PRUDENTIAL BANK LTD

2022 ANNUAL REPORT

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Prudential Bank adjudged "The Emerging Digital Bank of the Year" at the 12th Ghana Information Technology & Telecom Awards (GITTA) in November 2022

2022 ANNUAL REPORT

OVERVIEW

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PRUDENTIAL BANK

...Truly dependable

ABOUT US

Prudential Bank LTD (PBL) opened for business on 15th August 1996. The main areas of the Bank's operations are domestic and international banking, project financing, e-banking services, SME financing, international money transfer and funds management. The Bank has a network of 41 business locations complemented by a number of electronic and digital banking channels. PBL was in 2021 adjudged a 5-Star quality service provider by the Chartered Institute of Marketing, Ghana. In 2022, the Bank was adjudged the Emerging Digital Bank of the Year by two different awarding institutions. The Bank has consistently won several other prestigious awards in the banking sector since inception.

CORPORATE MISSION

To provide domestic and international banking services with a strategic focus on project financing, trade financing, export development and SME financing. PBL is committed to playing a positive and innovative role in the financial intermediation process and, most importantly, to offer the best banking services.

VISION

To be a successful indigenous and the preferred bank in Ghana offering the most remunerative banking services to the public.

SUBSIDIARY COMPANY

Prudential Securities LTD: A company engaged in fund management, corporate finance and business advisory services.

DIRECTORS:

Muriel Susan Edusei (Independent Non-Executive Director - Chairperson)
Bernard Appiah Gyebi (Managing Director; appointed Feb 2023)
Daniel Asah Kissiedu (Non-Executive Director)
Yaw Opoku Atuahene (Independent Non-Executive Director)
Juliana Addo-Yobo (Independent Non-Executive Director)
Daniel Larbi-Tieku (Independent Non-Executive Director)
Victoria Barth (Non-Executive Director)
Ofotsu Tetteh-Kujorjie (Non-Executive Director)
Rev. Prof. Peter Ohene Kyei (Non-Executive Director)
Felix Kwesi Duku (Non-Executive Director)
John Kpakpo Addo (Managing Director; retired Dec 2022)
Fred Kwasi Boateng Owusu (Non-Executive Director; retired Sep 2022)

COMPANY SECRETARY: **Alison Ann Debrah**

REGISTERED ADDRESS

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Ring Road Central Accra, Ghana

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General Post Office Accra
GPS: GA-005-3060

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(CUSTOMER EXPERIENCE CENTRE)

AUDITORS:

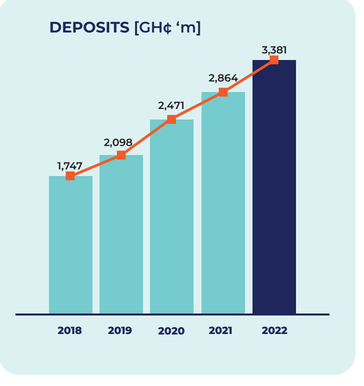
Morrison & Associates
Chartered Accountants, Tax &
Management Consultants
2nd Floor, Trinity House Ring Road East
P.O. Box CT 2890 Cantonments, Accra

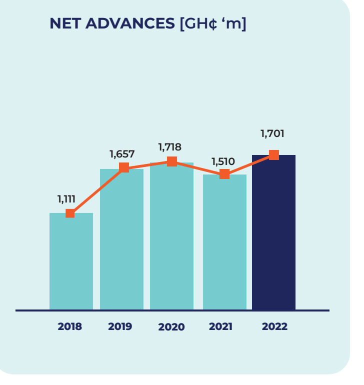
Toll-Free: 0800 000 772
Email:headoffice@prudentialbank.com.gh
Website: www.prudentialbank.com.gh

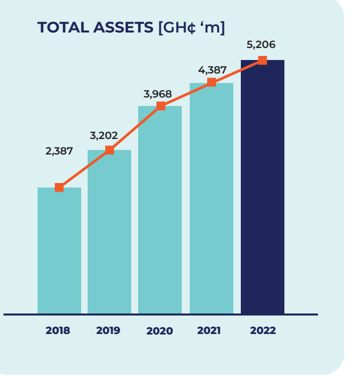
CORRESPONDENT BANKS

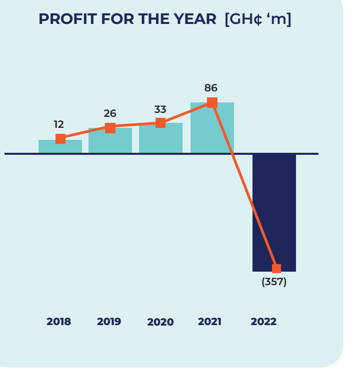
CITIBANK N.A. 111 WALL STREET 19TH FLOOR NEW YORK, N.Y. 10043 USA	CITIBANK N.A. CITIGROUP CENTRE P.O. BOX 78 33 CANADA SQUARE, CANARY WHARF LONDON E14 5LB UNITED KINGDOM	CITIBANK A.G. NEUE MAINZER STRASSE 75 60311 FRANKFURT MAIN GERMANY
ODDO BHF BANK AKTIENGESSELLSCHAFT BOCKENHEIMER LANDSTRASSE 10 60323 FRANKFURT AM MAIN GERMANY	GHANA INTERNATIONAL BANK PLC 67 CHEAPSIDE 1ST FLOOR LONDON, EC2V 6AZ UNITED KINGDOM	BANK OF BEIRUT (UK) LIMITED 17A CURZON STREET LONDON W1J 5HS UNITED KINGDOM

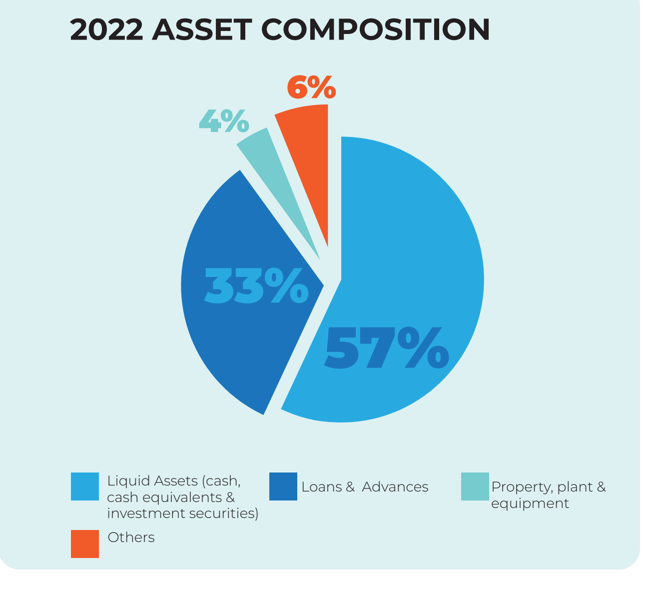
FINANCIAL HIGHLIGHTS

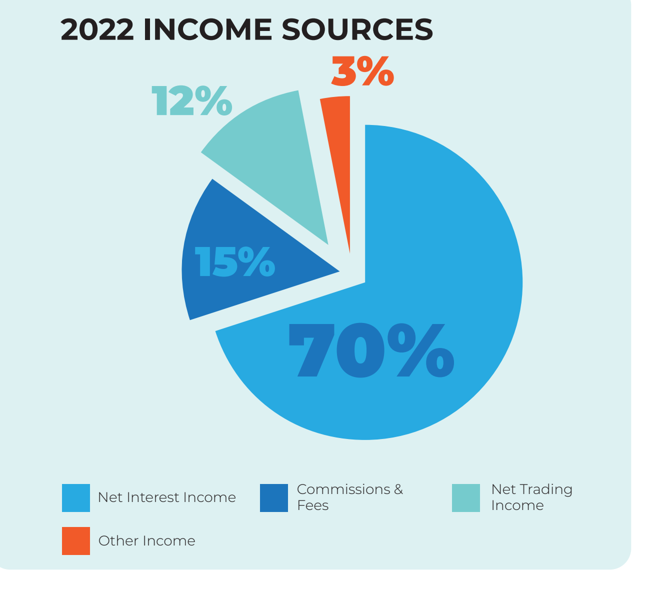












FIVE YEARS BANK PERFORMANCE (2018-2022)

STATEMENTS OF COMPREHENSIVE INCOME

in thousands of Ghana cedis					
	2018	**2019**	**2020**	**2021**	**2022**
Interest income	317,694	367,123	504,123	583,637	750,349
Interest expense	(169,737)	(182,775)	(220,034)	(239,643)	(363,822)
Net interest income	**147,957**	**184,348**	**284,089**	**343,994**	**386,527**
Net fee and commission income	47,768	55,868	56,895	64,387	82,425
Net trading and other operating income	29,658	36,631	38,984	38,371	80,235
Operating income	**225,383**	**276,847**	**379,968**	**446,752**	**549,187**
Net impairment loss on financial assets	(28,475)	(34,196)	(86,195)	(64,099)	(699,645)
Operating expenses	(179,183)	(207,027)	(233,353)	(246,394)	(287,602)
Profit/ (loss) before tax	**17,725**	**35,623**	**60,420**	**136,259**	**(438,060)**
Income tax expense	(6,134)	(9,288)	(27,240)	(49,963)	81,004
PROFIT/ (LOSS) FOR THE YEAR	**11,591**	**26,335**	**33,180**	**86,296**	**(357,056)**
Other comprehensive income (net of tax)	35,926	-	-	-	-
TOTAL COMPREHENSIVE INCOME	**47,517**	**26,335**	**33,180**	**86,296**	**(357,056)**
RETAINED EARNINGS					
Balance at 1st January	(31,790)	(23,852)	(1,894)	20,282	49,799
Prior Year Adjustment	-	-	(6,403)	-	-
Profit/ (loss) for the year	11,591	26,335	33,180	86,296	(357,056)
	(20,199)	**2,483**	**24,883**	**106,578**	**(307,257)**
Transfer to statutory reserve	(5,796)	13,168)	(16,591)	(43,148)	-
Transfer to credit risk reserve	2,142	8,790	11,990	(13,631)	(141,981)
Dividend paid	-	-	-	-	(15,000)
Balance at 31st December	**(23,852)**	**(1,894)**	**20,282**	**49,799**	**(464,238)**

FIVE YEARS BANK PERFORMANCE (2018-2022)

STATEMENTS OF FINANCIAL POSITION

in thousands of Ghana cedis					
	2018	**2019**	**2020**	**2021**	**2022**
Assets					
Cash and cash equivalents	547,431	402,455	731,533	658,743	1,365,428
Investment securities	450,562	832,437	1,212,059	1,912,730	1,613,177
Loans and advances to customers	1,110,957	1,657,080	1,717,792	1,509,558	1,701,349
Investments (other than securities)	1,766	1,766	1,766	1,766	766
Tax assets	12,771	7,903	-	8,639	161,389
Intangible assets	6,136	6,586	14,506	11,764	10,398
Property, plant & equipment	214,994	223,563	234,324	227,021	226,667
Right-of-use assets	-	12,895	12,605	9,688	11,942
Other assets	42,878	57,668	42,996	46,943	115,230
Total assets	**2,387,495**	**3,202,352**	**3,967,581**	**4,386,852**	**5,206,346**
LIABILITIES AND SHAREHOLDERS' FUNDS					
Liabilities					
Deposits	1,747,372	2,098,336	2,470,695	2,864,068	3,381,273
Tax liabilities	14,238	10,498	13,628	2,869	-
Borrowings	162,797	423,846	735,549	668,165	1,309,749
Lease liability	-	6,970	6,625	3,403	2,505
Other liabilities	112,230	34,744	86,348	107,315	143,843
Total liabilities	**2,036,638**	**2,574,394**	**3,312,845**	**3,645,820**	**4,837,370**
Shareholders' Funds					
Stated capital	127,666	402,431	402,431	402,431	402,431
Deposit for shares	24,000	-	-	-	-
Retained earnings	(23,852)	(1,894)	20,282	49,799	(464,238)
Statutory reserve	42,540	55,708	72,299	115,447	115,447
Revaluation reserve	120,914	120,914	120,914	120,914	120,914
Credit risk reserve	59,590	50,800	38,810	52,441	194,422
Total equity and reserves	**350,858**	**627,958**	**654,736**	**741,032**	**368,976**
TOTAL LIABILITIES AND SHAREHOLDERS' FUND	**2,387,496**	**3,202,352**	**3,967,581**	**4,386,852**	**5,206,346**

THANK YOU
FOR RATING US
5-STAR
5-Star Bank for Outstanding Service Quality
2nd Overall Best Bank in Customer Service
Best Bank for Net Promoter Score
2021 CIMG CUSTOMER SATISFACTION INDEX SURVEY (BANKING)
We are honoured for the opportunity to continually bring you excellent customer service.
Tel: 0302 750 420 | Toll-free: 0800 000 772
customercare@prudentialbank.com.gh
www.prudentialbank.com.gh
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...Truly dependable

CHAIRPERSON'S STATEMENT

Muriel Susan Edusei (Mrs.)

1.0 INTRODUCTION

Good morning Distinguished Shareholders, Directors, our External Auditors, Ladies and Gentlemen. You are welcome to the 26th Annual General Meeting of Prudential Bank LTD. I am pleased to present to you the Chairperson's Statement on the performance of the Bank for the year ended 31st December 2022. I will begin by positioning the Bank within the operating environment in which it carried out its business.

2.0 THE OPERATING ENVIRONMENT

2.1 The Global Economy

The global economy faced historic challenges in 2022. Key among these were the ongoing conflict between Russia and Ukraine, sharp slowdown of economic growth in China, rapid inflation, a strong dollar, and rising borrowing costs.

Beyond the humanitarian crisis from the Russia – Ukraine conflict, disruptions to global supply chain caused by the conflict contributed to high prices of commodities, surging inflation and a cost of living crisis.

The fight against the rapid inflation compelled central banks including the US Federal Reserve to raise interest rates. This resulted in high borrowing costs in global financial markets, particularly, for economies in sub-Saharan Africa due to capital flight to the US. Thus, the fight to restore economies already battered by the Covid-19 pandemic in previous years was severely weakened. Overall, global GDP grew by 3.4% in 2022 compared to the growth rate of 6.2% in 2021 according to the International Monetary Fund (IMF).

2.2 The Ghanaian Economy

2.2.1 Unprecedented Debt Crisis

The Ghanaian economy witnessed an unprecedented debt crisis amid the challenging external environment. Consequently, the Government in July 2022 initiated discussions with the IMF on a comprehensive reform package aimed at restoring macroeconomic stability and anchoring debt sustainability. In December 2022, the IMF team reached a staff-level agreement (SLA) with Government of Ghana on wide-ranging economic policies and reforms to be supported by a three-year Extended Credit Facility (ECF) of about US$3.0 billion.

The SLA was subject to IMF Management and Executive Board approval upon the receipt of financing assurances by the country's economic partners and creditors. The prerequisites also included Government embarking on a substantial internal and external debt restructuring plan as part of efforts to reduce the public debt-to-GDP ratio from 93.5% as at November 2022 to 55% in present value terms by the year 2028.

2.2.2 The Domestic Debt Exchange Programme

Pursuant to the SLA, the Republic of Ghana on 5th December 2022 announced a Domestic Debt Exchange Programme (DDEP) as part of efforts to restore the country's debts to sustainable levels. Under the programme, eligible bondholders were invited to voluntarily exchange their holding of domestic notes and bonds of the Republic of Ghana, E.S.L.A. Plc, and Daakye Trust Plc (collectively, the "Eligible Bonds") for a package of new benchmark Government of Ghana (GoG) bonds with specified terms and conditions.

The new bonds in aggregate had the same principal amount as the existing eligible bonds but a longer average maturity and a lower aggregate average coupon of between 8.35% and 15.0%.

The DDEP concluded on 21st February 2023, following settlement during which 16 series of new bonds were issued to eligible holders. According to the Ministry of Finance (MOF), GH¢83 billion of existing domestic cedi denominated bonds were exchanged for new ones, out of the outstanding principal amount of GH¢97.75 billion, giving a participation rate of 85%.

2.2.3 Gold for Oil (G4O) Programme

Government in November 2022 announced a Gold-for-Oil (G4O) Programme whereby the country pays for oil with gold instead of foreign currency. Under the programme, BOG accumulates refined gold in its metal account at a refinery nominated by a supplier to fund the shipment of petroleum products. The programme, which began in January 2023 aims at reducing the demand for dollars by oil importers and thereby reducing the consequent weakening of the cedi.

2.2.4 Economic Growth and Fiscal Performance

Distinguished Shareholders and Directors, as already indicated, the Ghanaian economy in 2022 experienced a deceleration in growth. The Ghana Statistical Service provisionally estimates the annual GDP growth rate for 2022 at 3.1% compared to the annual growth rate of 5.1% recorded in 2021. According to statistics from the Bank of Ghana, the overall fiscal deficit for 2022 was 8.1% of GDP compared to a deficit of 9.2% in 2021.

2.2.5 Inflation, Monetary Policy and Interest Rates

Inflation rate surged from 12.6% at the end of 2021 to 54.1% at the end of December 2022 due to significant increases in food and non-food inflation. In response to the inflationary trend, the Monetary Policy Committee of the Bank of Ghana systematically raised the Monetary Policy Rate (MPR) from 14.5% in December 2021 to 27.0% at the end of December 2022. Thus, bringing the MPR and interest rate regime back to year 2000 levels.

Consequently, interest rates for government securities increased significantly on the money and capital markets. For example, the interest rate on the 91-day treasury bill increased from 12.5% at the end of December 2021 to 35.5% at the end of December 2022 while the average yield of long-dated bonds increased on the secondary bond market from 19.8% at the end 2021 to 46.0% at the end of 2022.

The weighted average inter-bank overnight interest rate, which reflects the rate at which commercial banks borrow from and lend to each other, increased from 12.7% at the end of December 2021 to 25.5% at the end of December 2022.

2.2.6 Depreciation and Exchange Rates

The depreciation of the cedi against major trading currencies got to its peak in November 2022. At that time, the cedi had depreciated by 54.2% against the US dollar. The cedi recovered somewhat in December 2022, partly due to the announcement of the staff-level agreement between the Government of Ghana and the IMF. According to the Bank of Ghana, the sharp recovery of the cedi was also attributable to the tightening of monetary policy and the marginal weakness of the US dollar as inflation reached its peaked in the US. At the end of 2022, the cedi depreciated by 30.0% against the US dollar, compared to a depreciation of 4.1% in 2021, from GH¢6.01 to the dollar at the end of 2021 to GH¢8.58.

2.3 The Banking Sector

2.3.1 Impact of DDEP on the Banking Sector

Distinguished Shareholders and Directors, as you may be aware, the banking sector was the largest holder of Government of Ghana domestic debt instruments. As such, banks and other financial institutions were the most impacted by the Domestic Debt Exchange, which led to a combination of write offs, maturity extensions and significant reductions in interest incomes. This resulted in massive losses reported by a majority of banks in the year under review.

The Central Bank, on 5th January 2023, issued policy guidelines and provided regulatory reliefs to banks to address the adverse impact from participation in the DDEP and help preserve financial stability. The reliefs became effective on 24th January 2023 and are applicable until further notice.

2.3.2 Banking Sector Performance

Discounting the effect of the DDEP, the performance of the banking sector in 2022, according to the Bank of Ghana, broadly reflected the persisting macroeconomic challenges. The rapid depreciation of the cedi resulted in increases in the foreign currency components of banks' balance sheet. Inflationary pressures also caused an increase in the cost of credit. Consequently, there was a decline in the financial performance of the banking sector and a decline in the financial soundness indicators.

3.0 PRUDENTIAL BANK LIMITED IN YEAR 2022

3.1 Three-Year Strategic Plan (2021 – 2023)

The Bank continued with the implementation of its three-year Strategic Plan. The Plan hinges on four pillars, namely, business growth, operational excellence, customer service excellence and, enhanced risk management. These four pillars are anchored on the Bank's digital transformation process. Key actions and initiatives that were executed in line with the three-year strategic plan are as follows:

1. Aggressive campaigns to drive the usage of retail digital channels. This resulted in a 47% increase in the volume of the Bank's retail digital usage.

2. Digital termination of remittances (DTR) directly into the accounts of the Bank's customers with respect to three of our partners operating in the remittances space.

3. E-commerce for VISA, Mastercard, mobile money and online payments. This has improved collections especially at the universities and other educational institutions.

4. Onboarding of the Bank onto the platform of the Pan-African Payment and Settlement Systems (PAPSS) as one of the first six banks to go live.

   PAPSS is an initiative by the African Export-Import Bank (Afreximbank) in collaboration with the African Continental Free Trade Area (AfCFTA) Secretariat, which allows cross-border financial transactions in African countries in real-time using local currencies.

5. Further development and the implementation of a number of solutions to improve our internal processes. These included the automation of the following backend processes: Treasury bill purchases, the activation of dormant accounts and the update of customer accounts.

6. Relocating and merging of four branches as follows: Bawaleshie with East Legon; Kwame Nkrumah Circle with Ring Road Central; Zongo Junction with Mataheko and; North Industrial Area with Tesano with a view to increasing operational efficiency. Implementation was successfully carried out and did not result in any loss of business.

7. The completion of Phase One and a substantial part of Phase Two of the Enterprise Risk Management (ERM) Framework to guide the operations and functions of the Risk Management Department. Phase One mainly dealt with the development and approval of a number of policies and documents. The ERM project is expected to provide a robust risk management structure for the Bank.

8. The development and approval of a Sustainability Policy to guide the Bank in the implementation of its sustainability initiatives. The policy was designed in accordance with the Central Bank's framework for sustainable banking and in tune with the UN Sustainable Development Goals (SDGs). The full Sustainability Report can be found in the 2022 Annual Report.

9. The approval of a number of new and revised personnel policies in the areas of performance management, accessibility of staff loans, promotion and career progression, employee resourcing, death in service, redundancy, outsourcing, whistleblowing and healthcare. Other initiatives aimed at mitigating the effects of high inflation were also introduced.

3.2 Award for Emerging Digital Bank of the Year

Due to the remarkable strides made by the Bank in the area of digital innovation and transformation, your Bank was adjudged "The Emerging Digital Bank of the Year" in October 2022 at the 12th Ghana Information Technology & Telecom Awards (GITTA) and again, in November 2022 at the 6th Connected Banking Summit Innovation & Excellence Awards organized by the International Center for Strategic Alliances (ICSA), a global group of leading industry professionals and innovators.

3.3 Mobilization of Resources

Deposits mobilized by your Bank amounted to GH¢517 million at the end of the year 2022. This resulted in an increase in the deposit portfolio by 18.1% from GH¢2,864 million at the end of 2021 to GH¢3,381 million at the end of 2022.

Borrowings increased by 96.1% from GH¢668 million at the end of December 2021 to GH¢1,310 million at the end of December 2022. Almost all the borrowings were strategic short-term borrowings from the overnight market and repurchase agreements.

Shareholders' funds, however, contracted by 50.2% from GH¢741 million at the end of December 2021 to GH¢369 million at the end of December 2022 mainly due to the loss arising from the Domestic Debt Exchange Programme.

3.4 Allocation of Resources

The total assets of your Bank grew by 18.7% from GH¢4,387 million at the end of 2021 to GH¢5,206 million at the end of 2022. This growth was funded by deposits and borrowings.

Gross advances increased by 16.6% from GH¢1,694 million at the end of 2021 to GH¢1,976 million at the end of 2022 whilst net loans and advances increased by 12.6% from GH¢1,510 million to GH¢1,701 million within the same comparative period.

The investment portfolio, which comprised mainly of Government of Ghana and Bank of Ghana debt instruments, contracted by 15.7% from GH¢1,913 million at the end of 2021 to GH¢1,613 million at the end of 2022.

3.5 Results of Operations

Distinguished Shareholders and Directors, your Bank's profit before impairment increased by 31% from GH¢200 million in 2021 to GH¢262 million in 2022. However, having suffered from its share of the impact of the DDEP on the banking sector, your Bank made an impairment loss of GH¢700 million in the year 2022 on its financial assets compared to GH¢64 million in 2021. Ultimately, your Bank made a loss of GH¢357 million at the end of 2022 compared to the profit of GH¢86 million in 2021. Thus, the Bank recorded negative returns on its assets and equity in 2022.

3.6 Dividends

As a result, Directors are unable to recommend the payment of dividend to shareholders for 2022.

3.7 Corporate Social Responsibility

During the year under review, as part of our corporate social responsibility (CSR), we invested GH¢1.3 million in our communities to support the following causes:

i. Ministry of Education 2022 National Best Teacher Award;

ii. Village of Hope;

iii. Ghana Blind Union;

iv. Daughters of the Most Holy Trinity, Kumasi;

v. Noguchi Memorial Institute;

vi. University of Cape Coast;

vii. University of Energy and Natural Resources;

viii. Oguaa Traditional Council;

ix. Amanokrom Odwira Planning Committee; and

x. Asogli State Council.

In 2021 the cumulative amount was GH¢544,000. Our CSR initiatives contribute to the overall well-being and growth of our host communities. Further information on the Bank's corporate social responsibility initiatives is provided in the 2022 Annual Report.

3.8 Corporate Governance

The Board continued its oversight role to strengthen good governance in the Bank, A comprehensive report is provided under the Corporate Governance section of the 2022 Annual Report.

3.8.1 Changes to the Board

During the year, Mr. Fred Kwasi Boateng Owusu ended his nine- year tenure as a Non-Executive Director in September 2022. Mr. John Kpakpo Addo's, three-year tenure as Managing Director also ended on 31st December 2022.

On behalf of the Board, I express our appreciation for their contribution to the growth of the Bank and wish both of them well in their future endeavors.

Mr. Michael Kwasi Anyamesem, a former banker, has been proposed to replace Mr. Boateng Owusu subject to a Shareholders' resolution being passed and final approval by the Bank of Ghana.

4.0 OUTLOOK FOR THE YEARS 2023 AND 2024

4.1 The Global Economy

Central banks continue to institute measures to curtail high inflation and revive economic growth. However, the recent collapse of three regional banks in the United States earlier this year, indicates that the global economy still faces considerable challenges going forward.

The IMF in its April 2023 World Economic Outlook (WEO) report projects global GDP growth rates of 2.8% for 2023 and 3.0% for 2024 compared to their estimated growth of 3.4% in 2022.

4.2 The Ghanaian Economy

The outlook of the Ghanaian economy remains positive on the back of the debt restructuring and the proposed economic recovery programme with the IMF.

The IMF package is expected to support the Government's flagship programme for 2023, the Post-Covid-19 Programme for Economic Growth (PC-PEG). Government has developed a medium-term plan to generate additional revenue and improve tax compliance. Government has also indicated it will implement measures to control public expenditure, improve the management and reporting of public sector performance, particularly among state-owned entities and restructure the energy and cocoa sectors. These and other measures are expected to restore macroeconomic stability and ensure debt sustainability. The IMF projects average GDP growth rate of 1.6% in 2023 and 2.9% in 2024 compared to the estimated growth rate of 3.2% recorded in 2022.

4.3 The Ghanaian Banking Sector

The stability of the banking sector is under threat due to the DDEP. However, the 2023 first quarter results of banks show positive signs of recovery.

The Central Bank has given banks whose capital has fallen below the statutory requirement up to 2025 to recapitalize. The Central Bank has also put in place a forbearance arrangement to assist affected banks post-DDEP to stay afloat whilst rebuilding their capital base. These include the establishment of a Ghana Financial Stability Fund (GFSF) and the relaxation of the treatment of the newly issued Government of Ghana bonds for capital adequacy estimation purposes.

4.4 Prudential Bank LTD

Plans are being developed to recapitalize the Bank following the shortfall in capital arising from the DDEP. Shareholders will be apprised in due course.

The Bank is in the third and final year of the implementation of the Three-Year Strategic Plan (2021 – 2023). Strategic initiatives to be implemented in 2023 in addition to the completion of ongoing projects include:

- Deepening of the capabilities of our clients to optimize the usage of our digital platforms for collections and payments.
- Strengthening of our partnership arrangements with key customers and partners
- Launching of gender-based financial solutions to enhance financial inclusion with the assistance of one of our international partners.
- Expansion of the Bank's array of international debit cards to include cards that hold foreign currencies (FX cards) for US dollars. This is expected to increase fee income as well as aid customer retention efforts.
- Continuation to embed Environmental, Social and Governance (ESG) principles in our business model. Going forward, our business practices and performance on various sustainability and ethical issues will be assessed by our evaluators based on this framework.

5.0 ACKNOWLEDGEMENTS

On behalf of the Board, I would like to take this opportunity to express our deepest gratitude to all our customers whose continued patronage and loyalty contributed to the success of the Bank, our Shareholders for their continuous support, and Management and Staff for their dedicated services. Finally, I express my gratitude to my colleague Board members for being a great and hardworking team and for their support in ensuring that in the face of daunting challenges, the Bank continues to forge ahead and make good progress towards achieving our goal. Together, with consistent hard work and God's help, we can build an enviable bank.

Thank you.

MURIEL SUSAN EDUSEI (MRS.)
CHAIRPERSON

2022 | ANNUAL REPORT

CORPORATE GOVERNANCE

- Board profile
- Management profile
- Report of the Directors
- Corporate governance report

PRUDENTIAL BANK
...Truly dependable

BOARD PROFILE

Muriel Susan Edusei
Chairperson

Mrs. Muriel Susan Edusei is a business leader with expertise in Banking & Finance, Corporate Governance and, Corporate Restructuring.

She worked with the National Investment Bank in various positions for 18 years retiring as the Head of Foreign Operations in 1995. She subsequently joined Oikocredit International, a development finance institution with its headquarters in the Netherlands, as Regional Manager for Anglophone West Africa, where she established the regional office in Ghana to serve Ghana, Gambia and Sierra Leone. She retired from Oikocredit in December 2010 after a successful 15-year tenure.

Mrs. Edusei served as board chair of HFC Bank, now Republic Bank PLC and on other boards including, Fidelity Equity Fund II, Opportunity International Savings and Loans Company Limited, Ghana National Petroleum Corporation and Nestlé Ghana Limited.

Mrs. Edusei holds a degree of Bachelor of Science in Administration (Accounting Option) and a Master of Business Administration in Finance both of which were obtained from the University of Ghana Business School. Mrs. Edusei is a Hubert Humphrey Fellow and during her fellowship programme in the United States, she undertook an MBA Finance and Banking non-degree awarding course at Boston University. Additionally, she did attachments in Banking Supervision at the Federal Reserve Bank of Boston and in international trade and finance at Chemical Bank, New York, U.S.A. She is a Fellow of the Ghana Institute of Directors and previously served as a Council Member.

Mrs. Edusei was appointed as the board chairperson of the Bank in April 2020 following an earlier approval by the Bank of Ghana in July 2019.

Mr. Bernard Gyebi is a banking professional with 26 years of experience working in reputable banks and financial institutions. He was appointed Managing Director of Prudential Bank in February 2023 following an approval by the Bank of Ghana.

Until his appointment, he was the General Manager in charge of Risk Management at Republic Bank (Ghana) PLC, where he worked for four years. He was seconded for a period of 15 months to the head office of Republic Financials Holdings Limited of Trinidad & Tobago, the parent company of the Republic Group where he handled risk management assignments related to seven of the Group's subsidiaries, mostly resident in the Caribbean. He also worked for the Agricultural Development Bank PLC (ADB) for eight years first, as Executive Head of Credit Risk and later as the Chief Risk & Compliance Officer. Prior to joining ADB, Mr. Gyebi worked for Stanbic Bank Ghana Limited as Head of Credit. He also worked for Barclays Ghana (now Absa Bank of Ghana Limited) from September 1999 to December 2007 in various roles including Senior Credit Analyst (while on secondment to Barclays Africa head office in Johannesburg, South Africa) and as Head of Corporate Credit.

Bernard Appiah Gyebi
Managing Director

Mr. Gyebi holds a degree of Master of Business Administration with specialization in Risk Management & Investment from the Imperial College London, U.K. and a Post-Graduate Degree (PGD) in Corporate Management & Finance from the Universite Paris Pantheon-Sorbonne, France. He also holds a degree of Bachelor of Science in Planning from the Kwame Nkrumah University of Science & Technology, Kumasi.

Daniel Asah Kissiedu
Non-Executive Director

Mr Daniel Kissiedu is a banking, consulting, and business executive with 21 years' experience in providing strategic guidance to businesses, structuring transactions, and providing solutions in energy and logistics.

Mr. Kissiedu is currently the Managing Director of Compass Prime Limited, a trade and logistics company. Prior to this role, he was the Managing Director of Trade and Logistics Africa Limited, a position he held for 10 years. He had previously been the Chief Operating Officer at Osam Energy Company Ltd. Mr. Kissiedu also worked with Zenith Bank Ghana Ltd, first as a relationship manager, and later as a Business Manager. He was a Senior Associate for Strategy Consulting at Dixcove Ventures Advisory Group.

Mr. Daniel Kissiedu holds a degree of Master of Business Administration in Finance from the University of Leicester, U.K. and a Bachelor of Science in Planning obtained from the Kwame Nkrumah University of Science and Technology, Kumasi.

Mr. Kissiedu was appointed to the Board of Prudential Bank in June 2018.

Mr. Yaw Opoku Atuahene is a banking professional with over 35 years' experience in the banking and finance sector. Mr. Atuahene served as Deputy Managing Director of Agricultural Development Bank from 2001 to 2008 and Managing Director of the same bank from 2008 to 2009. He also worked in various managerial capacities at National Investment Bank and Prudential Bank.

Mr. Atuahene has the following degrees from Oregon State University in the USA: Bachelor of Science in Agricultural and Resource Economics; Master of Science in Poultry Science; and Master of Arts in Economics, Statistics & Extension Methods.

He has served on several boards including, Agricultural Development Bank; Ghana International Bank, UK; Fidelity Bank Ghana; Global Access Savings and Loans; Ghana Postal Service and Jei River Farms.

Mr. Atuahene was appointed to the Board of Prudential Bank in April 2020.

Yaw Opoku Atuahene
Independent Non-Executive Director

Daniel Larbi-Tieku
Independent Non-Executive Director

Mr. Daniel Larbi-Tieku is a chartered accountant with over 30 years' experience in the accounting and finance sector. He is the Deputy Chief Executive Officer of the Enterprise Group and serves on several boards of the Group including the boards of Enterprise Funeral Services Limited and Enterprise Life Assurance, Nigeria. He joined Enterprise Life Assurance Company Limited in March 2011 as the General Manager. Prior to that, he had worked for 11 years as the Finance Director of The Coca-Cola Bottling Company of Ghana Limited. He also worked for the same company for a year as the Management Accountant.

Mr. Larbi-Tieku is a Fellow of the Association of Chartered Certified Accountants, UK (FCCA) and a member of the Institute of Chartered Accountants, Ghana (ICAG). He possesses a degree of Bachelor of Science in Administration (Accounting option) which he obtained from the University of Ghana Business School in 1988.

He was appointed to the Board of Prudential Bank in April 2020.

Mrs. Juliana Addo-Yobo is a private legal practitioner based in Accra. She has worked in diverse managerial capacities at various organizations including Ghana Customs, Excise and Preventive Service (CEPS) now GRA, Ghana National Procurement Agency, Attorney General's Department in Ghana, Leadership Regional Network for Southern Africa (LEARN) based at the University of Pretoria and the Legal Aid Board in South Africa.

Mrs. Addo-Yobo is a SSNIT representative on the Board of Directors of Hotel Investments Limited (Labadi Beach Hotel) and has also served as a member of the Ghana Revenue Authority (GRA) Board. She was been the Vice Chairperson of the Committee on Women and Minors' Rights of the Ghana Bar Association for several years. She is currently the Assistant Secretary of the Women's Forum of the Ghana Bar Association.

Mrs. Addo-Yobo was appointed to the Board of Prudential Bank in April 2020.

Juliana Addo-Yobo
Independent Non-Executive Director

Mrs. Victoria Barth is a lawyer with 17 years' experience in legal practice. She is the Managing Partner of Sam Okudzeto and Associates, a Ghanaian tier one law firm. She is a member of the Ghana Bar Association, International Bar Association and Commonwealth Lawyers Association and sits on a number of International Chamber of Commerce subcommittees. She teaches Advocacy and Ethics at the Ghana School of Law.

Mrs. Barth was appointed to the Board of Prudential Bank in April 2020.

Mrs. Victoria Barth
Non-Executive Director

Ofotsu A. Tetteh-Kujorjie
Non-Executive Director

Mr. Ofotsu A. Tetteh-Kujorjie is a lawyer and an engineer with management, public finance and private-sector leadership experience. He has transactional, advisory and execution experience across the energy, technology, business and finance sectors in Ghana, the United States, Europe and various African markets. He has been a Special Advisor to the Minister for Finance of the Republic of Ghana from 2017 to date. Mr. Tetteh-Kujorjie has advised diverse national governments, including the governments of Tanzania, Democratic Republic of Congo, Rwanda and Burundi, as well as local and foreign investors, on a wide range of commercial, strategic, legal, contractual, regulatory, business and investment-related matters.

Mr. Tetteh-Kujorjie holds Bachelor of Science and Master of Engineering degrees in Industrial Engineering & Operations Research (Information Technology Specialization) from Cornell University (College of Engineering), and a Certificate in Business & Public Policy from the Wharton School of Business. Mr. Tetteh-Kujorjie earned his Juris Doctor in 2009 from the University of Pennsylvania Law School and holds a degree of Master of Law in Taxation from the Georgetown University Law Centre.

Mr. Tetteh-Kujorjie was appointed to the Board of Prudential Bank in August 2020.

Reverend Professor Peter Ohene Kyei
Non-Executive Director

Reverend Professor Peter Ohene Kyei has over 40 years' experience in administration and education. A great part of his career has been spent in education at the tertiary level. Since 1988 he has held administrative positions, taught several courses and managed various projects in the university and the church environments.

Reverend Professor Peter Ohene Kyei was called into full-time ministry at the Church of Pentecost as a Pastor and was inducted into office as the Rector of the Pentecost University College (PUC) where he served for eight years.

Prior to his position at PUC, he spent over 20 years as an academic at the Kwame Nkrumah University of Science and Technology (KNUST) where he served as a senior lecturer and head of Geography and Rural Development. While in KNUST, Rev. Prof. Ohene Kyei served on several committees and boards including the Academic Board, the board of the Faculty of Social Sciences and that of the College of Arts and Social Sciences, Committee for the Establishment of Post-Harvest Technology, Committee for the Establishment of Exercise and Sports Sciences and Chairman of the KNUST Basic Schools Board. Rev. Prof. Ohene Kyei was a Council Member for the Christian Service University College from 2005-2010.

In addition to publishing many academic papers and book chapters in peer-reviewed academic journals, Rev. Prof. Ohene Kyei has co-authored a book, *NGOs and the State in the 21st Century: Ghana and India* and presented papers at local and international conferences. His book, *Decentralization and Poverty Alleviation in Rural Ghana (Does Decentralization Serve the Poor? – The Ghanaian Experience)* was published in Year 2013.

Rev. Prof. Ohene Kyei holds a Bachelor's degree in Geography with Economics from the University of Ghana, a Master of Science degree in Regional Planning from Kwame Nkrumah University of Science & Technology, and a Doctor of Philosophy (Phd) in Development Geography from Durham University in the United Kingdom.

Rev. Prof. Ohene Kyei was appointed to the Board of Prudential Bank in August 2020.

Felix Kwesi Duku
Non-Executive Director

Mr. Felix Kwesi Duku has over 30 years of experience in Information Technology in the banking and finance sectors, 16 years of which were spent in senior executive functions. His expertise covers a wide range of I.T. leadership roles pertaining to the following: implementation of core banking systems; formulation and implementation of comprehensive I.T. strategies; implementation of digital banking solutions, Financial Inclusion and I.T. Governance; the design and implementation of wide area data communication infrastructure; and the planning and rollout of large and complex I.T. data centres.

Mr. Duku pioneered the setting up of the Electronic Banking Department for Ecobank Ghana. He founded Duku Consulting Limited in 2006 and since then has helped a number of financial institutions in Ghana to formulate and roll out I.T. strategies. These institutions include Bank of Ghana, Ghana Interbank Payment & Settlement Systems (GhIPSS), Ghana Stock Exchange, GCB Bank, Ghana International Bank, Consolidated Bank Ghana (CBG), Fidelity Bank Ghana, Agricultural Development Bank, among others.

Mr. Duku was engaged as a Technology Consulting Specialist by the World Bank/Government of Ghana to lead the implementation of a Core/Digital Banking platform for the Credit Unions in Ghana, a component part of the Ghana Financial Sector Development Project (GFSDP).

Mr. Duku holds a degree of Bachelor of Science in Computer Science from Kwame Nkrumah University of Science & Technology, a Post Graduate Certificate (PGC) in Business Administration from Leicester University, and a Post Graduate Diploma in Advanced Information Technology & Business Management from the University of Wales. He also successfully pursued a course in Digital Strategies for Business: Leading the Next Generation Enterprise, run by Columbia University in 2018, and Blockchain and Digital Currency: The Future of Money from the University of Cape Town. He is a member of ISACA and a thought leader in Digital Banking, Core Banking, Blockchain, Cryptocurrency and Big Data Analytics.

Mrs. Alison Ann Debrah is a chartered accountant and a chartered governance professional with over 29 years' experience in various Accountancy, Administration, Banking and Corporate Governance roles. She is a member of the Chartered Institute of Public Finance & Accountancy (CIPFA-UK) and an associate member of the Chartered Governance Institute UK & Ireland. She graduated from the City University, London, United Kingdom with a joint degree of Bachelor of Science in Economics & Accounting.

Mrs. Debrah worked for 10 years in a number of finance-related positions with the London Boroughs of Croydon, Southwark and Sutton before having a brief spell with KPMG Chartered Accountants (Ghana) as Supervising Senior. She was the Managing Director of Credit Mall Limited, Accra, for seven years and the General Manager in charge of Human Resources & Administration at CFC Savings & Loans Limited, Accra for nine years. She thereafter worked for Bayport Savings & Loans Limited for nearly three years as the head of Corporate Governance.

Mrs. Debrah joined Prudential Bank in March 2020 and was appointed head of Administration in September 2020. In November 2020, she appointed to the additional role of Board Secretary.

Alison Ann Debrah
Company Secretary

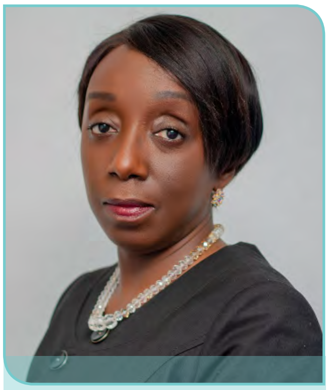
MANAGEMENT PROFILE

Bernard Appiah Gyebi
Managing Director

Mr. Bernard Gyebi is a banking professional with 26 years of experience working in reputable banks and financial institutions. He was appointed Managing Director of Prudential Bank in February 2023 following an approval by the Bank of Ghana.

Until his appointment, he was the General Manager in charge of Risk Management at Republic Bank (Ghana) PLC, where he worked for four years. He was seconded for a period of 15 months to the head office of Republic Financials Holdings Limited of Trinidad & Tobago, the parent company of the Republic Group where he handled risk management assignments related to seven of the Group's subsidiaries, mostly resident in the Caribbean. He also worked for the Agricultural Development Bank PLC (ADB) for eight years first, as Executive Head of Credit Risk and later as the Chief Risk & Compliance Officer. Prior to joining ADB, Mr. Gyebi worked for Stanbic Bank Ghana Limited as Head of Credit. He also worked for Barclays Ghana (now Absa Bank of Ghana Limited) from September 1999 to December 2007 in various roles including Senior Credit Analyst (while on secondment to Barclays Africa head office in Johannesburg, South Africa) and as Head of Corporate Credit.

Mr. Gyebi holds a degree of Master of Business Administration with specialization in Risk Management & Investment from the Imperial College London, U.K. and a Post-Graduate Degree (PGD) in Corporate Management & Finance from the Universite Paris Pantheon-Sorbonne, France. He also holds a degree of Bachelor of Science in Planning from the Kwame Nkrumah University of Science & Technology, Kumasi.



Alison Ann Debrah (Mrs.)
Company Secretary and
Head of Administration

Mrs. Alison Ann Debrah joined the Bank in March 2020 as a deputy head of Administration & Human Resources. She was appointed head of Administration in September 2020 when the Administration function was separated from the H.R. function. She was in November 2020 appointed to the additional role of Board Secretary.

Alison is a chartered accountant and a chartered governance professional with over 29 years' experience in various Accountancy, Administration, Banking and Corporate Governance roles. She is a member of the Chartered Institute of Public Finance & Accountancy (CIPFA-UK) and an associate member of the Chartered Governance Institute UK & Ireland.

She graduated from the City University, London, United Kingdom with a joint degree of Bachelor of Science in Economics & Accounting.

She worked for 10 years in a number of finance related positions with the London Boroughs of Croydon, Southwark and Sutton before having a brief spell with KPMG Chartered Accountants (Ghana) as Supervising Senior. She was the Managing Director of Credit Mall Limited, Accra, for seven years and the General Manager in charge of Human Resources & Administration at CFC Savings & Loans Limited, Accra for nine years. She thereafter worked for Bayport Savings & Loans Limited for nearly three years as the head of Corporate Governance.

Thomas Broni
Executive Head, Operations

Mr. Thomas Broni has 24 years' working experience in Banking, Accounting, Funds Management and Lecturing of which 20 years has been with Prudential Bank.

He joined Prudential Bank in December 2003 as a Deputy Manager of Internal Audit. Thomas held the following positions in the Bank prior to his appointment as Executive Head of Operations in January 2020: Head of Treasury Department; Head, Risk Management Department; and Head, Compliance Department. He is also an Executive Director of Prudential Securities LTD, the Bank's subsidiary company.

Thomas was a part-time lecturer at the University of Ghana City Campus for three years. Prior to that, he was a teaching and research assistant at the University of Ghana Business School. He had also worked as a lecturer at Katherine & King's College of London.

Thomas is a Fellow of the Association of Chartered Certified Accountants, UK (FCCA). He possesses a degree of Master of Business Admininstration in Financial Management from the University of Hull, U.K. and a Bachelor of Science in Administration (Accounting option) from the University of Ghana Business School.

George Akwasi Adjei
Executive Head, Credit

Mr. George A. Adjei has 28 years' working experience 23 years of which has been in banking, holding various senior and executive management roles in Credit.

He joined Prudential Bank in 1999 as an assistant project finance officer and rose to become the head of the Project Finance and Credit Appraisal functions four years later. George was the pioneer head of the Credit Control Department with the responsibility of strengthening the Bank's credit administration and loan maintenance processes in the position he held for 10 years. George in 2017 spearheaded the establishment of the Corporate & Institutional Banking Department. In October 2018, he was appointed the head of Credit Administration supervising the entire credit value chain from origination through to relationship management of credit clients to recovery. In the process, he managed six departments. George's role was upgraded to an executive management status in year 2000 and he has been in that role to date.

Prior to joining Prudential Bank, he worked for Afariwaa Farms & Livestock Limited for five years as the General Manager in charge of production.

George holds a degree of Executive Master of Business Administration in Finance from the University of Ghana Business School and a Bachelor of Science in Agriculture from the Kwame Nkrumah University of Science & Technology, Kumasi.

Mr. Ebow Quayson is a business executive with 25 years of experience in banking. He joined Prudential Bank in July 2020 as the pioneer Executive Head, Business Development, a role he has held to date.

Commencing his career in 1998 as a customer service officer at Standard Chartered Bank, Ebow rose to become Branch Manager and later as Associate Director for Financial Institutions. He also worked for First Atlantic Bank, OmniBSIC Bank and Agricultural Development Bank (ADB) between 2012 and 2020. He occupied various roles including Group Head, Retail Banking; Head, Personal & Business Banking; and Head of Electronic Business.

Ebow holds a degree of Bachelor of Arts in Economics & Political Science from the University of Ghana and Executive Master of Business Administration in Marketing from the University of Ghana Business School.

Ebow Quayson
Executive Head, Business

Ebow is an associate member of the Chartered Institute of Marketing, Ghana (CIMG) and also has certification from ICMQ- Securities Institute of London.

Theordore Bob Senaya
Chief Risk Officer

Mr. Theodore Bob Senaya has in total 31 years working experience in the banking and finance services Industry, 26 years of which has been with Prudential Bank mainly in the risk management function.

Theodore joined Prudential Bank in December 1996 as a Credit Analyst and rose to become the head of the Credit Appraisal Department. He also worked in the Banking Operations department, specifically, Branch Operations and rose to the position of Deputy Head of the Bank's foremost branch, the Accra Branch. Currently, Theodore is the head of the Risk Management Department and the Chief Risk Officer. Prior to joining Prudential Bank, he worked for the then Bank for Housing & Construction (BHC) for four and half years.

Theodore possesses a degree of Master of Science in Accounting & Finance obtained from the University of Birmingham, London, U.K. and a Bachelor of Science in Administration (Banking & Finance option) from the University of Ghana Business School. He is an ISO 31000 Certified Risk Manager.

Akosua Ampofowah Boahen (Mrs.)
Head, Marketing and Corporate Affairs

Mrs. Akosua Ampofowah Boahen has 28 years' working experience mainly in the banking and telecommunication sectors.

Akosua joined Prudential Bank in August 2006 and has held various roles in business development, marketing communication and customer service. She was appointed head of Marketing and Corporate Affairs in March 2012.

Prior to joining Prudential Bank, Akosua worked for the then Ghana Telecom (now Vodafone) for 10 years in roles including Commercial Manager for fixed network services, and Senior Manager in charge of customer service.

Akosua holds a degree of Master of Arts in Public Relations obtained from Ghana Institute of Journalisim. She also possesses a Master of Business Administration in Marketing from the University of Ghana Business School and a Bachelor of Science in Social Sciences (Economics and Law) from the Kwame Nkrumah University of Science & Technology, Kumasi.

Mr. Leopold L.L. Armah has over 21 years professional experience working in the Telecommunication and Financial sectors. He joined Prudential Bank in January 2021 to set up the Digital Transformation Department and lead the implementation of the Bank's digital strategy.

Leopold Leslie Lankwei Armah
Head, Digital Transformation

Prior to joining the Bank, he worked for eight years with Guaranty Trust Bank (Ghana) Limited in various I.T. -related roles including Group Head, Technology and Divisional Head, Technology & Transaction Banking. He had also worked for four years with SSNIT Informal Sector as the head of I.T. and four years as an MIS Consultant to the Central Government Project, a project jointly ran by the governments of Ghana and Canada. Leopold also had a year's stint with the Unique Insurance Company Limited as the head of I.T.

Leopold holds a degree of Executive Master of Business Administration in Information Technology from the Paris Graduate School of Management in France. He also holds a Postgraduate Certificate in Public Administration from the Ghana Institute of Management & Public Administration (GIMPA) and a degree of Bachelor of Science in Computer Science & Statistics from the University of Ghana.

Francis Kugblenu
Head, Information Technology

Francis Kugblenu is an Information Technology (IT) practitioner with a professional career spanning over 19 years in various roles within the banking and financial services Industry and IT Consulting.

Francis joined Prudential Bank in August 2020 as the head of IT. Prior to joining Prudential Bank, he worked for First Atlantic Bank for five years as head of IT. He also worked variously in different capacities in banks including Fidelity Bank and UBA (Ghana) as well as Mantis Hop Ghana Limited as Senior Consultant.

Francis has a Post-Graduate Certificate in Computer Science form Blekinge Institute of Technology, Sweden and a degree of Bachelor of Science in Computer Science and Statistics from the University of Ghana. He is a trained Project Manager and certified ISO 27001:2012 Information Security Management Systems – Lead Implementer.

PRUDENTIAL BANK

Nana Offei Djan
Head, Legal Services

Nana Offei Djan was called to the Ghana Bar in June 2003 having obtained his Qualifying Certificate in Law from the Ghana Law School. He has 20 years' experience in both private and corporate legal practice.

Nana Offei joined Prudential Bank in 2009 as a Legal Officer and rose to his current position as the head of Legal Services in July 2020. Prior to joining the bank, he worked for three years with the Ghana Prisons Service as a Legal Officer/Civilian Employee. He also had a year's stint with Archer, Archer & Co. (Legal Practitioners and Notary Public) and three years with Messrs. Kye & Co. (Legal Practitioners).

Nana Offei also possesses a degree of Bachelor of Arts in Political Science & Sociology from the University of Ghana.

Frank Kwabena Kommey
Chief Finance Officer

Mr. Frank Kwabena Kommey is a finance professional with 14 years' experience in consulting and financial services. He joined Prudential Bank in May 2021 as the Chief Finance Officer.

He previously worked for Zenith Bank (Ghana) Limited in various roles including Internal Audit, Custodian Banking and Financial Control & Strategic Planning between 2012 and 2020 and rose to the position of Financial Controller. He also worked for PricewaterhouseCoopers (PWC), where he served clients mainly within the financial services industry.

Frank is a Fellow of the Association of Chartered Certified Accountants, UK (FCCA) and holds a degree of Bachelor of Science in Administration (Accounting option) from the University of Ghana Business School.

Sedinam YawaTweneboah (Mrs.)
Head, Human Resource

Mrs. Sedinam Yawa Tweneboa has 18 years' experience as an HR professional in various industries including manufacturing, consulting, non-governmental organization, and banking. She has spent 13 years of her experience in the banking industry.

She joined Prudential Bank in April 2022 as the head of Human Resources. Prior to her role, she worked for Fidelity Bank for nine years as HR Business Partner for various business segments including Banking Operations & Technology, Risk Management function and Retail Banking.

Sedinam started her career with Granites and Marbles Company Limited, a manufacturing company in 2000, where she supported the Human Resources Manager on all personnel related matters. She later worked for PricewaterhouseCoopers (PWC) for four years as an HR Consultant, providing HR advisory services to various clients and across industries. She also worked for five years for UBA (Ghana) as an Employee Relations Officer and briefly for World Vision Ghana for over a year as the Learning and Development Manager.

Sedinam holds a degree of Master of Business Administration in Human Resource from the University of Ghana Business School and a Bachelor of Arts in Management and Sociology from the University of Ghana.

LIST OF OTHER KEY MANAGEMENT PERSONNEL OF THE BANK

Name	Designation	Educational /Professional Qualification(s)	Remarks
1. Frank Afari Ankamah	Head, Electronic Banking	EMBA (Marketing) M.Sc. (IT/ e-Commerce) Diploma (Librarianship)	Appointed in January 2008
2. Seth Ampaabeng Kyeremeh	Treasurer	FCCA EMBA (Finance) B. Sc. (Admin. -Accounting option)	Appointed in June 2008
3. Joseph Wellington Baah	Head, Credit Appraisal	M.Sc. (International Business Management) B. Sc. (Admin. -Accounting option)	Appointed in August 2008
4. Benjamin Adoayi Mills-Pappoe	Head, Corporate Planning & Research	ACCA MBA (Finance) B.Sc. (Chemical Engineering)	Appointed in February 2017
5. Vivian Boakye Ameyaw	Head, Trade Services	Commonwealth EMBA B.Sc. (Mathematics) Certificate in International Trade and Finance (LIBF Level 3)	Appointed in March 2018
6. Solomon Torson	Chief Information Security Officer	FCCA MBA (Finance) PECB Certified ISO/IEC 27035 Senior Lead Incident Manager PECB Certified ISO 31000 Risk Manager PECB Certified ISO/IEC 27001 Lead Auditor	Appointed in January 2019
7. Emmanuel Kojo Darko Nteh	Head, Banking Operations	MBA (Finance) B. Com.	Appointed in February 2019
8. Kwasi Owusu Sekyere-Abankwa	Head, Corporate Banking	MBA B. Sc. (Admin. -Accounting option)	Appointed in April 2019
9. James Allen Kweku Abban	Head, Loan Recovery	LLB QCL B.A. (Classical Civilization & History)	Appointed in January 2020

PRUDENTIAL BANK

10. Davies Adu Amponsah	Head, Compliance/ Anti-Money Laundering Reporting Officer	EMBA (Accounting & Financial Services Management) ACIB B.Com. Certified Anti-Money Laundering Specialist, ACAMS Ghana Securities Industry Certificate, GSE	Appointed in April 2020
11. Frederick Kwabena Adomako-Ansah	Head, Commercial Banking	Commonwealth EMBA (Corporate Finance) ACIB B.A. (Sociology & Philosophy)	Appointed in June 2021
12. Florence Naa Komley Addo-Quaye	Head, Retail Banking	EMBA (Human Resource Management) B.Sc. (Botany) Certificate in International Business	Appointed in September 2021
13. Kwadwo Nkansa-Boadi	Chief Internal Auditor	CA B.A. (Economics and Geography & Resource Development)	Appointed in January 2023
14. Harry Amoah Oppong	Head, Institutional Banking	EMBA (Finance) B.A. (Political Science with Philosophy) Certificate in Public Relation, Advertising and Marketing	Appointed in February 2023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REPORT OF THE DIRECTORS

The Directors have pleasure in presenting to the members the financial statements of the Bank and its subsidiary for the year ended 31st December 2022 and report thereon as follows:

A. SUBSIDIARY COMPANIES

The subsidiary company of the Bank, Prudential Securities LTD was incorporated in Ghana and wholly owned by the Bank. The Company is engaged in fund management services, corporate finance, and business advisory services.

The Bank disposed of shares in Prudential Stockbrokers LTD, a wholly-owned subsidiary of the Bank in the year under review.

B. PRINCIPAL ACTIVITIES

The principal activities carried out by the Bank during the year under review are within the limits permitted by its regulations and its banking licence and consistent with its strategic focus. There were no changes in the principal activities of the Bank during the year.

C. RESULTS AND DIVIDENDS

The results of operations for the year ended 31st December 2022 are set out in the statements of comprehensive income, statements of financial position, statements of cash flows, statements of changes in equity and the notes to the financial statements from page 62 – 117.

The Directors are unable to recommend the payment of dividend in respect of the year ended 31st December 2022.

D. SUSTAINABILITY

The Board in December 2022 approved the Banks' sustainability strategy, general sustainability policy, and Environmental and Social Risk policy. These policies are aligned with our commitment to conduct banking operations in an environmentally friendly and socially responsible manner. They form part of our wider sustainability framework and will be integrated into our corporate planning and decision-making processes.

Additionally, as a signatory to the Ghana Sustainable Banking Principles launched by the Bank of Ghana, we have pledged to uphold the principles and standards outlined therein. We remain committed to promoting sustainability stewardship within the Ghanaian Banking Industry, in line with our overall strategy.

E. CORPORATE SOCIAL RESPONSIBILITY

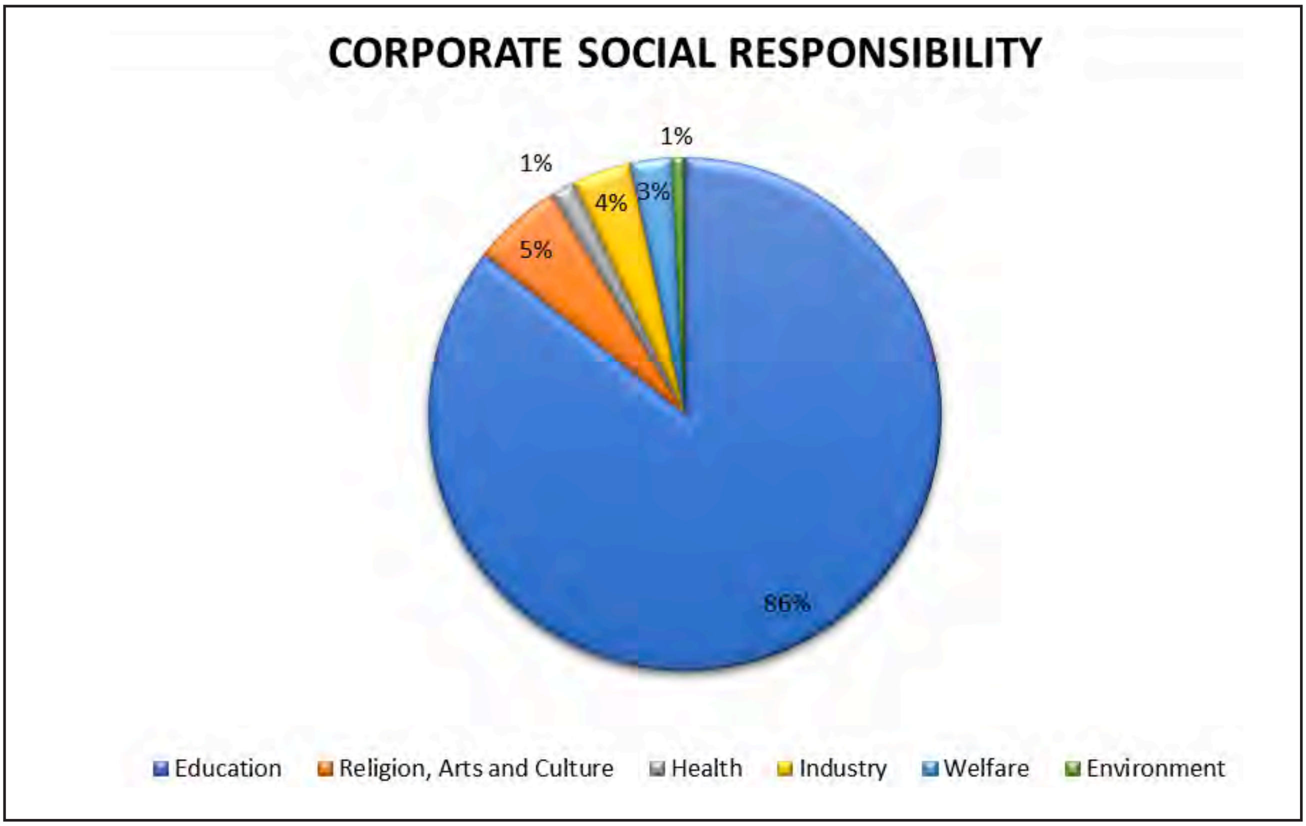
Prudential Bank recognizes that giving back to our host communities is crucial for increasing and sustaining the value of our company. Our corporate social responsibility (CSR) initiatives embody our unwavering commitment and social contract with all our stakeholders. We are passionate about community development and dedicated to meeting the economic, social, and environmental needs of the community.

To ensure that our CSR initiatives are effective and sustainable, we prioritize timely and long-term strategies. Our CSR footprints are strategically directed by six fundamental pillars that we believe are essential building blocks for community development and a prerequisite for economic prosperity. These pillars are Education, Health, Environment, Religion, Arts & Culture, Industry, and Social Welfare.

In the year under review, we spent a total of GH¢1.3 million on CSR, with a commitment to each pillar as depicted in the diagram. We believe that our CSR initiatives contribute to the overall well-being and growth of our host communities, and we remain committed to making a positive impact through our various programmes and initiatives.

F. AUDIT FEE

An amount of GH¢509,407.50 (inclusive of taxes) is payable as audit fee for the Group.



G. INTEREST REGISTER

There were no new entries in the Interest Register during the period under review.

H. GOING CONCERN

The directors have assessed the Bank's ability to continue as a going concern. They have a reasonable expectation that the Bank and the Group will continue in operational existence for the foreseeable future and have therefore used the going concern basis in preparing these financial statements.

I. DIRECTORS' CAPACITY BUILDING

The Board of Directors in line with Section 136 of Companies Act, 2019 (Act 992), participated in training for Corporate Governance Certification on the 17th and 19th of September 2022. Training on Anti-Money Laundering/Combatting Terrorism Financing was also organised for the Board on 4th November 2022.

J. FINANCIAL RESULTS

The financial results are as stated below:

	2022		2021	
	Bank GH¢'000	Group GH¢'000	Bank GH¢'000	Group GH¢'000
Retained earnings balance as at 1st January	49,799	52,352	20,282	22,377
Net profit/(loss) for the year	(357,056)	(356,858)	86,296	86,754
	(307,257)	**(304,506)**	**106,578**	**109,131**
The following transfers have been made:				
Dividend paid	(15,000)	(15,000)	-	-
Credit risk reserve	(141,981)	(141,981)	(13,631)	(13,631)
Statutory reserve	-	-	(43,148)	(43,148)
Retained earnings balance as at 31st December	**(464,238)**	**(461,487)**	**49,799**	**52,352**
Total assets	**5,206,346**	**5,211,429**	**4,386,852**	**4,393,158**

K. DIRECTORS' ASSESSMENT OF THE STATE OF THE GROUP'S AFFAIRS

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

L. AUDITOR

The Auditor, Messrs. Morrison and Associates, will continue in office in accordance with section 139(5) of the Companies Act, 2019 (Act 992).

BY ORDER OF THE BOARD

Daniel Larbi-Tieku
(Director)

Mrs. Muriel Susan Edusei
(Chairperson)

21st April 2023

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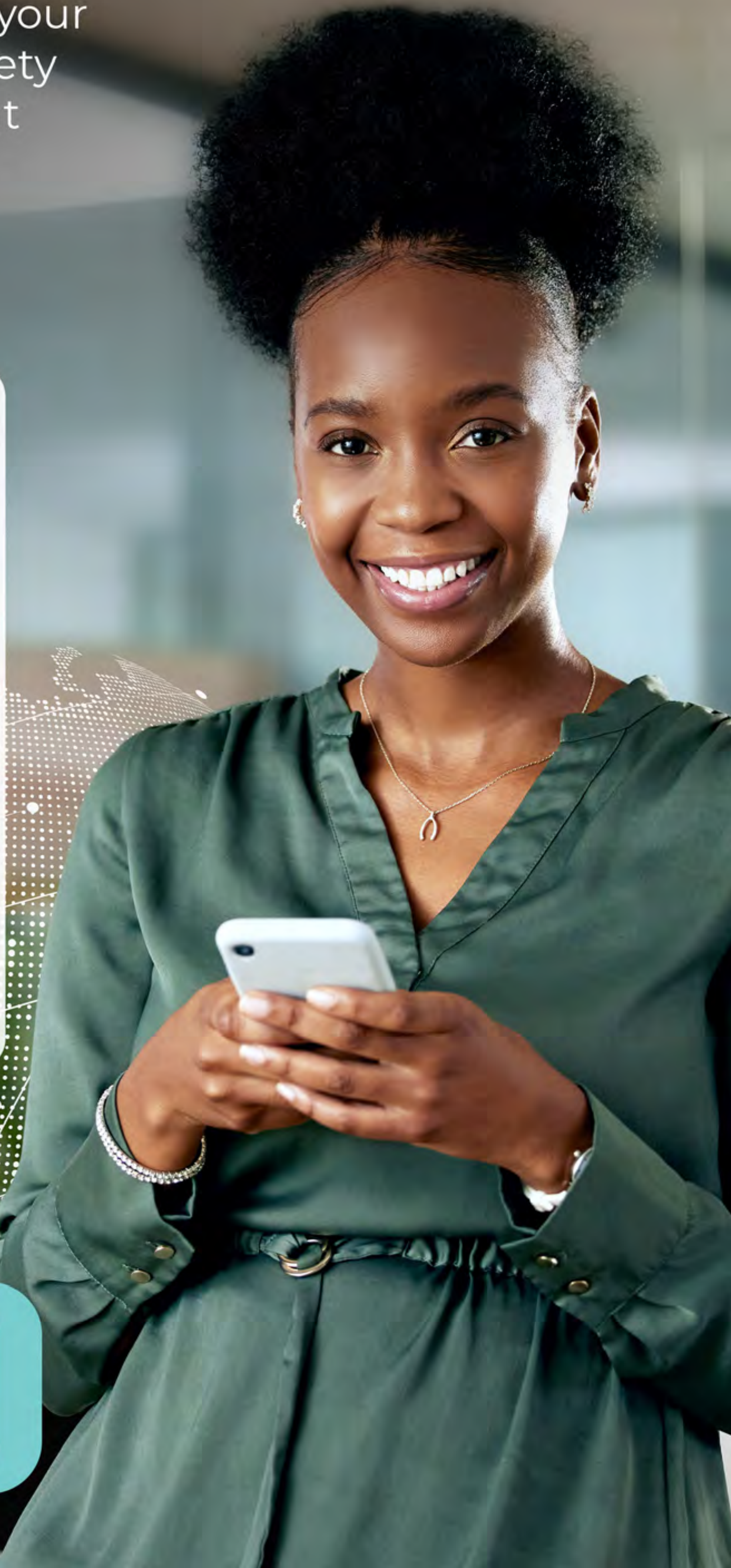

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PRUDENTIAL BANK

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CORPORATE GOVERNANCE REPORT

1.0 INTRODUCTION

The Bank considers sound and effective corporate governance practices essential to the attainment of its business objectives and long-term success. As such, the Bank is committed to applying the values and principles of corporate governance best practice in all aspects of its business.

1.1 Corporate Governance Framework

The guiding principles of the Bank's corporate governance framework are informed by the relevant laws and regulations including but not limited to; the Banks & Specialised Deposit-Taking Institutions Act, 2016 (Act 930), the Companies Act, 2019 (Act 992), Bank of Ghana's Corporate Governance Directive (2018), Fit & Proper Persons Directive (2019) and Bank of Ghana Corporate Governance Disclosure Directive (2022). These corporate governance guiding principles are complemented by the Bank's vision and values and define the Bank's approach to interactions with customers, shareholders, employees and other stakeholders.

The elements of the Bank's corporate governance framework are outlined below:

1. Board formation
    a. Criteria for the Selection of Directors
    b. Directors' Qualification
2. Size of the Board
3. Code of Ethics
4. General Duties of the Board and Meetings
5. Conflict of Interest
6. Tenure of Board Members
7. Assessment of Board Members
8. Assessment of Performance of the Board and Board Committees
9. Board of Directors Remuneration
10. Procedures for the Conduct of the Board's Business
    a. Quarterly Financial Performance Reports
    b. Credit Reports with Limits Beyond Management's Thresholds
    c. The Board's Committees
    d. External Audit Function
    e. Annual Budgets
    f. Review of Strategic Plans
11. Procedures and Criteria for Assessing Board's Performance and Effectiveness.

2.0 CERTIFICATION STATEMENT

The Board of Directors certifies that at the date of this report, Prudential Bank LTD has complied with the provisions of the Corporate Governance Directive, 2018.

The Board also states that:

i. The Board has independently assessed the effectiveness of the corporate governance process and finds it effective in the achievement of the Bank's objectives.

ii. The directors are aware of their responsibilities to Prudential Bank LTD as persons charged with governance.

iii. Members of the Board in 2022 obtained certification for having attended the following training programmes to enhance their knowledge and skills:

    - Corporate Governance Certification Training facilitated by the National Banking College (17th and 19th September 2022).
    - Anti-Money Laundering/ Countering the Financing of Terrorism (AML/ CFT) facilitated by the Financial Stability Department of the Bank of Ghana and the Financial Intelligence Centre (4th November 2022).

3.0 THE BOARD OF DIRECTORS

3.1 Role of the Board

The Board is the governing body of the Bank responsible for, but is not limited to:

i. Directing and overseeing the business of the Bank, including approving and overseeing the implementation of the strategic objectives, risk strategy, corporate governance, and corporate values of the Bank.

ii. Creating and delivering sustainable shareholder value through effective and efficient management practices.

iii. Protecting the interest of depositors and other stakeholders.

The board members are collectively responsible for the overall supervision, direction, and long-term success of the Bank. The executive management has direct responsibility for the day-to-day operations of the Bank. The non-executive directors are responsible for bringing independent judgement and scrutiny to decisions taken by executive management.

3.2 Composition of the Board

Currently, the Board consists of 10 members comprising the Managing Director (an executive director) and nine non-executive directors. all of whom are Ghanaians. Four of the non-executive directors (including the chairperson) are independent. The independent non-executive directors constitute forty percent of the board membership, which exceeds the thirty percent minimum requirement set out in the Corporate Governance Directive, 2018.

The Board has a diverse and rich blend of competencies and expertise in Banking & Finance, Information Technology, Cybersecurity, General Business, Accountancy, Law and Corporate Governance. The current membership of the Board is as follows:

	Name of Board Member	Designation	Qualifications	Expertise	Remarks
1	Muriel Susan Edusei (Mrs.)	Chairperson (Independent Non-Executive Director)	MBA (Finance)/ B.Sc. (Admin – Accounting option)	Banking & Finance/ Corporate Governance/Corporate Restructuring	Appointed in April 2020. Term renewed in February 2023
2a	John Kpakpo Addo	Managing Director	FCA (ICAEW)/ B.Sc. (Applied Economics)	Accountancy/ Banking & Finance	Appointed in January 2020. Retired in December 2022
2b	Bernard Appiah Gyebi	Managing Director	MBA (Risk Management)/ PGD (Corporate Management & Finance)/ B.Sc. (Planning)	Banking & Finance/ Risk Management	Appointed in February 2023
3	Daniel Asah Kissiedu	Non-Executive Director	MBA (Finance)/ B.Sc. (Planning)	Banking/ General Business	Appointed in June 2018. Term renewed in June 2021
4	Yaw Opoku Atuahene	Independent Non-Executive Director	MA (Economics, Statistics & Extension Methods)/ M.Sc. (Poultry Science)/ B.Sc. (Agriculture & Resource Economics)	Banking & Finance/ Corporate Governance/ Agriculture	2020. Term renewed in February 2023
5	Daniel Larbi-Tieku	Independent Non-Executive Director	FCCA/ B.Sc. (Admin – Accounting option)	Accountancy/ Finance/ Insurance	Appointed in April 2020. Term renewed in February 2023

6	Juliana Addo-Yobo	Independent Non-Executive Director	LLB/ QCL/ B.A. (Psychology)/ Dip (Human Resources)	Law/ Corporate Governance/ Gender Advocacy	Appointed in April 2020. Term renewed in February 2023
7	Victoria Barth (Mrs.)	Non-Executive Director	LLB/ LPC/ QCL	Law/ Ethics/ Advocacy	Appointed in April 2020. Term renewed in February 2023
8	Ofotsu Tetteh-Kujorjie	Non-Executive Director	Master of Laws (Taxation)/ Juris Doctor/ Master of Engineering (Industrial Engineering & Operations Research – IT Specialization)/ B.Sc. (Industrial Engineering & Operations Research)	Tax & Corporate Law/ Engineering/ Business & Public Policy	Appointed in August 2020. Term renewed in March 2023
9	Rev. Prof. Peter Ohene Kyei	Non-Executive Director	Ph.D. (Development Geography)/ M.Sc. (Regional Planning)/ B.A. (Geography with Economics)	Administration/ Education/ Pastoral Leadership	Appointed in August 2020. Term renewed in March 2023
10	Felix Duku	Non-Executive Director	PGC (Business Administration)/ PGD (Advanced IT Digital Strategy for Business)/ B.Sc. (Computer Science)	Information Technology/ Cybersecurity/ Banking	Appointed in July 2021

3.3 Separation of Powers

There is a clear separation of roles between the Board Chairperson and the Managing Director as set out in the Board Charter of the Bank. The Board Chairperson provides leadership to the Board and ensures its effectiveness in all aspects of the Board's roles. To this end, she ensures that the Board operates effectively and discharges its legal and regulatory responsibilities. She has no executive functions and does not chair any of the Board's sub-committees. The Board has delegated the running of the day-to-day management of the Bank to the Managing Director, supported by the Management Executive Committee. The Managing Director is responsible for implementing strategies recommended by the Board and leads the executive management team in formulating and implementing operational decisions.

3.4 Board Meetings

The Board held 14 meetings during the year 2022. The attendance record of individual directors at Board meetings held in 2022 is shown in the table below:

	Name of Board Member	Designation	Scheduled Meeting	Ad hoc Meeting	Remarks
1	Muriel Susan Edusei (Mrs.)	Chairperson (Independent Non-Executive Director)	11/11	3/3	
2	John Kpakpo Addo	Managing Director	10/11	3/3	Missed one meeting. Absence due to Annual Leave
3	Fred Kwasi Boateng Owusu	Non-Executive Director	7/7	3/3	Retired from the Board in September 2022

4	Daniel Asah Kissiedu	Non-Executive Director	11/11	3/3	
5	Yaw Opoku Atuahene	Independent Non-Executive Director	10/11	3/3	Missed one meeting. Travelled overseas
6	Daniel Larbi-Tieku	Independent Non-Executive Director	11/11	3/3	
7	Juliana Addo-Yobo (Mrs.)	Independent Non-Executive Director	11/11	3/3	
8	Victoria Barth (Mrs.)	Non-Executive Director	11/11	3/3	
9	Ofotsu Tetteh-Kujorjie	Non-Executive Director	11/11	2/3	
10	Peter Ohene Kyei (Rev. Prof.)	Non-Executive Director	11/11	3/3	
11	Felix Duku	Non-Executive Director	11/11	3/3	

Note: Numerator denotes number present whilst denominator denotes expected number of attendances

The range of subjects discussed during the meetings included:

- The financial results of the Bank;
- The Bank's budget and operating plan for 2023;
- The Bank's enterprise risk management framework;
- Cyber and information security issues;
- Regulatory issues;
- Policies & procedures;
- Employee & labour relations matters; and
- Environmental Social & Governance (ESG) issues.

4.0 BOARD COMMITTEES, MEMBERSHIP AND MEETINGS

The Board discharges its responsibilities through standing and ad-hoc Board committees with members appointed from the Board, subject to the applicable regulations. All committees of the Board operate under committee charters approved by the Board. There are currently six committees with specific responsibilities. They are:

i. Audit Committee;

ii. Risk Committee;

iii. Credit Committee;

iv. Ethics & Compliance Committee;

v. Cyber & Information Security Committee; and

vi. Nomination/ Human Resources & Governance Committee.

4.1 Audit Committee

The Audit Committee is a standing committee of the Board made up of three independent non-executive directors and two non-executive directors. The Audit Committee is delegated by the Board to provide oversight of the internal audit function and the external audit process and regulatory conformance in areas including the following:

i The integrity of the financial statements and financial reporting systems and related disclosures;

ii. Effectiveness of internal controls and procedures;

iii. Effectiveness of internal audit programmes and processes;

iv. Compliance with legal and regulatory requirements; and

v. The qualification, independence and performance of the independent auditors.

The membership of the Audit Committee and attendance record of the members at committee meetings in the year 2022 are shown in the table below:

	Member	Status	Scheduled Meeting	Ad hoc Meeting	Date appointed to the Committee
1	Daniel Larbi-Tieku	Independent Non-Executive Director (Chairman)	9/9	1/1	May 2020
2	Yaw Opoku Atuahene	Independent Non-Executive Director	9/9	1/1	May 2020
3	Juliana Addo-Yobo	Independent Non-Executive Director	9/9	1/1	May 2020
4	Peter Ohene Kyei (Rev. Prof.)	Non-Executive Director	9/9	1/1	August 2020
5	Felix Duku	Non-Executive Director	9/9	1/1	August 2021

Note: Numerator denotes number present whilst denominator denotes expected number of attendances

The range of subjects discussed during Audit Committee meetings in 2022 included the following:

- The Bank's audited financial statements and Management Letter for the year 2021;
- The Bank's quarterly interim financial statements for the year 2022;
- Various internal audit and branch inspection reports;
- The Bank's draft budget and operating plan for 2023;
- The potential impact of the Republic of Ghana Domestic Debt Exchange Programme (DDEP) on the economy and banks;
- External Auditor's work plan, audit fees, and engagement letter;
- Review of the charter of the Audit Committee; and
- Year-end tasks and 2023 work plans of the Internal Audit Department of the Bank and the Audit Committee of the Board.

4.2 Risk Committee

The Risk Committee is a standing committee of the Board made up of two independent non-executive directors and four non-executive directors. The purpose of the Risk Committee is to advise the Board on the overall current and future risk tolerance/ appetite and strategy for various risks including AML/CFT risk, environmental and social risk management and sustainability programme. The Committee also oversees Senior Management's implementation of the Bank's risk strategy. In this regard, the Risk Committee provides an independent review and critique of:

i. the risk management policies and procedures of the Bank;

ii. composition of the risk portfolios and concentrations; and

iii. risk-taking decisions of the Bank covering all aspects of risk exposures including credit, market, liquidity, operational and country risks.

The membership of the Risk Committee and attendance record of the members at committee meetings in the year 2022 are shown in the table below:

	Member	Status	Scheduled Meeting	Ad hoc Meeting	Date appointed to the Committee
1	Yaw Opoku Atuahene	Independent Non-Executive Director (Chairman)	4/4	1/1	May 2020
2	Fred K. Boateng Owusu[1]	Non-Executive Director	3/3	-	May 2020
3	Daniel Asah Kissiedu	Non-Executive Director	4/4	1/1	May 2020
4	Juliana Addo-Yobo (Mrs.)	Independent Non-Executive Director	4/4	1/1	May 2020
5	Ofotsu Tetteh-Kujorjie	Non-Executive Director	4/4	1/1	August 2020
6	Felix Duku	Non-Executive Director	4/4	1/1	August 2021

Note: Numerator denotes number present whilst denominator denotes expected number of attendances

1. *Mr. Fred K. Boateng Owusu retired in September 2022*

The range of subjects discussed during the Risk Committee meetings in 2022 included the following:

- Quarterly risk management reports;
- Compliance reports;
- The enhancement of the Risk Management Framework;
- Review of the charter of the Risk Committee; and
- Year-end tasks and 2023 work plan of the Risk Committee.

4.3 Credit Committee

The Credit Committee is a standing committee of the Board made up of an independent non-executive director and three non-executive directors. The Committee is responsible for approving credit facilities above the limit of executive management. In addition, the Committee is responsible for reviewing all credit-related policies of the Bank and considers any other credit related matter referred to it by the Board.

The membership of the Credit Committee and attendance record of the members at committee meetings in the year 2022 are shown in the table below:

	Member	Status	Scheduled Meeting	Ad hoc Meeting	Date appointed to the Committee
1	Daniel Asah Kissiedu	Non-executive Director (Chairman)	4/4	4/4	May 2020
2	Yaw Opoku Atuahene	Independent Non-Executive Director	4/4	4/4	May 2020
3	Victoria Barth (Mrs.)	Non-Executive Director	4/4	4/4	May 2020
4	Ofotsu Tetteh-Kujorjie	Non-Executive Director	4/4	4/4	August 2020

Notes: Numerator denotes number present whilst denominator denotes expected number of attendances

The range of subjects discussed during the Credit Committee meetings in 2022 included the following:

- Credit risk management issues;
- Recoveries from impaired accounts;
- The impact of economic conditions on credit facilities;
- Review of the Terms of Reference of the Credit Committee; and
- Year-end tasks and 2023 work plan of the Credit Committee.

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4.4 Ethics & Compliance Committee

The Ethics & Compliance Committee is a standing committee of the Board consisting of an independent non-executive director and three non-executive directors. The purpose of the Ethics & Compliance Committee is to assist the Board in fulfilling its oversight responsibilities on compliance and ethical matters set out in the Corporate Governance Directives 2018, the Companies Act, 2019 (Act 992), The Banks and Specialized Deposit-Taking Institutions Act, 2016 (Act 930) and other regulatory requirements and best practices specifically in the following areas:

- Supporting the Board to promote the Bank's vision, values, conduct, and culture.
- Overseeing Management's efforts at fostering a culture of ethics and appropriate conduct within the Bank.
- Overseeing the Bank's conduct concerning its corporate and societal obligations, including setting the direction and policies for the Bank's approach to customer and regulatory matters.
- Overseeing the effectiveness of the Bank's whistleblowing procedures.
- Providing guidance in matters concerning possible, actual, or potential conflicts of interest, or other ethical aspects of conduct regarding Directors, Management, and staff.

The membership of the Ethics & Compliance Committee and attendance record of the members at committee meetings in the year 2022 are as follows:

	Member	Status	Scheduled Meeting	Ad hoc Meeting	Date appointed to the Committee
1	Victoria Barth (Mrs.)	Non-Executive Director (Chairperson)	4/4	1/1	May 2020
2	Daniel Asah Kissiedu	Non-Executive Director	4/4	1/1	May 2020
3	Yaw Opoku Atuahene	Independent Non-Executive Director	4/4	1/1	May 2020
4	Peter Ohene Kyei (Rev. Prof.)	Non-Executive Director	4/4	1/1	August 2020

Note: Numerator denotes number present whilst denominator denotes expected number of attendances

The range of subjects discussed during the Ethics & Compliance Committee meetings in 2022 included the following:

- Regulatory compliance and ethical matters of the Bank;
- The revision of the Bank's policy on Anti-Money Laundering, Combating the Financing of Terrorism and the Proliferation of Weapons of Mass Destruction (AML/CFT-PWMD) in line with changes in legislation;
- Quarterly reports on the Bank's compliance status;
- The development of policies on ethics in the conduct of the Bank's business; and
- Review of the Terms of Reference of the Ethics & Compliance Committee; and
- Year-end tasks and 2023 work plan of the Ethics & Compliance Committee.

4.5 Cyber & Information Security Committee

The Cyber & Information Security Committee is a standing committee of the Board comprising four non-executive directors and an independent non-executive director. The Committee assists the Board to fulfil its oversight responsibilities concerning the Bank's cyber and information security and regulatory conformance specifically in the following areas:

- Advising the Board on its oversight responsibility for the determination of the cyber and information security strategy
- Overseeing the management of the overall information technology risks inherent in the Bank's operations including the strategies, policies, standards, procedures, and systems established by the Bank to identify, assess, measure, and manage these risks.

- Ensuring the adequacy of the Bank's cyber and information security policies and strategies.

The membership of the Cyber & Information Security Committee and attendance record of the members at committee meetings in the year 2022 are as follows:

	Member	Status	Scheduled Meeting	Ad hoc Meeting	Date appointed to the Committee
1	Mr. Felix K. Duku	Non-Executive Director (Chairman)	4/4	Nil	August 2021
2	Mr. Daniel Asah Kissiedu	Non-Executive Director	4/4	Nil	July 2020
3	Fred K. Boateng Owusu[1]	Non-executive Director	3/3	Nil	July 2020
4	Ofotsu Tetteh-Kujorjie	Non-Executive Director	4/4	Nil	August 2020
5	Juliana Addo-Yobo (Mrs.)	Independent Non-Executive Director	4/4	Nil	October 2021

Note: Numerator denotes number present whilst denominator denotes expected number of attendances

1. Mr. Fred K. Boateng Owusu retired in September 2022

The range of subjects discussed during the Cyber & Information Security Committee meetings in 2022 included the following:

- The Cyber & Information Security posture of the Bank;
- The Bank's digitalization agenda;
- The Bank's business continuity and disaster recovery readiness;
- The Bank's ICT budgets;
- Cyber & Information Security audit reports;
- Review of the charter of the Cyber & Information Security Committee; and
- Year-end tasks and 2023 work plan of the Cyber & Information Security Committee.

4.6 Nominations/Human Resource & Governance Committee

The Nominations/Human Resource & Governance Committee is a standing committee of the Board comprising four non-executive directors and an independent non-executive director. The Committee was established as part of the Bank's governance framework to provide strategic advice and exercise oversight of the nominations/ human resources and governance functions of the Board, lead the process for appointments, and ensure plans are in place for orderly succession to both the Board and Executive Management positions.

The functions of the Committee include the following:

- Regularly reviewing the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and making recommendations to the Board concerning any changes.
- Ensuring plans are in place for orderly succession to the Board and Executive Management positions, and overseeing the development of a diverse pipeline for succession.
- Responsibility for identifying and nominating for the approval of the Board, candidates to fill board vacancies as and when they arise.
- Evaluating the balance of skills, knowledge, experience and diversity on the Board and, in the light of this evaluation, preparing a description of the role and capabilities required for a particular appointment and the time commitment expected.

The membership of the Nominations/ Human Resource & Governance Committee and attendance record of the members at committee meetings in the year 2022 are as follows:

	Member	Status	Scheduled Meeting	Ad hoc Meeting	Date appointed to the Committee
1	Daniel Asah Kissiedu	Non-Executive Director (Chairman)	5/5	4/4	July 2020
2	Fred K. Boateng Owusu[1]	Non-Executive Director	4/4	2/2	May 2020
3	Daniel Larbi-Tieku	Independent Non-Executive Director	5/5	4/4	May 2020
4	Victoria Barth (Mrs.)	Non-Executive Director	5/5	4/4	May 2020
5	Peter Ohene Kyei (Rev. Prof.)	Non-Executive Director	5/5	4/4	October 2021

Note: *Numerator denotes number present whilst denominator denotes expected number of attendances*

1. Mr. Fred K. Boateng Owusu retired in September 2022

During the year, the committee played a major role in the appointments of two key management personnel, namely, Mrs. Sedinam Tweneboah, as the head of Human Resources; and Mr. Kwadwo Nkansah-Boadi, as the Chief Internal Auditor. These followed the approvals by the Bank of Ghana.

The range of other subjects discussed during meetings of the Nominations/Human Resource & Governance Committee in 2022 included the following:

- Quarterly human resource reports;
- Revision of the Bank's human resource policies;
- Employee learning & development;
- Automation of HR processes;
- Review of the Terms of Reference of the Nominations/Human Resource & Governance Committee; and
- Year-end tasks and 2023 work plan of the Nominations/Human Resource & Governance Committee.

5.0 EXTERNAL DIRECTORSHIPS AND OTHER ENGAGEMENTS OF DIRECTORS

The Bank of Ghana's Corporative Governance Directive, 2018, states that, "no director shall hold more than five directorship positions at a time in both financial and non-financial companies (including offshore engagements) subject to the restriction against concurrent directorships in banks".

Before committing to an additional role, directors are required to confirm that no conflicts will arise. They must also provide the necessary assurance that the appointment will not adversely impact their ability to continue to fulfill their role as a director of the Company. Details of external directorship positions held by the directors can be found in the table below:

Director	Entity	Sector	Date of appointment
Victoria Barth	Adehye Nsuo Limited	Manufacturing	2002
	Axcero Limited	Financial Services	March 2015
	Popular Merchants Limited	General Trading	Nov 2018
	SOS Ghana Children's Villages	Non-Profit	April 2019
Daniel Larbi-Tieku	Enterprise Group Plc	Financial Services	Nov 2016
	Enterprise Life Assurance Gambia	Insurance	July 2016
	Enterprise Funeral Services	Health Sector	Dec 2017
	Enterprise Life Assurance Nigeria	Insurance	March 2021

Ofotsu Akai Tetteh-Kujorjie	Terra Strategies Global Limited Power GIIF LTD	General/Consulting Energy/Power	June 2020 January 2021
Juliana Addo-Yobo	SSNIT - (Labadi Beach Hotel) Clickshot Multimedia Services Limited Ghana Supply Company Limited	Tourism and Hospitality Communications Procurement & Supply	May 2017 March 2020 January 2022
Rev. Peter Ohene-Kyei	Entrance University College of Health Sciences Bible Society of Ghana Ghana Revenue Authority	Religious/Non-Profit Education Finance	2018 2019 2021
Daniel Kissiedu	Trade and Logistics Africa Ltd Compass Prime Ltd Clean Energy Capital	Logistics Commerce Services	June 2012 Nov 2017 Feb 2015
Felix Kwesi Duku	Duku Consulting Limited Starlife Assurance Limited	Consulting Insurance	July 2006 June 2010

6.0 CAPACITY BUILDING OF BOARD MEMBERS AND KEY MANAGEMENT PERSONNEL

Board members and key management personnel should have a clear understanding of their role in corporate governance and be able to exercise sound and objective judgement about the affairs of the Bank. New Directors and key management personnel are taken through an induction programme and provided with detailed information to gain in-depth knowledge about the Bank and its business environment, inherent risks, strategy and the legal and regulatory framework. Relevant training is organized on an ongoing basis with respect to the Bank's own needs and requirements and with respect to external standards of competence.

6.1 Training of Board Members

On 17th and 19th September 2022, members of the Board attended a Corporate Governance Certification Training facilitated by the National Banking College. The training module focused on the following three topics:

i. Risk governance for corporate boards: Implications of the Risk Management Directive;

ii. Ethical leadership and conduct challenges in the boardroom; and

iii. Internal board performance evaluation.

Board members also on 4th November 2022 participated in the training regarding anti-money laundering and countering the financing of terrorism (AML/ CFT). This was facilitated by the Financial Stability Department of the Bank of Ghana and the Financial Intelligence Centre (FIC). The training covered the Anti-Money Laundering Act, 2022 (Act 1044) and the guidelines on AML/CFT jointly issued by the Bank of Ghana and FIC. Key topics covered included the Financial Action Task Force (FATF) Recommendations and the Role of the Board in AML/CFT.

6.2 Induction of Key Management Personnel

The induction process is aimed at helping the employee understand the company culture and values and allow the employer to set clear expectations regarding performance and conduct. It is also expected that the employee undergo induction within three months of joining the Bank.

The induction usually follows the procedure below:

- Introduction to staff.
- Introduction to colleagues.
- Touring of the business premises.
- Touring of branches (if key management staff).
- Introduction to the bank's policies, operating procedures & schemes.
- Signing of job description and agreeing on key performance indicators (KPIs).
- Signing of employment contract.
- Putting together of a training plan where appropriate.

Further to the above, the key management personnel is advised to thoroughly study and work within the framework of all relevant laws, regulations, policies and directives.

During the year under review, there was the appointment of one key management personnel, namely Sedinam Yawa Tweneboah who joined the Bank in April 2022 as the Head of Human Resource following approval from the Bank of Ghana.

She was first taken round and introduced to staff as part of the induction process; afterwards an induction plan was developed for her to meet with departmental heads on individual basis as part of the familiarization process.

Within the first week of her joining, her key performance indicators (KPI) was agreed with the Managing Director in addition to her job description which clearly outlined expectations and working relationships. She was also taken to the various branches and introduced to staff accordingly, in addition to familiarizing herself with the Bank's policies accessible on the intranet.

7.0 INFORMATION AND COMMUNICATION

The Chairperson, assisted by the Company Secretary, ensures that the directors receive timely information on all relevant matters. Board members have immediate access to a dedicated platform where they can access performance reports including actual financial results and reports from Management. Financial plans, including budgets and forecasts, are discussed regularly at Board meetings.

The Board of Directors and all the Committees of the Board follow a work plan and terms of reference, approved before the beginning of each year, to ensure that all relevant areas of work are covered within set timelines. The annual work plans include a summary of reports and issues to be considered at each meeting. This ensures that the meetings focus on key issues and matters of strategic importance and ensures that the Board operates within its regulatory compliance timelines.

8.0 RELATIONS WITH DEPOSITORS, SHAREHOLDERS AND OTHER STAKEHOLDERS

8.1 Depositors and other Customers

Prudential Bank reckons that it performs a crucial role intermediating funds from savers and depositors to activities that support retail, commercial and corporate clients and thereby helping to drive economic growth. Among the Bank's stakeholders, the Bank places the interest of depositors and other customers above all else. Unparalleled customer service, particularly, protecting the interest of depositors is therefore at the forefront of all that the Bank does.

As announced at the Bank's 25th Annual General Meeting (AGM), four of the Bank's physical branches were closed at the end of September and October 2022 in the bid to streamline the Bank's operations. The operations of these branches were seamlessly transferred to other branches of the Bank. An extensive communication campaign was embarked on to ensure that no customer or depositor was disadvantaged during this all-important exercise. The campaign included the visit of relationship managers and the Bank's executives to key customers as well as the publication of advance notices at the affected branches, SMS text messages to affected customers and the posting of notice of branch closure in the national daily. This resulted in the Bank earning the continuous trust and loyalty of our customers.

As has been the tradition for some years now, the Bank in 2022 organized a Customer Service Month throughout the month of October in recognition of our cherished customers. This coincided with the 2022 International Customer Service Week. The Executive Management team and key management personnel interacted with customers at all of the Bank's branches during the period. The Managing Director and some members of the Management team also visited and interacted with some key customers at their business locations during the Customer Service Month and during other periods of the year. The Bank's Customer Experience Centre continued to serve as a point of engagement with customers, especially, during the closure of the four of the bank's branches. The Bank continued to ensure prompt resolution of customers' complaints through the designated Complaints Officer pursuant to the Banks & Specialised Deposit-Taking Institutions Act, 2016 (Act 930) and Bank of Ghana directives.

8.2 Shareholders

The Bank maintains cordial relationship with its shareholders. Significant shareholders, be they individual or institutional, have representation on the Board, which ensures that they are constantly kept abreast of the Bank's progress and corporate governance matters. Management of the Bank also holds interactions with shareholders to address any concerns that arise. Ghana Amalgamated Trust PLC, which is the Bank's largest shareholder, regularly requests information about the performance and prospects of the Bank, which are promptly supplied by Management.

The Bank posts information on its financial performance in the form of annual reports and interim financial statements on its website, which is accessible to shareholders and other stakeholders. In addition, the Bank posts other relevant information with the view of keeping shareholders and other stakeholders abreast with the Bank's operations. The Bank's website address is https://www.prudentialbank.com.gh. The Bank's AGM also serves as another avenue for shareholder engagement.

8.3 Suppliers

The Bank seeks to build mutually beneficial relationships with its suppliers. A dedicated Procurement Unit maintains a database of suppliers and service providers. As part of efforts to improve collaboration with suppliers and service providers, the Bank organized its maiden vendor forum in May 2022. The purpose of the forum was to afford the opportunity for Management to share the Bank's strategic direction and objectives, interact and discuss various pertinent issues with vendors and contractors. Some of the issues discussed included the strategic importance of procurement, supplier pre-qualification, payment terms, anti-bribery and corruption practices.

8.4 Employee Engagements

The Bank's intranet serves as an online portal for employee-only communication and engagements. All relevant internal policies and correspondence are posted on the intranet.

As part of efforts to deepen employee engagement, the Bank, in the second quarter of 2022, organized its maiden Board, Management and Staff durbars. These created avenues for interaction among the participants and follow-up actions were promptly put in place to address the concerns raised by participants.

8.5 Government and Regulatory Bodies

The Bank regularly and promptly met its tax and other regulatory obligations during the year under review. It also operated within the relevant laws, regulations and directives that govern its operations and that of its subsidiaries. The Bank joined other members of the Ghana Association of Banks (GAB) in the participation in the Republic of Ghana Domestic Debt Exchange Programme (DDEP) to demonstrate its commitment to the resolution of the difficult economic conditions faced by the country.

8.6 Environmental and Community Engagements – Sustainability

The overarching aim of the Bank's corporate governance process is to safeguard the interest of stakeholders in conformity with public interest on a sustainable basis.

The Bank gives back to society and some of the communities in which it operates. To this end, the Bank spent a total amount of GH¢1.3 million on its corporate social responsibility programmes during the year 2022.

The Board approved the Bank's Sustainability policy and strategy documents during the year under review. A full report regarding the Bank's sustainability journey is published in the 2022 annual report.

9.0 INTERNAL CONTROL

The Board of Directors is responsible for the system of internal controls designed to maintain effective and efficient operations compliant with applicable laws and regulations. The Board is also responsible for the maintenance and review of the effectiveness of risk management systems, and for the determination of the aggregate level and types of risks the Bank is willing to take in achieving its strategic objectives.

The system of internal controls is designed to manage or mitigate risk to an acceptable residual level and provides reasonable assurance against material misstatement, fraud and error.

The effectiveness of the Bank's internal controls is reviewed regularly by the Audit and Risk committees of the Board. The Internal Audit Department, among other functions, provides reports to the Board and executive management on the quality and effectiveness of internal controls. The processes used to assess the effectiveness of the internal control systems include the following:

- Discussion and approval by the Board of the Bank's strategic direction, plans and objectives and the risks to achieving them;
- Review and approval of the Bank's budget and operating plans, including all capital and operational expenditure items;
- Operational and financial reviews of performance against budgets and forecasts by Management and the Board;
- Consideration of the significant risks facing the Bank and mitigation measures;
- Regular reviews by Management and the Audit Committee of the scope and results of internal audit work across the Bank. The scope of the work is approved by the Board at the beginning of every year and covers key activities of the Bank;
- Reviews of any fraudulent activity and whistleblowing and actions taken to correct any control weaknesses; and
- Reviews of the scope of the work of the external auditors and any significant issues arising.

The system of internal control and risk management is embedded into the Bank's operations and the actions taken to mitigate any weaknesses are carefully monitored.

No material changes were made to the policies and procedures during the year under review.

10.0 INTERNAL AUDIT

A key component of the Bank's risk management framework is the Internal Audit Department. The Department provides assurance to the Board and Executive Management on the quality and effectiveness of governance, risk management, and internal controls to manage and mitigate risks inherent in the Bank's activities. These are achieved in two ways: first by providing independent, objective assessment on the appropriateness of the Bank's activities and secondly, by acting as catalysts for change, advising or advocating improvements to enhance the Bank's structure and practices. The Internal Audit Department provided tremendous support to the Board Audit Committee in the fulfillment of its responsibilities.

The Internal Audit Department comprises the following units:

i. Head Office Audit Unit;

ii. Branch Inspection Unit; and

iii. Cyber & Information Security Audit Unit.

The Head Office Audit Unit conducts value-for-money audits of all head office departments and the Bank's subsidiary and pre-audits all non-banking transactions to seek evidence that guidelines and procedures are being adhered to as prescribed in the Bank's policy manuals. The Unit conducts risk-based audits to ensure that governance is effective, risk management and control processes or procedures are adequate and efficient.

The Branch Inspection Unit carries out audit and inspection of the Bank's branches and the Trade Services (International Banking) Department with the aim of ensuring that banking operations are conducted strictly in accordance with Bank of Ghana regulatory guidelines and internally approved guidelines and procedures. These audits and inspections, which are risk-based compliance tests, are to ensure that credit, operational, market, liquidity and other risks are minimised or eliminated.

The Cyber & Information Security Audit Unit conducts extensive review of management controls applicable to the security, integrity, reliability, and the effective utilization of IT resources to assure Management and the Board that the Bank's information technology facilities (hardware and software) are operational and reliable. The Unit is also responsible for providing feedback and assurance to Management and the Board on the confidentiality, integrity and availability of data and information systems within the Bank.

The Board hereby confirms that the Bank's control environment regarding systems and procedures and levels of compliance during the year under review were adequate.

11.0 EXTERNAL AUDITORS

During the year, the Audit Committee had a satisfactory level of interaction with the External Auditors, Morrison & Associates in the performance of its duties. Morrison & Associates will continue in office as auditor of the Bank and its subsidiary.

12.0 ETHICS AND PROFESSIONALISM

12.1 Code of Ethics

Directors are required to maintain the confidentiality of information entrusted to them by the Bank and any other confidential information about the Bank that comes to them, except when they are authorized by the Chairperson or are legally mandated to disclose. The Directors are not permitted to engage in any conduct or activities deemed inconsistent with the Bank's best interest or that disrupt or impair the Bank's relationship with any person with whom the Bank has or proposes to enter into a business or contractual relationship.

12.2 Code of Conduct

Each Director on the Board is required to act in good faith in what he or she reasonably believes is in the best interest of the Bank, including its customers, shareholders and employees. When making decisions, Directors may rely on reports from sources such as committees of the Board, Management of the Bank, and any external information that may be relevant to the issues under consideration.

Concerning employees, the Bank has in place policies that prescribe the code of conduct for all employees. The contents of the Bank's personnel policies, which embody the code of conduct, have been communicated to all employees to enable them discharge their functions professionally. The policies set out the rules regarding employees' general conduct, compliance with relevant laws, confidentiality and adherence to approved policies and procedures of the Bank.

12.3 Conflict of Interest and Related Party Transactions

As part of its Corporate Governance Framework the Bank has implemented a conflict of interest policy for board members, which establishes the procedures for the identification, disclosure, prevention, management, and mitigation of conflicts of interest in order to protect the integrity and independence of board members. The Ethics and Compliance Committee is responsible for providing advice and guidance on the interpretation of the conflict of interest policy and providing support in setting controls and mitigation measures, including those recorded in the conflict of interest policy register. Directors are required to disclose to the Board transactions that may directly or indirectly create a conflict with the director's duties to the Bank. The disclosure must include full details of the nature, character and extent of the conflict or potential conflict and must be made as soon as the director becomes aware of the actual or potential conflict. Details of all directors' conflicts of interest are recorded in the register.

The Board in January 2022 approved the Conflict of Interest Policy applicable to all members of staff of the Bank and its subsidiary as well as persons acting on behalf of the Bank.

12.4 Whistleblowing

The Bank has a Whistleblowing Policy that establishes the framework for the Board, employees and other parties associated with the Bank to report issues of wrongdoing or of matters injurious to the Bank's reputation or economic interest. All information disclosed under the policy is treated with utmost confidentiality.

The Whistleblowing Policy was revised in November 2022 to allow for the engagement of an authorized third-party whistleblowing service provider. The service entity receives and transmits whistleblowing reports from directors, employees and parties doing business with the Bank to a whistleblowing team. This allows complaints and messages regarding wrongdoings or suspected wrongdoings to be made anonymously or non-anonymously without the fear of reprisal.

13.0 ANTI-MONEY LAUNDERING (AML) MATTERS

Money laundering, the financing of terrorism and proliferation of weapons of mass destruction have negative effects on financial systems and societies. It is therefore the policy of the Bank to take all reasonable and appropriate measures to prevent persons engaged in such crimes from using the Bank's products and services to launder proceeds of crime. The Bank is committed to ensuring compliance with both the spirit and letter of the Anti-Money Laundering Act, 2008, (Act 749) as amended by the Anti-Money Laundering Amendment Act 2014 (Act 874) and related regulations in Ghana.

The Bank has in place AML compliance systems and controls to enable its employees to detect and report money laundering activities. The elements of the Bank's AML compliance system include:

- A Board approved AML/CFT Risk Assessment Framework.
- The appointment of the Anti-Money Laundering Reporting Officer (AMLRO).
- Customer Acceptance Policy.

- Customer Identification Procedures.
- Transaction Monitoring and Reporting of Suspicious Transactions.

14.0 REPORT ON BOARD EVALUATION

The Board conducts an annual evaluation of its performance in accordance with Bank of Ghana's Corporate Governance Directive, 2018, which requires Boards of regulated entities to carry out annual self-assessments to ascertain their effectiveness.

The last Board Evaluation was for the review period of 2022. The evaluation was done by an external party, MRB Consult in April and May 2023. The overall goal of the Board Self-Assessment is to enhance the effectiveness of the Board. Specific objectives include:

- Assuring stakeholders (Shareholders, Regulators and Customers) of the Board's commitment to good governance.
- Assessing whether the Board is fulfilling its mandate adequately.
- Identifying gaps or weaknesses in the Board's performance and analyzing the causes.
- Ascertaining members views on the Board and each other's performance.
- Formulating an improvement plan to address identified weaknesses as well as build the capacity of the Board.

The Board assessments were carried out at four different levels as follows:

1. The Board Self-Assessment
2. Chairperson Assessment
3. Individual Board Member Assessment
4. Peer to Peer Assessments

The assessment concluded that Prudential Bank has an effective governance framework in place and maintains a quality suite of governance documents with the committees of the board also working well.

15.0 REMUNERATION

The Board, through the Nominations/ Human Resource & Governance Committee, oversees the design and operation of the Bank's compensation system.

The Board Remuneration Policy provides a framework for remuneration paid to members of the Board of Directors. Board remuneration is structured to reflect inflation, reward performance, provide incentives for future results, and ensure that it matches the level in comparable banks, whilst also taking into consideration board members' required competencies, effort, and the scope of the board work, including the number of meetings. The remuneration is meant to motivate and retain competent people with the ability to perform the demanding functions of directors.

Other factors taken into consideration in determining the remuneration of non-executive directors include the following:

- Risks and responsibilities inherent in the performance of board functions;
- Realistic alignment of board performance with the interest of shareholders; and
- The financial strength of the Bank.

Board members are paid a monthly director's fee and a sitting allowance on attendance at meetings. The remuneration, which is reviewed annually, is based on recommendations to the Annual General Meeting for approval by shareholders. The aggregate amount of emoluments and fees paid to directors of the Bank in 2022 was GH¢5,934,000 (2021: GH¢5,039,000).

The remuneration of the executive director (Managing Director) is based on conditions of service approved by the board. Staff remuneration including that of Management is based on a salary scale that considers the grade of the employee. The salary scale informs how salaries, benefits, and other incentives are paid employees along the scale. The salary scale is reviewed from time to time by Management and subsequently approved by the Board depending on the performance of the Bank. Per current practice, employees are paid by the twentieth date of every month.

In order to align with best practices, the Bank has engaged the services of a consultant to conduct a salary survey and job evaluation with the aim to develop a new grading structure and pay policy that aligns with the vision of the Bank.

16.0 SUCCESSION PLANNING

Management in 2022 completed the revision of the Bank's draft succession plan. This is being finalized by the Management Executive Committee and will be submitted for Board consideration and approval as appropriate.

17.0 NEW POLICIES RELATED TO CORPORATE GOVERNANCE

As already indicated under 12.4, the Bank in 2022 revised its whistleblowing policy to allow for the engagement of an external firm where staff can send anonymous complaints and messages regarding wrongdoings or suspected wrongdoings without the fear of reprisal. The Bank also revised a number of human resource policies relating to performance management and employee welfare. These policies would be reviewed periodically and revised when necessary to ensure that they remain up to date and relevant.

18.0 MANAGEMENT COMMITTEES

The Corporate Governance Directive, 2018 requires senior management of the Bank to set up various committees for the management of the risk exposures of the Bank. In fulfillment of this requirement and to ensure balanced decision-making and active participation of key management staff in the administration of the Bank, Management reviewed and revised the committee system of the Bank. The various committees of the Bank that currently form part of the Bank's governance structure are as follows:

- Executive Committee;
- Credit Committee;
- Credit Facilities Review Committee;
- Loans and Advances Recovery Committee;
- Asset and Liability Management Committee (ALCO);
- Operations Committee;
- Risk Management Committee;
- Business Strategy Committee;
- Cyber & Information Security Committee;
- IT Steering Committee;
- Building & Infrastructure Committee;
- Procurement Committee; and
- Disciplinary Committee.

These committees have been created to identify, measure, and make recommendations on risks inherent in the operations of the Bank. They ensure that approved policies and procedures of the Board are implemented effectively. The committees met regularly to take actions and decisions within their authority.

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FINANCIALS

- Report of the independent auditors
- Statements of comprehensive income
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- Statements of changes in equity
- Statements of cash flows
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PRUDENTIAL BANK

...Truly dependable

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF PRUDENTIAL BANK LTD

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of Prudential Bank LTD and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31st December 2022, the consolidated statement of comprehensive income, the consolidated statement of cash flows, and the consolidated statement of changes in equity for the year ended on that date and notes to the financial statements including a summary of significant accounting policies and other explanatory notes.

Opinion

In our opinion, the accompanying consolidated financial statements show a true and fair view of the consolidated financial position of the Group as at 31st December 2022, and of its consolidated financial performance and consolidated cash flows for the year then ended in accordance with the Companies Act, 2019 (Act 992), the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930), the Anti-Money Laundering Act, 2020 (Act 1044), the International Financial Reporting Standards and the Securities Industry Act, 2016 (Act 929).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group 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 (IESBA) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in this document titled Prudential Bank LTD *2022 Annual Report*, other than the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Key Audit Matters

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

Provision for Loan Impairment Loss

Prudential Bank LTD assesses its loans and advances for impairment using the Expected Credit Loss Method in compliance with IFRS 9 *Financial Instruments*. In using this method, the Bank applies significant judgements and assumptions in determining the amount of impairment loss that is expected to occur. The key assumptions which were used in the calculation of the expected credit losses for 2022 included the use of Probabilities of Default, Exposures at Default and Loss Given Defaults.

Based on our risk assessment and industry knowledge, we examined the key judgements/ assumptions made by Management including, inter alia:

1. Forward-looking economic base case scenarios
2. Significant increase or decrease in credit risks
3. Probabilities of Default, Exposures at Default and Loss Given Defaults

We also reviewed, on a sample basis, material retail and corporate portfolio of financial assets and evaluated the effectiveness of the IFRS Impairment Model which was used in determining the Expected Credit Loss (ECL).

Responsibilities of Directors for the Consolidated Financial Statements

The Bank's Directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs), the Companies Act, 2019 (Act 992), the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930), the Securities Industry Act, 2016 (Act 929), and 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.

In preparing the consolidated financial statements, Directors are responsible for assessing the Group'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 Board either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. The Directors are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements 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 consolidatedfinancial statements.

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

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

We communicate with Board of 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 those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The Companies Act, 2019 (Act 992) requires that in carrying out our audit we report on the following:

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 and its subsidiaries, so far as appears from our examination of those books, and proper returns adequate for the purposes of the audit have been received from branches not visited by us.

iii. The consolidated statement of financial position, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity of the Bank and its subsidiaries are in agreement with the books of account.

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

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

i. The financial statements give a true and fair view of the state of affairs as at 31st December 2022 of the Bank and its subsidiaries and the results for the year ended on that date.

ii. We obtained all the information and explanation required for the efficient performance of our audit.

iii. The transactions of the Bank and its subsidiaries are within their powers; and

iv. The Bank has generally complied with the provisions of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930); the Anti-Money Laundering Act, 2020 (Act 1044) and the Anti-Terrorism Act, 2008 (Act 762).

The engagement partner on the audit resulting in this independent auditor's report is Dr. Adom Adu-Amoah (Practising Certificate Number: ICAG/P/1294).

Signature..

Of the Auditor:

Signature.. Morrison & Associates

Name: Morrison & Associates, Chartered Accountants

Licence Number: ICAG/F/2023/097

Address: 2nd Floor Trinity House,
Ring Road East
P. O. Box CT 2890
Cantonments-Accra, Ghana

28th April, 2022
Accra, Ghana

STATEMENTS OF COMPREHENSIVE INCOME

	Note	2022 Bank GH¢'000	2022 Group GH¢'000	2021 Bank GH¢'000	2021 Group GH¢'000
Interest income	7	750,349	749,063	583,637	580,766
Interest expense	7	(363,822)	(363,822)	(239,643)	(239,606)
Net interest income		386,527	385,241	343,994	341,160
Fee and commission income	8	97,096	97,096	74,611	74,611
Fee and commission expense	8	(14,671)	(14,671)	(10,224)	(10,224)
Net fee and commission income		82,425	82,425	64,387	64,387
Net trading income	9	64,076	64,059	31,047	31,053
Other income	10	16,159	19,028	7,324	12,423
		80,235	83,087	38,371	43,476
Operating income		549,187	550,753	446,752	449,023
Net impairment loss on financial assets	18.2	(699,645)	(699,645)	(64,099)	(64,099)
Personnel expenses	11	(158,992)	(159,688)	(144,277)	(145,181)
Depreciation and amortisation	20.2	(25,085)	(25,134)	(24,553)	(24,614)
Finance cost on lease	28	(179)	(179)	(255)	(255)
Other expenses	12	(103,346)	(103,741)	(77,309)	(77,968)
		(987,247)	(988,387)	(310,493)	(312,117)
Profit/(loss) before income tax		(438,060)	(437,634)	136,259	136,906
Income tax expense	13.1	81,004	80,776	(49,963)	(50,152)
Profit/(loss) for the year		**(357,056)**	**(356,858)**	**86,296**	**86,754**
Other comprehensive income		**-**	**-**	**-**	**-**
Total comprehensive income for the year		**(357,056)**	**(356,858)**	**86,296**	**86,754**
Basic and diluted earnings per share	15	(0.4043)	(0.4040)	0.0977	0.0982

STATEMENTS OF FINANCIAL POSITION

	Note	2022 Bank GH¢'000	2022 Group GH¢'000	2021 Bank GH¢'000	2021 Group GH¢'000
Assets					
Cash and cash equivalents	16	1,365,428	1,365,428	658,743	658,743
Investment securities	17	1,613,177	1,621,902	1,912,730	1,924,518
Loans and advances to customers	18	1,701,349	1,697,819	1,509,558	1,505,029
Investment (other than securities)	19	766	259	1,766	240
Deferred tax assets	23	157,000	156,987	8,639	8,626
Current tax assets	13	4,389	4,651	–	–
Intangible assets	21	10,398	10,425	11,764	11,785
Property, plant & equipment	20	226,667	226,918	227,021	227,157
Right-of-use assets	22	11,942	11,942	9,688	9,688
Other assets	24	115,230	115,098	46,943	47,372
Total assets		**5,206,346**	**5,211,429**	**4,386,852**	**4,393,158**
Liabilities					
Deposits from banks	25	6,225	6,225	11,600	11,600
Deposits from customers	26	3,375,048	3,372,059	2,852,468	2,848,554
Borrowings	27.1	1,309,749	1,309,749	668,165	668,165
Current tax liabilities	13	–	–	2,869	2,567
Lease liabilities	28	2,505	2,505	3,403	3,403
Other liabilities	27.2	143,843	149,164	107,315	115,284
Total liabilities		**4,837,370**	**4,839,702**	**3,645,820**	**3,649,573**
Equity					
Stated capital		402,431	402,431	402,431	402,431
Retained earnings		(464,238)	(461,487)	49,799	52,352
Statutory reserve		115,447	115,447	115,447	115,447
Revaluation reserve		120,914	120,914	120,914	120,914
Credit risk reserve		194,422	194,422	52,441	52,441
Total equity attributable to equity holders of the Bank		**368,976**	**371,727**	**741,032**	**743,585**
Total liabilities and equity		**5,206,346**	**5,211,429**	**4,386,852**	**4,393,158**

The notes on pages 62 to 117 are an integral part of these financial statements.

The financial statements on pages 57 to 117 were approved by the Board of Directors on 21st April 2023 and signed on their behalf by:

Daniel Larbi-Tieku
(Director)

Muriel Susan Edusei
(Chairperson)

STATEMENT OF CHANGES IN EQUITY (BANK)

	Stated capital GH¢'000	Retained earnings GH¢'000	Statutory reserve GH¢'000	Revaluation reserve GH¢'000	Credit risk reserve GH¢'000	Total equity GH¢'000
2022						
Balance at 1st January 2022	**402,431**	**49,799**	**115,447**	**120,914**	**52,441**	**741,032**
Total comprehensive income						
Profit/(loss) for the year	–	(357,056)	–	–	–	(356,858)
	402,431	**(307,257)**	**115,447**	**120,914**	**52,441**	**383,976**
Transactions with owners recorded directly in equity						
Dividend paid	–	(15,000)	–	–	–	(15,000)
Transfer to credit risk reserve	–	(141,981)	–	–	141,981	–
Transfer to statutory reserve	–	–	–	–	–	–
Total transfers and transactions with owners	**-**	**(156,981)**	**-**	**-**	**141,981**	**(15,000)**
Balance at 31st December 2022	**402,431**	**(464,238)**	**115,447**	**120,914**	**194,422**	**368,976**

	Stated capital GH¢'000	Retained earnings GH¢'000	Statutory reserve GH¢'000	Revaluation reserve GH¢'000	Credit risk reserve GH¢'000	Total equity GH¢'000
2021						
Balance at 1st January 2021	**402,431**	**20,282**	**72,299**	**120,914**	**38,810**	**654,736**
Total comprehensive income						
Profit/(loss) for the year	–	86,296	–	–	–	86,296
	402,431	**106,578**	**72,299**	**120,914**	**38,810**	**741,032**
Transactions with owners recorded directly in equity						
Transfer to credit risk reserve	–	(13,631)	–	–	13,631	–
Transfer to statutory reserve	–	(43,148)	43,148	–	–	–
Total transfers and transactions with owners	**-**	**(56,779)**	**43,148**	**-**	**13,631**	**-**
Balance at 31st December 2021	**402,431**	**49,799**	**115,447**	**120,914**	**52,441**	**741,032**

STATEMENT OF CHANGES IN EQUITY (GROUP)

2022	Stated capital GH¢'000	Retained earnings GH¢'000	Statutory reserve GH¢'000	Revaluation reserve GH¢'000	Credit risk reserve GH¢'000	Total equity GH¢'000
Balance at 1st January 2022	**402,431**	**52,352**	**115,447**	**120,914**	**52,441**	**743,585**
Total comprehensive income						
Profit/(loss) for the year	–	(356,858)	–	–	–	(356,858)
	402,431	**(304,506)**	**115,447**	**120,914**	**52,441**	**386,727**
Transactions with owners recorded directly in equity						
Dividend paid	–	(15,000)	–	–	–	(15,000)
Transfer to credit risk reserve	–	(141,981)	–	–	141,981	–
Transfer to statutory reserve	–	–	–	–	–	–
Total transfers and transactions with owners	**-**	**(156,981)**	**-**	**-**	**141,981**	**(15,000)**
Balance at 31st December 2022	**402,431**	**(461,487)**	**115,447**	**120,914**	**194,422**	**371,727**

2021	Stated capital GH¢'000	Retained earnings GH¢'000	Statutory reserve GH¢'000	Revaluation reserve GH¢'000	Credit risk reserve GH¢'000	Total equity GH¢'000
Balance at 1st January 2021	**402,431**	**22,377**	**72,299**	**120,914**	**38,810**	**656,831**
Total comprehensive income						
Profit/(loss) for the year	–	86,754	–	–	–	86,754
	402,431	**109,131**	**72,299**	**120,914**	**38,810**	**743,585**
Transactions with owners recorded directly in equity						
Transfer to credit risk reserve	–	(13,631)	–	–	13,631	–
Transfer to statutory reserve	–	(43,148)	43,148	–	–	–
Total transfers and transactions with owners	**-**	**(56,779)**	**43,148**	**-**	**13,631**	**-**
Balance at 31st December 2021	**402,431**	**52,352**	**115,447**	**120,914**	**52,441**	**743,585**

STATEMENTS OF CASH FLOWS

	Note	2022 Bank GH¢'000	2022 Group GH¢'000	2021 Bank GH¢'000	2021 Group GH¢'000
Cash generated from operating activities	31	**486,735**	**483,870**	**778,578**	**783,889**
Income tax paid	13.2	(74,615)	(74,803)	(69,361)	(69,780)
Net cash flow generated from operating activities		**412,120**	**409,067**	**709,217**	**714,109**
Cash flows from investing activities					
Purchase of investment securities	17	(310,638)	(307,575)	(700,671)	(705,532)
Purchase of property, plant & equipment	20	(24,381)	(24,381)	(10,601)	(10,632)
Proceeds from the sale of property, plant & equipment	20	9,143	9,143	3,046	3,046
Purchase of intangible assets	21	(4,010)	(4,020)	(2,496)	(2,496)
Net cash used in investing activities		**(329,886)**	**(326,833)**	**(710,722)**	**(715,614)**
Cash flows from financing activities					
Dividend paid		(15,000)	(15,000)	–	–
Change in borrowings	27.1	641,584	641,584	(67,384)	(67,384)
Payment of lease liabilities	28	(2,133)	(2,133)	(3,901)	(3,901)
Net cash used in financing activities		**624,451**	**624,451**	**(71,285)**	**(71,285)**
Net increase in cash and cash equivalents		**706,685**	**706,685**	**(72,790)**	**(72,790)**
Cash and cash equivalents at 1st January		658,743	658,743	731,533	731,533
Cash and cash equivalents at 31st December		**1,365,428**	**1,365,428**	**658,743**	**658,743**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2022

1.0 GENERAL INFORMATION

Prudential Bank LTD is a limited liability company incorporated and domiciled in Ghana. The registered office is No. 8, John Harmond Street, Ring Road Central, Accra. The consolidated financial statements of the Group for the year ended 31st December 2022 comprise those of the Bank and its subsidiary (together referred to as the "Group"). The Group primarily is involved in corporate, retail and investment banking.

2.0 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). The financial statements were authorised for issue by the Board of Directors on 21st April 2023.

These financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policy.

The preparation of the financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the directors to exercise judgement in the process of applying the Group's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

2.1.1 Changes in accounting policies and disclosures

a. New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for the annual reporting period commencing 1st January 2022.

i. "Fees in the "10 percent" test for Derecognition of Financial Liabilities: Amendment to IFRS 9.

The amendment clarifies the fees a company includes when assessing whether the terms of new or modified financial liability are substantially different from the terms of the original financial liability. The amendment did not have any material impact on the results or financial position of the Group for the year ended 31st December 2022.

ii. Onerous Contracts- Costs of Fulfilling a Contract: Amendments to IAS 37.

The amendment specifies which costs an entity includes in determining the cost of fulfilling a contract to assess whether the contract is onerous. This was not previously specified in the standard. The amendment did not have any impact on the results or financial position of the Group for the year ended 31st December 2022.

iii. Property, plant, & equipment- Proceeds before Intended use: Amendment to IAS 16.

The amended standard prohibits a company from deducting from the cost of property, plant, and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related costs in profit or loss. The amendment did not have any impact on the results or financial position of the Group for the year ended 31st December 2022.

iv. Subsidiary as a First-time Adopter - Amendment to IFRS 1.

The amendment simplifies the application of IFRS 1 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences. The amendment did not have any impact on the results or financial position of the Group for the year ended 31st December 2022.

b. Standards issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 31st December 2022 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

i. Deferred Tax Related to Assets and Liabilities Arising from Single Transaction- Amendments to IAS 12

The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences- e.g., leases. This amendment applies for annual reporting periods beginning on or after 1st January 2023. For leases, the associated deferred tax asset and liabilities will need to be recognized as an adjustment to retained earnings or other comprehensive income at that date.

ii. Other Standards

The following new and amended standards are not expected to have a significant impact on the Group's inancial statements.

- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)
- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts.
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statements 2).
- Definition of Accounting Estimates (Amendments to IAS 8).
- Lease Liability in Sale and Leaseback (Amendment to IFRS 16).

2.2 Foreign currency translation

a. Functional and presentation currency

Items included in the Group's financial statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Ghana cedi.

b. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the closing inter-bank mid rates at the reporting date. Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, with finance cost. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

2.3 Interest income and expense

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

The effective interest rate (EIR) method is a method of calculating the amortised cost of a financial asset or a financial liability and allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate, but not future credit losses.

The carrying amount of the financial asset or financial liability is adjusted if the Bank revises its estimates of payment or receipts. The adjusted carrying amount is calculated on the original effective interest rate and the change in the carrying amount is recorded as interest income or expense.

2.4 Fee and commission income and expense

The Group provides banking services to retail and corporate customers, including account management, provision of overdraft facilities, credit card and servicing fees.

Fees and commissions are recognised on an accrual basis when the related services are performed and the performance obligations associated with the contracts are delivered. The Group reviews its contracts within different revenue streams to identify, separate and measure the components within the scope of IFRS 15. Loan commitment fees for loans that are not likely to be drawn down are deferred, together with related direct costs and recognised on a straight-line basis over the commitment period. Fees and commission expenses, which relate mainly to transaction and service fees, are expensed as the related services are received.

2.5 Net trading income

Net trading income comprises gains less losses relating to trading assets and liabilities, including realised and unrealised fair value changes, interest and foreign exchange differences.

2.6 Leases

The Group leased various offices, branches, and other premises under non-cancellable lease arrangements. The lease typically ran for a period of up to five years with an option to renew the lease after that date.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;

- variable lease payment that are based on a rate, initially measured as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received; and
- makes adjustments specific to the lease, term, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. Right-of-use buildings held by the Group under IFRS 16 are not revalued.

Payments associated with short-term leases are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Extension and termination options are included in a number of leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessors.

2.7 Income tax

2.7.1 Current income tax

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

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered or paid to the Ghana Revenue Authority. The directors periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. They establish provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the statement of financial position date.

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 other comprehensive income or directly to equity. In this case the tax is also recognised in other comprehensive income or directly in equity respectively.

2.7.2 Deferred tax

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

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

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the differences will not reverse in the foreseeable future.
- Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised except;
- Where deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

Current tax and deferred tax relating to items recognised directly in equity are also recognised in the statement of changes in equity and not in the statement of comprehensive income.

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

2.8 Financial assets and liabilities

2.8.1 Financial assets

i. Classification and subsequent measurement

The Group has applied IFRS 9 and classifies its financial assets in the following measurement categories:

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

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

Debt instruments

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

Classification and subsequent measurement of debt instruments depend on:

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

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

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

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

c. Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

The above classifications are done using:

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

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

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

ii. Impairment

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

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

Refer to note 3.2 for further details on the impairment process of financial assets.

iii. Modification of loans

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

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

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

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

iv. De-recognition other than on a modification

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, 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 Group 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 Group is recognised as a separate asset or liability.

v. Financial guarantee contracts and loan commitments

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

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

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

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

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

2.8.2 Financial liabilities

i. Classification

The Group classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost.

ii. Measurement

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

iii. Derecognition

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

2.8.3 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 Group has access at that date. The fair value of a liability reflects its non performance risk.

When available, the Group 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 Group 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 at initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value at 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 that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at 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 Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Group 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 a particular risk exposure. Those portfolio level adjustments 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 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.

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

2.8.4 Repurchase and reverse repurchase agreements

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

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

2.8.5 Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal 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.

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

2.8.6 Collateral

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

2.8.7 Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with the Central Bank and highly liquid financial assets with original maturities of three (3) months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value and are used by the Group in the management of its short-term commitments.

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

2.8.8 Loans and advances

Loans and advances are non derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Group does not intend to sell immediately or in the near term. Loans and advances to banks are classified as hold to collect.

Loans and advances to customers include:

- those classified as hold to collect; and
- finance lease receivables.

Loans and advances are initially measured at fair value plus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest method. Loans and advances also include finance lease receivables in which the Group is the lessor.

When the Group purchases a financial asset and simultaneously enters into an agreement to resell the asset (or a substantially similar asset) at a fixed price on a future date (reverse repo or stock borrowing), the arrangement is accounted for as a loan or advance, and the underlying asset is not recognised in the Group's financial statements.

2.8.9 Investments

Investment securities are initially measured at fair value plus incremental direct transaction costs and subsequently accounted for depending on their classification as hold to collect or hold to collect and sell.

2.9 Property, plant & equipment

2.9.1 Recognition and measurement

Items of property, plant & equipment are measured at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant & equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

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

2.9.2 Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

2.9.3 Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of the property, plant & equipment. Right-of-use assets are depreciated over the shorter of the lease term and their useful lives.

The estimated useful lives are as follows:

Leasehold land & buildings	Over the lease period
Computer hardware	4 years
Furniture & fittings	5 years
Motor vehicles	5 years
Office equipment	8 years
Plant & machinery	8 years
Branch development	8 years
Buildings	33 years

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

2.10 Intangible assets

2.10.1 Computer software

Software acquired by the Group 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 expensed as incurred.

Intangible assets with indefinite useful lives are not amortised. Amortisation is recognised in profit or loss on a straight line basis over the estimated useful life of the software, from the date that it is available for use. The estimated useful life of software is three years. Amortisation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

2.11 Impairment of non financial assets

The carrying amounts of the Group's non financial assets other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. A cash generating unit is the smallest identifiable asset that generates cash flows that are largely independent from other assets. 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.

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

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

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.

2.12 Deposits and borrowings

Deposits and borrowings are the Group's sources of debt funding. 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, except where the Group chooses to carry the liabilities at fair value through profit or loss.

2.13 Employee benefits

2.13.1. Short term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related services are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

2.13.2 Defined contribution plans

The Group makes contributions to mandatory pension schemes for eligible employees. Contribution by the Group to the mandatory pension schemes is determined by law and are defined contribution plans.

A defined contribution plan is a post employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

2.13.3 Provident fund

The Group has a Provident Fund Scheme for all employees who have completed their probation period with the Group. Employees contribute 5% of their basic salary to the Fund whilst the Bank contributes 10%. Obligations under the plan are limited to the relevant contributions, which are settled on due dates to the fund manager.

2.14 Stated capital and reserves

2.14.1 Stated capital

The Group'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.

2.14.2 Share issue costs

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

2.14.3 Dividend on ordinary shares

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

3.0 FINANCIAL RISK MANAGEMENT

3.1 Introduction and overview

The Bank's activities expose the business to risks. These risks are managed in a targeted manner. The core functions of the Bank's risk management are to identify all key risks for the Bank, measure these risks, manage the risk positions and determine capital allocations. The risks arising from financial instruments to which the Bank is exposed are:

- credit risk
- liquidity risk
- market risks
- capital management
- operational risks

The Bank regularly reviews its risk management policies and systems to reflect changes in markets, products and best market practice. The Bank's aim is to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Bank's financial performance. The Bank defines risk as the possibility of losses or profits foregone, which may be caused by internal or external factors.

3.1.1 Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Bank's risk management framework. The Risk Committee of the Board is responsible for developing and monitoring the Bank's risk management policies over specified areas.

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

The Bank's Risk Committee of the Board 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 risks faced by the Bank.

3.1.2 Risk Management Declaration

We, the Board of Prudential Bank LTD, hereby declare that we have taken the necessary steps to implement and maintain a sound risk management framework in accordance with the Bank of Ghana Risk Management Directive, 2021.

Our risk management framework is designed to identify, measure, monitor, and control risks in our operations, products, and services. It is also aligned with our strategic objectives and regulatory requirements, as well as the best practices in the banking industry.

We have established a Risk Management Committee, which is responsible for overseeing and reviewing the implementation and effectiveness of our risk management framework. The Committee comprises experienced and qualified members with relevant skills and expertise to perform their duties.

We have also put in place various policies, procedures, and controls to manage our risks effectively. These include credit risk, market risk, liquidity risk, operational risk, and compliance risk. We regularly review and update these policies, procedures, and controls to ensure their adequacy and relevance to the changing business environment and regulatory requirements.

In accordance with the Risk Management Directive, 2012 we hereby state that there have been no significant breaches of or material deviations from our risk management framework or the requirements set out in Annexure A to the Directive during the reporting period.

We assure our stakeholders that we remain committed to maintaining a robust risk management framework and complying with all regulatory requirements. We will continue to monitor and review our risk management framework to ensure that it remains effective and aligned with our strategic objectives and regulatory requirements.

Signed:

For: Chairman	**Chairperson**
(Board Risk Committee)	**(Main Board)**

Date: 28th April 2023

3.2 Credit risk

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

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

3.2.1 Settlement risk

The Bank's activities may give rise to risk at the time of settlement of transactions and trade. Settlement risk is the risk of loss due to the failure of a company to honour its obligations to deliver cash, securities or other assets as contractually agreed.

3.2.2 Credit risk management

Credit risk is the single largest risk for the Bank's business. The directors therefore carefully manage the exposure to credit risk. The credit risk management and control are centralised in a credit risk management team headed by the Head of Credit Risk Management, who reports to the Chief Risk Officer and then to the Board of Directors.

The Bank has well documented policies and procedures for managing credit risk. The policies are based on the principle of: Management responsibility; Defined credit approval authorities; Set standards for risk management; Consistent approach to origination of credit, documentation and problem recognition; and Portfolio management strategies.

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

3.2.3 Credit concentration risk

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

3.2.4 Credit limit control and mitigation

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

The exposure to any one borrower including banks and brokers is further restricted by sub-limits covering on and off-balance sheet exposures, and daily delivery risk limits in relation to trading items such as forward foreign exchange contracts. Actual exposures against limits are monitored daily. Lending limits are reviewed in the light of changing market and economic conditions and periodic credit reviews and assessments of probability of default.

Some other specific control and mitigation measures are outlined below:

a. Financial covenants (for credit related commitments and loan books)

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

– are collateralised by the underlying shipments of goods to which they relate and therefore carry less risk than a direct loan.

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

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

b. Master netting arrangements

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

c. Collateral and other credit enhancements

The Bank implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and advances are:

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

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

The Bank closely monitors collateral held for financial assets considered to be credit-impaired, as it becomes more likely that the Bank will take possession of collateral to mitigate potential credit losses.

d. Impairment and provisioning policies

A provision for expected credit losses is established for all financial assets, except for financial assets classified or designated as FVPL and equity securities designated as FVOCI, which are not subject to impairment assessment.

Assets subject to impairment assessment include loans and advances to customers, non-trading debt securities and other financial assets. These are carried at amortised cost and presented net of the provision for expected credit losses on the statement of financial position.

Off-balance sheet items subject to impairment assessment include financial guarantees and undrawn loan commitments. The provision for expected credit losses for off-balance sheet products subject to impairment assessment is separately calculated and recognised as provisions in other liabilities.

The Bank measures the provision for expected credit losses at each reporting date according to a three-stage expected credit loss impairment model which is based on changes in credit risk of financial assets since initial recognition.

e. Write-off policy

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

3.2.5 Expected credit loss measurement

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

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

Significant increase in credit risk (SICR)

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

i. Quantitative criteria:

The remaining lifetime probability of default (PD) at the reporting date has increased, compared to the residual lifetime PD expected at the reporting date when the exposure was first recognised.

ii. Qualitative criteria

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

- In short-term forbearance
- Direct debit cancellation
- Extension to the terms granted
- Previous arrears within the last [12] months
- If the borrower is on the Watch list and/or the instrument meets one or more of the following criteria:
- Significant increase in credit spread
- Significant adverse changes in business, financial and/or economic

conditions in which the borrower operates

- Actual or expected forbearance or restructuring

Actual or expected significant adverse change in operating results of the borrower

- Significant change in collateral value (secured facilities only) which is expected to increase risk of default
- Early signs of cash flow or liquidity problems such as delay in servicing of trade creditors/loans. The assessment of SICR incorporates forward-looking information and is performed on a weekly basis at a portfolio level. The criteria used to identify SICR are monitored and reviewed periodically for appropriateness.

iii. Backstop

A backstop is applied and the financial instrument considered to have experienced a significant increase in credit risk if the borrower is more than 30 days past due on its contractual payments.

iv. Low credit risk exemption

The Bank has not used the low credit risk exemption for any financial instruments in the period ended 31st December 2022.

3.2.6 Definition of default and credit-impaired assets

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

i. Quantitative criteria

The borrower is more than 90 days past due on its contractual payments.

ii. Qualitative criteria

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

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

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

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

3.2.7 Measuring ECL — Explanation of inputs, assumptions and estimation techniques

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

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

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

The lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis. The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type.

Forward-looking economic information is also included in determining the 12-month and lifetime PD, EAD and LGD. These assumptions vary by product type. The assumptions underlying the ECL calculation — such as how the maturity profile of the PDs and how collateral values change etc. — are monitored and reviewed on a quarterly basis. There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

3.2.8 Maximum exposure to credit risk before collateral held

	2022 GH¢'000	2021 GH¢'000
Credit risk exposures relating to on-balance sheet assets are as follows:		
Balances with Bank of Ghana	544,822	271,122
Balances with banks	356,938	218,742
Investment securities (including discounted bills)	1,962,748	1,990,777
Loans and advances to customers	1,701,349	1,509,558
Other assets (excluding prepayments)	27,865	18,233
Credit risk exposures relating to off balance sheet items are as follows:		
Letters of credit	106,015	129,267
Letters of guarantee	135,523	145,187
At year end	**4,835,260**	**4,282,886**

The above table represents a worst-case scenario of credit risk exposure to the Bank at 31st December 2022, without taking account of any collateral held or other credit enhancements attached. For on-balance sheet assets, the exposures set out above are based on net carrying amounts as reported in the statement of financial position. As shown above for the Bank, 60% (2021:58%) of the total maximum exposure is derived from investment securities and non-pledged assets, while loans and advances represent 35%. (2021: 35%).

The Bank's credit exposure is categorised by the Bank of Ghana prudential guidelines as follows:

Maximum exposure to credit risk	Note	2022 GH¢'000	2021 GH¢'000
Carrying amount			
Grade 1–3: Low–fair risk – Current		1,330,011	1,275,700
Grade 4–5: Low–Watch list		96,256	53,345
Grade 6: Substandard		49,878	29,451
Grade 7: Doubtful		130,881	249,668
Grade 8: Loss		368,677	86,130
Total gross amount	18	**1,975,703**	**1,694,294**
Allowance for impairment	18	(274,354)	(184,736)
Net carrying amount		**1,701,349**	**1,509,558**
Off balance sheet maximum exposure			
Bonds and guarantees Grade 1–3: Low – fair risk	32.1	106,015	145,187
Letters of credit – Grade 1–3: Low – fair risk	32.1	135,523	129,267
Total gross amount		**241,538**	**274,454**
Allowance for impairment		(741)	(905)
Net carrying amount		**240,797**	**273,549**
Total exposure		**1,942,146**	**1,783,107**
Stage 1			
Grade 1–3: Low – fair risk		1,330,011	1,275,700
Stage 2			
Grade 4–5: Watch list		96,256	53,345
Stage 3			
Grade 6 -8		549,436	365,249
		1,975,703	**1,694,294**

Stage 1

The quality of credit exposure to customers and banks and other financial institutions that were neither past due nor impaired were assessed as current with reference to the Bank of Ghana prudential guidelines adopted by the Bank for its internal grading purposes. This category is made up as follows:

	2022 GH¢'000	2021 GH¢'000
Term loans	795,521	772,849
Overdraft	452,162	436,525
Staff loans	82,328	66,326
	1,330,011	**1,275,700**

Stage 2

Loans and advances graded internally as current and OLEM may be past due but are not considered impaired, unless other information is available to indicate the contrary.

Gross amount of loans and advances (term loans) that were past due but not impaired was GH¢96,256 (2021: GH¢53,345). These are term loans.

Stage 3

These are loans that are individually impaired by class. The gross amount of loans and advances (term loans) that are impaired was GH¢536,831 (2021: GH¢365,249). The fair value of collateral held is GH¢644,879 (GH¢380,440).

At 31st December 2022, the Bank's loans and advances were categorised under IFRS 9 as follows:

- Stage 1 – At initial recognition - Performing
- Stage 2 – Significant increase in credit risk since initial recognition - Underperforming
- Stage 3 – Credit impaired – Non-performing

At 31st December 2022	Stage 1	Stage 2	Stage 3	Total
Cash and bank balances	658,918	-	-	**658,918**
Due from other banks	356,938	-	-	**356,938**
Investment securities	349,571	137,879	2,085,808	**2,573,258**
Loans and advances to customers	1,330,011	96,256	549,436	**1,975,703**
Other assets (excluding prepayments)	27,865	-	-	**27,865**
Gross carrying amount	**2,723,303**	**234,135**	**2,635,244**	**5,592,682**
Loss allowance	(10,222)	(31,058)	(843,584)	**(884,864)**
Carrying amount	**2,713,081**	**203,077**	**1,791,660**	**4,707,818**

At 31st December 2021	Stage 1	Stage 2	Stage 3	Total
Cash and bank balances	361,954	-	-	**361,954**
Due from other banks	218,742	-	-	**218,742**
Investment securities	1,991,096	-	-	**1,991,096**
Loans and advances to customers	1,275,700	53,345	365,249	**1,694,294**
Other assets (excluding prepayments)	18,234	-	-	**18,234**
Gross carrying amount	**3,865,726**	**53,345**	**365,249**	**4,284,320**
Loss allowance	(11,127)	(9,546)	(164,382)	**(185,055)**
Carrying amount	**3,854,599**	**43,799**	**200,867**	**4,099,265**

The impairment on financial assets are disclosed in note 18. All other financial assets of the Bank with credit risk exposures are neither past due nor impaired.

3.2.9 Concentration of credit risk

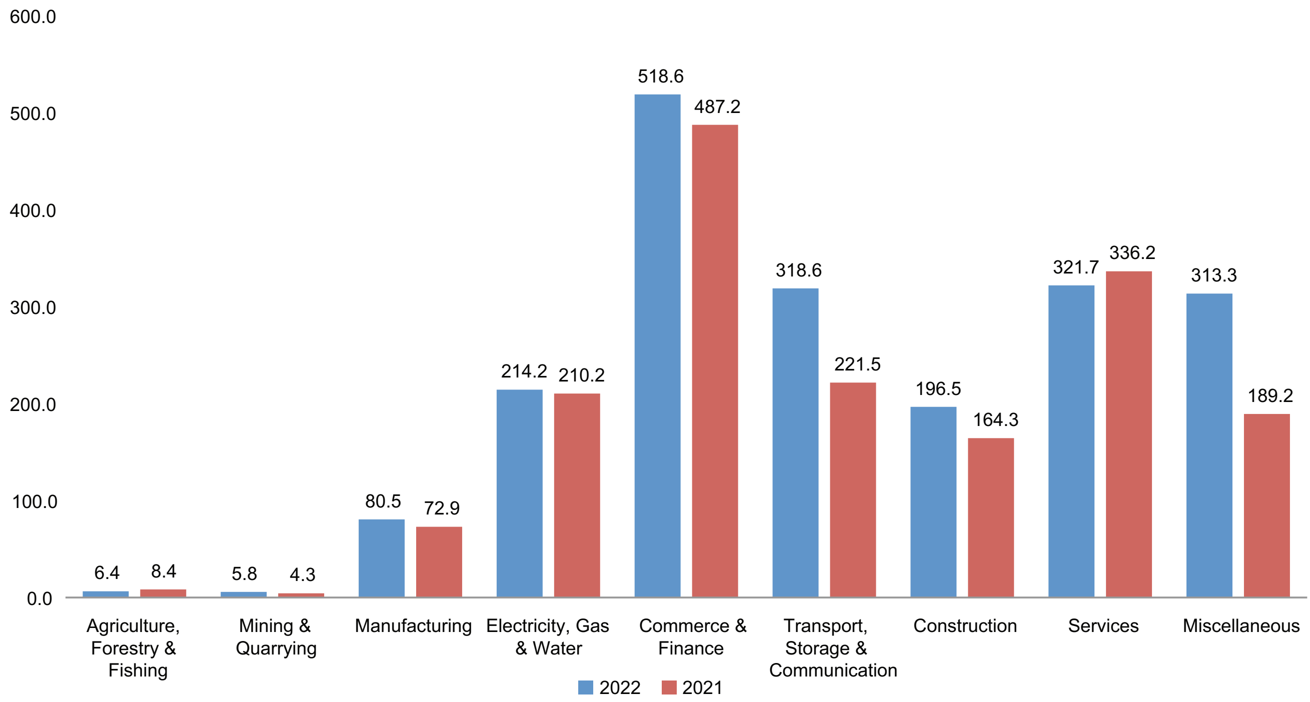
The Bank monitors concentrations of credit risk by sector. An analysis of concentrations of credit risk from loans and advances is shown below.

Loans and advances to customers

i. Concentration by product:

	2022 GH¢'000	2021 GH¢'000
Carrying amount		
Overdrafts	581,484	503,105
Term loans	1,311,891	1,124,863
Staff loans	82,328	66,326
Gross loans and advances	**1,975,703**	**1,694,294**
Less: Impairment	(274,354)	(184,736)
Net loans and advances	**1,701,349**	**1,509,558**

ii. Concentration by industry (GH¢'m)



3.2.10 Key ratios on loans and advances

i. Loan loss provision ratio is 49.93% (2021: 50.60 %)

ii. Percentage of gross non – performing loans with respect to Bank of Ghana prudential norms (individually impaired) to total gross loans and advances is 28.78% (2021: 22.10%)

iii. Ratio of fifty (50) largest exposure (gross funded) to total exposure is 71% (2021: 68%).

3.3 Market risk

The Bank takes on exposure to market risk which is the risk that changes in market prices – such as interest rates, foreign exchange rates and credit spreads (not relating to changes in the obligor's/issuer's credit standing) – will affect the Bank's income or the value of its holdings of financial instruments. The Bank separates exposures to market risk into either trading or non-trading portfolios.

The market risks arising from trading and non-trading activities are concentrated in Bank Global Markets and monitored by both Global Markets and Risk Management departments separately.

3.3.1 Management of market risk

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

The Bank identifies market risk through daily monitoring of levels and profit and loss balances of trading and non-trading positions. The Risk Management Department monitors daily trading activities to ensure that risk exposures taken are within the approved price limits and the overall risk tolerance levels set by the Board. In addition, Asset and Liability Management

Committee (ALCO) members, the Treasurer and the Chief Risk Officer monitor market risk factors that affect the value of trading and non-trading positions as well as income streams on non-trading portfolios on a daily basis. They also track the liquidity indicators to ensure that the Bank meets its financial obligations at all times.

3.3.2. Interest rate risk

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

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

The asset and liability management process through the ALCO is used to manage interest rate risks associated with the non-trading book. ALCO closely monitors the interest rate trends to minimise the potential adverse impact of interest rate changes.

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

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

2022	**Carrying value GH¢'000**	**Less than 3 months GH¢'000**	**3-6 months GH¢'000**	**6-12 months GH¢'000**	**More than 12 months GH¢'000**	**Non-interest sensitive GH¢'000**
Cash and cash equivalents	**1,365,428**	498,812	11,452	5,253	-	849,911
Investment securities	**1,621,902**	12,617	-	22,054	1,587,231	-
Loans and advances to customers	**1,697,819**	688,064	297,428	160,833	551,494	-
Total assets	**4,685,149**	**1,199,493**	**308,880**	**188,140**	**2,138,725**	**849,911**
Deposits from customers	**3,372,059**	1,941,842	175,172	54,711	-	1,200,334
Deposits from banks	**6,225**	6,225	-	-	-	-
Borrowings	**1,309,749**	1,199,259	97,263	13,130	97	-
Total liabilities	**4,688,033**	3,147,326	272,435	67,841	97	1,200,334
Interest rate gap	**(2,884)**	**(1,947,833)**	**36,445**	**120,299**	**2,138,628**	**(350,423)**

2021	Carrying value GH¢'000	Less than 3 months GH¢'000	3-6 months GH¢'000	6-12 months GH¢'000	More than 12 months GH¢'000	Non-interest sensitive GH¢'000
Cash and cash equivalents	**658,743**	139,314	1,916	-	-	517,513
Investment securities	**1,924,758**	-	612	5,000	1,919,146	-
Loans and advances to customers	**1,505,029**	1,022,214	41,520	188,087	253,208	-
Total assets	**4,088,530**	**1,161,528**	**44,048**	**193,087**	**2,172,354**	**517,513**
Deposits from customers	**2,848,554**	1,286,195	241,039	80,515	-	1,240,805
Deposits from banks	**11,600**	11,600	-	-	-	-
Borrowings	**668,165**	544,765	123,289	-	111	-
Total liabilities	**3,528,319**	**1,842,560**	**364,328**	**80,515**	**111**	**1,240,805**
Interest rate gap	**560,211**	**(681,032)**	**(320,280)**	**112,572**	**2,172,243**	**(723,292)**

3.3.3 Foreign exchange risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The open positions of currencies held are monitored on a daily basis. The objective of monitoring the open position in foreign currency is to manage foreign exchange risk due to movements in rates as well as changes in liquidity positions. The Bank has adopted the revised Bank of Ghana requirement that banks maintain a total open position which is equal to 10% of their net own funds. Within this limit, banks are also required to maintain single currency open positions equal to 5% of net own funds.

The table below summarises the Bank's exposure by currency exchange rates on its financial position and cash flows.

	2022			2021		
	USD GH¢'000	**GBP GH¢'000**	**EURO GH¢'000**	**USD GH¢'000**	**GBP GH¢'000**	**EURO GH¢'000**
Assets						
Cash in till and vault	29,046	6,959	8,662	28,043	5,072	8,375
Bank of Ghana	48,206	18,362	1,590	13,397	14,368	3,030
Nostro balances	113,591	12,038	40,570	108,065	3,497	11,756
Foreign time deposits	60,033	5,184	137	135,367	4,070	17,172
Investment securities	137,879	-	-			
Loans & advances	420,604	-	-	357,696	212	-
Other assets	-	-	-	-	-	-
Total assets	**809,359**	**42,543**	**50,959**	**642,568**	**27,219**	**40,333**
Liabilities						
Customer deposits	832,834	42,827	50,813	625,101	27,421	38,826
Borrowings	-	-	-	26,514	-	-
Other liabilities/Margins	3,057	38	66	2,407	-	-
Total liabilities	**835,891**	**42,865**	**50,879**	**654,022**	**27,421**	**38,826**
Net open position	(26,532)	(322)	80	(11,454)	(202)	1,507
Contingent liabilities	(191,99)	(4,759)	(9,146)	(694,799)	-	(12,188)
Net position (including contingent liabilities)	**(218,52)**	**(5,081)**	**(9,066)**	**(706,253)**	**(202)**	**(10,681)**
Assumed depreciation rate of the cedi	**17.05%**	**12.57%**	**14.78%**	**7.72%**	**9.80%**	**7.68%**
Projected effect on profits (without contingent liabilities)	(4,524)	(40)	12	(884)	(20)	116
Projected effect on profits (with contingent liabilities)	(37,259)	(639)	(1,340)	(54,544)	(20)	(821)

Year-end exchange rates applied in the above analysis:

	2022	2021
USD	8.5760	6.0061
GBP	10.3118	8.1272
EUR	9.1457	6.8281

3.4 Liquidity risk

Liquidity risk is the risk that the Bank will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset when they fall due.

Such outflows would deplete available cash resources for client lending, trading activities and investments. In extreme circumstances, lack of liquidity could result in reductions in the statement of financial position and sales of assets, or potentially an inability to fulfil lending commitments. The risk that the Bank will be unable to do so is inherent in all banking operations and can be affected by a range of institution-specific and market-wide events including, but not limited to, credit events, merger and acquisition activity, systemic shocks and natural disasters.

The Bank's liquidity management process includes:

- Day-to-day funding, managed by monitoring future cash flows to ensure that requirements can be met. This includes replenishment of funds as they mature or are borrowed by customers. The Bank maintains an active presence in the money market to enable this to happen;
- Maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;
- Monitoring the liquidity ratios of the statement of financial position against internal and regulatory requirements and;
- Managing the concentration and profile of debt maturities.

Finally, the Bank is statutorily required to maintain a reserve of 10% of the local currency equivalent of foreign currency customer deposits held as well as 10% of local currency customer deposits in one account with the Bank of Ghana. These balances are used to support all inter-bank transactions.

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

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

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

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 reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows.

GROUP

2022	Total GH¢'000	Less than 1 month GH¢'000	1-3 months GH¢'000	3-6 months GH¢'000	6-12 months GH¢'000	More than 1 year GH¢'000
Assets						
Cash and cash equivalents	**1,365,428**	695,496	179,849	11,452	5,253	473,378
Investment securities	**1,622,161**	717	11,900	-	22,054	1,587,490
Loans advances to customers	**1,697,819**	324,121	363,943	297,428	160,833	551,494
Tax and other assets	**276,736**	1,006	89,508	23,426	731	162,065
Property, equipment, right-of-use & Intangibles	**249,285**	19,921	12,450	64,742	89,643	62,529
Total assets	**5,211,429**	**1,041,261**	**657,650**	**397,048**	**278,514**	**2,836,956**
Deposits from customers	**3,372,059**	1,216,430	1,080,834	657,979	416,816	-
Deposits from banks	**6,225**	6,225	-	-	-	-
Tax and other liabilities	**149,164**	19,089	795	3,970	37,285	88,025
Lease liabilities	**2,505**	-	-	-	-	2,505
Borrowings	**1,309,749**	497,859	701,400	97,263	13,130	97
Total liabilities	**4,839,702**	**1,739,603**	**1,783,029**	**759,212**	**467,231**	**90,627**
Liquidity gap	**371,727**	**(698,342)**	**(1,125,379)**	**(362,164)**	**(188,717)**	**2,746,329**
Contingent liabilities	**(241,538)**	**(38,540)**	**(71,920)**	**(10,724)**	**(38,572)**	**(81,782)**
Liquidity gap (after contingent liabilities)	**130,189**	**(736,882)**	**(1,197,299)**	**(372,888)**	**(227,289)**	**2,664,547**

2021	Total GH¢'000	Less than 1 month GH¢'000	1-3 months GH¢'000	3-6 months GH¢'000	6-12 months GH¢'000	More than 1 year GH¢'000
Assets						
Cash and cash investments	**658,743**	529,404	127,423	1,916	-	-
Investment securities	**1,924,758**	-	-	612	5,000	1,919,146
Loans and advances to customers	**1,505,029**	584,397	437,817	41,520	188,087	253,208
Tax and other assets	**55,998**	-	-	-	-	55,998
Property, equipment, right-of-use & Intangibles	**248,630**	-	-	-	-	248,630
Total assets	**4,393,158**	**1,113,801**	**565,240**	**44,048**	**193,087**	**2,476,982**
Deposits from customers	**2,848,554**	1,444,542	1,082,458	241,039	80,515	-
Deposits from banks	**11,600**	11,600	-	-	-	-
Tax and other liabilities	**117,851**	12,104	15,264	14,091	25,630	50,762
Lease liabilities	**3,403**	-	-	-	-	3,403
Borrowings	**668,165**	326,250	218,515	123,289	17	94
Total liabilities	**3,649,573**	**1,794,496**	**1,316,237**	**378,419**	**106,162**	**54,259**
Liquidity gap	**743,585**	**(680,695)**	**(750,997)**	**(334,371)**	**86,925**	**2,422,723**
Contingent liabilities	**274,454**	(54,909)	(51,693)	(16,690)	(29,152)	(122,010)
Liquidity gap after contingencies	**469,131**	**(735,604)**	**(802,690)**	**(351,061)**	**57,773**	**2,300,713**

3.4.1 Exposure to liquidity risk

The Bank holds a diversified portfolio of cash and 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 Bank of Ghana, placements and balances with other banks, Government of Ghana Treasury bills, notes and bonds.

The key measure used by the Bank for managing liquidity risk is the ratio of liquid assets to volatile liabilities set out as follows:

	2022	**2021**
At year end	200.50%	189.49%
Average for the year	165.50%	176.64%
Maximum for the year	200.50%	202.04%
Minimum for the year	128.76%	154.42%

The Bank's liquidity reserves are represented by its cash and cash equivalents as disclosed in Note 16 with the necessary mandatory reserve which is not available to the Bank in the ordinary course of business.

3.4.2 Statutory liquidity breaches and non-compliance with other prudential requirements

There was no default in statutory liquidity or non-compliance with any prudential requirements in 2022 (2021: Nil).

3.5 Capital management

3.5.1 Regulatory capital (CAR)

The Bank's regulator, the Bank of Ghana sets and monitors capital requirements for the Bank as a whole. In implementing current capital requirements, the Bank of Ghana requires the Bank to maintain a prescribed ratio of total capital to total risk weighted assets.

The Bank's regulatory capital is analysed into two tiers:

- Tier 1 capital, also referred to as core/ primary capital is made up of equity and disclosed reserves. Equity includes issued and fully paid ordinary share capital and perpetual non cumulative preference shares. Disclosed reserves relate to those created or increased by appropriation of after-tax retained earnings/surplus, retained profits and general statutory reserves and does not include regulatory credit risk reserve.
- Tier 2 capital, also referred to as supplementary/secondary capital includes revaluations reserves, latent revaluation reserves and hybrid capital instruments. Latent revaluation reserves relate to unrealised gains on equity instruments classified as available for sale.

Various limits are applied to elements of the capital base. The qualifying tier 2 capital cannot exceed tier 1 capital.

Risk weighted assets are determined according to specified requirements that seek to reflect the varying levels of risk attached to assets and off balance sheet exposures.

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.

The Bank complied with the statutory capital requirements throughout the year. There have been no material changes in the Bank's management of capital during this period.

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3.5.2 Capital adequacy ratio (CAR)

The capital adequacy ratio is the quotient of the capital base of the Bank and the Bank's risk weighted asset base. In accordance with Central Bank of Ghana regulations, a minimum ratio of 13% is to be maintained. The ratio was temporarily reduced to 11.5% as part of Covid-19 mitigation measures by the Bank of Ghana in 2020.

Subsequent to the announcement and implementation of the Domestic Debt Exchange Programme (DDEP), the Central Bank reduced the minimum ratio to 10.0% and granted regulatory reliefs below for the purpose of capital adequacy computation to help manage the effect of the DDEP.on bank's capital adequacy.

- Reduction of capital conservation buffer from 3.0% to 0%, effectively reducing the minimum capital adequacy ratio (CAR) from 13.0% to 10.0%;
- Banks have a maximum of four (4) years to restore the minimum paid-up capital as a result of any capital shortfall arising solely from the derecognition losses;
- Increase in Tier II component of regulatory capital from 2.0% to 3.0% of total risk weighted assets (RWA);
- Reduction of minimum Common Equity Tier 1 (CET1) capital from 6.5% to 5.5% of total RWA
- Increase in allowable portion of property revaluation gains for Tier II capital computation, from 50% to 60%;
- Risk-weights attached to New Bonds to be set at 0% for CAR computation, and at 100% for Old Bonds;

The CAR computation for the year is based on the regulatory reliefs above.

The table below summarises the composition of regulatory capital and ratios of the Bank based on the Capital Requirement Directive guidelines.

	2022		2021	
	Bank GH¢'000	Group GH¢'000	Bank GH¢'000	Group GH¢'000
Ordinary share capital	402,431	402,431	402,431	402,431
Retained earnings brought forward	49,799	52,352	20,282	22,377
Retained profit/(loss) for the year	(514,037)	(513,839)	29,517	29,975
Statutory reserve	115,447	115,447	115,447	115,447
Debt exchange loss deferred	447,302	447,302	-	-
Total CET 1 Capital	**500,942**	**503,693**	**567,677**	**570,230**
Regulatory adjustments				
Intangibles (Software)	(10,398)	(10,425)	(11,764)	(11,785)
Other Intangibles	(12,435)	(12,622)	(10,929)	(11,040)
Other regulatory adjustments	(158,129)	(157,188)	(2,949)	(240)
Total regulatory adjustment	**(180,962)**	**(180,235)**	**(25,642)**	**(23,065)**
CET 1 capital after adjustment	**319,980**	**323,458**	**542,035**	**547,165**
Additional Tier 1 (AT1) Capital	–	–	–	–
Total Tier 1 capital (CET 1 + AT1)	**319,980**	**323,458**	**542,035**	**547,165**
Tier 2 capital				
Revaluation reserve	72,549	72,549	60,457	60,457
Total Tier 2 Capital	**72,549**	**72,549**	**60,457**	**60,457**
Tier 2 (Limited to 3%/2% of RWA)	82,780	83,070	50,450	50,439
Total regulatory capital	**392,529**	**396,007**	**592,485**	**597,604**
Risk weighted assets				
On-balance sheet	1,938,523	1,948,171	1,840,156	1,837,261
Off-balance sheet	97,167	97,167	109,130	109,130
Operational risk	685,228	685,228	548,729	551,079
Market risk	38,429	38,429	24,464	24,464
Total risk weighted assets	**2,759,347**	**2,768,995**	**2,522,479**	**2,521,934**
Capital ratios	**Bank**	**Group**	**Bank**	**Group**
Total Tier 1 capital/Total risk weighted assets	11.60%	11.68%	21.49%	21.70%
Total Tier 2 capital/Total risk weighted assets	2.63%	2.62%	2.00%	2.00%
Capital adequacy ratio	**14.23%**	**14.30%**	**23.49%**	**23.70%**
Minimum capital requirement				
Minimum capital requirement	10%	10%	10%	10%
Prudential minimum (with capital conservation buffer)	10%	10%	13%	13%
Surplus to minimum capital				
Surplus/ deficit to minimum capital (by law)	1.60%	1.68%	13.49%	13.70%
Surplus/ deficit to Prudential minimum capital	4.23%	4.30%	10.49%	10.70%

	2022		2021	
	Bank GH¢'000	Group GH¢'000	Bank GH¢'000	Group GH¢'000
Leverage Ratio				
Tier 1 capital	319,980	323,458	542,035	547,165
Total on balance sheet assets	5,206,346	5,211,429	4,386,852	4,393,158
Total off-balance sheet assets	241,538	241,538	274,454	274,454
Total exposure less regulatory adjustment	**5,266,922**	**5,272,732**	**4,635,664**	**4,644,547**
Leverage ratio	**6.08%**	**6.13%**	**11.69%**	**11.78%**

3.5.3 Capital allocation

The allocation of capital between specific operations and activities is, to a large extent, driven by optimisation of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based primarily upon the regulatory capital, but in some cases the regulatory requirements do not reflect fully the varying degree of risk associated with different activities. In such cases the capital requirements may be flexed to reflect differing risk profiles, subject to the overall level of capital to support a particular operation or activity not falling below the minimum required for regulatory purposes. The process of allocating capital to specific operations and activities is undertaken independently of those responsible for the operation, by the Bank's Risk Management and Credit Administration functions, and is subject to review by the Bank's Credit Committee or ALCO as appropriate.

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 Board of Directors regularly reviews the Bank's policies regarding capital management and allocation.

3.6 Operational risk

Operational risk is the risk of direct or indirect loss that the Bank will suffer due to an event or action resulting from the failure of its internal processes, people and systems, or from external events. Key operational risks are managed in a timely and effective manner through a framework of policies, procedures and tools to identify, assess, monitor, control and report such risks. The Bank manages its operational risk at three distinct levels, each with clearly defined roles and responsibilities as follows:

3.6.1 Business units and support functions

Business units and support functions are responsible for understanding the operational risk inherent in their material products, activities, processes and systems. They are responsible for the consistent implementation of the operational risk management framework on a day-to day basis. This includes identifying the risks, establishing controls, and managing the risks in accordance with the Bank's overall risk tolerance and operational risk policies.

3.6.2 Operational Risk Unit

The Unit has direct responsibility for formulating and implementing the Bank's operational risk framework including methodologies, policies and procedures approved by the Board. The Unit works with the business units and support functions to ensure that the day-to-day operations of the Bank are in line with the approved operational risk policies. The unit provides trainings and workshops to facilitate interpretation and implementation of the various operational risk programmes. The Unit continuously monitors the effectiveness and the quality of the controls and risk mitigation tools.

4.0 CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis for making the judgement about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying values of the assets and liabilities within the next financial year are discussed below.

a. Measurement of the expected credit loss allowance

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g., the likelihood of customers defaulting and the resulting losses).

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios and the associated ECL.

Refer to Note 2.8 and 3.2 for further details on these estimates and judgements.

b. Fair value of financial instruments

The fair value of a financial instrument is determined by reference to the quoted bid price or asking price (as appropriate) in an active market. Where the fair value of financial assets and financial liabilities recorded in the statements of financial position cannot be derived from an active market, it is determined using a variety of valuation techniques including the use of prices obtained in recent arms' length transactions, comparison to similar instruments for which market observable prices exist, net present value techniques and mathematical models. Input to these mathematical models is taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Refer to Note 2.8 for further details on these estimates and judgements.

c. Income taxes

Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Bank recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred income tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred income tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

d. Hold to collect financial assets (investment securities)

The Bank classifies some non-derivative financial assets with fixed or determinable payments and fixed maturity as hold to collect. This classification requires significant judgement. In making this judgement, the Bank uses the Business model and Solely for Payment of Principal and Interest (SPPI) model to assess that the purpose for holding these assets was to collect the contractual cash flows associated with the assets. If the Bank were to fail to keep these investments to maturity other than for the specific circumstances – for example, selling an insignificant amount close to maturity – the Bank is required to reclassify the entire category as hold to collect and sell. Accordingly, the investments would be measured at fair value instead of amortised cost.

e. Lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).
- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

5.0 OPERATING SEGMENT

The Group's business segments are based on its management and internal reporting structure.

5.1 Business Segments

The Group comprises the following business segments:

i. Corporate Banking

Includes loans, deposits and other transactions and balances with corporate customers.

ii. Commercial Banking

Includes loans, deposits and other transactions and balances with Small and Medium Enterprise (SME) customers.

iii. Retail Banking

Includes loans, deposits and other transactions and balances with retail customers.

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OPERATING SEGMENTS

2022

	Notes	Corporate Banking GH¢'000	Commercial Banking GH¢'000	Retail Banking GH¢'000	Unallocated GH¢'000	Consolidated GH¢'000
External revenue						
Net interest income	7	145,218	55,107	184,916	-	**385,241**
Net fee and commission income	8	22,050	21,935	38,440	-	**82,425**
Net trading income	9	64,059	-	-	-	**64,059**
Other operating income		-	-	-	19,028	**19,028**
Total segment revenue		**231,327**	**77,042**	**223,356**	**19,028**	**550,753**
Segment result						
Income tax expense	13.1	-	-	-	80,776	**80,776**
Profit/(loss) for the year		**-**	**-**	**-**	**(356,858)**	**(356,858)**
Assets						
Segment assets		833,262	739,886	1,751,929	-	**3,325,077**
Unallocated assets		-	-	-	1,886,352	**1,886,352**
Total assets		**833,262**	**739,886**	**1,751,929**	**1,886,352**	**5,211,429**
Liabilities						
Segment liabilities		2,139,361	900,127	1,648,446	-	**4,687,934**
Unallocated liabilities		-	-	-	151,768	**151,768**
Total liabilities		**2,139,361**	**900,127**	**1,648,446**	**151,768**	**4,839,702**
Impairment losses on financial assets	18.1	285,912	576,488	23,205	-	**885,605**
Depreciation and amortisation	20,21,22	-	-	-	151,784	**151,784**
Capital expenditure	20,21,22	-	-	-	36,036	**36,036**

2021

	Notes	Corporate Banking GH¢'000	Commercial Banking GH¢'000	Retail Banking GH¢'000	Unallocated GH¢'000	Consolidated GH¢'000
External revenue						
Net interest income	7	121,778	55,625	163,757	-	**341,160**
Net fee and commission income	8	20,988	24,052	19,347	-	**64,387**
Net trading income	9	31,053	-	-	-	**31,053**
Other operating income		-	-	-	12,423	**12,423**
Total segment revenue		**173,819**	**79,677**	**183,104**	**12,423**	**449,023**
Segment result						
Income tax expense	13.1	-	-	-	(50,152)	**(50,152)**
Profit/(loss) for the year		**-**	**-**	**-**	**86,755**	**86,755**
Assets						
Segment assets		750,102	827,490	1,851,955	-	**3,429,547**
Unallocated assets		-	-	-	963,611	**963,611**
Total assets		**750,102**	**827,490**	**1,851,955**	**963,611**	**4,393,158**
Liabilities						
Segment liabilities		1,216,641	1,004,325	1,307,353	-	**3,528,319**
Unallocated liabilities		-	-	-	121,254	**121,254**
Total liabilities		**1,216,641**	**1,004,325**	**1,307,353**	**121,254**	**3,649,573**
Impairment losses on financial assets	18.1	67,113	112,679	6,168	-	**185,960**
Depreciation and amortisation	20,21,22	-	-	-	133,481	**133,481**
Capital expenditure	20,21,22	-	-	-	15,556	**15,556**

6. FINANCIAL ASSETS AND LIABILITIES

The table below sets out the Group's classification of each class of financial assets and liabilities, and their fair values (excluding accrued interest).

Bank

2022

	Note	FV through Profit or loss GH¢'000	FV through OCI GH¢'000	Amortised Cost GH¢'000	Total Carrying amount GH¢'000	Fair value GH¢'000
Financial assets						
Cash and cash equivalent	16	-	-	1,365,428	1,365,428	1,359,897
Investment securities	17	-	-	1,613,177	1,613,177	1,511,090
Loans and advances to customers	18	-	-	1,701,349	1,701,349	1,701,349
Investment (other than securities)	19	-	-	766	766	766
		-	**-**	**4,680,720**	**4,680,720**	**4,573,102**
Financial liabilities						
Deposits from banks	25	-	-	6,225	6,225	6,225
Deposits from customers	26	-	-	3,375,048	3,375,048	3,341,496
Borrowings	27.1	-	-	1,309,749	1,309,749	1,257,540
Lease liabilities	28	-	-	2,505	2,505	2,326
		-	**-**	**4,693,527**	**4,693,527**	**4,607,587**

2021

	Note	FV through Profit or loss GH¢'000	FV through OCI GH¢'000	Amortised Cost GH¢'000	Total Carrying amount GH¢'000	Fair value GH¢'000
Financial assets						
Cash and cash equivalent	16	-	-	658,743	658,743	655,143
Investment securities	17	-	-	1,912,730	1,912,730	1,824,142
Loans and advances to customers	18	-	-	1,509,558	1,509,558	1,509,558
Investment (other than securities)	19	-	-	1,766	1,766	1,766
		-	**-**	**4,082,797**	**4,082,797**	**3,990,609**
Financial liabilities						
Deposits from banks	25	-	-	11,600	11,600	11,600
Deposits from customers	26	-	-	2,852,468	2,852,468	2,827,678
Borrowings	27.1	-	-	668,165	668,165	650,875
Lease liabilities	28	-	-	3,403	3,403	3,148
		-	**-**	**3,535,636**	**3,535,636**	**3,493,301**

Group

2022

	Note	FV through Profit or loss GH¢'000	FV through OCI GH¢'000	Amortised Cost GH¢'000	Total Carrying amount GH¢'000	Fair value GH¢'000
Financial assets						
Cash and cash equivalent	16	-	-	1,365,428	1,365,428	1,359,897
Investment securities	17	-	-	1,621,902	1,621,902	1,519,815
Loans and advances to customers	18	-	-	1,697,819	1,697,819	1,697,819
Investment (other than securities)	19	-	-	259	259	259
		-	**-**	**4,685,408**	**4,685,408**	**4,577,790**
Financial liabilities						
Deposits from banks	25	-	-	6,225	6,225	6,225
Deposits from customers	26	-	-	3,372,059	3,372,059	3,338,507
Borrowings	27.1	-	-	1,309,749	1,309,749	1,257,540
Lease Liabilities	28	-	-	2,505	2,505	2,326
		-	**-**	**4,690,538**	**4,690,538**	**4,604,598**

2021

	Note	FV through Profit or loss GH¢'000	FV through OCI GH¢'000	Amortised Cost GH¢'000	Total Carrying amount GH¢'000	Fair value GH¢'000
Financial assets						
Cash and cash equivalent	16	-	-	658,743	658,743	655,144
Investment securities	17	-	-	1,924,518	1,924,518	1,836,249
Loans and advances to customers	18	-	-	1,505,029	1,505,029	1,505,029
Investment (other than securities)	19	-	-	240	240	240
		-	**-**	**4,088,530**	**4,088,530**	**3,996,342**
Financial liabilities						
Deposits from banks	25	-	-	11,600	11,600	11,600
Deposits from customers	26	-	-	2,848,554	2,848,554	2,823,764
Borrowings	27.1	-	-	668,165	668,165	650,875
Lease liabilities	28	-	-	3,403	3,403	3,148
		-	**-**	**3,531,722**	**3,531,722**	**3,489,387**

7. INTEREST INCOME

	2022 Bank GH¢'000	2022 Group GH¢'000	2021 Bank GH¢'000	2021 Group GH¢'000
Cash and cash equivalents	40,031	40,031	61,761	61,761
Loans and advances to customers	284,326	283,040	237,962	235,091
Investment securities	425,992	425,992	283,914	283,914
Total interest income	**750,349**	**749,063**	**583,637**	**580,766**
7.1 Interest expense				
Deposits from customers	183,506	183,506	146,968	146,931
Other borrowings	180,316	180,316	92,675	92,675
Total interest expense	**363,822**	**363,822**	**239,643**	**239,606**
Net interest income	**386,527**	**385,241**	**343,994**	**341,160**

8. FEE AND COMMISSION INCOME

	2022 Bank GH¢'000	2022 Group GH¢'000	2021 Bank GH¢'000	2021 Group GH¢'000
Fees on loans and advances	21,813	21,813	16,420	16,420
Fees on customer account servicing	22,691	22,691	28,726	28,726
Fees on electronic and card products	11,818	11,818	8,115	8,115
Fees on money transfer services	5,225	5,225	2,766	2,766
Fees on LC's Issued & other trade services	35,549	35,549	18,584	18,584
Total fee and commission income	**97,096**	**97,096**	**74,611**	**74,611**
Fee and commission expense	(14,671)	(14,671)	(10,224)	(10,224)
Net fee and commission income	**82,425**	**82,425**	**64,387**	**64,387**

Fee and commission expense relate to electronic banking charges incurred by the Bank.

9. NET TRADING INCOME

	2022 Bank GH¢'000	2022 Group GH¢'000	2021 Bank GH¢'000	2021 Group GH¢'000
Foreign exchange	64,076	64,059	31,047	31,053
Net Trading income	**64,076**	**64,059**	**31,047**	**31,053**

10. OTHER INCOME

	2022 Bank GH¢'000	2022 Group GH¢'000	2021 Bank GH¢'000	2021 Group GH¢'000
Rental income	596	588	683	671
Profit on disposal of property, plant & equipment	418	418	474	474
Sundry income	15,145	18,022	6,167	11,278
	16,159	**19,028**	**7,324**	**12,423**

		2022		2021	
		Bank GH¢'000	Group GH¢'000	Bank GH¢'000	Group GH¢'000
11.	**PERSONNEL EXPENSES**				
	Wages and salaries	127,976	128,594	116,968	117,787
	Social security cost	8,128	8,173	6,995	7,056
	Provident fund contributions	3,344	3,361	2,701	2,725
	Medical expenses	8,452	8,452	6,128	6,128
	Retirement benefit	3,236	3,236	5,569	5,569
	Other staff cost	7,856	7,872	5,916	5,916
		158,992	**159,688**	**144,277**	**145,181**
12.	**OTHER EXPENSES**				
	Software licensing & other information technology cost	23,297	23,313	17,687	17,716
	Auditors' remuneration	463	509	382	451
	Advertising and marketing	6,932	6,932	6,088	6,088
	Administrative expenses	14,827	14,963	13,206	13,466
	Board Expenses	4,671	4,762	3,831	4,003
	Occupancy	12,428	12,445	10,645	10,662
	Other	40,728	40,817	25,470	25,582
		103,346	**103,741**	**77,309**	**77,968**
13.	**INCOME TAX**				
13.1	**Income tax expense**				
	Current income tax charge – (Note 13.2)	67,357	67,585	64,917	65,106
	Deferred income tax (credit)/charge (Note 23)	(148,361)	(148,361)	(14,954)	(14,954)
		(81,004)	**(80,776)**	**49,963**	**50,152**

13.2. Income tax schedule

Bank

2022	Balance at 1-Jan-2021 GH¢'000	Charge for the year GH¢'000	Other adjustments GH¢'000	Payments during the year GH¢'000	Balance at 31-Dec-2022 GH¢'000
Income tax					
2021	3,027	-	-	(3,027)	**-**
2022	-	67,357	-	(56,164)	**11,193**
	3,027	**67,357**	**-**	**(59,191)**	**11,193**
National Stabilization Levy					
2019-2020	(539)	-	-	-	**(539)**
2021	1	-	-	(1)	**-**
2022	-	-	-	(7,521)	**(7,521)**
	(538)	**-**	**-**	**(7,522)**	**(8,060)**
Financial Sector Recovery Levy					
2021	380	-	-	(380)	**-**
2022	-	-	-	(7,522)	**(7,522)**
	380	**-**	**-**	**(7,902)**	**(7,522)**
Total	**2,869**	**67,357**	**-**	**(74,615)**	**(4,389)**

2021	Balance at 1-Jan-2021 GH¢'000	Charge for the year GH¢'000	Other adjustments GH¢'000	Payments during the year GH¢'000	Balance at 31-Dec-2022 GH¢'000
Income Tax					
2019	3,441	-	-	3,441)	**-**
2020	4,095	-	-	(4,095)	**-**
2021	-	52,994	-	(49,967)	**3,027**
	7,536	**52,994**	**-**	**(57,503)**	**3,027**
National Stabilization Levy					
2019	(539)	-	-		**(539)**
2020	316	-	-	(316)	**-**
2021	-	6,813	-	(6,812)	**1**
	(223)	**6,813**	**-**	**(7,128)**	**(538)**
Financial Sector Recovery Levy					
2021	-	5,110	-	(4,730)	**380**
	-	**5,110**	**-**	**(4,730)**	**380**
Total	**7,313**	**64,917**	**-**	**(69,361)**	**2,869**

Group

2022	Balance at 1-Jan-2021 GH¢'000	Charge for the year GH¢'000	Other adjustments GH¢'000	Payments during the year GH¢'000	Balance at 31-Dec-2022 GH¢'000
Income tax					
2019-2021	2,739	-	-	(3,027)	**(288)**
2022	-	67,585	-	(56,352)	**11,233**
	2,739	**67,585**	**-**	**(59,379)**	**10,945**
National Stabilization Levy					
2019-2020	(553)	-	-		**(553)**
2021	1	-	-	(1)	**-**
2022	-	-	-	(7,521)	**(7,521)**
	(552)	**-**	**-**	**(7,522)**	**(8,074)**
Financial Sector Recovery Levy					
2021	380	-	-	(380)	**-**
2022	-	-	-	(7,522)	**(7,522)**
	380	**-**	**-**	**(7,902)**	**(7,522)**
Total	**2,567**	**67,585**	**-**	**(74,803)**	**(4,651)**

2021	Balance at 1-Jan-2021 GH¢'000	Charge for the year GH¢'000	Other adjustments GH¢'000	Payments during the year GH¢'000	Balance at 31-Dec-2022 GH¢'000
Income Tax					
2019	3,279	-	-	(3,441)	**(162)**
2020	4,199	-	-	(4,095)	**104**
2021	-	53,183	-	(50,386)	**2,797**
	7,536	**52,994**	**-**	**(57,503)**	**3,027**
National Stabilization Levy					
2019	(553)	-	-		**(553)**
2020	316	-	-	(316)	**-**
2021	-	6,813	-	(6,812)	**1**
	(237)	**6,813**	**-**	**(7,128)**	**(552)**
Financial Sector Recovery Levy					
2021	-	5,110	-	(4,730)	**380**
	-	**5,110**	**-**	**(4,730)**	**380**
Total	**7,241**	**65,106**	**-**	**(69,780)**	**2,567**

14. TAX RECONCILIATION

	2022		2021	
	Bank GH¢'000	Group GH¢'000	Bank GH¢'000	Group GH¢'000
Profit/(loss) before income tax	(438,060)	(437,634)	136,259	136,907
Income tax thereon at statutory income tax rate of 25%	(109,515)	(109,409)	34,065	34,227
Other income taxes	-	-	11,923	11,923
Tax effect of non- deductible expenses	184,829	184,950	26,284	26,299
Effect of capital allowance	(7,271)	(7,271)	(6,736)	(6,724)
Origination (reversal) of taxable temporary differences	(148,360)	(148,360)	(14,954)	(14,954)
Effect of other deductions	(687)	(687)	(619)	(619)
Income tax charge/(credit)	**(81,004)**	**(80,776)**	**49,963**	**50,152**
Effective tax rate	**18,49%**	**18.46%**	**36.67%**	**36.63%**

15. EARNINGS PER SHARE

	2022 Bank GH¢'000	2022 Group GH¢'000	2021 Bank GH¢'000	2021 Group GH¢'000
Net profit/(loss) for the year attributable to equity holders of the Bank	**(357,056)**	**(356,858)**	**86,296**	**86,754**
Weighted average number of ordinary shares				
Issued ordinary shares at 1st January	883,207	883,207	883,207	883,207
Additional shares issued	-	-	-	-
Weighted average number of ordinary shares at 31st December	**883,207**	**883,207**	**883,207**	**883,207**
	-0.4043	**-0.4040**	**0.0977**	**0.0982**

16. CASH AND CASH EQUIVALENTS

	2022 Bank GH¢'000	2022 Group GH¢'000	2021 Bank GH¢'000	2021 Group GH¢'000
Cash and balances with banks	305,729	305,729	246,392	246,392
Unrestricted balances with the Central Bank	71,444	71,444	41,996	42,309
Restricted balances with Central Bank	473,378	473,378	229,125	228,812
Money market placement	100,121	100,121	-	-
Bills discounted	349,571	349,571	78,047	78,047
Foreign short-term deposits	65,185	65,185	63,183	63,183
Total cash and cash equivalents	**1,365,428**	**1,365,428**	**658,743**	**658,743**

Section 36 of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930), the Bank is required to hold a cash reserve equivalent to 14% (2021: 8%) of total deposits.

	2022 Bank GH¢'000	2022 Group GH¢'000	2021 Bank GH¢'000	2021 Group GH¢'000
17. INVESTMENT SECURITIES				
Bonds and notes at amortised cost (net)	1,613,177	1,621,902	1,912,730	1,924,518
Net investment securities	**1,613,177**	**1,621,902**	**1,912,730**	**1,924,518**

17.1 Schedule of investment securities

2022

Bank	Gross GH¢'000	Expected credit loss GH¢'000	Net GH¢'000
Euro bond	137,879	13,788	124,091
Other long-term notes and bonds	2,085,808	596,722	1,489,086
	2,223,687	**610,510**	**1,613,177**
Group			
Euro bond	137,879	13,788	124,091
Other long-term notes and bonds	2,094,533	596,722	1,497,811
	2,232,412	**610,510**	**1,621,902**

2021

Bank	Gross GH¢'000	Expected credit loss GH¢'000	Net GH¢'000
10-Year Daakye Bond	31,098	311	30,787
Other long-term notes and bonds	1,881,951	8	1,881,943
	1,913,049	**319**	**1,912,730**
Group			
10-Year Daakye Bond	31,098	311	30,787
Other long-term notes and bonds	1,893,739	8	1,893,731
	1,924,837	**319**	**1,924,518**

18. LOANS AND ADVANCES TO CUSTOMERS

	2022 Bank GH¢'000	2022 Group GH¢'000	2021 Bank GH¢'000	2021 Group GH¢'000
Loans and advances to customers & financial institutions at amortised cost	1,975,703	1,972,173	1,694,294	1,689,765
Impairment	(274,354)	(274,354)	(184,736)	(184,736)
Net advances	**1,701,349**	**1,697,819**	**1,509,558**	**1,505,029**

PRUDENTIAL BANK

18.1 Allowances for impairment on financial assets and off-balance sheet exposures

	Loans and advances GH¢'000	Investment securities GH¢'000	Off balance sheet items GH¢'000	Total GH¢'000
2022				
At 1st January	184,736	319	905	**185,960**
Impairment charge/(release)	89,618	610,191	(164)	**699,645**
Amounts written-off as uncollectible	-	-	-	**-**
At 31st December 2022	**274,354**	**610,510**	**741**	**885,605**

	Loans and advances GH¢'000	Investment securities GH¢'000	Off balance sheet items GH¢'000	Total GH¢'000
2021				
At 1st January	121,244	7	610	121,861
Impairment charge/(release)	63,492	312	295	64,099
Amounts written-off as uncollectible	-	-	-	-
At 31st December 2021	**184,736**	**319**	**905**	**185,960**

18.2 Net impairment loss

	2022		2021	
	Bank GH¢'000	Group GH¢'000	Bank GH¢'000	Group GH¢'000
Loans and advances to customers (Note 18.1)	89,618	89,618	63,492	63,492
Other investments securities	610,191	610,191	312	312
Contingent liabilities	(164)	(164)	295	295
	699,645	**699,645**	**64,099**	**64,099**

19. INVESTMENT (OTHER THAN SECURITIES)

	2022 Bank	2022 Group	2021 Bank	2021 Group
Equity investments	766	259	1,766	240
	766	**259**	**1,766**	**240**

20. PROPERTY, PLANT & EQUIPMENT

20.1a Property, plant & equipment – Bank

2022	Plant & machinery GH¢'000	Branch development GH¢'000	Motor vehicles GH¢'000	Furniture & fittings GH¢'000	Office equipment GH¢'000	Computer hardware GH¢'000	Capital work in progress GH¢'000	Land & buildings GH¢'000	Total GH¢'000
Cost									
Balance at 1st January 2022	6,823	14,560	13,395	10,256	24,177	38,913	15,781	196,969	**320,874**
Additions during the year	227	-	5,794	666	5,015	9,385	(7,891)	11,185	**24,381**
Disposals during the year	(117)	-	(291)	(64)	(2,816)	(1,540)	-	(8,651)	**(13,479)**
Balance at 31st December 2022	6,933	14,560	18,898	10,858	26,376	46,758	7,890	199,503	**331,776**
Accumulated depreciation									
Balance at 1st January 2022	5,336	11,736	9,696	8,278	16,130	26,914	-	15,763	**93,853**
Charge for the year	564	663	1,662	908	2,278	6,055	-	3,726	**15,856**
Disposals during the year	(115)		(145)	(62)	(2,738)	(1,540)	-	-	**(4,600)**
Balance at 31st December 2022	5,785	12,399	11,213	9,124	15,670	31,429	-	19,489	**105,109**
Net book value at 31st December 2022	**1,148**	**2,161**	**7,685**	**1,734**	**10,706**	**15,329**	**7,890**	**180,014**	**226,667**

2021	Plant & machinery GH¢'000	Branch development GH¢'000	Motor vehicles GH¢'000	Furniture & fittings GH¢'000	Office equipment GH¢'000	Computer hardware GH¢'000	Capital work in progress GH¢'000	Land & buildings GH¢'000	Total GH¢'000
Cost									
Balance at 1st January 2021	6,724	14,325	13,159	9,841	22,782	34,378	13,733	199,769	**314,711**
Additions during the year	99	241	1,154	526	1,949	4,535	2,048	50	**10,602**
Disposals during the year	-	(6)	(918)	(111)	(554)	-	-	(2,850)	**(4,439)**
Balance at 31st December 2021	6,823	14,560	13,395	10,256	24,177	38,913	15,781	196,969	**320,874**
Accumulated depreciation									
Balance at 1st January 2021	4,711	11,034	8,877	7,325	14,602	21,512	-	12,326	**80,387**
Charge for the year	625	708	1,498	1,055	2,034	5,402	-	3,793	**15,115**
Disposals during the year	-	(6)	(679)	(102)	(506)	-	-	(356)	**(1,649)**
Balance at 31st December 2021	5,336	11,736	9,696	8,278	16,130	26,914	-	15,763	**93,853**
Net book value at 31st December 2021	**1,487**	**2,824**	**3,699**	**1,978**	**8,047**	**11,999**	**15,781**	**181,206**	**227,021**

20. PROPERTY, PLANT & EQUIPMENT

20.1b Property, plant & equipment – Group

2022	Plant & machinery GH¢'000	Branch development GH¢'000	Motor vehicles GH¢'000	Furniture & fittings GH¢'000	Office equipment GH¢'000	Computer hardware GH¢'000	Capital work in progress GH¢'000	Land & buildings GH¢'000	Total GH¢'000
Cost									
Balance at 1st January 2022	6,823	14,560	13,559	10,290	24,210	38,975	15,781	196,969	**321,167**
Additions during the year	227	-	5,797	731	5,012	9,480	(7,891)	11,185	**24,541**
Disposals during the year	(117)	-	(291)	(64)	(2,816)	(1,540)	-	(8,651)	**(13,479)**
Balance at 31st December 2022	6,933	14,560	19,065	10,957	26,406	46,915	7,890	199,503	**332,229**
Accumulated depreciation									
Balance at 1st January 2022	5,337	11,736	9,741	8,305	16,148	26,980	-	15,763	**94,010**
Charge for the year	564	663	1,694	913	2,281	6,060	-	3,726	**15,901**
Disposals during the year	(115)	-	(145)	(62)	(2,738)	(1,540)	-	-	**(4,600)**
Balance at 31st December 2022	5,786	12,399	11,290	9,156	15,691	31,500	-	19,489	**105,311**
Net book value at 31st December 2022	**1,147**	**2,161**	**7,775**	**1,801**	**10,715**	**15,415**	**7,890**	**180,014**	**226,918**

2021	Plant & machinery GH¢'000	Branch development GH¢'000	Motor vehicles GH¢'000	Furniture & fittings GH¢'000	Office equipment GH¢'000	Computer hardware GH¢'000	Capital work in progress GH¢'000	Land & buildings GH¢'000	Total GH¢'000
Cost									
Balance at 1st January 2020	6,724	14,325	13,310	9,875	22,799	34,438	13,733	199,769	**314,973**
Additions during the year	99	241	1,167	526	1,965	4,537	2,048	50	**10,633**
Disposals during the year	-	(6)	(918)	(111)	(554)	-	-	(2,850)	**(4,439)**
Balance at 31st December 2020	6,823	14,560	13,559	10,290	24,210	38,975	15,781	196,969	**321,167**
Accumulated depreciation									
Balance at 1st January 2020	4,712	11,034	8,891	7,347	14,619	21,574	-	12,326	**80,503**
Charge for the year	625	708	1,528	1,060	2,036	5,406	-	3,793	**15,156**
Disposals during the year	-	(6)	(678)	(102)	(507)	-	-	(356)	**(1,649)**
Balance at 31st December 2020	5,337	11,736	9,741	8,305	16,148	26,980	-	15,763	**94,010**
Net book value at 31st December 2021	**1,486**	**2,824**	**3,818**	**1,985**	**8,062**	**11,995**	**15,781**	**181,206**	**227,157**

There was no indication of impairment of property, plant & equipment held by the Bank at 31st December 2022 . None of the property, plant & equipment of the Bank has been pledged as security for liabilities and there were no restrictions on the title of any of the Bank's property, plant & equipment at the reporting date.

20.2 Depreciation and amortisation expense

	2022 Bank GH¢'000	2022 Group GH¢'000	2021 Bank GH¢'000	2021 Group GH¢'000
Property, plant & equipment (Note 20.1)	15,856	15,901	15,115	15,156
Intangible assets (Note 21)	5,376	5,380	5,238	5,258
Right-of-use assets (Note 22)	3,853	3,853	4,200	4,200
	25,085	**25,134**	**24,553**	**24,614**

20.3 Profit/(loss) on disposal of property, plant & equipment

	2022 Bank GH¢'000	2022 Group GH¢'000	2021 Bank GH¢'000	2021 Group GH¢'000
Gross book value	13,479	13,479	4,439	4,439
Accumulated depreciation	(4,602)	(4,602)	(1,649)	(1,649)
Net book value	8,877	8,877	2,790	2,790
Sales proceeds	9,143	9,143	3,047	3,047
Net profit/(loss) on disposal	**266**	**266**	**257**	**257**
Profit on disposal	418	418	475	475
Loss on disposal	(152)	(152)	218	218
Net profit on disposal	**266**	**266**	**257**	**257**

21. INTANGIBLE ASSETS-COMPUTER SOFTWARE

	2022 Bank GH¢'000	2022 Group GH¢'000	2021 Bank GH¢'000	2021 Group GH¢'000
Cost				
At 1st January	40,691	40,871	38,195	38,375
Additions	4,010	4,020	2,496	2,496
At 31st December	**44,701**	**44,891**	**40,691**	**40,871**
Accumulated amortisation				
At 1st January	28,927	29,086	23,689	23,828
Amortisation	5,376	5,380	5,238	5,258
At 31st December	34,303	34,466	28,927	29,086
Carrying amount at 31st December	**10,398**	**10,425**	**11,764**	**11,785**

22. RIGHT-OF-USE ASSETS

	2022 Bank GH¢'000	2022 Group GH¢'000	2021 Bank GH¢'000	2021 Group GH¢'000
Buildings	11,942	11,942	9,688	9,688
The movement in right-of-use assets is as follows:				
Cost				
1st January	20,074	20,074	19,075	19,075
Additions	7,475	7,475	2,428	2,428
Derecognition	(3,600)	(3,600)	(1,429)	(1,429)
	23,949	23,949	20,074	20,074
Amortization				
1st January	10,386	10,386	6,470	6,470
Amortization charge	3,853	3,853	4,200	4,200
Derecognition	(2,232)	(2,232)	(284)	(284)
	12,007	12,007	10,386	10,386
Net book value	**11,942**	**11,942**	**9,688**	**9,688**

23. DEFERRED TAX

	2022 Asset GH¢'000	2022 Liabilities GH¢'000	2022 Net GH¢'000	2021 Asset GH¢'000	2021 Liabilities GH¢'000	2021 Net GH¢'000
Bank						
PPE and intangibles	-	(17,953)	(17,953)	-	(14,841)	(14,841)
Allowances for loan losses	22,405	-	22,405	23,480	-	23,480
Allowances for bond losses	152,548	-	152,548	-	-	-
	174,953	**(17,953)**	**157,000**	**23,480**	**(14,841)**	**8,639**
Group						
PPE and intangibles	-	(17,966)	(17,966)	-	(14,854)	(14,854)
Allowances for loan losses	22,405	-	22,405	23,480	-	23,480
Allowances for bond losses	152,548	-	152,548	-	-	-
	174,953	**(17,966)**	**156,987**	**23,480**	**(14,854)**	**(8,626)**

Movements in temporary differences during the year

Bank

For the year ended 31st December 2022	Balance January 1st GH¢'000	Recognised in profit or loss GH¢'000	Adjustment GH¢'000	Balance 31st December GH¢'000
PPE and Intangibles	(14,841)	(3,112)	-	(17,953)
Allowances for loan losses	23,480	(1,075)	-	22,405
Allowances for bond losses	-	152,548	-	152,548
	8,639	**148,361**	**-**	**157,000**
For the year ended 31st December 2021				
PPE and intangibles	(13,922)	(919)	-	(14,841)
Allowances for loan losses	7,607	15,873	-	23,480
	(6,315)	**14,954**	**-**	**8,639**

Group

For the year ended 31st December 2022	Balance January 1st GH¢'000	Recognised in profit or loss GH¢'000	Adjustment GH¢'000	Balance 31st December GH¢'000
PPE and intangibles	(14,854)	(3,112)	-	(17,966)
Allowances for loan losses	23,480	(1,075)	-	22,405
Allowances for bond losses	-	152,548	-	152,548
	8,626	**148,361**	**-**	**156,987**
For the year ended 31st December 2021				
PPE and intangibles	(13,935)	(919)	-	(14,854)
Allowances for loan losses	7,607	15,873	-	23,480
	(6,328)	**14,954**	**-**	**8,626**

24. OTHER ASSETS

	2022 Bank GH¢'000	2022 Group GH¢'000	2021 Bank GH¢'000	2021 Group GH¢'000
Accounts receivable and prepayments	87,365	87,595	28,709	30,280
Tradable assets	23,060	23,060	12,700	12,700
Other	4,805	4,443	5,534	4,392
	115,230	**115,098**	**46,943**	**47,372**

25. DEPOSITS FROM BANKS

	2022 Bank GH¢'000	2022 Group GH¢'000	2021 Bank GH¢'000	2021 Group GH¢'000
Financial institutions	6,225	6,225	11,600	11,600
	6,225	**6,225**	**11,600**	**11,600**

26. DEPOSITS FROM CUSTOMERS

26.1 Deposit from customers by segment:

	2022 Bank GH¢'000	2022 Group GH¢'000	2021 Bank GH¢'000	2021 Group GH¢'000
Retail customers				
Term deposits	551,244	551,244	512,673	512,673
Current deposits	1,024,147	1,024,147	794,680	794,680
	1,575,391	1,575,391	1,307,353	1,307,353
Corporate & commercial customers:				
Term deposits	409,908	409,908	468,339	468,103
Current deposits	1,389,749	1,386,760	1,076,776	1,073,098
	1,799,657	1,796,668	1,545,115	1,541,201
	3,375,048	**3,372,059**	**2,852,468**	**2,848,554**

26.2 Deposits from customers by type

	2022 Bank GH¢'000	2022 Group GH¢'000	2021 Bank GH¢'000	2021 Group GH¢'000
Current account	1,203,323	1,200,334	941,204	937,526
Savings account	836,993	836,993	639,654	639,654
Time deposit	961,152	961,152	981,012	980,776
Call deposit	373,580	373,580	290,598	290,598
	3,375,048	**3,372,059**	**2,852,468**	**2,848,554**

27.1 Borrowings

	2022 Bank GH¢'000	2022 Group GH¢'000	2021 Bank GH¢'000	2021 Group GH¢'000
Overnight borrowings	206,761	206,761	116,225	116,225
Repurchase agreements	1,102,891	1,102,891	551,846	551,846
Preference share capital	97	97	94	94
	1,309,749	**1,309,749**	**668,165**	**668,165**

27.2 Other liabilities

	2022 Bank GH¢'000	2022 Group GH¢'000	2021 Bank GH¢'000	2021 Group GH¢'000
Short term employee benefits	3,922	3,922	4,932	4,932
Creditors and accruals	134,898	140,219	87,761	95,730
Other	5,023	5,023	14,622	14,622
	143,843	**149,164**	**107,315**	**115,284**

PRUDENTIAL BANK

28. LEASE LIABILITIES

	2022		2021	
	Bank GH¢'000	Group GH¢'000	Bank GH¢'000	Group GH¢'000
Lease liabilities	**2,505**	**2,505**	**3,403**	**3,403**
The movement in lease liabilities is as follow:				
Balance at 1st January	3,403	3,403	6,625	6,625
Additions	837	837	1,538	1,538
Interest expense (finance cost)	179	179	255	255
Lease payments	(2,133)	(2,133)	(3,901)	(3,901)
Derecognition of lease	(148)	(148)	(1,188)	(1,188)
Exchange loss	367	367	74	74
	2,505	**2,505**	**3,403**	**3,403**

29. CAPITAL AND RESERVES

29.1 Stated capital

	2022		2021	
	No. of shares	Proceeds	No. of shares	Proceeds
Authorised				
Ordinary shares of no-par value	1,000,000,000		1,000,000,000	
Issued and fully paid-up capital:				
Issued for cash consideration	724,832	358,451	724,832	358,451
Issued for consideration other than cash	3,075	30	3,075	30
Capitalization issued	155,300	43,950	155,300	43,950
	883,207	**402,431**	**883,207**	**402,431**

There is no unpaid liability on any ordinary shares and there are no calls or instalments unpaid at 31st December 2022. There were no shares held in treasury at the year end. (2021: Nil)

29.2 Retained earnings

This represents the retained cumulative profits that are available for distribution to shareholders.

29.3. Statutory reserve

This reserve represents amounts set aside as a non distributable reserve from annual profits in accordance with Section 34 of the Banks and Specialised Deposit Taking Institutions Act, 2019 (Act 930) and guidelines from the Central Bank. There was no transfer to the fund in 2022 (2021: GH¢43,148,000). The cumulative balance on the statutory reserve fund at the year end is GH¢115,447,000 (2021: GH¢115,447,000).

29.4. Revaluation reserve

The revaluation reserve resulted from revaluation of lands and buildings which was carried out in 2018.

29.5 Credit risk reserve

To cater for any shortfall between the Bank of Ghana's credit loss provision requirement and loans and advances impairment based on IFRS principles, a charge or credit is made to retained earnings in respect of the difference required to adjust the cumulative provision to the level required under the Bank of Ghana regulations and IFRS 9 *Financial Instruments.*

	2022	2021
IFRS Impairment	468,776	185,960
Bank of Ghana provisions	(274,354)	(238,401)
Total	**194,422**	**(52,441)**

An amount of GH¢141,981,000 was posted to the credit risk reserve for the year (2021: GH¢13,631,000)

Credit risk reserve is not available for distribution as dividend and inclusion in the adjusted capital base for purposes of capital adequacy ratio (CAR) computation.

30. DIVIDENDS

The Directors do not recommend the payment of dividend for the year ended 31st December 2022. The Bank paid a dividend of GH¢15,000,000 in respect of 2021 financial year.

31. CASH USED IN OPERATIONS

	2022		2021	
	Bank GH¢'000	Group GH¢'000	Bank GH¢'000	Group GH¢'000
Profit/(loss) for the year	**(438,060)**	**(437,634)**	**136,259**	**136,906**
Adjustments for:				
Net interest income	(386,527)	(385,241)	(343,994)	(341,160)
Depreciation and amortization	25,085	25,134	24,553	24,614
Impairment on financial assets	699,645	699,645	64,099	64,099
Net (profit)/loss on disposal of property, plant & equipment	(266)	(266)	(257)	(257)
Interest expense on lease	179	179	255	255
Exchange loss on lease	367	367	74	74
(Gain)/Loss on derecognition of lease	-	-	(43)	(43)
Change in Investment other than Securities	1,000	(19)	-	13
Change in loans and advances to customers	(281,409)	(282,408)	144,742	142,442
Change in other assets	(68,287)	(67,726)	(3,947)	(830)
Change in deposits from banks	(5,375)	(5,375)	1,447	1,447
Change in deposits from customers	522,580	523,505	391,926	390,114
Change in other liabilities	36,692	34,044	19,470	25,055
Interest received	744,933	743,487	583,637	580,766
Interest paid	(363,822)	(363,822)	(239,643)	(239,606)
Cash from/(used in) operations	**486,735**	**483,870**	**778,578**	**783,889**

32. CONTINGENCIES AND COMMITMENTS

The Bank conducts business involving acceptances, performance bonds and indemnities. The majority of these facilities are offset by corresponding obligations of third parties. Contingent liabilities and commitments comprise acceptances, guarantees and letters of credit.

32.1 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 transaction 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:

	2022 GH¢'000	2021 GH¢'000
Bonds and guarantees	106,015	145,187
Letters of credit and other documentary credits	135,523	129,267
	241,538	**274,454**

32.2 Commitments for capital expenditure

At 31st December 2022, the Bank had commitments for capital expenditure of GH¢1.3 million (2021: GH¢1.8 million).

33. RELATED PARTIES

Parties are 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 Board, key management personnel and the close members of their family.

33.1 Directors' emoluments

Remuneration paid to non-executive directors in the form of fees, allowances and related expenses are disclosed in Note 12.

33.2 Key management compensation

Key management personnel are defined as persons having authority and responsibility for planning, directing and controlling the activities of Prudential Bank LTD.

	2022 GH¢'000	2021 GH¢'000
Short-term employee benefits	11,516	9,357
Board of directors' emolument	4,671	3,831
	16,187	**13,188**

The Group does not have any share option policy in place for its executive officers.

33.2.1 Transactions with key management personnel

Loans include mortgage loans and personal loans. Loans granted to employees and executive directors are granted at concessionary rates of 7%-8%. No specific impairments have been recognised in respect of loans granted to key management at the reporting date (2021: Nil).

The mortgage and secured loans granted are secured over properties of the respective borrowers.

No impairment losses have been recorded against balances outstanding during the period with key management personnel, and no specific allowance has been made for impairment losses on balances with key management personnel and their immediate relatives at the year end.

	2022		2021	
	Maximum balance GH¢'000	**Closing balance GH¢'000**	**Maximum balance GH¢'000**	**Closing balance GH¢'000**
Mortgage lending and other secured loans	3,308	3,237	2,473	2,354
Other loans	987	707	1,313	1,260
	4,295	**3,944**	**3,786**	**3,614**

33.2.2 Loans and advances to employees

	2022 GH¢'000	**2021 GH¢'000**
Balance at 1st January	66,232	45,535
Loans advanced during the year	32,771	35,626
Loans repayments received	(16,700)	(14,929)
Balance at 31st December	**82,303**	**66,232**

Interest earned on staff loans during the year amounted to GH¢4,952,000 (2021: GH¢4,006,000)

33.2.3 Loans and advances to directors and their associates

The Group has entered into transactions with its directors and their associates, associate companies or directors as follows:

	2022 GH¢'000	**2021 GH¢'000**
Gross amount at 1st January	94	168
Repayments	(69)	(74)
Balance at 31st December	**25**	**94**

Included in loans is GH¢ Nil (2021: GH¢ Nil) advanced to companies in which some of the members of the Board of Directors have interest.

Included in deposits is approximately GH¢2,900,000 (2020: GH¢3,900,000) due to subsidiary companies. Interest paid on these deposits during the year amounted to GH¢0.00 (2021: GH¢37,573).

PRUDENTIAL BANK

34. GROUP ENTITIES

Significant subsidiaries of the Bank	Country of incorporation	Ownership interest	
		2022	**2021**
Prudential Securities LTD	Ghana	100%	100%
Prudential Stockbrokers LTD	Ghana	–	100%

The Bank has disposed-off its 100% stake in Prudential Stockbrokers LTD.

35. SUBSEQUENT EVENTS

Events after the reporting date are reflected in the financial statements only to the extent that they relate to the year under consideration and the effect is material.

On 5th December 2022, the Government of Ghana launched the Domestic Debt Exchange Programme (DDEP) for a voluntary exchange of holdings of domestic notes and bonds, including E.S.L.A. and Daakye bonds ("Old Bonds") but excluding Treasury bills, for a package of new bonds at reduced coupon and extended tenor by the Republic. The programme was eventually implemented in February 2023 but had a significant impact on the Bank's 2022 year-end financials. The Bank had to impair its long-term investment securities of GH¢2.2 billion by classifying it as a Stage 3 impaired asset with an Expected Credit Loss (ECL) of GH¢610 million as shown under note 18.

36. LIST OF SHAREHOLDERS

The shareholders of the Bank are:

		No. of Shares	Percentage
1.	Ghana Amalgamated Trust	415,107,406	47.00%
2.	Frank Owusu	151,006,472	17.10%
3.	J.S. Addo Consultants Limited	76,208,525	8.63%
4.	Trustees of PBL Staff Provident Fund	57,148,541	6.47%
5.	Akwasi Aboagye Atuah	38,254,761	4.33%
6.	Ghana Union Assurance Co. Limited	37,510,676	4.25%
7.	Stephen Sekyere-Abankwa	32,296,178	3.66%
8.	Nortey Kwashie Omaboe	32,030,000	3.63%
9.	Kofi O. Esson	18,482,248	2.09%
10.	NTHC Brokerage Services Limited	14,560,000	1.65%
11.	John Kpakpo Addo	7,281,000	0.82%
12.	Nana Agyei Duku	3,321,440	0.38%
	Total	**883,207,247**	**100.00%**

37. VALUE ADDED STATEMENT

	2022		2021	
	Bank GH¢'000	Group GH¢'000	Bank GH¢'000	Group GH¢'000
Interest earned and other operating income	847,445	846,159	658,248	655,377
Direct cost of services	(477,347)	(477,651)	(323,600)	(324,222)
Value added by banking services	370,098	368,508	334,648	331,155
Non-banking income	80,235	83,087	38,371	43,476
Impairments	(699,645)	(699,645)	(64,099)	(64,099)
Value added	**(249,312)**	**(248,050)**	**308,920**	**310,532**
Distributed as follows:				
To Employees and Board of Directors:				
Directors (Executive and non-executive)	(5,934)	(6,025)	(5,039)	(5,039)
Other employees	(157,729)	(158,425)	(143,069)	(143,973)
To Government:				
Income tax	81,004	80,776	(49,963)	(50,152)
To providers of capital:				
Dividends to shareholders	(15,000)	(15,000)	-	-
To expansion and growth:				
Depreciation and Amortisation	(25,085)	(25,134)	(24,553)	(24,614)
Retained earnings	**(372,056)**	**(371,858)**	**86,296**	**86,754**

2022 ANNUAL REPORT

SUSTAINABILITY AND CSR

- Sustainability report
- CSR report

PRUDENTIAL BANK
...Truly dependable

PRUDENTIAL BANK

SUSTAINABILITY

Our Journey towards sustainable banking....

Introduction

Our vision is to be a successful indigenous and the preferred bank in Ghana offering the most remunerative banking services to the public. This remains our ultimate drive to ensuring that our business of banking is done in a sustainable and responsible manner.

As a result, we have embarked on a journey of sustainability which is driven by our commitment to advance solutions that focus on achieving the Global Sustainable Development Goals (SDGs), the Paris Agreement on climate change as well as the Ghana Sustainable Banking Principles (GSBP). As a customer-focused and results oriented financial institution, recognizing the need for urgent action, we have set out our strategy to enable us achieve effective banking through sustainable operations.

Our general sustainability policy which expresses the Bank's commitment to sustainability stewardship was approved by the Board in December, 2022.

Our Approach

Our approach is to structurally manage Environmental and Social (E&S) risks associated with our lending activities whilst guiding our customers through our sustainability journey. Internally, we seek to reduce our carbon footprint through resource efficient and cost-effective measures without compromising our mandate of providing services to our customers at optimum levels. For us, we believe we exist only because our customers exist hence, our commitment towards ensuring equal opportunity for all. We continue to attract and recruit talents through an institutional-based approach which takes into consideration gender, diversity and inclusion. Our aim is to ensure service delivery to the current generation without compromising the ability of the future generation to also benefit from same.

Our Commitment

We are committed to the Global Sustainable Development Goals (SDGs) and thus, the United Nations 2030 Agenda for Sustainable Development, the Paris Accord as well as globally recognized Environmental, Social and Governance (ESG) practices. As a signatory to the Ghana Sustainable Banking Principles (GSBP), we are taking steps to implement in a progressive manner the tenets of sustainability enshrined in the GSBP established by the Bank of Ghana as indicated below;

PRINCIPLE 1	Identify, measure and monitor E&S risks in our business activities
PRINCIPLE 2	Promote good ESG practices in banks' internal operations
PRINCIPLE 3	Promote good corporate governance and ethical standards
PRINCIPLE 4	Promote gender equality
PRINCIPLE 5	Promote financial inclusion
PRINCIPLE 6	Promote resource efficiency and sustainable consumption and production
PRINCIPLE 7	Report on compliance

PRUDENTIAL BANK

Mapping our actions with the Ghana Sustainable Banking Principles

The table below indicates our approach towards achieving a successful implementation of the tenets of Sustainable Banking in Ghana.

Principle	Indicator– Ghana Sustainable Banking Principles (GSBP)	PBL's approach towards implementing the GSBP
1	Identify, measure and monitor E&S risks in our business activities	Our objective is to develop a comprehensive programme aimed at integrating Environmental and Social (E&S) risk assessment into our credit appraisal process. The purpose is to enable us identify, minimize and manage environmental and social risks associated with our lending activities while guiding our customers to adopt good environmental and social practices as part of their operations. By this, we have set out guidelines on E&S risk management (approved by the Board) as part of our broader sustainability framework via internal inclusivity and the support of executive management.
2	Promote good environmental, social and governance practices in banks' internal business operations	Our intent is to reduce our Internal carbon footprint and ensure cost savings throughout our business operations by adopting energy-efficient measures and exploring the use of clean/renewable energy. We do intend to guide our customers whose activities result in carbon emissions to transition to low or zero carbon emission methods. We do acknowledge that our business operations exist in a continent that is most vulnerable to climate change. Therefore, our strategy that is adopted towards carbon footprint reduction will not only contribute to the sustainability of our business but also contribute towards the global targets set towards reduction in carbon emissions as part of Goal 13 (i.e. Climate Action Goal) of the SDGs by 2030.
3	Promote good corporate governance and ethical standards	We seek to pursue business opportunities while ensuring accountability and ethical integrity, implying that we do understand the need to build and maintain better governance structures that support sustainable value creation for our business. On the credit side, we believe that good governance practices are a primary objective for responsible investing. Hence, we will continue to adopt measures in line with our sustainability agenda to refrain from doing business with entities that engage in unethical practices in their business operations.

4	Promote financial Inclusion	Our resolve is to make our services accessible, affordable and readily available to everyone regardless of the socio-economic barriers that may exist. Through innovative financing and business models which reflects our vision with a primary focus on providing banking services to the "unbanked" and "under banked" we will be able to achieve this objective.
5	Promote gender equality	To successfully implement this principle, we are taking steps to ensure that our business is well-positioned to meet the growing societal demand for gender-smart solutions. Our business operations and financing decisions consider the risks and opportunities associated with gender equality as well as diversity in the context of sustainability.
6	Promote resource efficiency and sustainable consumption and production	Our objective is to ensure that our business operations as well as our client's activities contribute towards achieving a circular economy. By this, we want to focus on managing our internal resources efficiently while at the same time ensuring cost savings which will translate into revenue generation for our business. Cost management and resource conservation remains key to our business. Therefore, we will create bank-wide awareness of measures to be adopted towards reduction in energy usage, water consumption and waste management. We do intend to carry our customers along with us on this journey.
7	Report on compliance	Transparency through disclosure. Reporting remains critical to us as it enhances market integrity and informs our performance and impact of decisions (i.e. both operational and financial) on sustainability. As a signatory to the GSBP, we are focused on ensuring that our business operations meet all requirements of the GSBP specifically, Principle 7 on reporting. We are also working with the Central Bank through its reporting requirements to ensure compliance.

PRUDENTIAL BANK

CORPORATE SOCIAL RESPONSIBILITY REPORT

Introduction

The core values of Prudential Bank place emphasis on corporate social responsibility, and as a result, PBL is committed to giving back to society to enhance people's quality of life. As a socially responsible organization, PBL recognizes the need to contribute its quota toward the socio-economic development of society, with the ultimate goal of creating value for all its stakeholders. The Bank's CSR initiatives for year 2022 targeted education, health, culture and environment, among others.

Education

The Bank supported the University of Cape Coast scholarship fund, 60th anniversary research laboratory and Design Thinking and Innovation Hub in various amounts.

For the fourth consecutive time, the Bank collaborated with the Ministry of Education and National Teaching Council/Ghana Education Service to award the first runner-up for the 2022 Ghana Teacher Prize with a brand-new Nissan Navara. Additionally, PBL donated computers and cash to the Daughters of the Most Holy Trinity, which was used for the renovation of the NGO's Blessed Trinity Leadership Academy. The Bank also provided support to the following educational institutions for various projects: Valley View University, Pentecost University, Sunyani Technical University, University of Energy & Natural Resources, Wesley College of Education, Adventure Bay International and many others.

Health

The Bank donated to Noguchi Memorial Institute towards their annual medical research conference and other associated projects.

Culture

As an indigenous bank that values culture and traditions, PBL supported a number of festivals, including the Akuapem Gyaseman Odwira Festival 2022, Oguaa Fetu Festival 2022, Azogli Te Za (Yam Festival) and the Adabraka Atukpai (Otuopai) Homowo celebrations. The Bank contributed towards the maiden Adaekese Project and the Eid-ul-Fitr celebration organized by the Chief of Zongo Palace.

Environment

The Bank continued to partner the Ministry of Lands and Natural Resources and Forestry Commission to embark on the annual Green Ghana Project. The Bank also donated wheelbarrows to the Cape Coast Metropolitan Assembly in support of their clean-up exercise.

Others

Other CSR activities carried out include supporting the Junior Golf Championship, the Sound Art Exhibition organized by Ghana Export Promotion Authority, purchasing of white canes for the Ghana Blind Union, donations in cash and kind to Paidia Evangelism Ministry (street children/orphanage support project), as well as the Village of Hope Orphanage.

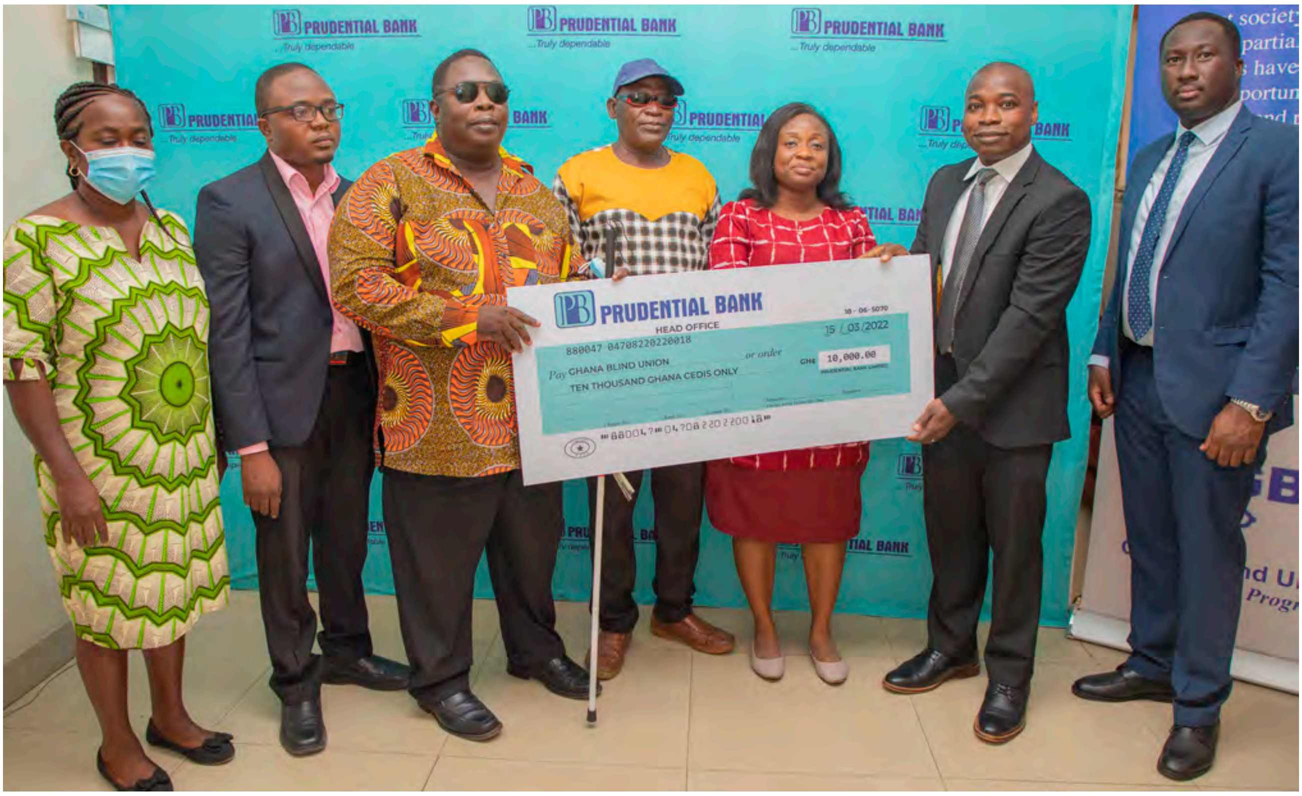
Conclusion

The Bank contributed a total of GH¢1.3 million in 2022 towards corporate social responsibility under the thematic areas mentioned and remains committed to embarking on more social intervention initiatives to improve the quality of lives.

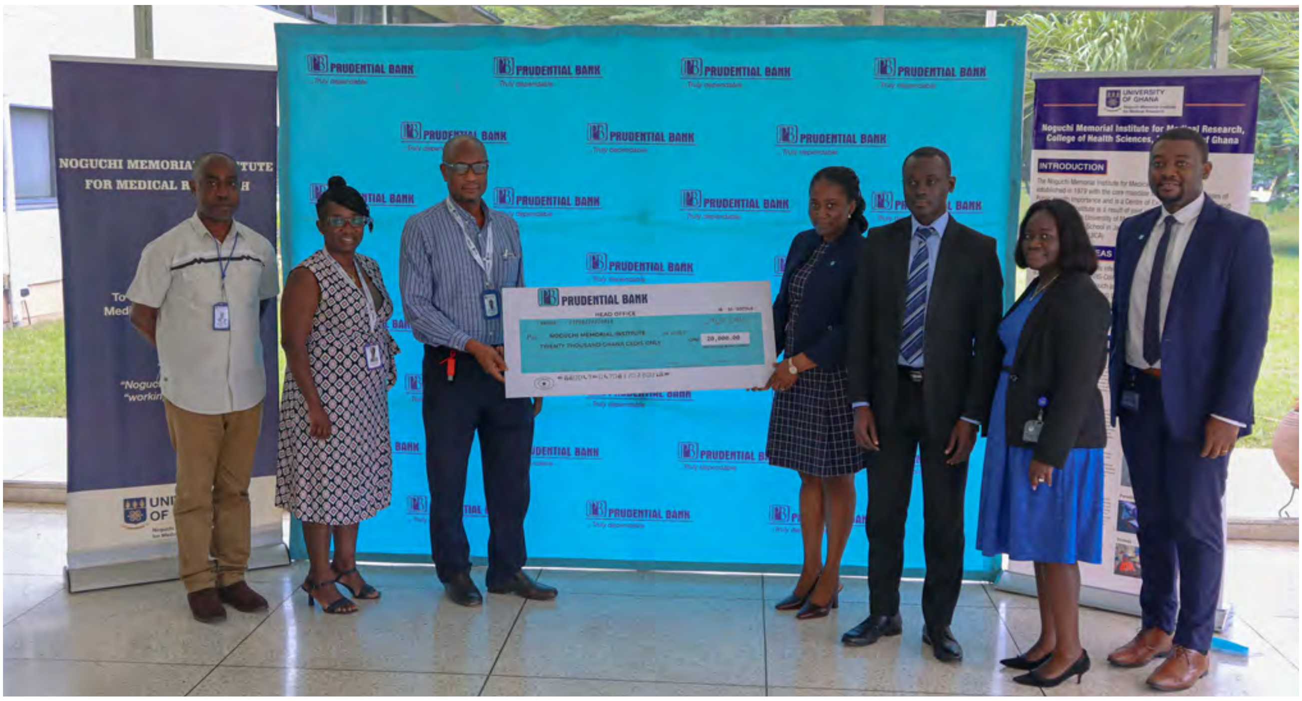
PRUDENTIAL BANK

STAFF OF PBL ENGAGED IN TREE-PLANTING DURING THE 2022 GREEN GHANA DAY

DONATION TO THE GHANA BLIND UNION



DONATION TO NOGUCHI MEMORIAL INSTITUTE FOR MEDICAL RESEARCH



DONATION TOWARDS RAMADAN

PBL DONATES TO CHILDREN OF KANDA CLUSTER OF BASIC SCHOOLS DURING NATIONAL CHOCOLATE DAY

2022 ANNUAL REPORT

BRANCH & ATM LOCATIONS

PRUDENTIAL BANK

...Truly dependable

PRUDENTIAL BANK

Branch & ATM locations and addresses

GREATER ACCRA REGION

37 GOIL FILLING STATION ATM	**ABEKA BRANCH (ATM)**	**ABELEMKPE ATM**	**ABOSSEY OKAI BRANCH (ATM)**	**ACCRA BRANCH (ATM)**
Near 37 Military Hospital	Apugu Tower Abeka Lapaz, Accra GPS: GA-392-9799 Telephone: 233-302-220919 233-302-220920 233-540-106755/6 Email: akb.branch@Prudentialbank.com.gh	Allied Heights Allied Oil Fuel Station	Cap & May House Ring Road West, Accra GPS: GA-216-7769 Telephone:233-302-669107/8 233-302-669944 233-540-106765/6 Email: aob.branch@Prudentialbank.com.gh	Swanzy Shopping Arcade (Formerly Kingsway Building) GPS: GA-105-9208 Telephone:233-302-671943--5 233-540-106730/1 Email: bg.branch@Prudentialbank.com.gh
ADENTAN BRANCH (ATM) 4A Lami Dwaahe Street	**AIRPORT CITY BRANCH (ATM)**	**BAWALESHIE ATM**	**CANTONMENTS BRANCH (ATM)**	**EAST LEGON BRANCH (ATM)**
Housing Estate Road Adentan Housing Estate GPS: GD-003-1107 Telephone:233-302-501346/7 233-540-106732/3 Email: adt.branch@Prudentialbank.com.gh	AIRPORT CITY BRANCH (ATM) Ground Floor Una Home, Airport GPS: GL-126-8293 Telephone: 233-302-799270/1 233-552-711908 233-552-711980 Email: acb.branch@Prudentialbank.com.gh	Near East Legon Hisense Opposite Melcom Shop	Ground Floor Ghana Free Zones Authority Building Cantonments, Accra GPS: GL-140-1934 Telephone:233-302-792058 233-302-792030 233-302-792825 Email: ctb.branch@Prudentialbank.com.gh	No.2 Lyndy Street Near American House East Legon, Accra GPS: GD-209-9161 Telephone:233-540-109480/1 Email: elb.branch@Prudentialbank.com.gh
GICEL BRANCH (ATM)	**HAATSO BRANCH (ATM)**	**MADINA BRANCH (ATM)**	**MAKOLA BRANCH**	**MATAHEKO BRANCH (ATM)**
Gicel Estates Weija, Accra GPS: GS-0096-0363 Telephone:233-302-850174--6 233-540-109478/9 Email: gb.branch@Prudentialbank.com.gh	Ground Floor, Haatso Plaza Adjacent Haatso Station Haatso, Accra GPS: GE-297-4538 Telephone:233-302-556010--3 233-596-910601/2 233-501-324686 Email: hat.branch@Prudentialbank.com.gh	Albert House Zongo Junction, Madina GPS: GM-017-5175 Telephone:233-302-511111/2 233-540-111719/20 233-577-986039 Email: mab.branch@Prudentialbank.com.gh	31st December Market Makola, Accra GPS: GA-142-8718 Telephone:233-302-661659/95 233-302-677837 233-540-116535/106754 Email: mkb.branch@Prudentialbank.com.gh	No. B439/15 The Ground Floor, IRS Building Mataheko Accra GPS: GA-471-1890 Telephone:233-302-313470 233-302-308355 233-540-106761/2 Email: mhb.branch@Prudentialbank.com.gh
METHODIST UNIVERSITY COLLEGE AGENCY (ATM)	**NUNGUA BRANCH (ATM)**	**ODORKOR BRANCH (ATM)**	**OKAISHIE BRANCH (ATM)**	**OSU GOIL FILLING STATION ATM**
Methodist University College Campus Dansoman, Accra GPS: GA-504-8007 Telephone:233-302-302484/5 Email: mua.agency@Prudentialbank.com.gh	Unnumbered Property Nungua Sokpoti Adjacent Electricity Company of Ghana Nungua Office, Accra GPS: GZ-023-1643 Telephone:233-302-719369/719466 233-243-400270/1 Email: ngb.branch@Prudentialbank.com.gh	Off Accra-Winneba Road Odorkor Traffic Light, Accra GPS: GA-532-4228 Telephone:233-302-311710/12/21 233-540-109482 233-263-778526 Email: odb.branch@Prudentialbank.com.gh	No. 657/4, Knustford Avenue Okaishie, Accra GPS: GA-141-3370 Telephone:233-302-664144 233-263-778526 Email: okb.branch@Prudentialbank.com.gh	Opposite the Trust Hospital Oxford Street, Osu-Accra
RING ROAD CENTRAL BRANCH (ATM)	**SPINTEX ROAD BRANCH (ATM)**	**TAIFA BRANCH (ATM)**	**TEMA COMMUNITY ONE BRANCH (ATM)**	**TEMA FISHING HORBOUR BRANCH (ATM)**
(8 John Harmond Street) Ring Road Central, Accra GPS: GA-005-3060 Telephone:233-302-781179 233-302-781207 233-540-111746/7 Email: rrc.branch@Prudentialbank.com.gh	(Adjacent CCTC, Near the Coca-Cola Roundabout) Spintex Road, Accra GPS: GZ-202-4096 Telephone:233-302-813830 233-540-116530/1 Email: srb.branch@Prudentialbank.com.gh	Adjacent Goil Filling Station Taifa Junction Spintex Road, Accra GPS: GE-331-2307 Telephone:233-302-425827 233-544-336754 Email: tfb.branch@Prudentialbank.com.gh	Prudential House, Off Krakue Road, Commercial Area, Tema Community One GPS: GT-021-0112 Telephone:233-303-217160/1/ 233-303-217140 233-540-111717/8 Email: tcb.branch@Prudentialbank.com.gh	Hillpok Yard Tema Fishing Harbour GPS: GT-105-4268 Telephone:233-303-207352/3 233-303-207345/9 233-540-111715/6 Email: tfh.branch@Prudentialbank.com.gh
TESANO BRANCH (ATM)	**UNIVERSITY OF GHANA BRANCH (ATM)**	**VALLEY VIEW UNIVERSITY BRANCH (ATM)**	**WEIJA BRANCH (ATM)**	
No. C111A/19, Nsawam Road, Tesano Near Tesano Police Station GPS: GA-166-8120 Telephone:233-302-258170/258172 233-540-109474/7 Email: tsb.branch@Prudentialbank.com.gh	The Banking Square Opposite All Needs Supermarket GPS: GA-419-6105 Telephone:233-243-900604/5 233-540-109474/7 Email: ugb.branch@Prudentialbank.com.gh	Valley View University Campus, Oyibi GPS: GK-0930-3245 Telephone:233-243-400265/6 233-277-759878 Email: vvb.branch@Prudentialbank.com.gh	Accra-Winneba Road (Opposite Phastor Concrete Works) Weija, Accra GPS: GS-0130-3103 Telephone:233-302-853494/5/7 233-540-106759/60 Email: wb.branch@Prudentialbank.com.gh	

Branch & ATM locations and addresses

ASHANTI REGION

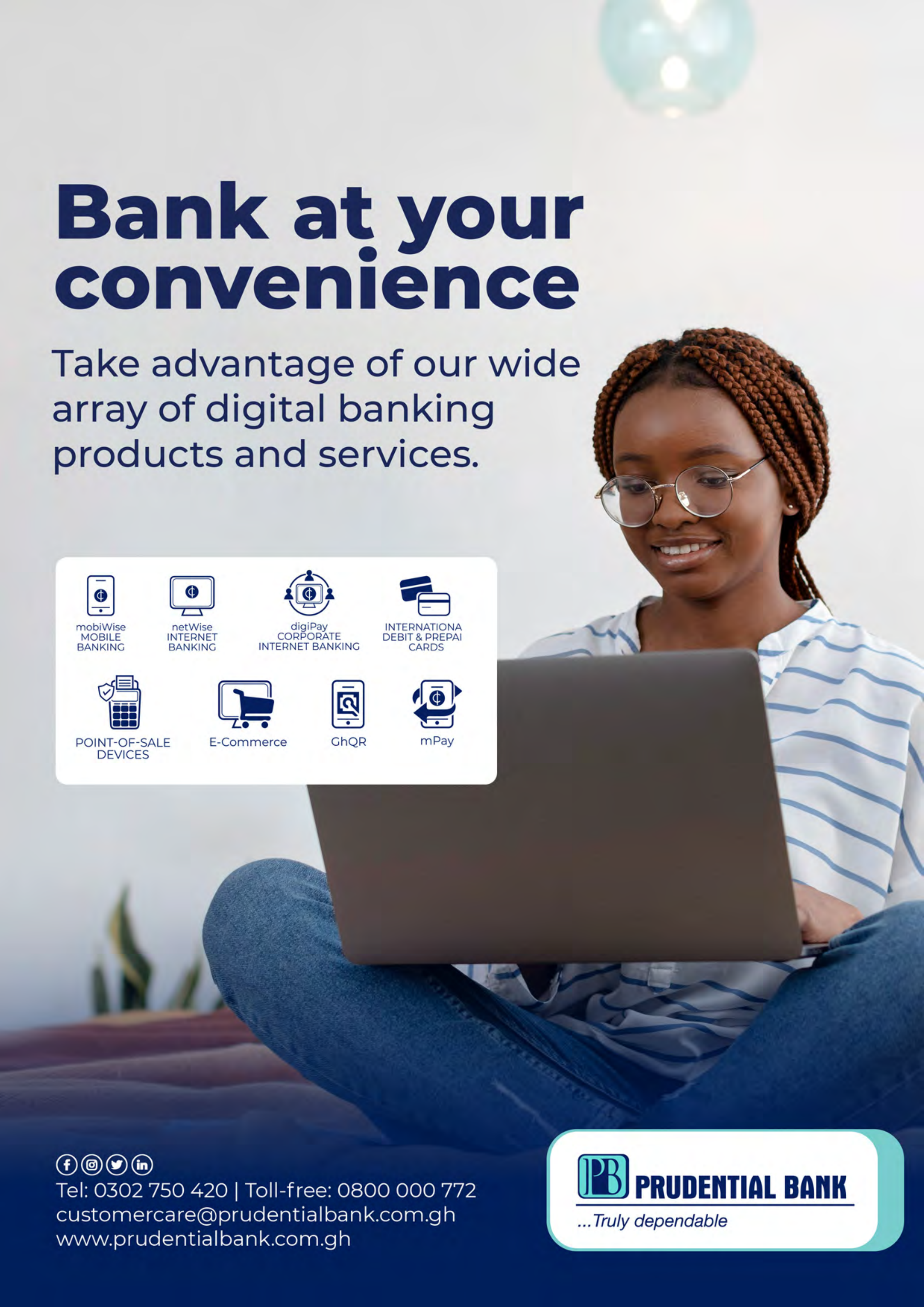
ABOABO BRANCH (ATM)	ADUM BRANCH (ATM)	AFFUL NKWANTA BRANCH (ATM)	ATONSU BRANCH (ATM)	KNUST ATM
Near the Traffic Light, along the Aboabo-Airport Dual Carriageway; Kumasi GPS: AS-098-7530 Telephone:233-3220-98892/3/4 233-540-111721/2 Email: abb.branch@Prudentialbank.com.gh	Prudential Plaza (Formerly Unicorn House) Adum, Kumasi GPS: AK-019-9619 Telephone:233-3220-83807/11/12/16 233-540-111723/4 Email: kab.branch@Prudentialbank.com.gh	Near Kumasi Children's Park GPS: AK-042-2598 Telephone:233-3220-49450/1/2 233-540-106747/8 Email: anb.branch@Prudentialbank.com.gh	91 Block "A" Within Unity Oil Commercial Complex Atonsu GPS: AK-376-0775 Telephone:233-3220-83750/1 233-3220-80441 233-540-106743/4 Email: atb.branch@Prudentialbank.com.gh	Royal Parade Ground KNUST Campus, Kumasi
KUMASI BRANCH (ATM)	**SANTASI ROUNDABOUT BRANCH (ATM)**	**SG MALL ATM**	**SUAME MAAKRO BRANCH (ATM)**	
Cocobod Jubilee House Adum, Kumasi GPS: AK-065-3729 Telephone:233-3220-25667 233-3220-45426/7 233-540-106745/6 Email: kmb.branch@Prudentialbank.com.gh	Unity Oil Filling Station Near Santasi Roundabout GPS: AK-178-8849 Telephone:233-3220-25888 233-544-336750/1 Email: sab.branch@Prudentialbank.com.gh	SG Mall Top High Junction Ayigya, Kumasi	Tarkwa Maakro, New Road Kumasi GPS: AK-11-4326 Telephone:233-3220-46717/27 233-3220-46851 233-540-106740/1 Email: smb.branch@Prudentialbank.com.gh	

CENTRAL REGION

CAPE COAST BRANCH (ATM)	PEDU JUNCTION ATM	SUPERANNUATION ATM	UNIVERSITY OF CAPE COAST AGENCY (ATM)	UNIVERSITY OF CAPE COAST BRANCH (ATM)
Palm House, 101/3 Commercial Street Cape Coast GPS: CC-008-5875 Telephone:233-3321-31575 233-3321-35393 233-540-116532/3 Email: ccb.branch@Prudentialbank.com.gh	Inside the GOIL Filling Station Pedu junction, Cape-Coast	Superannuation Hostel UCC Campus, Cape-Coast	Oye Inn, Behind the Science Block University of Cape Coast GPS: CC-192-1165 Telephone:233-243-400272/3 233-540-110933/110539 Email: uca.agency@Prudentialbank.com.gh	UNIVERSITY OF CAPE COAST BRANCH (ATM) Ground Floor, Old Cafeteria Building University of Cape Coast GPS: CC-143-8135 Telephone:233-3321-36000/1 233-540-110933 233-540-110539 Email: ucb.branch@Prudentialbank.com.gh

OTHER LOCATIONS

TAKORADI HARBOUR BRANCH (ATM)	TAKORADI MARKET CIRCLE BRANCH (ATM)	TECHIMAN BRANCH (ATM)	TAMALE BRANCH (ATM)
Takoradi Harbour Harbour Area GPS: WS-406-0923 Telephone:233-3120-21909 233-3120-21616 233-3120-31717 233-540-106750/1 Email: thb.branch@Prudentialbank.com.gh	62 Liberation Road Market Circle, Takoradi GPS: WS-245-6778 Telephone:233-3120-27415/52/79 233-540-106752 233-540-111749 Email: tmc.branch@Prudentialbank.com.gh	Ground Flooor of House No. 186 Block B, Sector 4S Techiman-Tamale Main Road, Techiman GPS: BT-0003-6743 Telephone:233-3525-22915/6 233-540-106738/9 Email: teb.branch@Prudentialbank.com.gh	Quality First Building (1st Floor) Opposite Main Taxi Rank, Tamale GPS: NT-0000-7121 Telephone:233-3720-27740/1/2 233-540-106734/5 Email: tab.branch@Prudentialbank.com.gh
KOFORIDUA BRANCH (ATM)	**SUNYANI BRANCH (ATM)**		
Property No. OBG 16 Opposite the Jackson Park, Koforidua GPS: EN-010-6747 Telephone:233-33420-23134 233-556-489964/5 Email: kfb.branch@Prudentialbank.com.gh	Plot No. 11, Block 'C' Central Area Sector 2, Near Cocoa House Sunyani GPS: BS-0007- 9117 Telephone:233-3520-22991/3 233-596-913700 233-596-913800 Email: sub.branch@Prudentialbank		



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digiPay CORPORATE INTERNET BANKING
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