections. Examples of areas of particular focus are: gross profit margins, financial leverage ratios, debt service coverage, compliance with covenants, quality of management, senior management changes	Internally collected data on customer behaviour – e.g. utilisation of credit card facilities	Payment record - this includes overdue status as well as a range of variables about payment ratios
Quoted bond and credit default swap (CDS) prices for the borrower where available	Affordability metrics	Utilisation of the granted limit
Actual and expected significant changes in the political, regulatory and technological environment of the borrower or in its business activities		Requests for and granting of forbearance Existing and forecast changes in business, financial and economic conditions

The table below provides an indicative mapping of how the Bank's internal credit risk grades relate to probability of default (PD):

Grading	Retail lending Probability of default	Corporate lending Probability of default	Default grade
Strong	0.0 - 0.60%	0.0 - 0.05%	1-3
		0.05% - 0.15%	4-5
		0.15% - 0.30%	6-8
		0.30% - 0.60%	9-11
Satisfactory	0.60% - 10.00%	0.60% - 2.15%	12-14
		2.15% - 11.35%	15-19
Higher risk	10.00%+	11.35% +	20-21
Impaired loans	1	100%	22-23

Notes to the Financial Statements

Figures in GHS `000

Financial risk review continued...

Financial statement descriptions of credit risk grades can be summarised as follows:

- Strong- there is a very high likelihood of the asset being recovered in full.
- Satisfactory- whilst there is a high likelihood that the asset will be recovered and therefore, of no cause for concern to the Bank, the asset may not be collateralised, such as unsecured loans, which have been classified as satisfactory, regardless of the fact that the output of internal grading models may have indicated a higher classification. At a lower end of this grade there are customers that are being more carefully monitored, for example, corporate customers which are indicating some evidence of some deterioration.
- Higher risk- there is concern over the obligor's ability to make payments when due. However, these have not yet converted to actual delinquency. However, the borrower or counterparty is continuing to make payment when due and is expected to settle all outstanding amounts of principal and interest.

Generating the term structure of PD

Credit risk grades are a primary input into the determination of the term structure of PD for exposures. The Bank collects performance and default information about its credit risk exposures analysed by jurisdiction or region and by type of product and borrower as well as by credit risk grading.

The Bank employs statistical models to analyse the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time.

Determining whether credit risk has increased significantly

The Bank assesses whether credit risk has increased significantly since initial recognition at each reporting date. Determining whether an increase in credit risk is significant depends on the characteristics of the financial instrument and the borrower, and the geographical region. What is considered significant differs for different types of lending, in particular between wholesale and retail.

As a general indicator, the credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Bank's quantitative modelling:

- the remaining lifetime PD is determined to have increased by more than two PD notches of the corresponding amount estimated on initial recognition; or
- the absolute change in annualised, lifetime PD since initial recognition is greater than two basis points.

In addition, irrespective of the relative increase since initial recognition, the credit risk of an exposure is deemed not to have increased significantly if its remaining annualised lifetime PD at the reporting date is adequately covered by collateral.

The credit risk may also be deemed to have increased significantly since initial recognition based on qualitative factors linked to the Bank's credit risk management processes that may not otherwise be fully reflected in its quantitative analysis on a timely basis. This will be the case for exposures that meet certain heightened risk criteria, such as placement on a watch list. Such qualitative factors are based on its expert judgement and relevant historical experiences. As a backstop, the Bank considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower.

Notes to the Financial Statements

Figures in GHS `000

Financial risk review continued...

If there is evidence that there is no longer a significant increase in credit risk relative to initial recognition, then the loss allowance on an instrument returns to being measured as 12-month ECL. Some qualitative indicators of an increase in credit risk, such as delinquency or forbearance, may be indicative of an increased risk of default that persists after the indicator itself has ceased to exist. In these cases, the Bank determines a probation period, generally three to six months, during which the financial asset is required to demonstrate good behaviour to provide evidence that its credit risk has declined sufficiently. When contractual terms of a loan have been modified, evidence that the criteria for recognising lifetime ECL are no longer met includes a history of up-to-date payment performance against the modified contractual terms. The Bank monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- the criteria are capable of identifying significant increases in credit risk before an exposure is in default;
- the criteria do not align with the point in time when an asset becomes 30 days past due;
- the average time between the identification of a significant increase in credit risk and default appears reasonable;
- exposures are not generally transferred directly from 12-month ECL measurement to credit-impaired; and
- there is no unwarranted volatility in loss allowance from transfers between 12-month PD (Stage 1) and lifetime PD (Stage 2)

Definition of default

The Bank considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Bank in full, without recourse by the Bank to actions such as realising security (if any is held);
- the borrower is more than 90 days past due on any material credit obligation to the Bank. Overdrafts are considered as being past due once the customer has breached an advised limit or been advised of a limit smaller than the current amount outstanding; or
- it is becoming probable that the borrower will restructure the asset as a result of bankruptcy due to the borrower's inability to pay its credit obligations.

In assessing whether a borrower is in default, the Bank considers indicators that are:

- qualitative: e.g. breaches of covenant;
- quantitative: e.g. overdue status and non-payment on another obligation of the same issuer to the Bank; and
- based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

The definition of default largely aligns with that applied by the Bank for regulatory capital purposes.

Incorporation of forward-looking information

The Bank incorporates forward-looking information into both the assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and the measurement of ECL.

ABSA BANK GHANA LTD

Annual Report and Financial Statements

For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Financial risk review continued...

The Bank formulates three economic scenarios: a base case, which is the median scenario assigned a 40% probability of occurring, and two less likely scenarios, one upside and one downside, each assigned a 30% probability of occurring. The base case is aligned with information used by the Bank for other purposes such as strategic planning and budgeting. External information considered includes economic data and forecasts published by governmental bodies and monetary authorities in the countries where the Bank operates, supranational organisations such as the OECD and the International Monetary Fund and selected private-sector and academic forecasters.

Periodically, the Bank carries out stress testing of more extreme shocks to calibrate its determination of the upside and downside representative scenarios. A comprehensive review is performed at least annually on the design of the scenarios by a panel of experts that advises the Bank's senior management. For periods beyond five years, management utilises the in-house research view and model outputs, which allow for a reversion to long-term growth rates or norms. All projections are updated on a quarterly basis.

The Bank has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

The key drivers for credit risk for wholesale portfolios are GDP growth and interest rates. For exposures to specific industries and/or regions, the key drivers also include relevant commodity and/or real estate prices. The key drivers for credit risk for retail portfolios are: GDP, inflation and interest rates.

The following table shows the key forecast assumptions used to calculate the ECL allowances:

	Baseline					
2024	2023	2024	2025	2026	2027	2028
Real GDP (%)		5.0	4.9	5.1	5.3	5.5
Average policy rate (%)		28.43	23.5	18.75	15.13	14.56
2023						
Real GDP (%)	2.6	3.9	4.5	5.0	5.0	5.0
Average policy rate (%)	29.3	27.9	19.5	17.0	16.1	16.1

	Mild upside					
2024	2023	2024	2025	2026	2027	2028
Real GDP (%)		5.8	6.3	6.5	6.8	6.0
Average policy rate (%)		28.3	16.9	13.1	13.0	13.0
2023						
Real GDP (%)	4.0	4.9	5.8	6.0	6.0	6.0
Average policy rate (%)	29.4	20.8	15.3	14.0	14.0	14.0

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Financial risk review continued...

	Mild downside					
2024	2023	2024	2025	2026	2027	2028
Real GDP (%)		3.5	4.0	4.1	4.2	3.7
Average policy rate (%)		28.6	27.0	23.6	21.6	20.1
2023						
Real GDP (%)	2.0	2.5	3.2	4.0	4.0	4
Average policy rate (%)	29.4	30.4	25.8	23.1	20.4	20.4

Sensitivity of ECL to future economic conditions

Given the level of uncertainty required in the determination of ECL, the Bank has conducted a sensitivity analysis in order to indicate the impact on ECL when assigning a probability weighting of 100% to each macroeconomic variable scenario. The analysis only reflects the impact of changing the probability assigned to each scenario to a 100% and does not include management adjustments required to provide a more appropriate assessment of risk.

	2024		2023	
	GHS `000	% change	GHS `000	% change
ECL allowance on stages 1 and 2 loans and advances to banks and customers	432,949	-	277,351	-
Baseline	523,247	20.9	276,656	(0.3)
Upside	483,184	11.6	259,522	(6.4)
Downside	564,055	30.3	296,107	6.8

Modified financial assets

The contractual terms of a loan may be modified for a number of reasons, including changing market conditions, customer retention and other factors not related to a current or potential credit deterioration of the customer. An existing loan whose terms have been modified may be derecognised and the renegotiated loan recognised as a new loan at fair value in accordance with the accounting policy.

When the terms of a financial asset are modified and the modification does not result in derecognition, the determination of whether the asset's credit risk has increased significantly reflects comparison of:

- its remaining lifetime PD at the reporting date based on the modified terms; with
- the remaining lifetime PD estimated based on data on initial recognition and the original contractual terms.

When modification results in derecognition, a new loan is recognised and allocated to Stage 1 (assuming it is not credit-impaired at that time).

The Bank renegotiates loans to customers in financial difficulties to maximise collection opportunities and minimise the risk of default.

Notes to the Financial Statements

Figures in GHS `000

Financial risk review continued...

Generally, forbearance or restructuring is a qualitative indicator of a significant increase in credit risk and an expectation of forbearance may constitute evidence that an exposure is credit-impaired. A customer needs to demonstrate consistently good payment behaviour over a minimum period of six months with no other adverse qualitative concerns before the exposure is no longer considered to be credit-impaired/in default or the PD is considered to have decreased such that the loss allowance reverts to being measured at an amount equal to Stage 1.

ECL considerations for government securities

Ghana has been facing financial difficulties since 2022, with its sovereign debt trading at significant discounts. The financial challenges are further evidenced by the exchange programmes and the country's credit ratings as assessed by major agencies such as Fitch Ratings, Moody's and Standard and Poor's. Government of Ghana instruments have been assigned speculative grade ratings, indicative of a high risk of default or restructuring. Government has also suspended the issuance of long-term securities and cocoa bills due to the exchange programme undertaken on these securities.

In this regard, exposures to Government of Ghana exposure exchanged under the debt exchange programme in 2023 are considered as purchased or originated credit impaired (POCI) assets.

On initial recognition, POCI assets do not carry an impairment allowance. Instead, lifetime ECLs are incorporated into the calculation of the effective interest rate. The amount recognised as a loss allowance for these assets is not the total amount of lifetime ECLs, but instead the changes in lifetime ECLs since initial recognition of the asset. Differences between the amount of lifetime expected credit losses at each reporting date and the amount of expected credit losses that were included in the estimated cash flows on initial recognition is recognised in profit or loss as an impairment gain or loss.

Other Government Exposures

The Bank also held other government exposures such as treasury bills and Eurobonds. The Bank is also indirectly exposed to the Government through loans and other credit exposures enterprises conducting business activities which significantly depend on income sources from the Government.

On 19 December 2022, the Ministry of Finance suspended debt service on external debt until renegotiations take place. External debts include Euro Bonds and other external foreign currency denominated debts. In October 2023, the Finance Ministry proposed between 30% - 40% haircut for dollar bond investors and the issue of new instruments that would have up to 20-year maturities and a 5% coupon. This offer has not been accepted by bondholders. In this regard, Eurobonds are considered impaired and included in Stage 3.

Despite the government's financial challenges, positive economic trends have emerged following the conclusion of the GDDE and the initiation of the IMF support program. Notably, the inflation trend, which increased in 2022, reversed in 2023. As of December 2023, inflation stood at 23.2%, performing better than the IMF's projection of 31.3%. The IMF anticipates that Ghana will close 2024 with a 15% inflation rate, aiming for a return to single-digit inflation over the medium term, with a projected 8% inflation rate by the end of 2028. During the year, the Government successfully completed negotiations on other foreign debts. Moreover, investor confidence in treasury bills remains robust, as evidenced by oversubscribed auctions, indicating strong demand. Importantly, the Government has not defaulted on the payment of treasury bills or payments due from the restructured bonds. Treasury bills are therefore considered to be not credit impaired at the reporting date.

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Financial risk review continued...

ECL considerations for government securities

Inputs, assumptions and techniques for estimating impairment on government exposures.

2024

The Bank does not apply a differentiated methodology to determining ECL for governments and non-governments exposures. As a result, the Bank uses similar approach relying on key inputs including counterparty PD, LGD, EAD as assessed on each counterparty is applied as well as the application of forward -looking macro-economic indicators. This approach is applied consistently to both government and non-government exposures.

Measurement of ECL

The key inputs into the measurement of ECL are the term structure of the following variables:

- probability of default (PD);
- loss given default (LGD); and
- exposure at default (EAD).

ECL for exposures in Stage 1 are calculated by multiplying the 12-month PD by LGD and EAD. Lifetime ECL are calculated by multiplying the lifetime PD by LGD and EAD. The methodology for estimating PDs is discussed above under the heading

LGD is the magnitude of the likely loss if there is a default. The Bank estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset. For loans secured by retail property, loan to value (LTV) ratios are a key parameter in determining LGD. LGD estimates are recalibrated for different economic scenarios and, for lending collateralised by property, to reflect possible changes in property prices. They are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor.

EAD represents the expected exposure in the event of a default. The Bank derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract and arising from amortisation. The EAD of a financial asset is its gross carrying amount at the time of default. For lending commitments, the EADs are potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts. For financial guarantees, the EAD represents the amount of the guaranteed exposure when the financial guarantee becomes payable. For some financial assets, EAD is determined by modelling the range of possible exposure outcomes at various points in time using scenario and statistical techniques.

As described above, and subject to using a maximum of a 12-month PD for Stage 1 financial assets, the Bank measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for credit risk management purposes, the Bank considers a longer period. The maximum contractual period extends to the date at which the Bank has the right to require repayment of an advance or terminate a loan commitment or guarantee.

ABSA BANK GHANA LTD

Annual Report and Financial Statements

For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Financial risk review continued...

However, for retail overdrafts and credit card facilities that include both a loan and an undrawn commitment component, the Bank measures ECL over a period longer than the maximum contractual period if the Bank's contractual ability to demand repayment and cancel the undrawn commitment does not limit the Bank's exposure to credit losses to the contractual notice period. These facilities do not have a fixed term or repayment structure and are managed on a collective basis. The Bank can cancel them with immediate effect but this contractual right is not enforced in the normal day-to-day management, but only when the Bank becomes aware of an increase in credit risk at the facility level. This longer period is estimated taking into account the credit risk management actions that the Bank expects to take, and that serve to mitigate ECL. These include a reduction in limits, cancellation of the facility and/or turning the outstanding balance into a loan with fixed repayment terms.

In determining ECL for retail exposures, a portfolio approach is used where exposures are grouped per product definitions and thereafter bucketed for impairment purposes.

The Credit risk assumptions, inputs, models and assumptions have been consistently applied for 2024 as compared to the prior years.

Loss allowance

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument. The basis for determining transfers due to changes in credit risk is set out in our accounting policy.

	Stage 1 GHS `000	Stage 2 GHS `000	Stage 3 GHS `000	Total GHS `000
2024				
Loans and advances to customers at amortised cost				
Balance at 1 January	(95,303)	(154,835)	(350,005)	(600,143)
Transfer to Stage 1	(15,583)	15,583	-	-
Transfer to Stage 2	14,120	(14,120)	-	-
Transfer to Stage 3	17,526	(58,758)	41,232	-
Net remeasurement of loss allowance	(123,358)	(6,119)	9,493	(119,984)
New financial assets originated or purchased	(78,304)	(60,974)	(53,007)	(192,285)
Loans that have been derecognised	154,818	86,315	(263,776)	(22,643)
Write-offs	-	-	136	136
Balance at 31 December 2024	(126,084)	(192,908)	(615,927)	(934,919)

ABSA BANK GHANA LTD

Annual Report and Financial Statements

For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Financial risk review continued...

	Stage 1 GHS `000	Stage 2 GHS `000	Stage 3 GHS `000	Total GHS `000
2023				
Loans and advances to customers at amortised cost				
Balance at 1 January	(53,992)	(217,065)	(435,163)	(706,220)
Transfer to Stage 1	(20,840)	20,840	-	-
Transfer to Stage 2	13,490	(79,354)	65,864	-
Transfer to Stage 3	-	32,221	(32,221)	-
Net remeasurement of loss allowance	7,622	92,526	(193,318)	(93,170)
New financial assets originated or purchased	(41,583)	(43,776)	(12,864)	(98,223)
Loans that have been derecognised	-	44,100	4,468	48,568
Write-offs	-	-	248,902	248,902
Balance at 31 December 2023	(95,303)	(150,508)	(354,332)	(600,143)

	Stage 1 GHS `000	Stage 2 GHS `000	Stage 3 GHS `000	Total GHS `000
2024				
Investment securities at FVOCI				
Balance at 1 January	-	-	-	-
Net remeasurement of loss allowance	7,700	-	-	7,700
Derecognition	-	-	-	-
Balance at 31 December 2024	7,700	-	-	7,700

	Stage 1 GHS `000	Stage 2 GHS `000	Stage 3 GHS `000	Total GHS `000
2023				
Investment securities at FVOCI				
Balance at 1 January	-	-	(1,292,891)	(1,292,891)
Transfer to Stage 3	-	-	-	-
Net remeasurement of loss allowance	-	-	(89,192)	(89,192)
New financial assets originated or purchased	-	-	1,382,083	1,382,083
Balance at 31 December 2023	-	-	-	-

The loss allowance on debt investment securities at FVOCI is not recognised in the statement of financial position because the carrying amount of such securities is their fair value.

ABSA BANK GHANA LTD

Annual Report and Financial Statements

For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Financial risk review continued...

	Stage 1 GHS `000	Stage 2 GHS `000	Stage 3 GHS `000	Total GHS `000
2024				
Investment securities at amortised cost				
Balance at 1 January	-	-	-	-
Net remeasurement of loss allowance	-	-	-	-
Derecognition	-	-	-	-
Balance at 31 December 2024	-	-	-	-

	Stage 1 GHS `000	Stage 2 GHS `000	Stage 3 GHS `000	Total GHS `000
2023				
Investment securities at amortised cost				
Balance at 1 January	-	-	(187)	(187)
Net remeasurement of loss allowance	-	-	15	15
Derecognition	-	-	172	172
Balance at 31 December 2024	-	-	-	-

	Stage 1 GHS `000	Stage 2 GHS `000	Stage 3 GHS `000	Total GHS `000
2024				
Cash and cash equivalents at amortised cost				
Balance at 1 January	(96)	(27,908)	-	(28,004)
Net remeasurement of loss allowance	(18,658)	18,502	-	(156)
Balance at 31 December 2024	(18,754)	(9,406)	-	(28,160)

	Stage 1 GHS `000	Stage 2 GHS `000	Stage 3 GHS `000	Total GHS `000
2023				
Cash and cash equivalents at amortised cost				
Balance at 1 January	(4,606)	(23,850)	-	(28,456)
Net remeasurement of loss allowance	4,510	(4,058)	-	452
Balance at 31 December 2023	(96)	(27,908)	-	(28,004)

Cash and cash equivalent at FVOCI

The bank held Bank of Ghana OMO bills as at 31 December 2024 amounting to GHS 1.612 million (2023: 2.622 million). This is classified as FVOCI under cash and cash equivalent. The ECL charge and ECL Allowance at 31 December 2024 amounted to GHS (12.9 million) (2023: 16 million).

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Financial risk review continued...

	Stage 1 GHS `000	Stage 2 GHS `000	Stage 3 GHS `000	Total GHS `000
2024				
Letters of credit and guarantees				
Balance at 1 January	(13,380)	(104,895)	(294)	(118,569)
Net remeasurement of loss allowance	(4,850)	85,258	294	80,702
New financial assets originated or purchased	(28,361)	(8,490)	-	(36,851)
Balance at 31 December 2024	(46,591)	(28,127)	0	(74,718)
2023				
Letters of credit and guarantees				
Balance at 1 January	(72,283)	(89,263)	(8,603)	(170,149)
Net remeasurement of loss allowance	68,300	58,804	8,604	135,708
New financial assets originated or purchased	(9,397)	(74,436)	(295)	(84,128)
Balance at 31 December 2023	(13,380)	(104,895)	(294)	(118,569)

The following table provides a reconciliation between:

- amounts shown in the above tables reconciling opening and closing balances of loss allowance per class of financial instruments; and
- the 'impairment losses on financial instruments' line item in the statement of comprehensive income.

ABSA BANK GHANA LTD

Annual Report and Financial Statements

For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Financial risk review continued...

	Loans and advances to banks at amortised cost GHS `000	Loans and advances to customers at amortised cost GHS `000	Investment securities at FVOCI GHS `000	Investment securities at amortised cost GHS `000	Cash and cash equival ents GHS `000
2024					
Net remeasurement of loss allowance	-	(119,984)	(7,700)	-	(156)
New financial assets originated or purchased	-	(214,928)	-	-	12,859
Total	-	(334,912)	(7,700)	-	12,703
Recoveries of amounts previously written off	-	27,887	-	-	-
Derecognition loss	-	-	-	(6,593)	-
Amounts recognised in profit or loss	-	(307,025)	(7,700)	(6,593)	12,703
2023					
Net remeasurement of loss allowance	-	(93,170)	(89,192)	15,420	452
New financial assets originated or purchased	-	(49,655)	-	-	(16,237)
Total	-	(142,825)	(89,192)	15,420	(15,785)
Recoveries of amounts previously written off	-	16,664	-	-	-
Derecognition loss	-	-	(1,258)	-	-
Amounts recognised in profit or loss	-	(126,161)	(90,450)	15,420	(15,785)

The table below provides an explanation of how significant changes in the gross carrying amount of financial instruments during the year contributed to changes in loss allowance.

ABSA BANK GHANA LTD

Annual Report and Financial Statements

For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Financial risk review continued...

	2024		
	Impact: increase/ (decrease)		
	Stage 1 GHS `000	Stage 2 GHS `000	Stage 3 GHS `000
Loans and advances to customers at amortised cost			
Net movement in loans and advances due to new advances/drawdowns, paydowns and payoffs	(12,046)	56,091	(96,132)
Changes in Macro-economic Estimates	(41,846)	70,105	-
Changes in customer default grade	(57,111)	(29,602)	-
Delayed loan repayment by a cross-section of business banking and corporate clients resulting in a downgrade to non-performing loans	-	-	175,174
Additional stage 3 based on reassessment of security/risk	-	-	50,458
Impairment from retail/consumer loans due to delayed payments, resignations, job losses and companies in distress	23,234	34,583	85,272
Investment securities	-	-	-
Impairment due to restructure of cocoa bills under the DDEP	-	-	6,593

	2023		
	Impact: increase/ (decrease)		
	Stage 1 GHS `000	Stage 2 GHS `000	Stage 3 GHS `000
Loans and advances to customers at amortised cost			
Net decrease in loans and advances due to paydowns and payoffs	(12,571)	(42,556)	(5,350)
Changes in Customer default grade and Macro-economic Estimates	9,538	(73,754)	-
Delayed loan repayment by a cross-section of business banking and corporate clients resulting in a downgrade to non-performing loans	-	-	27,832
Additional stage 3 based on reassessment of security/risk	-	-	82,254
Impairment from retail/consumer loans due to delayed payments, resignations, job losses and companies in distress	14,706	20,179	69,942
Investment securities			
Impairment due to restructure of cocoa bills under the DDEP	-	-	111,000

Credit-impaired financial assets

The following table sets out a reconciliation of changes in the gross carrying amount of credit-impaired loans and advances to customers.

	2024 GHS `000	2023 GHS `000
Credit-impaired loans and advances to customers at 1 January	980,600	887,300
Classified as credit-impaired during the year	270,525	185,455
Transferred to not-credit-impaired during the year	(246)	(31,983)
Net repayments	(150,301)	(34,563)
Write-offs	(136)	(248,902)
Other movements	155,122	223,293
Credit-impaired loans and advances to customers at 31 December	1,255,564	980,600

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Financial risk review continued...

The contractual amount outstanding on financial assets that were written off during the year ended 31 December 2024 and that are still subject to enforcement activity is GHS 136,000 (2023: GHS 14.4 million).

Modified financial assets

The following table provides information on financial assets that were modified while they had a loss allowance measured at an amount equal to lifetime ECL.

	2024 GHS `000	2023 GHS `000
Financial assets modified during the period		
Amortised cost before modification	26,108	108,900

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Financial risk review continued...

7.1.5 Concentrations of credit risk

The Bank monitors concentrations of credit risk by industry and in some cases by segments within the industry, if deemed necessary. An analysis of concentrations of credit risk from loans and advances to customers, cash and cash equivalents and investment securities based on the gross carrying amount at the reporting date is shown below.

	Loans and advances to customers and banks		Cash and cash equivalents		Investment securities		LCs, Guarantees and Undrawn commitments	
	2024 GHS `000	2023 GHS `000	2024 GHS `000	2023 GHS `000	2024 GHS `000	2023 GHS `000	2024 GHS `000	2023 GHS `000
Concentration by customer type								
Governments	69,342	-	4,997,328	5,576,215	6,427,164	4,802,124	-	-
Public enterprises and institutions	534,642	715,226	-	-	-	-	173,829	59,760
Private enterprises	6,011,773	4,187,439	-	-	-	-	3,436,073	3,684,228
Individuals	2,664,062	2,042,269	-	-	-	-	95,140	67,461
Banks	130,167	-	3,581,517	1,065,636	-	-	1,034,401	392,243
Total	9,409,986	6,944,934	8,578,845	6,641,851	6,427,164	4,802,124	4,739,442	4,203,692
Concentration by location								
Ghana	9,322,330	6,944,934	6,011,046	5,797,938	6,427,164	4,802,124	4,739,442	4,203,692
Outside Ghana	87,656	-	2,567,799	843,913	-	-	-	-
Total	9,409,986	6,944,934	8,578,845	6,641,851	6,427,164	4,802,124	4,739,442	4,203,692

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Financial risk review continued...

	2024 GHS `000	2023 GHS `000
Concentration by industry- Loans and advances to customers and banks (Gross)		
Agriculture forestry and fishing	107,186	64,949
Mining and quarrying	334,698	177,464
Manufacturing	1,063,736	1,153,484
Construction	524,713	416,276
Electricity, gas and water	1,259,836	592,028
Commerce and finance	2,601,240	1,406,164
Transport, storage and communication	798,274	767,888
Services	2,461,981	2,108,803
Miscellaneous	258,323	257,878
Total	9,409,986	6,944,934

Offsetting financial assets and financial liabilities

The Bank did not hold any financial assets and financial liabilities that are off set in the statement of financial position at the reporting date.

Ghana Domestic Debt Exchange Programme(DDEP)

The Bank participated in the Domestic Debt Exchange Programme (DDEP) of the country following the challenges in the economy from 2022 onwards. The Programme required various instrument holders to surrender them in exchange for new ones under new agreed terms between the issuer and the holders. The instruments exchanged were;

- Ghana Cedi Denominated Domestic Bonds (comprising GHS Bonds, ESLA Bonds and Daakye Bonds)
- US Dollar Denominated Domestic Bonds
- Cocoa Bills

The following table details the amounts exchanged and the settlement dates of each transaction.

Exchange Programme	Category	Amount Exchanged GHS `000	FV at initial recognition GHS'000
GHS DomesticBonds	DDEP Phase 1	3,100,655	1,871,303
US\$ Domestic Bonds	DDEP Phase 2	147,008	140,431
GHS Cocoa Bills	DDEP Phase 2	930,319	606,916

The impact of the exchanges were accounted for and reflected into the 2022 and 2023 performance numbers of the Bank.

In 2024, the Eurobond instruments were also exchanged between the holders and the obligor. However, Absa Bank Ghana LTD did not participate since the bank did not have any holdings of such instruments.

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

2024

2023

Financial risk review continued...

Subsequent measurements of the exchanged bonds

2024

Exchange Programme	FVTPL	Total
	GHS `000	GHS `000
GHS Domestic Bonds	2,152	2,169,971
US\$ Domestic Bonds	225,276	2,120,084
GHS Cocoa Bonds	404,869	679,357

2023

Exchange Programme	FVTPL	Total
	GHS `000	GHS `000
GHS DomesticBonds	155,599	1,871,303
US\$ Domestic Bonds	173,975	1,547,972
GHS Cocoa Bonds	403,850	606,916

7.2 Liquidity risk

The Bank, working with Absa Group Treasury, develops and implements the process for submitting the Bank's projected cash flows to stress testing. The output of stress testing informs the Bank's contingency funding plan. This is maintained by the Bank's Treasury and is aligned with the country business resumption plans to encompass decision-making authorities, internal and external communication and, in the event of a systems failure, the restoration of liquidity management and payment systems. Sources of liquidity are regularly reviewed to maintain a wide diversification by currency, provider, product and term.

Monitoring and reporting takes the form of cash flow measurement and projections for the next day, week and month as these are key periods for liquidity management. There also exists an annual funding plan which is reviewed on a monthly basis. In addition to cash flow management, the Treasury department also monitors unmatched medium-term assets and the level and type of undrawn lending commitments, the usage of overdraft facilities and the impact of contingent liabilities such as standby letters of credit and guarantees.

An important source of structural liquidity is provided by our core retail deposits, mainly current accounts and savings accounts balances. Although current accounts are repayable on demand and savings accounts at short notice, the Bank's broad base of customers – numerically and by depositor type – helps to protect against unexpected fluctuations. Such accounts form a stable funding base for the Bank's operations and liquidity needs.

To avoid reliance on a particular group of customers or market sectors, the distribution of sources and the maturity profile of deposits are also carefully managed. Important factors in assuring liquidity are competitive rates and the maintenance of depositors' confidence. Such confidence is based on a number of factors including the Bank's reputation, the strength of earnings and the Bank's financial position.

ABSA BANK GHANA LTD

Annual Report and Financial Statements

For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Financial risk review continued...

7.2.1 Maturity analysis for financial assets and liabilities

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

	Note	On demand GHS `000	Not more than three months GHS `000	Over 3 months but not more than 1 year GHS `000	Over 1 year but not more than 5 years GHS `000	Over 5 years GHS `000	Total GHS `000
31 December 2024							
Liabilities							
Borrowings	31	-	3,057,298	23,779	-	-	3,081,077
Deposits from banks	29	372,285	-	-	-	-	372,285
Deposits from customers	30	16,780,078	729,875	128,645	29	-	17,638,627
Issued financial guarantee		2,771,249	-	-	-	-	2,771,249
Undrawn commitments		1,968,193	-	-	-	-	1,968,193
Lease liabilities		-	3,521	8,664	31,766	21,965	65,916
Other liabilities	33	1,735,836	-	-	-	-	1,735,836
Total liabilities (contractual maturity dates)		23,627,641	3,790,694	161,088	31,795	21,965	27,633,183
Assets							
Cash and cash equivalents	19	6,357,813	3,567,024	-	-	-	9,924,837
Loans and advances to Banks	22	87,656	-	46,131	-	-	133,787
Loans and advances to customers	23	207,827	1,130,657	4,081,027	4,231,605	2,282,316	11,933,432
Investment securities	24	-	-	413,152	4,232,340	2,401,465	7,046,957
Non-pledged trading assets	20	-	-	1,309,310	-	-	1,309,310
Pledged trading assets	20	-	-	617,207	-	-	617,207
Other assets	25	1,292,692	-	-	-	-	1,292,692
Assets held for managing liquidity risk		7,945,988	4,697,681	6,466,827	8,463,945	4,683,781	32,258,222
Liquidity gap		(15,681,653)	906,987	6,305,739	8,432,150	4,661,816	4,625,039

ABSA BANK GHANA LTD

Annual Report and Financial Statements

For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Financial risk review continued...

	Note	On demand GHS `000	Not more than three months GHS `000	Over 3 months but not more than 1 year GHS `000	Over 1 year but not more than 5 years GHS `000	Over 5 years GHS `000	Total GHS `000
31 December 2023							
Liabilities							
Borrowings	31	186,073	284,132	150,202	196,352	-	816,759
Deposits from banks	29	376,048	-	-	-	-	376,048
Deposits from customers	30	13,900,847	1,286,886	798,907	35	-	15,986,675
Issued financial guarantee		1,410,309	-	-	-	-	1,410,309
Undrawn commitments		1,910,948	-	-	-	-	1,910,948
Lease liabilities		-	1,246	7,368	42,912	28,610	80,136
Other liabilities	33	1,278,175	-	-	-	-	1,278,175
Total liabilities (contractual maturity dates)		19,062,400	1,572,264	956,477	239,299	28,610	21,859,050
Assets							
Cash and cash equivalents	19	8,438,363	-	-	-	-	8,438,363
Loans and advances to Banks	22	-	-	-	-	-	-
Loans and advances to customers	23	430,268	1,041,304	2,152,557	3,478,547	1,244,752	8,347,428
Investment securities	24	-	129,307	158,150	6,127,250	7,208,736	13,623,443
Non-pledged trading assets	20	-	32,653	69,858	1,156,692	-	1,259,203
Pledged trading assets	20	-	18,421	250,856	402,959	-	672,236
Other assets	25	800,486	-	-	-	-	800,486
Assets held for managing liquidity risk		9,669,117	1,221,685	2,631,421	11,165,448	8,453,488	33,141,159
Liquidity gap		(9,393,283)	(350,579)	1,674,944	10,926,149	8,424,878	11,282,109

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

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

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Financial risk review continued...

7.2.2 Assets held for managing liquidity risk

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

- Cash and balances with the Bank of Ghana;
- Government bonds and other securities that are readily acceptable in repurchase agreements with the Bank of Ghana; and
- Secondary sources of liquidity in the form of highly liquid instruments.

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Financial risk review continued...

7.2.3 Derivative assets and liabilities

The Bank's derivatives that will be settled on a gross basis is the forward foreign exchange contracts. The table below analyses the Bank's derivative financial assets and liabilities that will be settled on a gross basis into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. Contractual maturities are assessed to be essential for an understanding of all derivatives. Some of the Bank's derivatives are subject to collateral requirements. Cash flows for those derivatives could occur earlier than the contractual maturity. The amounts disclosed in the table are the contractual undiscounted cash flows:

	On demand GHS `000	Not more than three months GHS `000	Over 3 months but not more than 1 year GHS `000	Over 1 year but not more than 5 years GHS `000	Over 5 years GHS `000	Total GHS `000
31 December 2024						
Foreign exchange derivatives						
Inflow	2,333,376	331,418	-	-	-	2,664,795
Outflow	(2,282,662)	(319,135)	-	-	-	(2,601,797)
Net inflow/ (outflow)	50,714	12,284	-	-	-	62,997
31 December 2023						
Foreign exchange derivatives						
Inflow	1,669,354	234,650	-	-	-	1,904,004
Outflow	(1,668,629)	(226,331)	-	-	-	(1,894,960)
Net inflow/ (outflow)	725	8,319	-	-	-	9,044

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Financial risk review continued...

7.2.4 Exposure to liquidity risk

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

	2024	2023
	%	%
At 31 December	57.30	82.50
Average for the year	73.90	80.20
Maximum for the year	83.90	86.00
Minimum for the year	57.20	67.90

7.2.5 Liquid positions

	2024	2023
Weekly liquid position		
At 31 December	15.88%	15.76%
Compliance with regulatory requirements		
a. Default in statutory liquidity (number of defaults)	-	-
b. Sanction for default in statutory liquidity (GHS'000)	-	-
Liquid ratio (liquid assets/ volatile liabilities)	77.5%	77.63%

7.3 Market risk

Market risk is the risk that the Bank's earnings or capital, or its ability to meet business objectives, will be adversely affected by changes in the level or volatility of market rates or prices such as interest rates, credit spreads and foreign exchange rates.

The Board Risk Committee approves the market risk appetite for all types of market risk. The Market Risk Manager is responsible for the market risk control framework and, under delegated authority from the Africa Regional Operations ("ARO") and Asset & Liability Committee (ALCO), sets a limit framework within the context of the approved market risk appetite. The Market Risk Manager is assisted by a central market risk team in ARO and by the Chief Risk Officer.

The measurement techniques used to measure and control market risk include:

- Foreign Exchange Daily Value at Risk (foreign exchange risk sensitivity);
- Stress Test (Interest Rate Risk Sensitivity) and
- Net Interest Income Sensitivity (Interest Rate Risk Sensitivity).

The market risk assumptions, inputs, models and assumptions have been consistently applied for 2024 as compared to the prior years.

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Financial risk review continued...

7.3.1 Foreign exchange daily value at risk (FX DVaR)

DVaR is an estimate of the potential loss which might arise from unfavourable market movements, if the current position in the trading book was held unchanged for one business day, measured to a confidence level of 95%. Daily losses exceeding the DVaR figure are not expected to occur, on average, more than five times in every 100 business days.

There are some limitations and disadvantages with the use of VaR. It does not distinguish between different liquidities of market positions as it only captures short term risks in normal market circumstances. The implementation costs of a fully integrated VaR system can be huge and there is danger that VaR calculations may be seen as a substitute for good risk management. VaR measures may be imprecise, because they depend on many assumptions about model parameters that may be very difficult to support or contradict.

The Board sets limits on the value at risk that may be accepted for the Bank, which are managed on a daily basis by CIB (Corporate and Investment Banking) Markets team and monitored on a daily basis by the Market Risk Manager.

The quality of the VaR model is continuously monitored by back-testing the VaR results for trading books. The behaviour of FX DVaR over 2024 and 2023 is presented in the table below:

	31 December 2024			31 December 2023		
	Average GHS `000	High GHS `000	Low GHS `000	Average GHS `000	High GHS `000	Low GHS `000
Foreign exchange risk	282	558	101	357	483	167

7.3.2 Interest rate stress testing

The Bank uses stress testing to complement Annual Earnings at Risk (AEaR) and DVaR calculations.

Interest Rate DVaR assumes that changes in market rates behave according to the normal distribution and a 95% level of confidence. The assumption of normality is not unreasonable for a level of confidence of 95%. However, there will be occasions when the rate movement is outside the 95% level of confidence and thus not fully captured by the DVaR model. Stress risk aims to show the possible loss for such event.

Stress therefore provides a measure, which would allow us to see the impact of interest rate changes over the entire interest rate gaps of the country, i.e. up to the final maturity of the book. This will be captured by putting a value loss limit on the book due to adverse changes in the interest rates, which will be achieved through the use of stress testing process. Eight different interest rates shift will be applied to the interest rate gaps of the country and the worst-case loss will be picked up as stress loss.

For the year under review the stress risks are summarised below:

	31 December 2024			31 December 2023		
	Average GHS `000	High GHS `000	Low GHS `000	Average GHS `000	High GHS `000	Low GHS `000
Stress risk (on earnings)	33,523	131,780	142	61,711	128,824	23,838

ABSA BANK GHANA LTD

Annual Report and Financial Statements

For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Financial risk review continued...

7.3.3 Net interest income (NII) sensitivity

Net Interest Income sensitivity measures the sensitivity of annual earnings to shocks in the market rates for change over a one-year period.

The Bank calculates NII sensitivity by taking interest rate sensitive balances, as represented by the net mismatch ladder, and calculating the change in earnings (income) in each mismatch band for a 2% change in interest rates NII sensitivity, as per this simplified approach.

It assesses the impact on the Bank's profit or loss for the 12 months horizon given a parallel shift in the interest rate. For the year under review the NII Sensitivity measures are shown below:

	31 December 2024			31 December 2023		
	Average GHS `000	High GHS `000	Low GHS `000	Average GHS `000	High GHS `000	Low GHS `000
NII sensitivity	55,913	78,878	33,966	62,471	97,691	30,533

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Financial risk review continued...

7.3.4 Foreign exchange risk

The Bank takes on exposure to the effect of fluctuations in the prevailing foreign currency exchange rates on its financing position and cash flows. The Board sets limits on the lines of exposure by currency and in aggregate for both overnight and intra-day positions, which are monitored daily. The table below summarises the Bank's exposure to foreign currency exchange risk at year end. Included in the table are the Bank's financial instruments at carrying amounts, categorised by currency:

	USD GHS `000	GBP GHS `000	EUR GHS `000	Total GHS `000
31 December 2024				
Assets				
Cash and cash equivalents	1,424,963	239,121	689,224	2,353,308
Investment Securities at FVOCI	1,942,653	-	-	1,942,653
Trading assets	190,132	-	-	190,132
Loans and advances to banks	470,512	470,512	-	941,024
Loans and advances to customers	2,958,552	6,134	26,883	2,991,569
Other assets (excluding prepayments)	6,022	-	-	6,022
Total assets	6,992,834	715,767	716,107	8,424,708
Liabilities				
Borrowings	1,032,952	6,642	54,170	1,093,764
Deposits from banks	182,839	-	-	182,839
Deposits from customers	7,087,938	207,287	294,732	7,589,957
Other liabilities	1,008,178	8,301	76,309	1,092,788
Total liabilities	9,311,907	222,230	425,211	9,959,348
Net on statement of financial position	(2,319,073)	493,537	290,896	(1,534,640)
	USD GHS `000	GBP GHS `000	EUR GHS `000	Total GHS `000
31 December 2023				
Assets				
Cash and cash equivalents	986,167	178,322	367,051	1,531,540
Investment Securities at FVOCI	1,631,009	-	-	1,631,009
Trading assets	191,081	-	-	191,081
Loans and advances to customers	3,005,509	5,316	153,524	3,164,349
Other assets (excluding prepayments)	562,031	5,305	74,728	642,064
Total assets	6,375,797	188,943	595,303	7,160,043
Liabilities				
Borrowings	255,758	-	-	255,758
Deposits from banks	191,724	-	-	191,724
Deposits from customers	5,190,169	226,768	337,454	5,754,391
Other liabilities	609,450	12,991	78,911	701,352
Total liabilities	6,247,101	239,759	416,365	6,903,225
Net on statement of financial position	128,696	(50,816)	178,938	256,818

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Financial risk review continued...

7.3.5 Exposure to currency risks

The following table shows the effect of a strengthening or weakening of GHS against all other currencies on the Bank's profit or loss and equity. This sensitivity analysis indicates the potential impact on profit or loss and equity based upon the foreign currency exposures recorded at 31 December 2024 (see "currency risk" below) and it does not represent actual or future gains or losses.

The sensitivity analysis is based on the percentage difference between the closing exchange rate and the average exchange rate per currency recorded in the course of the respective financial year. A strengthening/weakening of the GHS, by the rates shown in the table, against the following currencies at 31 December 2024 would have increased/decreased profit or loss and consequently equity values by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	USD GHS `000	GBP GHS `000	EUR GHS `000	ZAR GHS `000
2024				
Net assets	(91,051)	1,652	23,432	-
Liabilities on Contingent Credits	(405)	-	-	-
Net trading position	92,126	(1,651)	(23,835)	23
Net exposure	670	1	(403)	23
2023				
Net assets	(22,854)	(3,517)	7,942	-
Liabilities on contingent credits	-	-	-	-
Net trading position	22,557	3,205	(8,029)	55
Net exposure	(297)	(312)	(87)	55

The following exchange rates were applied during the year:

	2024			2023		
	Average	Year end	Change	Average	Year end	Change
USD	14.2940	14.7000	2.84%	11.1579	11.8800	6.5%
GBP	18.2861	18.4008	0.63%	13.9221	15.1334	8.7%
EUR	15.4313	15.2141	-1.41%	12.0834	13.1264	8.6%
ZAR	0.7801	0.7786	-0.20%	0.6046	0.6495	7.4%

	2024			2023		
	%	Profit or loss/equity impact:	Profit or loss/equity impact:	%	Profit or loss/equity impact:	Profit or loss/equity impact:
	Change	Strengthening	Weakening	Change	Strengthening	Weakening
USD	2.84%	(280)	280	6.5%	228	(228)
GBP	0.63%	(0)	0	8.7%	411	(411)
EUR	-1.41%	86	(86)	8.6%	90	(90)
ZAR	-0.20%	(0)	0	7.4%	3	(3)

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Financial risk review continued...

7.3.6 Exposure to interest rate risk

The management of interest rate risk against interest rate gap limits 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 and 50 basis point (bps) parallel shift in yields (up and down) for assets and liabilities we hold which reprices within a 12-month period. An analysis of the Bank's sensitivity to an increase or decrease in market interest rates (assuming no asymmetrical movement in yield curves and a constant statement of financial position) is as follows:

	100 bps parallel increase GHS `000	100 bps parallel decrease GHS `000	50 bps parallel increase GHS `000	50 bps parallel decrease GHS `000
31 December 2024				
Average for the year	27,957	(27,957)	13,978	(13,978)
Maximum for the year	39,439	(39,439)	19,719	(19,719)
Minimum for the year	16,983	(16,983)	8,492	(8,492)
31 December 2023				
Average for the year	31,235	(31,235)	15,618	(15,618)
Maximum for the year	48,846	(48,846)	24,423	(24,423)
Minimum for the year	15,267	(15,267)	7,633	(7,633)

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

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Bank takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce losses in the event that unexpected movements arise. The Board sets limits on the level of mismatch of interest rate repricing and value at risk that may be undertaken, which is monitored daily by the Bank's Treasury. The table below summarises the repricing profiles of the Bank's financial instruments and other assets and liabilities as at 31 December 2024 and at 31 December 2023. Items are allocated to time periods by reference to the earlier of the next contractual interest rate repricing date and the maturity date.

ABSA BANK GHANA LTD

Annual Report and Financial Statements

For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Financial risk review continued...

	Less than 3 months GHS `000	3-6 months GHS `000	6-12 months GHS `000	1-5 years GHS `000	Over 5 years GHS `000	Non-interest bearing GHS `000	Total GHS `000
31 December 2024							
Cash and cash equivalents	5,151,119	-	-	-	-	4,696,279	9,847,398
Investment securities	-	-	375,721	2,252,415	2,020,802	-	4,648,938
Trading assets	835,598	114,512	287,875	538,109	2,134	-	1,778,228
Loans and advances to banks	130,166	-	-	-	-	-	130,166
Loans and advances to customers	7,019,520	794,364	99,622	421,304	10,091	-	8,344,901
Other assets (excluding prepayments)	-	-	-	-	-	1,218,167	1,218,167
Total assets	13,136,403	908,876	763,218	3,211,828	2,033,027	5,914,446	25,967,798
Liabilities							
Borrowings	2,483,226	1,886	546,286	-	-	-	3,031,398
Deposits from banks	356,370	15,914	-	-	-	-	372,284
Deposits from customers	9,441,655	649,191	1,189,145	6,351,024	-	-	17,631,015
Other liabilities	-	-	-	-	-	1,835,405	1,835,405
Total liabilities	12,281,251	666,991	1,735,431	6,351,024	-	1,835,405	22,870,102
Total interest re-pricing gap	855,152	241,885	(972,213)	(3,139,196)	2,033,027	4,079,041	3,097,696

ABSA BANK GHANA LTD

Annual Report and Financial Statements

For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Financial risk review continued...

31 December 2023	GHS `000	GHS `000	GHS `000	GHS `000	GHS `000	GHS `000	GHS `000
Cash and cash equivalents	6,534,828	-	-	-	-	1,903,535	8,438,363
Investment securities	184,416	-	-	2,081,678	1,448,749	-	3,714,843
Trading assets	150,486	263,903	248,094	-	424,798	-	1,087,281
Loans and advances to customers	6,133,894	21,112	45,950	120,263	23,572	-	6,344,791
Other assets (excluding prepayments)	-	-	-	-	-	800,486	800,486
Total assets	13,003,624	285,015	294,044	2,201,941	1,897,119	2,704,021	20,385,764
Liabilities							
Borrowings	730,646	169	-	-	-	-	730,815
Deposits from banks	331,819	28,671	2,866	12,693	-	-	376,049
Deposits from customers	7,911,638	683,965	1,724,003	5,563,461	-	-	15,883,067
Other liabilities	-	-	-	-	-	1,305,028	1,305,028
Total liabilities	8,974,103	712,805	1,726,869	5,576,154	-	1,305,028	18,294,959
Total interest re-pricing gap	4,029,521	(427,790)	(1,432,825)	(3,374,213)	1,897,119	1,398,993	2,090,805

Notes to the Financial Statements

Figures in GHS `000

Financial risk review continued...

7.4 Operational risk

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

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

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

- documentation of controls and procedures;
- compliance with regulatory and other legal requirements;
- requirements for appropriate segregation of duties, including the independent authorisation of transactions;
- requirements for the reconciliation and monitoring of transactions;
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- requirements for the reporting of operational losses and proposed remedial action development of contingency plans;
- training and professional development;
- ethical and business standards; and
- risk mitigation, including insurance where this is effective.

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

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Financial risk review continued...

7.5 Capital management

7.5.1 Gearing ratio

The gearing ratio at the end of the reporting year was as follows:

	2024 GHS `000	2023 GHS `000
Debt	23,163,726	18,515,621
Cash in hand and balances with Central bank	(4,681,807)	(4,787,911)
Net debt	18,481,919	13,727,710
Equity	4,178,030	2,975,311
Net debt to equity ratio	4.4:2	4.6:1

Banking operations are categorised as either trading book or banking book, and risk-weighted assets are determined according to specified requirements that seek to reflect the varying levels of risk attached to assets and of statement of financial position exposures.

The Bank's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognised and the Bank recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

Notes to the Financial Statements

Figures in GHS `000

Financial risk review continued...

7.5.2 Capital adequacy ratio (CAR)

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

- To comply with the capital requirements set by Bank of Ghana ("BoG");
- To safeguard the Bank's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To maintain a strong capital base to support the development of its business.

Capital adequacy and the use of regulatory capital are monitored daily by the Bank's management, employing techniques based on the guidelines developed by the Bank and its group (including an Internal Capital Adequacy Assessment Process) as well as the Bank of Ghana as per the Capital Requirement Directive (CRD). The Bank of Ghana requires each bank to maintain a ratio of total regulatory capital to the risk-weighted asset of at least 10%, with an additional capital conservation buffer of 3%. The Bank of Ghana can also prescribe additional capital buffers based on their view of the entity. However, no such buffer has been required of the bank.

The Bank's regulatory capital as managed by its central Treasury is divided into two tiers: Various limits are applied to elements of the capital base. The amount of qualifying term subordinated loan capital may not exceed 50 percent of tier 1 capital. There also are restrictions on the amount of collective impairment allowances that may be included as part of tier 2 capital. Other deductions from capital include the carrying amounts of investments in subsidiaries that are not included in the regulatory consolidation, investments in the capital of banks and certain other regulatory items.

The Bank's Tier capital is divided into two tiers:

Tier 1: Tier 1 capital comprises stated capital arising on permanent shareholders' equity, retained earnings and reserves created (except credit risk reserves).

Tier 2: Under current Capital Requirement Directive (CRD) regime the tier 2 is limited to 3% of RWA.

To help manage the potential impact of the debt exchange program and preserve financial stability, the Bank of Ghana granted several regulatory reliefs for banks that fully participated in the Debt Exchange effective 31 December 2022, until further notice. Considering this, the bank applied the following reliefs in determining capital adequacy ratio for the year ended 31 December 2024 and 31 December 2023:

- Reduction in capital conservative buffer from 3% to 0%. Thus, the minimum capital requirement is 10%.
- Losses from GDDEP to be spread over 4 years for the purpose of CAR and Net own Funds computation, effective 2022. This relief is set to end in 2025.
- Increase in Tier 2 capital from a maximum of 2% to 3% of total RWA.
- Reduction in Minimum CET1 from 6.5% to 5.5%.
- Increase in allowable portion of property revaluation gains for Tier 2 capital from 50% to 60%.
- Risk weight is 0% for new bonds and 100% for old bond.
- In determining exposures for banks and SDIs, new bonds are deductible but old bonds are not.

The risk-weighted assets are measured in accordance with the guidelines as provided by the Bank of Ghana. It takes into account the nature of, and reflecting an estimate of credit, market and other risks associated with each asset and counterparty.

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Financial risk review continued...

The table below summarises the composition of regulatory capital and the ratios of the Bank for the years ended 31 December 2024 (after applying capital reliefs provided by the regulator) and 2023. During those two years, the Bank complied with all of the externally imposed capital requirements to which it is subject to.

	2024 GHS `000	2023 GHS `000
Tier 1 capital		
Stated capital	400,000	400,000
Statutory reserve	922,668	773,327
Income surplus account	2,708,127	1,643,839
Capital reliefs	962,585	962,585
Total qualifying tier 1 capital	4,993,380	3,779,751
Net Tier 1 Capital	4,993,380	3,779,751
Other regulatory adjustments	(1,543,051)	(1,218,309)
Total regulatory capital	3,450,329	2,561,442
Tier 2 capital		
<u>Other reserves</u>	30,032	-
Total qualifying tier 2 capital	30,032	
Total regulatory capital	3,480,360	2,561,442
1.0 Credit risk	10,819,630	8,308,244
2.0 Operational risk	5,372,606	4,304,036
3.0 Market risk	562,348	82,817
Total risk weighted assets	16,754,584	12,695,097
Tier 1/ RWA	29.80%	29.77%
CET1/ RWA	20.59%	20.18%
Capital adequacy ratio	20.77%	20.18%
Leverage Ratio	11.30%	10.65%

7.5.3 Capital allocation

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

Notes to the Financial Statements

Figures in GHS `000

8. Fair values of financial instruments

Fair value hierarchy

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

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

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

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The Bank uses widely recognised valuation models for determining the fair value of common and more simple financial instruments that use only observable market data and require little management judgement and estimation. Observable prices or model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives and simple over-the-counter derivatives. Availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determining fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

Fair value estimates are adjusted for any other factors, such as liquidity risk or model uncertainties, to the extent that the Bank believes that a third-party market participant would take them into account in pricing a transaction. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the counterparty where appropriate. For measuring derivatives that might change classification from being an asset to a liability or vice versa, fair values take into account both credit valuation adjustment (CVA) and debit valuation adjustment (DVA) when market participants take this into consideration in pricing the derivatives.

If the Bank measures portfolios of financial assets and financial liabilities on the basis of net exposures to market risks, then it applies judgement in determining appropriate portfolio-level adjustments such as bid-ask spreads. Such adjustments are derived from observable bid-ask spreads for similar instruments and adjusted for factors specific to the portfolio. Similarly, when the Bank measures portfolios of financial assets and financial liabilities on the basis of net exposure to the credit risk of a particular counterparty, then it takes into account any existing arrangements that mitigate the credit risk exposure.

ABSA BANK GHANA LTD

Annual Report and Financial Statements

For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Fair values of financial instruments continued...

Financial instruments not measured at fair value

The following table sets out the fair values of financial instruments not measured at fair value. Financial instruments not held at fair value comprises loans and advances to banks, loans and advances to customers, deposits from banks, deposits from customers, other assets (excluding prepayments) and other liabilities.

		2024			2023	
	Carrying amount GHS `000	Fair value- Level 2 GHS `000	Fair value- Level 3 GHS `000	Carrying amount GHS `000	Fair value- Level 2 GHS `000	Fair value- Level 3 GHS `000
Financial assets						
Cash and cash equivalents	9,847,398	9,875,558	-	8,438,363	8,466,367	-
Investment securities	4,062,627	4,062,627	-	3,485,687	3,485,687	-
Loans and advances to banks	130,167	130,167				
Loans and advances to customers	8,344,900	8,021,581	-	6,344,791	6,094,653	-
Other assets	1,218,168	1,218,168	-	677,060	677,060	-
Total	23,603,260	23,308,101	-	18,945,901	18,723,767	-
Financial liabilities						
Borrowings	3,031,398	3,031,398	-	730,815	730,815	-
Deposits from banks	372,284	372,284	-	376,048	376,048	-
Deposits from customers	17,631,015	17,631,015	-	15,883,067	15,883,067	-
Other liabilities	1,835,405	1,835,405	-	1,305,029	1,305,029	-
Total	22,870,102	22,870,102	-	18,294,959	18,294,959	-

ABSA BANK GHANA LTD

Annual Report and Financial Statements

For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS '000

Fair values of financial instruments continued...

i) Loans and advances to banks and customers

Loans and advances to banks include inter-bank placements and items in the course of collection. The estimated fair value of fixed interest-bearing advances is based on discounted cash flows using prevailing money-market interest rates for debts with similar credit risk and remaining maturity.

Loans and advances to customers are net of charges for impairment. The estimated fair value of loans and advances to customers represents the discounted amount of estimated future cash flows expected to be received.

ii) Investment securities

These investment securities are measured at amortised cost. The estimated fair value represents the discounted amount of estimated future cash flows expected to be received.

iii) Borrowings, deposits from banks and deposits from customers

The estimated fair value of deposits with no stated maturity, which includes non-interest bearing deposits, is the amount repayable on demand. The estimated fair value of fixed interest-bearing deposits not quoted in an active market is based on discounted cash flows using interest rates for new debts with similar remaining maturity.

iv) Other assets (excluding prepayments)

The estimated fair value of other assets excluding prepayments represents the discounted amount of estimated future cash flows expected to be received.

v) Other liabilities

The estimated fair value of other liabilities is based on discounted cash flows using prevailing money-market interest rates for debts with similar risk and remaining maturity. The carrying amount approximates their fair value.

vi) Off-statement of financial position items

The estimated fair values of the off-statement of financial position financial instruments are based on market prices for similar facilities. When this information is not available, fair value is estimated using discounted cash flow analysis.

ABSA BANK GHANA LTD

Annual Report and Financial Statements

For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Fair values of financial instruments continued...

Financial instruments measured at fair value

The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position. The fair values include any deferred differences between the transaction price and the fair value on initial recognition when the fair value is based on a valuation technique that uses unobservable inputs.

31 December 2024	Note	Level 2 GHS `000	Level 3 GHS `000	Total GHS `000
Financial assets				
<i>Fair value through profit or loss</i>				
Non-pledged trading assets	20	848,606	358,132	1,206,738
Pledged trading assets	20	277,794	293,694	571,488
Derivative assets	21	87,444	-	87,444
Total		1,213,844	651,826	1,865,670
<i>Fair value through OCI</i>				
Investment securities	24	311,823	274,488	586,311
Total		1,525,667	926,314	2,451,981
Financial liabilities				
<i>Fair value through profit or loss</i>				
Derivative liabilities	21	33,838	-	33,838
Total		33,838	-	33,838

31 December 2023	Note	Level 2 GHS `000	Level 3 GHS `000	Total GHS `000
Financial assets				
<i>Fair value through profit or loss</i>				
Non-pledged trading assets	20	235,617	441,443	677,060
Pledged trading assets	20	221,552	188,669	410,221
Derivative assets	21	21,280	-	21,280
Total		478,449	630,112	1,108,561
<i>Fair value through OCI</i>				
Investment securities	24	-	229,156	229,156
Total		478,449	859,268	1,337,717
Financial liabilities				
<i>Fair value through profit or loss</i>				
Derivative liabilities	21	16,206	-	16,206
Total		16,206	-	16,206

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Fair values of financial instruments continued...

Level 3 fair value measurements

During the current year, due to changes in market conditions for certain investment securities, quoted prices in active markets were no longer available for these securities. However, there was sufficient information available to measure the fair values of these securities based on observable market inputs.

i) Reconciliation

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy.

31 December 2024	Trading assets GHS `000	Investment securities GHS `000	Total GHS `000
Balance at 1 January	630,112	229,157	859,269
Total gains/(losses):			
in profit or loss	(12,521)	26,362	13,842
in OCI	-	35,014	35,014
Purchases	46,898	-	46,898
Settlement	(33,916)	(16,045)	(49,960)
Total	630,573	274,488	905,062

31 December 2023	Trading assets GHS `000	Investment securities GHS `000	Total GHS `000
Balance at 1 January	819,813	2,979,350	3,799,163
Total gains/(losses):			
in profit or loss	37,212	13,578	50,790
in OCI	-	4,896	4,896
Purchases	-	210,683	210,683
Settlement	(226,913)	(2,979,350)	(3,206,263)
Transfer to Level 3	-	-	-
Total	630,112	229,157	859,269

Total gains or losses for the year in the above table are presented in the statement of profit or loss and OCI as follows:

31 December 2024	Trading assets GHS `000	Investment securities GHS `000	Total GHS `000
<i>Recognised in profit or loss:</i>			
Net trading income	(12,521)	-	(12,521)
<i>Recognised in OCI:</i>			
Fair value reserve on FVOCI instruments	-	35,014	35,014

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Fair values of financial instruments continued...

31 December 2023	Trading assets GHS `000	Investment securities GHS `000	Total GHS `000
<i>Recognised in profit or loss:</i>			
Net trading income	37,212	-	37,212
<i>Recognised in OCI:</i>			
Fair value reserve on FVOCI instruments	-	(4,896)	(4,896)

Included in net trading income in profit or loss is an amount of GHS 40 million (2023: GHS 154 million) attributable to the change in unrealised gains and losses relating to assets and liabilities held at the end of the year:

ii) Unobservable inputs used in measuring fair value

The following table sets out information about significant unobservable inputs used in measuring financial instruments categorised as Level 3 in the fair value hierarchy.

Type of financial instrument	Fair values at 31 December 2024 GHS `000	Valuation techniques	Significant unobservable input
Bonds- At fair value through profit or loss	630,573.	Discounted cash flow	Increased expected market rate
Bonds- At fair value	274,488	Discounted cash flow	Increased expected market rate

Type of financial instrument	Fair values at 31 December 2023 GHS `000	Valuation techniques	Significant unobservable input
Bonds- At fair value through profit or loss	630,114	Discounted cash flow	Increased expected market rate
Bonds- At fair value	229,157	Discounted cash flow	Increased expected market rate

ii) Unobservable inputs used in measuring fair value (continued)

The range of market rates (unobservable input) used in estimating the fair value of bonds measured at fair value through profit or loss and bonds measured at fair value through other comprehensive income was up to 23%. The fair value measurement is sensitive to the market rate, any significant increases in any of these inputs in isolation would result in lower fair values

Significant unobservable inputs are developed as follows:

- Expected marketed rates are derived from the bond market and adjusted for the deterioration of credit quality given historical

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

credit spreads

Figures in GHS `000

ABSA BANK GHANA LTD

Annual Report and Financial Statements

For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Fair values of financial instruments continued...

ii) *The effect of unobservable inputs on fair value measurement*

Although the Bank believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurements in Level 3, changing one or more of the assumptions used as reasonably possible alternative assumptions would have the following effects.

31 December 2024	Effect on profit or loss		Effect on OCI	
	Favourable	(Unfavourable)	Favourable	(Unfavourable)
	GHS `000	GHS `000	GHS `000	GHS `000
Non-pledged trading assets	12,452	(12,452)	-	-
Investment securities	-	-	3,446	(3,446)
Total	12,452	(12,452)	3,446	(3,446)

31 December 2023	Effect on profit or loss		Effect on OCI	
	Favourable	(Unfavourable)	Favourable	(Unfavourable)
	GHS `000	GHS `000	GHS `000	GHS `000
Trading assets	14,939	(14,939)	-	-
Investment securities	-	-	3,924	(3,924)
Total	14,939	(14,939)	3,924	(3,924)

The favourable and unfavourable effects of using reasonably possible alternative assumptions for the valuation of investment securities have been calculated by recalibrating the model values using unobservable inputs based on averages of the upper and lower quartiles respectively of the Bank's ranges of possible estimates. The most significant unobservable inputs relate to risk-adjusted discount rates.

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Fair values of financial instruments continued...

Valuation techniques

The table below sets out information about the valuation techniques applied at the end of the reporting period in measuring assets and liabilities whose fair value is categorised as Level 2 in the fair value hierarchy. A description of the nature of the techniques used to calculate valuations based on observable inputs and valuations is set out in the table below:

Category	Valuation technique applied	Assumptions used
Derivatives	Derivative products valued using a valuation technique with market observable inputs are mainly currency swaps and forward foreign exchange contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations.	The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves.
Fair value through OCI (Non derivative)	Assets primarily consist of debt securities and are valued using valuation techniques such as discounted cash flow models or other pricing models.	These assets are valued using models that use both observable and significant unobservable data including bond yields and time to maturity.
Fair value through profit or loss (Non derivative)	Assets consist mainly of trading bills and bonds and are valued using a valuation technique which consists of certain debt securities issued by the Government of Ghana. The Bank values the securities using discounted cash flow valuation models which incorporate observable and unobservable data.	Observable inputs include assumptions regarding current rates of interest and yield curves.

ABSA BANK GHANA LTD

Annual Report and Financial Statements

For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Fair values of financial instruments continued...

Operating segment

For management purposes, the Bank is organised into three business segments based on products and services as follows:

Retail and Business banking

Provides loans and overdrafts, as well as handles the deposits and other transactions of individual and Business Banking customers such as funds transfers, standing orders and ATM card services.

Corporate Banking

Principally responsible for providing loans and other credit facilities, as well as deposits and other transactions and services to corporate clients.

Sales and Trading

Primarily undertakes fixed income and foreign exchange trading.

ABSA BANK GHANA LTD

Annual Report and Financial Statements

For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Fair values of financial instruments continued...

	Retail and Business banking	Sales and Trading	Corporate Banking	Total
2024	GHS `000	GHS `000	GHS `000	GHS `000
Interest income- External	2,451,781	-	736,085	3,187,865
Interest income- Internal	-	-	-	-
Interest expense- External	(854,304)	19,489	42,709	(792,106)
Net interest income	1,597,477	19,489	778,794	2,395,760
Net fee and commission income- External	275,784	(357)	171,402	446,829
Net fee and commission income	275,784	(357)	171,402	446,829
Net trading income- External	22,191	583,723	124	606,038
Other income- External	725	-	-	725
Operating income	1,896,177	602,855	950,320	3,449,351
Credit impairment	(274,797)	-	10,033	(264,764)
Net operating income	1,621,380	602,855	960,353	3,184,588
Depreciation and amortisation	(45,034)	(348)	(548)	(45,930)
Operating expenses	(926,976)	(107,346)	(231,554)	(1,265,876)
Profit before tax	649,370	495,161	728,251	1,872,781
Taxation	(239,447)	(175,761)	(262,843)	(678,052)
Profit for the year	409,922	319,399	465,408	1,194,730
Reportable segment assets	15,671,951	1,636,409	10,036,670	27,345,030
Reportable segment liabilities	12,347,849	1,359,755	9,459,397	23,167,001

No individual customer contributed to 10% or more of the Bank's revenue.

ABSA BANK GHANA LTD

Annual Report and Financial Statements

For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Fair values of financial instruments continued...

	Retail and Business banking	Sales and Trading	Corporate Banking	Total
	GHS `000	GHS `000	GHS `000	GHS `000
2023				
Interest income- External	2,222,771	-	541,704	2,764,475
Interest income- Internal	(456,592)	-	456,592	-
Interest expense- External	(832,869)	-	301,874	(530,995)
Net interest income	933,310	-	1,300,170	2,233,480
Net fee and commission income- External	145,261	-	110,696	255,957
Net fee and commission income	145,261	-	110,696	255,957
Net trading income- External	110,379	424,315	(54)	534,640
Other income- External	436	-	15	451
Revenue	1,189,386	424,315	1,410,827	3,024,528
Credit impairment	(208,463)	-	43,067	(165,396)
Net operating income	980,923	424,315	1,453,894	2,859,132
Depreciation and amortisation	(38,986)	(342)	(285)	(39,613)
Operating expenses	(874,196)	(43,771)	(96,519)	(1,014,486)
Profit before tax	67,741	380,202	1,357,090	1,805,033
Taxation	(244,917)	(140,822)	(282,599)	(668,338)
Profit for the year	(177,176)	239,380	1,074,491	1,136,695
Reportable segment assets	10,409,453	1,489,866	9,591,613	21,490,932
Reportable segment liabilities	8,354,774	968,551	9,192,296	18,515,621

ABSA BANK GHANA LTD

Annual Report and Financial Statements

For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Fair values of financial instruments continued...

No individual customer contributed to 10% or more of the Bank's revenue.

	2024 GHS `000	2023 GHS `000
Reconciliation of Segment Revenues		
Total income for reportable segments and Bank	3,449,351	3,024,528
Reconciliation of Profit or Loss		
Total profit or loss for reportable segments before tax and Bank	1,872,780	1,805,033
Reconciliation of assets and liabilities		
Total assets for reportable segments and Bank	27,341,756	21,490,932
Total liabilities for reportable segments and Bank	23,163,728	18,515,621
<i>Geographic information</i>		
Ghana		
Revenue	4,030,928	3,457,637
Non-current assets (property and equipment, intangible assets)	547,808	370,811
Outside Ghana	-	-
Revenue*	-	-
Non-current assets (property and equipment, intangible assets)	-	-

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

2024

2023

9. Net fees and commission income

Disaggregation of fee and commission income

Fees and commission income

Account services	65,579	47,776
Transactional	292,811	185,082
Bancassurance	17,375	12,062
Services*	80,566	47,223
Total fee and commission income from contracts with customers	456,331	292,143
Financial guarantee contracts and loan commitments	12,325	8,622
Total fee and commission income	468,656	300,765

Fees and commission expense

Interbank transaction fees	(21,827)	(44,808)
Total fees and commission expense	(21,827)	(44,808)

Net fees and commission income

446,829

255,957

* This includes brokerage fees, ATM fees and fees on other financial services.

The fees and commission presented include income of GHS 11,372,012 (2023: GHS 8,350,496) and nil expenses related to financial assets and financial liabilities not measured at FVTPL. These figures exclude amounts incorporated in determining the effective interest rate on such financial assets.

Contract balances

At 31 December 2024, the contract liabilities included in 'other liabilities' were GHS 3,256,000 (2023: GHS 4,178,167).

The contract liabilities primarily relate to the non-refundable up-front fees received from customers for services rendered. This is recognised as revenue over the period for which a customer is expected to continue receiving these services.

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

2024

2023

10. Net interest income

10.1 Interest income comprises:

Loans and advances to banks	222,079	35,360
Loans and advances to customers	1,833,617	1,349,466
Investment securities at amortised cost	446,185	585,564
Financial assets measured at amortised cost	2,501,881	1,970,390
Investment securities at FVOCI	685,984	808,932
Total interest income calculated using effective interest method	3,187,865	2,779,322
Total interest income	3,187,865	2,779,322

10.2 Interest expense

Deposits from banks and borrowings	(214,562)	(33,591)
Deposit from customers	(571,447)	(507,092)
	(786,009)	(540,683)
Financial liabilities measured at amortised cost		
Lease liabilities	(6,097)	(5,159)
Total interest expense	(792,106)	(545,842)
Net interest income	2,395,759	2,233,480

Included within the three (3) categories under interest income for the year ended 31 December 2024 is a total of GHS 2,837,377 (2023: GHS 7,237,848) accrued on impaired financial assets.

Interest income derived from Vehicle and Asset Financing during the year was GHS 58,826,173 (2023: GHS 29,524,578).

11. Net trading income

Net trading income comprises:

Dealing income from FX trading	170,209	46,695
Gains on trading bonds and bills and derivatives	435,829	487,945
Total other income	606,038	534,640

12. Other operating income

Other operating income comprise:

Gain on disposal of property and equipment 26.3	281	33
Sundry	444	418
Total other gains and (losses)	725	451

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

2024

2023

13. Impairment loss on financial assets

Impairment expense - Cash and cash equivalents	12,702	(15,785)
Impairment expense - Loans and advances to Customers	(334,912)	(142,825)
Impairment expense - Investments, LC, Banks	29,559	(23,450)
Impairment expense - Recoveries	27,887	16,664
	(264,764)	(165,396)

Included in the impairment expense - Investment security is GHS 5,159,888 (GHS 3,869,166 net of deferred tax) relating to ECL on Investment at FVOCI.

14. Personnel expenses

Personnel expenses comprises:

Wages and salaries	(434,257)	(362,806)
Share-based payments	(25,507)	(5,650)
Social security and provident funds	(55,640)	(41,417)
Pension costs	(51,478)	(34,010)
Directors fees	(3,217)	(1,784)
Other staff costs	(164,031)	(70,897)
Total employee benefits expense	(734,130)	(516,564)

Other staff costs include payments for employee medical costs, temporary staff costs and other staff related costs.
Total number of employees at 31 December was 1,200.

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

2024

2023

15. Other expenses

Other expenses comprise:

Advertising	(24,182)	(19,121)
Audit related services	(2,300)	(2,300)
Communication, stationery and IT costs	(119,180)	(87,286)
Corporate Social Responsibility	(1,793)	(1,488)
Other administrative and operational costs	(204,007)	(222,541)
Repairs and maintenance	(42,161)	(38,561)
Transport, indirect taxes & professional services	(138,123)	(126,625)
Total other expenses	(531,746)	(497,922)

16. Earnings per share

Basic and diluted earnings per share

The calculation of basic and diluted EPS has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

Profit attributable to ordinary shareholders (basic and diluted)

Profit for the year attributable to equity holders
of the Bank

1,194,729

1,136,695

Weighted-average number of ordinary shares (basic and diluted)

Issued number of ordinary shares

89,993

89,993

Weighted-average number of ordinary shares at 31 December

89,993

89,993

Earnings per share (EPS)

13.28

12.63

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

2024

2023

17. Income tax expense

17.1 Amounts recognised in profit or loss:

Current tax

Current tax expense	735,811	642,212
Tax related to prior year**	-	1,974
Total current tax	735,811	644,186

Deferred tax

Originating and reversing temporary differences	(57,759)	24,152
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Total income tax expense

678,052	668,338
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**Additional tax paid(GHS 1,974) following a tax audit conducted for the 2021-2022 year of assessment.

Included in current tax is a Growth and Sustainability Levy amounting to GHS 93,639,000 (2023: 90,252,000) and Financial sector recovery levy of GHS 93,639,000 (2023:90,252,000). The The Growth and Sustainability Levy and Financial Sector Recovery Levy are assessed under The Growth and Sustainability Levy Act 2023 (Act 1095) and the Financial Sector Recovery Levy Act, 2021 (Act 1067) respectively, at 5% on accounting profit. The Financial Sector Recovery Level was effective 1 April 2021. Both levies are not tax deductible.

ABSA BANK GHANA LTD

Annual Report and Financial Statements

For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Income tax expense continued...

17.2 Current tax (assets)/liabilities

	Balance at 1 Jan	Charge for the year	Payments during the year	Utilisation of tax credit	Balance at 31 Dec
	GHS `000	GHS `000	GHS `000	GHS `000	GHS `000
2024					
<i>Corporate tax</i>					
2022	21,949	-	-	(21,949)	-
2023	(22,920)	-	-	-	(22,920)
2024	-	548,533	(472,059)	(51,754)	24,720
Total	(971)	548,533	(472,059)	(73,703)	1,800

	Balance at 1 Jan	Charge for the year	Payments during the year	Utilisation of tax credit	Balance at 31 Dec
	GHS `000	GHS `000	GHS `000	GHS `000	GHS `000
2023					
<i>Corporate tax</i>					
2021	(20,707)	1,126	-	-	(19,581)
2022	40,682	848	-	-	41,530
2023	-	461,708	(484,628)	-	(22,920)
Total	19,975	463,682	(484,628)	-	(971)

ABSA BANK GHANA LTD

Annual Report and Financial Statements

For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Income tax expense continued...

17.3 Growth and Sustainability Levy

	Balance at 1 Jan	Charge for the year	Payments during the year	Utilisation of tax credit	Balance at 31 Dec
	GHS `000	GHS `000	GHS `000	GHS `000	GHS `000
2024					
<i>Corporate tax</i>					
2022	(43,188)	-	-	43,188	-
2023	(6,336)	-	-	-	(6,336)
2024	-	93,639	(92,530)	-	1,109
Total	(49,524)	93,639	(92,530)	43,188	(5,227)

	Balance at 1 Jan	Charge for the year	Payments during the year	Utilisation of tax credit	Balance at 31 Dec
	GHS `000	GHS `000	GHS `000	GHS `000	GHS `000
2023					
<i>Corporate tax</i>					
2021	(5,913)	-	-	-	(5,913)
2022	(37,276)	-	-	-	(37,276)
2023	-	90,252	(96,588)	-	(6,336)
Total	(43,189)	90,252	(96,588)	-	(49,525)

ABSA BANK GHANA LTD

Annual Report and Financial Statements

For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Income tax expense continued...

17.4 Financial sector recovery levy

	Balance at 1 Jan	Charge for the year	Payments during the year	Utilisation of tax credit	Balance at 31 Dec
	GHS `000	GHS `000	GHS `000	GHS `000	GHS `000
2024					
<i>Corporate tax</i>					
2022	(43,696)	-	-	30,515	(13,181)
2023	(6,335)	-	-	-	(6,335)
2024	-	93,639	(92,530)	-	1,109
Total	(50,031)	93,639	(92,530)	30,515	(18,407)
	Balance at 1 Jan	Charge for the year	Payments during the year	Utilisation of tax credit	Balance at 31 Dec
	GHS `000	GHS `000	GHS `000	GHS `000	GHS `000
2023					
<i>Corporate tax</i>					
2021	(6,420)	-	-	-	(6,420)
2022	(37,276)	-	-	-	(37,276)
2023	-	90,252	(96,587)	-	(6,335)
Total	(43,696)	90,252	(96,587)	-	(50,031)
Total tax assets - 2024	(100,526)	735,811	(657,119)	-	(21,834)
Total tax assets - 2023	(66,910)	644,186	(677,802)	-	(100,526)

Tax positions up to the 2022 year of assessment have been agreed with the tax authorities. The remaining tax position is subject to agreement with the tax authorities.

ABSA BANK GHANA LTD

Annual Report and Financial Statements

For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Income tax expense continued...

17.5 The income tax for the year can be reconciled to the accounting profit as follows: (Value reconciliation)

	2024 %	2024 GHS `000	2023 %	2023 GHS `000
Profit before tax from operations		1,872,781		1,805,033
Income tax calculated at 25.0%		468,195		451,258
Tax effect of:				
Income tax using domestic tax rate	25.00	468,196	25.00	451,258
National stabilisation levy	5.00	93,639	5.00	90,252
Financial sector recovery levy	5.00	93,639	5.00	90,252
Non-deductible expenses	25.00	22,667	1.92	34,710
Tax incentives	0.25	(89)	(0.01)	(108)
Change in estimate related to prior years	(0.03)	-	0.11	1,974
Tax expenses	36.21	678,052	37.03	668,338

ABSA BANK GHANA LTD

Annual Report and Financial Statements

For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

18. Classification of financial assets and financial liabilities

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

2024	Fair value through profit or loss GHS `000	Fair value through OCI GHS `000	Amortised cost GHS `000	Total GHS `000
Cash and cash equivalents	-	1,612,234	8,235,163	9,847,397
Non-pledged trading assets	1,206,738	-	-	1,206,738
Pledged trading assets	571,488	-	-	571,488
Derivative assets	87,444	-	-	87,444
Loans and advances to banks	-	-	130,167	130,167
Loans and advances to customers	-	-	8,344,900	8,344,900
Investment securities	-	586,311	4,062,627	4,648,938
Other assets	-	-	1,218,168	1,218,168
Total financial assets	1,865,670	2,198,545	21,991,025	26,055,240
Borrowings	-	-	3,031,398	3,031,398
Derivative liabilities	33,838	-	-	33,838
Deposits from banks	-	-	372,284	372,284
Deposits from customers	-	-	17,631,015	17,631,014
Other liabilities	-	-	1,835,405	1,835,405
Total financial liabilities	33,838	-	22,870,102	22,903,939

ABSA BANK GHANA LTD

Annual Report and Financial Statements

For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Classification of financial assets and financial liabilities continued...

	Fair value through profit or loss GHS `000	Fair value through OCI GHS `000	Amortised cost GHS `000	Total GHS `000
2023				
Cash and cash equivalents	-	2,612,819	5,825,544	8,438,363
Non-pledged trading assets	677,060	-	-	677,060
Pledged trading assets	410,221	-	-	410,221
Derivative assets	21,280	-	-	21,280
Loans and advances to customers	-	-	6,344,791	6,344,791
Investment securities	-	229,156	3,485,687	3,714,843
Other assets	-	-	707,380	707,380
Total financial assets	1,108,561	2,841,975	16,363,402	20,313,938
Borrowings	-	-	730,815	730,815
Derivative liabilities	16,206	-	-	16,206
Deposits from banks	-	-	376,048	376,048
Deposits from customers	-	-	15,883,067	15,883,067
Other liabilities	-	-	1,305,029	1,305,029
Total financial liabilities	16,206	-	18,294,959	18,311,165

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

2024

2023

19. Cash and cash equivalents

	2024 GHS `000	2023 GHS `000
Mandatory balances with Central Bank	2,683,337	2,518,701
Unrestricted balances with Bank of Ghana	701,757	444,694
Cash and balances with Banks	4,878,230	2,747,531
Money Market Placements	1,612,234	2,755,441
Cash and cash equivalent per statement of cash flows	9,875,558	8,466,367
Expected credit loss- Cash	(28,160)	(28,004)
Cash and cash equivalent per statement of financial position	9,847,398	8,438,363

In April 2024, the Bank of Ghana (BoG) revised the requirement for cash reserves for all Banks in Ghana. This replaced the single reserve rate of 15% that was in place as at Dec 2023. The new requirement was tiered based on the Loan to Deposit (L/D) ratio for the prescribed cut off period to be applied for the ensuing month. Below is the summary of the new requirement thresholds

	Reserve Ratio
• Banks with loan-to-deposit ratio of 55% and above	15%
• Banks with loan-to-deposit ratio of between 40% - 55%	20%
• Banks with loan-to-deposit ratio of less than 40% - 55%	25%

As at 31 December 2024, the Bank's L/D ratio was above 55% and so held cash reserve at the 15% threshold.

Cash in hand, items in course of collection and balances with Central Bank are non-interest-bearing. In addition, the Central Bank requires banks to reserve 100% on all Vostro balances, that is, balances held by other banks with Absa.

At the reporting date, the Bank recorded a bank ledger balance of GHS 5,032 million (2023: GHS 3,807 million) in its statement of financial position as compared to the bank statement balance of GHS 5.072 million (2023: GHS 3.976 million). The transactions making up the difference between the bank ledger balance and the bank statement balance totalling GHS 40 million (2023: GHS 167 million) includes various reconciling items such as unrepresented cheques, uncredited lodgements and unresolved debit and credit items on the bank statements. Subsequent to the year end, reconciling items amounting to GHS 40 million (2023: GHS 167 million) were resolved and reflected in the financial statement as appropriate.

ABSA BANK GHANA LTD

Annual Report and Financial Statements

For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

2024

2023

20. Trading assets

Trading assets comprise the following balances

Bills - At fair value through profit or loss	1,484,532	457,168
Bonds - At fair value through profit or loss	293,694	630,113
	1,778,226	1,087,281
Non-pledged trading assets	1,206,738	677,060
Pledged trading assets	571,488	410,221
Total	1,778,226	1,087,281

Trading bills and bonds are debt securities issued by the Government of Ghana through Bank of Ghana and Corporate entities.

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

21. Derivative assets

Derivative assets comprise the following balances

2024	Notional Contract Amount	Assets	Liabilities
	GHS `000	GHS `000	GHS `000
Absa	21,373	34,434	14,285
Others	41,624	53,010	19,553
Total	62,997	87,444	33,838
2023	Notional Contract Amount	Assets	Liabilities
	GHS `000	GHS `000	GHS `000
Absa	1,884	12,169	7,562
Others	7,161	9,111	8,644
	9,045	21,280	16,206

All derivative positions held at the end of both 2024 and 2023 were not subject to master netting agreement.

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

2024

2023

22. Loans and advances to banks

Loans and advances to banks comprise the following balances

At amortised cost

*At Fair value through profit or loss (FVTPL)**

Loans and advances to banks	130,166	-
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*- These are loans and advances to banks held by the Bank's trading business.

23. Loans and advances to customers

23.1 Loans and advances to customers comprise the following balances

	Retail customers GHS `000	Corporate customers GHS `000	Business banking GHS `000	Total GHS `000
2024				
<i>At amortised cost</i>				
Corporate overdrafts and specialised loans	-	4,728,043	1,887,713	6,615,756
Mortgages	365,658	-	-	365,658
Loans and advances to customers	2,250,835	-	-	2,250,835
Credit cards	38,489	-	-	38,489
Overdrafts	9,081	-	-	9,081
Gross loans and advances to customers	2,664,063	4,728,043	1,887,713	9,279,819
Less:				
Allowances for impairment	(368,209)	(333,196)	(233,514)	(934,919)
Net loans and advances to customers	2,295,854	4,394,847	1,654,199	8,344,900

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

2024

2023

Loans and advances to customers continued...

	Retail customers	Corporate customers	Business banking	Total
2023	GHS `000	GHS `000	GHS `000	GHS `000
At amortised cost				
Corporate overdrafts and specialised loans	-	3,361,225	1,379,522	4,740,747
Mortgages	248,946	-	-	248,946
Loans and advances to customers	1,914,013	-	-	1,914,013
Credit cards	28,725	-	-	28,725
Overdrafts	12,503	-	-	12,503
Gross loans and advances to customers	2,204,187	3,361,225	1,379,522	6,944,934
Less:				
Allowances for impairment	(208,743)	(301,254)	(90,146)	(600,143)
Net loans and advances to customers	1,995,444	3,059,971	1,289,376	6,344,791
Total	1,995,444	3,059,971	1,289,376	6,344,791

23.2 Allowances for impairment

Movement in impairment loss allowance		
Balance at 1 January	600,143	706,220
Impairment losses recognised	334,912	142,825
Write offs	(136)	(248,902)
Balance at 31 December	934,919	600,143

Analysis of gross loans and advances by type of customer

Government	69,342	-
Public institutions and Enterprises	534,642	715,226
Private enterprises	6,011,773	4,187,439
Individuals	2,664,062	2,042,269
Banks	130,167	-
Total	9,409,986	6,944,934

Analysis of gross loans by maturity

Current	5,672,000	3,686,678
Non-current	3,737,986	3,258,256
Total	9,409,986	6,944,934

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

2024

2023

Loans and advances to customers continued...

23.3 Loan ratios

Impairment charge to gross loans	2.9%	2.4%
Loan loss ratio	10.1%	8.6%
Gross non-performing loan ratio	15.5%	15.1%
50 largest exposures to total exposure	59.8%	57.5%

Total non-performing loans amounted to GHS 1,255,563,000 (2023: GHS 887,300,000).

24. Investment in securities

Investment in securities comprise:

Treasury bills	311,823	-
Treasury bonds at FVOCI	274,488	229,156
Total	586,311	229,156
Bonds at amortised cost	4,062,627	3,485,687
Total	4,648,938	3,714,843
Current portion	311,823	15,247
Non-current portion	4,337,115	3,699,596
Total	4,648,938	3,714,843

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

2024

2023

Investment in securities continued...

Reconciliation of investment securities at FVOCI

Balance at 1 January	229,156	3,211,059
Additions	313,859	319,491
Modified and derecognition /Disposal	(29,553)	(4,270,014)
Accrued interest	13,116	21,195
Fair value release to profit/ loss on derecognised assets	25,519	(4,183)
Changes in fair value	34,214	951,608
Balance at 31 December	586,311	229,156

Reconciliation of investment securities- at amortised cost

Balance at 1 January	3,485,687	747,035
Additions	-	3,366,792
Matured	(118,895)	(747,035)
Accrued interest*	636,730	118,895
Fair value release to profit & loss on derecognised assets	59,105	-
Balance at 31 December	4,062,627	3,485,687

*The accrued interest included Payment-in-Kind (PIK) structure in connection with the Domestic Debt Exchange Programme the Bank signed up to in 2022.

Government of Ghana investment securities amounting GHS 571,488,215 were pledged as collateral at year end (2023: GHS 410,221,056). Pledged assets are the carrying amount of Government Securities (Treasury bills) used as collateral for short term funds borrowed from banks and non-bank financial institutions. In the event, the entity fails to make good the payment as and when it falls due, the collateral will not be released back to the Bank. The pledged assets could not be used for any other trading until the payment is done and the pledged assets are released by Central Securities Depository.

These transactions are conducted under terms that are usual and customary to securities borrowing and lending activities. It is at a rate of 91-day treasury bill plus a spread of 1%.

25. Other assets

Other assets comprise the following balances

Prepayments	86,867	33,040
Accrued income	6,153	7,782
Stationery stock	12,343	6,311
Prepaid staff benefits	140,671	86,594
External bank settlements	61,872	65,698
Confirmed letters of credit	993,856	633,900
Other receivables	3,272	199
	1,305,034	833,524

ABSA BANK GHANA LTD

Annual Report and Financial Statements

For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

26. Property, plant and equipment

26.1 Balances at year end and movements for the year

	Right of use assets - Buildings	Land and Buildings	Furniture and equipment	IT equipment	Motor vehicles	Capital work in progress	Total
Cost							
Balance at 1 January 2023	68,458	73,619	107,745	105,542	16,283	93,026	464,673
Additions	28,505		8,518	10,773	3,068	74,929	125,793
Transfers	-	-	-	360	-	(360)	-
Disposals	-	-	-	-	(786)	-	(786)
Balance at 31 December 2023	96,963	73,619	116,263	116,675	18,565	167,595	589,680
Balance at 1 January 2024	96,963	73,619	116,263	116,675	18,565	167,595	589,680
Additions	5,966	462	11,494	20,056	14,516	148,341	200,835
Transfers	-	2,740	481	-	-	(3,221)	(0)
Disposals	-	(22,266)	(41,974)	(27,400)	(2,425)	-	(94,065)
Balance at 31 December 2024	102,929	54,555	86,264	109,331	30,655	312,715	696,449
Accumulated depreciation							
Balance at 1 January 2023	(30,342)	(39,453)	(87,884)	(83,520)	(6,569)	-	(247,768)
Depreciation for the year	(10,811)	(3,184)	(9,214)	(10,634)	(2,815)	-	(36,658)
Disposals					786		786
Balance at 31 December 2023	(41,153)	(42,637)	(97,098)	(94,154)	(8,598)	-	(283,640)
Balance at 1 January 2024	(41,153)	(42,637)	(97,098)	(94,154)	(8,598)	-	(283,640)
Depreciation for the year	(15,382)	(3,067)	(9,134)	(10,776)	(3,895)	-	(42,254)
Disposals		22,266	41,974	27,400	2,282		93,922
Balance at 31 December 2024	(56,535)	(23,438)	(64,258)	(77,530)	(10,211)	-	(231,972)

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Property, plant and equipment continued...

	Right of use assets - Buildings	Land and Buildings	Furniture and equipment	IT equipment	Motor vehicles	Capital work in progress	Total
Carrying amounts							
Balance at 31 December 2023	55,810	30,982	19,165	22,521	9,967	167,595	306,040
Balance at 31 December 2024	46,394	31,117	22,006	31,801	20,445	312,715	464,477

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

2024

2023

Property, plant and equipment continued...

26.2 Depreciation and amortisation

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

Property and equipment (Note 26.)	42,254	36,658
Intangible assets (Note 27.)	3,676	2,955
	45,930	39,613

26.3 Profit or loss on disposal

Cost	94,065	786
Accumulated depreciation	(93,922)	(786)
Proceeds from disposals	(424)	(33)
	(281)	(33)

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

2024

2023

27. Intangible assets

Reconciliation of changes in intangible assets

	Software	Software under development	Total
Balance at 1 January 2023	11,457	5,699	17,156
Additions	5,371	48,437	53,808
Balance at 31 December 2023	16,828	54,136	70,964
Balance at 1 January 2024	16,828	54,136	70,964
Additions	1,711	20,525	22,236
Balance at 31 December 2024	18,539	74,661	93,200
Accumulated amortisation			
Balance at 1 January 2023	(3,238)	-	(3,238)
Amortisation for the year	(2,955)	-	(2,955)
Balance at 31 December 2023	(6,193)	-	(6,193)
Balance at 1 January 2024	(6,193)	-	(6,193)
Amortisation for the year	(3,676)	-	(3,676)
Balance at 31 December 2024	(9,869)	-	(9,869)
Carrying amounts			
Balance at 31 December 2023	10,635	54,136	64,771
Balance at 31 December 2024	8,670	74,661	83,331

Additional disclosures

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

ABSA BANK GHANA LTD

Annual Report and Financial Statements

For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

28. Deferred tax

28.1 The analysis of deferred tax assets and deferred tax liabilities is as follows:

Deferred tax assets and liabilities are attributable to the following:

Deferred tax assets:

- Deferred tax asset to be recovered within 12 months

	630,008	579,513
	630,008	579,513
Net deferred tax assets	630,008	579,513

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Deferred tax continued...

28.2 Detail

	Assets GHS `000	2024 Liabilities GHS `000	Net GHS `000	Assets GHS `000	2023 Liabilities GHS `000	Net GHS `000
Deferred tax through P&L						
Property, equipment and software	-	(3,170)	(3,170)	-	(1,333)	(1,333)
Allowances for loan losses	259,449	-	259,449	186,679	-	186,679
Share-based payments	5,723	-	5,723	2,079	-	2,079
Provisions	2,800	-	2,800	1,322	-	1,322
Leases	763	-	763	444	-	444
Deferred repairs and improvement	9,859	-	9,859	9,162	-	9,162
Investment securities(POCI Day 1 loss)	358,234	-	358,234	379,648	-	379,648
Unrealized forex losses	975	-	975	466	-	466
Leave provision	2,883	-	2,883	-	-	-
Net tax assets - P&L	640,686	(3,170)	637,516	579,800	(1,333)	578,467
Deferred tax through OCI						
Investment securities at FVOCI	-	(7,508)	(7,508)	1,046	-	1,046
Net tax assets/(liabilities) - OCI	-	(7,508)	(7,508)	1,046	-	1,046
Net assets/(liabilities)	640,686	(10,678)	630,008	580,846	(1,333)	579,513

ABSA BANK GHANA LTD

Annual Report and Financial Statements

For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

2024

2023

Deferred tax continued...

28.3 Details of set-off of deferred tax assets and liabilities

Net deferred tax asset from all items being set off

630,008

579,513

Total deferred tax asset per the statement of financial position

630,008

579,513

29. Deposits from Banks

Deposits from Banks comprise:

Money market deposits - Short term

372,284

376,047

Non-current liabilities

372,284

376,047

Current liabilities

-

-

372,284

376,047

ABSA BANK GHANA LTD

Annual Report and Financial Statements

For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

2024

2023

30. Deposits from customers

Deposits from customers comprise:

	Retail GHS `000	Business Banking GHS `000	Corporate GHS `000	Total GHS `000
2024				
Cheque account deposits	4,028,454	2,541,288	4,301,394	10,871,136
Call deposits	18,310	302,956	2,376,538	2,697,804
Savings and transmission accounts	2,642,427	14,211	32	2,656,670
Fixed deposits	593,195	164,238	80,352	837,785
Margin deposits	-	284,405	283,215	567,620
Total	7,282,386	3,307,098	7,041,531	17,631,015
2023				
Cheque account deposits	3,450,226	2,038,553	2,240,594	7,729,373
Call deposits	254	247,556	3,515,095	3,762,905
Savings and transmission accounts	1,910,986	7,513	31	1,918,530
Fixed deposits	432,233	331,501	1,217,241	1,980,975
Margin deposits	-	126,771	364,513	491,284
Total	5,793,699	2,751,894	7,337,474	15,883,067

The average interest rate for customer deposits was 5.8% (2023: 5.0%).

	2024	2023
Current deposits	16,793,230	13,902,092
Non-current deposits	837,785	1,980,975
Total	17,631,015	15,883,067

ABSA BANK GHANA LTD

Annual Report and Financial Statements

For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Deposits from customers continued...

Analysed by geographical area

Ghana	17,598,219	15,851,056
Outside Ghana	32,796	32,011
Total	17,631,015	15,883,067

Analysis by product type

Current and demand accounts - interest free	7,800,167	5,357,895
Current and demand accounts - interest bearing	6,325,007	6,625,666
Savings accounts	2,654,905	1,918,531
Other time deposits - retail	606,346	432,233
Other time deposits - corporate	244,590	1,548,742
Total	17,631,015	15,883,067

Analysis by type of depositors

Individual	7,295,540	5,793,699
Other private enterprises	10,299,075	9,684,923
Public enterprises	36,400	404,446
Total	17,631,015	15,883,068

Ratio of 20 largest depositors to total deposits	29.89%	36.71%
--	--------	--------

Dormant account

Where an account remains inoperative for a period of twenty-four months, the balance on such account is transferred to the dormancy centre for protection. The balance on dormant accounts at 31 December 2024 was GHS 156,386,398 (2023: GHS 166,162,365).

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

2024

2023

31. Borrowings

Borrowings comprise:

Non-current portion of borrowings	2,991,184	596,105
Current portion of borrowings	40,214	134,710
	3,031,398	730,815

Reconciliation of borrowings

Balance at 1 January	730,815	2,408,221
Additions	2,869,541	1,154,832
Interest expense	11,975	76,738
Interest payments	(17,592)	(68,824)
Principal payments	(571,322)	(3,185,801)
Forex	7,981	345,649
	3,031,398	730,815

No collateral was provided for the borrowings. Borrowings represent facilities mainly held with Absa Group Ltd. Contractual maturities span 1 month to 3 years with interest rates averaging 10.75%. Interest rates for other borrowings denominated in GHS at an average rate of 27.04% for 2024.

32. Retirement benefit obligations

32.1 Defined contribution plans

Absa Bank Ghana LTD participates in defined contribution plans, costs of which are represented as part of social security and provident fund costs under personnel expenses.

32.2 Defined benefit plan

The Bank makes contributions to a defined benefit plan that provides medical benefits for employees upon retirement (The scheme is not funded by the beneficiaries). The Plan entitles a retired employee to be reimbursed for certain medical costs.

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

2024

2023

Retirement benefit obligations continued...

32.2.1 Movement in defined benefit liabilities

Movements in the present value of the defined benefit obligation in the current year were as follows:

The movement in the defined benefit liability over the year is as follows:

Balance at 1 January	204,456	134,804
Current service cost	11,579	7,714
Interest expense/(income)	39,899	26,296
Actuarial gains included in OCI	15,041	44,666
Benefits paid	(11,189)	(9,024)
Balance at 31 December	259,786	204,456

The following are the expected pay-outs under the defined benefit scheme:

Within the next 12 months (next annual reporting period)	12,137	9,921
Between 2 and 5 years	69,696	56,968
Between 5 and 10 years	164,596	134,536
	246,429	201,425

Amounts recognised in profit or loss in respect of these defined benefit plans are as follows:

Current service cost	11,579	7,714
Interest on obligation	39,899	26,296
	51,478	34,010

ABSA BANK GHANA LTD

Annual Report and Financial Statements

For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

2024

2023

Retirement benefit obligations continued...

32.2.2 Sensitivity analysis

2024	One percentage point increase in discount rate	One percentage point decrease in discount rate
Effect on service cost	(2,038)	2,508
Effect on interest cost	(2,892)	3,335
Effect on defined benefit obligation at 1 January	(20,628)	24,708
Effect on defined benefit obligation at 31 December	(25,855)	30,906
2023	One percentage point increase in discount rate	One percentage point decrease in discount rate
Effect on service cost	(1,596)	1,968
Effect on interest cost	(2,337)	2,700
Effect on defined benefit obligation at 1 January	(14,426)	16,589
Effect on defined benefit obligation at 31 December	(20,628)	24,708

32.2.3 Actuarial assumptions

Discount rate at 31 December	20.00%	20.00%
Average inflation at 31 December	15.00%	15.00%
Medical cost trend rate in the following year	15.00%	15.00%

33. Other liabilities

Accrued expenses	118,138	257,988
Liability on cash-settled share-based payments	16,126	2,480
Unallocated transfers	511	157
Unclaimed balances	77,692	18,456
Bill payable	62,474	22,927
Transfer to other banks	7,779	95,977
Payment in transit	5,415	5,522
Confirmed letters of credit	993,856	633,900
Lease liabilities	28,124	26,852
Other payables	450,571	122,200
ECL on off-balance sheets	74,719	118,570
Total	1,835,405	1,305,029

Other payables consist of amounts due to sundry counterparties including statutory bodies and other non-statutory entities.

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

2024

2023

34. Regulatory sanctions

The Bank was not sanctioned for any regulatory non-compliance to sections of the Banking Act, or any related directive/Regulations, including the AML Act and its subsidiary legislations. Therefore, no penalty was imposed during the year (2023: GHS 60 million).

35. Leases

See accounting policy in Note

Leases as lessee

The Bank leases a number of branch and office premises. These leases typically run for a period of five (5) years, usually with an option to renew the lease after that date. The extension options held are not exercisable only by the Bank and will require approval by the lessor. Payments are renegotiated as and when to reflect market rentals. The Bank has elected not to recognise right-of-use assets and lease liabilities for short-term and/or leases of low-value items.

Information about leases for which the Bank is a lessee is presented below:

Right-of-use assets

Right-of-use assets relate to leased branch and office premises that are presented within property and equipment.

	2024 GHS `000	2023 GHS `000
Balance at 1 January	55,810	38,116
Depreciation charge for the year	(15,382)	(10,811)
Additions	5,965	28,505
Balance at 31 December	46,393	55,810

ABSA BANK GHANA LTD

Annual Report and Financial Statements

For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

2024

2023

36. Capital and reserves

36.1 Stated capital

	2024 No. of shares '000	2024 Proceeds GHS `000	2023 No. of shares '000	2023 Proceeds GHS `000
Authorised				
Equity shares of no par value	100,000	-	100,000	-
Issued and fully paid				
For cash	60,808	108,146	60,808	108,146
Transfer from retained earnings in accordance with Section 68(1c) of the Companies Act, 2019 by a special resolution	29,185	291,854	29,185	291,854
In issue at 31 December- fully paid	89,993	400,000	89,993	400,000

There was no unpaid liability on any share and there were no calls or instalments unpaid at year end.

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Capital and reserves continued...

Nature and purpose of reserves

Retained earnings

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

Statutory reserve

Statutory reserve represents the cumulative amounts set aside from annual net profit after tax as required by Section 34 of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). The proportion of net profits transferred to this reserve ranges from 12.5% to 50% of net profit after tax depending on the ratio of existing statutory reserve fund to paid-up capital. The statutory reserve for the year was 193,3% (2023: 157.8%) of the GHS 400 million stated capital. Consequently, the Bank transferred a minimum of 12.5% of the 2024 net profit after tax to the statutory reserve.

Credit risk reserve

Regulatory credit risk reserve represents additional provision required by Bank of Ghana on loans and advances in excess of the IFRS impairment. The Central Bank requires provisions to be made against loans and advances depending on the classification into which they fall. The balance includes 1% provision on contingent liabilities amounting to GHS 54.9 million (2023: GHS 49.6 million) at the reporting period. Minimum provisions should be made as follows:

Loss Advances - Advances classified as a loss are considered uncollectable and of such little value that their continuation as recoverable advances is not warranted. This classification does not mean that the advance has absolutely no recovery value, but rather it is not practical or desirable to defer writing off this basically worthless advance even though partial recovery may be effected in the future. Advances classified as a loss include bankrupt companies and loans to insolvent firms with negative working capital and cash flow. Banks should not retain advances on the books while attempting long-term recoveries. Losses should be taken in the period in which they surface as uncollectable. Non-performing loans and receivables which are 360 days or more overdue are also classified as a loss. A provision of 100% of the aggregate net unsecured balance of advances is required in this category.

Doubtful Advances - Doubtful advances exhibit all the weaknesses inherent in advances classified as substandard with the added characteristics that the advances are not well-secured, and the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions and values, highly questionable and improbable. The possibility of loss is extremely high, but because of certain important and reasonably specific pending factors, which may work to the advantage and strengthening of the advance, its classification as an estimated loss is deferred until its more exact status may be determined. Non-performing loans which are at least 180 days overdue but less than 360 days overdue are also classified as doubtful. A provision of 50% of the aggregate net unsecured balance of advances is required in this category.

Substandard Advances - Substandard advances display well-defined credit weaknesses that jeopardise the liquidation of the debt. Substandard advances include loans to borrowers whose cash flow is not sufficient to meet currently maturing debt, loans to borrowers which are significantly undercapitalised, and loans to borrowers lacking sufficient working capital to meet their operating needs. Non-performing loans which are at least 90 days overdue but less than 180 days overdue are also classified substandard. In this context advances become overdue when the principal or interest is due and unpaid for thirty days or more. A provision of 25% of the aggregate net unsecured balance of advances is required in this category.

OLEM (Other loans especially mentioned) - Advances in this category are currently protected by adequate security, both as to principal and interest, but they are potentially weak and constitute an undue credit risk, although not to the point of justifying the classification of substandard. A provision of 5% of the aggregate net unsecured balance of advances is required in this category.

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

2024

2023

Capital and reserves continued...

Current Advances - Advances in this category are those for which the borrower is up-to-date with repayments of both principal and interest. For overdrafts, this will mean regular activity on the account with no sign that a hardcore of debt is building up. A provision of 1% of the aggregate net unsecured balance of advances is required in this category.

The Regulatory credit risk reserve so created is not available for distribution as dividend and inclusion in the adjusted capital base for purposes of the Capital Adequacy Ratio (CAR) computation.

36.2 Reconciliation of Bank of Ghana provisioning to regulatory credit risk reserve

General provision required	105,370	94,894
Specific provision required	1,121,367	859,822
Total provisions required	1,226,737	954,716
Less IFRS impairment stock	(1,009,637)	(718,713)
Regulatory credit risk reserve	217,100	236,003

36.3 Other reserves

This includes effects from the fair value measurement of financial instruments of the category FVOCI instrument after deduction of deferred taxes. Any gains or losses are not recognised in profit or loss until the asset has been sold/matured or impaired. Actuarial gains and losses on defined benefit obligations. ECL on FVOCI assets and movements on equity-settled share-based payment are also included in this category.

37. Depreciation and amortisation

Depreciation and amortisation comprises:

Depreciation	42,254	36,658
Property, plant and equipment	42,254	36,658
Amortisation	3,676	2,955
Total depreciation and amortisation	45,930	39,613

38. Dividends

The Directors do not intend to declare dividend for the year ended 31 December 2024 due mainly to the continued preservation of capital. No dividend was paid for the year ended 31 December 2023. No dividend was declared in the prior year mainly to the loss position recorded.

39. Contingencies

39.1 Claims and litigation

A number of legal proceedings were outstanding against the Bank at 31 December 2024. Based on the expert view of our Legal team, many of these cases are unlikely to result in any loss. However, as at 31 December 2024, a provision of GHS 688,797 (2023: GHS 117,432) included in other liabilities was made in respect of cases with probability of adverse outcome against the bank.

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Contingencies continued...

39.2 Contingent liabilities and commitments

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

Nature of instruments

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

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

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

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

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

	2024 GHS `000	2023 GHS `000
Financial guarantees	1,254,481	1,410,309
Letters of credit	1,516,768	882,436
Undrawn formal stand-by facilities, credit lines and other commitments to lend	1,968,193	1,910,948
Total	4,739,442	4,203,693

40. Related parties

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

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

2024

2023

Related parties continued...

40.1 Related party balances

The Bank is controlled by Absa Group Limited (AGL), a bank incorporated in South Africa. AGL is the parent and ultimate parent of the Bank. A number of banking transactions are entered into between Absa Bank Ghana LTD and Absa Bank South Africa (related by common control) in the normal course of business.

The volume of related party transactions, outstanding balances at the year end and related income and expense are as follows:

	Interest received GHS `000	Interest paid GHS `000	Dividends paid GHS `000
2024			
Absa Bank South Africa	22,516	13,265	-
Absa Group Limited	-	-	-
2023			
Absa Bank South Africa	14,799	18,622	-
Absa Group Limited	-	-	-

The Bank also has the following placement with the parent company as detailed out below:

	Non-current amounts receivable GHS `000	Non-current amounts payable GHS `000
2024		
Absa Bank South Africa	558,168	43,662
Absa Group Limited	-	236,794
2023		
Absa Bank South Africa	142,622	124,256
Absa Group Limited	-	142,954

Impairment assessed at the reporting date for related party receivables was GHS Nil- (2023: Nil)

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Related parties continued...

40.2 Transactions with key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Bank (directly or indirectly) and comprise the directors and officers of the Bank. Close family members of key management personnel are also considered to be related parties of the Bank. Close members of the family of a person are those family members who may be expected to influence or be influenced by that individual in their dealings with the Bank.

In the ordinary course of business, the Bank gives out loans to companies where a director or other key management personnel (or any connected person) is also a director or key management personnel (or any connected person) of the Bank. These loans are granted under normal commercial terms.

Details of transactions between directors and other key management personnel (and their connected persons) and the Bank are as follows:

	2024 GHS `000	2023 GHS `000
Loans outstanding at 1 January	18,758	16,175
Loans issued during the year	11,390	5,202
Loan repayments during the year	(4,657)	(2,619)
Loans outstanding at 31 December	25,491	18,758
Interest income earned	1,469	1,254

Included in loans and advances is GHS nil (2023: nil) advanced to companies where relationship exists by virtue of shareholding and/or representation in the respective companies' Board of Directors.

The advances are at rates comparable to market and are adequately secured. The related interest income in 2024 was GHS nil (2023: GHS nil).

Remuneration of directors and other key management personnel

The following information is presented in accordance with IAS 24 'Related Party Disclosure', which requires disclosure of the employee benefits of directors and other key management personnel:

	2024 GHS `000	2023 GHS `000
Salaries and other short-term benefits	39,990	21,471
Share based payment	10,035	3,169
Employer social security charges on emoluments	5,109	2,092
Total remuneration for the year	55,134	26,732

ABSA BANK GHANA LTD

Annual Report and Financial Statements

For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Related parties continued...

40.3 Transactions with employees and directors

	2024 GHS `000	2023 GHS `000
Balance at 1 January	268,890	224,813
Loans advanced during the year	178,331	102,920
Loans repayments received	(75,987)	(58,843)
Balance at 31 December	371,234	268,890

Interest earned on staff loans during the year amounted GHS 13,851,102 (2023: GHS 14,885,727)

40.4 Shareholders

No.	Name	2024 No. of shareholding '000	2024 Percentage shareholding	2023 No. of shareholding '000	2023 Percentage shareholding
1.	Absa Group Limited	89,993	100	89,993	100

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

41. Shared based payments

41.1 Description of the share-based payment arrangements

The Bank engages in cash-settled and equity settled share-based payment transactions in terms of the Absa Group Limited employee schemes in respect of services received from certain of its employees. A total of GHS 22,891,000 (2023: GHS 8,315,000) had been provided for in respect of the share option scheme as at 31 December 2024.

	2024 GHS `000	2023 GHS `000
Equity settled	6,765	5,835
Cash settled-Ekhaya	16,126	2,480
Total	22,891	8,315

The charge for the year arising from share-based payment schemes was as follows:

Equity settled	9,300	3,169
Cash settled-Ekhaya	16,207	2,480
Total	25,507	5,649

The main equity settled and cash settled shared-based payment schemes among group entries have been outlined below:

Absa Group Limited Share Value Plan

The Share Value Plan ("SVP") is a cash-settled share-based payment arrangement. The SVP awards (and any associated notional dividends) are awarded at no cost to the participants. The awards vest in equal tranches after one, two and three years, with each tranche subject to its own independent non-market-related performance condition. The amount that is paid to the participants is equal to the market value of a number of Absa Group Limited ordinary shares, as determined on the vesting date, to the extent that the non-market-related conditions attached to the awards are met. If the Group fails to meet the minimum performance criteria, the awards made in that tranche are forfeited in total. Dividends accumulate and are reinvested over the period.

Absa Group Limited Long Term Incentive Plan

The LTIP is an equity-settled share-based arrangement. Qualifying participants will be entitled to Absa Group Limited shares either by way of share award or a cash award that must be used to purchase AGL Group Shares. The award will be issued by the employing entity or subsidiary within the Group. In order for the participant to be entitled to these awards, the participant needs to render three years of service and meet requisite performance conditions in order to qualify.

Absa Group Ekhaya Scheme

The Absa Group B-BBEE transaction comprises both of a Colleague Share Scheme, which provide employees in South Africa and employees of other Absa domiciled countries, who signs up, with an equity ownership interest in Absa Group. Employees from Absa African Regional Operations (ARO) countries and other international operations entities are participating in a Colleague Phantom Share Scheme (referred to as The Ekhaya Scheme). This is the cash equivalent of that implemented in South Africa. The Absa EKhaya Colleague Share Scheme provides all eligible permanent employees with a right to a potential trickle dividend throughout the period and ultimately an equity ownership interest in Absa Group. The Participating Absa Bank countries pays for the cost of shares, with a five (5) vesting period when the value of the shares would be realised and distributed to the qualifying colleagues.

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

Shared based payments continued...

41.2 Share option and award plans

The weighted average share price at the date of exercise/release of shares during the year was:

Weighted average share price at exercise date during the reporting period (cedis)	2024	2023
Equity-settled:		
LTIP	123.56	48.49
SVP	133.44	92.06
SVP Cliff	123.56	-
Cash-settled:		
Ekhaya	61.60	47.55

The weighted average contractual remaining life and number of options and awards outstanding (including those exercisable) at the balance sheet date are as follows:

Weighted average contractual life	2024	2023
Equity-settled:		
LTIP	1.41	1.65
SVP	0.89	0.62
SVP Cliff	1.45	1.45
Cash-settled:		
Ekhaya	3.67	4.67

41.3 Movements in options and awards

The movement in the number of options and awards for the major schemes was:

Equity settled	2024	2023
Opening balance	32,448	83,087
Granted/Transfer	122,230	37,495
Forfeited	(929)	(44,459)
Exercised	(46,200)	(43,675)
Closing Balance	107,549	32,448

42. Going concern and Subsequent events

The Bank posted a profit after tax of GHS 1.19 billion, compared with GHS 1.14 billion posted in 2023. Also, total assets exceeded its total liabilities by GHS 4.2 billion (2023: GHS 2.9 billion).

In assessing the going concern considerations, the directors have considered the following matters;

- Performance trend and projections as well as underlying drivers into the foreseeable future
- Cash flow forecast – Cash generating capacity and related commitments as well as liquidity management
- Continuation of the turnaround strategies already started in line with overall business climate
- Risk management – Continuous emphasis on rigorous selection process for clients, management of business risks and working capital.

ABSA BANK GHANA LTD

Annual Report and Financial Statements

For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

43. Going concern and Subsequent events (continued)

On the above, the financial statements are prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities will occur in the ordinary course of business.

44. Social responsibility

Amounts spent on fulfilling social responsibility obligations amounted to GHS 1,793,014 (2023: GHS 1,488,208).

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

45. New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2024 and have not been applied in preparing these financial statements. Those which may be relevant to the Bank are set out below. The Bank does not plan to adopt these standards early. These will be adopted in the period that they become mandatory unless otherwise indicated:

For reporting periods commencing on any date from 1 January 2023 – 31 December 2023:			
IAS 1 amendment	Classification of liabilities as current or rent	January 2020 September 2022	1 January 2024
IFRS 16 amendments	Lease Liability in a Sale and Leaseback	October 2022	1 January 2024
IAS 1 amendment	Non-current Liabilities with Covenants	May 2023	1 January 2024
IAS 7 and IFRS 7 amendment	Supplier Finance Arrangements	August 2023	1 January 2025
IAS 21 amendment	Lack of exchangeability		

i. Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (Amendments to IAS 1)

The amendments require that an entity classify a liability as non-current if it has a right to defer settlement for at least 12 months after the reporting date. This right may be subject to an entity complying with conditions (covenants) specified in a loan arrangement, in the event that the entity is required to comply with the conditions on or before the reporting date. Furthermore, the amendments clarify how an entity classifies a liability that can be settled in its own shares – e.g. convertible debt.

i. Lease Liability in a Sale and Leasebacks (Amendments to IFRS 16)

The amendments clarify how a seller-lessee measures the right-of-use asset and lease liability at initial recognition and subsequent measurement in the instance that variable lease payments arise in a sale-and-leaseback transaction. The amendments require that leaseback transactions entered into since the implementation of IFRS 16 in 2019 be reassessed and updated accordingly.

ii. Supplier Finance Arrangements (Amendment to IAS 7 and IFRS 7)

The amendments introduce specific disclosure requirements for entities entering into supplier finance arrangements, to allow users to assess the effects of these arrangements on the entity's liabilities, cash flows, and exposure to liquidity risk

iii. Lack of exchangeability (Amendment to IAS 21)

The amendments specify how to assess whether a currency is exchangeable and if not exchangeable, how the entity should determine the spot exchange rate. Additional disclosure is required to enable users to understand how the lack of exchangeability impacts the financial performance, financial position and cash flows. The Bank has early adopted the revisions to IAS 21: The Effects of Changes in Foreign Exchange Rates (Lack of Exchangeability) from 1 January 2024. As there were no exchange rates affected by the amendment on 1 January 2024, no adjustment to opening retained earnings was recognised.

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

New standards and interpretations not yet adopted continued...

New standards and interpretations not yet adopted

A number of new standards and amendments to existing standards have been issued but not yet effective for the reporting period and have not been applied in preparing these annual financial statements. Unless specifically noted to the contrary, these amendments are not expected to have a material impact on the Bank

Summary of the standards and interpretation not yet adopted are;

Amendments resulting from annual improvements for the following standards

Initial measurement of trade receivables - The amendment removes the conflict between IFRS 9 and IFRS 15 over the amount at which a trade receivable is initially measured. Under IFRS 15, a trade receivable may be recognised at an amount that differs from the transaction price, for example, when the transaction price is variable. Conversely, IFRS 9 requires that entities initially measure trade receivables without a significant financing component at the transaction price. IFRS 9 has been amended to require entities to initially measure a trade receivable without a significant financing component at the amount determined by applying IFRS 15. The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted.

Accounting for the derecognition of a lease liability by a lessee – The amendment states that when lease liabilities are derecognised under IFRS 9, the difference between the carrying amount and the consideration paid is recognised in profit or loss. The amendment does not address how to distinguish between derecognition and modification of a lease liability. The amendment applies only to lease liabilities extinguished on or after the beginning of the annual reporting period in which the amendment is first applied. The amendment is effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted.

Minor amendments to IFRS 1, IFRS 10 and IAS 7. These amendments are effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted.

Settlement of financial liabilities by electronic payments- IFRS 9

The amendments clarify when a financial asset or financial liability is recognised and derecognised and provide an exception for certain financial liabilities settled using an electronic payment system. The exception allows entities to derecognise their financial liabilities before the settlement date when it uses an electronic payment system that meets specific criteria. The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted

Classification of financial assets with a contingent feature- IFRS 9 and IFRS 7

Following the post-implementation review of the classification and measurement requirements, IFRS 9 includes guidance on the classification of financial assets, including those with contingent features. Additional disclosures in terms of IFRS 7 will also need to be provided on financial assets and financial liabilities that have certain contingent features. The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted

Equity instruments designated at fair value through other comprehensive income- IFRS 7

The amendments require additional disclosures for investments in equity instruments that are measured at fair value with gains or losses presented in other comprehensive income (FVOCI). The amendments are effective for annual reporting periods beginning on or after

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Notes to the Financial Statements

Figures in GHS `000

New standards and interpretations not yet adopted continued...

Non-recourse assets and contractually linked instruments – IFRS 9

The amendments clarify the treatment of non-recourse assets and contractually linked instruments. The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted.

Presentation and disclosure of financial statements- IFRS 18

IFRS 18 promotes a more structured income statement, introduces a newly defined “operating profit” subtotal, and a requirement for all income and expenses to be classified into three new distinct categories based on an entity’s business activities. The new standard requires an entity to analyse their operating expenses directly on the face of the income statement - either by nature, by function or on a mixed basis. In addition, the standard defines “management-defined performance measures” (MPMs) and requires that an entity provide disclosures regarding its MPMs in order to enhance transparency. The standard further provides enhanced guidance on aggregation and disaggregation of information, which will apply to both the primary financial statements and the notes. IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and applies retrospectively with early adoption permitted. The impact of this standard on the Bank is currently being assessed

Subsidiaries without public accountability– IFRS 19

The standard is applicable to subsidiaries that do not have public accountability and that have a parent that produces consolidated accounts under IFRS Accounting Standards. IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary applying IFRS 19 is required to clearly state in its explicit and unreserved statement of compliance with IFRS Accounting Standards that IFRS 19 has been adopted. Eligible subsidiaries can choose to apply the standard for reporting periods beginning on or after 1 January 2027 with earlier application permitted.

ABSA BANK GHANA LTD

Annual Report and Financial Statements
For the year ended 31 December 2024

Value added statement

Figures in GHS `000

2024

2023

1. Value added statement for the year ended 31 December 2024

Interest earned and other operating income	3,448,626	3,024,079
Direct cost of services and other costs	(528,529)	(496,138)
Value added by banking services	2,920,097	2,527,941
Non-banking income	725	451
Impairments	(264,764)	(165,396)
Value added	2,656,058	2,362,996

Distributed as follows:

To employees

Directors (without executives)	(3,217)	(1,784)
Executive directors	(55,134)	(26,732)
Other employees	(678,996)	(489,832)
Total	(737,347)	(518,348)

To Government

Income tax	(678,052)	(668,338)
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To providers of capital

Dividends to shareholders	-	-
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To expansion and growth

Depreciation and amortisation	(45,930)	(39,614)
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Retained earnings	1,194,729	1,136,696
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