



# Annual Report and Financial Statements **2022**

# The Year in Numbers

End-December 2022

Medium-Term Inflation Target

**8±2%**

Headline Inflation

**54.1%**

Monetary Policy Rate

**27%**

Real GDP Growth

**3.1%**

Balance of Payments

**US\$3.6 billion**  
deficit

Gross International Reserves

**2.7 months**  
of import cover

\*Additional data can be found in the Annexes on pages 43 to 52.



BANK OF GHANA

Annual Report  
and Financial Statements  
2022

Prepared and Edited  
By  
The Editorial Committee  
Bank of Ghana

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## MISSION

- To Formulate and Implement Monetary Policy to Attain Price Stability
- To Contribute to the Promotion and Maintenance of Financial Stability
- To Ensure a Sound Banking and Payment System

# Abbreviations

|             |  |         |   |
|-------------|--|---------|---|
| AACB        | Association of African Central Banks   | DEMI    | Dedicated Electronic Money Issuer                                       |
| ACH         | Automated Clearing House   | DMBs    | Deposit Money Banks   |
| ACRA        | African Credit Rating Agency   | DPO     | Development Policy Operations   |
| ACT-A       | Access to COVID-19 Tools Accelerator   | DSSI    | Debt Service Suspension Initiative                                      |
| AE          | Advanced Economies   | E&CP    | Ethics and Compliance Programme   |
| AERC        | African Economic Research Consortium   | ECB     | European Central Bank   |
| AfCFTA      | African Continental Free Trade Area  | eFASS   | Electronic Financial Analysis and Surveillance System                   |
| AfDB        | African Development Bank   | ECF     | Extended Credit Facility  |
| AFI         | Alliance for Financial Inclusion   | ECM     | Enterprise Cash Management  |
| AFRACA      | African Rural and Agricultural Credit Association  | ECOWAS  | Economic Community of West African States                               |
| WACRAT      | West Africa Centre for Rural and Agricultural Training   | EMDEs   | Emerging Markets and Developing Economies                               |
| AFREXIMBANK | African Export-Import Bank   | EMEs    | Emerging Market Economies   |
| AGI         | Association of Ghana Industries  | EMV     | Europay Mastercard and Visa   |
| AMCP        | African Monetary Cooperation Programme   | ERM     | Enterprise Risk Management  |
| AML/CFT     | Anti-Money Laundering/Countering the Financing of Terrorism  | EPSP    | Enhanced Payment Service Provider                                       |
| AML/CFT&P   | Anti-Money Laundering/Countering the Financing of Terrorism and Proliferation of Weapons of Mass Destruction | ESRM    | Environmental and Social Risk Management                                |
| APRM        | African Peer Review Mechanism  | EWP     | Employee Wellbeing Programme  |
| ATMs        | Automated Teller Machines  | FATF    | Financial Action Task Force   |
| AUC         | African Union Commission   | FDI     | Foreign Direct Investment   |
| BCP         | Business Continuity Plan   | FEB     | Foreign Exchange Bureaux  |
| bpd         | Barrels per day  | FHs     | Finance Houses  |
| bps         | Basis points   | FIC     | Financial Intelligence Centre   |
| BoG         | Bank of Ghana  | FICSOC  | Financial Industry Command Security Operations Centre                   |
| BoP         | Balance of Payments  | Fintech | Financial Technology  |
| BSB         | Business Sans Borders  | FIO     | Fintech and Innovation Office   |
| BSSI        | Banking Sector Soundness Index   | FSB     | Financial Stability Board   |
| CAR         | Capital Adequacy Ratio   | FSC     | Financial Stability Council   |
| CBDCs       | Central Bank Digital Currencies  | FSIs    | Financial Soundness Indicators  |
| CBWA        | Central Bank of West Africa  | FSPs    | Financial Service Providers   |
| CCB         | Capital Conservation Buffer  | GAB     | Ghana Association of Bankers  |
| CCC         | Cheque Codeline Clearing   | GACH    | Ghana Automated Clearing House  |
| CET1        | Common Equity Tier 1   | GDP     | Gross Domestic Product  |
| CIEA        | Composite Index of Economic Activity   | GFIM    | Ghana Fixed Income Market   |
| CIR         | Cost-to-Income Ratio   | GFSN    | Global Financial Safety Net   |
| CISD        | Cyber and Information Security Directive   | GhIPSS  | Ghana Interbank Payment and Settlement Systems                          |
| CIT         | Cash-in-Transit  | GIABA   | Inter Governmental Action Group Against Money Laundering in West Africa |
| COCLAB      | Committee for Cooperation between Law Enforcement Agencies and the Banking Community                         | GIP     | GhIPSS Instant Pay  |
| CPI         | Consumer Price Index   | GIR     | Gross International Reserves  |
| CRD         | Capital Requirement Directive  | GIS     | Ghana Interbank Settlement  |
| CRR         | Cash Reserve Ratio   | GoG     | Government of Ghana   |
| CSR         | Corporate Social Responsibility  | GSE     | Ghana Stock Exchange  |
| CSSF        | Community Solidarity Stabilisation Fund  | GSE-CI  | GSE Composite Index   |
| CSWAMZ      | College of Supervisors of the West African Monetary Zone   | GSS     | Ghana Statistical Service   |
| DC          | Development Committee  | ICCOS   | International Commercial Cash Operations Seminar                        |
| DDEP        | Domestic Debt Exchange Programme   | ICRG    | International Co-operation and Review Group                             |
|             |  | ICT     | Information Communication Technology                                    |

|       |  |        |  |
|-------|--|--------|--|
| IFC   | International Finance Corporation                        | PFTSP  | Payment and Financial Technology Service Providers           |
| IFRS  | International Financial Reporting Standards              | PMIs   | Purchasing Managers Index                                    |
| IIF   | Institute of International Finance                       | PMS    | Performance Management System                                |
| IMF   | International Monetary Fund                              | POS    | Point of Sale  |
| IMFC  | International Monetary and Financial Committee           | PPE    | Property, Plant and Equipment                                |
| ISMS  | Information Security Management System                   | ppts   | Percentage Points  |
| ISO   | International Organisation for Standardisation           | PRGT   | Poverty Reduction and Growth Trust                           |
| KYC   | Know Your Customer                                       | PRMA   | Petroleum Revenue Management Act                             |
| LCs   | Leasing Companies  | PSPs   | Payment Service Providers                                    |
| LIIC  | Legal and Institutional Issues Committee                 | PSAC   | Payment Systems Advisory Committee                           |
| MCC   | Microcredit Company                                      | PSIWG  | Payment Systems Integration Working Group                    |
| M2    | Broad Money Supply                                       | RBS    | Risk-Based Supervision                                       |
| M2+   | Broad Money Supply (including foreign currency deposits) | RCBs   | Rural and Community Banks                                    |
| MFIs  | Microfinance Institutions                                | RCF    | Rapid Credit Facility  |
| MISWG | Mobile Integration Strategy Working Group                | RCG    | Regional Consultative Group                                  |
| MoF   | Ministry of Finance                                      | RFI    | Regulated Financial Institutions                             |
| MOU   | Memorandum of Understanding                              | ROA    | Return on Assets   |
| MPC   | Monetary Policy Committee                                | ROE    | Return on Equity   |
| MPR   | Monetary Policy Rate                                     | ROEA   | Return on Earning Assets                                     |
| MPSP  | Medium Payment Service Provider                          | RST    | Resilience and Sustainability Trust                          |
| NBFIs | Non-Bank Financial Institutions                          | RTGS   | Real Time Gross Settlement                                   |
| NDA   | Net Domestic Assets                                      | S&Ls   | Savings & Loans Companies                                    |
| NFA   | Net Foreign Assets                                       | SBPs   | Sustainable Banking Principles                               |
| NFIDS | National Financial Inclusion and Development Strategy    | SDGs   | Sustainable Development Goals                                |
| NIB   | National Investment Bank                                 | SDIs   | Specialised Deposit-Taking Institutions                      |
| NIM   | Net Interest Margin                                      | SDRs   | Special Drawing Rights                                       |
| NIR   | Net International Reserves                               | SEC    | Securities and Exchange Commission                           |
| NIS   | Net Interest Spreads                                     | SLA    | Staff Level Agreement  |
| NITA  | National Information Technology Agency                   | SMEs   | Small and Medium-Sized Enterprises                           |
| NPL   | Non-Performing Loan                                      | SOC    | Security Operation Centre                                    |
| NPO   | Not-for-Profit Organisation                              | SOL    | Single Obligor Limit   |
| NRA   | National Risk Assessment                                 | SOP    | Standard Operating Procedures                                |
| OLEM  | Other Loans Especially Mentioned                         | SSA    | Sub-Saharan Africa   |
| OPEC  | Organisation of Petroleum Exporting Countries            | SSNIT  | Social Security and National Insurance Trust                 |
| ORASS | Online Regulatory Analytics Surveillance System          | SWIFT  | Society for Worldwide Interbank Financial Telecommunication  |
| P&A   | Purchase and Assumption                                  | TF     | Terrorism Financing  |
| PAPSS | Pan African Payments and Settlement System               | TOR    | Terms of Reference   |
|       |  | VMS    | Vault Management Systems                                     |
|       |  | WAIFEM | West African Institute for Financial and Economic Management |
|       |  | WAMA   | West African Monetary Agency                                 |
|       |  | WAMI   | West African Monetary Institute                              |
|       |  | WAMZ   | West African Monetary Zone                                   |
|       |  | WBG    | World Bank Group   |
|       |  | WEO    | World Economic Outlook                                       |



# Foreword

In 2022, the global economy was confronted with significant challenges due to the Russia-Ukraine war, persistent and broadening inflation pressures, volatile commodity prices, economic slowdown in China, series of negative supply shocks, and tight financial conditions. At the beginning of the year, expectations were that the COVID-19 pandemic-induced pent-up demand would be released to boost growth, but the onset of the Russia-Ukraine war introduced new uncertainties, aggravating the existing pandemic-related supply bottlenecks, and challenging the recovery efforts. High inflation, amid tightening global financing conditions, led to a decline in the real incomes of households, cost-of-living crisis, and weighed on growth. In response to the heightened inflationary pressures, most central banks raised their monetary policy rates aggressively. The decisive policy actions resulted in the tightening of global financing conditions, with negative spillovers on capital flows to Emerging Markets and Developing Economies.

On the domestic front, economic growth slowed down to 3.1 per cent in 2022, from 5.1 per cent in 2021, on the back of weakened aggregate demand and supply shocks arising from the lingering effects of the pandemic and geopolitical tensions. Sovereign credit downgrades by rating agencies over fiscal policy implementation and debt sustainability concerns led to loss of access to the international capital market which, together with low domestic revenue mobilisation, negatively impacted government's ability to finance the budget. This prompted the Bank of Ghana to intervene to close the widened financing gap to avert domestic debt default and a full-blown economic crisis.

Despite a healthy trade surplus, the balance of payments recorded a deficit of US\$3.64 billion on account of significant net outflows in the capital and financial account. This led to a drawdown of US\$3.46 billion in Gross International Reserves from US\$9.70 billion at end-December 2021, to US\$6.24 billion at end-December 2022, providing 2.7 months of import cover. The significant drawdown in reserves triggered immense currency pressures and the



Bank responded in an agile manner with the innovative Gold for Reserves and Gold for Oil programmes, as well as a policy to purchase all foreign exchange arising from the voluntary repatriation of export proceeds of mining and oil and gas companies.

On the back of these developments, inflationary pressures heightened, with headline inflation rising to 54.1 per cent in December 2022, from 12.6 per cent in December 2021. To re-anchor inflation expectations and bring inflation back to the medium-term target band of  $8\pm 2$  per cent, the Monetary Policy Committee increased the Monetary Policy Rate cumulatively by 1,250 basis points to 27.0 per cent in 2022. With rising inflation, loss of reserves, slowdown in growth, fiscal policy implementation inertia, and a rapidly depreciating currency, the Government took a decision to approach the International Monetary Fund (IMF) for support. Subsequently, a Staff Level Agreement was reached with the IMF on the key elements of a US\$3.0 billion three-year Extended Credit Facility by mid-December 2022, to restore macroeconomic stability and debt sustainability.

The banking sector remained resilient in the review year despite rising vulnerabilities due to the prevailing macroeconomic challenges and the Government's Domestic Debt Exchange Programme (DDEP). To safeguard stability of the financial sector, the Bank of Ghana offered regulatory reliefs to institutions that voluntarily participated in the DDEP. The reliefs included a reduction in the Capital Adequacy Ratio to 10.0 per cent, from 13.0 per cent, a

reduction in the Common Equity Tier 1 capital ratio to 5.5 per cent, from 6.5 per cent, and an increase in the maximum Tier 2 capital ratio to 3.0 per cent, from 2.0 per cent of total risk-weighted assets. However, banks were directed to restore their minimum paid-up capital by December 2025 to address any capital shortfalls arising solely from derecognition losses associated with the DDEP. In addition to these measures, the Bank committed to monitor developments in the sector and to deploy regulatory and supervisory tools to mitigate any potential DDEP risks.

Overall, total assets of the banking industry grew by 22.9 per cent to GH¢220.90 billion, mainly funded by growth in deposits. Asset quality improved marginally to 15.1 per cent in 2022, reflecting a strong pickup in credit growth, which outpaced the growth in the non-performing loan stock. Liquidity indicators remained sound, with broad and core liquidity measures surpassing historical averages. The industry's Capital Adequacy Ratio stood at 16.6 per cent at end-December 2022. The Bank also strengthened regulation and supervision of banks and enhanced its Online Regulatory Analytic Surveillance System.

The Bank of Ghana incurred a significant loss in 2022 largely as a result of the DDEP. The central bank's holdings of government debt were restructured. Non-marketable holdings of Government of Ghana instruments including long-term stocks, a Covid-19 Bond and overdraft were subjected to a 50 per cent haircut. Bank of Ghana's other claims (holdings of marketable instruments) were exchanged under similar terms as other financial institutions under the DDEP. This led to an impairment of GH¢48.40 billion in 2022. At the same time, the Bank incurred revaluation losses on its foreign assets and liabilities due to exchange rate depreciation. The impairments and revaluation losses led to a negative equity position of GH¢55.12 billion for 2022.

The negative equity position was not the result of sub-optimal policy decisions but emanated from the restructuring of government debt and adverse market movements. This negative equity does not imply loss of

policy effectiveness, and is expected to correct as the economy recovers and foreign reserves build up. Central bank financial independence is key to its effectiveness. The Bank of Ghana will therefore put in place policy measures to restore the equity of the Bank, including:

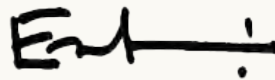
- Retention of profits to rebuild capital;
- Optimisation of the Bank's investment portfolio and operating cost mix to bolster efficiency; and
- An assessment of the potential need for recapitalisation support by the government in the medium-term.

The broad expectation is for steadfast implementation of these policy measures to restore the Bank's equity to positive territories by the end of 2027.

To improve internal operational efficiency, the Bank continued to strengthen staff capacity, information security, risk management, currency management, communication outreach, and economic literacy programmes in the review year. In addition, the Bank undertook various programmes and activities to create a high sense of ethical culture among staff.

The Bank continued to strengthen relations with regional, sub-regional and international financial institutions. It also participated in meetings and facilitated missions of multilateral institutions.

In conclusion, I would like to express my profound gratitude to the Board of Directors, the Monetary Policy Committee, Management, and Staff of the Bank for their continued support and hard work during a very challenging year. I believe that with our collective commitment, there is every reason to be optimistic as we forge ahead in pursuit of the Bank's mandate.



Dr. Ernest K.Y. Addison  
Governor, Bank of Ghana

# Board Members



Dr. Maxwell Opoku-Afari  
Executive Director, First Deputy Governor



Dr. Ernest K. Y. Addison  
Chairman, Governor



Mrs. Elsie Addo Awadzi  
Executive Director, Second Deputy Governor



Mr. Charles Adu Boahen\*  
Non-Executive Director



Mr. Joseph Blignam Alhassan  
Non-Executive Director



Dr. Samuel Nii-Noi Ashong  
Non-Executive Director



Dr. Kwame Nyantekyi-Owusu  
Non-Executive Director



Mrs. Comfort F. A. Ocran  
Non-Executive Director



Mr. Andrew A. Boye-Doe  
Non-Executive Director



Mr. Jude Kofi Bucknor  
Non-Executive Director



Prof. Eric Osei-Assibey  
Non-Executive Director



Ms. Angela Kyerematen-Jimoh  
Non-Executive Director



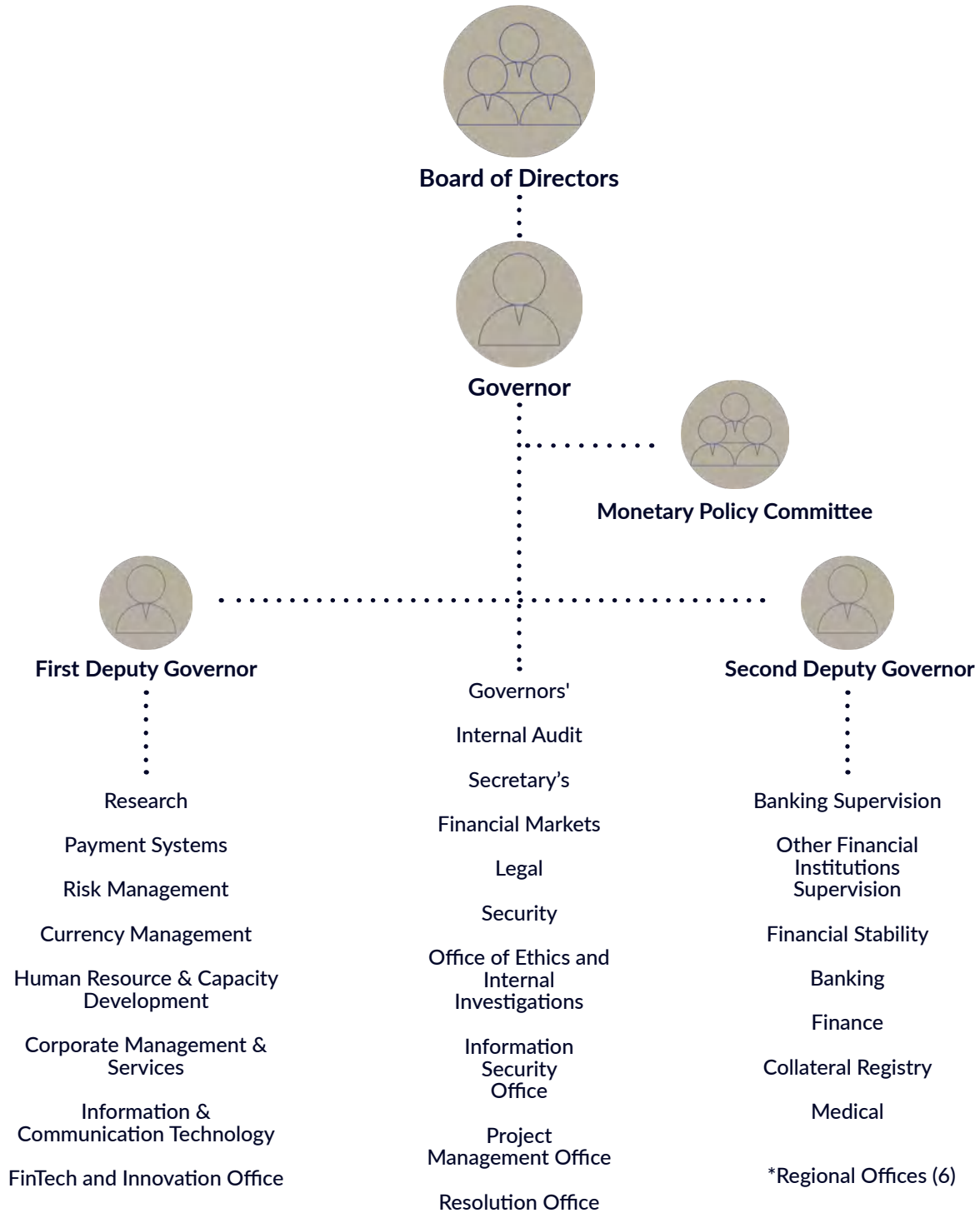
Dr. Regina Ohene-Darko Adutwum  
Non-Executive Director



Ms. Sandra Thompson  
Board Secretary

\* Mr. Charles Adu Boahen exited the Board in November, 2022

# Organisational Structure



\* All six Regional Offices under Banking Department

# Management of the Bank

## TOP MANAGEMENT

Dr. Ernest K.Y. Addison  
Governor

Dr. Maxwell Opoku-Afari  
First Deputy Governor

Mrs. Elsie Addo Awadzi  
Second Deputy Governor

Ms. Sandra Thompson  
The Secretary

## HEADS OF DEPARTMENT

Mr. Eric Koranteng  
Governors' Department

Dr. Philip Abradu-Otoo  
Research Department

Mr. Osei Gyasi  
Banking Supervision Department

Mr. George Adu-Sefa  
Internal Audit Department

Dr. Settlor Amediku  
Payment Systems Department

Mr. Yaw Spong  
Other Financial Institutions  
Supervision Department

Ms. Sandra Thompson  
Secretary's Department

Mrs. Josephine Ami-Narh  
Risk Management Department

Dr. Joseph France  
Financial Stability Department

Mr. Stephen Opata  
Financial Markets Department

Mr. John Gyamfi  
Currency Management  
Department

Mr. Kennedy Akonnor Adu  
Banking Department

Mrs. Abla Mawulolo Masoperh  
Legal Department

Mrs. Gladys Awuku-Mills  
Human Resource & Capacity  
Development Department

Mr. Charles Elias Reindorf  
Finance Department

Wg. Cdr. Kwame Asare-Boateng  
Security Department

Mr. Stephen Amoh  
Corporate Management &  
Services Department

Mr. Fred Asiamah-Koranteng  
Collateral Registry Department

Mr. Bernard Ato Otobil  
Office of Ethics and Internal  
Investigations

Mr. Charles Parker  
Information & Communication  
Technology Department

Dr. (Mrs.) Charlotte Osafo  
Medical Department

Mr. Kobina Amenyi Richardson  
Information Security Office

Mr. Kwame Agyapong Oppong  
Fintech and Innovation Office

Mr. Joseph Akwasi Kuma  
Project Management Office

Mr. Elliot Adu Amoako  
Resolution Office

## REGIONAL MANAGERS

Mr. Victor Kodjo Atta Akakpo  
Hohoe, Volta Region

Mr. Alex Kwasi Donkor  
Kumasi, Ashanti Region

Mr. Ankrah Akuoko  
Sefwi-Boako, Western North Region

Mr. Abdulai Lawal Abubakari  
Sunyani, Bono Region

Mr. Kofi Okwabren Assan  
Takoradi, Western Region

Mr. Abdul-Aziz Mohammed  
Tamale, Northern Region



# 1 GOVERNANCE

Photo: Cedi House, Accra

## 1.1 Constitutional Mandate

The Bank of Ghana was established on 4<sup>th</sup> March, 1957 by the Bank of Ghana Ordinance (No. 34) of 1957. As enshrined in the Ordinance, the principal objects of the Bank of Ghana were to issue and redeem bank notes and coins, keep and use reserves, influence the credit situation with a view to maintaining monetary stability in Ghana and the external value of the currency, and act as banker and financial adviser to the Government.

The 1957 Ordinance has since been superseded by successive enabling laws, the current being the Bank of Ghana Act 2002 (Act 612) as amended.

Article 183 of the 1992 Constitution of Ghana reinforced the Bank of Ghana as the central bank of Ghana, and the only authority to issue the currency of Ghana with the following mandate:

- a. Promote and maintain the stability of the currency of Ghana and direct and regulate the currency system in the interest of the economic progress of Ghana;
- b. Be the sole custodian of State funds of Ghana both in and outside Ghana and may, by notice published in the Gazette, authorise any other person or authority to act as a custodian of any such fund as may be specified in the Notice;
- c. Encourage and promote economic development and the efficient utilisation of the resources of Ghana through effective and efficient operation of a banking and credit system in Ghana; and
- d. Do all other things not inconsistent with this article as may be prescribed by law.

## 1.2 Statutory Objects

The Bank of Ghana Act, 2002 (Act 612), as amended by the Bank of Ghana (Amendment) Act, 2016 (Act 918), provides an elaboration of the constitutional mandate of the Bank. The primary objective of the Bank is to maintain stability in the general level of prices. Without limiting the primary objective, the Bank shall:

- a. Support the general economic policy of the Government;
- b. Promote economic growth and development, effective and efficient operation of the banking and credit system; and
- c. Contribute to the promotion and maintenance of financial stability in the country.

## 1.3 Statutory Functions<sup>1</sup>

In order to achieve its mandate and objects, the Bank performs the following functions:

- a. Formulates and implements monetary policy;
- b. Promotes, by monetary measures, the stabilisation of the value of the currency;
- c. Institutes measures, which are likely to have a favourable effect on the balance of payments, the

state of public finances and the general development of the national economy;

- d. Regulates, supervises and directs the banking and credit systems and ensures the smooth operation of the financial sector;
- e. Licenses, regulates, promotes and supervises non-banking financial institutions;
- f. Promotes and maintains relations with international banking and financial institutions and, subject to the Constitution or any other relevant enactment, implements international monetary agreements to which Ghana is a party; and
- g. Does all other things that are incidental or conducive to the efficient performance of the functions of the Bank stipulated under Act 612, as amended, and any other enactment.

## 1.4 Vision and Mission

**Vision:** To be a central bank of excellence, respected and trusted by stakeholders.

**Mission:** To formulate and implement monetary policy to attain price stability, contribute to the promotion and maintenance of financial stability, and ensure a sound payment system to achieve sustainable economic growth.

## 1.5 Board of Directors

### 1.5.1 Mandate

The governing body of the Bank, as stipulated in the Bank of Ghana Act, 2002 (Act 612), as amended, is the Board of Directors. The Board is responsible for the formulation of policies necessary for the achievement of the objects and functions of the Bank. The Board provides strategic direction on the Bank's operations, and meets at least once every two months to consider matters within the above statutory responsibility and those referred to it.

### 1.5.2 Composition

The Board is composed of the Governor, who is also the Chairperson, the First and Second Deputy Governors, one representative of the Ministry of Finance not below the rank of a Director, and nine other Directors, including a Chartered Accountant.

The President of the Republic of Ghana appoints the members of the Board in accordance with article 70 of the 1992 Constitution and section 8 of the Bank of Ghana Act, 2002 (Act 612), as amended. The Governor and the two Deputy Governors are each appointed for a term of four years and eligible for re-appointment. Other members of the Governing Board are also appointed for a period of four years and eligible for re-appointment for another term only.

### Membership of the Board

|                          |   |
|--------------------------|---|
| Dr. Ernest K. Y. Addison | Chairman, Governor                        |
| Dr. Maxwell Opoku-Afari  | Executive Director, First Deputy Governor |

<sup>1</sup> Functions of public corporations established by statute include powers, duties and responsibilities of the corporation.

|                                     |   |
|-------------------------------------|---|
| Mrs. Elsie Addo Awadzi              | Executive Director,<br>Second Deputy Governor |
| Dr. Kwame Nyantekyi-Owusu           | Non-Executive Director                        |
| Dr. Samuel Nii-Noi Ashong           | Non-Executive Director                        |
| Mr. Jude Kofi Bucknor               | Non-Executive Director                        |
| Mr. Joseph Blignam Alhassan         | Non-Executive Director                        |
| Mr. Andrew A. Boye-Doe              | Non-Executive Director                        |
| Mrs. Comfort F. A. Ocran            | Non-Executive Director                        |
| Dr. Regina O. Adutwum               | Non-Executive Director                        |
| Ms. Angela Kyerematen-Jimoh         | Non-Executive Director                        |
| Prof. Eric Osei-Assibey             | Non-Executive Director                        |
| Mr. Charles Adu Boahen <sup>2</sup> | Non-Executive Director                        |

#### Board Secretary

Ms. Sandra Thompson

### 1.5.3 Responsibilities of the Board

The responsibilities of the Board include:

- Formulating policies of the Bank necessary for the achievement of the objects and functions of the Bank; and
- Considering and advising on other matters that are incidental to the achievement of the objects of the Bank and any other relevant functions being exercised by the Bank under Enactments, Treaties, Agreements, and Arrangements.

### 1.5.4 Board Committees and Membership

The Board established the following committees to carry out its functions:

- Audit Committee<sup>3</sup>;
- Human Resource, Corporate Governance, and Legal Committee;
- Economy and Research Committee;
- Strategic Planning and Budget Committee;
- Cyber and Information Security Committee; and
- Risk Committee.

The Board is aided in its work by a Board Charter. All Committees of the Board also operate with their respective Committee Charters.

#### 1.5.4.1 Audit Committee

The Audit Committee's responsibilities, as stated in the Bank of Ghana Act, 2002 (Act 612), as amended, are the following:

- Establish appropriate accounting procedures and accounting controls for the Bank and supervise compliance with these procedures;
- Monitor compliance with enactments applicable to the Bank and report to the Board thereon;
- Deliver opinions on any matters submitted to it by the Board or Management;
- Receive and examine the External Auditor's report and recommend to the Board any appropriate action to be taken; and
- Review the work of the Chief Internal Auditor.

#### Membership

|                             |          |
|-----------------------------|----------|
| Mr. Joseph Blignam Alhassan | Chairman |
| Mrs. Comfort F. A. Ocran    | Member   |
| Dr. Samuel Nii-Noi Ashong   | Member   |

#### 1.5.4.2 Human Resource, Corporate Governance and Legal Committee

The Human Resource, Corporate Governance, and Legal Committee makes recommendations to the Board on policy matters relating to governance, human resource, and legal issues, including regulation, supervision and operational processes to ensure compliance with statutory requirements and international standards.

#### Membership

|                             |          |
|-----------------------------|----------|
| Mr. Andrew A. Boye-Doe      | Chairman |
| Mr. Jude Kofi Bucknor       | Member   |
| Ms. Angela Kyerematen-Jimoh | Member   |
| Mrs. Comfort F. A. Ocran    | Member   |
| Dr. Maxwell Opoku-Afari     | Member   |
| Mrs. Elsie Addo Awadzi      | Member   |

#### 1.5.4.3 Economy and Research Committee

The Economy and Research Committee is responsible for assessing and making policy recommendations on economic, banking, and financial issues.

#### Membership

|                           |          |
|---------------------------|----------|
| Dr. Samuel Nii-Noi Ashong | Chairman |
| Prof. Eric Osei-Assibey   | Member   |
| Mr. Andrew A. Boye-Doe    | Member   |
| Dr. Maxwell Opoku-Afari   | Member   |
| Mrs. Elsie Addo Awadzi    | Member   |

#### 1.5.4.4 Strategic Planning and Budget Committee

The Strategic Planning and Budget Committee advises the Board on the formulation and implementation of strategic plans and policies necessary for the achievement of the objects and functions of the Bank.

#### Membership

|                             |          |
|-----------------------------|----------|
| Dr. Kwame Nyantekyi-Owusu   | Chairman |
| Mr. Jude Kofi Bucknor       | Member   |
| Dr. Regina O. Adutwum       | Member   |
| Mr. Joseph Blignam Alhassan | Member   |
| Prof. Eric Osei-Assibey     | Member   |
| Dr. Samuel Nii-Noi Ashong   | Member   |
| Mrs. Elsie Addo Awadzi      | Member   |

#### 1.5.4.5 Cyber and Information Security Committee

The Cyber and Information Security Committee has oversight responsibility for the Bank's cyber and information security policies in accordance with the requirements of ISO 27001:2013 Standards. This Committee oversees compliance with the Bank of Ghana Cyber and Information Security Directive, and other relevant laws and regulations.

<sup>2</sup> Mr. Charles Adu Boahen exited the Board in November 2022. | <sup>3</sup> The Audit Committee is a statutory Committee constituted by three Non-Executive Directors appointed by the Board (Section 16 of Bank of Ghana Act, 2002 (Act 612), as amended).



**Membership**

|                             |             |
|-----------------------------|-------------|
| Ms. Angela Kyerematen-Jimoh | Chairperson |
| Mr. Andrew A. Boye-Doe      | Member      |
| Dr. Samuel Nii-Noi Ashong   | Member      |
| Mrs. Comfort F. A. Ocran    | Member      |
| Dr. Maxwell Opoku-Afari     | Member      |

**1.5.4.6 Risk Committee**

The Risk Committee has oversight responsibility for the Bank's governance structure, including assisting the Board to create the risk appetite statement of the Bank and developing an enterprise risk management culture.

**Membership**

|                           |          |
|---------------------------|----------|
| Mr. Jude Kofi Bucknor     | Chairman |
| Mr. Andrew A. Boye-Doe    | Member   |
| Dr. Kwame Nyantekyi-Owusu | Member   |
| Dr. Regina O. Adutwum     | Member   |
| Mrs. Comfort F. A. Ocran  | Member   |
| Dr. Maxwell Opoku-Afari   | Member   |
| Mrs. Elsie Addo Awadzi    | Member   |

**1.6 Monetary Policy Committee****1.6.1 Mandate**

The Monetary Policy Committee (MPC) is responsible for

the formulation of monetary policy of the Bank and derives its mandate from section 27 of the Bank of Ghana Act, 2002 (Act 612), as amended.

**1.6.2 Membership**

The MPC is a seven-member committee comprising the Governor, the two Deputy Governors, the heads of the departments responsible for Economic Research and Treasury Operations of the Bank, and two other persons appointed by the Board, who are not employees of the Bank and possess knowledge and experience relevant to the functions of the Committee.

**Membership<sup>4</sup>**

|                          |   |
|--------------------------|---|
| Dr. Ernest K. Y. Addison | Governor, Chairman                              |
| Dr. Maxwell Opoku-Afari  | First Deputy Governor                           |
| Mrs. Elsie Addo Awadzi   | Second Deputy Governor                          |
| Mr. Stephen Opata        | Head, Financial Markets Department <sup>5</sup> |
| Dr. Philip Abradu-Otoo   | Head, Research Department                       |
| Prof. Joshua Abor        | External Member                                 |
| Prof. Festus Ebo Turkson | External Member <sup>6</sup>                    |

**MEMBERS OF THE COMMITTEE**

Dr. Ernest K. Y. Addison



Dr. Maxwell Opoku-Afari



Mrs. Elsie Addo Awadzi



Mr. Stephen Opata



Dr. Philip Abradu-Otoo



Prof. Joshua Y. Abor



Prof. Festus Ebo Turkson

<sup>4</sup> External Members of the MPC are appointed for a 5-year term, renewable once, in line with section 27 of Bank of Ghana Act, 2002 (Act 612), as amended.

<sup>5</sup> Responsible for Treasury Operations.

<sup>6</sup> Prof. Festus Ebo Turkson was appointed in April 2022 to replace Dr. John K. Kwakye who retired as an external member of the MPC, having served the statutory term limit.



In the review year, the Bank of Ghana signed a Memorandum of Understanding with the University of Ghana to support the establishment of the Bank of Ghana Chair in Finance and Economics, to be hosted at the University of Ghana Business School and the Department of Economics, College of Humanities.

Picture Caption: Governor of the Bank of Ghana, Dr. Ernest Addison (left), with the Vice-Chancellor of the University of Ghana, Prof. Nana Aba Appiah Amfo.



# 2 DEVELOPMENTS IN THE GLOBAL ECONOMY

## 2.1 Overview

The global economy faced enormous challenges in 2022, characterised by rising inflation, volatile commodity prices, supply-chain disruptions, tightening financial conditions, and weakened growth.

At the beginning of the year, governments worldwide rolled back the restrictions imposed to contain the spread of the COVID-19 virus, as vaccination campaigns picked up pace. The expectation was that pent-up demand would be released to boost global growth. However, the pre-existing global supply-chain constraints were exacerbated by Russia's invasion of Ukraine, which spilled over into a food and energy crisis, pushing global inflation to levels unseen since the 1970s. Central banks across the globe responded with aggressive policy rate hikes to contain the resulting inflationary pressures, leading to tight global financing conditions. The sharp rise in the US Fed rate, in particular, strengthened the dollar and put enormous pressure on currencies of Emerging Markets and Developing Economies (EMDEs) with weak macroeconomic fundamentals. Although food and energy price increases eased during the second half of the year, the worsening global financial conditions and declining real incomes of households weighed on global growth.

## 2.2 World Output Growth

IMF estimates showed that global growth slowed to 3.4 per cent in 2022 from 6.2 per cent in 2021 ([Table 2.1 in the Annexes](#)).

### 2.2.1 United States

The US economy expanded by 2.1 per cent in 2022, a significant slowdown from the 5.9 per cent expansion recorded in 2021. The growth slowdown in 2022 reflected declining real disposable income that weighed on consumer demand, and higher interest rates, which affected spending, especially on residential investment.

### 2.2.2 United Kingdom

The UK economy grew by 4.0 per cent in 2022, significantly below the 7.6 per cent growth recorded in 2021. The relatively weaker growth in 2022 was on account of persistent inflation and tighter monetary policy, which took a toll on consumer and business spending.

### 2.2.3 Euro Area

Economic activity in the Euro Area expanded by an estimated 3.5 per cent in 2022, down from the 5.3 per cent recorded in 2021. The relatively subdued growth reflected the spillover effects of the Russia-Ukraine war, tight monetary policy by the European Central Bank (ECB), weaker household consumption, and subdued investment spending.

### 2.2.4 China

China's economy grew by 3.0 per cent in 2022, significantly

lower than the 8.4 per cent growth in 2021, reflecting challenges in the property sector, effects of the zero-COVID policy, and the multiple large COVID outbreaks in major cities across the country. The People's Bank of China supported the economic recovery efforts with accommodative monetary policy stance, cuts in some lending rates, and relaxation of regulations on bank loans for low-cost rental housing.

### 2.2.5 Emerging Markets and Developing Economies

Growth in EMDEs expanded by 4.0 per cent in 2022, lower than the 6.9 per cent growth recorded in 2021. The significant slowdown reflected the downward revision of growth in China. Other factors that weighed on growth in the region included lower real incomes, volatile commodity prices, and tighter global financing conditions.

### 2.2.6 Sub-Saharan Africa

Growth in Sub-Saharan Africa (SSA) was estimated at 3.9 per cent in 2022, below the 4.8 per cent recorded in 2021. The weaker outturn reflected slowdown in trade, tighter financing and monetary conditions, and a negative shift in the commodity terms of trade. SSA economies were also affected by the sharp rise in food and energy prices, which weighed on real incomes and affected consumer spending.

## 2.3 Global Consumer Prices

Global headline inflation remained elevated and broad-based. This reflected the pass-through effects of high energy costs, exchange rate depreciation, supply-chain cost pressures, and tighter labour market conditions, particularly in advanced economies. Despite these developments, long-term inflation expectations remained stable in major advanced economies, due to the persistent monetary policy tightening by central banks to contain price pressures.

## 2.4 Commodity Markets

### 2.4.1 Crude Oil

Crude oil prices were volatile in 2022. In the first half of the year, crude oil prices increased significantly to peak at US\$133.18 per barrel on March 8, mainly due to supply concerns arising from Russia's invasion of Ukraine, and low global crude oil inventories. However, in the second half of the year, Brent crude prices declined due to concerns about global recession. For the year 2022, Brent crude oil prices averaged US\$98.80 per barrel, higher than the average price of US\$70.79 per barrel in 2021 ([Chart 2.1](#)).

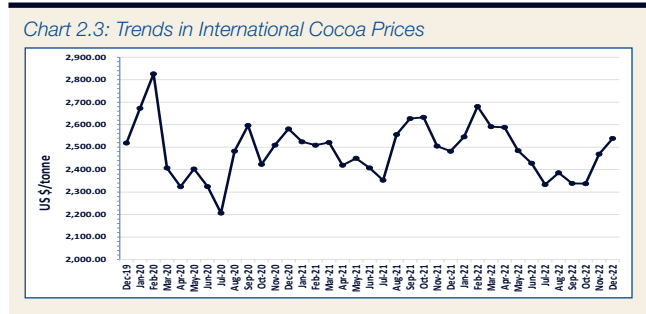
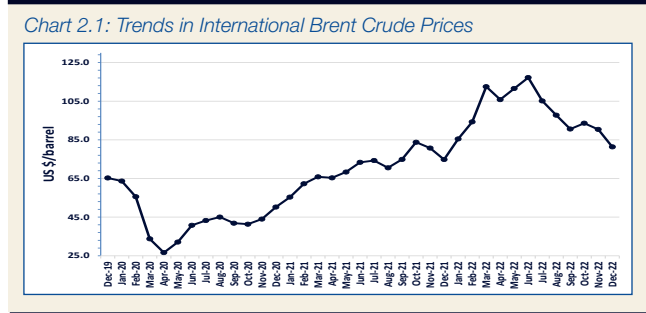
### 2.4.2 Gold

Spot gold prices averaged US\$1,800.78 per fine ounce in 2022, almost the same as the average price of US\$1,799.79 in 2021. Average gold prices reached US\$1,949.43 per fine ounce in March 2022, on the back of uncertainties in the global economy, spurred by Russia's invasion of Ukraine. However, prices dropped significantly, averaging US\$1,666.68 per fine ounce in October, on the back of interest rate hikes and a stronger US dollar. Prices averaged

US\$1,796.20 per fine ounce in December 2022, compared to US\$1,790.90 per fine ounce in December 2021 (Chart 2.2).

**2.4.3 Cocoa**

Cocoa futures price averaged US\$2,476.89 per tonne in 2022, representing a marginal decline of 0.9 per cent, compared to US\$2,498.84 in 2021. Cocoa prices averaged US\$2,681.11 per tonne in February, the highest in almost two years, on the back of lower supply of the beans. However, cocoa prices fell consistently to a low of US\$2,333.33 per tonne in July 2022, owing to weak grind data from North America and Asia coupled with fears of slow global growth. For the second half of the year, prices were almost flat but showed resilience to close the year at an average of US\$1,992.10 per tonne, compared to US\$1,690.64 per tonne in December 2021 (Chart 2.3).



Charts 2.1, 2.2, 2.3 sourced from Reuters



3

**DEVELOPMENTS  
IN THE GHANAIAN ECONOMY**

### 3.1 Overview

Data released by the Ghana Statistical Service (GSS) in April 2023 indicated that provisional real GDP growth was 3.1 per cent in 2022, compared to 5.1 per cent in 2021. Non-oil GDP growth was 3.8 per cent in 2022, down from 6.6 per cent in 2021 (Table 3.1 in the Annexes). The slowdown in growth was attributed to lingering supply-chain constraints, tightened global financing conditions, and rising input costs.

Consumer price inflation rose to 54.1 per cent in December 2022, from 12.6 per cent in December 2021. The sharp rise in headline inflation was mainly due to spillovers from the Russia-Ukraine war, pass-through effects of currency depreciation, upward adjustments in ex-pump petroleum prices, transport fares, and utility tariffs. Food inflation surged and ended at 59.7 per cent in December 2022, from 12.8 per cent in December 2021. Non-food inflation also rose to 49.9 per cent in December 2022, from 12.5 per cent in December 2021.

Annual growth in broad money supply (M2+) increased to 33.0 per cent in December 2022, from 12.5 per cent in December 2021. The increase in the growth of M2+ was mainly driven by an expansion in Net Domestic Assets (NDA), which more than offset the contraction in Net Foreign Assets (NFA). NDA grew by 50.3 per cent, compared with 25.8 per cent in December 2021, while NFA contracted by 261.1 per cent, relative to 59.8 per cent contraction in the previous year.

Deposit Money Banks' (DMBs') total outstanding credit stood at GH¢70.00 billion, representing a nominal growth of 30.2 per cent at end-December 2022, compared to 12.6 per cent at end-December 2021. Credit to the private sector grew by 31.8 per cent at end-December 2022 to GH¢63.75 billion, compared with 11.2 per cent at end-December 2021. In real terms, credit to the private sector contracted by 14.5 per cent at end-December 2022, compared to a contraction of 1.3 per cent at end-December 2021.

During the review year, the Monetary Policy Committee (MPC) responded decisively to developments in the global and domestic economy. The Monetary Policy Rate (MPR) was increased cumulatively by 12.50 percentage points (ppts) to 27.0 per cent in response to heightened inflationary pressures.

On the interbank market, the weighted average interest rate went up by 12.82 ppts, year-on-year, to 25.51 per cent at the end of December 2022. The average lending rate increased by 15.54 ppts on a year-on-year basis to 35.58 per cent in December 2022. The spread between the borrowing and lending rates widened by 13.04 ppts on a year-on-year basis to 21.58 per cent in December 2022, from 8.54 per cent in December 2021.

The outturn of Government fiscal operations showed a larger overall broad cash budget deficit of 8.1 per cent of GDP in 2022, compared to the mid-year revised target of 6.3 per cent, but was below the 9.2 per cent recorded in 2021. Total government revenue and grants was 15.8 per cent of GDP, compared to 15.2 per cent of GDP in 2021, while total government expenditure and net lending was 24.0 per cent of GDP, compared to 23.7 per cent of GDP in 2021. The fiscal deficit was largely financed from domestic sources. Total public debt stood at GH¢434.60 billion, representing 71.2 per cent of GDP at end-December 2022, compared to GH¢351.80 billion, equivalent to 76.2 per cent of GDP at end-December 2021.

The overall Balance of Payments (BoP) recorded a deficit of US\$3.64 billion in 2022, compared to a surplus of US\$510.13 million in 2021. The BoP deficit was driven by large outflows from the capital and financial account. Gross International Reserves (GIR) stood at US\$6.24 billion, equivalent to 2.7 months of import cover at end-December 2022, compared to a stock of US\$9.70 billion, equivalent to 4.3 months of import cover at end-December 2021.

In the currency market, the Ghana cedi cumulatively depreciated by 29.9 per cent against the US dollar in 2022, compared to 4.1 per cent in 2021. The depreciation of the Ghana cedi in 2022 was largely driven by concerns about debt sustainability and sovereign credit downgrades, which led to significant exchange rate pressures.

### 3.2 Monetary Policy

#### 3.2.1 Monetary Policy Committee Meetings

The MPC held its regular meetings in January, March, May, July, October, and November to assess macroeconomic developments and the outlook for growth and inflation, and made decisions on the positioning of the MPR. The MPR was maintained at 14.5 per cent at the January meeting, and increased to 17.0 per cent in March. It was subsequently increased to 19.0 per cent in May, and remained unchanged at the July meeting. In August, an emergency meeting was held in response to heightened inflationary pressures, and the MPR was increased to 22.0 per cent. At the October and November meetings, the MPR was again increased to 24.5 per cent and 27.0 per cent, respectively.

Table 3.2: Monetary Policy Decisions

| Month    | Policy Decision      | MPR (%) |
|----------|----------------------|---------|
| January  | Maintained           | 14.5    |
| March    | Increased by 250 bps | 17.0    |
| May      | Increased by 200 bps | 19.0    |
| July     | Maintained           | 19.0    |
| August   | Increased by 300 bps | 22.0    |
| October  | Increased by 250 bps | 24.5    |
| November | Increased by 250 bps | 27.0    |

Source: Bank of Ghana

### 3.2.2 Summary of MPC Deliberations

#### January

At the January meeting, the Committee noted that global growth would slow in the near term, reflecting rising input costs, supply-chain challenges and pandemic-related uncertainties. The Committee observed that global financing conditions would tighten in the course of the year, and could cause currency pressures in emerging market economies with weak fundamentals and large foreign currency debt.

On the domestic economy, the Committee observed that the revised quarterly GDP growth numbers affirmed the strength of the post-COVID economic recovery. All the Bank's high frequency economic indicators had picked up significantly and were at near pre-pandemic levels. The Committee also noted that while business sentiments had turned positive, consumer confidence had waned, on account of negative feedback from the significant increase in ex-pump petroleum price adjustments, and new tax measures announced in the 2022 budget. The Committee, therefore, stressed on its expectation for banks to continue to provide new advances to boost economic activity in the review year.

On the banking sector, the Committee observed a strong performance, reflected in sustained growth in assets, deposits, and investments. The Committee stressed that there were improvements in the financial soundness indicators, and that the banking sector was well-positioned to continue with its financial intermediation role. In the view of the Committee, the policy measures and regulatory reliefs granted to the industry at the height of the pandemic, and maintained in 2021, had helped to provide some support to lending activities of the banks to drive the growth recovery process in 2022.

In assessing the fiscal position, the Committee observed that fiscal and debt sustainability concerns on the 2022 budget had triggered unfavourable credit rating decisions by international rating agencies, with spillovers to the external sector, exacerbating the elevated inflationary expectations. The Committee noted that Ghana's sovereign bond spreads had widened significantly, and had led to a de facto closure to the international capital markets, which had implications for budget financing.

On price dynamics, the Committee noted that headline inflation had stayed above the upper band of the medium-term target of 8±2 per cent from September 2021. The Committee stressed that inflation was likely to remain above target in the near-term, driven by both external and domestic factors. Rising crude oil price and its attendant effects on ex-pump prices of petroleum products and transportation costs, rising global inflation, food price uncertainties, and the fiscal outlook were cited as key risks to the inflation outlook. The Committee was of the view that the November policy rate hike was yet to be

fully transmitted, and therefore, expected the decisive implementation of the fiscal correction measures to help moderate the upside risks to the inflation outlook. The Committee stressed that it would continue to monitor the impact of the policy measures, re-assess the inflation outlook over the forecast horizon, and take the necessary policy decisions accordingly. Under these circumstances, the Committee maintained the policy rate at 14.5 per cent.

#### March

At the March meeting, the Committee noted that the Russia-Ukraine war had further challenged global growth recovery efforts, and introduced new uncertainties, which had aggravated the COVID-related supply bottlenecks, elevated crude oil prices, and heightened inflationary expectations. The Committee observed that global financing conditions had tightened, as central banks in advanced economies raised policy rates to counter rising inflation. In the Committee's view, the combined effect of these developments could lead to lower global growth, increased investor uncertainty, and capital outflows from emerging and frontier economies. The Committee noted that these could impact the domestic economy through the trade and financing channels.

On the domestic front, the Committee observed a rebound in economic activity, reflecting in improved Composite Index of Economic Activity (CIEA). The Committee stressed that domestic growth conditions were fairly strong, supported by a steady growth in private sector credit despite signs of weakened consumer and business confidence.

In assessing the banking sector, the Committee noted that the sector remained strong, with sustained growth in total assets, investments, and deposits. Key financial soundness indicators, such as profitability, liquidity and solvency remained strong. Asset quality improved slightly, although there were upside risks to the outlook that required monitoring.

On budgetary operations, the Committee observed that fiscal policy implementation was strained, and required extensive structural reforms, as well as swift resolution to achieve fiscal consolidation. In the view of the Committee, a mismatch in revenue and expenditure had resulted in financing constraints. In particular, revenue had underperformed, while expenditure remained rigid downwards, despite efforts to cut it by 20 per cent. The Committee, however, expressed confidence that decisive policy reforms would address underlying fiscal mismatches and restore calm in the markets. This, together with monetary policy decisions and additional measures, would re-anchor inflation expectations.

In assessing the external performance, the Committee noted that commodity prices had increased sharply, partly driven by prevailing geopolitical tensions and increased demand pressures. The Committee also observed that while commodity prices impacted exports positively in the



first-two months of the year, its negative impact on imports far outweighed the gains made in exports. This translated into a lower trade surplus of US\$404.9 million in the first-two months of 2022, compared with US\$432.7 million in the first-two months of 2021. The Committee noted that the Russia-Ukraine war was likely to impact negatively on Ghana's external sector.

The Committee observed that headline inflation had increased by 5.7 percentage points, to 15.7 per cent at the end of February 2022, outside the medium-term target band, mainly driven by tighter global financing conditions, pressures on the Ghana cedi, rising food prices, and upward adjustments in ex-pump petroleum prices. The uncertainty surrounding price developments and its impact on economic activity weighed on business and consumer confidence. The Committee, therefore, stated that the risks to the outlook for inflation were on the upside, and under these circumstances, decided to increase the MPR by 250 bps to 17 per cent.

The Bank of Ghana also announced the following additional measures, effective April 1, 2022:

- An increase in the Cash Reserve Ratio to 12.0 per cent;
- A reset of the Capital Conservation Buffer to the pre-pandemic level of 3.0 per cent, making the Capital Adequacy Ratio a total of 13.0 per cent; and
- A reset of the provisioning rate for loans in the Other Loans Exceptionally Mentioned (OLEM) category to the pre-pandemic level of 10.0 per cent.

### May

At the May meeting, the Committee observed that on account of heightened risks emanating from lingering supply-chain bottlenecks, and the Russia-Ukraine war, global growth had slowed. The Committee further noted that global inflation remained elevated, reaching record high levels in several advanced and developing countries, due to rising energy and commodity prices, and supply-chain bottlenecks. In the view of the Committee, these trends had prompted some coordinated monetary policy tightening in Advanced Economies (AEs) and Emerging Markets and Developing Economies (EMDEs). This had triggered tighter global financing conditions, with negative spillover effects to emerging and frontier economies.

In the domestic economy, the Committee observed that there was a strong rebound in economic activity, despite a dip in business and consumer confidence, reflecting the sharp depreciation of the currency and the high inflationary environment. Nonetheless, growth prospects remained positive.

The Committee noted that the banking sector remained robust with sustained growth in total assets, investments and deposits, despite reversal of the COVID-19 regulatory relief measures in March 2022. The key financial soundness indicators also remained strong, underpinned by robust

solvency, liquidity, and profitability indicators.

On budgetary operations, the Committee observed that the fiscal outturn in the first quarter was broadly in line with targets, and expressed optimism that fiscal consolidation would be on track.

On external sector performance, the Committee noted some deterioration in the capital and financial account, due to significant net portfolio reversals and net private capital outflows. The Committee further noted that the domestic economy had not fully benefited from higher oil and gold prices due to unfavourable retention agreements. In the view of the Committee, the tight global financing conditions, and further policy rate hikes in Advanced Economies continued to pose risks to the external outlook.

On price developments, the Committee noted that headline inflation had increased to 23.6 per cent in April 2022, from 15.7 per cent in February. This was on account of a sharp increase in global energy and commodity prices, increase in ex-pump petroleum prices, as well as the pass-through effects of the exchange rate depreciation. The Committee observed that heightened uncertainty surrounding the inflation dynamics had weighed heavily on the domestic environment, significantly depressing business and consumer sentiments. The Committee reported that the risks to the inflation outlook were on the upside, and therefore, decided to raise the MPR by 200 bps to 19.0 per cent.

### July

At the July meeting, the Committee noted escalated energy and food prices, persistent supply disruptions, and historically high inflation across most countries. The Committee averred that the trend called for prompt and coordinated monetary policy response by central banks in AEs and EMDEs. The Committee further noted a strong US dollar and tightened global financing conditions, which had led to higher government bond yields, re-pricing of risky assets, widened sovereign bond spreads and capital flow reversals from most emerging and frontier economies. The Committee stressed that external vulnerabilities in several emerging markets and frontier economies, including Ghana, had heightened.

On the domestic front, the Committee observed a slowdown in growth, softened business and consumer confidence, high inflation, supply-chain bottlenecks, and exchange rate uncertainty. Estimates from the GSS showed that growth in the first quarter of 2022 was 3.3 per cent, compared with 3.6 per cent in the same period of 2021.

The Committee observed that the banking sector remained strong and liquid, with robust growth in assets and deposits. Total assets increased by 22.8 per cent, year-on-year, to GH¢200.00 billion at end-June 2022, compared to 17.2 per cent at end-June 2021. Total deposits also increased, albeit at a slower pace of 19.1 per cent, relative to 22.5

per cent a year earlier. According to the Committee, the banking sector continued to exhibit strong performance as the financial soundness indicators remained healthy, with considerable improvement in asset quality.

On budget execution, the Committee observed that provisional data for the first five months showed a higher deficit relative to the projection, driven mainly by significant shortfalls in revenues. The higher deficit reflected revenue underperformance from the delayed implementation of several new revenue measures, and expenditure pressures arising primarily from higher interest payments. The Committee noted that in the first half of the year, financing of the budget was entirely from domestic sources, as planned borrowing from international sources did not materialise.

On the external sector, the Committee noted that favourable commodity prices impacted positively on the balance of trade. At end-June 2022, the trade account had recorded a surplus of US\$1.40 billion, representing a year-on-year growth of 62.1 per cent. The improvement stemmed from higher export receipts from crude oil, gold, and non-traditional exports. Despite the significant improvement in the trade surplus, the current account deficit had widened to US\$1.10 billion, compared to US\$762.00 million recorded in the same period of 2021. In the view of the Committee, the weakened current account balance was primarily due to higher net outflows from the income and services account, which offset the gains in the trade account. The widened current account deficit and higher net outflows in the financial account resulted in an overall balance of payments deficit of US\$2.50 billion at end-June 2022, compared with a surplus of US\$2.40 billion in the same period of the previous year.

The Committee noted that Gross International Reserves had declined to US\$7.70 billion at end-June 2022, equivalent to 3.4 months of import cover, compared with US\$9.70 billion, which was 4.3 months of import cover at end-December 2021. The decline in the reserve buffer, alongside unfavourable global financing conditions, exerted significant pressures on the Ghana cedi.

On price developments, the Committee noted that headline inflation had increased markedly to 29.8 per cent in June, from 23.6 per cent in April 2022. This reflected in continued broad-based price pressures emanating from the pass-through effects of high ex-pump petroleum prices, transport costs, food prices, and currency depreciation.

The Committee envisaged that the macroeconomic framework underpinning an IMF-supported programme would anchor stability and prevent a wage-price spiral. The Committee also observed a deceleration in the rate of increase in inflation in previous Ghana Statistical Service (GSS) releases.

Based on the above assessments, the Committee was of the

view that it would be appropriate to observe the impact of monetary policy and other regulatory measures introduced to address risks in the outlook for growth and inflation. The Committee therefore decided to maintain the MPR at 19.0 per cent.

### August

In response to heightened inflationary pressures, the MPC held an emergency meeting in August. At the meeting, the Committee observed that headline inflation had accelerated further to 31.7 per cent in July 2022, which was the eleventh consecutive month of increase, with strong underlying inflationary pressures.

The Committee observed that elevated demand pressures, heightened uncertainties, rising inflation in many advanced economies and the tightening of global financial conditions, would have significant implications for EMDEs. The Committee also stressed that the strengthened US dollar had led to sharp depreciation of other currencies, including the Ghana cedi.

The Committee noted financing challenges with the execution of the budget in the absence of access to the international capital market and constrained domestic financing. In the view of the Committee, the constraints led to the central bank financing the gap. However, the Committee stressed that discussions with the IMF would address the underlying macroeconomic challenges, restore fiscal and debt sustainability, and provide sustainable balance of payment cushion. Under the circumstances, and considering the risks to the inflation outlook, the Committee decided to increase the MPR by 300 bps to 22.0 per cent.

The Bank of Ghana also announced the following additional measures:

- a. An increase in the primary reserve requirement of universal banks from 12.0 per cent to 15.0 per cent, to be implemented in a phased manner:
  - i. 13.0 per cent from 1<sup>st</sup> September, 2022;
  - ii. 14.0 per cent by 1<sup>st</sup> October, 2022;
  - iii. 15.0 per cent by 1<sup>st</sup> November, 2022; and
- b. Purchase of all foreign exchange arising from the voluntary repatriation of export proceeds from mining and oil and gas companies to boost the Bank's reserves.

### October

At the October meeting, the Committee noted that global economic conditions remained challenging, reflecting heightened economic and policy uncertainties. The Committee observed that monetary policy tightening stance by most central banks in advanced economies and a strengthened US dollar had contributed to tighter global financing conditions, with spillovers to EMDEs. On the back of the monetary policy tightening trend, the Committee observed that several currencies had depreciated against the US dollar, resulting in significant capital flow reversals. On the domestic front, the Committee observed some

moderation in economic activity, reflected in the CIEA. It further noted that estimated real GDP growth by the GSS for the second quarter of 2022 was 4.8 per cent, compared with 4.2 per cent in the second quarter of 2021. The relatively strong growth was largely driven by the services and industry sectors.

In the view of the Committee, the banking sector remained well-capitalised, profitable and resilient with sustained growth in assets and deposits. Total assets increased by 22.9 per cent, year-on-year, to GH¢204.60 billion in August 2022, compared to a 16.7 per cent growth in August 2021. Total deposits increased by 22.5 per cent to GH¢136.70 billion, relative to 21.8 per cent growth in August 2021.

In assessing the country's external position, the Committee reported that the trade surplus was US\$1.70 billion in August 2022, driven by higher receipts from gold, crude oil and non-traditional exports, compared with a surplus of US\$892.40 million in August 2021. Total merchandise imports grew by 12.9 per cent, year-on-year, to US\$10.20 billion, on the back of high oil and gas import bill of US\$3.10 billion in August 2022, relative to US\$1.70 billion in August 2021. The Committee also noted that in the year to September 2022, the Ghana cedi had depreciated by 37.5 per cent, 24.1 per cent, and 27.5 per cent against the US dollar, the pound sterling, and euro, respectively.

On budget execution, the Committee noted that while expenditure was broadly on target, revenue performance was below expectations, complicating fiscal policy implementation. Financing of the budget deficit was largely from domestic sources, with the central bank absorbing a greater share. The Committee was of the view that persistent uncovered auctions and portfolio reversals by non-resident investors had continued to pose risks to the economy. It was, however, noted that the condition was sub-optimal and temporary, and that the engagement with the IMF had been positive, and early conclusion of a programme would help to re-anchor macroeconomic stability.

On price developments, the Committee noted that headline inflation had increased to 33.9 per cent in August 2022, from 31.7 per cent in July. The rise in inflation was broad-based, reflecting heightened underlying inflationary pressures. In the view of the Committee, inflation remained elevated and the balance of risks was on the upside, emanating largely from pass-through effects of currency depreciation, upward adjustment in utility tariffs, and rising inflation expectations. The Committee stressed on its commitment to re-anchor inflation expectations and a return to the disinflation path. Given the above considerations, the Committee decided to increase the MPR by 250 bps to 24.5 per cent.

### November

At the November meeting, the Committee noted that global growth had slowed, amid fears of a recession in advanced economies. The Committee also observed that global inflation remained high, driven by pandemic-induced

supply-chain disruptions, and the energy crisis triggered by Russia's invasion of Ukraine. Global financing conditions had tightened further, reflecting in large part the aggressive policy rate increases across several advanced economies to re-anchor inflation expectations. In the view of the Committee, the spillover effects of these developments complicated access to external capital markets, and resulted in acute capital outflows, especially in emerging and frontier economies.

The Committee further noted that the external shocks had impacted negatively on the domestic economy. High frequency indicators tracked by the Bank of Ghana showed some moderation in economic activity in the third quarter, relative to the first-two quarters of the year. The Bank's CIEA contracted by 1.2 per cent in September 2022 on the back of weakened consumption, trade, and construction activities. In the Committee's view, growth remained below potential on account of rising cost of living amid significant uncertainty in the outlook.

Moreover, the Committee observed that the banking sector remained resilient with strong capital buffers and liquidity positions. The banking industry's Capital Adequacy Ratio (CAR) was 14.2 per cent as at October 2022, above the prudential minimum of 13.0 per cent, but had declined from 19.8 per cent recorded a year earlier. The reduction in the CAR levels broadly reflected the impact of macroeconomic challenges, which had weighed on the economy. However, the Financial Soundness Indicators remained broadly positive.

On the external sector, the Committee stated that there was a marked improvement in the trade balance, largely driven by higher export receipts from gold and crude oil, relative to imports. The Committee observed that the current account deficit, however, widened due to higher payments recorded in the services and income accounts. Overall, the Committee stated that the balance of payments had swung into a deficit in the first-nine months of the year, from a surplus a year earlier. These developments culminated in a significant loss of reserves.

The Committee observed that the unfavourable macroeconomic environment had resulted in budget implementation challenges. In the view of the Committee, revenue shortfalls, expenditure rigidities, lack of access to the international capital market, uncovered auctions, and portfolio reversals had created a huge financing gap. The Committee observed that these conditions necessitated the need for central bank financing for short-term cashflow management. The Committee expressed the view that new revenue and expenditure rationalisation measures announced by the Government, together with a planned debt operation programme, would set the economy on a fiscal consolidation path.

On price developments, the Committee noted that headline inflation in October 2022 had increased, driven

largely by food price pressures, and to some extent currency depreciation. Measures of core inflation by the Bank indicated an elevated level of underlying inflationary pressures. On monetary policy transmission, the Committee noted that past anti-inflationary measures introduced had dampened the pace of monthly price increases. Additional shocks from upward adjustment in ex-pump petroleum prices and utility tariffs, and transport fare increases, had pushed inflation up to 40.4 per cent in October. Given these considerations and to ensure that inflation expectations remained well-anchored, the Committee decided to increase the policy rate by 250 bps to 27.0 per cent.

### 3.3 Money Supply and Credit

#### 3.3.1 Reserve Money

On a year-on-year basis, reserve money expanded by 57.5 per cent in December 2022, compared to 19.9 per cent in December 2021 (Table 3.3 in the Annexes).

#### 3.3.2 Broad Money Supply

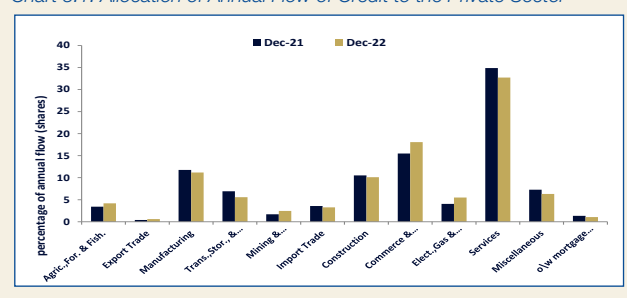
Provisional data on monetary aggregates for December 2022 reflected a significant annual growth in M2+ to 33.0 per cent, from 12.5 per cent in December 2021. The increase in the growth of M2+ was mainly driven by expansion in NDA, which rose by 50.3 per cent, compared to 25.8 per cent in December 2021. NFA contracted at a faster pace, by 261.1 per cent, compared to 59.8 per cent contraction in December 2021.

#### 3.3.3 Deposit Money Banks' Credit

Annual nominal growth in outstanding credit extended by Deposit Money Banks (DMBs) increased to 30.2 per cent in December 2022, from 12.6 per cent in December 2021. At end-December 2022, total outstanding credit stood at GH¢70.0 billion, compared to GH¢53.77 billion at end-December 2021. In real terms, total outstanding bank credit contracted by 15.5 per cent in December 2022, compared to 0.04 per cent contraction in December 2021. The proportion of total outstanding credit to the private sector increased marginally to 91.1 per cent in December 2022, from 90.0 per cent in December 2021. Growth in credit to the private sector increased in nominal terms but declined in real terms.

Nominal growth in credit to the private sector was 31.8 per cent in December 2022, compared to 11.2 per cent in December 2021. In real terms, outstanding credit to the private sector contracted markedly by 14.5 per cent in December 2022, compared to a contraction of 1.3 per cent in December 2021. The outstanding credit to the private sector at end-December 2022 stood at GH¢63.75 billion, compared with GH¢48.39 billion at end-December 2021 (Chart 3.1 and Table 3.4 in the Annexes).

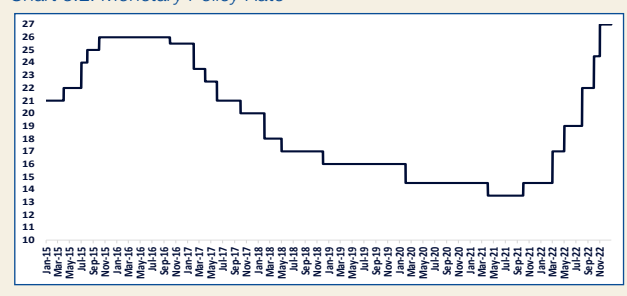
Chart 3.1: Allocation of Annual Flow of Credit to the Private Sector



### 3.4 Interest Rates

Interest rate developments in 2022 reflected an upward trend on a year-on-year basis. The MPR ended the year at 27.0 per cent in December 2022, up from 14.50 per cent in December 2021. The policy rate adjustment was to address broadened and deepened price pressures (Chart 3.2).

Chart 3.2: Monetary Policy Rate



Source: Bank of Ghana

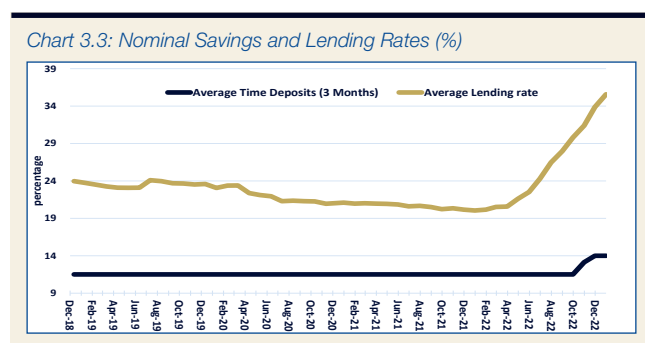
Rates on the 14-day BoG bill increased by 1,250 bps to 27.00 per cent in December 2022, from 14.50 per cent in December 2021, while the 56-day BoG bill increased by 250 bps to 17.00 per cent in December 2022, compared to 14.50 per cent in December 2021.

The interbank weighted average interest rate was 25.51 per cent in December 2022, compared to 12.68 per cent in December 2021.

On the money market, interest rates trended upwards. The 91-day, 182-day, and 364-day Treasury-bill rates increased to 35.48 per cent, 36.23 per cent, and 36.06 per cent, respectively.

The rate on the 2-year Fixed Note, 3-year, 5-year, and 6-year Government of Ghana (GoG) bonds increased to 21.50 per cent, 29.85 per cent, 22.30 per cent, and 21.75 per cent, in December 2022, respectively. The 7-year, 15-year, and 20-year GoG bonds recorded no change in interest rate, year-on-year, due to non-issuance during the review period.

The average interest rate on the DMBs' 3-month Time Deposit instruments increased to 14.00 per cent in December 2022, from 11.50 per cent in December 2021, while the Savings Deposit rate remained unchanged at 7.63 per cent. The average DMBs lending rate was 35.58 per cent in December 2022, compared to 20.04 per cent in December 2021 (Chart 3.3).

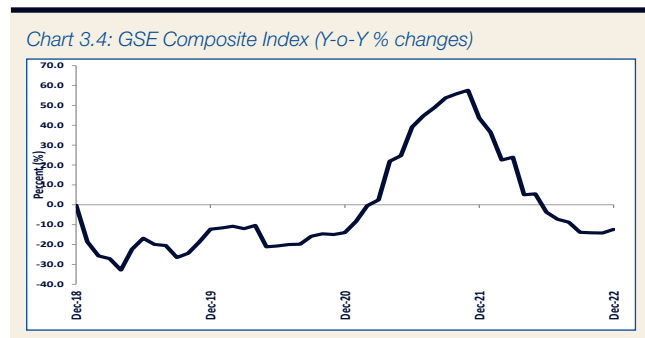


Source: Bank of Ghana

### 3.5 Capital Market

#### 3.5.1 Equity Market

The Ghana Stock Exchange Composite Index (GSE-CI) declined by 12.4 per cent from 2,789.34 points at end-December 2021 to 2,443.91 points at end-December 2022 on account of a slowdown in economic activity (Chart 3.4). In the review year, market capitalisation increased by 0.02 per cent, year-on-year, to GH¢64.51 billion (Tables 3.5 and 3.6 in the Annexes).



Source: Ghana Stock Exchange

#### 3.5.2 Bond Market

The total value of GoG Notes and Bonds listed on the Ghana Fixed Income Market (GFIM) stood at GH¢160.29 billion at end-December 2022, compared to GH¢152.72 billion at end-December 2021. The total value of corporate bonds stood at GH¢11.77 billion compared to GH¢11.93 billion over the same comparative period. The cumulative volume of trade on the GFIM in 2022 stood at 230.32 billion, with a value of GH¢220.76 billion, and the number of trades were 528,188.

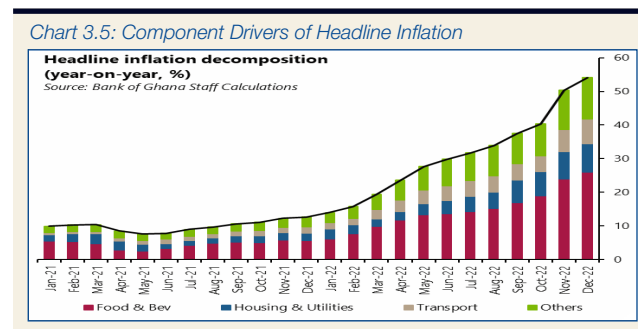
### 3.6 Real GDP

Real GDP growth in 2022 was estimated at 3.1 per cent, compared to 5.1 per cent in 2021. The lower growth was due to a slowdown in economic activity underpinned by lingering supply-chain constraints, tightened global financing

conditions and rising input costs. Growth was mainly driven by the Services and Agriculture sectors, which grew by 5.5 per cent and 4.2 per cent, respectively, while Industry grew by 0.9 per cent. In terms of contribution to GDP, Services dominated with 44.9 per cent share, compared to 48.5 per cent in 2021. It was followed by Industry with 34.2 per cent share, compared to 30.4 per cent in 2021. The share of Agriculture, however, declined marginally to 20.9 per cent, compared to 21.1 per cent in 2021.

### 3.7 Prices

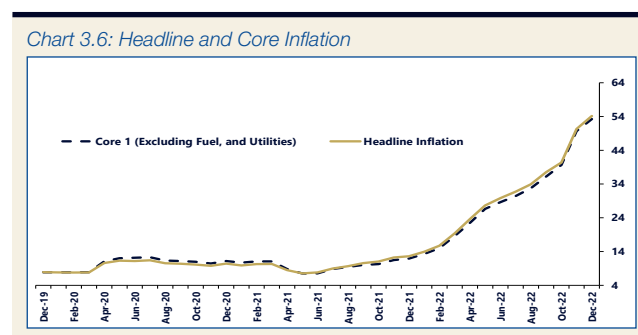
Headline inflation surged to 54.1 per cent in December 2022, from 12.6 per cent in December 2021, above the upper limit of the medium-term target band of  $8 \pm 2$  per cent. In the first half of the year, inflation rose to 29.8 per cent, underpinned mainly by supply-chain disruptions, the lingering effects of the COVID-19 pandemic, and some pass-through effects of the depreciation of the Ghana cedi. In the second half of the year, inflationary pressures heightened further, driven mainly by exchange rate pressures, high ex-pump petroleum product prices, and upward adjustments in transport fares (Chart 3.5).



Source: Bank of Ghana and Ghana Statistical Service

Food inflation surged to 59.7 per cent in December 2022, from 12.8 per cent in December 2021. Non-food inflation also climbed to 49.9 per cent, from 12.5 per cent over the same period.

In line with these trends, the Bank of Ghana's measure of core inflation (defined to exclude energy and utility prices) increased to 53.2 per cent in December 2022, from 11.9 per cent in December 2021 (Chart 3.6). GSS changed the price reference year from 2018 to 2021.



\* Provisional

Source: Bank of Ghana and Ghana Statistical Service

### 3.8 Fiscal Sector

In 2022, fiscal policy objectives were to restore macroeconomic stability and achieve sustainable debt levels. However, execution of the 2022 budget was challenging due to the delayed implementation of several new revenue measures announced in the budget, alongside higher expenditures. With lack of access to the international capital markets, financing of the budget was mainly met from domestic sources.

#### 3.8.1 Fiscal Outturn

Government budgetary operations in 2022 recorded an overall deficit of 8.3 per cent of GDP (on cash basis), compared to 9.2 per cent in 2021, and higher than the target of 6.3 per cent. The deficit was financed from both domestic and foreign sources.

Total Government Revenue and Grants amounted to GH¢96.65 billion (15.8% of GDP), marginally lower than the target of GH¢96.84 billion (15.7% of GDP). The major components were Tax Revenue of GH¢75.55 billion (78.2% of Total Receipts), Non-Tax Revenue of GH¢14.56 billion (15.1% of Total Receipts) and Grants of GH¢1.12 billion (1.2% of Total Receipts).

Total Government Expenditure (including payment arrears) for the year amounted to GH¢146.33 billion (24.0% of GDP), which was above the target of GH¢135.74 billion (22.0% of GDP) by 7.8 per cent. (Table 3.8A in the Annexes).

#### 3.8.2 Composition of Domestic Debt

The stock of domestic debt at end-December 2022 was GH¢194.39 billion (31.6% of GDP) compared to GH¢181.78 billion (39.5% of GDP) at end-December 2021. The increase in the domestic debt stock in 2022 was as a result of GH¢11.75 billion increase in short-term securities, and GH¢629.70 million increase in the medium-term securities. Long-term securities, however, increased by GH¢222.50 million. Total debt stock stood at GH¢435.32 billion at end-December 2022 (71.2% of GDP), higher than the stock of GH¢351.79 billion at end-December 2021 (76.2% of GDP) (Table 3.9 in the Annexes).

#### 3.8.3 Holdings of Domestic Debt

In 2022, the share of the Bank of Ghana's holdings of domestic debt increased to 21.8 per cent at end-December 2022, from 19.5 per cent at end-December 2021. DMB's holdings increased to 31.6 per cent, from 30.4 per cent, while SSNIT's holdings increased marginally to 0.4 per cent, from 0.3 per cent over the same comparative period. The share of Non-Residents' holdings decreased significantly to 7.1 per cent at end-December 2022, from 16.0 per cent at end-December 2021 (Table 3.10B in the Annexes).

### 3.9 External Sector

The overall Balance of Payments (BoP) recorded a deficit of US\$3.64 billion in 2022, compared to a surplus of

US\$510.13 million in 2021. The deficit was mainly driven by large outflows from the capital and financial account (Table 3.11 in the Annexes).

#### 3.9.1 Current Account

The current account recorded a deficit of US\$1.52 billion (2.1 per cent of GDP) in 2022, compared to a deficit of US\$2.54 billion (3.2 per cent of GDP) in 2021. The lower deficit was on account of improved trade surplus along with higher remittance inflows, which outweighed the higher payments recorded in the services and income accounts during the year.

##### 3.9.1.1 Merchandise Trade Balance

The trade balance recorded a surplus of US\$2.87 billion in 2022, compared to US\$1.10 billion in 2021, on the back of higher exports relative to import growth.

##### Merchandise Exports

The value of merchandise exports for the year was estimated at US\$17.49 billion, compared to US\$14.73 billion in 2021, underpinned by higher receipts from crude oil, gold and non-traditional exports.

##### Gold Exports

Gold exports in 2022 amounted to US\$6.61 billion, compared to US\$5.08 billion in 2021. The increase was largely driven by a 34.0 per cent rise in export volumes, reaching 3.8 million ounces in the review year. The average realised price of gold, however, declined to US\$1,749 per fine ounce in 2022, from US\$1,802 per fine ounce in 2021. A number of factors, including efforts by government to address some challenges in the small-scale gold mining sector, with the launch of the community mining scheme and a reduction in withholding tax, accounted for the increase in volume. Gold continued to be the leading foreign exchange earner for the country, accounting for 38.0 per cent of total exports in 2022.

##### Crude Oil Exports

Crude oil export receipts amounted to US\$5.43 billion in 2022, compared to US\$3.95 billion in 2021, due to higher realised prices, despite a decline in volume. The average realised price of crude oil increased by 40.6 per cent to US\$100.19 per barrel in 2022, compared to US\$71.24 per barrel in 2021. The volume exported, however, declined by 2.2 per cent year-on-year to about 54.2 million barrels in 2022.

##### Export of Cocoa Beans and Products

Exports of cocoa beans and products amounted to US\$2.29 billion in 2022, compared to US\$2.84 billion in 2021. Cocoa beans exports amounted to US\$1.24 billion, a decline of 29.7 per cent, year-on-year. The average realised price of cocoa beans declined by 1.5 per cent to settle at US\$2,473.27 per tonne in 2022. Export volumes also declined by 28.7 per cent to 502,345.19 tonnes. Earnings from the export of cocoa products reduced by 9.4 per cent to US\$970.60 million in 2022, as compared to the value

in 2021. This was due to both price and volume effects. The average price of cocoa products fell by 8.0 per cent to settle at US\$3,071.04 per tonne in 2022, while the volume of products exported decreased by 1.5 per cent to 316,034.40 tonnes.

### Timber Exports

The value of timber exports decreased marginally to US\$161.41 million in 2022, compared to US\$161.95 million in 2021. The average realised price decreased by 14.8 per cent to US\$465.34 per cubic metre in 2022, from US\$546.38 per cubic metre in 2021. The volume of exports, however, increased by 15.0 per cent to 340,768.29 cubic meters in 2022.

### Other Exports

The value of "other exports", made up of non-traditional exports and other minerals (aluminium alloys, bauxite, diamond and manganese), was estimated at US\$2.99 billion in 2022, representing 11.1 per cent increase over the 2021 outcome.

### Merchandise Imports

The total value of merchandise imports for 2022 was US\$14.62 billion, compared to US\$13.63 billion in 2021. The increase in imports was on the back of higher oil and gas prices.

### Oil Imports and Non-Oil Imports

The value of oil imports (crude oil, gas and refined petroleum products) was US\$4.63 billion in 2022, higher than US\$2.72 billion in 2021. Non-oil imports in the review year amounted to US\$9.99 billion in 2022, compared to US\$10.91 billion in 2021.

#### 3.9.1.2 Services, Income and Current Transfers

The services, income and transfers account recorded a net outflow of US\$4.40 billion in 2022, higher than the net outflow of US\$3.64 billion in 2021. The services account widened to a deficit of US\$3.46 billion, from a deficit of US\$3.16 billion, mainly as a result of an increase in net payments related to other services, freight and insurance. The income account deficit grew by 17.6 per cent to US\$4.51 billion in 2022. However, current transfers, which are mostly private remittances, recorded a net inflow of US\$3.57 billion in 2022, compared with a net inflow of US\$3.35 billion in 2021.

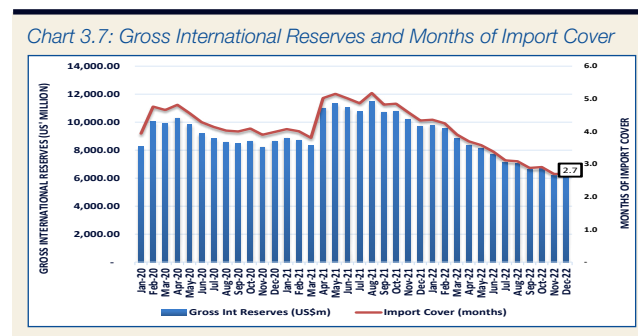
### 3.9.2 Capital and Financial Account

The capital and financial account recorded a significant outflow of US\$2.14 billion in 2022, compared to a net inflow of US\$3.30 billion in 2021. During the review year, the capital account recorded a net inflow of US\$142.12 million, against a net inflow of US\$203.98 million in 2021. The financial account, on the other hand, recorded a net outflow of US\$2.28 billion in 2022, compared to a net inflow of US\$3.10 billion in 2021. The main drivers of the

financial account net outflows were portfolio flow reversals and lower foreign direct investment.

### 3.9.3 International Reserves

At end-December 2022, the stock of Net International Reserves (NIR) was US\$2.44 billion, compared to US\$6.08 billion at end-December 2021, indicating a drawdown of US\$3.64 billion. Gross International Reserves (GIR) decreased by US\$3.46 billion to US\$6.24 billion at end-December 2022, representing 2.7 months of import cover, compared to 4.3 months of import cover at end-December 2021 (Chart 3.7).

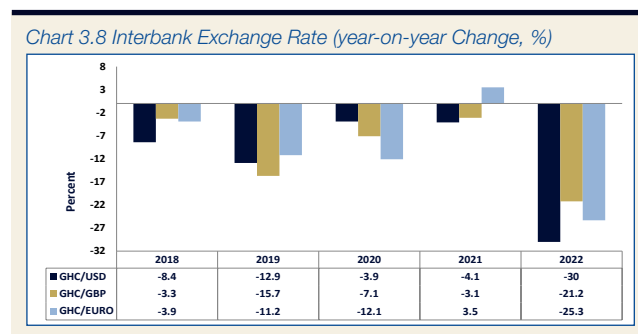


Source: Bank of Ghana

### 3.10 Foreign Exchange Market

The Ghana cedi cumulatively depreciated by 29.9 per cent against the US dollar in 2022, compared to a depreciation of 4.1 per cent in 2021. Similarly, it depreciated against the British pound by 21.2 per cent in 2022, compared to 3.1 per cent in the previous year. Against the euro, the Ghana cedi depreciated by 25.3 per cent in 2022, compared to an appreciation of 3.5 per cent in 2021.

The sharp depreciation of the Ghana cedi in 2022 was largely driven by uncertainties about the country's fiscal outlook, mainly at the back of weak sentiments caused by a delay in the approval of key revenue measures in the 2022 budget, multiple downgrades by international rating agencies, portfolio flow reversals, and the lingering effects of the pandemic and the Russia-Ukraine war. These developments had a negative effect on the Ghana cedi (Chart 3.8 and Table 3.12 in the Annexes).



Source: Bank of Ghana

### 3.11 External Debt

At end-December 2022, the stock of external debt stood at US\$28.96 billion (39.1% of GDP), compared to US\$28.34 billion (37.0% of GDP) at end-December 2021.

The external debt stock constituted 48.3 per cent of the total public debt at end-December 2021 compared 55.3 per cent at end-December 2022.

The composition of external debt at end-December 2022 by creditor categories were as follows: International capital market, 45.2 per cent; multilateral holders, 27.7 per cent; other commercial creditors, 15.2 per cent; other concessional 5.2 per cent; bilateral holders, 4.3 per cent; and export credit agencies, 2.4 per cent (Charts 3.9 and 3.10; Table 3.13 in the Annexes).

Chart 3.9 External Debt by Creditor Category (US\$ million)

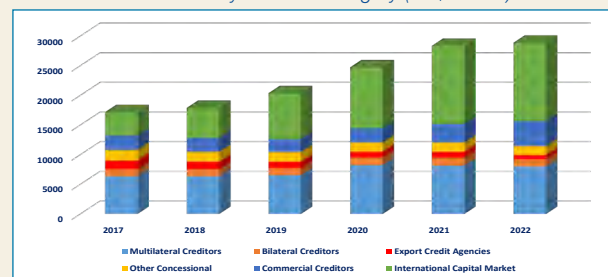
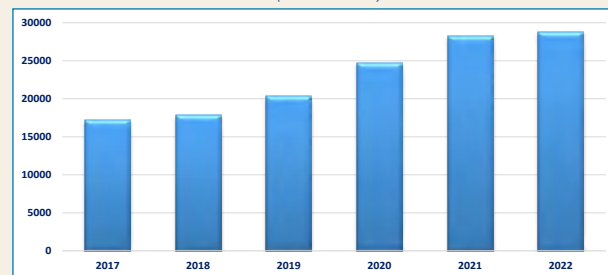


Chart 3.10 Total External Debt (US\$ million)



Source: Ministry of Finance

#### BOX 3.1: DOMESTIC DEBT EXCHANGE PROGRAMME

Ghana faced severe financing constraints arising from the lingering effects of the COVID-19 pandemic, the Russia-Ukraine war, and the tightening of global financial conditions. Although growth remained resilient somewhat, rising fiscal deficit and public debt levels raised debt sustainability concerns, resulting in a series of sovereign credit rating downgrades. With external financing options closed and domestic financing sources limited, the Government in July 2022, requested for financial assistance from the IMF, primarily aimed at restoring macroeconomic stability and debt sustainability.

Subsequently, Ghana reached a Staff Level Agreement (SLA) with the IMF in December 2022, on a US\$3.0 billion three-year Extended Credit Facility (ECF) to secure a programme. During the initial engagements to secure a programme, a Debt Sustainability Analysis (DSA) was undertaken to assess the nature and extent of Ghana's overall debt burden. The DSA findings confirmed a public debt burden above 100 per cent of GDP, which required a debt treatment plan to bring it down to about 55 per cent of GDP in present value terms by 2028. A comprehensive plan to restore debt and fiscal sustainability included a Domestic Debt Exchange Programme (DDEP) and external debt restructuring. The successful completion of the DDEP was viewed as a critical pre-condition for the IMF's Executive Board approval of the ECF, which was needed to restore macroeconomic stability and debt sustainability, while laying the foundation for inclusive growth.

##### The DDEP Process

To kickstart the DDEP in a transparent and efficient manner, an announcement was made on 5<sup>th</sup> December, 2022, to invite eligible bondholders to exchange existing bonds for new bonds with different coupon rates and maturities. After a series of engagements with the major stakeholders, the final memorandum was issued.

In operationalising the DDEP, eligible bond holders were divided into three categories: Category A bondholders made up of collective investment schemes and individuals below the age of 59 years as at 31<sup>st</sup> January, 2023; Category B bondholders made up of individuals of 59 years and older as at 31<sup>st</sup> January, 2023; and General Category bondholders made up of all holders of eligible bonds who did not qualify as Category A or B bondholders.

To mitigate the potential impact of the DDEP on the financial sector, the Government, together with regulators of the financial sector, instituted appropriate measures and safeguards to ensure that financial stability was not compromised. The Bank of Ghana, Securities & Exchange Commission, the National Insurance Commission, and the National Pensions Regulatory Authority, committed to deploy all available regulatory tools to minimise the impact of the domestic debt operation on individuals and businesses.

In addition, the Government committed to:

- exempt all Treasury Bills from the DDEP; and
- establish a Ghana Financial Stability Fund (GFSF) with support from development partners to provide liquidity and solvency support to the financial sector players to preserve stability.



**BOX 3.2: BANK OF GHANA GOLD PURCHASE PROGRAMME**

In 2021, the Bank of Ghana Gold Acquisition programme was launched as part of efforts to build international reserves. This enabled the Bank to buy domestically produced gold using local currency from selected gold aggregators and mining firms and pay in the local currency at the prevailing world market price. Through the programme, the Bank expects to double its gold holdings within a period of five years.

Other than the reserves portfolio diversification benefits, the domestic gold purchase programme was also meant to pave the way for the Bank to grow its foreign exchange reserves to foster confidence, enhance currency stability, and create a more attractive environment for foreign direct investments and economic growth. The programme would also enable the Bank leverage its gold holdings to raise cheaper sources of financing to provide short-term foreign exchange liquidity.

Furthermore, the Government launched a Gold for Oil (G4O) programme in 2022 with the prime objective of leveraging on the Bank of Ghana's domestic gold purchase programme to provide the needed funds for importation of petroleum products for the country. The programme is expected to save the country US\$4.8 billion annually in foreign exchange. This policy was the first macroeconomic intervention rolled out to deal with balance of payment crisis, exchange rate depreciation, hikes in fuel prices and the ensuing increase in transport fares and food prices.



4

**DEVELOPMENTS  
IN THE BANKS AND OTHER  
BANK OF GHANA LICENSED  
FINANCIAL INSTITUTIONS**

## 4.1 Overview

The performance of the banking sector in 2022 was mixed. Adverse macroeconomic developments and the uncertainties surrounding the commencement of the government's debt operations<sup>7</sup> led to a decline in key performance indicators. However, the industry remained resilient.

## 4.2 Regulatory Environment

The Bank of Ghana continued to monitor the lingering effects of the COVID-19 pandemic on the industry. The Bank introduced policy measures aimed at strengthening the safety and soundness of individual banks and the industry as a whole. This was to address the knock-on effects of heightened inflation on the economy and to strengthen the intermediation functions of banks.

### 4.2.1 Regulation and Governance

#### 4.2.1.1 Revision of COVID-19 Policy Measures

The Bank made revisions to some of the policy measures introduced to enhance the stability of the industry in response to the lingering effects of the pandemic as follows:

- Increase in the Cash Reserve Ratio to 12.0 per cent, from 10.0 per cent;
- Increase in the Capital Conservation Buffer to 3.0 per cent, from 1.5 per cent; and
- Increase in Other Loans Especially Mentioned (OLEM) provision rate to 10.0 per cent, from 5.0 per cent.

#### 4.2.1.2 Review of Prudential and Single Obligor Limits

The economy experienced severe macroeconomic shocks in 2022. To address these challenges and ensure that the banking sector remained robust, the Bank announced the following interventions:

- A review of the prudential limit on exposures to correspondent banks (Nostro Balances); and
- A dispensation notice for breaches of the Single Obligor Limit (SOL).

#### 4.2.1.3 Regulatory Reliefs for Banks and SDIs Participating in the DDEP

The Government of Ghana initiated a domestic debt restructuring programme to address debt sustainability concerns. This led to a review of the tenure and rates of existing GoG bonds. To help mitigate the adverse effects of the debt exchange programme on banks, the Bank issued a raft of regulatory reliefs for banks and SDIs participating in the exchange as follows:

- Reduction of the Cash Reserve Ratio (CRR) to 12.0 per cent, from 15.0<sup>8</sup> per cent on Ghana cedi deposits;
- Reduction in the Capital Adequacy Ratio (CAR) to 10.0 per cent, from 13.0 per cent, effectively removing the Capital Conservation Buffer of 3.0 per cent;

- Deductibility of New Bonds (fully) in determining financial exposure of banks to counter parties under section 62(8) of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930);
- Setting risk weight for new bonds at zero per cent for CAR computation;
- Increase in Tier II component of regulatory capital to 3.0 per cent, from 2.0 per cent in the computation of total risk weighted assets; and
- Increase in the allowable portion of property revaluation gains for Tier II Capital computation to 60.0 per cent, from 50.0 per cent.

#### 4.2.1.4 Regtech and Suptech Implementation

The Bank prioritised, implemented, and integrated system enhancement changes to the Online Regulatory Analytic Surveillance System (ORASS), introduced as part of efforts to further strengthen the supervision of regulated financial institutions. Key among the changes implemented were the restructuring of the data collection function of the system, enhancement of the Risk-Based Supervision Module, and the operationalisation of the Licensing and Regulatory Transactions Module.

#### 4.2.1.5 Cyber and Information Security

The Bank successfully integrated all 23 universal banks into its Financial Industry Command Security Operations Centre (FICSOC) system. To enhance cyber threat intelligence sharing, under Section 41 (2) of the Bank of Ghana Cyber and Information Security Directive (CISD), the Bank mandated all regulated financial institutions to integrate into the FICSOC.

#### 4.2.1.6 Other Directives

To deal with emerging macroeconomic risks and enhance the stability of the banking industry, the Bank issued the following Directives and Guidance Notes:

- Corporate Governance Disclosure Directive;
- Directive on Acceptable Collateral for Single Obligor Limit; and
- Emergency Liquidity Assistance Operational Manual.

## 4.3 Regulated Institutions

At end-December 2022, licensed banks and non-bank institutions comprised universal banks (23), Savings and Loans Companies (25), Finance Houses (14), Rural and Community Banks (147), Microfinance Institutions (177), Mortgage Finance Companies (1), Leasing Companies (2),

Table 4.1: Structure of the Banking Industry

| Institution Type   | DEC-21     |                      |               | DEC-22     |                      |               |
|--------------------|------------|----------------------|---------------|------------|----------------------|---------------|
|                    | No.        | Total Assets (GH¢'M) | Share (%)     | No.        | Total Assets (GH¢'M) | Share (%)     |
| <b>Banks</b>       | <b>23</b>  | <b>179,803.64</b>    | <b>91.67</b>  | <b>23</b>  | <b>220,963.31</b>    | <b>92.56</b>  |
| <b>SDIs</b>        | <b>365</b> | <b>16,347.78</b>     | <b>8.33</b>   | <b>366</b> | <b>17,753.06</b>     | <b>7.44</b>   |
| S&Ls/FHs & Others* | 41         | 8,502.96             | 4.33          | 42         | 7,799.59             | 3.27          |
| RCBs               | 144        | 6,758.81             | 3.45          | 147        | 8,548.10             | 3.58          |
| MFIs               | 180        | 1,086.01             | 0.55          | 177        | 1,405.37             | 0.59          |
| <b>Total</b>       | <b>388</b> | <b>196,151.42</b>    | <b>100.00</b> | <b>389</b> | <b>238,716.37</b>    | <b>100.00</b> |

Source: Bank of Ghana | \* Others comprise Mortgage and Leasing companies

<sup>7</sup> See Box 3.1 on page 24 for more information on the Government's debt operation programme

<sup>8</sup> CAR adjusted upwards at the August 2022 emergency MPC meeting.

and Foreign Exchange Bureaux (405).

### 4.3.1 Banking Sector

#### 4.3.1.1 Assets and Liabilities of Banks

Total assets of the banking sector stood at GH¢220.96 billion at end-December 2022, representing a year-on-year growth of 22.9 per cent, compared with 20.4 per cent growth in 2021. The strong growth in assets was mainly driven by a revaluation of the foreign currency component of banks' assets. Foreign assets grew by 42.6 per cent in 2022 while domestic assets grew by 21.7 per cent. The 23 universal banks held 92.6 per cent of the total assets of the industry at end-December 2022 (Table 4.2 in the Annexes).

#### 4.3.1.2 Financial Soundness Indicators

In 2022, the banking sector remained resilient, despite marked increase in operational costs and severe macroeconomic challenges. The FSIs broadly remained healthy, supported by the regulatory policy measures and reliefs targeted at moderating the impact of the emerging risks.

#### Profitability

The profitability of DMBs reduced in 2022 due to higher operational costs and provisions during the year, which impacted on banks' net profit.

Table 4.3: Bank's Profitability Indicators (%)

| Indicators           | 2018 | 2019 | 2020 | 2021 | 2022 |
|----------------------|------|------|------|------|------|
| ROE                  | 18.5 | 19.9 | 21.4 | 20.6 | 14.6 |
| ROA                  | 3.4  | 4.1  | 4.4  | 4.5  | 3.1  |
| ROEA                 | 4.6  | 5.6  | 5.9  | 6.0  | 4.3  |
| Net interest margin  | 9.5  | 11.0 | 10.9 | 9.9  | 10.4 |
| Cost to Income Ratio | 58.3 | 54.8 | 51.4 | 50.3 | 50.0 |
| Net interest Spread  | 9.5  | 10.5 | 10.5 | 10.3 | 10.3 |

Source: Bank of Ghana

#### Asset Quality

Asset quality marginally improved, with the industry's NPLs at end-December 2022 at 15.1 per cent, from 15.2 per cent at end-December 2021, reflecting the higher growth in credit, which outpaced the growth in NPL stock.

#### Liquidity

Adverse macroeconomic developments led to a decline in key liquidity ratios in 2022. However, the banking sector was broadly liquid. The ratio of liquid assets to total deposits decreased to 85.4 per cent at end-December 2022, from 93.1 per cent in 2021, while liquid assets to volatile funds also decreased to 133.8 per cent in 2022, from 149.6 per cent in 2021.

Table 4.4: Banks' Liquidity Indicators (%)

| Indicators                           | 2018  | 2019  | 2020  | 2021  | 2022  |
|--------------------------------------|-------|-------|-------|-------|-------|
| Liquid Assets/<br>Total Deposit (%)  | 91.5  | 92.1  | 89.0  | 93.1  | 85.4  |
| Liquid Assets/<br>Volatile Funds (%) | 162.0 | 150.2 | 143.7 | 149.6 | 133.8 |

#### Solvency

The Capital Adequacy Ratio (CAR) was 16.6 per cent in December 2022, compared to 19.6 per cent in December 2021, and higher than the prudential minimum of 13.0 per cent. The decline in CAR was attributed to investment losses of banks, as well as an expansion in the risk-weighted assets.

Table 4.5: Bank's Solvency Indicators

| Solvency Indicators | 2018      | 2019      | 2020      | 2021      | 2022      |
|---------------------|-----------|-----------|-----------|-----------|-----------|
| CAR (%)             | 21.9      | 17.5      | 19.8      | 19.6      | 16.6      |
| NPL (%)             | 18.2      | 13.9      | 14.8      | 15.2      | 14.8      |
| Net Worth (GH¢'M)   | 16,928.00 | 18,947.13 | 22,632.85 | 24,810.57 | 27,905.37 |

### 4.3.2 SDIs and Other Licensed Institutions

The performance of SDIs and other licensed institutions in 2022 was mixed. The sector comprises Savings and Loans (S&Ls) Companies, Rural and Community Banks (RCBs), Microfinance Institutions (MFIs), Finance Houses (FHs), Mortgage Finance Companies, and Leasing Companies. The combined assets of SDIs and other licensed institutions stood at GH¢7.80 billion at end-December 2022, compared with GH¢8.50 billion at end-December 2021.

The major source of funding for the sector at end-December 2022 was deposits from the S&Ls (GH¢3.63 billion), RCBs (GH¢7.53 billion) and MFIs (GH¢0.54 billion) sub-sectors, which funded 67.3 per cent of the total assets. Deposits increased by 3.9 per cent, year-on-year, to GH¢5.25 billion (Table 4.6 in the Annexes).

#### 4.3.2.1 Savings and Loans Sector

The total number of licensed S&Ls stood at 25 at end-December 2022. Total assets of the sector stood at GH¢5.90 billion at end-December 2022, representing a year-on-year growth of 17.4 per cent. CAR was 1.9 per cent at end-December 2022, below the prudential minimum of 10.0 per cent. The NPL ratio increased to 28.6 per cent at end-December 2022, from 17.3 per cent at end-December 2021.

#### 4.3.2.2 Rural and Community Banks

The total number of licensed RCBs at end-December 2022 was 147. Total assets of the sector stood at GH¢8.5 billion at end-December 2022, representing a 26.5 per cent growth year-on-year. CAR at end-December 2022 was 10.1 per cent, marginally above the prudential minimum of 10.0 per cent. The NPL ratio improved marginally to 11.7 per cent at end-December 2022, from 12.1 per cent at end-December 2021. The RCBs remained profitable during the year (Table 4.6 in the Annexes).

#### 4.3.2.3 Microfinance Institutions

The total number of licensed MFIs stood at 177 at end-December 2022, compared to 180 at end-December 2021. The reduction was due to the migration of three institutions to different tiers of the banking sector. Total assets of the sector stood at GH¢1.4 billion at end-December 2022, representing a year-on-year growth of 29.4 per cent. CAR was 16.4 per cent at end-December 2022, above the

prudential minimum of 10.0 per cent. NPL ratio increased to 29.4 per cent at end-December 2022, from 24.4 per cent at end-December 2021.

#### 4.3.2.4 Finance Houses

The total number of licensed Finance Houses stood at 15 at end-December 2022. Total assets of the sector stood at GH¢1.84 billion at end-December 2022, representing a year-on-year contraction of 23.2 per cent. The sector recorded a negative CAR of 58.3 per cent at end-December 2022, below the prudential minimum of 10.0 per cent. The NPL ratio increased to 44.7 per cent at end-December 2022, from 18.0 per cent at end-December 2021.

#### 4.3.2.5 Leasing Sector

Total assets of the Leasing Sector stood at GH¢59.27 million at end-December 2022, a marginal decline of 0.5 per cent, year-on-year. CAR at end-December 2022 stood at 20.0 per cent, above the prudential minimum of 10.0 per cent, but below the 35.6 per cent at end-December 2021. The NPL ratio increased to 11.1 per cent at end-December 2022, from 9.9 per cent at end-December 2021.

### BOX 4.1: PROGRESS ON THE IMPLEMENTATION OF SUSTAINABLE BANKING PRINCIPLES

In 2022, progress was made in the implementation of the Bank of Ghana Sustainable Banking Principles (SBPs). Average compliance rate improved by 2.0 per cent between September 2021 and March 2022 and 3.8 per cent, between March 2022 and September 2022.

SBPs are aimed at promoting good environmental, social and governance practices in the banking business, enhancing financial inclusion, gender equality, resource sufficiency, sustainable consumption and production.

The Bank requires regulated financial institutions to make disclosures about their sustainability practices through a reporting template, as well as in their audited annual financial statements and reports.

#### 4.3.2.6 Foreign Exchange Bureaux

The total number of licensed Foreign Exchange Bureaux (FEBs) at end-December 2022, was 405, compared to 420 at end-December 2021. The reduction in the number was as a result of the consolidation of bureaux owned by the same shareholders, and the revocation of the licences of two institutions. The sector experienced significant growth in 2022, with the Ghana cedi equivalent of purchases and sales of traded foreign currencies increasing by 69.1 per cent and 70.9 per cent, year-on-year, respectively. In value terms, GH¢2.6 billion purchases and GH¢2.7 billion sales were recorded in 2022.

## 4.4 Collateral Registry

A total of 179,441 security interests were registered in 2022, compared to 151,415 security interests registered in 2021. A total of 305 institutions registered their security interests during the year. In terms of assets, a total of 325,758 assets were registered as collateral in 2022, compared to 290,828 assets registered in 2021, an increase of 12.0 per cent, year-on-year. The major collateral types used to secure loans were cash and inventories.

A total of 62,073 searches were conducted in 2022, compared to 57,687 searches in 2021, representing an increase of 7.6 per cent (Table 4.7 in the Annexes).

## 4.5 Financial Stability

The Bank continued to exercise surveillance over the financial system to identify and assess potential systemic risks, strengthen financial integrity, and deal with deficiencies in market conduct. The Bank also conducted Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) deficiency assessments for prompt remedial actions.

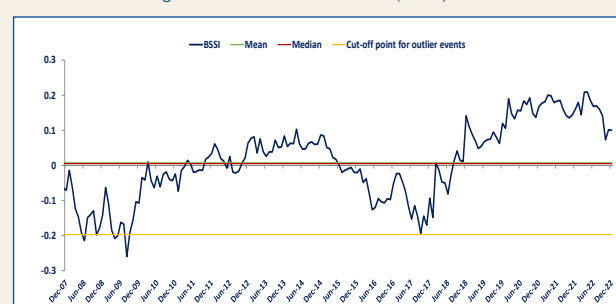
### 4.5.1 Systemic Risks Surveillance

#### 4.5.1.1 Developments in Core Financial Soundness Indicators

In 2022, the key financial soundness indicators for the banking sector remained broadly strong, supported mainly by the regulatory reliefs provided by the Bank. Among others, the minimum CAR was reduced from 13 per cent to 10 per cent as at end-December 2022, and losses from the DDEP were to be reflected in the computation of CAR over a period of up to four years. Accordingly, the industry's average CAR adjusted for the regulatory reliefs was 15.7 per cent in December 2022, compared with the unadjusted CAR of 16.6 per cent. The adjusted CAR also reflected valuation losses on GoG bonds, elevated credit risk, and revaluation losses on foreign currency denominated loans.

The composite Banking Sector Soundness Index (BSSI)<sup>9</sup> declined for most part of 2022, compared with the upward trend observed in 2021. The downward trend in 2022 reflected rising vulnerabilities in the banking sector (Chart 4.1 and Table 4.8 in the Annexes).

Chart 4.1: Banking Sector Soundness Index (BSSI)



Source: Bank of Ghana

<sup>9</sup> BSSI is developed from the core FSIs: Capital Adequacy Ratio, Asset Quality Ratio, Management Efficiency Ratio, Earnings Ratio, and Liquidity Ratio. An upward trend in the BSSI connotes an improvement in the soundness of the banking system. The data used is subject to revision.

#### 4.5.1.2 *Stress Testing of the Banking Sector*

The country witnessed a series of downgrades by the major international credit rating agencies, signalling a challenging sovereign risk outlook. The Bank conducted stress tests to evaluate the resilience of the banking sector to sovereign and macroeconomic risks. Results from the stress tests highlighted rising vulnerabilities to the solvency and liquidity position of the banks. Policy measures and regulatory reliefs introduced by the Bank of Ghana strengthened the resilience of banks to shocks emanating from the challenging macroeconomic environment.

### 4.5.2 **Market Conduct**

#### 4.5.2.1 *Credit Reporting*

To promote responsible lending, the Bank intensified its supervisory oversight role on the credit reporting system in 2022. The Bank engaged and designated 22 institutions outside the banking sector as data providers and authorised users of the credit reporting system. The licence of one credit reference bureau was revoked for non-compliance pursuant to section 11 of the Credit Reporting Act, 2007 (Act 726).

The Bank continued to monitor and supervise the conduct of regulated institutions to ensure compliance with regulatory requirements aimed at protecting the interest of customers. Eight banks were examined based on fair banking and treatment of customers, transparency and disclosure of information, adequacy of complaint management systems, data protection, among others.

#### 4.5.2.2 *Complaints*

To further enhance transparency and promote confidence in the intermediation functions of banks and SDIs, the Bank promptly resolved complaints received from the public about the conduct of institutions under its regulatory purview. In 2022, complaints received increased to 983, from 857 in 2021, a 14.7 per cent increase.

### 4.5.3 **Financial Integrity**

The Bank issued a revised Anti-Money Laundering/Countering the Financing of Terrorism and Proliferation of Weapons of Mass Destruction (AML/CFT&P) Guidelines and the Administrative Penalties and Sanctions for Accountable Institutions, consistent with the provisions of the Anti-Money Laundering Act, 2020 (Act 1044) and the Banks & Specialised Deposit Taking Institutions Act, 2016 (Act 930).

To further strengthen the country's AML/CFT regime, the Bank organised a series of open and customised stakeholder sensitisation programmes on AML/CFT related issues. In addition, the Bank conducted enhanced risk-based off-site examination on six universal banks, and full scope on-site examinations on 33 RCBs, two MFIs, three S&Ls and five Finance Houses.

The country sought, and was granted re-rating to Partially-

Compliant from Non-Compliant, with the Financial Action Task Force (FATF) Recommendation 8 on the abuse of Not-for-Profit Organisations (NPOs) for money laundering, terrorist financing and proliferation activities.

The Bank hosted the Committee for Cooperation between Law Enforcement Agencies and the Banking Community's (COCLAB) annual meeting. The meeting discussed, among others, threats to the banking industry emanating from fraudulent activities and made appropriate recommendations to enhance the integrity of the financial system.

### 4.5.4 **Financial Inclusion**

The Bank rolled out a number of programmes to promote economic literacy which was necessary to the attainment of its mandate. The channels adopted to educate the general public on economic issues included in-person interactions, TV/radio presentations, social media, and infographics.

### 4.5.5 **Financial Stability Council**

The Financial Stability Council, chaired by Dr. Ernest Addison, Governor of the Bank of Ghana, held four quarterly meetings to assess emerging risks in the financial sector. Various Working Groups (WGs) under the Council also conducted studies on emerging risks to enable regulators take appropriate remedial policy actions.

## 4.6 **Payment Systems**

In line with its strategic objectives, the Bank continued to monitor developments within the payment ecosystem and took appropriate policy actions in response to the changing dynamics in the industry. The Bank focused on the following key initiatives in the payment and settlement systems:

- a. Strengthening Prudential and Regulatory Framework;
- b. Improving Oversight of Payment Service Providers;
- c. Enhancing Product Innovation and Development;
- d. Strengthening Financial Inclusion and Digital Finance; and
- e. Improving Non-Cash Payment Streams.

### 4.6.1 **Strengthening Prudential and Regulatory Framework**

#### 4.6.1.1 *Cheque Printer Accreditation Standard*

In compliance with the Payment Systems and Services Act, 2019 (Act 987) and the Cheque Printer Accreditation Standard, two accredited cheque printers were examined in 2022.

#### 4.6.1.2 *Guidelines on the Treatment of Dormant Electronic Money Accounts and Unclaimed Balances*

The Bank issued Guidelines to Payment Service Providers (PSPs) and Dedicated Electronic Money Issuers (DEMI) on the Treatment of Dormant Electronic Money Accounts and Unclaimed Balances, in compliance with Section 33 of the Payment Systems and Services Act, 2019 (Act 987). The Guidelines defined dormant accounts, provided the

procedures for declaring an account as dormant, and how to deal with accounts of customers classified as dormant.

#### 4.6.2 Improving Oversight of Payment Service Providers

In 2022, the Bank conducted on-site and off-site examination of the operations and activities of the payment service providers. This was carried out to determine their level of compliance with the requirements of the Payment Systems and Services Act, 2019 (Act 987), other Directives, as well as Guidelines issued by the Bank.

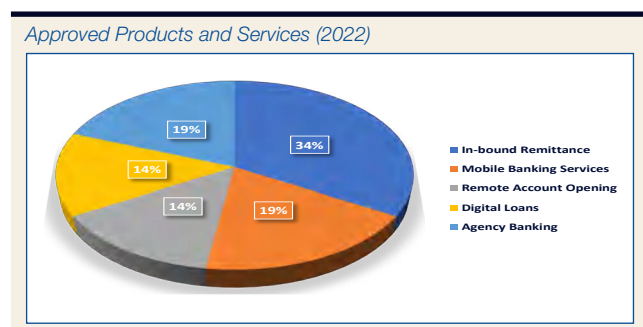
#### 4.6.3 Enhancing Product Innovation and Development

A total of 21 payment products and services submitted by regulated institutions was approved by the Bank in 2022, compared with 26 products in 2021.

*Table 4.9: Total Number of Approved Products and Services*

| Products/Services        | Numbers Approved |           |
|--------------------------|------------------|-----------|
|                          | 2021             | 2022      |
| In-bound Remittance      | 4                | 7         |
| Mobile Banking Services  | 6                | 4         |
| Remote Account Opening   | 1                | 3         |
| Digital Loans            | 4                | 3         |
| Agency Banking           | 2                | 4         |
| Card Issuance            | 3                | 0         |
| POS and ATM Acquiring    | 2                | 0         |
| Chat Banking             | 1                | 0         |
| Whatsapp Banking         | 1                | 0         |
| Quick Response (QR) Code | 1                | 0         |
| Others                   | 1                | 0         |
| <b>TOTAL</b>             | <b>26</b>        | <b>21</b> |

Source: Bank of Ghana



#### 4.6.4 Strengthening Financial Inclusion and Digital Finance

In 2022, the Bank continued to promote financial inclusion initiatives largely influenced by the evolution of digital payments channels, and the ensuing access to diverse payment products and services.

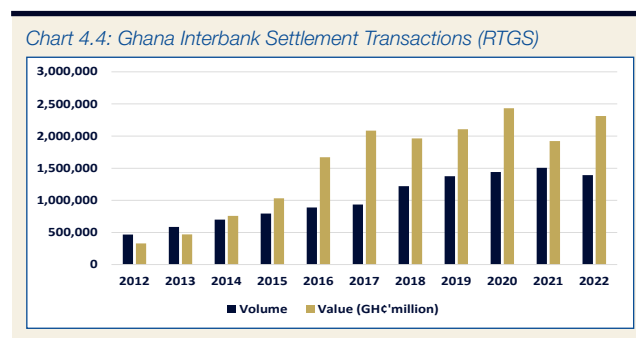
The Bank partnered other stakeholders to launch a digital wallet for the banks, named GhanaPay. GhanaPay is hosted on mobile devices as a digital wallet to facilitate electronic transactions and promote a saving and investment culture among the public. Additionally, to strengthen fraud prevention initiatives, the Bank directed all regulated institutions, with effect from 1<sup>st</sup> July, 2022, to use the Ghana Card as the principal means of identification and for Know Your Customer (KYC) requirements.

To further enhance financial inclusion, the Bank revised the limits on mobile money wallets. This revision enabled customers to undertake high value transactions.

#### 4.6.5 Non-Cash Payment Streams

##### 4.6.5.1 Ghana Interbank Settlement System

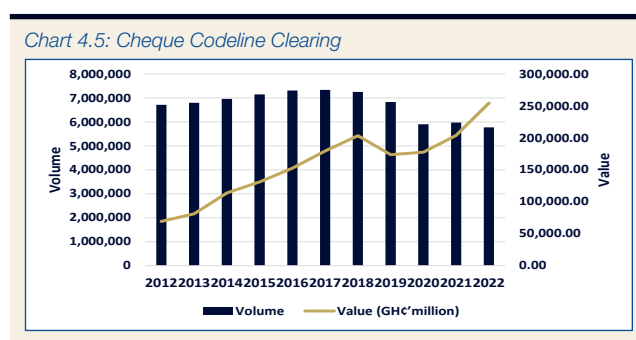
The total volume of Ghana Inter-bank Settlement (GIS) transactions at end-December, 2022 declined by 7.6 per cent, from 1,505,523 in 2021 to 1,391,590 in 2022. The total value of transactions, however, increased by 20.2 per cent in 2022 to GH¢2,312.06 billion. The average value per transaction stood at GH¢1,661,454.56 at end-December 2022, compared to GH¢1,277,207.63 at end-December 2021 (Chart 4.4).



Source: GhIPSS

##### 4.6.5.2 Cheque Codeline Clearing

In 2022, the total volume of interbank cheques cleared decreased to 5,770,593 from 5,975,750, representing a 3.4 per cent decline. However, the total value of transactions increased by 24.8 per cent year-on-year in 2022 to GH¢254.44 billion (Chart 4.5).



Source: GhIPSS

##### 4.6.5.3 Ghana Automated Clearing House

###### Direct Credit

The total volume of transactions cleared through the direct credit system increased to 9,812,298 from 8,688,154 in 2021. The total value of direct credit transfers also increased to GH¢76.64 billion in 2022, from GH¢60.73 billion in 2021 (Chart 4.6). Express Automated Clearing House (ACH) direct credit recorded a growth of 39.9 per cent and 29.8 per cent in both volume and value of transfers over the 2021 positions of 1,403,720 and GH¢19.58 billion respectively.

**Direct Debit**

In 2022, the total volume of direct debit transactions declined by 20,489 from 860,858 in 2021. The total value of transactions, however, increased by 23.1 per cent to GH¢1.65 billion in 2022. The average value per transaction increased to GH¢1,962.04 in 2022, from GH¢1,556.55 in 2021 (Chart 4.7). Near Real Time ACH Direct volumes and values increased to 1,026,159, from 559,509 in 2021, and to GH¢26.73 billion, from GH¢9.63 billion in 2021, respectively.

**4.6.5.4 e-zwich Transactions**

The number of e-zwich card holders increased by 4.5 per cent year-on-year in 2022 to 3,625,543. The total volume of e-zwich transactions, however, declined by 21.6 per cent to 6,159,465, while the total value of transactions increased by 85.1 per cent to GH¢14.65 billion (Chart 4.8).

**4.6.5.5 gh-link™ (National Switch)**

In 2022, the gh-link™ platform recorded a total volume of 1,018,456 transactions with a value of GH¢551.30 million, compared to a total volume of 889,266 with a value of GH¢427.30 million in 2021. ATM transactions continued to dominate on the gh-link™ platform, constituting 99.3 per cent of total transactions (Chart 4.9).

**4.6.5.6 GhIPSS Instant Pay**

In 2022, GhIPSS Instant Pay (GIP) recorded a total volume of 76,483,008 transactions with a value of GH¢58.70 billion, compared with 37,672,319 and GH¢31.36 billion, respectively in 2021. This was an increase of 103.0 per cent in volume and 87.2 per cent in value of transactions (Chart 4.10).

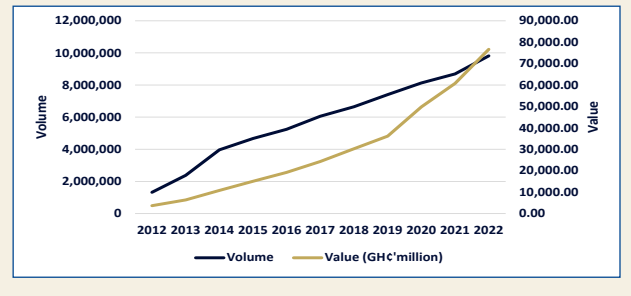
**4.7 Fintech and Innovation**

The Bank took the necessary steps to further strengthen regulation and supervision of PSPs. To ensure that it continued to firmly monitor operations of licensed institutions, the Bank conducted on-site examinations and off-site surveillance based on its risk-based supervision framework. Primarily, these supervisory actions were to determine the PSPs compliance with the Payment Systems and Services Act, 2019 (Act 987), and other relevant Directives and Guidelines issued by the Bank. Thematic reviews and special examinations were also carried out on dormant electronic money accounts, cyber security, business continuity plans, inward remittances by PSPs, as well as agent network management and monitoring.

**4.7.1 Digital Financial Ecosystem**

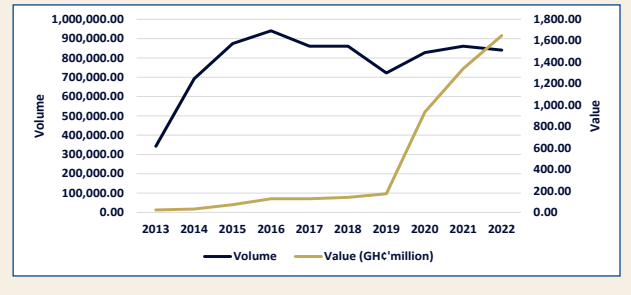
Five PSPs were licensed in 2022, bringing the total number operating in the Ghanaian digital financial service ecosystem to 46.

Chart 4.6: GACH Direct Credit Transactions



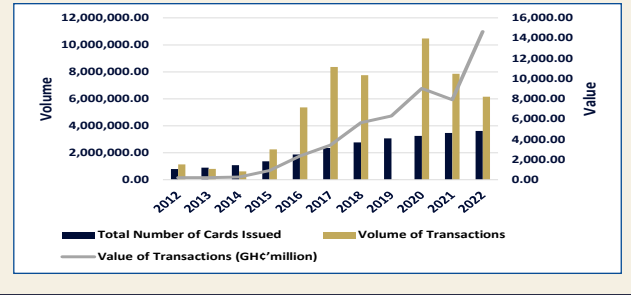
Source: GhIPSS

Chart 4.7: GACH Direct Debit Transactions



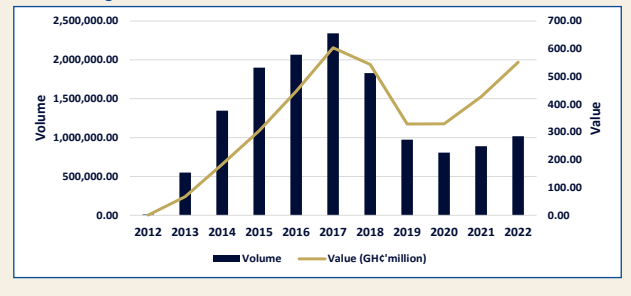
Source: GhIPSS

Chart 4.8: E-zwich Transactions



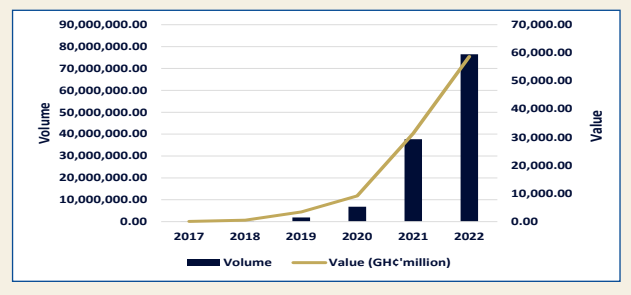
Source: GhIPSS

Chart 4.9: gh-link™ Transactions



Source: GhIPSS

Chart 4.10: GIP Transactions



Source: GhIPSS



Table 4.10: Approved Fintech Start-Ups

| Licence Category | Number of Approved Entities |
|------------------|-----------------------------|
| PSP Enhanced     | 34                          |
| PSP DEMI         | 4                           |
| PSP Medium       | 4                           |
| PSP Standard     | 2                           |
| PFTSP            | 2                           |
| <b>Total</b>     | <b>46</b>                   |

Source: Bank of Ghana | PFTSP: Payment and Financial Technology Service Provider

#### 4.7.2 Regulatory Sandbox

The Bank launched a full-scale Regulatory Sandbox after a successful pilot process. This was in line with the Bank's commitment to Fintech innovations. During the launch, banks, specialised deposit-taking institutions, PSPs, Fintech start-ups and other financial sector regulators were exposed to the sandbox's regulatory framework, participation requirements, application processes and platform functionalities in a workshop.

During the year, the Bank collaborated with innovation hubs and other stakeholders on Fintech start-ups to nurture and promote innovations within the payments ecosystem.

#### 4.7.3 Central Bank Digital Currency

The Bank completed the testing of its Central Bank Digital Currency (eCedi) solution in the field to assess its responsiveness to online and offline scenarios. Testing took place in urban, peri-urban and rural areas among user groups of diverse demographic and socio-economic backgrounds, using mobile applications, smart cards and POS terminals over a period of four months.

#### 4.7.4 Mobile Money Services

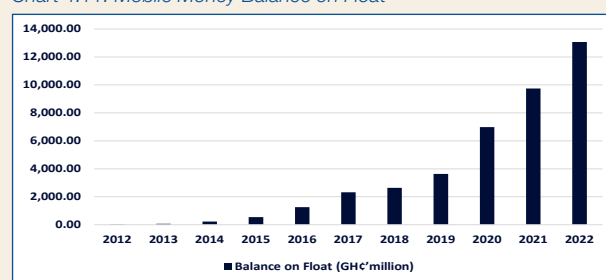
Registered mobile money accounts increased to 55,288,500 in 2022, from 48,308,975 in 2021, and the number of registered agents also increased to 699,592, from 579,672,

over the comparative period.

The number of active mobile money accounts increased to 20,380,716, from 17,948,480 in 2021 while the number of active mobile money agents increased to 505,122 in 2022, from 442,375 in 2021.

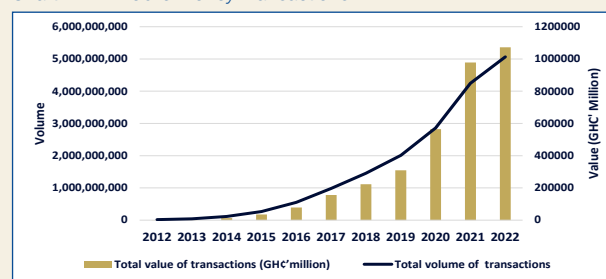
The total value of mobile money transactions amounted to GH¢1.07 trillion in 2022, a growth of 9.6 per cent over the position in 2021. The total float balance increased to GH¢13.07 billion in 2022, from GH¢9.74 billion in 2021, representing a growth of 34.1 per cent, year-on-year (Chart 4.11 and 4.12).

Chart 4.11: Mobile Money Balance on Float



Source: Mobile Money Operators and National Communications Authority

Chart 4.12: Mobile Money Transactions



Source: Mobile Money Operators and National Communications Authority

Table 4.11: Mobile Money Service

| Indicators  | 2016        | 2017        | 2018        | 2019          | 2020          | 2021          | 2022          | 2022 % Growth |
|---|-------------|-------------|-------------|---------------|---------------|---------------|---------------|---------------|
| Total number of mobile voice subscription (Cumulative) <sup>1</sup> | 38,305,078  | 37,445,048  | 40,934,875  | 40,173,115    | 40,173,115    | 41,777,355    | 40,742,111*   | (2.48)        |
| Registered mobile money accounts (Cumulative)                       | 19,735,098  | 23,947,437  | 32,554,346  | 32,470,793    | 38,473,734    | 48,308,945    | 55,288,500    | 14.45         |
| Active mobile money accounts <sup>2</sup>                           | 8,313,283   | 11,119,376  | 13,056,978  | 14,459,352    | 17,142,677    | 17,948,480    | 20,380,716    | 13.55         |
| Registered Agents (Cumulative)                                      | 194,688     | 136,769     | 194,688     | 306,346       | 423,892       | 579,672       | 699,592       | 20.69         |
| Active Agents <sup>3</sup>  | 151,745     | 107,415     | 151,745     | 226,298       | 328,329       | 442,475       | 505,122       | 14.16         |
| Total volume of transactions  | 981,564,563 | 550,218,427 | 981,564,563 | 2,009,989,300 | 2,859,624,191 | 4,246,799,232 | 5,067,513,712 | 19.33         |
| Total value of transactions (GH¢ million)                           | 155,844.84  | 78,508.90   | 155,844.84  | 309,352.25    | 564,156.00    | 978,324.00    | 1,072,157     | 9.59          |
| Balance on Float (GH¢ million)                                      | 1,257.40    | 2,321.07    | 2,633.93    | 3,633.83      | 6,980.03      | 9,744.38      | 13,071.43     | 34.14         |

\*Total mobile voice subscription figure is as at August 2022 (NCA) | Data was compiled from three mobile money operators namely; MTN, AirtelTigo and VODAFONE

<sup>1</sup> Source: National Communications Authority (NCA)

<sup>2</sup> The number of accounts which transacted at least once in the 90 days prior to reporting

<sup>3</sup> The number of agents who transacted at least once in the 30 days prior to reporting



5

**INTERNAL DEVELOPMENTS**

## 5.1 Overview

In 2022, the Bank continued to strengthen staff capacity and workplace safety to ensure that it maintained efficient and effective business processes. The global changes in work-life balance, necessitated the need for the Bank to launch a Human Resource Business Partner Programme (HRBP) to re-engineer processes. The HRBP seeks to align business strategy with people strategy to ensure that staff remained motivated and committed to the Bank's strategic objectives. The Bank recruited qualified personnel to key positions, improved work ethic, staff welfare, and information security.

## 5.2 Human Resource Activities

### 5.2.1 Policies

In the review year, the Bank updated its Human Resource Policy Handbook to further strengthen procedures. The Bank also commenced a human capital support project to enhance the competence of staff, and introduced a staff engagement forum to ensure effective information flow across business areas. To gauge the level of staff satisfaction and improve organisational culture, Employee Satisfaction and Attitude Renewal surveys were conducted.

### 5.2.2 Staff Strength

The total staff strength of the Bank was 2,206 at end-December 2022, compared to 2,202 at end-December 2021.

The categorisation of staff by grade and gender is summarised as follows:

Table 5.1: Staff Position, 2022

|                    | Male         | Female     | Total        | % of Total |
|--------------------|--------------|------------|--------------|------------|
| Management Staff   | 229          | 107        | 336          | 15.23      |
| Middle Level Staff | 739          | 637        | 1,376        | 62.38      |
| Junior Staff       | 426          | 68         | 494          | 22.39      |
| <b>Total</b>       | <b>1,394</b> | <b>812</b> | <b>2,206</b> | <b>100</b> |

Source: Bank of Ghana

The total number of staff recruited in 2022 was 75, comprising 72 permanent and three contract staff, while 71 staff exited the service of the Bank. This resulted in the net intake of four.

### 5.2.3 Capacity Development

In the review year, the Bank continued to improve staff knowledge, skills and ability. Various local and foreign training programmes were attended by staff.

Table 5.2: Staff Training, 2022

| Programmes Attended     | No. of Participants |
|-------------------------|---------------------|
| <b>Local Training</b>   | <b>7,944</b>        |
| In-House                | 4,951               |
| In-Country              | 2,993               |
| <b>Foreign Training</b> | <b>347</b>          |
| <b>Total</b>            | <b>8,291</b>        |

Source: Bank of Ghana

## 5.3 Ethics and Professionalism

In pursuance of its vision to further strengthen ethical culture, the Bank undertook various programmes and activities in the year 2022, aimed at improving the level of ethical awareness, reinforcing the Bank's Core Values and creating a high sense of ethical culture among staff. The Bank commemorated the third Ethics Awareness Week in the month of September 2022.

To promote ethics training and sensitisation, the Bank developed an ethics training platform. The portal, as a complementary tool for ethics training and awareness creation, is an e-learning platform designed to highlight ethical dilemmas staff may face at work, and to encourage principles-based decision-making. The resources available on the platform highlight the importance of ethics within the central banking framework, reinforced by the Bank's core values. To uphold staff accountability, the Bank promptly investigated all cases of alleged infractions.

## 5.4 Health Issues

The Bank strengthened its healthcare policies to manage occupational health risks and promote the adoption of healthy lifestyles among staff. Annual medical examinations were conducted, and online health education sessions were organised, with regular updates published on the containment measures for COVID-19.

The Bank continued with its COVID-19 vaccination programmes to ensure that staff and their dependants stayed on course in the fight against the coronavirus.

The Bank's focus on staff wellbeing in 2022 was mainly on annual medical examinations, health screenings, health webinars, medical tours, and inspection of all Bank premises.

## 5.5 Communication Outreach Programme

To improve economic literacy and strengthen the Bank's monetary policy communication, training programmes were organised for journalists in the country. The training programmes focused on monetary policy practice in Ghana, regulating and supervising Fintechs, education on currency and payment platforms, among others.

The Bank participated in various television and radio programmes to provide expert guidance on economic issues of interest to the public. Currency handling campaigns were also initiated to educate the public on how to properly handle banknotes.

## 5.6 Corporate Social Responsibility

The Bank operates a vibrant and active Corporate Social Responsibility (CSR) Programme. Through its CSR programme, the Bank supports recognised private and public sector institutions and underprivileged segments of

society in the following thematic areas: Health, Education, Humanitarian and Social Services.

In 2022, the Bank engaged in a number of activities in communities across the country as part of its CSR strategy as follows:

**Education:** Commenced the construction of a 3-storey 18-unit classroom block and a 3-unit nursery block with ancillary facilities for Independence Avenue “2” Cluster of Schools for the Accra Metropolitan Assembly. The project is expected to be completed in December 2023.

**Health:** Provided assistance to the Takoradi Government Hospital towards the renovation of the Children’s Ward, and the conversion of the Hospital’s upper terrace into two consulting rooms.

**Humanitarian Support:** Constructed washroom facilities for the Social Welfare Girls’ Vocational Training Centre, Pedu, Cape Coast, in the Central Region of Ghana.

**Social Service:** Supported high profile national events, such as the 38<sup>th</sup> National Farmers’ Day Celebrations, 2022 Edition of Green Ghana Day, 2022 National Cross-Country Competition, among others.

The Bank supported the Ghana Deaf Football Association in its preparation and participation in the 1<sup>st</sup> African Deaf Football Championship in Nairobi, Kenya, as well as the 1<sup>st</sup> DIFA World Deaf Futsal Veteran Championships in Poland.

The Bank also provided support to the following facilities, among others: Margaret Marquart Catholic Hospital, Kpando; Noguchi Memorial Institute for Medical Research; Ghana Kidney Association; Tainso Community Health Clinic (St. Don Bosco Clinic), Bono Region; College of Health, Sefwi Asafo; and Tamale Teaching Hospital. The Bank’s assistance to these institutions enabled them to organise public health improvement programmes and acquire essential medical equipment to support quality health service delivery.

## 5.7 Currency Management

In the review year, the Bank undertook a number of initiatives to strengthen currency operations. In this regard, the Bank:

- a. Installed six new BPS M7 machines at the Kumasi Regional Office to increase banknote processing capacity from a daily average of 1.5 million to 2.7 million pieces of banknotes;
- b. Improved security surveillance at the Banknote Processing Centre;
- c. Installed five new coin sorting machines (ICP 9) at

- its Coin Processing centres in Accra and Kumasi; and
- d. Upgraded the Cash Management Software.

## 5.8 Risk Management

In the review year, the Bank continued to coordinate, monitor, and evaluate risks within its operational areas. To ensure that risk-mitigating measures were in place and within the Bank’s risk appetite, various risk treatment initiatives were implemented. Due diligence assessments, compliance surveillance checks, risk and control evaluations, continuity tests, among others, were undertaken.

To place more focus on risk-related issues, the risk oversight function of the Board was hived off from the Audit Committee, leading to the formation of a Risk Committee, with its own Charter. And to further improve operational efficiency, the Bank introduced new risks metrics to capture additional risk categories on human capital, environmental, project and emerging risks.

## 5.9 ICT – Innovation and Software Implementation

In the review year, the Bank continued to adopt innovative and ICT-enabled services to improve operational efficiency and processes.

### 5.9.1 Information Security

The cybersecurity posture of the Bank remained strong in 2022, despite various forms of threats. Continuous improvements in the Bank’s cybersecurity detection capabilities helped to address the persistent cyber-attacks targeting the Bank’s ICT infrastructure.

The Bank carried out ISO training for all staff to enhance awareness to threats. Further, the Bank’s Financial Industry Command Security Operation Centre (FICSOC) reached a major milestone by connecting all the 23 universal banks to the command centre. Overall, the Bank’s cyber maturity improved significantly in 2022 due to enhanced policy reviews, internal risk assessments and awareness of cyber security threats by all staff.

### 5.9.2 ISO 27001:2013 Certification

The Bank continued to strengthen its Information Security Management System (ISMS), reviewed and implemented policies and procedures to contain information security risks. In the review year, the Bank passed two external surveillance audits of the 5th Certification Cycle Audit under ISO 27001:2013 in 2022.

## 5.10 Legal Developments

In the review year, the Bank continued to implement the various financial sector laws within its responsibility and issued Notices, Directives and Guidelines in respect of its objects and functions as follows:

- a. Public Notice to Lenders under the Borrowers and

- Lenders Act, 2020 (Act 1052);
- b. Corporate Governance Disclosure Directive;
  - c. Disclosure and Transparency Guidelines for Digital Financial Services;
  - d. Proposed Market Conduct Risk-Based Supervision Framework;
  - e. Anti-Money laundering/Combating the Finance of Terrorism & the Proliferation of Weapons of Mass Destruction (AML/CFT & P) Guidelines;
  - f. Bank of Ghana Emergency Liquidity Assistance Framework; and
  - g. Guidelines for Receivership Operations.

The Bank continued with the litigation cases arising from the revocation of the licences of weak, dormant and insolvent banks and SDIs during the banking sector clean-up exercise concluded in 2019.

Eight cases were concluded in the year under review, comprising one criminal case and seven breach of mandate cases. The Bank also pursued appeals in the Supreme Court in respect of three cases.

## 5.11 Audit

The Bank continued to strengthen operational efficiency and undertook a number of risk-based audits including ISO 27001:2013 audits across all 20 Departments, six Offices, five Branches and one Regional Currency Office.

In addition, the Bank carried out cash counts and operational audits in all nine Agencies.

Furthermore, there was an External Assessment of the Internal Audit function of the Bank by an independent External Assessor (i.e. Larry Hubbard and Associates, USA). The Bank successfully passed all requirements of the Assessment, signifying that the controls and audit quality assurance measures approved by the Board were adequate.

In addition, the Bank migrated from its legacy audit software (i.e. Auto Audit Software) to TeamMate+ Audit Software.

Deloitte and Touche remained external auditors of the Bank.



# EXTERNAL RELATIONS

## 6.1 Overview

The Bank continued with efforts to strengthen relations with regional, sub-regional and international financial institutions, participated in meetings, and facilitated Missions of multilateral institutions, such as the:

- International Monetary Fund (IMF) and World Bank;
- Financial Stability Board (FSB);
- African Development Bank (AfDB);
- African Continental Free Trade Area (AfCFTA);
- African Export-Import Bank (AFREXIMBANK);
- Association of African Central Banks (AACB);
- African Rural and Agricultural Credit Association (AFRACA);
- Joint Multilateral Surveillance Mission by ECOWAS-WAMI-WAMA teams; and
- West African Institute for Financial and Economic Management (WAIFEM).

## 6.2 IMF and World Bank

The World Bank approved US\$145 million as International Development Association (IDA) assistance to Ghana, to support the country's Secondary Cities Programme. Similar support was approved in 2018 for 35 Secondary Cities under the same programme. The aim of the programme is to assist the Government's broader decentralisation and urban development agenda, as well as improve economic activities and infrastructure in various cities to strengthen their capacity to climate change resilience.

Ghana and the IMF reached a Staff-Level Agreement on reforms and economic policies under a US\$3 billion Extended Credit Facility (ECF) arrangement. This followed an IMF Mission to Ghana to assess the country's economic situation and its eligibility for a Fund-assisted programme to address the threatening macroeconomic challenges. The Mission team observed that the country faced economic and social challenges in an increasingly difficult global environment. The team also noted that the deteriorating fiscal and debt situation had triggered credit rating downgrades, capital outflows, loss of external market access, and rising costs of domestic borrowing. The team further observed that the deteriorating economic situation had negatively impacted growth, exchange rate and inflation, and reaffirmed the Fund's commitment to support the country to restore macroeconomic stability and debt sustainability.

### 6.2.1 Spring and Annual Meetings of the IMF and World Bank

In the review year, the Bank took part in both the Spring (April 10-16), and Annual (October 10-16) Meetings, of the IMF and the World Bank which were held in Washington DC.

The Spring Meetings, among others, discussed the impact of rising global debts on economic recovery. The meetings also noted the potential impact of these on solvency of

banks holding government debt in emerging markets, as well as financial stability risks arising from the heightened inflationary pressures. At the meetings, it was observed that in the face of the challenges, countries could leverage on digitalisation to sustain the Resilience and Sustainability Trust (RST) commitments.

The Annual Meetings considered challenges faced by poor nations in accessing capital, as well as the growing food insecurity in Sub-Saharan Africa. Discussions also focussed on rising inflation, threats to global financial stability, increased turbulence in the bond markets, and the need for countries to build strong institutions to improve resilience and policy credibility.

### 6.2.2 The International Monetary and Financial Committee Meetings

The International Monetary and Financial Committee (IMFC) meetings, which were chaired by Ms Nadia Calvino, First Vice President of Spain and Minister for Economy and Digitalisation, took place on April 21, and October 13-14, 2022.

The April Meetings of the Committee discussed the need for strong domestic policies and international cooperation to preserve global economic recovery. The IMF Managing Director called for urgent action on food security, as the Fund collaborates with multilateral and bilateral donors to avert a potential global food crisis. The Committee committed to closely monitor price pressures amid monetary policy tightening. In line with the Paris Agreement on Climate Change, members of the committee were urged to further accelerate action on addressing climate risks. Further, the IMFC supported the decision to establish the RST, aimed at helping low income economies to address pandemic, climate risk and longer-term structural macroeconomic risks.

The October Meetings reaffirmed the IMFC's resolve to fight inflation and safeguard debt sustainability. The Committee recognised the growing potential in the digital economy, and urged ethics in data application as countries adopted more technology to boost development. The IMFC also urged collaboration to develop and implement effective legal frameworks to accommodate crypto-assets, and commended the IMF for its collaboration with the World Bank to help strengthen and accelerate the implementation of the G20's Common Framework (CF) for debt treatment on a case-by-case basis, as agreed on by the Paris Club.

### 6.2.3 The Development Committee

The Development Committee held its meetings on April 19 and October 11, 2022, and both meetings were chaired by Alvaro Gonzalez Ricci, the Governor of the Bank of Guatemala.

At the April Meetings, the Committee called for a strong global response to COVID-19 vaccine access and distribution, and also urged advanced economies to

ensure adequate funding for access to the COVID-19 Tool Accelerator (ACT-A) and the COVAX facility, to meet the 70 per cent global average vaccination target by mid-2022.

The Committee welcomed the World Bank Group's US\$20 billion vaccine package partnership with the African Union and COVAX, to improve vaccine access in emerging and developing countries. The Committee expressed support for the creation of RST to promote the effective use of SDRs. Observing the rapid development in the Fintech and digital assets space, especially its potential of facilitating efficient borderless payments, the Committee urged the IMF to further analyse the risks of digitisation to financial stability, and promote measures to fight technology-related risks.

At the Annual Meetings in October, the Committee called for a strong Global Financial Safety Net (GFSN), and recommended timely implementation of the G20 Common Framework for Debt Treatment. This would help address the worsened sovereign debt distress being experienced globally. The Committee further welcomed revisions made to the IMF's policies on sovereign debt arrears to strengthen debt transparency, and urged strong engagement between the World Bank Group and IMF to provide technical and financial assistance to countries eager to return to sustainable debt levels. The Committee also lent support to the introduction of a global minimum tax framework on the digital economy under a G20/OECD Inclusive Framework.

### 6.3 Financial Stability Board

The Financial Stability Board (FSB) Regional Consultative Group (RCG) for Sub-Saharan Africa held two meetings in June and November, both chaired by Dr. Ernest Addison, Governor, Bank of Ghana and Mr. Lesetja Kganyako, Governor, South Africa Reserve Bank.

The June meeting was hosted by the Bank of Ghana, and the discussions focussed on three primary areas: climate-related financial risk, cross-border payments and crypto-assets. This included issues on strengthening supervision, regulation and addressing data gaps. Members were also briefed on progress made under the FSB climate risks roadmap. On cross-border payments, the meeting noted that there were several key challenges to adoption, such as, high costs, low speeds, limited access, and lack of transparency. To address these challenges, the meeting agreed that the adoption of Central Bank Digital Currencies (CBDCs) could offer some boost to the growth of cross-border payments. The meeting also discussed the potential of crypto assets and the need for the appropriate regulatory and supervisory frameworks.

The November meeting, held in Nairobi, Kenya, discussed progress made on frameworks developed by the FSB to strengthen the preparedness of the Sub-Saharan region to shocks and crises. Concerns were raised on the limited fiscal space available to countries, amidst global uncertainties.

The meeting recommended that all stakeholders should encourage cross-border cooperation and become more vigilant in the use of resources for development.

### 6.4 African Union Commission

During the year under review, the African Union (AU) continued to promote Africa's growth and economic development. The AU continued to champion inclusion and cooperation among African States towards the achievement of the African integration agenda.

At the 35<sup>th</sup> Africa Union Summit held in February 2022 in Addis Ababa, Ethiopia, the President of Ghana, H.E Nana Akufo-Addo called for the establishment of an African Credit Rating Agency (ACRA). President Akufo-Addo noted that the establishment of ACRA was important to the AU financial institutions and could accelerate the effective integration of African markets into the wider global financial markets, and provide credibility for AU Member States in accessing capital from the international capital market. The African Peer Review Mechanism (APRM) Continental Secretariat was mandated to undertake a study on the Financial, Structural and Legal feasibility of establishing an African Credit Rating Agency. The APRM undertook various consultative processes and obtained inputs from Zambia, Ghana, Senegal, Egypt, South Africa, and Morocco and concluded that it was feasible to establish ACRA as an autonomous, and specialised entity of the African Union.

### 6.5 African Development Bank

The African Development Bank (AfDB) held its 57<sup>th</sup> Annual General Meetings in Accra, Ghana, from May 23-27, chaired by Mr. Ken Ofori-Atta, Chairman of the AfDB's Board of Governors and Minister for Finance, Ghana.

The meeting was held under the theme: "Achieving Climate Resilience and a Just Energy Transition for Africa". Discussions focused on the cost involved in building Africa's climate resilience and energy transition, and the nature of support needed from development partners. The meeting also considered the heightened likelihood of food crises arising from the Russia-Ukraine war, which had necessitated the launch of a US\$1.5 billion African Emergency Food Production Plan by the AfDB to help the continent avert food crisis.

Member States were urged to push for the effective operationalisation of the African Continental Free Trade Area (AfCFTA), an estimated US\$3.4 trillion potential market.

### 6.6 Association of African Central Banks

The Assembly of Governors of the Association of African Central Banks (AACB) held its 44<sup>th</sup> Ordinary Meeting on August 5 in Banjul, The Gambia. The meeting reviewed African integration projects, such as Member States'



progress on the African Monetary Cooperation Programme (AMCP), the establishment of the African Monetary Institute (AMI) and the African Central Bank (ACB).

Also, the Assembly reviewed progress made on the work of the Community of African Banking Supervisors (CABS), and the Task Force on the Integration of Payment Systems in Africa.

The AACB Symposium of Governors was held on the theme, “Digital Innovations and the Future of the Financial Sector: Opportunities and Challenges for Central Bank Digital Currencies”. The symposium promoted more collaboration among central bank governors, policymakers, international institutions, and the academic world on digital technologies.

## 6.7 African Export-Import Bank

The AFREXIMBANK held its annual meetings in Cairo, Egypt, under the theme: “Realising the AfCFTA Potential in the Post-Covid-19 era by Leveraging the Power of the Youth”. The meeting discussed support provided to Africa by AFREXIMBANK, since the onset of COVID-19, and also the US\$4 billion Ukraine Crisis Adjustment Trade Finance Programme for Africa (UKAFPA) to help contain the short-term economic impact of the Russia-Ukraine war. AFREXIMBANK launched the TRADAR Club in 2022, to help boost trade and investment opportunities in Africa.

## 6.8 African Rural and Agricultural Credit Association

In 2022, the Bank of Ghana participated in the 7<sup>th</sup> World Congress on Agricultural and Rural Finance, in Michoacan, Mexico, in November. The event brought together global experts in agricultural finance and discussed green inclusive financing, the importance of guarantee systems to agricultural livestock farming, and the role of national development banks in sustainable agricultural financing and rural development, among others.

## 6.9 African Continental Free Trade Area

In 2022, 44 African countries had ratified the AfCFTA agreement, from 24 states when it was formally inaugurated in 2019. At end-December 2022, eight countries had commenced guided trading under the protocols, with 96 products. To enjoy the benefits under the guided trade agreements offered by AfCFTA, Member States were expected to submit their tariff schedules in accordance with the agreed modalities to trade preferentially among themselves.

## 6.10 Sub-Regional Institutions

The Bank of Ghana received officials from the Economic Community of West African States (ECOWAS), the West African Monetary Agency (WAMA) and the West African Monetary Institute (WAMI) on an Article XV Multilateral

Surveillance Mission to Ghana.

### 6.10.1 West African Monetary Agency

The West African Monetary Agency (WAMA) held two statutory meetings in 2022. As part of its technical work towards the implementation of the ECOWAS Monetary Cooperation Programme and the launch of the ECOWAS regional central bank, WAMA presented its findings on the size and distribution of capital, and the reserve pooling for the regional central bank during the meetings.

WAMA also held a stakeholder consultative workshop to fast-track preparations toward the finalisation of the frameworks aimed at implementing the ECOWAS Payments and Settlement Systems (EPSS).

### 6.10.2 West African Monetary Institute

The Convergence Council of the West African Monetary Zone (WAMZ) held a meeting in 2022, to discuss the status of implementation of the WAMZ work programme. The Council considered the evolution of CBDCs in the sub-region, following the introduction of eNaira in Nigeria and the piloting of eCedi in Ghana.

The Convergence Council adopted a roadmap to guide WAMZ countries’ migration to inflation-targeting framework, and also urged Member States to create a Regional Statistical Committee (RSC), comprising national bureaux of statistics, central banks and WAMI, to enhance statistical harmonisation in the WAMZ.

### 6.10.3 College of Supervisors of the West African Monetary Zone

The College of Supervisors of the West African Monetary Zone (CSWAMZ), as part of efforts aimed at maintaining cross-border relationships with central banks in the Zone for cooperation, mutual assistance and exchange of information, held two meetings during the review year. Regulatory and supervisory issues discussed at the meeting included the following topics: Cross-Border Supervision and Joint Examination Exercises, Basel II and III Capital Requirements, Implementation of IFRS 9 and 16, COVID-19 Unwinding Measures, Automated Banking Regulation Processes, Anti-Money Laundering and Counter Financing of Terrorism (AML/CFT) compliance, and updates on the Harmonisation of Prudential Ratios for members of the College.

### 6.10.4 West African Institute for Financial and Economic Management

The West African Institute for Financial and Economic Management (WAIFEM) held two statutory meetings in 2022, and continued to deliver capacity building programmes for Member States.

## 6.11 Visits to Bank of Ghana

During the year, staff of other central banks paid working visits to the Bank to understudy aspects of the Bank’s

operations. The dates of the visits, and the areas of interest of the banks are listed in the table below:

*Table 6.1: Visits to Bank of Ghana*

| <b>Date</b>   | <b>Visiting Central Bank</b>                    | <b>Areas of Interest</b>                    |
|---------------|---|---|
| May 2022      | Reserve Bank of Malawi                          | Payment Systems                             |
| May 2022      | Central Bank of Liberia<br>Bank of Sierra Leone | Currency Management                         |
| August 2022   | Bank of Uganda                                  | Emergency Liquidity<br>Assistance Framework |
| November 2022 | Bank of Uganda                                  | Central Bank Digital Currency               |

## 6.12 Memorandum of Understanding with Other Central Banks

In 2022, the Bank of Ghana signed Memoranda of Understanding (MoU) with the National Bank of Rwanda in June, and the Bank of Namibia in October. The MoUs were on cooperation and exchange of information on the following areas:

- a. Fintech and Financial Services Innovation Supervision;
- b. Financial Stability Monitoring; and
- c. Banking Supervision and Resolution, focusing on Crisis Management and Resolution Framework, among others.

# Annexes

Table 2.1: World Economic Indicators

| REAL GDP GROWTH (%)                       | ESTIMATES (% , Year-on-Year) |            |             |            |            |
|---|------------------------------|------------|-------------|------------|------------|
|   | 2018                         | 2019       | 2020        | 2021       | 2022       |
| <b>World</b>                              | <b>3.6</b>                   | <b>2.8</b> | <b>-2.8</b> | <b>6.3</b> | <b>3.4</b> |
| <b>Advanced Economies</b>                 | <b>2.3</b>                   | <b>1.7</b> | <b>-4.2</b> | <b>5.4</b> | <b>2.7</b> |
| United States                             | 2.9                          | 2.3        | -2.8        | 5.9        | 2.1        |
| Euro Area                                 | 1.8                          | 1.6        | -6.1        | 5.4        | 3.5        |
| Germany                                   | 1.0                          | 1.1        | -3.7        | 2.6        | 1.8        |
| France                                    | 1.8                          | 1.9        | -7.9        | 6.8        | 2.6        |
| Italy                                     | 0.9                          | 0.5        | -9.0        | 7.0        | 3.7        |
| Spain                                     | 2.3                          | 2.0        | -11.3       | 5.5        | 5.5        |
| Japan                                     | 0.6                          | -0.4       | -4.3        | 2.1        | 1.1        |
| United Kingdom                            | 1.7                          | 1.6        | -11.0       | 7.6        | 4.0        |
| <b>Emerging and Developing Economies</b>  | <b>4.7</b>                   | <b>3.6</b> | <b>-1.8</b> | <b>6.9</b> | <b>4.0</b> |
| Russia                                    | 2.8                          | 2.2        | -2.7        | 5.6        | -2.1       |
| China                                     | 6.8                          | 6.0        | 2.2         | 8.4        | 3.0        |
| India                                     | 6.5                          | 3.9        | -5.8        | 9.1        | 6.8        |
| Brazil                                    | 1.8                          | 1.2        | -3.3        | 5.0        | 2.9        |
| <b>Sub-Saharan Africa</b>                 | <b>3.2</b>                   | <b>3.3</b> | <b>-1.7</b> | <b>4.8</b> | <b>3.9</b> |
| Ghana                                     | 6.2                          | 6.5        | 0.5         | 5.1        | 3.1        |
| Nigeria                                   | 1.9                          | 2.2        | -1.8        | 3.6        | 3.3        |
| South Africa                              | 1.5                          | 0.3        | -6.3        | 4.9        | 2.0        |
| <b>Memorandum</b>                         |                              |            |             |            |            |
| <b>Commodity Price Inflation</b>          |                              |            |             |            |            |
| Fuel                                      | 29.4                         | 5.9        | -18.2       | 65.8       | 39.8       |
| Non-Fuel                                  | 1.3                          | 3.5        | 17.0        | 26.4       | 7.0        |
| <b>Consumer Price Inflation</b>           |                              |            |             |            |            |
| Advanced Economies                        | 1.6                          | 1.5        | 0.5         | 3.1        | 7.3        |
| Emerging Markets and Developing Economies | 5.0                          | 5.6        | 4.4         | 5.9        | 9.9        |

Source: IMF WEO

Table 3.1: Selected Economic Indicators

| Indicators  | 2018    | 2019    | 2020    | 2021    | 2022    |
|---|---------|---------|---------|---------|---------|
| <i>(Annual percentage change; unless otherwise indicated)</i> |         |         |         |         |         |
| <b>National Income and Prices</b>                             |         |         |         |         |         |
| Real GDP Growth (incl. Oil)                                   | 6.2     | 6.5     | 0.5     | 5.1     | 3.1     |
| Agriculture   | 4.9     | 4.7     | 7.3     | 8.5     | 4.2     |
| Industry  | 10.5    | 6.4     | -2.5    | -0.5    | 0.9     |
| Services  | 2.8     | 7.6     | 0.7     | 9.4     | 5.5     |
| Real GDP Growth (excl. Oil)                                   | 6.1     | 5.8     | 1.0     | 6.6     | 3.8     |
| Nominal GDP (Gh¢ Million)                                     | 308,587 | 356,544 | 391,941 | 461,695 | 610,222 |
| <b>Consumer price index (end period, year-on-year)</b>        |         |         |         |         |         |
| Headline  | 9.4     | 7.9     | 10.4    | 12.6    | 54.1    |
| Food  | 8.7     | 7.2     | 14.1    | 12.8    | 59.7    |
| Non-food  | 9.8     | 8.5     | 7.7     | 12.5    | 49.9    |
| <b>Exchange Rates (End of period)</b>                         |         |         |         |         |         |
| GH¢/US\$  | 4.8200  | 5.5337  | 5.7604  | 6.0061  | 8.5760  |
| [Depreciation (-)/Appreciation (+)] (%)                       | -8.4    | -12.9   | -3.9    | -4.1    | -30.0   |
| GH¢/Pound Sterling  | 6.1710  | 7.3164  | 7.8996  | 8.1272  | 10.3118 |
| [Depreciation (-)/Appreciation (+)] (%)                       | -3.3    | -15.7   | -7.1    | -3.1    | -21.2   |
| GH¢/Euro  | 5.5131  | 6.2114  | 6.9929  | 6.8281  | 9.1457  |
| [Depreciation (-)/Appreciation (+)] (%)                       | -3.9    | -11.2   | -12.1   | 3.5     | -25.3   |
| <b>Monetary Aggregates Annual Growth Rates (%)</b>            |         |         |         |         |         |
| Reserve Money   | 4.6     | 34.4    | 25.0    | 20.0    | 57.5    |
| Broad Money Supply (M2)                                       | 16.1    | 16.1    | 25.0    | 12.0    | 27.8    |
| Broad Money Supply (M2+)                                      | 15.7    | 21.7    | 29.6    | 12.5    | 33      |
| Private Sector Credit   | 10.6    | 18.0    | 10.6    | 11.1    | 31.8    |
| Real Credit to the private sector                             | 1.1     | 9.4     | -0.1    | -1.3    | -14.5   |
| <b>Interest Rates (%)</b>                                     |         |         |         |         |         |
| Monetary Policy rate  | 17.0    | 16.0    | 14.5    | 14.5    | 27.0    |
| Interbank rate  | 16.1    | 15.2    | 13.6    | 12.7    | 25.5    |
| 91-Day treasury bill rate                                     | 14.5    | 14.7    | 14.1    | 12.5    | 35.5    |
| 182-day treasury bill rate                                    | 15.0    | 15.1    | 14.1    | 13.2    | 36.2    |
| 364-Day treasury bill rate                                    |         | 17.9    | 17.0    | 16.5    | 36.1    |

\* Provisional

Table 3.1: Selected Economic Indicators continued

| Indicators   | 2018      | 2019      | 2020      | 2021      | 2022      |
|--|-----------|-----------|-----------|-----------|-----------|
| <i>(Annual percentage change; unless otherwise indicated)</i>                      |           |           |           |           |           |
| <b>Interest Rates (%)</b>  |           |           |           |           |           |
| 1-year treasury note rate  | 15.5      | -         | -         | -         | -         |
| 2-year treasury note rate  | 19.5      | 21.0      | 18.5      | 19.8      | 21.5      |
| Average lending rate   | 24.0      | 23.6      | 21.1      | 20.0      | 35.6      |
| 3-month average deposit rate   | 11.5      | 11.5      | 11.5      | 11.5      | 14.0      |
| Lending-deposit rate spread  | 12.5      | 12.1      | 9.6       | 8.5       | 21.6      |
| <b>External Sector</b>   |           |           |           |           |           |
| Exports of Goods (US\$ m)  | 14,941.8  | 15,667.5  | 14,471.5  | 14,727.5  | 17,494.4  |
| Imports of Goods (US\$ m)  | -13,134.1 | -13,410.7 | -12,428.6 | -13,628.7 | -14,621.2 |
| Trade balance (US\$' m)  | 1,807.8   | 2,256.8   | 2,043.0   | 1,098.8   | 2,873.1   |
| Current Account Balance (US\$' m)  | -2,041.4  | -1,864.0  | -2,134.0  | -2,541.42 | -1,516.9  |
| per cent of GDP  | -3.0      | -2.7      | -3.1      | -3.2      | -2.1      |
| Overall Balance of Payments (US\$' m)  | -671.5    | 1,341.0   | 377.5     | 510.1     | -3,639.5  |
| <b>Gross International Reserves</b>  |           |           |           |           |           |
| months of imports cover  | 7,024.8   | 8,418.1   | 8,624.4   | 9,695.2   | 6,238.2   |
| <b>Gross International Reserves (excl Oil Funds, Encumbered Assets) ( US\$' m)</b> |           |           |           |           |           |
| months of imports cover  | 3.6       | 4.0       | 4.0       | 4.3       | 2.7       |
| <b>Net International Reserves ( US\$' m)</b>                                       |           |           |           |           |           |
| months of imports cover  | 5,317.2   | 6,607.9   | 6,961.8   | 7,906.0   | 4,417.6   |
| <b>External Debt (US\$' m)</b>   |           |           |           |           |           |
| months of imports cover  | 2.7       | 3.2       | 3.2       | 3.5       | 1.9       |
| <b>Government Budget (% of GDP)</b>  |           |           |           |           |           |
| Domestic Revenue   | 3,851.0   | 5,192.0   | 5,569.4   | 6,079.5   | 2,440.0   |
| Tax Revenue  | 2.0       | 2.5       | 2.6       | 2.8       | 1.1       |
| Total Revenue and Grant  | 17,868.5  | 20,349.4  | 24,715.8  | 28,389.2  | 28,869.0  |
| Total Expenditure  | 15.1      | 14.7      | 14.1      | 14.9      | 15.7      |
| Primary Balance  | 12.2      | 12.0      | 11.6      | 12.2      | 12.4      |
| Overall Balance (Including Divestiture)  | 15.4      | 15.0      | 14.4      | 15.2      | 15.8      |
| Public Debt  | 18.9      | 19.0      | 25.1      | 23.7      | 24.0      |
|  | 2.2       | 1.8       | -3.3      | -1.9      | -0.7      |
|  | -3.8      | -4.7      | -11.7     | -9.2      | -8.1      |
|  | 56.1      | 61.2      | 76.0      | 76.2      | 71.2      |

\* Provisional

Source: Bank of Ghana, Ghana Statistical Service and Ministry of Finance

Table 3.3: Monetary Indicators

| Indicator                         | GH¢ Millions       |                   |                    | Variations (year-on-year) |                |                    |                |                    |                 |  |
|-----------------------------------|--------------------|-------------------|--------------------|---------------------------|----------------|--------------------|----------------|--------------------|-----------------|--|
|                                   | Dec-20             | Dec-21            | Dec-22             | As at end-Dec 2020        |                | As at end-Dec 2021 |                | As at end-Dec 2022 |                 |  |
|                                   |                    |                   |                    | abs                       | per cent       | abs                | per cent       | abs                | per cent        |  |
| Reserve Money                     | 36,082.06          | 43,244.90         | 68,103.84          | 7,186.03                  | 24.87          | 7,162.85           | 19.85          | 24,858.94          | 57.48           |  |
| Narrow Money (M1)                 | 60,783.45          | 69,389.31         | 88,484.18          | 17,287.74                 | 39.75          | 8,605.86           | 14.16          | 19,094.87          | 27.52           |  |
| Broad Money (M2)                  | 94,449.03          | 105,737.27        | 135,142.49         | 24,475.93                 | 34.98          | 11,288.24          | 11.95          | 29,405.22          | 27.81           |  |
| <b>Broad Money (M2+)</b>          | <b>120,479.09</b>  | <b>135,555.75</b> | <b>180,266.84</b>  | <b>27,503.62</b>          | <b>29.58</b>   | <b>15,076.66</b>   | <b>12.51</b>   | <b>44,711.09</b>   | <b>32.98</b>    |  |
| Currency with the Public          | 20,889.63          | 21,773.90         | 31,420.65          | 6,531.57                  | 45.49          | 884.27             | 4.23           | 9,646.75           | 44.30           |  |
| Demand Deposits                   | 39,893.82          | 47,615.41         | 57,063.53          | 10,756.17                 | 36.92          | 7,721.59           | 19.36          | 9,448.12           | 19.84           |  |
| Savings & Time Deposits           | 33,665.58          | 36,347.96         | 46,658.31          | 7,188.19                  | 27.15          | 2,682.39           | 7.97           | 10,310.35          | 28.37           |  |
| Foreign Currency Deposits         | 26,030.07          | 29,818.48         | 45,124.35          | 3,027.69                  | 13.16          | 3,788.41           | 14.55          | 15,305.87          | 51.33           |  |
| <b>Sources of M2+</b>             |                    |                   |                    |                           |                |                    |                |                    |                 |  |
| <b>Net Foreign Assets (NFA)</b>   | <b>18,721.06</b>   | <b>7,531.35</b>   | <b>(12,133.70)</b> | <b>(2,571.94)</b>         | <b>(12.08)</b> | <b>(11,189.71)</b> | <b>(59.77)</b> | <b>(19,665.05)</b> | <b>(261.11)</b> |  |
| BOG                               | 14,244.49          | 8,247.02          | (19,300.17)        | (6,378.06)                | (30.93)        | (5,997.47)         | (42.10)        | (27,547.18)        | (334.03)        |  |
| DMBs                              | 4,476.57           | (715.67)          | 7,166.46           | 3,806.12                  | 567.69         | (5,192.24)         | (115.99)       | 7,882.13           | (1,101.37)      |  |
| <b>Net Domestic Assets (NDA)</b>  | <b>101,758.03</b>  | <b>128,024.40</b> | <b>192,400.54</b>  | <b>30,075.56</b>          | <b>41.96</b>   | <b>26,266.37</b>   | <b>25.81</b>   | <b>64,376.14</b>   | <b>50.28</b>    |  |
| <b>Claims on Government (net)</b> | <b>68,965.59</b>   | <b>75,314.27</b>  | <b>122,554.34</b>  | <b>34,751.06</b>          | <b>101.57</b>  | <b>6,348.68</b>    | <b>9.21</b>    | <b>47,240.07</b>   | <b>62.72</b>    |  |
| BOG                               | 31,731.12          | 29,389.54         | 73,910.16          | 23,262.38                 | 274.69         | (2,341.58)         | (7.38)         | 44,520.62          | 151.48          |  |
| DMBs                              | 37,234.47          | 45,924.73         | 48,644.18          | 11,488.67                 | 44.62          | 8,690.26           | 23.34          | 2,719.45           | 5.92            |  |
| <b>Claims on Public Sector</b>    | <b>4,962.45</b>    | <b>6,266.45</b>   | <b>7,332.74</b>    | <b>(1,698.89)</b>         | <b>(25.50)</b> | <b>1,303.99</b>    | <b>26.28</b>   | <b>1,066.30</b>    | <b>17.02</b>    |  |
| BOG                               | 931.34             | 966.11            | 1,578.28           | (43.48)                   | (4.46)         | 34.78              | 3.73           | 612.16             | 63.36           |  |
| DMBs                              | 4,031.12           | 5,300.33          | 5,754.47           | (1,655.41)                | (29.11)        | 1,269.22           | 31.49          | 454.13             | 8.57            |  |
| <b>Claims on Private Sector</b>   | <b>44,263.86</b>   | <b>50,502.62</b>  | <b>64,622.37</b>   | <b>4,194.16</b>           | <b>10.47</b>   | <b>6,238.76</b>    | <b>14.09</b>   | <b>14,119.75</b>   | <b>27.96</b>    |  |
| BOG                               | 730.67             | 2,117.04          | 868.92             | 25.89                     | 3.67           | 1,386.37           | 189.74         | (1,248.13)         | (58.96)         |  |
| DMBs                              | 43,533.19          | 48,385.58         | 63,753.45          | 4,168.27                  | 10.59          | 4,852.39           | 11.15          | 15,367.88          | 31.76           |  |
| <b>Other Items (Net) (OIN)</b>    | <b>(16,433.87)</b> | <b>(4,058.94)</b> | <b>(2,108.91)</b>  | <b>(7,170.77)</b>         | <b>77.41</b>   | <b>12,374.93</b>   | <b>(75.30)</b> | <b>1,950.03</b>    | <b>(48.04)</b>  |  |
| o/w BOG OMO (Sterilisation)       | (5,658.81)         | (5,654.59)        | (7,725.48)         | (865.31)                  | 18.05          | 4.22               | (0.07)         | (2,070.89)         | 36.62           |  |

Source: Bank of Ghana

Table 3.4: Sectoral Distribution of Banks' Outstanding Credit

| Indicator                          | GH¢ Millions     |                  |                  | Year-on-Year-Variations |              |                    |              |
|------------------------------------|------------------|------------------|------------------|-------------------------|--------------|--------------------|--------------|
|                                    | Dec-20           | Dec-21           | Dec-22           | As at end-Dec 2021      |              | As at end-Dec 2022 |              |
|                                    |                  |                  |                  | abs                     | per cent     | abs                | per cent     |
| <b>a Public Sector</b>             | <b>4,235.86</b>  | <b>5,381.75</b>  | <b>6,246.77</b>  | <b>1,145.89</b>         | <b>27.05</b> | <b>865.02</b>      | <b>16.07</b> |
| <b>b Private Sector</b>            | <b>43,533.19</b> | <b>48,385.58</b> | <b>63,753.45</b> | <b>4,852.39</b>         | <b>11.15</b> | <b>15,367.88</b>   | <b>31.76</b> |
| Agriculture, Forestry & Fisheries  | 1,538.39         | 1,656.64         | 2,664.02         | 118.25                  | 7.69         | 1,007.38           | 60.81        |
| Export Trade                       | 162.83           | 200.54           | 386.70           | 37.71                   | 23.16        | 186.16             | 92.83        |
| Manufacturing                      | 4,985.44         | 5,688.17         | 7,129.87         | 702.73                  | 14.10        | 1,441.70           | 25.35        |
| Transport, Storage & Communication | 3,096.58         | 3,353.27         | 3,562.29         | 256.68                  | 8.29         | 209.02             | 6.23         |
| Mining & Quarrying                 | 1,178.63         | 817.41           | 1,564.11         | (361.22)                | (30.65)      | 746.70             | 91.35        |
| Import Trade                       | 1,232.21         | 1,733.00         | 2,092.13         | 500.79                  | 40.64        | 359.12             | 20.72        |
| Construction                       | 4,377.23         | 5,089.74         | 6,454.74         | 712.51                  | 16.28        | 1,365.00           | 26.82        |
| Commerce & Finance                 | 9,875.24         | 7,498.53         | 11,513.42        | (2,376.71)              | (24.07)      | 4,014.90           | 53.54        |
| Electricity, Gas & Water           | 2,544.21         | 1,961.31         | 3,501.71         | (582.91)                | (22.91)      | 1,540.41           | 78.54        |
| Services                           | 11,580.86        | 16,867.22        | 20,855.96        | 5,286.36                | 45.65        | 3,988.74           | 23.65        |
| Miscellaneous                      | 2,961.57         | 3,519.76         | 4,028.50         | 558.19                  | 18.85        | 508.74             | 14.45        |
| <b>c Grand Total</b>               | <b>47,769.04</b> | <b>53,767.32</b> | <b>70,000.22</b> | <b>5,998.28</b>         | <b>12.56</b> | <b>16,232.90</b>   | <b>30.19</b> |

Source: Bank of Ghana

Table 3.5: Sectoral Contribution to the Growth of GSE-CI

| MONTH             | SECTOR  |         |         |         |        |        |         |       |           |        |             | GSE-CI  |
|-------------------|---------|---------|---------|---------|--------|--------|---------|-------|-----------|--------|-------------|---------|
|                   | F&B     | MAN     | FINANCE | DISTR   | MINING | IT     | AGRIC   | OIL   | ETFund    | EDUC   | AD. & PROD. |         |
| Dec-19            | 1227.34 | 1600.71 | 2019.65 | 2375.45 | 134.54 | 25.38  | 572.00  | 38.52 | 171.97    | 100.00 | 100.00      | 2257.15 |
| Dec-20            | 556.84  | 825.53  | 1782.76 | 2148.80 | 135.06 | 23.20  | 400.00  | 39.51 | 4.20      | 100.00 | 100.00      | 1941.59 |
| Dec-21            | 1250.50 | 613.36  | 2151.85 | 3000.37 | 135.22 | 40.24  | 1330.00 | 40.07 | 4.32      | 100.00 | 100.00      | 2789.34 |
| Dec-22            | 1204.74 | 434.73  | 2052.59 | 2650.66 | 159.17 | 31.90  | 1530.00 | 40.26 | 5028.82   | 100.01 | 100.00      | 2443.91 |
| <b>2021 (y/y)</b> |         |         |         |         |        |        |         |       |           |        |             |         |
| ABS               | 693.66  | -212.17 | 369.09  | 851.58  | 0.16   | 17.04  | 930.00  | 0.56  | 0.12      | 0.00   | 0.00        | 847.75  |
| (%)               | 124.57  | -25.70  | 20.70   | 39.63   | 0.12   | 73.43  | 232.50  | 1.40  | 2.94      | 0.00   | 0.00        | 43.66   |
| <b>2022 (y/y)</b> |         |         |         |         |        |        |         |       |           |        |             |         |
| ABS               | -45.77  | -178.63 | -99.26  | -349.71 | 23.95  | -8.34  | 200.00  | 0.19  | 5024.50   | 0.01   | 0.00        | -345.43 |
| (%)               | -3.66   | -29.12  | -4.61   | -11.66  | 17.71  | -20.72 | 15.04   | 0.48  | 116220.44 | 0.01   | 0.00        | -12.38  |

F&amp;B - Food &amp; Beverages; Man - Manufacturing; Distr - Distribution; ETFund - Exchange Traded Fund; Educ - Education; AD. &amp; Prod. - Advertising &amp; Production

Source: Ghana Stock Exchange

Table 3.6: Sectoral Contribution to Market Capitalisation

| MONTH             | SECTOR  |         |          |         |          |          |        |          |           |       |             | MKT. CAP |
|-------------------|---------|---------|----------|---------|----------|----------|--------|----------|-----------|-------|-------------|----------|
|                   | F&B     | MAN     | FINANCE  | DISTR   | MINING   | IT       | AGRIC  | OIL      | ETFund    | EDUC  | AD. & PROD. |          |
| Dec-19            | 1054.16 | 1149.55 | 12555.51 | 1020.69 | 15860.36 | 8604.35  | 99.53  | 16404.24 | 21.60     | 10.57 | 10.70       | 56791.25 |
| Dec-20            | 478.27  | 592.85  | 11671.26 | 923.30  | 15921.65 | 7866.92  | 69.60  | 16829.22 | 0.53      | 10.57 | 10.70       | 54374.88 |
| Dec-21            | 1074.05 | 440.48  | 14788.91 | 1289.20 | 15940.22 | 13643.45 | 231.42 | 17065.66 | 0.54      | 10.57 | 10.70       | 64495.20 |
| Dec-22            | 1034.74 | 312.20  | 14382.51 | 1131.10 | 18763.84 | 10816.64 | 266.22 | 17147.21 | 631.62    | 10.57 | 10.70       | 64507.32 |
| <b>2021 (y/y)</b> |         |         |          |         |          |          |        |          |           |       |             |          |
| ABS               | 595.78  | -152.37 | 3117.66  | 365.91  | 18.57    | 5776.52  | 161.82 | 236.43   | 0.02      | 0.00  | 0.00        | 10120.32 |
| (%)               | 124.57  | -25.70  | 26.71    | 39.63   | 0.12     | 73.43    | 232.50 | 1.40     | 2.94      | 0.00  | 0.00        | 18.61    |
| <b>2022 (y/y)</b> |         |         |          |         |          |          |        |          |           |       |             |          |
| ABS               | -39.31  | -128.28 | -406.41  | -158.10 | 2823.61  | -2826.81 | 34.80  | 81.56    | 631.08    | 0.00  | 0.00        | 12.12    |
| (%)               | -3.66   | -29.12  | -2.75    | -12.26  | 17.71    | -20.72   | 15.04  | 0.48     | 116220.44 | 0.01  | 0.00        | 0.02     |

F&amp;B - Food &amp; Beverages; Man - Manufacturing; Distr - Distribution; ETFund - Exchange Traded Fund; Educ - Education; AD. &amp; Prod. - Advertising &amp; Production

Source: Ghana Stock Exchange

Table 3.7A: Headline Inflation (Combined Food and Non-Food)

|                 | Headline Inflation (%) |             |            | Monthly Changes in CPI (%) |             |            |
|-----------------|------------------------|-------------|------------|----------------------------|-------------|------------|
|                 | Combined               | Food        | Non-food   | Combined                   | Food        | Non-food   |
| <b>2019 Dec</b> | <b>7.9</b>             | <b>7.2</b>  | <b>8.5</b> | <b>0.3</b>                 | <b>-0.6</b> | <b>1.0</b> |
| <b>2020 Dec</b> | <b>10.4</b>            | <b>14.1</b> | <b>7.7</b> | <b>0.9</b>                 | <b>1.5</b>  | <b>0.4</b> |
| <b>2021</b>     |                        |             |            |                            |             |            |
| Jan             | 9.9                    | 12.8        | 7.7        | 0.9                        | 1.2         | 0.7        |
| Feb             | 10.3                   | 12.3        | 8.8        | 0.8                        | 0.0         | 1.4        |
| Mar             | 10.3                   | 10.8        | 10.0       | 0.9                        | 0.2         | 1.4        |
| Apr             | 8.5                    | 6.5         | 10.2       | 1.5                        | 2.3         | 1.0        |
| May             | 7.5                    | 5.4         | 9.2        | 0.8                        | 1.3         | 0.4        |
| Jun             | 7.8                    | 7.3         | 8.2        | 1.3                        | 1.8         | 0.8        |
| Jul             | 9.0                    | 9.5         | 8.6        | 1.6                        | 2.0         | 1.3        |
| Aug             | 9.7                    | 10.6        | 8.7        | 0.3                        | 0.2         | 0.3        |
| Sept            | 10.6                   | 11.5        | 9.9        | 0.6                        | 0.0         | 1.2        |
| Oct             | 11.0                   | 11.0        | 11.0       | 0.6                        | 0.3         | 1.3        |
| Nov             | 12.2                   | 13.1        | 11.6       | 1.4                        | 2.1         | 0.9        |
| Dec             | 12.6                   | 12.8        | 12.5       | 1.2                        | 1.2         | 1.2        |
| <b>2022</b>     |                        |             |            |                            |             |            |
| Jan             | 13.9                   | 13.7        | 14.1       | 2.1                        | 2.0         | 2.2        |
| Feb             | 15.7                   | 17.4        | 14.5       | 2.4                        | 3.2         | 1.7        |
| Mar             | 19.4                   | 22.4        | 17.0       | 4.0                        | 4.5         | 3.7        |
| Apr             | 23.6                   | 26.6        | 21.3       | 5.1                        | 5.8         | 4.6        |
| May             | 27.6                   | 30.1        | 25.7       | 4.1                        | 4.0         | 4.1        |
| Jun             | 29.8                   | 30.7        | 29.1       | 3.0                        | 2.3         | 3.6        |
| Jul             | 31.7                   | 32.3        | 31.3       | 3.1                        | 3.3         | 3.0        |
| Aug             | 33.9                   | 34.4        | 33.6       | 1.9                        | 1.8         | 2.0        |
| Sep             | 37.5                   | 38.8        | 36.5       | 3.3                        | 3.3         | 3.4        |
| Oct             | 40.4                   | 43.7        | 37.8       | 2.7                        | 3.2         | 2.3        |
| Nov             | 50.3                   | 55.3        | 46.5       | 8.6                        | 10.4        | 7.2        |
| Dec             | 54.1                   | 59.7        | 49.9       | 3.8                        | 4.1         | 3.6        |

Source: Ghana Statistical Service

Table 3.7B: Components of Consumer Price Index (CPI) (%)

|   | Weights (%) | 2020 |      | 2021 |      |      |      | 2022 |      |      |  |
|---|-------------|------|------|------|------|------|------|------|------|------|--|
|   |             | Dec  | Mar  | Jun  | Sep  | Dec  | Mar  | Jun  | Sep  | Dec  |  |
| Overall   | 100.0       | 10.4 | 10.3 | 7.8  | 10.6 | 12.6 | 19.4 | 29.8 | 37.2 | 54.1 |  |
| Food and Beverages  | 43.1        | 14.1 | 10.8 | 7.3  | 11.5 | 12.8 | 22.4 | 30.7 | 37.8 | 59.7 |  |
| Non-food  | 56.9        | 7.7  | 10.0 | 8.2  | 9.9  | 12.5 | 17.0 | 29.1 | 36.5 | 49.9 |  |
| Alcoholic Beverages, Tobacco & Narcotics                  | 3.7         | 6.0  | 7.0  | 6.5  | 8.1  | 9.6  | 11.4 | 21.4 | 22.0 | 38.5 |  |
| Clothing and footwear                                     | 8.1         | 7.9  | 6.0  | 6.0  | 6.8  | 8.6  | 12.2 | 23.8 | 28.7 | 41.9 |  |
| Housing and Utilities                                     | 10.2        | 20.1 | 29.0 | 14.2 | 18.7 | 20.7 | 21.4 | 38.4 | 68.8 | 82.3 |  |
| Furnishings, Household Equipment                          | 3.2         | 4.7  | 4.7  | 4.7  | 6.3  | 9.6  | 18.5 | 39.6 | 51.5 | 71.5 |  |
| Health  | 0.7         | 6.0  | 7.1  | 6.0  | 4.6  | 6.0  | 8.8  | 12.8 | 22.8 | 34.4 |  |
| Transport   | 10.1        | 4.8  | 6.8  | 13.4 | 13.6 | 17.6 | 27.6 | 41.6 | 46.8 | 71.4 |  |
| Information and Communication                             | 3.6         | 7.0  | 8.1  | 4.9  | 6.6  | 9.0  | 13.4 | 14.5 | 14.9 | 21.5 |  |
| Recreation & Culture                                      | 3.5         | 1.8  | 4.0  | 3.6  | 6.8  | 11.4 | 17.0 | 31.3 | 36.3 | 42.4 |  |
| Education   | 6.5         | 0.2  | 0.4  | 0.9  | 0.9  | 1.0  | 2.9  | 4.4  | 8.3  | 11.3 |  |
| Hotels, cafes and restaurants                             | 4.6         | 5.4  | 6.1  | 4.8  | 3.2  | 8.9  | 12.6 | 20.2 | 11.1 | 9.2  |  |
| Insurance and Financial services                          | 0.2         | 3.3  | 7.8  | 5.5  | 7.1  | 6.3  | 3.0  | 5.8  | 13.6 | 10.8 |  |
| Personal care, social protection & Miscellaneous services | 2.4         | 3.8  | 4.5  | 4.5  | 7.2  | 10.6 | 17.0 | 31.7 | 42.6 | 60.9 |  |

Source: Ghana Statistical Service

Table 3.8A: Selected Fiscal Indicators 2019-2022 (GH¢ millions)

|  | 2019 Prov. | 2020 Prov. | 2021 Prov. | 2021 Prog. | 2022 Prov. | 2022 Prog. |
|--|------------|------------|------------|------------|------------|------------|
| Taxes on income and property               | 22,683.10  | 23,728.60  | 27,969.70  | 29,932.70  | 38,424.46  | 38,976.22  |
| Taxes on goods and services                | 17,151.70  | 17,792.10  | 23,567.00  | 22,711.90  | 31,391.79  | 30,028.33  |
| Taxes on international trade               | 5,410.00   | 5,513.80   | 6,752.50   | 6,613.50   | 9,848.22   | 8,573.28   |
| Tax revenue including oil                  | 42,774.60  | 44,447.80  | 55,172.60  | 55,834.80  | 75,548.22  | 74,425.75  |
| Tax revenue excluding oil                  | 40,597.20  | 42,404.80  | 52,916.00  | 53,632.20  | 69,593.81  | 68,796.68  |
| Nontax revenue                             | 7,567.60   | 6,667.30   | 7,369.30   | 10,302.20  | 14,561.04  | 15,960.75  |
| Domestic revenue including oil             | 52,393.50  | 53,899.70  | 66,696.40  | 71,012.20  | 95,532.67  | 95,653.75  |
| Domestic revenue excluding oil             | 50,216.10  | 51,856.80  | 64,439.80  | 68,717.80  | 89,578.26  | 90,024.69  |
| Grants                                     | 986.1      | 1,228.70   | 1,182.20   | 1,465.10   | 1,118.57   | 1,188.38   |
| Total revenue and grants                   | 53,379.60  | 55,128.40  | 67,878.70  | 72,477.40  | 96,651.24  | 96,842.13  |
| Compensation of Employees                  | 22,219.00  | 28,268.90  | 31,663.30  | 31,490.80  | 39,434.13  | 37,948.99  |
| Goods and services                         | 6,169.60   | 7,388.30   | 8,624.10   | 8,523.20   | 5,649.78   | 5,866.62   |
| Interest payments                          | 19,769.30  | 24,599.30  | 33,619.30  | 32,528.00  | 45,687.37  | 41,361.59  |
| Subsidies                                  | 124.2      | 168.1      | 135.9      | 247.7      | 167.03     | 326.48     |
| Non-Financial Assets (Capital Expenditure) | 6,151.80   | 12,082.90  | 15,541.50  | 12,222.10  | 20,232.96  | 13,700.24  |
| Total expenditure & net lending            | 67,856.10  | 96,400.40  | 107,436.00 | 110,050.20 | 146,331.02 | 135,742.47 |
| Overall Budget Balance                     | -16,891.80 | -44,897.90 | -41,900.90 | -41,272.90 | -49,679.78 | -38,900.34 |
| Domestic Expenditure                       | 45,591.50  | 66,712.20  | 64,227.50  | 69,409.80  | 88,148.57  | 84,887.76  |
| Domestic Primary Balance                   | 6,244.60   | -12,812.40 | 2,468.90   | 1,602.40   | 7,384.10   | 10,766.00  |
| Stock of Domestic Debt                     | 105,356.80 | 150,710.10 | 182,491.30 |            | 193,948.9  |            |
| Nominal GDP (Including Oil)                | 356,544.30 | 391,940.70 | 461,694.90 | 459,131.00 | 610,222.30 | 591,883.00 |
| Nominal GDP (Excluding oil)                | 335,210.60 | 378,147.90 | 440,613.40 | 437,975.00 | 577,282.96 | 550,324.00 |

Source: Ministry of Finance and Bank of Ghana

Table 3.8B: Selected Fiscal Indicators 2019-2022 (Per cent of GDP)

|  | 2019 Prov. | 2020 Prov. | 2021 Prov. | 2021 Prog. | 2022 Prov. | 2022 Prog. |
|--|------------|------------|------------|------------|------------|------------|
| Taxes on income and property               | 6.4        | 6.2        | 6.4        | 6.8        | 6.3        | 6.3        |
| Taxes on goods and services                | 4.8        | 4          | 5.4        | 5.2        | 5.1        | 4.9        |
| Taxes on international trade               | 1.5        | 1.4        | 1.5        | 1.5        | 1.6        | 1.4        |
| Tax revenue including oil                  | 12         | 11.6       | 12.6       | 12.7       | 12.4       | 12.1       |
| Tax revenue excluding oil                  | 12.1       | 11.5       | 12         | 12.2       | 11.4       | 12.2       |
| Nontax revenue                             | 2.1        | 1.7        | 1.7        | 2.3        | 2.4        | 2.6        |
| Domestic revenue including oil             | 14.7       | 14.1       | 15.2       | 17.4       | 15.7       | 15.5       |
| Domestic revenue excluding oil             | 15         | 14         | 14.7       | 15.6       | 14.7       | 16.0       |
| Grants                                     | 0.3        | 0.3        | 0.3        | 0.3        | 0.2        | 0.2        |
| Total revenue and grants                   | 15         | 14.4       | 15.4       | 16.5       | 15.8       | 15.7       |
| Compensation of Employees                  | 6.2        | 7.4        | 7.2        | 7.2        | 6.5        | 6.2        |
| Goods and services                         | 1.7        | 1.9        | 2          | 2          | 0.9        | 1.0        |
| Interest payments                          | 5.5        | 6.4        | 7.7        | 7.4        | 7.5        | 6.7        |
| Subsidies                                  | 0          | 0          | 0          | 0.1        | 0.03       | 0.05       |
| Non-Financial Assets (Capital Expenditure) | 1.7        | 3.2        | 3.5        | 2.8        | 3.3        | 2.2        |
| Total expenditure & net lending            | 19         | 25.1       | 24.5       | 25         | 24.0       | 22.0       |
| Overall Budget Balance                     | -4.7       | -11.7      | -9.5       | -9.4       | -8.1       | -6.3       |
| Domestic Expenditure                       | 13         | 17.4       | 14.6       | 16.2       | 14.4       | 13.8       |
| Domestic Primary Balance                   | 1.8        | -3.3       | 0.6        | 15.8       | 1.2        | 1.8        |
| Stock of Domestic Debt                     | 29.5       | 39.3       | 39.5       |            | 31.8       |            |

Source: Ministry of Finance and Bank of Ghana

Table 3.9: Composition of Domestic Debt (GH¢ millions), 2018 – 2022

|                                   | 2018            | 2019             | 2020             | 2021             | 2022             |
|-----------------------------------|-----------------|------------------|------------------|------------------|------------------|
| <b>A. Short-Term Instruments</b>  | <b>11,031.9</b> | <b>16,341.0</b>  | <b>16,861.0</b>  | <b>22,617.0</b>  | <b>34,192.3</b>  |
| 91-Day Treasury Bill              | 5,576.6         | 7,153.4          | 10,030.7         | 9,634.1          | 18,167.5         |
| 182-Day Treasury Bill             | 3,049.8         | 2,842.7          | 2,856.5          | 4,653.1          | 8,746.6          |
| 364-Day Treasury Bill             | 0.0             | 6,344.9          | 3,973.8          | 8,329.7          | 7,278.3          |
| 1-Year Treasury Note              | 2,405.5         | 0.0              | 0.0              | 0.0              | 0.0              |
| <b>B. Medium-Term Instruments</b> | <b>48,429.8</b> | <b>59,519.0</b>  | <b>90,385.7</b>  | <b>115,074.3</b> | <b>115,908.9</b> |
| 2-Year Fixed Treasury Note        | 13,049.8        | 13,526.1         | 17,441.5         | 20,145.4         | 13,721.9         |
| 3-Year Fixed Treasury Note        | 10,930.3        | 12,929.6         | 27,342.7         | 27,174.3         | 31,279.5         |
| 3-year USD Domestic Bond          | 1,067.7         | 2,056.3          | 2,241.3          | 2,781.6          | 3,971.9          |
| 3-Year Stock(SSNIT)               | 502.9           | 172.5            | 0.0              | 0.0              | 0.0              |
| 4-Year GOG Bond                   | 0.0             | 0.0              | 0.0              | 541.4            | 541.4            |
| 5-Year GOG Bond                   | 12,160.7        | 15,808.0         | 22,499.6         | 30,019.8         | 25,859.3         |
| 5-Year USD Domestic Bond          | 0.0             | 0.0              | 0.0              | 1,015.4          | 2,969.5          |
| 6-Year GOG Bond                   | 0.0             | 1,780.7          | 2,870.6          | 8,671.4          | 11,231.6         |
| 7-Year GOG Bond                   | 2,857.4         | 4,580.8          | 5,388.1          | 8,826.6          | 9,768.7          |
| 10-Year GOG Bond                  | 7,861.2         | 8,665.1          | 12,601.8         | 15,898.4         | 16,565.6         |
| <b>C. Long-Term Instruments</b>   | <b>27,313.3</b> | <b>29,496.8</b>  | <b>43,463.4</b>  | <b>44,800.1</b>  | <b>43,847.8</b>  |
| 15-Year GOG Bond                  | 4,793.8         | 5,812.7          | 15,342.6         | 15,805.7         | 15,583.2         |
| 20-Year GOG Bond                  | 0.0             | 162.1            | 338.6            | 1,546.8          | 1,546.8          |
| Long Term Government Stocks       | 21,568.5        | 22,685.5         | 27,060.0         | 26,839.9         | 26,167.3         |
| GOG Petroleum Finance Bond        | 80.0            | 80.0             | 80.0             | 80.0             | 80.0             |
| TOR Bonds                         | 400.4           | 286.0            | 171.6            | 57.2             | 0.0              |
| Telekom Malaysia Stocks           | 109.5           | 109.5            | 109.5            | 109.5            | 109.5            |
| Revaluation Stock                 | 361.1           | 361.1            | 361.1            | 361.1            | 361.1            |
| <b>TOTAL (A+B+C)</b>              | <b>86,775.0</b> | <b>105,356.8</b> | <b>150,710.1</b> | <b>182,491.3</b> | <b>193,948.9</b> |

Source: Ministry of Finance and Bank of Ghana

Table 3.10A: Holding Structure of Domestic Debt (GH¢ millions), 2018– 2022

|  | 2018            | 2019             | 2020             | 2021             | 2022             |
|--|-----------------|------------------|------------------|------------------|------------------|
| <b>A. Banking system</b>                 | <b>38,778.3</b> | <b>46,815.7</b>  | <b>77,812.6</b>  | <b>92,125.3</b>  | <b>103,645.1</b> |
| Bank of Ghana                            | 17,132.4        | 15,782.7         | 34,758.4         | 36,998.2         | 42,326.5         |
| Deposit Money Banks (DMBs)               | 21,646.0        | 31,033.0         | 43,054.2         | 55,127.1         | 61,318.6         |
| <b>B. Non-Bank Sector</b>                | <b>21,920.5</b> | <b>32,248.9</b>  | <b>45,210.3</b>  | <b>61,170.4</b>  | <b>76,484.5</b>  |
| SSNIT                                    | 796.4           | 314.0            | 662.2            | 537.9            | 791.1            |
| Insurance Companies                      | 462.4           | 581.9            | 858.2            | 1,094.6          | 1,506.3          |
| Other Holders                            | 20,661.7        | 31,353.1         | 43,689.9         | 59,537.9         | 74,187.1         |
| Rural Banks                              | 412.8           | 697.5            | 1,689.0          | 2,006.7          | 2,974.6          |
| Firms & Institutions                     | 14,577.0        | 21,976.6         | 29,864.0         | 41,013.8         | 49,616.5         |
| Individuals                              | 5,671.9         | 8,679.0          | 12,136.8         | 16,517.4         | 21,596.0         |
| <b>C. Foreign sector (Non-Residents)</b> | <b>26,076.2</b> | <b>26,292.3</b>  | <b>27,687.2</b>  | <b>29,195.5</b>  | <b>13,819.4</b>  |
| <b>TOTAL (A+B+C)</b>                     | <b>86,775.0</b> | <b>105,356.8</b> | <b>150,710.1</b> | <b>182,491.3</b> | <b>193,948.9</b> |

Source: Ministry of Finance and Bank of Ghana

Table 3.10B: Holding Structure of Domestic Debt (%), 2018– 2022

|  | 2018        | 2019        | 2020        | 2021        | 2022        |
|--|-------------|-------------|-------------|-------------|-------------|
| <b>A. Banking system</b>                 | <b>44.7</b> | <b>44.4</b> | <b>51.6</b> | <b>50.5</b> | <b>53.4</b> |
| Bank of Ghana                            | 19.7        | 15.0        | 23.1        | 20.3        | 21.8        |
| Deposit Money Banks (DMBs)               | 24.9        | 29.5        | 28.6        | 30.2        | 31.6        |
| <b>B. Non-Bank Sector</b>                | <b>25.3</b> | <b>30.6</b> | <b>30.0</b> | <b>33.5</b> | <b>39.4</b> |
| SSNIT                                    | 0.9         | 0.3         | 0.4         | 0.3         | 0.4         |
| Insurance Companies                      | 0.5         | 0.6         | 0.6         | 0.6         | 0.8         |
| Other Holders                            | 23.8        | 29.8        | 29.0        | 32.6        | 38.3        |
| Rural Banks                              | 0.5         | 0.7         | 1.1         | 1.1         | 1.5         |
| Firms & Institutions                     | 16.8        | 20.9        | 19.8        | 22.5        | 25.6        |
| Individuals                              | 6.5         | 8.2         | 8.1         | 9.1         | 11.1        |
| <b>C. Foreign sector (Non-Residents)</b> | <b>30.1</b> | <b>25.0</b> | <b>18.4</b> | <b>16.0</b> | <b>7.1</b>  |
| <b>TOTAL(A+B+C)</b>                      | <b>100</b>  | <b>100</b>  | <b>100</b>  | <b>100</b>  | <b>100</b>  |

Source: Ministry of Finance and Bank of Ghana



Table 3.11: Balance of Payments (In Millions of US Dollars)

|  | 2018              | 2019              | 2020              | 2021**            | 2022*             |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>A. Current Account</b>                        | <b>-2,044.57</b>  | <b>-1,863.97</b>  | <b>-2,133.97</b>  | <b>-2,541.42</b>  | <b>-1,516.94</b>  |
| <b>Merchandise Trade balance</b>                 | <b>1,808.67</b>   | <b>2,256.83</b>   | <b>2,042.97</b>   | <b>1,098.81</b>   | <b>2,873.13</b>   |
| <b>Exports (f.o.b)</b>                           | <b>14,942.75</b>  | <b>15,667.53</b>  | <b>14,471.53</b>  | <b>14,727.46</b>  | <b>17,494.36</b>  |
| Cocoa beans & products                           | 2,180.00          | 2,288.41          | 2,328.16          | 2,838.54          | 2,299.69          |
| Gold   | 5,435.70          | 6,229.69          | 6,799.09          | 5,083.14          | 6,608.43          |
| Timber & timber products                         | 221.47            | 169.00            | 134.00            | 161.95            | 161.41            |
| Crude oil  | 4,573.43          | 4,493.07          | 2,910.62          | 3,947.72          | 5,428.61          |
| Other exports                                    | 2,532.15          | 2,487.36          | 2,299.65          | 2,696.10          | 2,996.21          |
| <b>Imports (f.o.b)</b>                           | <b>-13,134.08</b> | <b>-13,410.70</b> | <b>-12,428.56</b> | <b>-13,628.65</b> | <b>-14,621.23</b> |
| Non-oil  | -10,553.17        | -10,990.44        | -10,538.02        | -10,909.50        | -9,994.62         |
| Oil  | -2,580.91         | -2,420.26         | -1,890.54         | -2,719.16         | -4,626.61         |
| <b>Balance on Services, Income and Transfers</b> | <b>-3,853.24</b>  | <b>-4,120.80</b>  | <b>-4,176.93</b>  | <b>-3,640.02</b>  | <b>-4,390.08</b>  |
| <b>Services (net)</b>                            | <b>-2,514.45</b>  | <b>-3,572.75</b>  | <b>-4,511.26</b>  | <b>-3,164.53</b>  | <b>-3,457.89</b>  |
| Credit   | 7,572.04          | 9,924.81          | 7,605.55          | 9,173.70          | 8,249.67          |
| Debit  | -10,086.48        | -13,497.56        | -12,116.81        | -12,338.23        | -11,707.56        |
| <b>Income (net)</b>                              | <b>-3,921.82</b>  | <b>-3,952.13</b>  | <b>-3,398.55</b>  | <b>-3,830.62</b>  | <b>-4,505.12</b>  |
| Credit   | 598.27            | 482.94            | 738.45            | 719.09            | 849.50            |
| Debit  | -4,520.09         | -4,435.07         | -4,137.00         | -4,549.71         | -5,354.63         |
| <b>Transfers (net)</b>                           | <b>2,583.02</b>   | <b>3,404.08</b>   | <b>3,732.88</b>   | <b>3,354.92</b>   | <b>3,572.94</b>   |
| Private (net)                                    | 2,564.32          | 3,386.43          | 3,564.76          | 3,354.92          | 3,572.73          |
| Official (net)                                   | 18.70             | 17.65             | 168.12            | 0.00              | 0.21              |
| <b>B. Financial and Capital Account</b>          | <b>1,500.37</b>   | <b>3,067.63</b>   | <b>2,887.19</b>   | <b>3,303.95</b>   | <b>-2,141.26</b>  |
| Capital Transfers                                | 257.76            | 257.08            | 250.14            | 203.98            | 142.12            |
| Direct investments                               | 2,908.16          | 3,292.07          | 1,333.37          | 2,413.88          | 1,472.57          |
| Other investments                                | -2,594.51         | -2,779.25         | -257.51           | -1,351.68         | -1,984.07         |
| <b>C. Net Errors and Omissions</b>               | <b>-127.32</b>    | <b>137.34</b>     | <b>-375.78</b>    | <b>-252.40</b>    | <b>18.69</b>      |
| <b>Overall Balance</b>                           | <b>-671.52</b>    | <b>1,340.99</b>   | <b>377.45</b>     | <b>510.13</b>     | <b>-3,639.52</b>  |

\* Provisional

\*\* Revised

Source: Bank of Ghana and various sources

Table 3.12: Interbank Exchange Rate Developments

|             | US\$/GHC* | Monthly depreciation/<br>appreciation | Year-to-Date depreciation/<br>appreciation | GBP/GHC* | Monthly depreciation/<br>appreciation | Year-to-Date depreciation/<br>appreciation | Euro/GHC* | Monthly depreciation/<br>appreciation | Year-to-Date depreciation/<br>appreciation |
|-------------|-----------|---------------------------------------|--|----------|---------------------------------------|--|-----------|---------------------------------------|--|
| <b>2020</b> |           |                                       |  |          |                                       |  |           |                                       |  |
| Jan         | 5.5274    | 0.1                                   | 0.11                                       | 7.1924   | 1.7                                   | 1.72                                       | 6.0476    | 2.7                                   | 2.71                                       |
| Feb         | 5.2949    | 4.4                                   | 4.51                                       | 6.7881   | 6.0                                   | 7.78                                       | 5.8048    | 4.2                                   | 7.00                                       |
| Mar         | 5.4423    | -2.7                                  | 1.68                                       | 6.7583   | 0.4                                   | 8.26                                       | 5.9752    | -2.9                                  | 3.95                                       |
| Apr         | 5.6010    | -2.8                                  | -1.20                                      | 7.0584   | -4.3                                  | 3.66                                       | 6.1276    | -2.5                                  | 1.37                                       |
| May         | 5.6203    | -0.3                                  | -1.54                                      | 6.9186   | 2.0                                   | 5.75                                       | 6.2406    | -1.8                                  | -0.47                                      |
| June        | 5.6674    | -0.8                                  | -2.36                                      | 7.0038   | -1.2                                  | 4.46                                       | 6.3613    | -1.9                                  | -2.36                                      |
| July        | 5.6782    | -0.2                                  | -2.54                                      | 7.4050   | -5.4                                  | -1.20                                      | 6.6944    | -5.0                                  | -7.21                                      |
| Aug         | 5.6848    | -0.1                                  | -2.66                                      | 7.5997   | -2.6                                  | -3.73                                      | 6.7916    | -1.4                                  | -8.54                                      |
| Sep         | 5.7027    | -0.3                                  | -2.96                                      | 7.3585   | 3.3                                   | -0.57                                      | 6.6786    | 1.7                                   | -7.00                                      |
| Oct         | 5.7100    | -0.1                                  | -3.09                                      | 7.3913   | -0.4                                  | -1.01                                      | 6.6703    | 0.1                                   | -6.88                                      |
| Nov         | 5.7139    | -0.1                                  | -3.15                                      | 7.6426   | -3.3                                  | -4.27                                      | 6.8559    | -2.7                                  | -9.40                                      |
| Dec         | 5.7602    | -0.8                                  | -3.93                                      | 7.8742   | -2.9                                  | -7.08                                      | 7.0643    | -3.0                                  | -12.07                                     |
| <b>2021</b> |           |                                       |  |          |                                       |  |           |                                       |  |
| Jan         | 5.7604    | 0.0                                   | 0.00                                       | 7.8996   | -0.3                                  | -0.32                                      | 6.9929    | 1.0                                   | 1.02                                       |
| Feb         | 5.7374    | 0.4                                   | 0.40                                       | 7.9945   | -1.2                                  | -1.50                                      | 6.9545    | 0.6                                   | 1.58                                       |
| Mar         | 5.7288    | 0.2                                   | 0.55                                       | 7.8717   | 1.6                                   | 0.03                                       | 6.7122    | 3.6                                   | 5.25                                       |
| Apr         | 5.7322    | -0.1                                  | 0.49                                       | 7.9222   | -0.6                                  | -0.61                                      | 6.8958    | -2.7                                  | 2.44                                       |
| May         | 5.7473    | -0.3                                  | 0.22                                       | 8.1672   | -3.0                                  | -3.59                                      | 7.0268    | -1.9                                  | 0.53                                       |
| June        | 5.7626    | -0.3                                  | -0.04                                      | 7.9590   | 2.6                                   | -1.07                                      | 6.8333    | 2.8                                   | 3.38                                       |
| July        | 5.8011    | -0.7                                  | -0.71                                      | 8.0633   | -0.1                                  | -2.35                                      | 6.8808    | -0.7                                  | 2.67                                       |
| Aug         | 5.8517    | -0.9                                  | -1.56                                      | 8.0482   | 0.2                                   | -2.16                                      | 6.9068    | -0.4                                  | 2.28                                       |
| Sep         | 5.8863    | -0.6                                  | -2.14                                      | 7.9140   | 1.7                                   | -0.50                                      | 6.7952    | 1.6                                   | 3.96                                       |
| Oct         | 5.9009    | -0.2                                  | -2.38                                      | 8.0816   | -2.1                                  | -2.57                                      | 6.8231    | -0.4                                  | 3.54                                       |
| Nov         | 5.9172    | -0.3                                  | -2.65                                      | 7.9054   | 2.2                                   | -0.39                                      | 6.7346    | 1.3                                   | 4.90                                       |
| Dec         | 6.0061    | -1.5                                  | -4.09                                      | 8.1272   | -2.7                                  | -3.11                                      | 6.8281    | -1.4                                  | 3.46                                       |

Depreciation (-)/ Appreciation (+)

Table 3.12: Interbank Exchange Rate Developments (continued)

|             | US\$/GHC* | Monthly depreciation/<br>appreciation | Year-to-Date depreciation/<br>appreciation | GBP/GHC* | Monthly depreciation/<br>appreciation | Year-to-Date depreciation/<br>appreciation | Euro/GHC* | Monthly depreciation/<br>appreciation | Year-to-Date depreciation/<br>appreciation |
|-------------|-----------|---------------------------------------|--|----------|---------------------------------------|--|-----------|---------------------------------------|--|
| <b>2022</b> |           |                                       |  |          |                                       |  |           |                                       |  |
| Jan         | 6.0236    | -0.3                                  | -0.29                                      | 8.0882   | 0.5                                   | 0.48                                       | 6.7506    | 1.1                                   | 1.15                                       |
| Feb         | 6.6604    | -9.6                                  | -9.82                                      | 8.8568   | -8.7                                  | -8.24                                      | 7.4100    | -8.9                                  | -7.85                                      |
| Mar         | 7.1122    | -6.4                                  | -15.55                                     | 9.3515   | -5.3                                  | -13.09                                     | 7.8986    | -6.2                                  | -13.6                                      |
| Apr         | 7.1128    | 0.0                                   | -15.56                                     | 8.9333   | 4.7                                   | -9.02                                      | 7.4963    | 5.4                                   | -8.91                                      |
| May         | 7.1441    | -0.4                                  | -15.93                                     | 9.0041   | -0.8                                  | -9.74                                      | 7.6650    | -2.2                                  | -10.92                                     |
| June        | 7.2305    | -1.2                                  | -16.93                                     | 8.8043   | 2.3                                   | -7.69                                      | 7.5797    | 1.1                                   | -9.92                                      |
| July        | 7.6120    | -5.0                                  | -21.10                                     | 9.2642   | -5.0                                  | -12.27                                     | 7.7658    | -2.4                                  | -12.07                                     |
| Aug         | 8.2325    | -7.5                                  | -27.04                                     | 9.5872   | -3.4                                  | -15.23                                     | 8.2909    | -6.3                                  | -17.64                                     |
| Sep         | 9.6048    | -14.3                                 | -37.47                                     | 10.7017  | -10.4                                 | -24.06                                     | 9.4147    | -11.9                                 | -27.47                                     |
| Oct         | 13.0086   | -26.2                                 | -53.83                                     | 14.9541  | -28.4                                 | -45.65                                     | 12.8610   | -26.8                                 | -46.91                                     |
| Nov         | 13.1044   | -0.7                                  | -54.17                                     | 15.6919  | -4.7                                  | -48.21                                     | 13.5813   | -5.3                                  | -49.72                                     |
| Dec         | 8.5760    | 52.8                                  | -29.97                                     | 10.3118  | 52.2                                  | -21.19                                     | 9.1457    | 48.5                                  | -25.34                                     |

Depreciation (-)/ Appreciation (+)

Source: Bank of Ghana

Table 3.13: External Debt Stock by Creditor Category (in millions of US\$)

| Indicator                    | 2017     | 2018     | 2019     | 2020      | 2021      | Oct 2022  | Nov 2022* |
|------------------------------|----------|----------|----------|-----------|-----------|-----------|-----------|
| Multilateral Creditors       | 6,387.70 | 6,390.46 | 6,555.47 | 8,280.17  | 8,242.45  | 9,050.74  | 7,919.34  |
| Bilateral Creditors          | 1,210.28 | 1,204.79 | 1,227.90 | 1,297.36  | 1,336.02  | 1,313.30  | 1,232.50  |
| Export Credit Agencies       | 1,461.23 | 1,235.56 | 1,048.99 | 966.12    | 981.11    | 592.03    | 915.71    |
| Other Concessional           | 1,782.85 | 1,701.17 | 1,657.03 | 1,541.66  | 1,594.91  | 1,499.16  | 1,598.47  |
| Commercial Creditors         | 2,437.04 | 2,365.37 | 2,165.25 | 2,415.37  | 3,114.87  | 3,842.14  | 4,415.33  |
| International Capital Market | 3,879.12 | 4,978.09 | 7,694.73 | 10,215.09 | 13,119.86 | 13,103.87 | 13,103.87 |

Source: Ministry of Finance

Table 4.2: Assets and Liabilities of Banks

|                                       | GH¢ million       |                   |                   | Y-O-Y Growth |              | Shares (%) |            |
|---------------------------------------|-------------------|-------------------|-------------------|--------------|--------------|------------|------------|
|                                       | Dec-20            | Dec-21            | Dec-22            | Dec-21       | Dec-22       | Dec-21     | Dec-22     |
| Cash & ST Funds                       | 31,585.96         | 35,955.78         | 61,278.32         | 13.83        | 70.43        | 20         | 27.73      |
| Investments                           | 64,453.89         | 83,149.77         | 79,192.20         | 29.01        | -4.76        | 46.24      | 35.84      |
| Loans (Net)                           | 41,804.42         | 47,297.85         | 60,897.74         | 13.14        | 28.75        | 26.31      | 27.56      |
| Other Assets                          | 6,463.25          | 8,117.32          | 12,541.57         | 25.59        | 54.5         | 4.51       | 5.68       |
| PPE                                   | 5,014.75          | 5,282.92          | 7,053.49          | 5.35         | 33.51        | 2.94       | 3.19       |
| <b>Total Assets</b>                   | <b>149,322.26</b> | <b>179,803.64</b> | <b>220,963.31</b> | <b>20.41</b> | <b>22.89</b> | <b>100</b> | <b>100</b> |
| Deposits                              | 103,807.88        | 121,056.66        | 157,913.02        | 16.62        | 30.45        | 67.33      | 71.47      |
| Borrowings                            | 14,512.05         | 22,039.97         | 18,921.53         | 51.87        | -14.15       | 12.26      | 8.56       |
| Other Liabilities                     | 9,753.29          | 11,896.44         | 16,223.39         | 21.97        | 36.37        | 6.62       | 7.34       |
| Sub-Total                             | 128,073.22        | 154,993.07        | 193,057.94        | 21.02        | 24.56        | 86.2       | 87.37      |
| Paid-Capital                          | 9,757.21          | 10,165.11         | 10,386.11         | 4.18         | 2.17         | 5.65       | 4.7        |
| Reserves                              | 11,491.83         | 14,645.46         | 17,519.26         | 27.44        | 19.62        | 8.15       | 7.93       |
| Net Worth                             | 21,249.04         | 24,810.57         | 27,905.37         | 16.76        | 12.47        | 13.8       | 12.63      |
| <b>Total Liabilities &amp; Equity</b> | <b>149,322.26</b> | <b>179,803.64</b> | <b>220,963.31</b> | <b>20.41</b> | <b>22.89</b> | <b>100</b> | <b>100</b> |

Source: Bank of Ghana

Table 4.6: Statement of financial position as at end December 2022 Assets and Liabilities of Banks and SDIs

|                                     | 2021              |                    |                   |                 |                    |                   | 2022              |                    |                   |                 |                    |                   |
|-------------------------------------|-------------------|--------------------|-------------------|-----------------|--------------------|-------------------|-------------------|--------------------|-------------------|-----------------|--------------------|-------------------|
|                                     | BANKS             | SDI                | NBFIs             | RCBs            | MFIs               |                   | BANKS             | SDI                | NBFIs             | RCBs            | MFIs               |                   |
|                                     |                   |                    | Non-              |                 | Non-               |                   |                   |                    | Non-              |                 | Non-               |                   |
|                                     | Banks             | Deposit-<br>Taking | Deposit<br>Taking | RCBs            | Deposit-<br>Taking | Deposit<br>Taking | Banks             | Deposit-<br>Taking | Deposit<br>Taking | RCBs            | Deposit-<br>Taking | Deposit<br>Taking |
|                                     |                   | GH¢ 'M             |                   | GH¢ 'M          |                    | GH¢ 'M            |                   | GH¢ 'M             |                   | GH¢ 'M          |                    |                   |
| <b>TOTAL ASSETS</b>                 | <b>179,803.64</b> | <b>8,443.38</b>    | <b>59.59</b>      | <b>6,758.81</b> | <b>770.51</b>      | <b>315.50</b>     | <b>220,963.31</b> | <b>7,740.32</b>    | <b>59.27</b>      | <b>8,548.10</b> | <b>842.39</b>      | <b>562.98</b>     |
| Cash and Bank Balances              | 35,955.78         | 665.38             | 3.80              | 869.37          | 77.616             | 47.04             | 61,278.32         | 548.75             | 2.24              | 1,401.35        | 68.77              | 37.35             |
| Investments                         | 83,149.77         | 1,349.26           | 0.40              | 3,128.17        | 245.86             | 14.17             | 79,192.20         | 1,371.55           | -                 | 4,025.05        | 263.96             | 27.02             |
| Loans & Advances                    | 47,297.85         | 5,385.39           | 15.30             | 2,050.33        | 331.71             | 205.75            | 60,897.74         | 4,888.14           | 17.14             | 2,367.87        | 372.05             | 442.02            |
| Other Assets and PPE                | 13,400.24         | 1,043.34           | 40.10             | 710.94          | 115.3300           | 45.54             | 19,595.06         | 931.87             | 39.89             | 753.84          | 137.60             | 56.60             |
| <b>LIABILITIES AND</b>              |                   |                    |                   |                 |                    |                   |                   |                    |                   |                 |                    |                   |
| <b>SHAREHOLDERS' FUND</b>           | <b>179,803.64</b> | <b>8,443.38</b>    | <b>59.59</b>      | <b>6,758.81</b> | <b>770.51</b>      | <b>315.50</b>     | <b>220,963.31</b> | <b>7,740.32</b>    | <b>59.28</b>      | <b>8,548.10</b> | <b>842.39</b>      | <b>562.98</b>     |
| Liabilities                         | 154,993.07        | 8,332.67           | 30.11             | 6,372.22        | 647.07             | 206.13            | 193,057.94        | 8,672.55           | 31.59             | 8,075.91        | 691.08             | 443.02            |
| Deposits                            | 121,056.66        | 5,057.29           | -                 | 5,977.22        | 498.95             | 6.29              | 157,913.02        | 5,252.41           | -                 | 7,527.26        | 537.27             | 7.68              |
| Borrowings and<br>other Liabilities | 33,936.41         | 3,275.38           | 30.11             | 395.00          | 148.12             | 199.84            | 35,144.92         | 3,420.14           | 31.59             | 548.65          | 153.82             | 435.34            |
| <b>Shareholders' Funds</b>          | <b>24,810.57</b>  | <b>110.70</b>      | <b>20.40</b>      | <b>386.59</b>   | <b>123.44</b>      | <b>109.37</b>     | <b>27,905.37</b>  | <b>-932.23</b>     | <b>27.68</b>      | <b>472.19</b>   | <b>151.30</b>      | <b>119.97</b>     |
| Paid-Up Capital                     | 10,165.11         | 741.43             | 15.00             | 241.85          | 204.00             | 64.30             | 10,386.11         | 820.57             | 15.00             | 259.70          | 227.22             | 86.98             |
| Reserves                            | 14,645.46         | -630.73            | 5.42              | 144.74          | (80.56)            | 45.07             | 17,519.26         | (1,752.80)         | 12.68             | 212.49          | (75.91)            | 32.99             |

Table 4.7: Performance Indicators of the Collateral Registry

| Indicator (%)                                | 2020    | 2021    | 2022    |
|--|---------|---------|---------|
| Registered Security Interests                | 102,089 | 151,415 | 179,441 |
| Searches Conducted                           | 34,947  | 57,661  | 62,073  |
| Registered Collateral                        | 216,617 | 290,828 | 325,758 |
| Realisation of security interests (Approved) | 755     | 734     | 390     |
| Discharge of registration                    | 857     | 4,375   | 50,289  |

Source: Bank of Ghana

Table 4.8: Quartile Based Heat Map of the Core FSIs for the Banking Industry

| CORE FSIs   | Dec-20 | Mar-21 | Jun-21 | Sep-21 | Dec-21 | Mar-22 | Jun-22 | Sep-22 | Dec-22 |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b>Capital Adequacy</b>                                   |        |        |        |        |        |        |        |        |        |
| Regulatory capital to risk weighted assets                | 19.83  | 21.06  | 20.82  | 19.89  | 19.60  | 21.31  | 19.35  | 16.39  | 16.56  |
| Regulatory Tier I capital to risk-weighted assets         | 17.88  | 19.33  | 18.92  | 17.95  | 17.66  | 19.66  | 17.51  | 14.46  | 14.88  |
| <b>Asset Quality</b>                                      |        |        |        |        |        |        |        |        |        |
| Nonperforming loans net of loan-loss provision to capital | 5.24   | 4.14   | 7.30   | 7.48   | 6.16   | 6.68   | 6.98   | 6.96   | 4.49   |
| Nonperforming loans to total gross loans                  | 14.82  | 15.49  | 17.04  | 16.83  | 15.12  | 14.42  | 14.06  | 14.05  | 14.79  |
| Banks provisions to NPL                                   | 84.28  | 87.30  | 79.49  | 79.08  | 81.26  | 79.40  | 79.41  | 81.19  | 87.89  |
| <b>Earnings</b>   |        |        |        |        |        |        |        |        |        |
| Return on assets*   | 4.36   | 4.70   | 4.66   | 4.60   | 4.57   | 4.72   | 4.59   | 4.50   | 3.08   |
| Return on equity**  | 21.40  | 22.48  | 21.23  | 21.07  | 20.91  | 22.32  | 21.94  | 21.91  | 14.58  |
| Interest margin to Gross income                           | 52.42  | 54.60  | 53.61  | 54.56  | 54.91  | 56.34  | 55.57  | 55.50  | 54.50  |
| <b>Liquidity</b>  |        |        |        |        |        |        |        |        |        |
| Core Liquid asset to total assets                         | 20.06  | 19.38  | 19.63  | 17.23  | 18.50  | 19.75  | 20.83  | 22.48  | 26.00  |
| Core Liquid asset to short-term liabilities               | 26.32  | 25.71  | 26.15  | 22.75  | 23.98  | 25.64  | 26.91  | 29.00  | 33.06  |
| Core Liquid assets/total deposits                         | 28.85  | 28.41  | 29.00  | 25.76  | 27.48  | 29.91  | 31.73  | 33.40  | 36.39  |
| Broad Liquid assets to total assets                       | 63.04  | 64.00  | 65.97  | 64.82  | 64.61  | 63.64  | 61.24  | 60.83  | 61.73  |
| Broad Liquid assets to short-term liabilities             | 82.72  | 84.92  | 87.86  | 85.60  | 83.73  | 82.65  | 79.12  | 78.50  | 78.48  |
| <b>Efficiency</b>   |        |        |        |        |        |        |        |        |        |
| Noninterest expenses to gross income                      | 44.70  | 42.17  | 42.11  | 42.20  | 42.19  | 41.37  | 42.58  | 40.52  | 51.80  |
| Personnel Expenses to Gross income                        | 17.99  | 17.61  | 17.79  | 17.96  | 18.06  | 17.84  | 17.91  | 16.23  | 17.06  |

\* Return on assets is calculated after tax

\*\* Return on equity is calculated before tax

■ Best Performing Period   
■ 2nd Best Performing Period   
■ 3rd Best Performing Period   
■ 4th Best Performing Period

Source: Bank of Ghana



# FINANCIAL STATEMENTS

## General Information

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|                        |                                   |   |                                 |                   |
|------------------------|-----------------------------------|---|---------------------------------|-------------------|
| Board of<br>Directors: | Dr. Ernest Yedu Addison           | - | Chairman - Governor             |                   |
|                        | Dr. Maxwell Opoku-Afari           | - | 1 <sup>st</sup> Deputy Governor |                   |
|                        | Mrs. Elsie Addo Awadzi            | - | 2nd Deputy Governor             |                   |
|                        | Dr. Samuel Nii-Noi Ashong         | - | Non-Executive Director          |                   |
|                        | Mr. Joseph B. Alhassan            | - | Non-Executive Director          |                   |
|                        | Dr. Kwame<br>Owusu-Nyantekyi      | - | Non-Executive Director          |                   |
|                        | Mr. Andrew Boye-Doe               | - | Non-Executive Director          |                   |
|                        | Mrs. Comfort F. Ocran             | - | Non-Executive Director          |                   |
|                        | Mr. Jude Kofi Bucknor             | - | Non-Executive Director          |                   |
|                        | Dr. Regina Ohene-Darko<br>Adutwum | - | Non-Executive Director          |                   |
|                        | Mr. Charles Adu Boahen            | - | Non-Executive Director          | (Till 24/11/2022) |
|                        | Ms. Angela Kyerematen-<br>Jimoh   | - | Non-Executive Director          |                   |
|                        | Prof. Eric Osei-Assibey           | - | Non-Executive Director          |                   |

Registered  
Office: 1 Thorpe Road  
P. O. Box GP 2674  
Accra, Ghana

Independent  
Auditor: Deloitte & Touche  
Chartered Accountants  
The Deloitte Place, Plot No. 71  
Off George Walker Bush Highway  
North Dzorwulu  
P. O. Box GP 453  
Accra, Ghana

The  
Secretary: Ms. Sandra Thompson  
Bank of Ghana  
Head Office, 1 Thorpe Road  
P. O. Box GP 2674  
Accra, Ghana

# Report of the Directors to the Minister for Finance

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The Directors of Bank of Ghana have the pleasure in presenting the consolidated and separate financial statements of the Bank and the Group for the year ended 31 December 2022.

## Nature of Business

The Bank of Ghana is the Central Bank of Ghana and is regulated by the Bank of Ghana Act (Act 612) of 2002 as amended by the Bank of Ghana (Amendment) Act, 2016 (Act 918).

The primary objective of the Bank is to maintain stability in the general level of prices and, without prejudice to this primary objective, promote economic growth and an effective and efficient banking and credit system. The Bank is also mandated to promote the stability of the financial system. The Bank is engaged in the business of central banking.

There was no change in the nature of the business of the Bank during the 2022 financial year.

## Mission Statement

To formulate and implement monetary policy to achieve price stability, contribute to the promotion and maintenance of financial stability, and ensure a sound payment system.

## Responsibilities of the Board of Directors in the Preparation of the Financial Statements

The Directors are responsible for preparing financial statements for each accounting period, which give a true and fair view of the state of affairs of the Bank and the Group as at the end of the accounting period.

In preparing the financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Bank will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the Bank which ensures that the financial statements comply with relevant legislation and accounting standards. The Directors are also responsible for safeguarding the assets of the Bank and taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Board of Directors

The composition of the Board of Directors of the Bank at 31 December 2022 is reported on page 2 of the financial statements.

Directors' fees are disclosed in note 37(c) on page 89 of the financial statements.

# Report of the Directors to the Minister for Finance

## Compliance with Relevant Legislation and Accounting Framework

The financial statements, including comparative year information, are prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Bank of Ghana Act, 2002 (Act 612) (as amended by the Bank of Ghana (Amendment) Act, 2016 (Act 918)), and the Public Financial Management Act, 2016 (Act 921).

## Subsidiary Companies

The Bank owns sixty-five point four five percent (65.45%) of the issued shares of Ghana International Bank Plc, a company incorporated in the United Kingdom, to carry on the business of commercial banking.

The Bank owns hundred percent (100%) of the shares of Ghana Interbank Payment and Settlement Systems Limited, a company incorporated in Ghana which operates the national payments system.

The Bank owns seventy percent (70%) of the shares of Central Securities Depository (GH) Limited, a company incorporated in Ghana to carry out the business of immobilisation and dematerialization of securities.

The Bank owns hundred percent (100%) of the shares of The Bank Hospital Limited, a company incorporated in Ghana to provide healthcare services.

Information on the Bank's financial interest in its subsidiaries is provided in note 37.d. The subsidiaries did not pass any special resolutions that are material to the affairs of Bank of Ghana in the year under review.

## Financial Results

The financial results of the Bank and Group for the year ended 31 December 2022 are set out in the financial statements, highlights of which are as follows:

|   | The Bank     |           | The Group    |           |
|---|--------------|-----------|--------------|-----------|
|   | 2022         | 2021      | 2022         | 2021      |
|   | GH¢'000      | GH¢'000   | GH¢'000      | GH¢'000   |
| (Loss)/profit for the year  | (60,809,753) | 1,236,861 | (60,855,417) | 1,246,024 |
| To which is added the balance brought forward on retained earnings of | -            | -         | 223,185      | 214,022   |
|   | (60,809,753) | 1,236,861 | (60,632,232) | 1,460,046 |
| Out of which is transferred:  |              |           |              |           |
| Exchange movement in gold and other foreign assets                    | (9,205,614)  | (981,421) | (9,205,614)  | (981,421) |
| Price movement in gold  | (149,993)    | 116,673   | (149,993)    | 116,673   |
| Transfer from/(to) other reserves                                     | 70,165,360   | (372,113) | 70,165,360   | (372,113) |
| Leaving a balance to be carried forward on retained earnings of       | -            | -         | 177,521      | 223,185   |



# Report of the Directors to the Minister for Finance

## Reserve Appropriations

|                                      | 2022<br>GH¢'000 | 2021<br>GH¢'000 |
|--------------------------------------|-----------------|-----------------|
| Contingencies                        | -               | 20,000          |
| Emergency intervention               | -               | 60,000          |
| General purpose loan                 | -               | 20,000          |
| Motor vehicle loan                   | -               | 30,000          |
| Corporate Social Responsibility Fund | -               | 62,113          |
| Gold Acquisition Fund                | -               | 180,000         |
| <b>Total</b>                         | <b>-</b>        | <b>372,113</b>  |

No amount was set aside for reserve appropriation as the reserve amount was in deficit as at 31 December 2022 (2021: GH¢372.11million).

### Going Concern of the Bank and the Group

As at 31 December 2022, the total liabilities of Bank of Ghana and its subsidiaries exceeded its total assets by GH¢54.52 billion (2021: GH¢5.72 billion – surplus). The decline in the Group's net worth position is due to the impact of the Domestic Debt Exchange Program (DDEP) and impairment of some assets of the Group. This was specifically due to the following:

- Impairment of Government of Ghana securities holdings of GH¢48.45 billion (2021: GH¢0.008 billion). This was occasioned by the Government of Ghana Domestic Debt Exchange Programme.
- Impairment of loans and advances granted to Quasi-government and financial institutions amounting to GH¢6.12 billion (2021: GH¢0.19 billion).
- Depreciation of the local currency resulting in net exchange loss of GH¢5.27 billion (2021: exchange gain of GH¢1.07 billion).

The Board of Directors and Management of the Bank have assessed the policy solvency implications arising out of the negative net worth position and the Group's ability to continue to generate enough income to cover its monetary policy operations and other operational costs. In the view of the Directors, the Bank will continue to operate on a going concern basis due to a variety of factors underpinned by expectations of an improved macroeconomic situation and policy actions specifically targeted at improving the balance sheet of the Bank of Ghana. Specific steps and actions to be taken to recover and build-back a positive equity include:

- Retention of profits to help rebuild capital until equity firmly returns to positive region;
- Refraining from monetary financing of the Government of Ghana's budget. In this respect, action has already been taken with a Memorandum of Understanding on zero financing of the budget signed between the Bank of Ghana and the Ministry of Finance on 26 April, 2023;
- Taking immediate steps to optimize Bank of Ghana's investment portfolio and operating cost mix to bolster efficiency and profits; and
- Assessing the potential need for recapitalization support by the government in the medium-to-long term.

The Board of Directors and Management are of the view that continued efforts at restoring macroeconomic stability and debt sustainability in addition to long-term efforts at building reserves, provide enough basis for continued operational policy efficiency existence for the foreseeable future.

Thus, the going concern basis has been adopted in preparing the annual financial statements of the Bank and the Group.

# Report of the Directors to the Minister for Finance

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## Dividend

The Directors do not recommend the payment of dividend for the year ended 31 December 2022 (2021: Nil).

## Gold Purchase Programme

The Bank of Ghana commenced the Domestic Gold Purchase (DGP) programme and a Gold for Reserve Programme in June 2021 with the objective of increasing its foreign reserves. The Bank did this by purchasing refined gold from certified domestic gold mining firms using local currency. The refined gold is then shipped to the Bank's offshore gold custodians, and it becomes part of the Bank's reserves.

The Bank also purchases dore gold from local gold mines using aggregators. The price of the dore gold is determined using market prices adjusted for the gold content (estimated to be ninety-three percent (93%).

The dore gold is then assayed by the Precious Minerals Marketing Company (PMMC), which is the official Government assayer. The Bank aggregates the validated dore gold purchased and keeps it in its vault. From time to time, the Bank ships the validated dore gold to a London Bullion Market Association (LBMA) certified refinery to bring the dore gold to the required international standard of gold delivery (99.99%) in order to be certified as part of the Bank's reserves.

## Impact of the Domestic Debt Exchange Programme on the Banking Sector and Bank of Ghana Interventions

Successive global shocks from the COVID-19 pandemic, the war in Ukraine, and the tightening of US monetary policy posed challenges to the Ghanaian economy. The spill overs from these external developments imposed severe constraints on the Country's public finances. On the back of these financing challenges, the Government of Ghana, in July 2022, requested financial assistance from the IMF, primarily aimed at restoring macroeconomic stability and debt sustainability.

During the initial engagements to secure a programme, a Debt Sustainability Analysis (DSA) was conducted to assess the nature and extent of Ghana's overall debt burden. The DSA findings indicated a high total public debt burden of over one hundred percent (100%) of GDP, which needed to be lowered to about fifty-five percent (55%) of GDP in present value terms by 2028, to secure the Fund programme. This debt treatment was to be achieved through a Domestic Debt Exchange Programme (DDEP), as part of a more comprehensive agenda to restore debt and fiscal sustainability, while the external debt restructuring parameters were to be negotiated in due course.

Ghana reached a Staff Level Agreement (SLA) with the IMF in December 2022, a necessary first step of securing a US\$3.0 billion three-year Extended Credit Facility (ECF) arrangement with the Fund. However, the successful completion of the domestic debt exchange was viewed as a critical component of securing IMF Executive Board approval of the ECF, which would help restore macroeconomic and debt sustainability, while also laying the foundation for inclusive growth.

On 5th December 2022, the Government of Ghana announced the Domestic Debt Exchange Programme ("Debt Exchange") for a voluntary exchange of holdings of domestic notes and bonds, but excluding Treasury Bills, for a package of New Bonds to be issued by the Republic.

# Report of the Directors to the Minister for Finance

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Impact of the Domestic Debt Exchange Programme on the Banking Sector and Bank of Ghana Interventions - continued

All 23 Banks signed on to Government's DDEP by the settlement date of 21 February 2023.

The Bank of Ghana conducted stress tests on banks, which showed elevated risk exposures of the DDEP on banks' solvency, liquidity, and profitability. Thus, to manage the potential impact of the debt exchange and preserve financial stability, the Bank announced some policy and regulatory reliefs for Banks that fully participated in the DDEP. These reliefs included:

- (i) Reduction of the Cash Reserve Ratio (CRR) from thirteen percent (13%) to twelve percent (12%) on foreign currency deposits to be held in foreign currency;
- (ii) Reduction of the Capital Conservation Buffer from three percent (3%) to zero, effectively reducing the minimum Capital Adequacy Ratio (CAR) from thirteen percent (13%) to ten percent (10%), intended to provide capital relief to banks after the implementation of the Debt Exchange;
- (iii) Derecognition losses emanating from the Debt Exchange to be spread equally over a period of 4 years, effective March 2022, for the purposes of CAR computation;
- (iv) A maximum period of 4 years, ending 2025 for Banks to restore the minimum paid-up capital as a result of any capital shortfall arising solely from the derecognition losses;
- (v) Increase in the Tier II component of regulatory capital from two percent (2%) to three per cent (3%) of Total Risk Weighted Assets (RWA);
- (vi) Reduction of the minimum Common Equity Tier 1 (CET 1) capital from six point five percent (6.5)% to five point five percent (5.5)% of Total RWA;
- (vii) Risk-weights attached to New Bonds to be set at zero percent (0%) for CAR computation, and at hundred percent (100%) for old Bonds.

The Bank of Ghana is fully equipped to provide liquidity support to banks and banks can access the Bank of Ghana's Emergency Liquidity Assistance (ELA) Funds using the new bonds as collateral.

The Bank of Ghana has also enhanced its supervisory surveillance systems with banks. Banks are required to report more frequently, such as daily submissions of balance sheet as well as liquidity reports including interbank market activities and cost of financing. Additional reporting requirements have been developed for banks to report on the performance of the new bonds. The enhanced monitoring mechanism is to ensure timely supervisory intervention, if needed.

In addition to the above reliefs, the Government announced the establishment of a Ghana Financial Stability Fund (GFSF), with partial financing support from development partners, to serve as a liquidity backstop for banks and other financial institutions that would be adversely impacted by the domestic debt exchange.

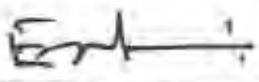
# Report of the Directors to the Minister for Finance

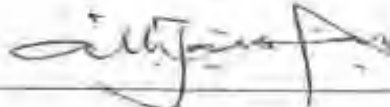
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Overall, the regulatory reliefs and safeguards were designed to minimise the potential impact of the domestic debt exchange on the financial sector and to preserve financial stability.

## Approval of the report of directors and financial statements

The financial statements of the Bank and the Group were approved by the Board of Directors on 28/7/2023 and were signed on their behalf by:

Chairman (Governor) 

Director 

# Independent Auditor's Report

## To the Minister for Finance

### Report on the Audit of the Financial Statements Opinion

We have audited the consolidated and separate financial statements of Bank of Ghana ("the Bank") and its subsidiaries (together "the Group" ), set out on pages 18 to 119, which comprise the consolidated and separate statement of financial position as at 31 December 2022, the consolidated and separate statement of profit or loss, other comprehensive income, consolidated and separate statement of changes in equity, consolidated and separate statement of cash flows for the year then ended, the notes to the consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory disclosures.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Bank of Ghana and its subsidiaries as at 31 December 2022, its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, the requirements of the Bank of Ghana Act, 2002 (Act 612) (as amended by the Bank of Ghana (Amendment) Act, 2016 (Act 918)) and the Public Financial Management Act, 2016 (Act 921).

#### Basis for Opinion

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

We are independent of the Group and the Bank in accordance with the requirements of the International Ethics Standards Board for Accountants' (IESBA), International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) and other independence requirements applicable to performing audits of financial statements in Ghana. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements that are relevant to our audit of financial statements in Ghana.

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

#### Key Audit Matters

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

# Independent Auditor's Report

## To the Minister for Finance

| Key Audit Matter<br>1. Expected Credit Losses on Loans and Advances  | How the matter was addressed in the audit   |
|--|---|
| <p>As at 31 December 2022, the Group's loans and advances per Note 15 of the financial statements was GH¢32.51 billion (2021:GH¢21.19 billion) with an associated impairment allowance for expected credit losses ("ECL" or "allowance for impairment" of GH¢9.45 billion (2021: GH¢3.33 billion).</p> <p>ECL represents a complex accounting estimate, which is based on Management's evaluation of probable loan losses inherent in the loan portfolio and must consider all reasonable and supportable historic and forward-looking information.</p> <p>Expected credit loss is, therefore, considered to be a key audit matter due to the level of judgement applied in its determination of the ECL.</p> <p>Accordingly, for the purposes of our audit, we identified the impairment of loans and advances as representing a significant risk of material misstatement and a key audit matter.</p> <p>The assumptions with the most significant impact on the Expected Credit Loss (ECL) were:</p> <ol style="list-style-type: none"> <li>1. The reasonableness of assumption information (e.g., probability of default (PD), Loss Given Default (LGD) and discount rate information) used in the expected credit loss calculation, and how this is supported to ascertain the completeness and accuracy of the records of the information used;</li> <li>2. Segmentation of portfolios used to develop risk parameters;</li> <li>3. Determination of modification gains or losses including assumptions applied;</li> <li>4. Analysis of external ratings, internal benchmarking or grouping risks together when the Group relies on such. The Group might be unable to support the suitability of any groupings to justify such approach as this may mask underlying credit losses or increases in credit risks, if the segments are not sufficiently homogeneous;</li> </ol> | <p>In evaluating the impairment of financial assets, we reviewed and tested the data used in the ECL calculations prepared by the Directors, with a particular focus on the probability of default (PD), loss given default (LGD) and discount rate. We performed various procedures, including the following:</p> <ul style="list-style-type: none"> <li>• Testing the key controls relating to the preparation of the impairment model, including the competence and authority of person(s) performing the control, frequency, and consistency with which the control is performed;</li> <li>• Critically evaluated whether the impairment model used to measure the amount of the ECL for specific accounts and portfolio impairments complied with the requirements of IFRS 9;</li> <li>• Testing of assumptions, inputs and formulas into the ECL model against historical performance and in comparison, to forward looking information using the projected GDP growth rate and the Directors' strategic plans for the Group;</li> <li>• Validating that the discount rates used in discounting the estimated future cash flows meet the effective interest rates requirement of IFRS 9;</li> <li>• Evaluating the Directors staging of loans and advances, and securities in the ECL model and test facilities to ensure they have been included at the right stage; and</li> <li>• Robustly reviewing the modelling of the Exposure at Default (EAD). This is particularly important for 'stage 2' loans, where the point of default may be several years in the future;</li> </ul> |

# Independent Auditor's Report

## To the Minister for Finance

| Key Audit Matter   | How the matter was addressed in the audit   |
|--|---|
| <p>1. Expected Credit Losses on Loans and Advances - continued</p> <p>5. A lack of forward-looking information in the model to address non-linear relationships between the different forward-looking scenarios and their associated credit losses;</p> <p>6. Past due ratings as management might be unable to obtain relevant data for internal ranking purpose; and</p> <p>The accounting policies, critical estimates and judgements, and impairment allowance are set out in notes 2(d), 2(m), 9, and 15 to the financial statements.</p> | <ul style="list-style-type: none"> <li>• Involving a specialist to assist with the testing of the discount rate, probability of default (PD), and the loss given default (LGD). The specialist's procedures included evaluating the appropriateness of the key assumptions in the ECL model and reasonableness of the Credit Conversion Factors (CCFs) used.</li> <li>• Re-computation of the ECL provision for each stage to determine their reasonableness, considering the portfolio, risk profile, credit risk management practices, and the macroeconomic environment.</li> <li>• Performing sensitivity analysis on the macroeconomic factors used in determining the probability of default.</li> <li>• Reviewing and challenging management assumptions on how COVID-19 has influenced the key components of the ECL, thus, the LGD and the PD; and</li> <li>• Verifying the source of the credit ratings used and check the appropriateness of the ratings in accordance with IFRS 9.</li> </ul> <p>Based on the procedures performed, we found the judgement made by the Group and Bank reasonable and assessed the related disclosures as appropriate.</p> |

# Independent Auditor's Report

To the Minister for Finance

| Key Audit Matter   | How the matter was addressed in the audit |                   |                  |                                 |            |            |                          |            |            |                       |            |            |                  |         |         |              |             |            |                   |              |          |                   |                   |                   |  |
|--|---|-------------------|------------------|---------------------------------|------------|------------|--------------------------|------------|------------|-----------------------|------------|------------|------------------|---------|---------|--------------|-------------|------------|-------------------|--------------|----------|-------------------|-------------------|-------------------|--|
| 2. Impairment of investments in Government Securities  |   |                   |                  |                                 |            |            |                          |            |            |                       |            |            |                  |         |         |              |             |            |                   |              |          |                   |                   |                   |  |
| <p>As disclosed in Note 14 of the financial statements, Bank of Ghana and its subsidiaries have various types of securities including government and foreign securities as follows:</p> <table border="1"> <thead> <tr> <th></th> <th style="text-align: right;">2022<br/>GH¢ '000</th> <th style="text-align: right;">2021<br/>GH¢ '000</th> </tr> </thead> <tbody> <tr> <td>Long-term Government securities</td> <td style="text-align: right;">12,573,180</td> <td style="text-align: right;">12,548,491</td> </tr> <tr> <td>Money market instruments</td> <td style="text-align: right;">67,239,830</td> <td style="text-align: right;">21,844,308</td> </tr> <tr> <td>Short-term securities</td> <td style="text-align: right;">30,915,065</td> <td style="text-align: right;">35,175,224</td> </tr> <tr> <td>Other securities</td> <td style="text-align: right;">755,690</td> <td style="text-align: right;">595,594</td> </tr> <tr> <td>Gross amount</td> <td style="text-align: right;">111,483,765</td> <td style="text-align: right;">70,163,617</td> </tr> <tr> <td>Less: Impairments</td> <td style="text-align: right;">(48,449,562)</td> <td style="text-align: right;">(24,689)</td> </tr> <tr> <td><b>Net amount</b></td> <td style="text-align: right;"><b>63,034,203</b></td> <td style="text-align: right;"><b>70,138,928</b></td> </tr> </tbody> </table> <p>For the first time, the Group assessed government securities for impairment under the Domestic Debt Exchange Programme (DDEP). Due to the significant judgements that were applied by Management, we consider this to be a key audit matter.</p> <p>As at 31 December 2022, the Group's total government securities exposure subjected to the DDEP was GH¢80.57 billion with an associated impairment of GH¢48.45 billion.</p> <p>The areas of significant judgment within the Expected Credit Loss (ECL) process included:</p> <ul style="list-style-type: none"> <li>• Whether the debt exchange programme is considered an adjusting subsequent event.</li> <li>• The determination of cashflows of the new bonds in accordance with the financial terms of the new bonds.</li> <li>• Whether an appropriate discount rate was used to calculate the ECL of the relevant government bonds. The determination of the discount rate is complex as the new bonds do not have an active trading market.</li> <li>• Whether there was increased credit risk around other instruments issued by the Government of Ghana.</li> </ul> |   | 2022<br>GH¢ '000  | 2021<br>GH¢ '000 | Long-term Government securities | 12,573,180 | 12,548,491 | Money market instruments | 67,239,830 | 21,844,308 | Short-term securities | 30,915,065 | 35,175,224 | Other securities | 755,690 | 595,594 | Gross amount | 111,483,765 | 70,163,617 | Less: Impairments | (48,449,562) | (24,689) | <b>Net amount</b> | <b>63,034,203</b> | <b>70,138,928</b> | <p>We performed the following procedures on the ECL for investments in government securities:</p> <ul style="list-style-type: none"> <li>• Evaluated the design and tested the implementation of the key controls over the computation of impairment loss.</li> <li>• In evaluating the design of control, we considered the appropriateness of the control considering the nature and significance of the risk, competence, and authority of the person(s) performing the control, frequency, and consistency with which the control was performed.</li> <li>• We tested the completeness of the investments held with the Government of Ghana, obtained confirmations, and reconciled the carrying amount of each category of investment to ensure all eligible bonds and other related exposures were fully assessed for impairment.</li> <li>• We evaluated the treatment of the valuation of the bonds as adjusting subsequent events</li> <li>• For eligible bonds, we reviewed the expected cashflow and payments-in-kind from the new bonds based on the financial terms provided in the exchange memorandum.</li> </ul> |
|  | 2022<br>GH¢ '000                          | 2021<br>GH¢ '000  |                  |                                 |            |            |                          |            |            |                       |            |            |                  |         |         |              |             |            |                   |              |          |                   |                   |                   |  |
| Long-term Government securities  | 12,573,180                                | 12,548,491        |                  |                                 |            |            |                          |            |            |                       |            |            |                  |         |         |              |             |            |                   |              |          |                   |                   |                   |  |
| Money market instruments   | 67,239,830                                | 21,844,308        |                  |                                 |            |            |                          |            |            |                       |            |            |                  |         |         |              |             |            |                   |              |          |                   |                   |                   |  |
| Short-term securities  | 30,915,065                                | 35,175,224        |                  |                                 |            |            |                          |            |            |                       |            |            |                  |         |         |              |             |            |                   |              |          |                   |                   |                   |  |
| Other securities   | 755,690                                   | 595,594           |                  |                                 |            |            |                          |            |            |                       |            |            |                  |         |         |              |             |            |                   |              |          |                   |                   |                   |  |
| Gross amount   | 111,483,765                               | 70,163,617        |                  |                                 |            |            |                          |            |            |                       |            |            |                  |         |         |              |             |            |                   |              |          |                   |                   |                   |  |
| Less: Impairments  | (48,449,562)                              | (24,689)          |                  |                                 |            |            |                          |            |            |                       |            |            |                  |         |         |              |             |            |                   |              |          |                   |                   |                   |  |
| <b>Net amount</b>  | <b>63,034,203</b>                         | <b>70,138,928</b> |                  |                                 |            |            |                          |            |            |                       |            |            |                  |         |         |              |             |            |                   |              |          |                   |                   |                   |  |



# Independent Auditor's Report

## To the Minister for Finance

| Key Audit Matter<br>2. Impairment of investments in Government Securities - continued   | How the matter was addressed in the audit  |
|---|--|
| <ul style="list-style-type: none"> <li>• Whether the disclosures around the impairment of these investments are considered relevant to the users of the financial statements and in accordance with the applicable accounting standards.</li> </ul> | <ul style="list-style-type: none"> <li>• We engaged our internal specialist to challenge the appropriateness of the discount rate used for determining the present value of cashflows for the new bonds and ensured that the rate used was within the acceptable range issued by the accounting and banking regulators.</li> <li>• For other investments held with the Government of Ghana, we challenged management on the appropriate staging, determination of an appropriate Loss Given Default (LGD) and Probability of Default (PD) for each category of investment.</li> <li>• We found that the assumptions used by management were comparable with current macroeconomic trends and were assessed as reasonable.</li> <li>• We evaluated the appropriate application of regulatory directives on accounting for eligible bonds.</li> <li>• We further tested the disclosures to ensure that the disclosures were made in accordance with the requirements of IFRS 9.</li> </ul> <p>Based on the procedures performed, we found the judgement made by the Group and the Bank reasonable and assessed the related disclosures as appropriate.</p> |

# Independent Auditor's Report

## To the Minister for Finance

| Key Audit Matter   | How the matter was addressed in the audit  |
|--|--|
| <p data-bbox="204 320 485 353"><b>3. Negative equity</b></p> <p data-bbox="204 360 884 483">As disclosed in Note 2, Bank of Ghana and its subsidiaries recorded a negative equity of GH¢54.52 billion (2021: GH¢5.72 billion - positive).</p> <p data-bbox="204 490 884 645">The negative equity resulted from losses during the year of GH¢60.86 billion (2021: GH¢1.25 billion). The losses resulted from the impact of the Domestic Debt Exchange Program (DDEP) and impairment of some assets.</p> <p data-bbox="204 680 863 714">The losses were specifically due to the following:</p> <ul data-bbox="252 745 884 1070" style="list-style-type: none"> <li>• Impairment of Government of Ghana securities holdings of GH¢48.45 billion (2021: GH¢0.008 billion)</li> <li>• Impairment of loans and advances granted to Quasi-government and financial institutions amounting to GH¢6.13 billion (2021: GH¢0.19 billion)</li> <li>• Depreciation of the local currency resulting in net exchange loss of GH¢5.27billion (2021: exchange gain of GH¢1.07billion).</li> </ul> <p data-bbox="204 1102 884 1193">The negative equity is considered a key audit matter because it is significant risk for the audit due to the impact on:</p> <ul data-bbox="252 1229 884 1756" style="list-style-type: none"> <li>• The ability of the Bank and its subsidiaries to meet their operational and debts obligations as they fall due;</li> <li>• The ability of the Bank to fulfil its policy mandates. These are to maintain stability in the general level of prices, support the general economic policy of the Government, promote economic growth, ensure effective and efficient operation of the Banking and credit systems in the country.</li> <li>• The ability of the Bank and its subsidiaries to operate as a going concern.</li> </ul> | <p data-bbox="908 360 1538 535">The Bank of Ghana exists to fulfil its policy mandates, including price and financial stability. Thus, the success of its interventions should always be judged on whether it fulfils these mandates.</p> <p data-bbox="908 542 1538 685">In assessing the impact of the negative equity on the Bank and its subsidiaries operations, we performed the following procedures to address the impact of the negative equity:</p> <ul data-bbox="956 723 1538 1827" style="list-style-type: none"> <li>• obtained the 2023 budget and the medium to long term strategic plan prepared by the management of the Bank and assessed the key sources of funds for the Bank's operations in the year.</li> <li>• Compared the cash availability with future cash flows, for the twelve-month period from the end of the year - 2022, to assess the Bank's liquidity position.</li> <li>• Assessed the Bank's cost-cutting strategy in the 2023 budget and its feasibility.</li> <li>• Assessed the recoverable nature of the Bank's non-Governmental receivables and using this recoverable receivable to meet the Bank's short-term financial obligations.</li> <li>• Assessed the impact of the Domestic Gold purchase program of the Bank and how this will impact the foreign reserve of the Bank – This is key in the Bank's price and financial stability mandate.</li> <li>• Examined the impact of the funds receivable from the International Monetary Fund (IMF) and its impact on the Bank's reserves.</li> <li>• We further tested the associated disclosures.</li> </ul> <p data-bbox="908 1834 1538 2045">Based on the procedures performed, we found the judgement made and the response strategy by the Group and Bank with respect to the impact of the negative equity to be reasonable. The related disclosures were also assessed as appropriate.</p> |

# Independent Auditor's Report

## To the Minister for Finance

### Other Information

The Directors are responsible for the other information. The other information comprises the Report of the Directors, which we obtained prior to the date of this auditor's report, and the Annual Report, which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

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

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

### Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards, the requirements of the Bank of Ghana Act, 2002, (Act 612) (as amended by the Bank of Ghana (Amendment) Act 2016, (Act 918), the Public Financial Management Act, 2016 (Act 921), and any such internal control as the Directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

The Directors are responsible for overseeing the Group's financial reporting process.

# Independent Auditor's Report

## To the Minister for Finance

### Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

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

# Independent Auditor's Report

## To the Minister for Finance

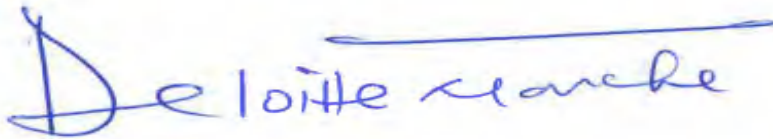
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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



For and on behalf of Deloitte & Touche (ICAG/F/2023/129)  
Chartered Accountants  
The Deloitte Place, Plot No. 71  
Off George Walker Bush Highway  
North Dzorwulu  
Accra Ghana

28<sup>th</sup> July, ..... 2023

# Consolidated and Separate Statement of Profit or Loss

For the year ended 31 December 2022

|   | Note  | The Bank            |                    | The Group           |                    |
|---|-------|---------------------|--------------------|---------------------|--------------------|
|   |       | 2022<br>GH¢'000     | 2021<br>GH¢'000    | 2022<br>GH¢'000     | 2021<br>GH¢'000    |
| <b>Operating Income</b>                     |       |                     |                    |                     |                    |
| Interest and similar income                 | 5(a)  | 5,094,081           | 3,466,318          | 5,283,443           | 3,556,192          |
| Price and exchange differences              | 5(b)  | -                   | 1,067,842          | -                   | 1,079,379          |
| Fee and commission income                   | 5(d)  | 254,856             | 209,690            | 305,333             | 245,542            |
| Other operating income                      | 5(e)  | 143,999             | 248,259            | 385,971             | 434,519            |
| Dividend income                             | 5(f)  | 4,043               | 3,675              | -                   | -                  |
| <b>Total operating income</b>               |       | <b>5,496,979</b>    | <b>4,995,784</b>   | <b>5,974,747</b>    | <b>5,315,632</b>   |
| <b>Operating Expenses</b>                   |       |                     |                    |                     |                    |
| Price and exchange differences              | 5(b)  | (5,267,863)         | -                  | (5,247,413)         | -                  |
| Interest expense and similar charges        | 5(c)  | (3,283,081)         | (1,533,526)        | (3,266,654)         | (1,529,006)        |
| Other operating expenses                    | 6     | (2,700,792)         | (1,677,513)        | (3,228,018)         | (1,995,882)        |
| Premises and equipment expenses             | 7     | (207,684)           | (181,570)          | (227,868)           | (197,164)          |
| Currency issue expenses                     | 8     | (336,940)           | (179,646)          | (336,940)           | (179,646)          |
| Impairment loss- Loans and advances         | 9(a)  | (6,109,191)         | (178,635)          | (6,128,379)         | (187,335)          |
| Impairment loss- securities                 | 9(b)  | (48,401,181)        | (8,033)            | (48,424,140)        | (8,033)            |
| <b>Total operating expense</b>              |       | <b>(66,306,732)</b> | <b>(3,758,923)</b> | <b>(66,859,412)</b> | <b>(4,097,066)</b> |
| (Loss)/profit before taxation               |       | (60,809,753)        | 1,236,861          | (60,884,665)        | 1,218,566          |
| Taxation                                    | 10(a) | -                   | -                  | (10,895)            | 2,016              |
| <b>Operating (loss)/profit for the year</b> |       | <b>(60,809,753)</b> | <b>1,236,861</b>   | <b>(60,895,560)</b> | <b>1,220,582</b>   |
| <b>(Loss)/profit attributed to:</b>         |       |                     |                    |                     |                    |
| Equity shareholders of the Bank             |       | (60,809,753)        | 1,236,861          | (60,855,417)        | 1,246,024          |
| Non-controlling interest                    | 33    | -                   | -                  | (40,143)            | (25,442)           |
| <b>Controlling interest</b>                 |       | <b>(60,809,753)</b> | <b>1,236,861</b>   | <b>(60,895,560)</b> | <b>1,220,582</b>   |

The notes on pages 27 to 119 form an integral part of these financial statements.

# Consolidated and Separate Statement of Other Comprehensive Income

For the year ended 31 December 2022

|   | Note | The Bank        |                 | The Group       |                 |
|---|------|-----------------|-----------------|-----------------|-----------------|
|   |      | 2022<br>GH¢'000 | 2021<br>GH¢'000 | 2022<br>GH¢'000 | 2021<br>GH¢'000 |
| Operating (loss)/profit for the year  |      | (60,809,753)    | 1,236,861       | (60,895,560)    | 1,220,582       |
| Foreign currency translation reserve  |      | -               | -               | 146,531         | 10,989          |
| Tax effect  |      | -               | -               | -               | -               |
|   |      | -               | -               | 146,531         | 10,989          |
| Revaluation of property, plant and equipment  |      | -               | 13,816          | -               | 13,816          |
|   |      | -               | 13,816          | -               | 13,816          |
| Items that will not be reclassified subsequently to profit or loss:                       |      | -               | 13,816          | 146,531         | 13,816          |
| Profit/(loss) on FVOCI financial instruments  |      | 630,191         | 427,879         | 591,762         | 404,234         |
| Tax effect  |      | -               | -               | 9,608           | 2,134           |
| Net other comprehensive income to be reclassified to profit or loss in subsequent periods | 32   | 630,191         | 427,879         | 601,370         | 406,368         |
| Total comprehensive income for the year, net of tax                                       |      | (60,179,562)    | 1,678,556       | (60,147,659)    | 1,651,756       |
| Attributable to:  |      |                 |                 |                 |                 |
| Equity holders of the parent  |      | (60,179,562)    | 1,678,556       | (60,166,755)    | 1,689,976       |
| Non-controlling interest  |      | -               | -               | 19,096          | (38,220)        |
| Controlling Interest  |      | (60,179,562)    | 1,678,556       | (60,147,659)    | 1,689,976       |

The notes on pages 27 to 119 form an integral part of these financial statements.

# Consolidated and Separate Statement of Financial Position

As at 31 December 2022

|  | Note | The Bank            |                    | The Group           |                    |
|--|------|---------------------|--------------------|---------------------|--------------------|
|  |      | 2022<br>GH¢'000     | 2021<br>GH¢'000    | 2022<br>GH¢'000     | 2021<br>GH¢'000    |
| <b>Assets</b>  |      |                     |                    |                     |                    |
| Cash and balances with correspondent banks                           | 11   | 6,083,741           | 5,775,436          | 11,158,386          | 10,062,586         |
| Gold   | 12a  | 2,646,684           | 3,086,780          | 2,646,684           | 3,086,780          |
| Gold swap  | 12b  | 2,424,633           | -                  | 2,424,633           | -                  |
| Balances with IMF  | 13   | 9,622,688           | 11,833,913         | 9,622,688           | 11,833,913         |
| Securities   | 14   | 61,160,166          | 70,486,858         | 63,034,203          | 70,138,928         |
| Loans and advances   | 15   | 22,387,024          | 17,137,212         | 23,057,684          | 17,864,109         |
| Other assets   | 17   | 9,567,182           | 687,500            | 9,674,007           | 748,384            |
| Investments  | 18   | 2,130,630           | 1,154,697          | 1,047,413           | 487,354            |
| Property, plant and equipment  | 19   | 2,453,618           | 2,028,380          | 2,954,520           | 2,543,209          |
| Investment property  | 19a  | 174,094             | 176,804            | 174,094             | 176,804            |
| Intangible assets  | 20   | 27,859              | 26,621             | 82,084              | 55,942             |
| Rights of use - Assets   | 34   | -                   | -                  | 16,446              | 18,451             |
| Current income tax assets  | 10   | -                   | -                  | 9,751               | 1,444              |
| Deferred tax assets  | 10   | -                   | -                  | 71,510              | 41,230             |
| <b>Total Assets</b>  |      | <b>118,678,319</b>  | <b>112,394,201</b> | <b>125,974,103</b>  | <b>117,059,134</b> |
| <b>Liabilities</b>   |      |                     |                    |                     |                    |
| Deposits   | 21   | 57,609,340          | 30,670,860         | 63,329,113          | 34,155,220         |
| Derivative financial liability                                       | 16   | 2,241,833           | 838,712            | 2,241,833           | 838,712            |
| Bridge Facilities  | 22   | 24,347,990          | 17,047,062         | 24,347,990          | 17,047,062         |
| Swap gold payable  | 23   | 2,081,015           | -                  | 2,081,015           | -                  |
| Liabilities under money market Allocations of special drawing rights | 24   | 10,381,030          | 6,005,101          | 10,381,030          | 6,005,101          |
| Liabilities to IMF   | 25a  | 12,111,465          | 8,733,674          | 12,111,465          | 8,733,674          |
| Lease liabilities  | 25b  | 20,849,340          | 16,639,440         | 20,849,340          | 16,639,440         |
| Current income tax liabilities                                       | 34   | -                   | -                  | 23,922              | 20,392             |
| Other liabilities  | 10   | -                   | -                  | 3,436               | -                  |
| Currency in circulation  | 26   | 8,097,287           | 2,024,562          | 8,455,937           | 2,144,493          |
| Currency in circulation  | 28   | 36,079,112          | 25,263,506         | 36,079,112          | 25,263,506         |
| <b>Total Liabilities</b>   |      | <b>173,798,412</b>  | <b>107,222,917</b> | <b>179,904,192</b>  | <b>110,847,600</b> |
| <b>Shareholders' funds</b>   |      |                     |                    |                     |                    |
| Stated capital   | 29   | 10,000              | 10,000             | 10,000              | 10,000             |
| Asset revaluation reserve  | 30   | 1,185,027           | 1,185,027          | 1,185,027           | 1,185,027          |
| Statutory reserves   | 31   | 28,760              | 28,760             | 28,760              | 28,760             |
| Fair valuation reserves  | 32   | 586,940             | (43,251)           | 563,981             | (51,511)           |
| Foreign currency translation reserves                                | 32   | -                   | -                  | 468,453             | 321,922            |
| Other reserves   | 32   | (56,930,819)        | 3,990,748          | (56,955,256)        | 4,001,402          |
| Retained earnings  |      | -                   | -                  | 177,521             | 223,185            |
| <b>Total Equity Attributable to Equity Holders of the Bank</b>       |      | <b>(55,120,092)</b> | <b>5,171,284</b>   | <b>(54,521,514)</b> | <b>5,718,785</b>   |
| Non-Controlling Interest   | 33   | -                   | -                  | 591,425             | 492,749            |
| <b>Total Equity</b>  |      | <b>(55,120,092)</b> | <b>5,171,284</b>   | <b>(53,930,089)</b> | <b>6,211,534</b>   |
| <b>Total Liabilities and Equity</b>                                  |      | <b>118,678,319</b>  | <b>112,394,201</b> | <b>125,974,103</b>  | <b>117,059,134</b> |

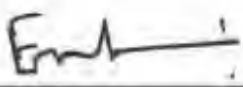


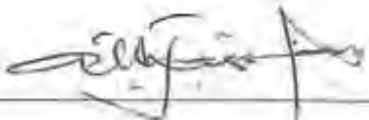
# Consolidated and Separate Statement of Financial Position

As at 31 December 2022

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The financial statements on pages 18 to 119 were approved by the Board of Directors on 26/1/2023 and signed on its behalf by:

Chairman (Governor) 

Director 

*The notes on pages 27 to 119 form an integral part of these financial statements.*

# Consolidated and Separate Statement of Changes in Equity

For the year ended 31 December 2022

| The Bank  | Stated Capital |           | Asset Revaluation Reserves |           | Statutory Reserves |            | Fair valuation Reserves (Note 32) |              | Other Reserves |           | Retained Earnings |           | Total        |
|---|----------------|-----------|----------------------------|-----------|--------------------|------------|-----------------------------------|--------------|----------------|-----------|-------------------|-----------|--------------|
| Year ended 31 December 2022                                       | (Note 29)      | (Note 30) | (Note 31)                  | (Note 32) | (Note 32)          | (Note 32)  | (Note 32)                         | (Note 32)    | (Note 32)      | (Note 32) | (Note 32)         | (Note 32) | (Note 32)    |
|   | GH¢'000        | GH¢'000   | GH¢'000                    | GH¢'000   | GH¢'000            | GH¢'000    | GH¢'000                           | GH¢'000      | GH¢'000        | GH¢'000   | GH¢'000           | GH¢'000   | GH¢'000      |
| At 1 January 2022   | 10,000         | 1,185,027 | 28,760                     | (43,251)  | 3,990,748          | -          | (60,809,753)                      | 5,171,284    | -              | -         | -                 | -         | 5,171,284    |
| Loss for the Year   | -              | -         | -                          | -         | -                  | -          | (60,809,753)                      | (60,809,753) | -              | -         | -                 | -         | (60,809,753) |
| Other comprehensive income: Profit on FVOCI financial instruments | -              | -         | -                          | -         | -                  | -          | 630,191                           | 630,191      | -              | -         | -                 | -         | 630,191      |
| Total comprehensive income  | -              | -         | -                          | -         | -                  | -          | 630,191                           | (60,809,753) | -              | -         | -                 | -         | (60,179,562) |
| Currency replacement  | -              | -         | -                          | -         | (100,000)          | -          | -                                 | (100,000)    | -              | -         | -                 | -         | (100,000)    |
| General purpose loan  | -              | -         | -                          | -         | 50,000             | -          | -                                 | 50,000       | -              | -         | -                 | -         | 50,000       |
| Price movement in gold  | -              | -         | -                          | -         | 149,993            | -          | -                                 | (149,993)    | -              | -         | -                 | -         | -            |
| Movements in gold and other foreign assets                        | -              | -         | -                          | -         | 9,205,614          | -          | -                                 | (9,205,614)  | -              | -         | -                 | -         | -            |
| Corporate social responsibility                                   | -              | -         | -                          | -         | (80,000)           | -          | -                                 | (80,000)     | -              | -         | -                 | -         | (80,000)     |
| Contingency   | -              | -         | -                          | -         | (30,000)           | -          | -                                 | (30,000)     | -              | -         | -                 | -         | (30,000)     |
| Staff housing   | -              | -         | -                          | -         | 60,000             | -          | -                                 | 60,000       | -              | -         | -                 | -         | 60,000       |
| Proceeds from sale of dore gold                                   | -              | -         | -                          | -         | 259,560            | -          | -                                 | 259,560      | -              | -         | -                 | -         | 259,560      |
| Gold purchase   | -              | -         | -                          | -         | (220,000)          | -          | -                                 | (220,000)    | -              | -         | -                 | -         | (220,000)    |
| Capital contribution to WAMI                                      | -              | -         | -                          | -         | 199,331            | -          | -                                 | 199,331      | -              | -         | -                 | -         | 199,331      |
| Contribution towards e-credi                                      | -              | -         | -                          | -         | (705)              | -          | -                                 | (705)        | -              | -         | -                 | -         | (705)        |
| Support for new head office                                       | -              | -         | -                          | -         | (250,000)          | -          | -                                 | (250,000)    | -              | -         | -                 | -         | (250,000)    |
| Transfer to other reserves  | -              | -         | -                          | -         | (70,165,360)       | -          | -                                 | (70,165,360) | -              | -         | -                 | -         | (70,165,360) |
| At 31 December 2022   | 10,000         | 1,185,027 | 28,760                     | 586,940   | (56,930,819)       | 70,165,360 | -                                 | (55,120,092) | -              | -         | -                 | -         | (55,120,092) |

The notes on pages 27 to 119 form an integral part of these financial statements.

# Bank of Ghana

## Consolidated and Separate Statement of Changes in Equity

For the year ended 31 December 2022

The Bank

| Year ended 31 December 2021                        | Stated Capital<br>(Note 29)<br>GH¢'000 | Asset Revaluation Reserves<br>(Note 30)<br>GH¢'000 | Statutory Reserves<br>(Note 31)<br>GH¢'000 | Fair valuation Reserves<br>(Note 32)<br>GH¢'000 | Other Reserves<br>(Note 32)<br>GH¢'000 | Retained Earnings<br>GH¢'000 | Total<br>GH¢'000 |
|--|--|--|--|---|--|------------------------------|------------------|
| At 1 January 2021                                  | 10,000                                 | 1,171,211  | 28,760                                     | (471,130)                                       | 2,998,529                              | -                            | 3,737,370        |
| Profit for the Year                                | -                                      | -  | -  | -   | -                                      | 1,236,861                    | 1,236,861        |
| Other comprehensive income:                        |  |  |  |   |  |                              |                  |
| Profit on FVOCI financial instruments              | -                                      | -  | -  | 427,879   | -                                      | -                            | 427,879          |
| Revaluation of property, plant and equipment       | -                                      | 13,816   | -  | -   | -                                      | -                            | 13,816           |
| Total comprehensive income                         | -                                      | 13,816   | -  | 427,879   | -                                      | 1,236,861                    | 1,678,556        |
| Exchange movement in gold and other foreign assets | -                                      | -  | -  | -   | 981,421                                | (981,421)                    | -                |
| Transfer to gold purchase account                  | -                                      | -  | -  | -   | (200,000)                              | -                            | (200,000)        |
| Price movement in gold                             | -                                      | -  | -  | -   | (116,673)                              | 116,673                      | -                |
| NFA reserves                                       | -                                      | -  | -  | -   | (44,642)                               | -                            | (44,642)         |
| Movement in emergency intervention fund            | -                                      | -  | -  | -   | -                                      | -                            | -                |
| Transfer to other reserves                         | -                                      | -  | -  | -   | 372,113                                | (372,113)                    | -                |
| At 31 December 2021                                | 10,000                                 | 1,185,027  | 28,760                                     | (43,251)  | 3,990,748                              | -                            | 5,171,284        |

The notes on pages 27 to 119 form an integral part of these financial statements.

# Consolidated and Separate Statement of Changes in Equity

For the year ended 31 December 2022

| The Group  | Stated Capital (Note 29) | Asset Revaluation reserve (Note 30) | Statutory Reserve (Note 31) | Other Reserve (Note 32) | Foreign Currency Translation Reserve (Note 32) | Fair valuation Reserves (Note 32) | Retained Earnings | Total        | Non-controlling interest | Total        |
|--|--------------------------|-------------------------------------|-----------------------------|-------------------------|--|-----------------------------------|-------------------|--------------|--------------------------|--------------|
|  | GH¢'000                  | GH¢'000                             | GH¢'000                     | GH¢'000                 | GH¢'000  | GH¢'000                           | GH¢'000           | GH¢'000      | GH¢'000                  | GH¢'000      |
| At 1 January 2022                                  | 10,000                   | 1,185,027                           | 28,760                      | 4,001,402               | 321,922  | (51,511)                          | 223,185           | 5,718,785    | 492,749                  | 6,211,534    |
| Profit for the year                                | -                        | -                                   | -                           | -                       | -  | -                                 | (60,855,417)      | (60,855,417) | (40,143)                 | (60,895,560) |
| Other comprehensive income:                        |                          |                                     |                             |                         |  |                                   |                   |              |                          |              |
| Gain on foreign currency translation               | -                        | -                                   | -                           | -                       | 146,531  | -                                 | -                 | 146,531      | 71,800                   | 218,331      |
| Profit on FVOCI financial instruments              | -                        | -                                   | -                           | -                       | -  | 615,492                           | -                 | 615,492      | (14,122)                 | 601,370      |
| Total comprehensive income                         | -                        | -                                   | -                           | -                       | 146,531  | 615,492                           | (60,855,417)      | (60,093,394) | 17,535                   | (60,075,859) |
| Gain on translation of foreign operation           | -                        | -                                   | -                           | (35,091)                | -  | -                                 | -                 | (35,091)     | 82,874                   | 47,783       |
| Dividend paid by Group                             | -                        | -                                   | -                           | -                       | -  | -                                 | -                 | -            | (1,733)                  | (1,733)      |
| Proceeds from Dore Gold                            | -                        | -                                   | -                           | 259,560                 | -  | -                                 | -                 | 259,560      | -                        | 259,560      |
| Currency Replacement                               | -                        | -                                   | -                           | (100,000)               | -  | -                                 | -                 | (100,000)    | -                        | (100,000)    |
| General purpose loan                               | -                        | -                                   | -                           | 50,000                  | -  | -                                 | -                 | 50,000       | -                        | 50,000       |
| Corporate social responsibility                    | -                        | -                                   | -                           | (80,000)                | -  | -                                 | -                 | (80,000)     | -                        | (80,000)     |
| Contingency  | -                        | -                                   | -                           | (30,000)                | -  | -                                 | -                 | (30,000)     | -                        | (30,000)     |
| Staff housing                                      | -                        | -                                   | -                           | 60,000                  | -  | -                                 | -                 | 60,000       | -                        | 60,000       |
| Gold purchase                                      | -                        | -                                   | -                           | (220,000)               | -  | -                                 | -                 | (220,000)    | -                        | (220,000)    |
| Price movement in gold                             | -                        | -                                   | -                           | 149,993                 | -  | -                                 | (149,993)         | -            | -                        | -            |
| Contribution towards e-ceedl                       | -                        | -                                   | -                           | (705)                   | -  | -                                 | -                 | (705)        | -                        | (705)        |
| Support for new head office                        | -                        | -                                   | -                           | (250,000)               | -  | -                                 | 70,165,360        | (250,000)    | -                        | (250,000)    |
| Transfer to reserves                               | -                        | -                                   | -                           | (70,165,360)            | -  | -                                 | -                 | -            | -                        | -            |
| Exchange movement in gold and other foreign assets | -                        | -                                   | -                           | 9,205,614               | -  | -                                 | (9,205,614)       | -            | -                        | -            |
| Capital contribution to WAMI                       | -                        | -                                   | -                           | 199,331                 | -  | -                                 | -                 | 199,331      | -                        | 199,331      |
| At 31 December 2022                                | 10,000                   | 1,185,027                           | 28,760                      | (56,955,256)            | 468,453  | 563,981                           | 177,521           | (54,521,514) | 591,425                  | (53,930,089) |

The notes on pages 27 to 119 form an integral part of these financial statements.

# Consolidated and Separate Statement of Changes in Equity

For the year ended 31 December 2022

| The Group  |                  |                          |                               |                             |                         |  |                                   |                   |           |                          |           |         |         |         |         |         |         |
|--|------------------|--------------------------|-------------------------------|-----------------------------|-------------------------|--|-----------------------------------|-------------------|-----------|--------------------------|-----------|---------|---------|---------|---------|---------|---------|
| Year ended 2021                                    | 31 December 2021 | Stated Capital (Note 29) | Revaluation reserve (Note 30) | Statutory Reserve (Note 31) | Other Reserve (Note 32) | Foreign Currency Translation Reserve (Note 32) | Fair valuation Reserves (Note 32) | Retained Earnings | Total     | Non-controlling Interest | Total     |         |         |         |         |         |         |
|  |                  | GH¢'000                  | GH¢'000                       | GH¢'000                     | GH¢'000                 | GH¢'000  | GH¢'000                           | GH¢'000           | GH¢'000   | GH¢'000                  | GH¢'000   | GH¢'000 | GH¢'000 | GH¢'000 | GH¢'000 | GH¢'000 | GH¢'000 |
| At 1 January 2021                                  |                  | 10,000                   | 1,171,211                     | 28,760                      | 2,998,617               | 310,933  | (468,420)                         | 214,022           | 4,265,123 | 527,584                  | 4,792,707 |         |         |         |         |         |         |
| Profit for the year                                |                  | -                        | -                             | -                           | -                       | -  | -                                 | 1,246,024         | 1,246,024 | (25,442)                 | 1,220,582 |         |         |         |         |         |         |
| Other comprehensive income:                        |                  |                          |                               |                             |                         |  |                                   |                   |           |                          |           |         |         |         |         |         |         |
| Gain on foreign currency translation               |                  | -                        | -                             | -                           | -                       | 10,989   | -                                 | -                 | 10,989    | 5,385                    | 16,374    |         |         |         |         |         |         |
| Revaluation of property, plant and equipment       |                  | -                        | 13,816                        | -                           | -                       | -  | -                                 | -                 | 13,816    | -                        | 13,816    |         |         |         |         |         |         |
| Profit on FVOCI financial instruments              |                  | -                        | -                             | -                           | -                       | -  | 416,909                           | -                 | 416,909   | (10,541)                 | 406,368   |         |         |         |         |         |         |
| Total comprehensive income                         |                  | -                        | 13,816                        | -                           | -                       | 10,989   | 416,909                           | 1,246,024         | 1,687,738 | (30,598)                 | 1,657,140 |         |         |         |         |         |         |
| Gain on translation of foreign operation           |                  | -                        | -                             | -                           | -                       | -  | -                                 | -                 | -         | (2,663)                  | (2,663)   |         |         |         |         |         |         |
| Dividend paid by Group                             |                  | -                        | -                             | -                           | -                       | -  | -                                 | -                 | -         | (1,574)                  | (1,574)   |         |         |         |         |         |         |
| Net revaluation surplus                            |                  | -                        | -                             | -                           | -                       | -  | -                                 | -                 | -         | -                        | -         |         |         |         |         |         |         |
| Provision for contingencies                        |                  | -                        | -                             | -                           | -                       | -  | -                                 | -                 | -         | -                        | -         |         |         |         |         |         |         |
| Transfer to gold purchase account                  |                  | -                        | -                             | -                           | (200,000)               | -  | -                                 | -                 | (200,000) | -                        | (200,000) |         |         |         |         |         |         |
| NFA reserves                                       |                  | -                        | -                             | -                           | (34,076)                | -  | -                                 | -                 | (34,076)  | -                        | (34,076)  |         |         |         |         |         |         |
| Price movement in gold                             |                  | -                        | -                             | -                           | (116,673)               | -  | -                                 | 116,673           | -         | -                        | (34,076)  |         |         |         |         |         |         |
| Exchange movement in gold and other foreign assets |                  | -                        | -                             | -                           | 981,421                 | -  | -                                 | (981,421)         | -         | -                        | -         |         |         |         |         |         |         |
| Transfer to other reserves                         |                  | -                        | -                             | -                           | 372,113                 | -  | -                                 | (372,113)         | -         | -                        | -         |         |         |         |         |         |         |
| At 31 December 2021                                |                  | 10,000                   | 1,185,027                     | 28,760                      | 4,001,402               | 321,922  | (51,511)                          | 223,185           | 5,718,785 | 492,749                  | 6,211,534 |         |         |         |         |         |         |

The notes on pages 27 to 119 form an integral part of these financial statements.

# Consolidated and Separate Statement of Cash Flows

For the year ended at 31 December 2022

|   | Note      | The Bank           |                    | The Group          |                    |
|---|-----------|--------------------|--------------------|--------------------|--------------------|
|   |           | 2022<br>GH¢'000    | 2021<br>GH¢'000    | 2022<br>GH¢'000    | 2021<br>GH¢'000    |
| Cash flows used in operating activities                 | 39        | (4,947,793)        | (2,617,439)        | (5,211,493)        | (1,824,591)        |
| Interest paid on bridge facilities                      | 22        | (742,032)          | (343,022)          | (742,032)          | (343,022)          |
| Tax paid  | 10 (c)    | -                  | -                  | (22,934)           | (29,502)           |
| <b>Net cash flows used in operating activities</b>      |           | <b>(5,689,825)</b> | <b>(2,960,461)</b> | <b>(5,976,459)</b> | <b>(2,197,115)</b> |
| Cash flows from investing activities                    |           |                    |                    |                    |                    |
| Proceeds from disposal of property, plant and equipment | 19        | -                  | -                  | -                  | 117                |
| Investment property                                     | 19a       | 2,710              | -                  | 2,710              | -                  |
| Transfer of intangibles                                 | 20        | -                  | -                  | (3,147)            | -                  |
| Purchase of intangible assets                           | 20        | (11,855)           | (10,347)           | (45,844)           | (24,640)           |
| Purchase of property, plant and equipment               | 19        | (626,014)          | (629,688)          | (752,997)          | (705,953)          |
| <b>Net cash used in investing activities</b>            |           | <b>(635,159)</b>   | <b>(640,035)</b>   | <b>(799,279)</b>   | <b>(730,476)</b>   |
| Cash flows from financing activities                    |           |                    |                    |                    |                    |
| Increase in IMF liabilities                             | 25b       | 4,209,900          | 622,671            | 4,209,900          | 622,671            |
| Drawdown in bridge facilities                           | 22        | 4,896,045          | 7,453,073          | 4,896,045          | 7,453,073          |
| Principal repayment of bridge facilities                | 22        | (5,068,256)        | (5,154,880)        | (5,068,256)        | (5,154,880)        |
| Finance lease payments                                  | 34        | -                  | -                  | (9,056)            | (7,030)            |
| Dividend paid to non-controlling interest               | 33        | -                  | -                  | (1,733)            | (1,575)            |
| <b>Net cash generated from financing activities</b>     |           | <b>4,037,689</b>   | <b>2,920,864</b>   | <b>4,026,900</b>   | <b>2,912,259</b>   |
| <b>Net change in cash and cash equivalents</b>          |           | <b>(2,287,295)</b> | <b>(679,632)</b>   | <b>(2,748,838)</b> | <b>(15,332)</b>    |
| Cash and cash equivalents at 1 January                  |           | 5,775,436          | 6,057,121          | 10,062,586         | 9,465,221          |
| Net foreign exchange difference                         |           | 2,595,601          | 397,947            | 3,844,638          | 612,696            |
| <b>Cash and cash equivalents at 31 December</b>         | <b>11</b> | <b>6,083,741</b>   | <b>5,775,436</b>   | <b>11,158,386</b>  | <b>10,062,586</b>  |

The notes on pages 27 to 119 form an integral part of these financial statements.

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

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## 1. Statute and Principal Activities

Bank of Ghana (the Bank) is wholly owned by the Government of Ghana and operates as Ghana's Central Bank. Its operations are governed by the Bank of Ghana Act, 2002 (Act 612) (as amended by the Bank of Ghana (Amendment) Act, 2016 (Act 918)) and the Public Financial Management Act, 2016 (Act, 921). The Bank's registered office is 1 Thorpe Road, Accra, Ghana. The principal objectives and functions of the Bank are:

- To maintain stability in the general level of prices; and
- Without prejudice to the above, to support the general economic policy of the Government and promote economic growth and effective and efficient operation of the banking and credit systems in the country, independent of instructions from the Government or any other authority.

In order to meet the above objectives, the Bank:

- Formulates and implements monetary policy;
- Promotes stabilisation of the currency by monetary measures, and institutes measures favourable to the balance of payments, state of public finance and general national economic development;
- Undertakes prudential supervision of the banking sector and ensures smooth operation of the financial sector;
- Promotes, regulates, and supervises the payments system;
- Issues and redeems currency notes and coins;
- Ensures effective maintenance and management of Ghana's external financial relations;
- Licenses, regulates, promotes and supervises non-bank financial intermediaries;
- Acts as banker and financial advisor to the Government; and
- Promotes and maintains relations with international banking and financial institutions and performs all other functions incidental or conducive to the functions under the Bank of Ghana Act or any other enactment.

The financial statements for the year ended 31 December 2022 comprise the separate financial statements of the Bank and that of its subsidiaries, together referred to as "The Group".

## 2. Summary of Significant Accounting Policies

### a. Statement of Compliance and basis of preparation

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations as issued by the International Accounting Standards Board (IASB) and in the manner required by the Bank of Ghana Act 2002 (Act 612) (as amended by the Bank of Ghana (Amendment) Act, 2016 (Act 918)) and the Public Financial Management Act, 2016 (Act, 921).

### Going Concern

Bank of Ghana and its subsidiaries recorded a negative net worth of GH¢54.52 billion at the end of 31 December 2022. This was largely due to impairment of government securities holdings which was occasioned by the Government of Ghana Domestic Debt Exchange Programme (DDEP), impairment of loans and advances granted to quasi-government and financial institutions and depreciation of the local currency resulting in exchange losses.

The Board and Management of the Bank have assessed the policy solvency implications arising out of the negative net worth position and its ability to continue to generate enough income to cover its monetary policy operations and other operational costs. In their view, the Bank will continue to operate on a going basis due to a variety of factors underpinned by expectations of an improved macroeconomic situation and policy actions specifically targeted at improving the balance sheet of the Bank of Ghana.

Based on the above, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, the Group continues to adopt the going concern basis of accounting in preparing the annual consolidated and separate financial statements.

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

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## 2. Summary of Significant Accounting Policies (continued)

### b. Basis of Measurement

These financial statements are presented in Ghana Cedis, which is the Bank's functional currency, rounded to the nearest thousand. They are prepared on historical cost basis except for financial assets and liabilities that are stated at their fair value or amortised cost: derivative financial instruments, financial instruments that are fair valued through profit or loss and other comprehensive income as well as property, plant, and equipment which is carried on the revaluation model. The Group's accounting policies have been applied consistently with those used in the previous year, except where otherwise indicated.

### c. Changes in accounting policies and disclosures

#### c. (i) New and amended standards and interpretations

New and amended IFRS Standards that are effective for the current year

In the current year, the Company has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2022. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

#### Amendments to IFRS 3 Reference to the Conceptual Framework

The Group has adopted the amendments to IFRS 3 Business Combinations for the first time in the current year. The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

#### Amendments to IAS 16 Property, Plant and Equipment—Proceeds before Intended Use

The Group has adopted the amendments to IAS 16 for the first time in the current year. The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e., proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.



# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

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## 2. Summary of Significant Accounting Policies (continued)

- c. Changes in accounting policies and disclosures
- c. (i) New and amended standards and interpretations

### Amendments to IAS 37 Onerous Contracts – Cost of Fulfilling a Contract

The Group has adopted the amendments to IAS 37 for the first time in the current year. The amendments specify that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

### Annual Improvements to IFRS Accounting Standards 2018-2020 Cycle

The Group has adopted the amendments included in the Annual Improvements to IFRS Accounting Standards 2018-2020 Cycle for the first time in the current year. The Annual Improvements include amendments to four standards.

### IFRS 1 First-time Adoption of International Financial Reporting Standards

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Accounting Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1: D16(a).

### IFRS 9 Financial Instruments

The amendment clarifies that in applying the '105' test to assess whether to derecognize a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

### IFRS 16 Leases

The amendment removes the illustration of the reimbursement of leasehold improvements.

### IAS 41 Agriculture

The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

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## 2. Summary of Significant Accounting Policies (continued)

### d. Use of Significant Estimates, Assumptions and Judgements

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 other factors that are believed to be reasonable under the circumstances, the results of which form the basis of 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 underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

#### Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Fair value of the quoted notes and bonds is based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

#### Derivatives

A derivative is a financial instrument, the value of which changes in response to an underlying variable that requires little or no initial investment and is settled at a future date. Fair values are obtained from quoted market prices (excluding transaction costs), dealer price quotations, discounted cash-flow models, and option-pricing models, which consider current market and contractual prices for the underlying instruments, as well as the time value of money.

Derivatives valued using valuation techniques with market observable inputs are mainly interest rate swaps, foreign exchange forward contracts and commodity forward contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, interest rate curves and forward rate curves of the underlying commodity. Details on fair value determination and the fair value hierarchy have been disclosed in note 36.

#### Hold to collect financial assets

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

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

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## 2. Summary of Significant Accounting Policies (continued)

### d. Use of Significant Estimates, Assumptions and Judgements (continued)

#### Taxes

Though the Bank of Ghana is not subject to tax, the subsidiaries are. Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective entity's domicile. As the Group assesses the probability for any litigation with respect to taxes as remote, no contingent liability has been recognised. Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Details on the group's tax position are disclosed in note 10.

#### Pension benefits

The cost of defined benefit pension plans and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases.

Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Details on the group's pension benefit scheme including the assumptions used are disclosed in note 26.

#### Impairment losses on loans and advances

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; and
- Establishing the number and relative weightings of forward-looking scenarios and the associated ECL.

Details on the Group's impairments are disclosed in notes 2(m), 9 and 36.

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

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## 2. Summary of Significant Accounting Policies (continued)

### d. Use of Significant Estimates, Assumptions and Judgements (continued)

#### Provisions and contingencies

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

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

Contingent liabilities represent a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or a present obligation that arises from past events but is not recognized because:

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

The Group does not recognise a contingent liability. The group only discloses a contingent liability, unless the possibility of an outflow of resources embodying economic benefits is remote.

#### 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.

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

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## 2. Summary of Significant Accounting Policies (continued)

### e. Basis of Consolidation

#### (i) Subsidiaries

The financial statements of the Group comprise the financial statements of the Bank and its subsidiaries as at 31 December 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income, and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

When the proportion of the equity held by non-controlling interests changes, the group adjust the carrying amounts of the controlling and non-controlling interests to reflect the changes in their relative interests in the subsidiary.

The Group recognises directly in equity any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received, and attribute it to the owners of the parent.

Subsidiaries in the stand-alone financial statements of the Bank are accounted for at cost less impairment.

#### (ii) Transactions eliminated on consolidation

Intra-group balances, and any unrealised income and expense arising from intra-group transactions, are eliminated in preparing these consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

#### (iii) Changes in ownership interests in subsidiaries without change of control

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

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

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2. Summary of Significant Accounting Policies (continued)

e. Basis of Consolidation (continued)

(iv) Disposal of subsidiaries

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

f. Dividend Received

Dividends are recognised in profit or loss when the Bank's right to receive payment is established, which is generally when shareholders approve the dividend.

g. Interest Income and Expense

Interest income and expense on financial assets or liabilities held at amortised cost are recognised in profit or loss using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future receipts or payments through the expected life of the financial instruments or, when appropriate, a shorter period, to the carrying amount of the financial asset or financial liability.

The effective interest rate is established on initial recognition of the financial asset or liability. When calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees received or paid between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of financial asset or liability. Interest income and expense on financial assets and liabilities held at fair value through profit or loss is recognised in the profit or loss using the effective interest method.

h. Fees and Commissions

Fee and commission income and expenses that are an integral part to the effective interest rate on financial instruments are included in the measurement of the effective interest rate. Other fee and commission income, including account servicing fees are recognised as the related services are performed and the performance obligations associated with the contracts are delivered.

i. Other Operating Income

Other operating income includes gains or losses arising on fair value changes in trading assets and liabilities and penalty charges to commercial banks and other financial institutions for not complying with various sections of the Banks and Specialized Deposit-Taking Institutions Act, 2016 (Act 930).

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

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2. Summary of Significant Accounting Policies (continued)

j. Foreign Currency

(i) Foreign currency transactions

Foreign currency transactions are translated into the functional currency of group entities using the exchange rates prevailing at the dates of the transactions. At the reporting date, monetary assets and liabilities denominated in foreign currencies are retranslated to the functional currency at the exchange rate at that date. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the profit or loss. Non-monetary assets and liabilities are translated at historical exchange rates if held at historical cost and retranslated to the functional currency at the exchange rate at the date that the fair value was determined if they are carried at fair value.

The resulting foreign exchange gains and losses are recognised in the profit or loss as appropriate except for exchange gains and losses arising from translation of holdings in gold, Special Drawing Rights (SDRs) held with the International Monetary Fund (IMF) or holdings of foreign securities which are recognized in Revaluation reserve (other reserve) to satisfy the requirement of section 7 of the Bank of Ghana Act, 2002 (Act 612) as amended by the Bank of Ghana (Amendment) Act, 2016 (Act 918).

(ii) Financial statements of foreign operations

The Bank considers its subsidiary Ghana International Bank (GIB) as a foreign entity. Accordingly, the assets and liabilities of the foreign operation, including any goodwill and fair value adjustments arising on acquisition are translated into Ghana Cedis at the foreign exchange rates ruling at the reporting date.

The revenues and expenses of the subsidiary are translated to Ghana Cedis at the average rate for the year. Foreign exchange differences arising on these translations are recognised directly into equity, being foreign currency translation reserve.

When a foreign operation is disposed off, in part or full, the relevant amount in the foreign currency translation reserve is transferred to profit or loss.

The following were the average and closing rates for the year ended.

| Currency  | Average<br>Rate<br>GH¢ | Closing<br>Rate<br>GH¢ |
|-----------|------------------------|------------------------|
| US Dollar | 7.2911                 | 8.5760                 |
| GBP       | 9.2195                 | 10.3118                |
| EURO      | 7.9869                 | 9.1457                 |

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

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## 2. Summary of Significant Accounting Policies (continued)

### k. Special Drawing Rights and International Monetary Fund Related Transactions

The Bank, on behalf of Government of Ghana, manages assets and liabilities in respect of Special Drawing Rights (SDRs) with the International Monetary Fund (IMF). Exchange gains and losses arising from translation of SDRs at period ends are treated in accordance with note 2(j) above.

### l. Leases

The Group has changed its accounting policy for leases where the Group is the lessee. The new policy is described below and the impact of the change in Notes 2.c.i and 35.

Until 31 December 2018, leases of property, plant and equipment where the Group, as lessee, had substantially all the risks and rewards of ownership were classified as finance leases. Finance leases were capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, were included in other short-term and long-term payables. Each lease payment was allocated between the liability and finance cost. The finance cost was 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. The property, plant and equipment acquired under finance leases was depreciated over the asset's useful life, or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership were not transferred to the Group as lessee were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

The Group leased various offices, branches, and other premises under non-cancellable operating lease arrangements. The lease rentals were paid in advance and amortised on a straight-line basis over the lease period. The outstanding balance was accounted for as a prepayment in other assets.

#### *The Group's leasing activities and how these are accounted for under IFRS 16*

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.

From 1 January 2021, 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 Bank 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.



# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

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## 2. Summary of significant accounting policies (continued)

### l. Leases (continued)

*The Group's leasing activities and how these are accounted for under IFRS 16 (continued)*

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, e.g., term, country, 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 Bank under IFRS 16 are not revalued.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets 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. Low-value assets comprise IT equipment and small items of office furniture.

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

### m. Financial Assets and Liabilities

#### (i) Financial Assets

##### Measurement Methods

##### *Amortised cost and effective interest rate*

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

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

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## 2. Summary of Significant Accounting Policies (continued)

### m. Financial assets and liabilities (continued)

#### (i) Financial Assets (continued)

##### Measurement Methods (continued)

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

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

##### *Initial recognition and measurement*

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

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

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

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

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

##### *Classification and subsequent measurement*

From 1 January 2021, the Group has applied IFRS 9 and classifies its financial assets in the following measurement categories:

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

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

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2. Summary of Significant Accounting Policies (continued)  
m. Financial assets and liabilities (continued)  
(i) Financial Assets (continued)

Measurement Methods (continued)

*Classification and subsequent measurement (continued)*

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:

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

*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.

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

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- 2. Summary of Significant Accounting Policies (continued)
- m. Financial assets and liabilities (continued)
- (i) Financial Assets (continued)

Measurement methods (continued)

## *Debt Instruments (continued)*

*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.

## *Equity Instruments*

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

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

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.

## *Impairment*

Note 36 provides more detail of how the expected credit loss allowance is measured.

## *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:

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

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## 2. Summary of Significant Accounting Policies (continued)

### m. Financial assets and liabilities (continued)

#### (i) Financial Assets (continued)

##### Measurement Methods (continued)

- 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.
- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

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

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

##### *Derecognition other than on a modification*

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

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

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

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.

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

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## 2. Summary of Significant Accounting Policies (continued)

### m. Financial assets and liabilities (continued)

#### (ii) Financial Liabilities

##### *Classification and subsequent measurement*

In both the current and prior period, financial liabilities are classified as subsequently measured at amortised cost except for:

- Financial liabilities at fair value through profit or loss: this classification is applied to derivatives. Gains or losses on financial liabilities designated at fair value through profit or loss are presented partially in other comprehensive income (the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability, which is determined as the amount that is not attributable to changes in market conditions that give rise to market risk) and partially profit or loss (the remaining amount of change in the fair value of the liability). This is unless such a presentation would create, or enlarge, an accounting mismatch, in which case the gains and losses attributable to changes in the credit risk of the liability are also presented in profit or loss;
- Financial liabilities arising from the transfer of financial assets which did not qualify for derecognition, whereby a financial liability is recognised for the consideration received for the transfer. In subsequent periods, the Group recognises any expense incurred on the financial liability; and
- Financial guarantee contracts and loan commitments.

##### *Derecognition*

Financial liabilities are derecognised when they are extinguished (i.e., when the obligation specified in the contract is discharged, cancelled or expires).

The exchange between the Group and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least ten percent (10%) different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in covenants are also taken into consideration. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

#### (iii) Amortised Cost Measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or 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. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the Effective Interest Rate (EIR).

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

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2. Summary of Significant Accounting Policies (continued)

m. Financial assets and liabilities (continued)

(iv) Financial Guarantee Contracts and Loan Commitments

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

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

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

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

(v) Determination of Fair Value

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

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive. Indicators that a market is inactive are when there is a wide bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions.

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

The Group uses widely recognised valuation models for determining fair values of non-standardised financial instruments of lower complexity, such as options or interest rate and currency swaps. For these financial instruments, inputs into models are generally market-observable.

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

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## 2. Summary of Significant Accounting Policies (continued) m. Financial Assets and Liabilities (continued)

### (vi) Financial Guarantee Contracts and Loan Commitments

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

### (vii) Determination of Fair Value

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

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

In cases when the fair value of unlisted equity instruments cannot be determined reliably, the instruments are carried at cost less impairment.

### (viii) Repurchase and Reverse Repurchase Agreements

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

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.

### (ix) Offsetting Financial Instruments

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



# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

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2. Summary of Significant Accounting Policies (continued)

m. Financial assets and liabilities (continued)

(x) Derivatives

The Group uses derivative financial instruments such as forward currency contracts to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

n. Gold

Gold holdings are included in the statement of financial position at the prevailing closing spot market price on the London Bullion Market on that date. Changes in the fair value of gold holdings and investments arising from price changes as well as related foreign exchange gains and losses are recognised in profit or loss and subsequently transferred to other reserves in the statement of changes in equity. The foreign exchange gains and losses on gold holdings are for the account of the Government of Ghana and consequently such gains and losses are transferred to other reserves in accordance with section 7 of the Bank of Ghana Act, 2002 (Act 612) as amended.

o. Loans and advances

Loans and advances originated by the Group are classified as Hold to Collect. Loans and advances are stated in the statement of financial position at the estimated recoverable amounts in accordance with note 2(m)(i).

The recoverable amounts of loans and advances are the present value of expected future cash flows, discounted at the instruments' original effective interest rate.

p. Securities

- *Domestic securities*

Domestic securities consist of Government of Ghana redeemable, negotiable and interest-bearing securities. These securities are classified as hold to collect and sell and are stated in the statement of financial position at fair value.

- *Foreign short term internally managed securities*

These represent interest bearing short-term instruments with fixed maturities held with correspondent banks. These securities are classified as hold to collect and are stated in the statement of financial position at amortised cost.

- *Foreign short term externally managed securities*

These represent debt and equity instruments managed by external fund managers on behalf of the Bank. Externally managed foreign securities are stated in the statement of financial position at fair value through profit or loss.

- *Long-term Government securities*

This represents interest bearing and non-interest-bearing fixed maturity securities issued by the Government of Ghana to cover the Bank in respect of net exchange losses arising on holdings of gold, SDRs or foreign securities. These securities are classified as hold to maturity and are stated in the statement of financial position at amortised cost.

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

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## 2. Summary of Significant Accounting Policies (continued)

### q. Property, plant and equipment

#### (i) Recognition and measurement

Items of property, plant and equipment except land and buildings are measured at cost less accumulated depreciation and accumulated impairment losses. Land and buildings are measured at revalued amount less accumulated depreciation on buildings and impairment losses recognised at the date of revaluation. Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. A revaluation surplus is recorded in OCI and credited to the asset revaluation reserve in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit or loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Cost includes expenditures that are directly attributable to the acquisition of the asset.

The cost of self-constructed assets includes the cost of materials, labour and, any other costs directly attributable to bringing the asset to a working condition for its intended use. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

#### (ii) Subsequent costs

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

#### (iii) Depreciation

Depreciation is recognised in profit and loss on a straight-line basis over the estimated useful lives of each item of property and equipment in order to reduce the value to residual value over the useful life. Leased assets are depreciated over the shorter of the lease term and their useful lives.

The annual depreciation rates are as follows:

|                        | %           |
|------------------------|-------------|
| Buildings              | 4           |
| Plant and Equipment    | 10 - 33 1/3 |
| Motor Vehicles         | 20 - 33 1/3 |
| Furniture and Fittings | 20 - 33 1/3 |

Capital work-in-progress is recorded at cost. Land is not depreciated.

Depreciation methods, useful lives and residual values are reassessed and adjusted if necessary, at the reporting date.

An item of property, plant and equipment and any significant part is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are included in profit or loss.

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

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- 2. Summary of Significant Accounting Policies (continued)
- q. Property, plant and equipment (continued)
- (i) Recognition and measurement
- (iv) Revaluation

Revaluation is to be carried out regularly, so that the carrying amount of an asset does not differ materially from its fair value at the balance sheet date.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of revaluation is restated proportionately with the change in the gross carrying amount of the asset after revaluation.

When an item is revalued, the entire class of assets to which that asset belongs is revalued. Where assets carrying amount is increased as a result of revaluation, the increase is credited to other reserves unless it represents the reversal of a revaluation decrease of the same asset previously recognised as an expense, in which case it should be recognised in profit or loss.

A decrease arising as a result of a revaluation should be recognised as an expense to the extent that it exceeds any amount previously credited to the revaluation surplus relating to the same asset.

When a revalued asset is disposed of, any revaluation surplus may be transferred directly to retained earnings, or it may be left in equity under the heading revaluation surplus. The transfer to retained earnings should not be made through profit or loss.

- (r) Investment property

Property held for rental purposes and capital appreciation is classified as investment property. Such property is not owner occupied. Investment property comprises freehold land and buildings. It is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the group uses alternative valuation methods such as discounted cash flow projections or recent prices on less active markets. Investment property that is being redeveloped for continuing use as investment property, or for which the market has become less active, continues to be measured at fair value. Changes in fair values are recorded in the statement of comprehensive income. Property located on land that is held under operating lease is classified as investment property as long as it is held for long-term rental yields and is not occupied by the group. The initial cost of the property is the lower of the fair value of the property and the present value of the minimum lease payments. The property is carried at fair value after initial recognition.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for subsequent accounting purposes. If an item of property, plant and equipment becomes an investment property because its use has changed, any difference arising between the carrying amount and the fair value of this item at the date of transfer is recognised in equity as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in the statement of comprehensive income. Upon the disposal of such investment property, any surplus previously recorded in equity is transferred to retained earnings; the transfer is not made through the statement of comprehensive income.

- (s) Intangible Assets

An intangible asset is an identifiable non-monetary asset without physical substance held for use by the Group. These include computer software & licenses.

The Group recognises an intangible asset if:

- It is probable that future economic benefits that are attributable to the asset will flow to the Group.
- The cost of the asset to the Group can be measured reliably.

The Group's intangible assets are carried at cost less any subsequent accumulated amortisation and subsequent accumulated impairment losses. Cost incurred to upgrade a software is capitalised.

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

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## 2. Summary of Significant Accounting Policies (continued)

### Amortisation

Intangible assets with a finite useful life are amortised on a straight-line basis over the estimated useful lives of the intangible asset currently estimated to be 3 – 5 years.

#### t. Deposits

Deposits are made up of balances due to Government of Ghana, Banks, and other financial institutions' deposit accounts, and are classified as financial liabilities carried at amortised cost. Interest bearing deposits are stated at amortised cost. Non-interest bearing deposits are carried at cost.

#### u. Capital and Distributions

##### Stated capital

Stated capital represents non-distributable capital of the Bank.

##### Distributions

The net profit of the Bank in each financial year is applied as provided in the Bank of Ghana Act as follows:

- transfer of one half of the net profit to the General Reserve, if the balance in the Reserve is less than the paid-up capital of the Bank; or
- transfer of one quarter of net profit to the General Reserve, if the balance in the Reserve is less than twice the amount of paid up capital;
- any residual to be utilised to settle Government of Ghana indebtedness and/or where none exists, to be paid into the Consolidated Fund.

##### Distributions

Except that where there is a net loss on the Revaluation Account, the net surplus for the year shall be credited to it.

#### v. Employee Benefits

##### (i) Defined contribution plans

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

A defined contribution plan is a retirement benefit plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

##### (ii) Defined benefit plans

The Group operates a defined benefit pension plan which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Re-measurements, comprising of actuarial gains and losses and the return on plan assets (excluding net interest), are recognised immediately in the statement of financial position with a corresponding debit or credit to Retained Earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods. Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment; and
- The date that the Group recognises restructuring-related costs.

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

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## 2. Summary of Significant Accounting Policies (continued)

### v. Employee Benefits (continued)

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation under other operating expenses in consolidated statement of profit or loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

The group recognises a liability and expense for termination benefits at the earlier of the following dates:

- When the entity can no longer withdraw the offer of those benefits; and
- When the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits.

For termination benefits payable as a result of an entity's decision to terminate an employee's employment, the group can no longer withdraw the offer when the entity has communicated to the affected employees a plan of termination meeting all of the following criteria:

- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made; and
- The plan identifies the number of employees whose employment is to be terminated, their job classifications or functions and their locations (but the plan need not identify each individual employee) and the expected completion date.

#### (iii) Termination Benefits

The plan establishes the termination benefits that employees will receive in sufficient detail that employees can determine the type and amount of benefits they will receive when their employment is terminated.

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

#### (iv) Short-term Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. An accrual is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. When an employee has rendered service to the group during an accounting period, the group recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the group recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

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## Summary of Significant Accounting Policies (continued)

### w. Taxation

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 other comprehensive income or equity in which case it is recognised in other comprehensive income or equity.

The Bank is not subject to tax in respect of its functions under the Bank of Ghana Act.

Tax on the profit of the Bank's subsidiaries, Ghana International Bank Plc and Ghana Interbank Payments and Settlements Systems Ltd for the year, comprises current tax charge and the change in deferred tax. Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities on the taxable income for the year, using the tax rates (and tax laws) that have been enacted or substantively enacted by the financial reporting date.

### Deferred Taxation

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, associates, and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary 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 profit 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 the deferred tax asset relating to the deductible temporary difference 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;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, 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.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

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2. Summary of Significant Accounting Policies (continued)

x. Events After the Reporting Date

Events subsequent to reporting date are adjusted only to the extent that they provide evidence of conditions that existed at the end of the reporting period and their effect is material.

y. Cash and Cash Equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with central banks and highly liquid financial assets with original maturities of less than three months, which are subject to 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 financial statements.

z. Financial Guarantees and Performance Bonds

Financial guarantees are contracts that require the group to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantee liabilities are initially recognised at their fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee, and the initial fair value is amortised over the life of the financial guarantee. The guaranteed liability is subsequently carried at the higher of this amortised amount and the best estimate of the present value of any expected payment (when a payment under the guarantee has become probable). Financial guarantees are included within other liabilities.

Guarantees and performance bonds are given as security to support the performance of Government of Ghana (GoG) to third parties. The Bank will only be required to meet these obligations in the event of default by GoG. The guarantees and performance bonds are generally short-term commitments to third parties which are not directly dependent on GoG's credit worthiness.

za. Currency in Circulation

The Bank recognises liability in respect of currencies circulating in the public domain. Consequently, currencies issued by the Bank, but which are not in circulation (i.e., held by the Central Bank and its Branches/Agencies) are excluded from the liability position at year end.

zb. 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 recognized if the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessment of the time value of money and risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

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## 3. Commitments and Contingent Liabilities

The Group enters into various irrevocable commitments and contingent liabilities. Even though these obligations may not be recognised on the statement of financial position, they do contain some risk and are therefore disclosed below:

### (a) Capital Expenditure Commitment

The Group had capital expenditure commitments of GH¢711.21 million not provided for in the financial statements as at 31 December 2022 (2021:GH¢245.35 million). Capital expenditure commitments include capital expenditure contracts that have been awarded but have not yet been executed. The major projects ongoing include remodeling of some regional offices, development of the new Bank of Ghana Head Quarters project and development of a Guest House project in Tamale.

### (b) Pending Legal Claims

There are contingent liabilities in respect of pending legal suits against the Group amounting to GH¢78.95 million (2021: GH¢94.47 million). The contingent liabilities above relate to a number of outstanding cases. The disclosure of the individual cases in the financial statements is not practicable. No provision in relation to these claims has been recognised in the consolidated financial statements as legal advice indicates that it is not probable that a significant liability will arise. The cases are mainly brought against the Bank in relation to the performance of its functions as a Central Bank, for contracts entered into by the Bank and dissatisfied employees alleging wrongful dismissal.

### (c) Documentary Credits

Contingent liabilities in respect of letters of credits for the Group amounted to GH¢1.01 billion (2021: GH¢5.01 billion).

### (d) Guarantees and Performance Bonds

The Bank enters into various commitments in the normal course of its business. The maximum exposure of the Group in respect of guarantees and performance bonds outstanding as at 31 December 2022 was GH¢4.85 billion (2021:GH¢3.40 billion).

### (e) Securities and Pledges

The Bank has pledged GH¢26.79billion (2021: GH¢6.65billion) as security for its short-term borrowings. The pledge is against the value of foreign securities.

## 4. Effective Interest Rates of Financial Assets and Liabilities

The effective interest rates for the principal financial assets were in the following ranges:

|   | 2022           | 2021         |
|---|----------------|--------------|
| <u>Assets</u>                             |                |              |
| Long term government securities           | 5.00 – 27.00%  | 0 – 21.00%   |
| Money market instruments                  | 12.52 – 36.72% | 0.02-1.45%   |
| Short term foreign securities             | 0.05 - 2.30%   | 0.02-1.45%   |
| Loans and advances                        | 14.50-27.00%   | 13.5-14.50%  |
| <u>Liabilities</u>                        |                |              |
| Deposits                                  | 0%             | 0%           |
| Liabilities under Money Market Operations | 11.74 – 29.75% | 11.74-26.82% |



# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

## 5(a) Interest and Similar Income

|  | The Bank        |                 | The Group       |                 |
|--|-----------------|-----------------|-----------------|-----------------|
|  | 2022<br>GH¢'000 | 2021<br>GH¢'000 | 2022<br>GH¢'000 | 2021<br>GH¢'000 |
| Interest on overnight lending, government securities, medium/long-term notes and bonds | 4,710,575       | 3,212,159       | 4,739,873       | 3,222,808       |
| Total interest on hold to collect instruments  | 4,710,575       | 3,212,159       | 4,739,873       | 3,222,808       |
| Interest on loans and advances   | 342,572         | 226,391         | 502,636         | 305,616         |
| Total interest income  | 5,053,147       | 3,438,550       | 5,242,509       | 3,528,424       |
| Discount on treasury bill  | 40,934          | 27,768          | 40,934          | 27,768          |
|  | 5,094,081       | 3,466,318       | 5,283,443       | 3,556,192       |

The amounts reported above include interest income calculated using the effective interest method, that relate to the following items:

|   | The Bank        |                 | The Group       |                 |
|---|-----------------|-----------------|-----------------|-----------------|
|   | 2022<br>GH¢'000 | 2021<br>GH¢'000 | 2022<br>GH¢'000 | 2021<br>GH¢'000 |
| Financial assets measured at amortised cost | 4,751,509       | 3,092,334       | 4,940,871       | 3,182,208       |
| Financial assets measured at FVPL           | 342,572         | 373,984         | 342,572         | 373,984         |
|   | 5,094,081       | 3,466,318       | 5,283,443       | 3,556,192       |
| Financial assets measured at FVOCI          | 630,191         | 427,879         | 601,370         | 449,390         |

## 5(b) Price and Exchange Differences

|  |             |           |             |           |
|--|-------------|-----------|-------------|-----------|
| Transactional exchange differences                   | (9,152,794) | 1,044,734 | (9,132,344) | 1,056,271 |
| Exchange rate equalization                           | (5,470,676) | (841,640) | (5,470,676) | (841,640) |
| Exchange difference in gold and other foreign assets | 9,205,614   | 981,421   | 9,205,614   | 981,421   |
| Price movement in gold                               | 149,993     | (116,673) | 149,993     | (116,673) |
|  | (5,267,863) | 1,067,842 | (5,247,413) | 1,079,379 |

Exchange rate equalization represents the sum of gains and losses on daily revaluation of assets and liabilities denominated in foreign currency.

Transactional exchange differences represents valuations and market exchange losses on swaps, and sale and Buy-back transactions.

## 5(c) Interest Expense and Similar Charges

|  | The Bank        |                 | The Group       |                 |
|--|-----------------|-----------------|-----------------|-----------------|
|  | 2022<br>GH¢'000 | 2021<br>GH¢'000 | 2022<br>GH¢'000 | 2021<br>GH¢'000 |
| IMF & SDR allocations                    | 46,509          | -               | 46,509          | -               |
| Foreign loans and credits                | 811,139         | 363,116         | 811,139         | 363,116         |
| Interest on money market instruments     | 1,150,618       | 721,791         | 1,132,721       | 715,640         |
| Repo expense                             | 557,471         | 335,891         | 557,471         | 335,891         |
| Loss on foreign accounts and investments | 710,650         | 112,728         | 710,650         | 112,728         |
| Swap deal                                | 6,694           | -               | 6,694           | -               |
| Lease finance charge                     | -               | -               | 1,470           | 1,631           |
|  | 3,283,081       | 1,533,526       | 3,266,654       | 1,529,006       |

All interest expense recognized was on financial instruments measured at amortised cost.

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

## 5(d) Fees and Commission Income

Fees and commission income represent income from central banking activities performed by the Bank to commercial banks and other financial institutions.

|                           | The Bank       |                | The Group      |                |
|---------------------------|----------------|----------------|----------------|----------------|
|                           | 2022           | 2021           | 2022           | 2021           |
|                           | GH¢'000        | GH¢'000        | GH¢'000        | GH¢'000        |
| Transfers                 | 205,852        | 168,969        | 205,852        | 168,969        |
| General import            | 15,030         | 16,516         | 15,030         | 16,516         |
| Exports                   | 9,114          | 11,886         | 9,114          | 11,886         |
| Foreign exchange dealings | 18,099         | 11,863         | 18,099         | 11,863         |
| Others                    | 6,761          | 456            | 57,238         | 36,308         |
|                           | <u>254,856</u> | <u>209,690</u> | <u>305,333</u> | <u>245,542</u> |

## 5(e) Other Operating Income

Other operating income includes gains or losses arising on fair value changes in trading assets and liabilities and penalties charged to commercial banks and other financial institutions.

|                                | The Bank       |                | The Group      |                |
|--------------------------------|----------------|----------------|----------------|----------------|
|                                | 2022           | 2021           | 2022           | 2021           |
|                                | GH¢'000        | GH¢'000        | GH¢'000        | GH¢'000        |
| Penalties                      | 40,460         | 4,360          | 40,460         | 4,360          |
| Recoveries                     | 72,482         | 191,593        | 128,956        | 191,593        |
| Forms and Processing Fees      | 778            | 147            | 72,443         | 93,610         |
| Other Related Banking Services | 30,279         | 52,159         | 144,112        | 144,956        |
|                                | <u>143,999</u> | <u>248,259</u> | <u>385,971</u> | <u>434,519</u> |

## 5(f) Dividend Income

Dividend income is received from the subsidiaries and other investee entities of the Group when declared.

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

## 6. Other Operating Expenses

|   | The Bank         |                  | The Group        |                  |
|---|------------------|------------------|------------------|------------------|
|   | 2022<br>GH¢'000  | 2021<br>GH¢'000  | 2022<br>GH¢'000  | 2021<br>GH¢'000  |
| Personnel costs                                     | 1,620,636        | 1,260,127        | 1,873,148        | 1,461,172        |
| Foreign and domestic travel                         | 97,437           | 28,176           | 97,437           | 28,176           |
| Motor vehicle maintenance/running                   | 131,586          | 61,510           | 131,586          | 61,510           |
| Communication expenses                              | 32,020           | 30,574           | 32,020           | 30,574           |
| Banking College and Monetary<br>Institutes expenses | 13,252           | 9,424            | 13,252           | 9,424            |
| Computer related expenses                           | 67,987           | 28,632           | 67,987           | 28,632           |
| Banking supervision expenses                        | 357,923          | 77,489           | 357,923          | 77,489           |
| Auditor's remuneration                              | 1,044            | 1,373            | 3,042            | 2,860            |
| Directors' fees                                     | 8,644            | 4,615            | 24,474           | 17,091           |
| External fund manager charges                       | 28,999           | 21,561           | 28,999           | 21,561           |
| International bodies subscriptions                  | 14,701           | 5,860            | 14,701           | 5,860            |
| Expense on foreign currency<br>importation          | 1,454            | 3,340            | 1,454            | 3,340            |
| Amortisation of intangible assets                   | 10,673           | 16,306           | 13,522           | 15,844           |
| Depreciation – motor vehicles                       | 26,603           | 19,865           | 30,680           | 23,173           |
| Other administrative expenses                       | 287,833          | 108,661          | 537,793          | 209,176          |
|   | <u>2,700,792</u> | <u>1,677,513</u> | <u>3,228,018</u> | <u>1,995,882</u> |

Included in the Banking and Supervision expenses of GH¢358 million is an amount of GH¢341 million that relates to Resolution expenses (2021: GH¢67 million).

The number of persons in employment at the end of the year was as follows:

|           |              |              |              |              |
|-----------|--------------|--------------|--------------|--------------|
| Directors | 12           | 13           | 32           | 24           |
| Staff     | 2,203        | 2,190        | 2,483        | 2,390        |
|           | <u>2,215</u> | <u>2,203</u> | <u>2,515</u> | <u>2,414</u> |

## 7. Premises and Equipment Expenses

|   | The Bank        |                 | The Group       |                 |
|---|-----------------|-----------------|-----------------|-----------------|
|   | 2022<br>GH¢'000 | 2021<br>GH¢'000 | 2022<br>GH¢'000 | 2021<br>GH¢'000 |
| Rent and rates                          | 7,794           | 5,705           | 7,794           | 5,705           |
| Electricity, water and conservancy      | 19,933          | 18,344          | 19,933          | 18,344          |
| Repairs and renewals                    | 64,623          | 47,730          | 64,623          | 47,730          |
| Insurance – premises and equipment      | 1,405           | 1,135           | 1,405           | 1,135           |
| Depreciation – premises & equipment     | 94,156          | 84,391          | 114,279         | 99,889          |
| Generator running expenses              | 1,281           | 723             | 1,281           | 723             |
| General premises and equipment expenses | 18,492          | 23,542          | 18,553          | 23,638          |
|   | <u>207,684</u>  | <u>181,570</u>  | <u>227,868</u>  | <u>197,164</u>  |

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

## 8. Currency Issue Expenses

|                         | The Bank        |                 | The Group       |                 |
|-------------------------|-----------------|-----------------|-----------------|-----------------|
|                         | 2022<br>GH¢'000 | 2021<br>GH¢'000 | 2022<br>GH¢'000 | 2021<br>GH¢'000 |
| Agency fees             | 4,758           | 3,255           | 4,758           | 3,255           |
| Notes printing          | 325,640         | 174,324         | 325,640         | 174,324         |
| Other currency expenses | 6,542           | 2,067           | 6,542           | 2,067           |
|                         | <b>336,940</b>  | <b>179,646</b>  | <b>336,940</b>  | <b>179,646</b>  |

## 9(a) Impairment Losses – loans and advances

|                   | The Bank         |                 | The Group        |                 |
|-------------------|------------------|-----------------|------------------|-----------------|
|                   | 2022<br>GH¢'000  | 2021<br>GH¢'000 | 2022<br>GH¢'000  | 2021<br>GH¢'000 |
| Loans             | 6,101,644        | 180,009         | 6,119,958        | 188,348         |
| Other assets      | -                | -               | 874              | -               |
| Other liabilities | 7,547            | (1,374)         | 7,547            | (1,013)         |
|                   | <b>6,109,191</b> | <b>178,635</b>  | <b>6,128,379</b> | <b>187,335</b>  |

i) The impairment charge for loans includes impairments on Ghana Cocoa Board loan facility of GH¢5.98 billion. This was part of the Government of Ghana comprehensive debt restructuring which covered both external and domestic debts. The restructuring involved an exchange of new Government of Ghana Bonds maturing in 2038 with an exchange ratio of 0.50X.

ii) The impairment provision of GH¢7.55 million in other liabilities relate to off-balance sheet items.

## 9(b) Impairment Losses - securities

|                           | The Bank          |                 | The Group         |                 |
|---------------------------|-------------------|-----------------|-------------------|-----------------|
|                           | 2022<br>GH¢'000   | 2021<br>GH¢'000 | 2022<br>GH¢'000   | 2021<br>GH¢'000 |
| Marketable securities     | 4,044,757         | 8,033           | 4,067,716         | 8,033           |
| Non-marketable securities | 44,356,424        | -               | 44,356,424        | -               |
|                           | <b>48,401,181</b> | <b>8,033</b>    | <b>48,424,140</b> | <b>8,033</b>    |

### Marketable securities

The Government of Ghana announced a debt exchange program during the last quarter of 2022. Under the program, the Government of Ghana, ESLA and Daakye Bonds (marketable bonds) outstanding as at 31 December 2022 were to be exchanged for a new set of Bonds with terms specified by the Government. Though the announcement of the exchange occurred during the year under review, the exchange of Bond occurred after the year end. Management has therefore assessed for the modification of the bonds during the subsequent period as required by IFRS 9.

The Bank subjected the eligible old bonds to specific Expected Credit Loss assessment in accordance with IFRS 9. In the assessment, the Bank determined the eligible bonds as credit impaired. The default by the obligor, the issue of the new bonds with a significantly lower coupons and the modification of the tenure qualifies the instruments as originated credit impaired.

In assessing the impairment, the credit impaired financial asset carries a probability of Default (PD) of 100%. The Bank determined the cashflows from the new bonds as the collateral for the old eligible bonds, which was used in the determination of the Loss Given Default (LGD). This was fair valued using the discounted cashflow technique in accordance with the requirement of IFRS 13.

The discount rate used for the valuation of the bonds at 31 December 2022 was determined to be the weighted average of the yield to maturity of the old eligible bonds.

The carrying amount of the marketable bonds was compared to the fair values determined using the discounted cashflows and the difference was deemed as the impairment loss on the marketable bonds. The debt exchange did not result in the transfer of cash to or from the government, hence there is no impact of the debt exchange on cashflows.

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

## 9(b) Impairment Losses – securities - continued

### Non-marketable securities

As part of the debt exchange program, the Government announced the restructuring of non-marketable securities held with the Bank. The restructuring involved an exchange of new Government of Ghana Bonds maturing in 2038 with an exchange ratio of 0.50X. The Bank subjected the eligible old non-marketable bonds to specific Expected Credit Loss assessment in accordance with IFRS 9. In the assessment, the Bank determined the non-marketable bonds as credit impaired. The default by the obligor, the issue of the new bonds with a significantly lower coupons and the modification of the tenure qualifies the instruments as originated credit impaired.

In assessing the impairment, the credit impaired financial asset carries a probability of Default (PD) of 100%. The Bank determined the cashflows from the new bonds as the collateral for the old eligible bonds, which was used in the determination of the Loss Given Default (LGD). This was fair valued using the discounted cashflow technique in accordance with the requirement of IFRS 13.

The discount rate was determined using similar trading instruments as at the date of the exchange. The carrying amount of the marketable bonds was compared to the fair values determined using the discounted cashflows and the difference was deemed as the impairment loss on the marketable bonds.

The debt exchange did not result in the transfer of cash to or from the government, hence there is no impact of the debt exchange on cashflows.

## 9(c) Reconciliation of Changes in Impairment Losses

### The Bank

| Year ended 31 December 2022  | Loans and advances<br>(Note 15)<br>GH¢'000 | Other assets<br>(Note 17)<br>GH¢'000 | Government Securities<br>(Note 14)<br>GH¢'000 | Other liabilities<br>(Note 25)<br>GH¢'000 | Total<br>2022<br>GH¢'000 |
|------------------------------|--|--------------------------------------|---|---|--------------------------|
| At 1 January 2022            | 3,309,946                                  | 109,486                              | 24,689  | 3,937                                     | 3,448,058                |
| Impairment losses recognised | 6,101,644                                  | -                                    | 48,401,181                                    | 7,547                                     | 54,510,372               |
| At 31 December 2022          | 9,411,590                                  | 109,486                              | 48,425,870                                    | 11,484                                    | 57,958,430               |

### The Group

| Year ended 31 December 2022  | GH¢'000   | GH¢'000 | GH¢'000    | GH¢'000 | GH¢'000    |
|------------------------------|-----------|---------|------------|---------|------------|
| At 1 January 2022            | 3,328,718 | 109,486 | 24,689     | 4,298   | 3,467,191  |
| Impairment losses recognised | 6,119,958 | 874     | 48,424,140 | 7,547   | 54,552,519 |
| At 31 December 2022          | 9,448,676 | 110,360 | 48,448,829 | 11,845  | 58,019,710 |

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

## 9(d) Reconciliation of changes in impairment losses (continued)

### The Bank

| Year ended 31 December 2021  | Loans and advances<br>(Note 15)<br>GH¢ '000 | Other assets<br>(Note 17)<br>GH¢'000 | Government Securities<br>(Note 14)<br>GH¢'000 | Other liabilities<br>(Note 25)<br>GH¢'000 | Total<br>2021<br>GH¢'000 |
|------------------------------|---|--------------------------------------|---|---|--------------------------|
| At 1 January 2021            | 3,129,937                                   | 109,486                              | 16,656  | 5,311                                     | 3,261,390                |
| Impairment losses recognised | 180,009                                     | -                                    | 8,033   | (1,374)                                   | 186,668                  |
| At 31 December 2021          | 3,309,946                                   | 109,486                              | 24,689  | 3,937                                     | 3,448,058                |

### The Group

| Year ended 31 December 2021  | GH¢'000   | GH¢'000 | GH¢'000 | GH¢'000 | GH¢'000   |
|------------------------------|-----------|---------|---------|---------|-----------|
| At 1 January 2021            | 3,140,370 | 109,486 | 16,656  | 5,311   | 3,271,823 |
| Impairment losses recognised | 188,348   | -       | 8,033   | (1,013) | 195,368   |
| At 31 December 2021          | 3,328,718 | 109,486 | 24,689  | 4,298   | 3,467,191 |

## 10. Taxation – The group

The Bank is exempt from payment of income taxes. Consequently, no provisions have been made in respect of income and deferred taxes in the Bank's separate financial statements. However, the subsidiaries - Ghana International Bank Limited, Ghana Interbank Payment and Settlement Systems Limited and the Central Securities Depository are taxable entities, as such the financial statements of the Group reflect the appropriate level of taxes payable by the subsidiaries.

|                                    | 2022<br>GH¢'000 | 2021<br>GH¢'000 |
|------------------------------------|-----------------|-----------------|
| (a) Income tax charge              |                 |                 |
| Current income tax                 |                 |                 |
| Current year                       | 27,114          | 25,299          |
| Prior year adjustment              | (8,718)         | 1,326           |
| Total current tax charge           | 18,396          | 26,625          |
| Deferred tax (credit)/charge       |                 |                 |
| Current year                       | (18,583)        | (27,708)        |
| Prior year adjustment              | 11,082          | (933)           |
| Total deferred tax (credit)/charge | (7,501)         | (28,641)        |
| Total charge/(credit)              | 10,895          | (2,016)         |

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

## 10. Taxation (continued)

(b) The charge for the year can be reconciled to the profit or loss as follows:

|  | 2022<br>GH¢'000 | 2021<br>GH¢'000 |
|--|-----------------|-----------------|
| Profit on ordinary activities before tax   | (60,816,375)    | 1,233,162       |
| Tax at 25% (2021: 25%)                     | (15,198,498)    | 313,291         |
| Depreciation of non-qualifying assets      | (1,923)         | 109             |
| Expenses disallowed for other tax purposes | 10,908          | 238             |
| Effect of change in tax rate of subsidiary | (2,642)         | (9,030)         |
| Prior year adjustment                      | 2,364           | 498             |
| Tax effect on capital allowance            | (641)           | (490)           |
| Results of the Bank not subject to tax     | 15,201,324      | (306,632)       |
|  | 10,895          | (2,016)         |

(c) The movement in the current income tax balance is as follows:

|                                       | GH¢'000  | GH¢'000  |
|---------------------------------------|----------|----------|
| At 1 January                          | (1,444)  | 1,443    |
| Charge to statement of profit or loss | 18,396   | 26,625   |
| Payment                               | (22,934) | (29,502) |
| Translation difference                | (333)    | (10)     |
| At 31 December                        | (6,315)  | (1,444)  |

The net current income tax balance of GH¢6,315,000 (2021: GH¢1,444,000) consists of GH¢9,751,000 current income tax asset (2021: nil) in Ghana International Bank Plc, current income tax liability of GH¢1,112,000 (2021: GH¢951,000) in Ghana Interbank Payment System and current income tax liability of GH¢2,324,000 (2021: Liability - GH¢493,000) in Central Securities Depository (Ghana) Limited.

|   | 2022<br>GH¢'000 | 2021<br>GH¢'000 |
|---|-----------------|-----------------|
| (d) The movement in the deferred tax balance is as follows: |                 |                 |
| At 1 January  | (41,230)        | (9,530)         |
| Release to statement of profit or loss                      | (7,501)         | (28,641)        |
| Translation difference                                      | (22,779)        | (3,059)         |
| At 31 December  | (71,510)        | (41,230)        |

|  | 2022<br>GH¢'000 | 2021<br>GH¢'000 |
|--|-----------------|-----------------|
| Deferred tax (assets)/liabilities are attributable to: |                 |                 |
| Property, plant and equipment                          | 14,203          | (9,856)         |
| Other short term timing differences                    | (1,772)         | (952)           |
| Leases   | (168)           | -               |
| Impairment   | (5,958)         | -               |
| Trading losses   | (62,203)        | (28,270)        |
| Timing differences on FVOCI                            | (15,612)        | (2,152)         |
|  | (71,510)        | (41,230)        |

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

## 11. Cash and balances with correspondent banks

|                             | The Bank         |                  | The Group         |                   |
|-----------------------------|------------------|------------------|-------------------|-------------------|
|                             | 2022             | 2021             | 2022              | 2021              |
|                             | GH¢'000          | GH¢'000          | GH¢'000           | GH¢'000           |
| Correspondent bank balances | 4,508,386        | 5,055,741        | 9,583,031         | 9,342,891         |
| Notes and coins holdings    | 1,575,355        | 719,695          | 1,575,355         | 719,695           |
|                             | <u>6,083,741</u> | <u>5,775,436</u> | <u>11,158,386</u> | <u>10,062,586</u> |

### Cash and bank balances by currency

| (Ghana cedi equivalent) | GH¢'000          | GH¢'000          | GH¢'000           | GH¢'000           |
|-------------------------|------------------|------------------|-------------------|-------------------|
| US Dollar               | 5,444,741        | 4,801,075        | 8,982,211         | 7,705,328         |
| Pound Sterling          | 196,600          | 121,482          | 258,412           | 988,451           |
| Euro                    | 394,442          | 852,468          | 1,537,640         | 1,330,158         |
| Others                  | 47,958           | 411              | 380,123           | 38,649            |
| Total                   | <u>6,083,741</u> | <u>5,775,436</u> | <u>11,158,386</u> | <u>10,062,586</u> |

## 12a. Gold

|                                | The Bank         |                  | The Group        |                  |
|--------------------------------|------------------|------------------|------------------|------------------|
|                                | 2022             | 2021             | 2022             | 2021             |
|                                | GH¢'000          | GH¢'000          | GH¢'000          | GH¢'000          |
| Bank of England Gold set aside | 444,319          | 1,213,597        | 444,319          | 1,213,597        |
| Federal Reserve Bank NY Gold   | 1,204,891        | 848,147          | 1,204,891        | 848,147          |
| UBS Gold investment            | 837,932          | 912,731          | 837,932          | 912,731          |
| Gold-local holdings            | 159,542          | 112,305          | 159,542          | 112,305          |
|                                | <u>2,646,684</u> | <u>3,086,780</u> | <u>2,646,684</u> | <u>3,086,780</u> |

Gold balances consist of 169,579.01 fine ounces of gold at the indicative market price of US\$1,819.89 per ounce (2021: 280,872.44 fine ounces at US\$1,829.20 per ounce).

## 12b. Gold swap

|                   | The Bank         |          | The Group        |          |
|-------------------|------------------|----------|------------------|----------|
|                   | 2022             | 2021     | 2022             | 2021     |
|                   | GH¢'000          | GH¢'000  | GH¢'000          | GH¢'000  |
| BIS Gold account  | 2,133,677        | -        | 2,133,677        | -        |
| Gold Swap haircut | 290,956          | -        | 290,956          | -        |
|                   | <u>2,424,633</u> | <u>-</u> | <u>2,424,633</u> | <u>-</u> |

### Gold Swap transaction with Bank for International Settlement (BIS)

As part of efforts to raise financing to improve foreign exchange liquidity of the Bank, the Bank entered into a Gold Swap Transaction with the Bank for International Settlement (BIS).

The BIS Gold Swap is a commodity swap between BOG and BIS where BOG exchanged monetary gold for US dollars over a one-month maturity period with the intent to reverse the transaction at maturity.



# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

## 12b. Gold swap - continued

The initial amount involved in the gold swap transaction is a loan facility of US\$228.197 million from BIS against 155,000 oz of gold (including a twelve percent (12%) haircut of 18,600 oz of gold) valued at US\$276.85 million.

The tenor of the loan is one month with an implied indicative annual rate of four point five percent (4.50%). The facility allows the Bank to rollover on a monthly basis.

The terms and conditions of the transaction is guided by the 2006 ISDA definitions and the 2005 ISDA Commodity definitions.

## 13. Balances with International Monetary Fund (IMF)

|          | The Bank         |                   | The Group        |                   |
|----------|------------------|-------------------|------------------|-------------------|
|          | 2022<br>GH¢'000  | 2021<br>GH¢'000   | 2022<br>GH¢'000  | 2021<br>GH¢'000   |
| Holdings | 1,199,968        | 5,760,223         | 1,199,968        | 5,760,223         |
| Quota    | 8,422,720        | 6,073,690         | 8,422,720        | 6,073,690         |
|          | <u>9,622,688</u> | <u>11,833,913</u> | <u>9,622,688</u> | <u>11,833,913</u> |

Membership in the Fund is quota based and is determined upon admission and periodically increased under general quota reviews. The IMF quota account reflects initial and subsequent quota payments. The Holdings account represents the Special Drawing Right holdings with the International Monetary Fund (IMF). Balances with IMF are current.

## 14. Securities

|                                   | The Bank           |                   | The Group          |                   |
|-----------------------------------|--------------------|-------------------|--------------------|-------------------|
|                                   | 2022<br>GH¢'000    | 2021<br>GH¢'000   | 2022<br>GH¢'000    | 2021<br>GH¢'000   |
| Long-term Government securities   | 12,573,180         | 12,548,491        | 12,573,180         | 12,548,491        |
| Money market instruments          | 67,239,830         | 21,844,308        | 67,239,830         | 21,844,308        |
| Short-term securities             | 29,773,026         | 36,118,748        | 30,915,065         | 35,175,224        |
| Other securities                  | -                  | -                 | 755,690            | 595,594           |
| Gross amount                      | 109,586,036        | 70,511,547        | 111,483,765        | 70,163,617        |
| Less: Impairment losses (note 9b) | (48,425,870)       | (24,689)          | (48,449,562)       | (24,689)          |
|                                   | <u>61,160,166</u>  | <u>70,486,858</u> | <u>63,034,203</u>  | <u>70,138,928</u> |
| Non-current                       | 78,877,756         | 36,083,867        | 78,877,756         | 36,897,701        |
| Current                           | 30,708,280         | 34,402,991        | 32,606,009         | 33,241,227        |
|                                   | <u>109,586,036</u> | <u>70,511,547</u> | <u>111,483,765</u> | <u>70,163,617</u> |
| Long term securities              |                    |                   |                    |                   |
| Government securities             | 12,573,180         | 12,548,491        | 12,573,180         | 12,548,491        |
| Money market securities           | 66,304,576         | 21,377,138        | 66,304,576         | 21,377,138        |
|                                   | <u>78,877,756</u>  | <u>33,925,629</u> | <u>78,877,756</u>  | <u>33,925,629</u> |
| Short term securities             |                    |                   |                    |                   |
| Foreign securities                | 29,773,026         | 36,118,748        | 29,773,026         | 36,118,748        |
| Money market securities           | 935,254            | 467,170           | 2,832,983          | 119,240           |
|                                   | <u>30,708,280</u>  | <u>36,585,918</u> | <u>32,606,009</u>  | <u>36,237,988</u> |
|                                   | <u>109,586,036</u> | <u>70,511,547</u> | <u>111,483,765</u> | <u>70,163,617</u> |

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

## 14. Securities - continued

### Securities by Currency

|                | GH¢'000           | GH¢'000           | GH¢'000           | GH¢'000           |
|----------------|-------------------|-------------------|-------------------|-------------------|
| Cedi           | 31,444,980        | 33,641,656        | 31,565,428        | 33,837,589        |
| US Dollar      | 29,715,186        | 36,324,827        | 30,188,203        | 35,498,175        |
| Pound Sterling | -                 | 110,239           | 1,100,604         | 315,375           |
| Others         | -                 | 410,136           | 179,968           | 487,789           |
| <b>Total</b>   | <b>61,160,166</b> | <b>70,486,858</b> | <b>63,034,203</b> | <b>70,138,928</b> |

#### (a) Long-term Government Securities

These are securities which have been issued by the Government of Ghana to cover among others net exchange losses arising on gold, special drawing rights or foreign securities in accordance with section 7 of the Bank of Ghana Act, 2002 (Act 612) as amended. Securities under this group are all measured at amortized cost.

#### (b) Short-term Securities

Short term securities include fixed deposits held with correspondent banks and investments held with overseas fund managers which mainly are in the form of units held in Trust and other debt and equity instruments. They are categorised as foreign short term internally managed securities measured at amortised cost and foreign short term externally managed securities measured at fair value through profit or loss.

#### (c) Money Market Instruments

These are Government of Ghana instruments that BOG holds to maturity. Instruments under Money Market includes COVID-19 Relief Bonds, BOG/CBG Investment and 10-year Treasury Stocks. Securities under this group are all measured at amortized cost except for BOG/CBG Investment which are measured at Fair Value through OCI.

|                         | The Bank          |                   | The Group         |                   |
|-------------------------|-------------------|-------------------|-------------------|-------------------|
|                         | 2022<br>GH¢'000   | 2021<br>GH¢'000   | 2022<br>GH¢'000   | 2021<br>GH¢'000   |
| COVID-19 Relief Bonds   | 9,656,250         | 10,000,000        | 9,656,250         | 10,000,000        |
| BOG/CBG Investment      | 9,996,900         | 7,732,276         | 9,996,900         | 7,732,276         |
| 10-year Treasury Stocks | 41,379,767        | 3,531,720         | 41,379,767        | 3,531,720         |
| Other securities        | 6,206,913         | 580,312           | 6,206,913         | 580,312           |
| <b>Gross amount</b>     | <b>67,239,830</b> | <b>21,844,308</b> | <b>67,239,830</b> | <b>21,844,308</b> |

### Money Market Instruments by Currency

|                         | GH¢'000           | GH¢'000           | GH¢'000           | GH¢'000           |
|-------------------------|-------------------|-------------------|-------------------|-------------------|
| (Ghana cedi equivalent) |                   |                   |                   |                   |
| Cedi                    | 67,239,830        | 21,844,308        | 67,239,830        | 21,844,308        |
| US Dollar               | -                 | -                 | -                 | -                 |
| <b>Total</b>            | <b>67,239,830</b> | <b>21,844,308</b> | <b>67,239,830</b> | <b>21,844,308</b> |

Other securities include certificate of deposits, treasury bills, sovereign bonds and other corporate bonds.

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

## 15. Loans and advances

|                                       | The Bank        |                 | The Group       |                 |
|---------------------------------------|-----------------|-----------------|-----------------|-----------------|
|                                       | 2022<br>GH¢'000 | 2021<br>GH¢'000 | 2022<br>GH¢'000 | 2021<br>GH¢'000 |
| Government of Ghana                   | 17,198,424      | 10,119,648      | 17,198,424      | 10,119,648      |
| Financial Institutions                | 4,584,248       | 6,620,252       | 5,291,995       | 7,365,921       |
| Other Quasi-governmental Institutions | 8,768,083       | 2,746,549       | 8,768,083       | 2,746,549       |
| Staff Loans                           | 1,247,859       | 960,709         | 1,247,859       | 960,709         |
| Gross Amount                          | 31,798,614      | 20,447,158      | 32,506,361      | 21,192,827      |
| Less: Impairment losses (9b)          | (9,411,590)     | (3,309,946)     | (9,448,676)     | (3,328,718)     |
| Carrying amount                       | 22,387,024      | 17,137,212      | 23,057,684      | 17,864,109      |
| Current                               | 4,685,344       | 13,510,016      | 5,190,837       | 14,055,568      |
| Non-current                           | 17,701,680      | 3,627,196       | 17,866,847      | 3,808,541       |
|                                       | 22,387,024      | 17,137,212      | 23,057,684      | 17,864,109      |

Loans and advances to Government were all on-lending facilities from IMF. This constituted Extended Credit Facility and IMF Allocations of US\$1.38 billion and US\$621 million respectively (2022 GH¢17.2 billion), (2021 US\$1.38 billion (GH¢10.1 billion)).

Per the MOU between Ministry of Finance and the Bank of Ghana (BOG), any amount of SDR Allocation on-lent by Bank of Ghana to the Ministry of Finance (MOU) shall be on the same terms and condition as the SDR Allocation to BOG by IMF. This shall attract interest or other charges equivalent to that associated with the management of the SDR Allocation between the IMF and the BOG. Government is obliged to reimburse the BOG for the associated fees and charges including interest charges. In addition to interest charges, any amount of the SDR Allocation on-lent to MOF, the MOF shall be responsible for any exchange rate risk associated with the on-lent facility.

### Loans and advances by currency (gross amount) (Ghana cedi equivalent)

|                | The Bank        |                 | The Group       |                 |
|----------------|-----------------|-----------------|-----------------|-----------------|
|                | 2022<br>GH¢'000 | 2021<br>GH¢'000 | 2022<br>GH¢'000 | 2021<br>GH¢'000 |
| Cedi           | 6,373,542       | 8,820,054       | 6,373,542       | 8,820,054       |
| US Dollar      | 25,425,072      | 8,317,158       | 25,605,816      | 8,587,682       |
| Pound Sterling | -               | -               | 421,065         | 456,373         |
| Others         | -               | -               | 105,937         | -               |
| Total          | 31,798,614      | 17,137,212      | 32,506,360      | 17,864,109      |

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

## 15. Loans and advances (continued)

Loans and advances by currencies and Institutions

2022

|           | Government<br>GH¢'000 | Financial<br>Institutions<br>GH¢'000 | Other<br>Institutions<br>and Others<br>GH¢'000 | Total<br>GH¢'000 |
|-----------|-----------------------|--------------------------------------|--|------------------|
| Cedi      | -                     | 4,584,248                            | 10,015,942                                     | 14,600,190       |
| US Dollar | 17,198,424            | -                                    | -  | 17,198,424       |
|           | 17,198,424            | 4,584,248                            | 10,015,942                                     | 31,798,614       |

2021

|           | Government<br>GH¢'000 | Financial<br>Institutions<br>GH¢'000 | Other<br>Institutions<br>and<br>Others<br>GH¢'000 | Total<br>GH¢'000 |
|-----------|-----------------------|--------------------------------------|---|------------------|
| Cedi      | 1,805,294             | 6,620,252                            | 3,707,258   | 12,132,804       |
| US Dollar | 8,314,354             | -                                    | -   | 8,314,354        |
|           | 10,119,648            | 6,620,252                            | 3,707,258   | 20,447,158       |

## 16. Derivatives

|                                    |              |              |              |              |
|------------------------------------|--------------|--------------|--------------|--------------|
| Foreign currency swap (Receivable) | 16,126,646   | 18,690,949   | 16,126,646   | 18,690,950   |
| Foreign currency swap (Payable)    | (18,368,479) | (19,529,661) | (18,368,479) | (19,529,662) |
|                                    | (2,241,833)  | (838,712)    | (2,241,833)  | (838,712)    |

Bank of Ghana entered into currency swap contracts with some local banks where it received United States Dollars from the local banks in exchange for Ghana Cedis. The foreign currency swap balance is from an underlying receivable of GH¢16.13 billion (2021: GH¢18.69 billion) from these local banks and GH¢18.37 billion payable to those local banks (2021: GH¢19.53 billion). The balance also includes the fair value of the foreign currency forward contracts included in the arrangements of GH¢1.60 billion (2021: GH¢1.06 billion). Under the terms of the agreements, the amounts payable by the Bank are offset against receivables from the commercial banks and only the net amounts are settled. The receivable and payable amounts have therefore been presented on a net basis in the statement of financial position.

The table below presents the recognised derivative instruments that are offset, or subject to enforceable master netting arrangements as at 31 December 2022 and 31 December 2021. The column 'net amount' shows the impact on the group's balance sheet if all set-off rights were exercised.

|                                  | Gross amounts<br>GH¢'000 | Gross amounts<br>set off in the<br>balance sheet<br>GH¢'000 | Net amounts<br>presented in the<br>balance sheet<br>GH¢'000 |
|----------------------------------|--------------------------|---|---|
| 2022                             |                          |   |   |
| Derivative financial instruments | 16,126,646               | (18,368,479)  | (2,241,833)   |
| 2021                             |                          |   |   |
| Derivative financial instruments | 18,690,949               | (19,529,661)  | (838,712)   |

Derivatives are current.

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

## 17. Other Assets

|                                   | The Bank  |           | The Group |           |
|-----------------------------------|-----------|-----------|-----------|-----------|
|                                   | 2022      | 2021      | 2022      | 2021      |
|                                   | GH¢'000   | GH¢'000   | GH¢'000   | GH¢'000   |
| Items in course of Collection     | 28        | 2,621     | 28        | 2,621     |
| Other receivables                 | 9,676,640 | 794,365   | 9,784,257 | 855,249   |
|                                   | 9,676,668 | 796,986   | 9,784,285 | 857,870   |
| Less: Impairment losses (note 9b) | (109,486) | (109,486) | (110,278) | (109,486) |
|                                   | 9,567,182 | 687,500   | 9,674,007 | 748,384   |
| Current                           | 9,567,182 | 687,500   | 9,674,007 | 736,215   |
| Non-current                       | -         | -         | -         | 12,169    |

Included in other receivables are Dore Gold Advance Payment, Balances on GIS suspense account, accrued interest (Covid-Bond, 25yr stock) Dore Gold purchased and asset clearing all amounting to GH¢7.65 billion, and other receivable of GH¢2.04 billion.

## 18. Investments

|                            |      | The Bank  |           | The Group |         |
|----------------------------|------|-----------|-----------|-----------|---------|
|                            |      | 2022      | 2021      | 2022      | 2021    |
|                            |      | GH¢'000   | GH¢'000   | GH¢'000   | GH¢'000 |
| Investment in Subsidiaries | 18.a | 1,083,217 | 667,343   | -         | -       |
| Other Investments          | 18.b | 1,047,413 | 487,354   | 1,047,413 | 487,354 |
|                            |      | 2,130,630 | 1,154,697 | 1,047,413 | 487,354 |
| Less: Impairment Losses    |      | -         | -         | -         | -       |
|                            |      | 2,130,630 | 1,154,697 | 1,047,413 | 487,354 |

### 18.a Subsidiaries

The investment in subsidiaries is made up of:

- GH¢529,232,018 (2021:GH¢70,164,525) representing sixty-five point four five percent (65.45%) equity holdings in Ghana International Bank Plc, a commercial bank incorporated in the United Kingdom. During the year, additional shares of 18,739,927 were purchased in the Bank for GBP 50,000,000. These are non-voting shares and as such the voting rights of Bank of Ghana remained fifty-one percent (51%);
- GH¢165,986,285(2021: GH¢146,144,475) representing hundred percent (100%) equity holdings in Ghana Interbank Payment and Settlement System (GhIPSS), a company incorporated in Ghana;
- GH¢2,450,000 (2021: GH¢2,450,000) representing seventy percent (70%) in Central Securities Depository, a company incorporated in Ghana; and
- GH¢446,143,444 (2021: GH¢395,050,000) representing hundred percent (100%) equity holdings in The Bank Hospital Limited, a company incorporated in Ghana.

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

## 18.a Subsidiaries (continued)

The percentage holdings of Bank of Ghana in the various subsidiaries are as follows:

|  | Holding   |           | Nature of business                                   |
|--|-----------|-----------|--|
|  | 2022<br>% | 2021<br>% |  |
| Ghana International Bank Plc (GHIB)            | 65.45     | 51        | Banking  |
| Ghana Interbank Payment and Settlement Systems | 100       | 100       | Operation of national payment and settlement systems |
| Central Securities Depository Limited          | 70        | 70        | Operation of national securities depository          |
| The Bank Hospital Limited                      | 100       | 100       | Provision of healthcare services                     |

All subsidiaries except GHIB are incorporated in the Republic of Ghana. Investment in subsidiaries has been carried at cost in the Bank's separate financial statements. The Bank's voting right in GHIB remain the same as fifty-one percent (51%).

Bank of Ghana is also the sole member of Financial Investment Trust, a company limited by guarantee whose object is to own, hold, manage, sell, dispose of, transfer realise the proceeds of sale of the investments of Bank of Ghana in its subsidiaries, associated and other companies as may be directed by Bank of Ghana from time to time. The Trust has not been consolidated as its results are considered immaterial to the Bank.

## 18.b Other Investments

|   | The Bank         |                 | The Group        |                 |
|---|------------------|-----------------|------------------|-----------------|
|   | 2022<br>GH¢'000  | 2021<br>GH¢'000 | 2022<br>GH¢'000  | 2021<br>GH¢'000 |
| Equity investment in Afrexim                            | 848,082          | 487,354         | 848,082          | 487,354         |
| West Africa Central Bank Capital and Stabilisation Fund | 199,331          | -               | 199,331          | -               |
|   | <u>1,047,413</u> | <u>487,354</u>  | <u>1,047,413</u> | <u>487,354</u>  |

All other investments above are measured at fair value through other comprehensive income (FVOCI). The movement in other investments is as follows:

|   | The Bank         |                 | The Group        |                 |
|---|------------------|-----------------|------------------|-----------------|
|   | 2022<br>GH¢'000  | 2021<br>GH¢'000 | 2022<br>GH¢'000  | 2021<br>GH¢'000 |
| At 1 January  | 487,354          | 156,563         | 487,354          | 156,563         |
| Additions   | -                | 236,891         | -                | 236,891         |
| West Africa Central Bank Capital and Stabilisation Fund       | 199,331          | -               | 199,331          | -               |
|   | <u>686,685</u>   | <u>393,454</u>  | <u>686,685</u>   | <u>393,454</u>  |
| Fair value gain/(loss) on equity investment measured at FVOCI | 360,728          | 93,900          | 332,383          | 93,900          |
| At 31 December  | <u>1,047,413</u> | <u>487,354</u>  | <u>1,019,067</u> | <u>487,354</u>  |

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

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## 18.b Other Investments (continued)

### Equity Investment in African Export-Import Bank (AFREXIM)

AFREXIM, incorporated in 1993 in Nigeria, was set up for the purpose of financing, promoting and expanding intra-African and extra-African trade. As at 31 December 2022, the Bank had a total value of GH¢848.05 million (2021: GH¢487.35 million) as equity in AFREXIM. The balance includes a fair value surplus on the equity instrument of GH¢360.7 million (2021: GH¢93.90 million). The proportion of the Bank's equity interest to the total holding in AFREXIM is 2.41% (2021: 2.41 %).

### West Africa Central Bank Capital and Stabilisation Fund

The West Africa Central Bank Capital and Stabilisation Fund represents contribution made by the Bank towards the eventual realisation of the proposed West African Central Bank (WACB). This is under the Second West African Monetary Zone (WAMZ) under the ECOWAS Single Currency Program. The WAMZ Agreement made provision for the establishment of the West African Monetary Institute (WAMI), which was set up in 2001 and located in Accra, Ghana. WAMI has been tasked with undertaking technical preparations for the establishment of a common West African Central Bank (WACB) and the launch of a single currency for the West African Monetary Zone (WAMZ).

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

## 19. Property, Plant and Equipment

### The Bank

| 2022                | Land and Buildings<br>GH¢'000 | Motor Vehicles<br>GH¢'000 | Furniture and Fittings<br>GH¢'000 | Plant and Equipment<br>GH¢'000 | Work in Progress<br>GH¢'000 | Total<br>GH¢'000 |
|---------------------|-------------------------------|---------------------------|-----------------------------------|--------------------------------|-----------------------------|------------------|
| Cost                |                               |                           |                                   |                                |                             |                  |
| At 1 January 2022   | 1,405,689                     | 88,497                    | 13,935                            | 270,287                        | 434,157                     | 2,212,565        |
| Additions           | 143,716                       | 64,521                    | 2,931                             | 116,232                        | 298,614                     | 626,014          |
| Transfers           | (17,617)                      | (5,922)                   | -                                 | -                              | -                           | (17,617)         |
| Disposal            | -                             | -                         | 41                                | (64,605)                       | -                           | (70,568)         |
| At 31 December 2022 | 1,531,788                     | 147,096                   | 16,825                            | 321,914                        | 732,771                     | 2,750,394        |

### Accumulated Depreciation

|                     |         |         |        |         |   |         |
|---------------------|---------|---------|--------|---------|---|---------|
| At 1 January 2022   | 76,297  | 31,308  | 7,725  | 68,855  | - | 184,185 |
| Charge for the year | 43,546  | 26,603  | 2,641  | 48,020  | - | 120,810 |
| Transfers           | -       | (1,714) | -      | -       | - | (1,714) |
| Disposal            | -       | -       | (22)   | (6,483) | - | (6,505) |
| At 31 December 2022 | 119,843 | 56,197  | 10,344 | 110,392 | - | 296,776 |

### Net Book Amount

|                     |           |        |       |         |         |           |
|---------------------|-----------|--------|-------|---------|---------|-----------|
| At 31 December 2022 | 1,411,945 | 90,899 | 6,481 | 211,522 | 732,771 | 2,453,618 |
|---------------------|-----------|--------|-------|---------|---------|-----------|

### The Group

|                     | Land and Buildings<br>GH¢'000 | Motor Vehicles<br>GH¢'000 | Furniture and Fittings<br>GH¢'000 | Plant and Equipment<br>GH¢'000 | Work in Progress<br>GH¢'000 | Total<br>GH¢'000 |
|---------------------|-------------------------------|---------------------------|-----------------------------------|--------------------------------|-----------------------------|------------------|
| At 1 January 2022   | 1,850,497                     | 99,435                    | 22,421                            | 432,307                        | 520,922                     | 2,925,582        |
| Additions           | 143,716                       | 71,881                    | 4,179                             | 114,498                        | 418,724                     | 752,998          |
| Transfers           | (17,617)                      | (5,922)                   | -                                 | 1,722                          | (30,880)                    | (52,697)         |
| Disposals           | -                             | (2,537)                   | (41)                              | (66,514)                       | -                           | (69,092)         |
| Reclassification    | -                             | -                         | -                                 | -                              | -                           | -                |
| At 31 December 2022 | 1,976,596                     | 162,857                   | 26,559                            | 482,013                        | 908,766                     | 3,556,791        |

### Accumulated depreciation

|                     |         |         |        |         |   |          |
|---------------------|---------|---------|--------|---------|---|----------|
| At 1 January 2021   | 133,803 | 37,259  | 14,540 | 196,771 | - | 382,373  |
| Charge for the Year | 43,546  | 28,966  | 2,716  | 156,752 | - | 231,981  |
| Transfer            | -       | (1,714) | -      | -       | - | (1,714)  |
| Disposals           | -       | (2,536) | (66)   | (7,768) | - | (10,370) |
| At 31 December 2022 | 177,349 | 61,975  | 17,190 | 345,755 | - | 602,270  |

### Net Book Amount

|                     |           |         |       |         |         |           |
|---------------------|-----------|---------|-------|---------|---------|-----------|
| At 31 December 2022 | 1,799,247 | 100,882 | 9,369 | 136,257 | 908,766 | 2,954,520 |
|---------------------|-----------|---------|-------|---------|---------|-----------|



# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

## 19. Property, Plant and Equipment (continued)

### The Bank

| 2021                 | Land and Buildings | Motor Vehicles | Furniture and Fittings | Plant and Equipment | Work in Progress | Total     |
|----------------------|--------------------|----------------|------------------------|---------------------|------------------|-----------|
| Cost                 | GH¢'000            | GH¢'000        | GH¢'000                | GH¢'000             | GH¢'000          | GH¢'000   |
| At 1 January 2021    | 1,375,284          | 48,925         | 12,637                 | 172,365             | 163,937          | 1,773,148 |
| Additions            | 46,303             | 40,824         | 1,286                  | 97,808              | 443,467          | 629,688   |
| Transfers/Adjustment | (10,390)           | (73)           | 73                     | 148                 | (173,247)        | (183,489) |
| Revaluations         | 13,816             | -              | -                      | -                   | -                | 13,816    |
| Disposal             | (19,324)           | (1,179)        | (61)                   | (34)                | -                | (20,598)  |
| At 31 December 2021  | 1,405,689          | 88,497         | 13,935                 | 270,287             | 434,157          | 2,212,565 |

### Accumulated Depreciation

|                     |        |         |       |        |   |         |
|---------------------|--------|---------|-------|--------|---|---------|
| At 1 January 2021   | 39,039 | 11,756  | 5,699 | 24,564 | - | 81,058  |
| Charge for the year | 38,043 | 25,426  | 2,060 | 44,305 | - | 109,834 |
| Transfer            | (12)   | (5,579) | -     | -      | - | (5,591) |
| Disposal            | (773)  | (295)   | (34)  | (14)   | - | (1,116) |
| At 31 December 2021 | 76,297 | 31,308  | 7,725 | 68,855 | - | 184,185 |

### Net Book Amount

|                     |           |        |       |         |         |           |
|---------------------|-----------|--------|-------|---------|---------|-----------|
| At 31 December 2021 | 1,329,392 | 57,189 | 6,210 | 201,432 | 434,157 | 2,028,380 |
|---------------------|-----------|--------|-------|---------|---------|-----------|

### The Group

|                     | GH¢'000   | GH¢'000 | GH¢'000 | GH¢'000 | GH¢'000   | GH¢'000   |
|---------------------|-----------|---------|---------|---------|-----------|-----------|
| At 1 January 2021   | 1,390,166 | 54,957  | 18,246  | 240,523 | 185,875   | 1,889,767 |
| Additions           | 46,920    | 43,872  | 1,452   | 105,415 | 508,294   | 705,953   |
| Transfers           | 418,919   | 3,112   | 2,835   | 82,598  | (173,247) | 334,217   |
| Revaluation         | 13,816    | -       | -       | -       | -         | 13,816    |
| Disposals           | (19,324)  | (2,506) | (112)   | (38)    | -         | (21,980)  |
| Adjustment          | -         | -       | -       | 3,809   | -         | 3,809     |
| At 31 December 2021 | 1,850,497 | 99,435  | 22,421  | 432,307 | 520,922   | 2,925,582 |

### Accumulated depreciation

|                     |         |         |        |         |   |         |
|---------------------|---------|---------|--------|---------|---|---------|
| At 1 January 2021   | 49,328  | 16,111  | 10,705 | 70,896  | - | 147,040 |
| Charge for the Year | 42,047  | 26,376  | 2,263  | 49,879  | - | 120,565 |
| Transfer/Adjustment | 43,201  | (3,920) | 1,657  | 76,012  | - | 116,950 |
| Disposals           | (773)   | (1,308) | (85)   | (16)    | - | (2,182) |
| At 31 December 2021 | 133,803 | 37,259  | 14,540 | 196,771 | - | 382,373 |

### Net Book Amount

|                     |           |        |       |         |         |           |
|---------------------|-----------|--------|-------|---------|---------|-----------|
| At 31 December 2021 | 1,716,694 | 62,176 | 7,881 | 235,536 | 520,922 | 2,543,209 |
|---------------------|-----------|--------|-------|---------|---------|-----------|

Depreciation of property, plant and equipment is recognised in profit or loss as part of other operating, premises and equipment expenses depending on the use of the item.

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

## 19. Property, Plant and Equipment (continued)

Property, plant & equipment disposal schedule

|                          | The Bank |         | The Group |         |
|--------------------------|----------|---------|-----------|---------|
|                          | 2022     | 2021    | 2022      | 2021    |
|                          | GH¢'000  | GH¢'000 | GH¢'000   | GH¢'000 |
| Cost                     | 64,646   | 20,598  | 69,092    | 21,980  |
| Accumulated depreciation | (6,505)  | (1,116) | (10,370)  | (2,182) |
| Carrying amount          | 58,141   | 19,482  | 58,722    | 19,798  |
| Proceeds from disposals  | -        | -       | -         | (117)   |
| Loss on disposals        | 58,141   | 19,482  | 58,722    | 19,681  |

### 19. a Investment property

|                                    | The Bank |         | The Group |         |
|------------------------------------|----------|---------|-----------|---------|
|                                    | 2022     | 2021    | 2022      | 2021    |
|                                    | GH¢'000  | GH¢'000 | GH¢'000   | GH¢'000 |
| Investment in Takoradi guest house | 174,094  | 176,804 | 174,094   | 176,804 |

This represents the Bank's investment in a guest house located at Takoradi. The fair value of the investment property was determined in the prior year by an independent valuer. The Group has determined a policy of valuing its investment property every 2 years.

## 20. Intangible assets

|                                | The Bank |         | The Group |         |
|--------------------------------|----------|---------|-----------|---------|
|                                | 2022     | 2021    | 2022      | 2021    |
|                                | GH¢'000  | GH¢'000 | GH¢'000   | GH¢'000 |
| Cost                           |          |         |           |         |
| At 1 January                   | 82,263   | 61,392  | 162,874   | 123,242 |
| Additions                      | 11,855   | 10,347  | 45,844    | 24,640  |
| Transfers                      | -        | 10,599  | 3,147     | 10,636  |
| Adjustment                     | -        | (75)    | -         | 4,356   |
| At 31 December                 | 94,118   | 82,263  | 211,865   | 162,874 |
| Accumulated amortization       |          |         |           |         |
| At 1 January                   | 55,642   | 39,336  | 106,932   | 83,217  |
| Charge for the year            | 10,617   | 16,306  | 22,849    | 23,273  |
| Adjustment                     | -        | -       | -         | 442     |
| At 31 December                 | 66,259   | 55,642  | 129,781   | 106,932 |
| Net book amount at 31 December | 27,859   | 26,621  | 82,084    | 55,942  |

Intangible assets relate to computer software.

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

## 21. Deposits

|                              | The Bank          |                   | The Group         |                   |
|------------------------------|-------------------|-------------------|-------------------|-------------------|
|                              | 2022<br>GH¢'000   | 2021<br>GH¢'000   | 2022<br>GH¢'000   | 2021<br>GH¢'000   |
| Government of Ghana          | 22,099,356        | 12,794,766        | 22,099,356        | 12,794,766        |
| Financial Institutions/Banks | 34,655,012        | 17,048,082        | 40,374,785        | 20,532,442        |
| Other deposits               | 854,972           | 828,012           | 854,972           | 828,012           |
|                              | <b>57,609,340</b> | <b>30,670,860</b> | <b>63,329,113</b> | <b>34,155,220</b> |
| Current                      | 57,609,340        | 30,670,860        | 63,329,113        | 33,723,564        |
| Non-current                  | -                 | -                 | -                 | 431,656           |

| Deposits by various currencies<br>(Ghana cedi equivalent) | The Bank          |                   | The Group         |                   |
|---|-------------------|-------------------|-------------------|-------------------|
|   | 2022<br>GH¢'000   | 2021<br>GH¢'000   | 2022<br>GH¢'000   | 2021<br>GH¢'000   |
| Cedi  | 45,372,290        | 22,386,282        | 43,714,454        | 22,380,508        |
| US Dollar   | 8,477,286         | 5,289,270         | 13,115,810        | 8,538,920         |
| Pound Sterling  | 655,304           | 454,847           | 2,638,414         | 165,710           |
| Euro  | 3,087,500         | 2,527,018         | 3,839,901         | 3,054,134         |
| Others  | 16,960            | 13,443            | 20,534            | 15,948            |
| Total   | <b>57,609,340</b> | <b>30,670,860</b> | <b>63,329,113</b> | <b>34,155,220</b> |

### Financial institutions/banks

Included in this balance are mandatory cash reserves required to be maintained by commercial banks in compliance with the Banking Act. The minimum reserves balance is twelve percent (12%) (2021: eight percent (8%)) of the commercial banks' total deposits and are not available for use in the commercial banks' day-to-day operations. All deposits are non-interest bearing.

## 22. Bridge facilities

|            | The Bank        |                 | The Group       |                 |
|------------|-----------------|-----------------|-----------------|-----------------|
|            | 2022<br>GH¢'000 | 2021<br>GH¢'000 | 2022<br>GH¢'000 | 2021<br>GH¢'000 |
| Term loans | 24,347,990      | 17,047,062      | 24,347,990      | 17,047,062      |

Term loans include short- and long-term facilities denominated in US Dollars. Short term facilities represent facilities with three months maturity period with a roll over option and with fixed rates of interest. The facilities at the year-end are:

- A 2-year facility of US\$ 0.533 billion from JP Morgan Chase due to expire in November 2023 at 0.93%;
- A 12-months facility of US\$0.500 billion from JP Morgan Chase due to expire in November 2023 at 3.99%;
- A 2-years repo facility of US\$0.500 billion from Standard Chartered Bank at 0.65%;
- A 2-year credit of US\$0.500 billion facility from Citibank at Libor plus 2.95% secured during the year; and
- An annual revolving credit facility of US\$0.8 billion facility with Bank for International Settlement at the closest Libor at the time of proposed advances.

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

## 22. Bridge facilities (continued)

The movement in Bridge Facilities is as follows:

|                    | The Bank          |                   | The Group         |                   |
|--------------------|-------------------|-------------------|-------------------|-------------------|
|                    | 2022<br>GH¢'000   | 2021<br>GH¢'000   | 2022<br>GH¢'000   | 2021<br>GH¢'000   |
| 1 January          | 17,047,062        | 14,059,478        | 17,047,062        | 14,059,478        |
| Drawdown           | 4,896,045         | 7,453,073         | 4,896,045         | 7,453,073         |
| Interest           | 793,715           | 332,206           | 793,715           | 332,206           |
| Repayment:         |                   |                   |                   |                   |
| Principal          | (5,068,256)       | (5,154,880)       | (5,068,256)       | (5,154,880)       |
| Interest           | (742,032)         | (343,022)         | (742,032)         | (343,022)         |
| Exchange loss      | 7,421,456         | 700,207           | 7,421,456         | 700,207           |
| <b>31 December</b> | <b>24,347,990</b> | <b>17,047,062</b> | <b>24,347,990</b> | <b>17,047,062</b> |
| Current            | 6,863,659         | 4,946,239         | 6,863,659         | 4,946,239         |
| Non-current        | 17,484,331        | 12,100,823        | 17,484,331        | 12,100,823        |

## 23. Swap Gold Payable

|                                   | The Bank        |                 | The Group       |                 |
|-----------------------------------|-----------------|-----------------|-----------------|-----------------|
|                                   | 2022<br>GH¢'000 | 2021<br>GH¢'000 | 2022<br>GH¢'000 | 2021<br>GH¢'000 |
| Bank of International Settlements | 2,081,015       | -               | 2,081,015       | -               |

This represents the loan element of the Gold Swap Transaction with the Bank for International Settlementment (BIS) in October 2022. The tenor of the loan is one month with an implied indicative annual rate of four point five percent (4.50%). The facility allows the Bank to rollover on a monthly basis. On maturity, Bank of Ghana will buy back the Gold at 1 month forward rate which is a repurchase value of US\$243.00 million.

## 24. Liabilities under money market operations

|                           | The Bank        |                 | The Group       |                 |
|---------------------------|-----------------|-----------------|-----------------|-----------------|
|                           | 2022<br>GH¢'000 | 2021<br>GH¢'000 | 2022<br>GH¢'000 | 2021<br>GH¢'000 |
| Bank of Ghana instruments | 10,381,030      | 6,005,101       | 10,381,030      | 6,005,101       |

These are securities (bills including Repos carrying a fixed rate of interest) issued by the Bank for monetary policy purposes and are shown as a liability of the Bank. These instruments include 91- and 182-days bills and are current.

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

## 25a. Allocation of special drawing rights

The Bank, on behalf of Government of Ghana, manages assets and liabilities in respect of Special Drawing Rights (SDRs) with the International Monetary Fund (IMF). The allocation of SDR represent Ghana's share of SDRs distributed by decision of the IMF based on the country's IMF quota.

The movement in allocation of special drawing rights is as follows:

|                    | The Bank          |                  | The Group         |                  |
|--------------------|-------------------|------------------|-------------------|------------------|
|                    | 2022<br>GH¢'000   | 2021<br>GH¢'000  | 2022<br>GH¢'000   | 2021<br>GH¢'000  |
| 1 January          | 8,733,674         | 2,692,510        | 8,733,674         | 2,692,510        |
| New allocations    | -                 | 5,869,503        | -                 | 5,869,503        |
| Exchange loss      | 3,377,791         | 171,661          | 3,377,791         | 171,661          |
| <b>31 December</b> | <b>12,111,465</b> | <b>8,733,674</b> | <b>12,111,465</b> | <b>8,733,674</b> |

Allocations of SDRs are non-current.

## 25b. Liabilities to International Monetary Fund

|                           | The Bank          |                   | The Group         |                   |
|---------------------------|-------------------|-------------------|-------------------|-------------------|
|                           | 2022<br>GH¢'000   | 2021<br>GH¢'000   | 2022<br>GH¢'000   | 2021<br>GH¢'000   |
| (a) IMF Currency Holdings |                   |                   |                   |                   |
| Operational Account       | 81,813            | 70,423            | 81,813            | 70,423            |
| IMF Securities            | 6,090,883         | 5,242,877         | 6,090,883         | 5,242,877         |
| (b) IMF Facilities        |                   |                   |                   |                   |
| Extended Credit Facility  | 14,676,644        | 11,326,140        | 14,676,644        | 11,326,140        |
|                           | <b>20,849,340</b> | <b>16,639,440</b> | <b>20,849,340</b> | <b>16,639,440</b> |
| Current                   | 6,172,696         | 5,313,300         | 6,172,696         | 5,313,300         |
| Non-current               | 14,676,644        | 11,326,140        | 14,676,644        | 11,326,140        |

## 26. Other Liabilities

|                                | The Bank         |                  | The Group        |                  |
|--------------------------------|------------------|------------------|------------------|------------------|
|                                | 2022<br>GH¢'000  | 2021<br>GH¢'000  | 2022<br>GH¢'000  | 2021<br>GH¢'000  |
| Accruals and accounts payable  | 2,457,311        | 1,233,373        | 2,502,724        | 1,264,036        |
| Defined pension fund liability | 120,854          | 47,176           | 120,889          | 47,176           |
| Impairment losses              | 11,483           | 3,937            | 11,483           | 3,937            |
| Other payables                 | 5,507,639        | 740,076          | 5,820,841        | 829,344          |
|                                | <b>8,097,287</b> | <b>2,024,562</b> | <b>8,455,937</b> | <b>2,144,493</b> |
| Current                        | 8,097,287        | 2,024,562        | 8,455,937        | 2,144,493        |
| Non-current                    | -                | -                | -                | -                |

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

## 27. Employee Benefit Obligation

The Bank operates a funded defined benefit plan for its employees. A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee is entitled to receive on retirement, dependent on one or more factors such as age, years of service and salary. It is Management Policy that a full external actuarial valuation by a qualified independent actuary is carried out in every two years to determine the benefit obligation. Meanwhile, in between the periods, Management will perform an internal assessment of the Defined Benefit Obligation. The plan liability is measured on an actuarial basis using the projected unit credit method, adjusted for unrealised actuarial gains and losses. The value of defined benefit assets and obligations at the year-end are as follows:

|  | The Bank    |             | The Group   |             |
|--|-------------|-------------|-------------|-------------|
|  | 2022        | 2021        | 2022        | 2021        |
|  | GH¢'000     | GH¢'000     | GH¢'000     | GH¢'000     |
| Defined benefit obligation                 | (3,737,557) | (3,209,200) | (3,737,557) | (3,209,200) |
| Plan assets                                | 4,407,595   | 3,785,879   | 4,407,595   | 3,785,879   |
| Total recognised benefit (liability) asset | 670,038     | 576,679     | 670,038     | 576,679     |

Where the defined benefit obligation exceeds the plan assets, the excess liability is recognised as part of other liabilities. For the year 2022, the plan assets exceed the defined benefit obligation and the excess assets have not been recognised since no future economic benefits is available to the Bank in the form of a reduction in future contributions or a cash refund. There are no legal or contractual requirements for the employer to make any additional minimum funding to the plan other than those actuarially determined. All the plan assets are Government's securities which are traded on the secondary market.

|   | The Bank  |           | The Group |           |
|---|-----------|-----------|-----------|-----------|
|   | 2022      | 2021      | 2022      | 2021      |
|   | GH¢'000   | GH¢'000   | GH¢'000   | GH¢'000   |
| <b>Plan Assets</b>                        |           |           |           |           |
| Balance at 1 January                      | 3,785,879 | 3,266,985 | 3,785,879 | 3,266,985 |
| Contributions by employer during the year | 621,716   | 518,894   | 621,716   | 518,894   |
| Fund assets in investments                | 4,407,595 | 3,785,879 | 4,407,595 | 3,785,879 |
| Fair value of planned assets              | 4,407,595 | 3,785,879 | 4,407,595 | 3,785,879 |
| <b>Fund Liabilities</b>                   |           |           |           |           |
| Balance at 1 January                      | 3,209,200 | 2,771,334 | 3,209,200 | 2,771,334 |
| Pension payments                          | (261,350) | (159,308) | (261,350) | (159,308) |
| Interest expense                          | 789,707   | 597,174   | 789,707   | 597,174   |
| Fund obligation at 31 December            | 3,737,557 | 3,209,200 | 3,737,557 | 3,209,200 |

|                              | 2022   | 2021   |
|------------------------------|--------|--------|
| Actuarial assumptions        |        |        |
| Discount rate at 31 December | 20.20% | 17.09% |
| Salary increment rate        | 18%    | 15.00% |
| Mortality Rate (SSNIT)       | 75%    | 75%    |

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

## 27. Employee Benefit Obligation (continued)

The sensitivity of the present values of the defined benefit obligations as estimated by management for 2022 is presented below:

| Assumption Variables          | Management Best Estimates | i+1%     | i-1%   | s+1%   | s-1%     | $\mu$ increased by 10% | $\mu$ decreased by 10% |
|-------------------------------|---------------------------|----------|--------|--------|----------|------------------------|------------------------|
| Discount Rate (i)             | 20.20%                    | 21.20%   | 19.20% | 20.20% | 20.20%   | 20.20%                 | 20.20%                 |
| Salary Rate (s)               | 18.00%                    | 18.00%   | 18.00% | 19.00% | 17.00%   | 18.00%                 | 18.00%                 |
| Mortality Rate ( $\mu$ )      | 75.00%                    | 75.00%   | 75.00% | 75.00% | 75.00%   | 85.00%                 | 65.00%                 |
| Change in Actuarial liability | -                         | (24.63)% | 37.00% | 52.12% | (31.84)% | (6.48)%                | 7.69%                  |

The risk is that when the defined benefit obligation falls due the Bank would be unable to honour them. However, in recent years the plan assets have always been higher than the defined benefit obligation. As a funded scheme, the plan assets are expected to be used in paying the obligations. Where the obligations are higher than the plan assets, the Bank of Ghana Act makes provision for the shortfall to be funded via an appropriation in retained earnings.

The sensitivity of the present values of the defined benefit obligations when it was last performed by the Actuary in 2021 are presented below:

| Assumption Variables          | Management Best Estimates | i+1%     | i-1%   | s+1%   | s-1%     | $\mu$ increased by 10% | $\mu$ decreased by 10% |
|-------------------------------|---------------------------|----------|--------|--------|----------|------------------------|------------------------|
| Discount Rate (i)             | 17.09%                    | 18.09%   | 16.09% | 17.09% | 17.09%   | 17.09%                 | 17.09%                 |
| Salary Rate (s)               | 15.00%                    | 15.00%   | 15.00% | 16.00% | 14.00%   | 15.00%                 | 15.00%                 |
| Mortality Rate ( $\mu$ )      | 75.00%                    | 75.00%   | 75.00% | 75.00% | 75.00%   | 85.00%                 | 65.00%                 |
| Change in Actuarial liability | -                         | (16.21)% | 23.12% | 22.74% | (16.34)% | (10.73)%               | 15.12%                 |

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

## 28. Currency in Circulation

|                               | The Bank          |                   | The Group         |                   |
|-------------------------------|-------------------|-------------------|-------------------|-------------------|
|                               | 2022<br>GH¢'000   | 2021<br>GH¢'000   | 2022<br>GH¢'000   | 2021<br>GH¢'000   |
| Notes and coins issued        | 40,733,769        | 36,478,479        | 40,733,769        | 36,478,479        |
| Less: Cash account & agencies | (4,654,657)       | (11,214,973)      | (4,654,657)       | (11,214,973)      |
|                               | <u>36,079,112</u> | <u>25,263,506</u> | <u>36,079,112</u> | <u>25,263,506</u> |

### Currency in Circulation by Denomination

| Denomination                  | The Bank          |                   | The Group         |                   |
|-------------------------------|-------------------|-------------------|-------------------|-------------------|
|                               | 2022<br>GH¢'000   | 2021<br>GH¢'000   | 2022<br>GH¢'000   | 2021<br>GH¢'000   |
| Notes in circulation          |                   |                   |                   |                   |
| GH¢200                        | 9,873,145         | 6,553,534         | 9,873,145         | 6,553,534         |
| GH¢100                        | 8,699,197         | 4,315,231         | 8,699,197         | 4,315,231         |
| GH¢50                         | 7,704,438         | 5,565,680         | 7,704,438         | 5,565,680         |
| GH¢20                         | 5,139,963         | 4,895,532         | 5,139,963         | 4,895,532         |
| GH¢10                         | 2,691,129         | 2,447,622         | 2,691,129         | 2,447,622         |
| GH¢5                          | 1,328,086         | 874,314           | 1,328,086         | 874,314           |
| GH¢2                          | 7,634             | 6,508             | 7,634             | 6,508             |
| GH¢1                          | 141,347           | 239,972           | 141,347           | 239,972           |
| Total notes in circulation    | <u>35,584,939</u> | <u>24,898,393</u> | <u>35,584,939</u> | <u>24,898,393</u> |
| Coins in circulation          |                   |                   |                   |                   |
| GH¢2                          | 79,993            | 38,290            | 79,993            | 38,290            |
| GH¢1                          | 29,338            | 42,899            | 29,338            | 42,899            |
| 50GP                          | 199,811           | 111,867           | 199,811           | 111,867           |
| 20GP                          | 119,852           | 110,724           | 119,852           | 110,724           |
| 10GP                          | 53,714            | 49,903            | 53,714            | 49,903            |
| 5GP                           | 10,310            | 10,284            | 10,310            | 10,284            |
| 1GP                           | 1,155             | 1,146             | 1,155             | 1,146             |
| Total coins in circulation    | <u>494,173</u>    | <u>365,113</u>    | <u>494,173</u>    | <u>365,113</u>    |
| Total currency in circulation | <u>36,079,112</u> | <u>25,263,506</u> | <u>36,079,112</u> | <u>25,263,506</u> |

## 29. Stated Capital

|                                   | Number of Shares |                | Proceeds        |                 |
|-----------------------------------|------------------|----------------|-----------------|-----------------|
|                                   | 2022<br>'000     | 2021<br>'000   | 2022<br>GH¢'000 | 2021<br>GH¢'000 |
| Authorised number of shares       | 700,000,000      | 700,000,000    | -               | -               |
| Issued and Paid                   |                  |                |                 |                 |
| For cash consideration            | 100              | 100            | 10              | 10              |
| Consideration other than for cash | 99,900           | 99,900         | 9,990           | 9,990           |
|                                   | <u>100,000</u>   | <u>100,000</u> | <u>10,000</u>   | <u>10,000</u>   |

Shares are of no-par value. There are no shares in treasury and no installments unpaid on any share.



# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

## 30. Asset Revaluation Reserve

This represents surplus arising on the revaluation of the Bank's property, plant and equipment. As disclosed in the statement of changes in equity on pages 22-25, there were no movements in the Asset Revaluation Reserve during the year.

## 31. Statutory Reserve

The statutory reserve represents portions of surplus that have been set aside over the years in accordance with section 6 of the Bank of Ghana Act, 2002 (Act 612) as amended. Transfers to the statutory reserve are made in reference to conditions in relation to the stated capital. These conditions have since been met hence no transfer has been made in 2022 (2021: Nil).

## 32. Other Reserves

The Bank 2022

|   | Gold price<br>movement<br>GH¢'000 | General<br>reserve<br>GH¢'000 | Fair<br>valuation<br>reserve<br>GH¢'000 | Total<br>GH¢'000    |
|---|-----------------------------------|-------------------------------|---|---------------------|
| At 1 January  | 1,764,244                         | 2,226,504                     | (43,251)                                | 3,947,497           |
| Currency replacement                                  | -                                 | (100,000)                     | -                                       | (100,000)           |
| General purpose loan                                  | -                                 | 50,000                        | -                                       | 50,000              |
| Price movement in gold                                | 149,993                           | -                             | -                                       | 149,993             |
| Exchange movement in gold and other<br>foreign assets | -                                 | 9,205,614                     | -                                       | 9,205,614           |
| Corporate social responsibility                       | -                                 | (80,000)                      | -                                       | (80,000)            |
| Contingency   | -                                 | (30,000)                      | -                                       | (30,000)            |
| Staff housing   | -                                 | 60,000                        | -                                       | 60,000              |
| Proceeds from sale of dore gold                       | -                                 | 259,560                       | -                                       | 259,560             |
| Gold purchase   | -                                 | (220,000)                     | -                                       | (220,000)           |
| Capital contribution to WAMI                          | -                                 | 199,331                       | -                                       | 199,331             |
| Contribution towards e-cedi                           | -                                 | (705)                         | -                                       | (705)               |
| Support for new head office                           | -                                 | (250,000)                     | -                                       | (250,000)           |
| Profit on FVOCI of financial instruments              | -                                 | -                             | 630,191                                 | 630,191             |
| Transfer of residual loss from retained<br>earnings   | -                                 | (70,165,360)                  | -                                       | (70,165,360)        |
| <b>At 31 December</b>                                 | <b>1,914,237</b>                  | <b>(58,845,056)</b>           | <b>586,940</b>                          | <b>(56,343,879)</b> |

No amount has been set aside for further appropriation as the reserve is in deficit.

The Bank 2021

|   | Gold price<br>movement<br>GH¢'000 | General<br>reserve<br>GH¢'000 | Fair<br>valuation<br>reserve<br>GH¢'000 | Total<br>GH¢'000 |
|---|-----------------------------------|-------------------------------|---|------------------|
| At 1 January  | 1,880,917                         | 1,117,612                     | (471,130)                               | 2,527,399        |
| Exchange movement in gold and other<br>foreign assets | -                                 | 981,421                       | -                                       | 981,421          |
| Price movement in gold                                | (116,673)                         | -                             | -                                       | (116,673)        |
| NFA reserves  | -                                 | (44,642)                      | -                                       | (44,642)         |
| Transfer to Gold purchase Fund Account                | -                                 | (200,000)                     | -                                       | (200,000)        |
| Profit on FVOCI of financial instruments              | -                                 | -                             | 427,879                                 | 427,879          |
| Transfer of residual gain from retained<br>earnings   | -                                 | 372,113                       | -                                       | 372,113          |
| <b>At 31 December</b>                                 | <b>1,764,244</b>                  | <b>2,226,504</b>              | <b>(43,251)</b>                         | <b>3,947,497</b> |

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

## 32. Other Reserves (continued)

### The Group 2022

|  | Foreign<br>currency<br>translation<br>Reserve<br>GH¢'000 | Gold price<br>movement<br>GH¢'000 | General<br>reserve<br>GH¢'000 | Fair<br>valuation<br>reserve<br>GH¢'000 | Total<br>GH¢'000    |
|--|--|-----------------------------------|-------------------------------|---|---------------------|
| At 1 January                                     | 321,922  | 1,764,246                         | 2,237,156                     | (51,511)                                | 4,271,813           |
| Currency replacement                             | -  | -                                 | (100,000)                     | -                                       | (100,000)           |
| Loss on translation of foreign operation         | -  | -                                 | (35,091)                      | -                                       | (35,091)            |
| General purpose loan                             | -  | -                                 | 50,000                        | -                                       | 50,000              |
| Price movement in gold                           | -  | 149,993                           | -                             | -                                       | 149,993             |
| Movements in gold and other foreign assets       | -  | -                                 | 9,205,614                     | -                                       | 9,205,614           |
| Corporate social responsibility                  | -  | -                                 | (80,000)                      | -                                       | (80,000)            |
| Contingency                                      | -  | -                                 | (30,000)                      | -                                       | (30,000)            |
| Staff housing                                    | -  | -                                 | 60,000                        | -                                       | 60,000              |
| Proceeds from sale of dore gold                  | -  | -                                 | 259,560                       | -                                       | 259,560             |
| Gold purchase                                    | -  | -                                 | (220,000)                     | -                                       | (220,000)           |
| Capital contribution to WAMI                     | -  | -                                 | 199,331                       | -                                       | 199,331             |
| Contribution towards e-cesi                      | -  | -                                 | (705)                         | -                                       | (705)               |
| Support for new head office                      | -  | -                                 | (250,000)                     | -                                       | (250,000)           |
| Profit on FVOCI of financial instruments         | 146,531  | -                                 | -                             | 615,492                                 | 762,023             |
| Transfer of residual loss from retained earnings | -  | -                                 | (70,165,360)                  | -                                       | (70,165,360)        |
| <b>At 31 December</b>                            | <b>468,453</b>   | <b>1,914,239</b>                  | <b>(58,869,495)</b>           | <b>563,981</b>                          | <b>(55,922,822)</b> |

### The Group 2021

|  | Foreign<br>currency<br>translation<br>Reserve<br>GH¢'000 | Gold price<br>movement<br>GH¢'000 | General<br>reserve<br>GH¢'000 | Fair<br>valuation<br>reserve<br>GH¢'000 | Total<br>GH¢'000 |
|--|--|-----------------------------------|-------------------------------|---|------------------|
| At 1 January                                       | 310,933  | 1,880,919                         | 1,117,698                     | (468,420)                               | 2,841,130        |
| Provision for Contingencies                        | -  | -                                 | -                             | -                                       | -                |
| Price movement in gold                             | -  | (116,673)                         | -                             | -                                       | (116,673)        |
| Gold Purchase Fund Account                         | -  | -                                 | (200,000)                     | -                                       | (200,000)        |
| Exchange movement in gold and other foreign assets | -  | -                                 | 981,421                       | -                                       | 981,421          |
| Net Foreign Assets (NFA) reserves                  | -  | -                                 | (34,076)                      | -                                       | (34,075)         |
| Profit on FVOCI of financial instruments           | 10,989   | -                                 | -                             | 416,909                                 | 427,898          |
| Transfer of residual gain from retained earnings   | -  | -                                 | 372,113                       | -                                       | 372,113          |
| <b>At 31 December</b>                              | <b>321,922</b>   | <b>1,764,246</b>                  | <b>2,237,156</b>              | <b>(51,511)</b>                         | <b>4,271,813</b> |

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

32. Other Reserves (continued)

- The price and exchange component of other reserves is used to account for price movement in the gold reserve held by the Bank;
- The foreign currency translation component of other reserves is used to account for the translation of the results of Ghana International Bank Plc which is a foreign operation;
- The transfer from surplus component of other reserves is used to account for the allocation requirements under the Bank of Ghana Act; and
- The fair value component of other reserves is used to account for movements in investments measured at fair value through other comprehensive income.

33. Non-controlling Interest

|  | The Group       |                 |
|--|-----------------|-----------------|
|  | 2022<br>GH¢'000 | 2021<br>GH¢'000 |
| At 1 January                               | 492,749         | 527,584         |
| Loss for the year                          | (40,143)        | (25,442)        |
| Other comprehensive income                 | (14,122)        | (5,156)         |
| Losses on translation of foreign operation | 154,674         | (2,662)         |
| Dividend paid by the group                 | (1,733)         | (1,575)         |
| <u>At 31 December</u>                      | <u>591,425</u>  | <u>492,749</u>  |

Material Partly Owned Subsidiary

Ghana International Bank Plc is the only subsidiary which has non-controlling interest which is material to the Group. Financial information relating to this subsidiary is provided below:

Proportion of equity interest held by non-controlling interests:

| Name                         | Country of incorporation and operation | 2022   | 2021 |
|------------------------------|--|--------|------|
| Ghana International Bank Plc | United Kingdom                         | 34.55% | 49%  |

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

## 33. Non-controlling Interest (continued)

The summarised financial information of Ghana International Bank Plc (the material partly owned subsidiary) is provided below. This information is based on amounts before inter-group eliminations.

### Summarised Statement of Comprehensive Income:

|  | 2022<br>GH¢'000 | 2021<br>GH¢'000 |
|--|-----------------|-----------------|
| Operating income                         | 291,891         | 150,865         |
| Loss for the year                        | (83,370)        | (72,111)        |
| Other comprehensive income               | 117,710         | (10,522)        |
| Total comprehensive income               | 34,340          | (82,633)        |
| Attributable to Non-controlling interest | 16,826          | (40,490)        |

### Summarised statement of financial position as at:

|                          | 2022<br>GH¢'000 | 2021<br>GH¢'000 |
|--------------------------|-----------------|-----------------|
| Total assets             | 9,249,816       | 6,218,997       |
| Total Liabilities        | 7,651,369       | 5,254,741       |
| Total equity             | 1,598,448       | 964,256         |
| Attributable to:         |                 |                 |
| Equity holders of parent | 1,040,151       | 491,771         |
| Non-controlling interest | 558,297         | 472,485         |

### Summarised cash flow information for the year:

|  | 2022<br>GH¢'000 | 2021<br>GH¢'000 |
|--|-----------------|-----------------|
| Cash flows from operating activities                 | 309,912         | (261,850)       |
| Cash flows from investing activities                 | (43,699)        | (16,711)        |
| Cash flows from financing activities                 | 515,102         | (106)           |
| Forex on cash and cash equivalents                   | 1,671           | 11,632          |
| Net increase/(decrease) in cash and cash equivalents | 782,986         | (267,035)       |

## 34. Leases

Amounts recognised in the statement of financial position

|                                | 2022<br>GH¢'000 | 2021<br>GH¢'000 |
|--------------------------------|-----------------|-----------------|
| Right of use assets            |                 |                 |
| Leasehold premises             | 13,953          | 17,285          |
| Office furniture and equipment | 2,493           | 1,166           |
|                                | 16,446          | 18,451          |
| Lease Liabilities              |                 |                 |
| Current                        | 23,088          | 19,319          |
| Non-current                    | 834             | 1,073           |
|                                | 23,922          | 20,392          |

Amounts Recognised in Profit or Loss

|   |       |       |
|---|-------|-------|
| Depreciation charge of right of use of assets | 6,345 | 1,134 |
| Interest expense on lease liabilities         | 1470  | 285   |

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

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34. Leases (continued)

Additions to the right of use assets during the year were GH¢4,849,000(2021:GH¢1,799,000) and GH¢ nil (2021: GH¢2,037,000) to lease liabilities. The total cash outflow for leases in 2022 was GH¢9,056,000 (2021: GH¢7,030,000).

35. Financial Instruments

Financial assets are classified as Amortised cost, Fair value through Profit or Loss, or Fair Value through Other Comprehensive Income. These categories of financial assets have been combined for presentation on the face of the statement of financial position. Financial liabilities are held either at fair value through profit or loss or at amortised cost.

The Group's classification of its principal financial assets and liabilities is summarized overleaf:

## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

## 35. Financial Instruments (continued)

Assets  
The Bank

| At 31 December 2022                         | Note | Amortised<br>Cost<br>GH¢000 | Designated at fair<br>value through<br>profit or loss<br>GH¢000 | Designated at fair<br>value through<br>comprehensive<br>income<br>GH¢000       | Total<br>Carrying<br>GH¢000 | Fair value<br>GH¢000 |
|---|------|-----------------------------|---|--|-----------------------------|----------------------|
|   |      |                             |   |  |                             |                      |
| Cash and balances with correspondent banks  | 11   | 6,083,741                   | -   | -  | 6,083,741                   | 6,083,741            |
| Balances with IMF                           | 13   | 9,622,688                   | -   | -  | 9,622,688                   | 9,622,688            |
| Government securities                       | 14   | 12,573,180                  | -   | -  | 12,573,180                  | 14,144,828           |
| Money market instruments                    | 14   | 67,064,256                  | -   | 175,574  | 67,239,830                  | 83,511,869           |
| Short-term securities                       | 14   | 24,329,898                  | 5,443,128   | -  | 29,773,026                  | 30,320,449           |
| Loans and advances                          | 15   | 22,387,024                  | -   | -  | 22,387,024                  | 24,625,726           |
| Other assets (less prepayments)             | 17   | 9,567,182                   | -   | -  | 9,567,182                   | 9,567,182            |
| Investments (less investment in subsidiary) | 18   | 199,331                     | -   | 848,082  | 1,047,413                   | 1,047,413            |
|   |      | 151,827,300                 | 5,443,128   | 1,023,656  | 158,294,084                 | 178,923,896          |
| At 31 December 2021                         | Note | Amortised<br>Cost<br>GH¢000 | Designated at fair<br>value through profit<br>or loss<br>GH¢000 | Designated at fair value<br>through other<br>comprehensive<br>income<br>GH¢000 | Total<br>Carrying<br>GH¢000 | Fair value<br>GH¢000 |
| Cash and balances with correspondent banks  | 11   | 5,775,436                   | -   | -  | 5,775,436                   | 5,775,436            |
| Balances with IMF                           | 13   | 11,833,913                  | -   | -  | 11,833,913                  | 11,833,913           |
| Government securities                       | 14   | 12,573,180                  | -   | -  | 12,573,180                  | 12,667,479           |
| Money market instruments                    | 14   | 13,824,172                  | -   | 8,020,136  | 21,844,308                  | 21,352,811           |
| Short-term securities                       | 14   | 18,337,104                  | 17,732,266  | -  | 36,069,370                  | 36,201,397           |
| Loans and advances                          | 15   | 17,137,212                  | -   | -  | 17,137,212                  | 18,079,759           |
| Other assets (less prepayments)             | 17   | 687,500                     | -   | -  | 687,500                     | 687,500              |
| Investments (less investment in subsidiary) | 18   | -                           | -   | 487,354  | 487,354                     | 487,354              |
|   |      | 80,168,517                  | 17,732,266  | 8,507,490  | 106,408,273                 | 107,085,649          |



# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

## 35. Financial Instruments (Continued)

### Liabilities

#### The Bank

| At 31 December 2022                     | Notes | Designated at fair value through profit or loss<br>GH¢000 | Financial liabilities at amortised cost<br>GH¢000 | Total<br>GH¢000 |
|---|-------|---|---|-----------------|
| Government deposits                     | 21    | -   | 22,099,356  | 22,099,356      |
| Due to Banks and Financial Institutions | 21    | -   | 34,655,012  | 34,655,012      |
| Other Short-Term deposits               | 21    | -   | 854,972   | 854,972         |
| Derivative financial liabilities        | 16    | 2,241,833   | -   | 2,241,833       |
| Bridge facilities                       | 22    | -   | 24,347,990  | 24,347,990      |
| Money Market Instruments                | 24    | -   | 10,381,030  | 10,381,030      |
| Allocation of special drawing rights    | 25a   | -   | 12,111,465  | 12,111,465      |
| Liabilities to IMF                      | 25b   | -   | 20,849,340  | 20,849,340      |
| Other liabilities                       | 25    | -   | 8,097,287   | 8,097,287       |
|   |       | 2,241,833   | 133,396,452                                       | 135,638,285     |

| At 31 December 2021                     | Notes | Designated at fair value through profit or loss<br>GH¢000 | Financial liabilities at amortised cost<br>GH¢000 | Total<br>GH¢000 |
|---|-------|---|---|-----------------|
| Government deposits                     | 21    | -   | 12,794,766  | 12,794,766      |
| Due to Banks and Financial Institutions | 21    | -   | 17,048,082  | 17,048,082      |
| Other Short-Term deposits               | 21    | -   | 828,012   | 828,012         |
| Derivative financial liabilities        | 16    | 838,712   | -   | 838,712         |
| Bridge facilities                       | 22    | -   | 17,047,062  | 17,047,062      |
| Money Market Instruments                | 23    | -   | 6,005,101   | 6,005,101       |
| Allocation of special drawing rights    | 24a   | -   | 8,733,674   | 8,733,674       |
| Liabilities to IMF                      | 24b   | -   | 16,639,440  | 16,639,440      |
| Other liabilities                       | 25    | -   | 2,024,562   | 2,024,562       |
|   |       | 838,712   | 81,120,699  | 81,959,411      |

The carrying amounts of the financial liabilities approximate their fair value.



# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

## The Group

| At 31 December 2022                     | Notes | Designated at Fair Value through profit or loss<br>GH¢000 | Financial Liabilities at amortized cost<br>GH¢000 | Total<br>GH¢000 |
|---|-------|---|---|-----------------|
| Government deposits                     | 21    | -   | 22,099,356  | 22,099,356      |
| Due to Banks and Financial Institutions | 21    | -   | 40,374,785  | 40,374,785      |
| Other Short-Term Deposits               | 21    | -   | 854,972   | 854,972         |
| Bridge facilities                       | 22    | -   | 24,347,990  | 24,347,990      |
| Derivative financial liabilities        | 16    | 2,241,833   | -   | 2,241,833       |
| Money Market Instruments                | 23    | -   | 10,381,030  | 10,381,030      |
| Allocation of special drawing rights    | 24a   | -   | 12,111,465  | 12,111,465      |
| Liabilities to IMF                      | 24b   | -   | 20,849,340  | 20,849,340      |
| Lease liabilities                       | 33    | -   | 23,922  | 23,922          |
| Other liabilities                       | 25    | -   | 8,455,936   | 8,455,936       |
|   |       | 2,241,833   | 139,498,796                                       | 141,740,629     |

| At 31 December 2021                     | Notes | Designated at Fair Value through profit or loss<br>GH¢000 | Financial Liabilities at amortized cost<br>GH¢000 | Total<br>GH¢000 |
|---|-------|---|---|-----------------|
| Government deposits                     | 21    | -   | 12,794,766  | 12,794,766      |
| Due to Banks and Financial Institutions | 21    | -   | 20,532,442  | 20,532,442      |
| Other Short-Term Deposits               | 21    | -   | 828,012   | 828,012         |
| Bridge facilities                       | 22    | -   | 17,047,062  | 17,047,062      |
| Derivative financial liabilities        | 16    | 838,712   | -   | 838,712         |
| Money Market Instruments                | 23    | -   | 6,005,101   | 6,005,101       |
| Allocation of special drawing rights    | 24a   | -   | 8,733,674   | 8,733,674       |
| Liabilities to IMF                      | 24b   | -   | 16,639,440  | 16,639,440      |
| Lease liabilities                       | 33    | -   | 20,392  | 20,392          |
| Other liabilities                       | 25    | -   | 2,144,493   | 2,144,493       |
|   |       | 838,712   | 84,745,382  | 85,584,094      |

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

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## 36. Fair Value Hierarchy

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Bank's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges (for example, The Ghana Stock Exchange);
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). This level includes the majority of Bank of Ghana's securities and other derivative contracts. The inputs used include the Bank of Ghana published rates and discounted cash flow techniques. Also included in this level are items of property, plant and equipment carried at market values. The main input into the valuation is recent market transactions; and
- Level 3 – Inputs for the assets and liabilities that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. As at 31 December 2022 and 31 December 2021, the group did not hold any level 3 financial assets and/or liabilities.

This hierarchy requires the use of observable market data when available. The group considers relevant observable market prices in its valuation where possible. There has been no movement of financial instruments between different levels in the current year. Financial instruments measured at fair value at 31 December 2022 and 31 December 2021 were classified as follows:

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

## 36. Fair value hierarchy (continued)

| Fair value measurement using        | Quoted prices in active market |  |           |  |           |  |            |         |
|-------------------------------------|--------------------------------|--|-----------|--|-----------|--|------------|---------|
|                                     | 2022                           |  | 2021      |  | 2022      |  | 2021       |         |
| The Bank                            | GH¢'000                        |  | GH¢'000   |  | GH¢'000   |  | GH¢'000    |         |
| Assets measured at fair value:      |                                |  |           |  |           |  |            |         |
| Gold                                | 2,646,684                      |  | 3,086,780 |  | -         |  | -          |         |
| Gold swap                           | 2,424,633                      |  | -         |  | -         |  | -          |         |
| Short-term securities               | -                              |  | -         |  | 5,443,128 |  | 17,732,266 |         |
| Equity investment                   | -                              |  | -         |  | -         |  | 1,047,413  | 487,354 |
| Liabilities measured at fair value: |                                |  |           |  |           |  |            |         |
| Derivative financial liability      | -                              |  | -         |  | 2,241,833 |  | 838,712    | -       |
| The Group                           |                                |  |           |  |           |  |            |         |
| Assets measured at fair value:      |                                |  |           |  |           |  |            |         |
| Gold                                | 2,646,684                      |  | 3,086,780 |  | -         |  | -          |         |
| Gold swap                           | 2,424,633                      |  | -         |  | -         |  | -          |         |
| Short-term securities               | -                              |  | -         |  | 5,443,128 |  | 17,732,266 |         |
| Equity investment                   | -                              |  | -         |  | -         |  | 1,047,313  | 487,354 |
| Liabilities measured at fair value: |                                |  |           |  |           |  |            |         |
| Derivative financial liability      | -                              |  | -         |  | 2,241,833 |  | 838,712    | -       |

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

## 36. Fair value hierarchy (continued)

There have been no transfers among level 1, level 2 and level 3 during the period.

Forward exchange rates and gold prices are obtained and used from Bloomberg/Reuters in valuing the derivatives and Gold. The fair value of equity investments was based on the net asset value of these investments at the reporting date.

The following table presents the changes in level 3 items for the years ended 31 December 2022 and 31 December 2021:

The fair values of other financial instruments not measured at fair value are disclosed in Note 35. These financial instruments would have been classified at level 3 in the fair value hierarchy.

| The Bank and Group                             | 2022                            | 2021                            |
|--|---------------------------------|---------------------------------|
|  | GH¢'000<br>Equity<br>investment | GH¢'000<br>Equity<br>investment |
| At 1 January                                   | 487,354                         | 156,563                         |
| Additions                                      | 199,331                         | 236,891                         |
| Gains recognised in other comprehensive income | 360,728                         | 93,900                          |
| <b>At 31 December</b>                          | <b>1,047,413</b>                | <b>487,354</b>                  |

| Description                | Fair value at                     |                                   | Unobservable inputs | Range of inputs (probability weighted average) |          | Relationship of unobservable inputs to fair value  |
|----------------------------|-----------------------------------|-----------------------------------|---------------------|--|----------|--|
|                            | 31<br>December<br>2022<br>GH¢'000 | 31<br>December<br>2021<br>GH¢'000 |                     | 2022   | 2021     |  |
| Unlisted equity securities | 1,047,413                         | 487,354                           | USD/GHS rate        | 5% -10%  | 5% - 10% | A change in the USD/GHS rate by 100bps would increase/decrease the fair value by GH¢1.21million. |

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

## 37. Related Party Transactions

### a) Transactions with Government of Ghana (GoG)

In the normal course of its operations, the Bank enters into transactions with related parties. Related parties include the Government, various Government Departments and Agencies.

Transactions entered into include:

- banking services;
- foreign exchange transactions;
- purchases and disposals of government securities

Loans and advances to GoG as well as securities issued to GoG are made at rates of interest agreed between the Ministry of Finance and the Bank of Ghana in accordance with the Bank of Ghana Act. Interest on any amount overdrawn by GoG is charged at the Bank of Ghana's normal rate of interest. Impairment in respect of GoG securities for 2022 was GHS 8,778,295 (2021: nil). The impairment on security transactions with GoG have been disclosed in notes 14, 15 and 21 respectively.

### b) Key Management Personnel Compensation

|                              | The Bank        |                 | The Group       |                 |
|------------------------------|-----------------|-----------------|-----------------|-----------------|
|                              | 2022<br>GH¢'000 | 2021<br>GH¢'000 | 2022<br>GH¢'000 | 2021<br>GH¢'000 |
| Short-term employee benefits | 16,791          | 14,167          | 51,193          | 43,045          |
| Post-employment benefits     | 2,651           | 2,162           | 5,325           | 4,731           |
|                              | 19,442          | 16,329          | 56,518          | 47,776          |

Key management personnel include the Governor, the two Deputy Governors and top-level management.

### c) Transactions with Non-executive Directors

No loans were advanced to Non-executive Directors during the year. There were no balances outstanding on account of loans due from Non-executive Directors at the year end.

Fees and allowances paid to Non-executive directors during the year amounted to GH¢5.10 million (2021: GH¢3.17 million).

### d) Transactions with related companies in the year under review are as follows:

| Name of Subsidiary   | 2022           | 2021           |
|--|----------------|----------------|
|  | %<br>ownership | %<br>ownership |
| Ghana International Bank (GHIB) PLC                              | 65.45          | 51             |
| Ghana Interbank Payments and Settlement Systems (GHIPSS) Limited | 100            | 100            |
| Central Securities Depository (CSD)                              | 70             | 70             |
| The Bank Hospital Limited  | 100            | 100            |

### e) Provisions for key Management and budgetary support

The Bank provides Key Management personnel and budgetary support to the National Banking College and West African Monetary Institute (WAMI).

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

## 37. Related Party Transactions - continued

The balances on these transactions are included in the respective assets and liabilities in the books of the Bank.

### Deposit by Subsidiaries

|   | 2022<br>GH¢'000 | 2021<br>GH¢'000 |
|---|-----------------|-----------------|
| Ghana International Bank PLC                            | 598             | 456             |
| Ghana Interbank Payments and Settlement Systems Limited | -               | 264             |
| The Bank Hospital                                       | 3,435           | -               |
| Central Securities Depository Limited                   | 5,751           | 5,054           |
|   | <u>9,784</u>    | <u>5,774</u>    |

### Deposit with subsidiary

|                          | 2022<br>GH¢'000 | 2021<br>GH¢'000 |
|--------------------------|-----------------|-----------------|
| Ghana International Bank | 1,648,050       | 1,465,570       |

|                           |        |        |
|---------------------------|--------|--------|
| Interest paid on deposits | 31,561 | 11,705 |
|---------------------------|--------|--------|

|                                  |        |        |
|----------------------------------|--------|--------|
| Payment of issues charges to CSD | 27,626 | 19,872 |
|----------------------------------|--------|--------|

### Dividend received

|                                       | 2022<br>GH¢'000 | 2021<br>GH¢'000 |
|---------------------------------------|-----------------|-----------------|
| Central Securities Depository Limited | 4,043           | -               |

## 38. Risk Management

The Bank is involved in policy-oriented activities. Therefore, elements of the Bank's risk management framework might differ from the risk management frameworks for most other financial institutions. The main financial risks to which the Bank is exposed include credit risk, liquidity risk, Market risk, interest rate risk, currency risk on both foreign and local currency assets. In the management of foreign reserves, minimizing liquidity risk is a major consideration in order to maintain an effective foreign exchange intervention capability. The nature of the Bank's operations creates exposure to a broad range of enterprise risks, including operational and reputational risks.

The Bank seeks to ensure that strong and effective risk management and control systems are in place for identifying, assessing, monitoring, and managing risk exposures. Specialist staff members conduct the Bank's local currency, foreign currency reserves management, and foreign exchange-dealing operations in accordance with a clearly defined risk management framework, including delegated authorities and limits set by Management.

The overall risk management framework is designed to promote the sound and prudent management of the Bank's risks.

The majority of the Bank's financial risks arise from the Foreign Reserves Management and Domestic Market Operations units of the Bank's Financial Markets Department. Within this department, a separate risk management team is responsible for maintaining the Bank's financial risk management framework and operating independent risk reporting systems that monitor and report compliance with various risk limits and policies. The Risk Management Department is responsible for an enterprise-wide risk management system and reports on enterprise-wide risk management and related issues to the Board.

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

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## 38. Risk Management (continued)

A risk-based framework, which evaluates key business risks and internal controls, is used to determine the extent and frequency of internal audits conducted. All the Bank departments are subject to periodic internal audit review. The Heads of Risk Management and Internal Audit Departments have direct and independent access to the Audit Committee of the Board of Directors, comprising three of the Bank's non-executive directors. Summary information on the outcomes of internal audits is reported to the Audit Committee.

The Bank is subject to an annual external audit. Auditing arrangements are overseen by the Audit Committee of the Board of Directors, which meets regularly to monitor the financial reporting, risk and audit functions within the Bank. The committee reviews the internal audit function and has direct access to the external auditor. The Audit Committee reports to the Board of Directors on its activities. The Board of Directors monitors the Bank's management of risk as part of its role of keeping the Bank's performance and use of resources under constant review. Following a review this year, the Bank continues to self-insure all property, plant and equipment, including the Bank's buildings.

### Credit Risk

Both the Bank and the group are subject to credit risk through lending and investing activities and in cases where they act as intermediaries on behalf of customers or other third parties or when they issue guarantees. Credit risk associated with trading and investing activities is managed through the group's credit risk management process.

Concentrations of credit risk (whether on or off the statements of financial position) that arise from financial instruments exist for counter parties when they have similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions.

The risk that counter parties to trading instruments might default on their obligations is monitored on an ongoing basis. In monitoring credit risk exposure, consideration is given to trading instruments with a positive fair value and to the volatility of the fair value of trading instruments. The nature of the Group's main operation as a Central Bank makes its loan portfolio not lend itself to normal aging analysis.

### Credit risk measurement

#### Loans and advances

In measuring credit risk related to loans and advances to Government of Ghana, other governmental institutions and commercial banks at a counterparty level, the Bank considers the 'probability of default' by the Government of Ghana or counterparty on its contractual obligations. Exposure at default is based on the amount the Central Bank expects to be owed at the time of default.

#### Cash and amounts due from banks

For banks and financial institutions, only reputable financial institutions are accepted based on the Bank's internal policy. The Treasury Department manages the credit risk exposure, by assessing the counterparties' performances.

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

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## 38. Risk Management (continued)

### Securities

Securities are held with the Government of Ghana and other reputable financial institutions. The Financial Markets Department manages the credit risk exposure by assessing the counterparties' performance.

### Risk limit control and mitigation policy

The Bank manages limits and controls the concentration of credit risk wherever identified. Exposure to credit risk is managed through regular analysis of the ability of the borrowers to meet interest and capital repayment obligations. The Central Bank employs policies and practices to mitigate credit risk. The most traditional of these is the taking of security for advances. Bank of Ghana implements guidelines on the acceptability of specific classes of collateral or other credit risk mitigation. The principal collateral for loans and advances to staff includes provident funds and property deeds for staff loans. Collateral on all loans and advances to the Government of Ghana and commercial banks is their deposit accounts held at the Bank when contracts are signed.

### Impairment and provisioning policy

Loans are designated as impaired and considered non-performing where recognised weakness indicates that full payment of either interest or principal becomes questionable or as soon as payment of interest or principal is 90 days or more overdue. Where any amount is considered uncollectible, an individual impairment provision is raised, being the difference between the loan carrying amount and the present value of estimated future cash flows. In any decision relating to the raising of provisions, the bank attempts to balance economic conditions, local knowledge and experience, and the results of independent asset reviews. Where it is considered that there is no realistic prospect of recovering an element of an account against which an impairment provision has been raised, then that amount will be written off.

A portfolio impairment provision is also held to cover the inherent risk of losses, which, although not identified, are known through experience to be present in the loan portfolio. The provision is estimated by using the historical loss rate, the migration or incident rate and the balance of the performing loan portfolio. The portfolio impairment provision is set with reference to past experience using loss rates, and judgmental factors such as the economic environment and the trends in key portfolio indicators.

### Write off policy

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

### Modification of financial assets

The Group sometimes modifies the terms of loans provided to customers due to renegotiations or for distressed loans with a view to maximizing recovery. Such restructuring activities include extended payment term arrangements. Restructuring policies and practices are based on indicators or criteria which, in the judgement of management, indicate that payment will most likely continue. These policies are kept under continuous review.

The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original asset. The Group monitors the subsequent performance of modified assets. The Group may determine that the credit risk has significantly improved after restructuring, so that the assets are moved from Stage 3 or Stage 2 (Lifetime ECL) to Stage 1 (12-month ECL). This is only the case for assets which have performed in accordance with the new terms for three consecutive months or more. There were no such assets held as at 31 December 2022.



# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

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## 38. Risk Management (continued)

The Group continues to monitor if there is a subsequent significant increase in credit risk in relation to such assets through the use of specific models for modified assets.

### Expected Credit Loss Measurement

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

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

### *Significant increase in credit risk (SICR)*

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

#### *Qualitative criteria*

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

- In short-term forbearance;
- Direct debit cancellation;
- Extension to the terms granted;
- Previous arrears within the last 12 months;
- If the borrower is on the Watchlist and/or the instrument meets one or more of the following criteria;
- Significant increase in credit spread;
- Significant adverse changes in business, financial and/or economic conditions in which the borrower operates;
- Actual or expected forbearance or restructuring;
- Actual or expected significant adverse change in operating results of the borrower;
- Significant change in collateral value (secured facilities only) which is expected to increase risk of default; and
- Early signs of cashflow/liquidity problems such as delay in servicing of trade creditors/loans. The assessment of SICR incorporates forward-looking information and is performed on a quarterly basis at a portfolio level. The criteria used to identify SICR are monitored and reviewed periodically for appropriateness.

#### *Backstop*

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.

#### *Low credit risk exception*

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

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

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## 38. Risk Management (continued)

### Expected Credit Loss Measurement (continued)

#### *Definition of default and credit-impaired assets*

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

#### *Quantitative criteria*

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

#### *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; and
- Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses.

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

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

#### *Measuring ECL — Explanation of inputs, assumptions and estimation techniques*

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

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

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

## 38. Risk Management (continued) Expected Credit Loss Measurement (continued)

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

The Lifetime PD is developed by applying a maturity profile to the current 12-month 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.

For the Quasi institutions, subsidiary loans, staff loans and off-balance sheet items, the bank used ratings from recognised external agencies by Standard and Poor. Ghana's ratings for the past three years (2020, 2021, 2022) were obtained from these Agencies. A rating of "CCC" with a negative outlook was considered for the country.

The Bank adopted the average PD of the country for its subsidiary and Off-balance sheet items. The subsidiary is not directly under the central government; hence, the country's PD was adjusted upwards to cater for other risks. The average of the higher and the lower of stage 1 loss rating for Other Financial Institutions in the published regulatory guidelines was used to adjust the country's PD of 2 to 3. The Off-balance sheet items are under the central government, hence, no adjustment was made to the country's PD.

For quasi-governmental institutions in Stage 2, the average of higher (15.74%) and lower (6.5%) lifetime loss rating for the industry in the regulatory guidelines published by the Bank of Ghana to the commercial banks was used, as lifetime loss rate.

The Bank also adopted the PD of staff loans in the regulatory guidelines published January 1, 2018, by the Bank to the Banking Industry for Staff loans. The lower of lifetime loss rate was adopted for staff loans, though staff loans are at minimal risk.

### *Forward-looking information incorporated in the ECL models*

The assessment SICR and determination of ECL both incorporated forward-looking information based on supportable forecasts of future economic conditions. The Group considered three different scenarios of macroeconomic conditions in estimating the probability of default. These were the base case, upside and downside. This was to ensure that the impairment estimates were not biased due to cyclicity of economic conditions.

### *Economic Variable Assumptions*

The most significant period end assumptions used for the ECL estimate as at 31 December 2022 are set out below:

| Scenario  | Weight % |
|-----------|----------|
| Base Case | 50       |
| Upside    | 24       |
| Downside  | 26       |

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

## 38. Risk management (continued)

### Exposure to Credit Risks

The maximum exposure to credit risks at the reporting date was:

| Bank   | 2022               | Percentage of financial assets | 2021               | Percentage of financial assets |
|--|--------------------|--------------------------------|--------------------|--------------------------------|
|  | GH¢ '000           |                                | GH¢ '000           |                                |
| <b>Assets</b>  |                    |                                |                    |                                |
| Cash and balances with correspondent banks           | 6,083,741          | 6%                             | 5,775,436          | 5%                             |
| Balances with IMF                                    | 9,622,688          | 9%                             | 11,833,913         | 11%                            |
| Securities   | 61,160,166         | 56%                            | 70,486,858         | 67%                            |
| Other assets (excluding prepayments)                 | 9,567,182          | 9%                             | 687,500            | 1%                             |
| Loans and advances                                   | 22,387,024         | 21%                            | 17,137,212         | 16%                            |
|  | <b>108,820,801</b> | <b>100%</b>                    | <b>105,920,919</b> | <b>100%</b>                    |
| <b>Off balance sheet</b>                             |                    |                                |                    |                                |
| Documentary credit, guarantees and performance bonds | 5,834,841          | 100%                           | 6,647,877          | 100%                           |

| Group  | 2022               | Percentage of financial assets | 2021               | Percentage of financial assets |
|--|--------------------|--------------------------------|--------------------|--------------------------------|
|  | GH¢ '000           |                                | GH¢ '000           |                                |
| <b>Assets</b>  |                    |                                |                    |                                |
| Cash and amounts due from banks                      | 11,158,386         | 10%                            | 10,062,586         | 10%                            |
| Balances with IMF                                    | 9,622,688          | 8%                             | 11,833,913         | 6%                             |
| Securities   | 63,034,203         | 54%                            | 70,138,928         | 70%                            |
| Other assets (excluding prepayments)                 | 9,674,007          | 8%                             | 717,252            | 1%                             |
| Loans and advances                                   | 23,057,684         | 19%                            | 17,864,109         | 13%                            |
|  | <b>116,546,968</b> | <b>100%</b>                    | <b>110,616,788</b> | <b>100%</b>                    |
| <b>Off balance sheet</b>                             |                    |                                |                    |                                |
| Documentary credit, guarantees and performance bonds | 6,835,592          | 100%                           | 7,436,614          | 100%                           |

The above table represents a worst-case scenario of credit risk exposure to the Group and the Bank at 31 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 Group, 19% (2021: 13%) of the total maximum exposure is derived from loans and advances while securities represent 54% (2021: 70%).

Management is confident in its ability to continue and minimize the losses arising from its exposure to credit risk resulting from loans and advances and amounts due from the other central banks and commercial banks.

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

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## 38. Risk management (continued)

### Exposure to Credit Risks (continued)

At 31 December 2022, the Group's credit exposures were categorised under IFRS 9 as follows:

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

#### Neither past due nor impaired – Stage 1

Financial assets are designated at stage 1 (neither past due nor impaired) upon initial recognition except for such financial assets that are purchased or originated as credit impaired. The credit risk of neither past due nor impaired financial assets are continuously monitored by the Group.

#### Past due but not impaired financial assets – Stage 2

Past due but not impaired financial assets, are those for which contractual interest or principal payments are past due, but the Group believes that impairment is not appropriate on the basis of the level of security/collateral available and/or the stage of collection of amounts owed to the Group. When a financial asset shows a significant increase in credit risk, the Group records an allowance for the lifetime expected credit loss. A significant increase in credit risk is assumed if the borrower falls more than 30 days past due in making its contractual payments.

#### Impaired financial assets – Stage 3

Individually impaired financial assets are those for which the Group determines that there is default and it does not expect to collect all principal and interest due according to the contractual terms of the security agreement(s).

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

## 38. Risk management (continued)

### Exposure to Credit Risks (continued)

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

| Bank<br>At 31<br>December<br>2022  | Stage 1<br>GH¢'000 | Stage 2<br>GH¢'000 | Stage 3<br>GH¢'000 | Total<br>GH¢'000 |
|--|--------------------|--------------------|--------------------|------------------|
| Cash and balances with<br>correspondence banks<br>(less notes and coins<br>holdings) | 4,508,386          | -                  | -                  | 4,508,386        |
| Balances with IMF  | 9,622,688          | -                  | -                  | 9,622,688        |
| Securities   | -                  | 175,574            | 109,410,462        | 109,586,036      |
| Loans and advances   | 19,438,230         | 13,929             | 12,346,455         | 31,798,614       |
| Other assets   | 9,676,668          | -                  | -                  | 9,676,668        |
| Gross carrying<br>amount   | 43,245,972         | 189,503            | 121,756,917        | 165,192,392      |
| Loss allowance   | (152,536)          | (975)              | (57,793,435)       | (57,946,946)     |
| Carrying<br>amount   | 43,093,436         | 188,528            | 63,963,482         | 107,245,446      |
| Group<br><br>At 31<br>December<br>2022   |                    |                    |                    |                  |
|  | Stage 1<br>GH¢'000 | Stage 2<br>GH¢'000 | Stage 3<br>GH¢'000 | Total<br>GH¢'000 |
| Cash and balances with<br>correspondence banks<br>(less notes and coins<br>holdings) | 9,583,031          | -                  | -                  | 9,583,031        |
| Balances with IMF  | 9,622,688          | -                  | -                  | 9,622,688        |
| Securities   | 1,897,729          | 175,574            | 109,410,462        | 111,483,765      |
| Loans and advances   | 20,145,977         | 13,929             | 12,346,455         | 32,506,361       |
| Other assets   | 9,784,285          | -                  | -                  | 9,784,285        |
| Gross carrying<br>amount   | 51,033,710         | 189,503            | 121,756,917        | 172,980,130      |
| Loss allowance   | (185,056)          | (25,142)           | (57,798,400)       | (58,008,598)     |
| Carrying<br>amount   | 50,848,654         | 164,361            | 63,958,517         | 114,971,531      |

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

## 38. Risk Management (continued)

### Exposure to Credit Risks (continued)

| Bank  |             |           |             |             |
|---|-------------|-----------|-------------|-------------|
| At 31 December 2021   | Stage 1     | Stage 2   | Stage 3     | Total       |
|   | GH¢'000     | GH¢'000   | GH¢'000     | GH¢'000     |
| Cash and balances with correspondence banks (less notes and coins holdings) | 5,055,741   | -         | -           | 5,055,741   |
| Balances with IMF   | 11,833,913  | -         | -           | 11,833,913  |
| Securities  | 70,511,547  | -         | -           | 70,511,547  |
| Loans and advances  | 13,971,476  | 2,746,550 | 3,729,132   | 20,447,158  |
| Other assets  | 796,986     | -         | -           | 796,986     |
| Gross carrying amount   | 102,169,663 | 2,746,550 | 3,729,132   | 108,645,345 |
| Loss allowance  | (170,059)   | (271,577) | (3,002,486) | (3,444,122) |
| Carrying amount   | 101,999,604 | 2,474,973 | 726,646     | 105,201,223 |
|   |             |           |             |             |
| Group   |             |           |             |             |
| At 31 December 2021   | Stage 1     | Stage 2   | Stage 3     | Total       |
|   | GH¢'000     | GH¢'000   | GH¢'000     | GH¢'000     |
| Cash and balances with correspondence banks (less notes and coins holdings) | 9,342,891   | -         | -           | 9,342,891   |
| Balances with IMF   | 11,833,913  | -         | -           | 11,833,913  |
| Securities  | 70,163,617  | -         | -           | 70,163,617  |
| Loans and advances  | 14,717,145  | 2,746,550 | 3,729,132   | 21,192,827  |
| Other assets  | 857,870     | -         | -           | 857,870     |
| Gross carrying amount   | 106,915,436 | 2,746,550 | 3,729,132   | 113,391,118 |
| Loss allowance  | (177,970)   | (282,437) | (3,002,486) | (3,462,893) |
| Carrying amount   | 106,737,466 | 2,464,113 | 726,646     | 109,928,225 |

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

The maximum credit risk exposure (Group and Bank) from financial assets not subject to impairment (i.e., FVPL) is GH¢14.13 billion (2021: GH¢21.16 billion).

### Collaterals and other credit enhancements

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

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

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

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## 38. Risk Management (continued)

### Exposure to Credit Risks (continued)

#### Collaterals and other credit enhancements (continued)

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

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



# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

## 38. Risk management (continued)

### Exposure to Credit Risks (continued)

#### Group and Bank

| 31 December 2022                    | Gross exposure   | Impairment allowance | Carrying amount | Fair value of collateral held |
|-------------------------------------|------------------|----------------------|-----------------|-------------------------------|
|                                     | GH¢'000          | GH¢'000              | GH¢'000         | GH¢'000                       |
| Individually impaired               |                  |                      |                 |                               |
| Emergency Liquidity Assistance      | 2,237,168        | (1,785,020)          | 452,148         | 569,189                       |
| Overnight lending                   | 1,452,291        | (1,317,032)          | 135,259         | -                             |
| <b>Total credit impaired assets</b> | <b>3,689,459</b> | <b>(3,102,052)</b>   | <b>587,407</b>  | <b>569,189</b>                |

#### Loss allowance

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

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

The following tables explain the changes in the loss allowance between the beginning and the end of the annual period due to these factors:

#### The Bank

|   | Stage 1<br>GH¢'000 | Stage 2<br>GH¢'000 | Stage 3<br>GH¢'000 | Total<br>GH¢'000  |
|---|--------------------|--------------------|--------------------|-------------------|
| Loss allowance as at 1 January 2022             | 64,510             | 271,575            | 3,111,973          | 3,448,058         |
| Movements with P&L impact:                      |                    |                    |                    |                   |
| New financial assets originated or purchased    | -                  | -                  | -                  | -                 |
| Changes in PDs/LGDs/EADs                        | 88,026             | (270,600)          | 54,681,462         | 54,498,888        |
| Other movements                                 | -                  | -                  | -                  | -                 |
| <b>Total net P&amp;L charge during the year</b> | <b>88,026</b>      | <b>(270,600)</b>   | <b>54,681,462</b>  | <b>54,498,888</b> |
| Loss allowance as at 31 December 2022           | 152,536            | 975                | 57,793,435         | 57,946,946        |

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

38. Risk Management (continued)  
Exposure to Credit Risks (continued)

The Group

|  | Stage 1<br>GH¢'000 | Stage 2<br>GH¢'000 | Stage 3<br>GH¢'000 | Total<br>GH¢'000 |
|--|--------------------|--------------------|--------------------|------------------|
| Loss allowance as at 1 January 2022          | 74,134             | 281,087            | 3,111,970          | 3,467,191        |
| Movements with P&L impact:                   |                    |                    |                    |                  |
| New financial assets originated or purchased | -                  | -                  | -                  | -                |
| Changes in PDs/LGDs/EADs                     | 115,947            | (260,947)          | 54,686,408         | 54,541,408       |
| Other movements                              | (1,006)            | (928)              | 13,045             | 11,111           |
| Transfer between stages                      | (5,025)            | 5,003              | 22                 | -                |
| Total net P&L charge during the year         | 109,916            | (256,871)          | 54,699,475         | 54,552,519       |
| Other movements with no P&L impact           | -                  | -                  | -                  | -                |
| Loss allowance as at 31 December 2022        | 184,050            | 24,216             | 57,811,445         | 58,019,710       |

Significant changes in the gross carrying amount of financial assets that contributed to changes in the loss allowance were as a result of emergency liquidity assistance and overnight lending to commercial banks.

Grouping of instruments for losses measured on a collective basis

The Group has not assessed expected credit loss provisions modelled on a collective basis.

Maximum exposure to credit risk before collateral held

*Loans and advances, amounts due from banks and other assets*

The table below shows the gross (undiscounted) balances of the Group's loans and advances with other central banks, commercial banks and other assets analyzed by type and performance less impairment:

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

## 38. Risk Management (continued)

### Exposure to Credit Risks (continued)

The Bank

31 December 2022

|                                    | Cash and amounts due from banks<br>GH¢ '000 | Balances with IMF<br>GH¢ '000 | Securities<br>GH¢ '000 | Loans and advances<br>GH¢ '000 | Other assets<br>GH¢ '000 |
|------------------------------------|---|-------------------------------|------------------------|--------------------------------|--------------------------|
| Stage 1 (performing exposures)     | 4,508,386                                   | 9,622,688                     | -                      | 19,438,230                     | 9,676,668                |
| Stage 2                            | -   | -                             | 175,574                | 13,929                         | -                        |
| Stage 3 (non-performing exposures) | -   | -                             | 109,410,462            | 12,346,455                     | -                        |
| Gross                              | 4,508,386                                   | 9,622,688                     | 109,586,036            | 31,789,614                     | 9,676,668                |
| Less: Allowance for impairment     | -   | -                             | (48,425,870)           | (9,411,590)                    | (109,486)                |
| Carrying value                     | 4,508,386                                   | 9,622,688                     | 61,160,166             | 22,387,024                     | 9,567,182                |

The Bank

31 December 2021

|                                    | Cash and amounts due from banks<br>GH¢ '000 | Balances with IMF<br>GH¢ '000 | Securities<br>GH¢ '000 | Loans and advances<br>GH¢ '000 | Other assets<br>GH¢ '000 |
|------------------------------------|---|-------------------------------|------------------------|--------------------------------|--------------------------|
| Stage 1 (performing exposures)     | 5,775,741                                   | 11,833,913                    | 70,511,547             | 13,971,476                     | 796,986                  |
| Stage 2                            | -   | -                             | -                      | 2,746,550                      | -                        |
| Stage 3 (non-performing exposures) | -   | -                             | -                      | 3,729,132                      | -                        |
| Gross                              | 5,775,741                                   | 11,833,913                    | 70,511,547             | 20,447,158                     | 796,986                  |
| Less: Allowance for impairment     | -   | -                             | (24,689)               | (3,309,946)                    | (109,486)                |
| Carrying value                     | 5,775,741                                   | 11,833,913                    | 70,486,858             | 17,137,212                     | 687,500                  |

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

## 38. Risk Management (continued)

### Exposure to Credit Risks (continued)

The Group  
31 December 2022

|                                    | Cash and amounts due from banks<br>GH¢ '000 | Balances with IMF<br>GH¢ '000 | Securities<br>GH¢ '000 | Loans and advances<br>GH¢ '000 | Other assets<br>GH¢ '000 |
|------------------------------------|---|-------------------------------|------------------------|--------------------------------|--------------------------|
| Stage 1 (performing exposures)     | 9,583,031                                   | 9,622,688                     | 1,897,729              | 20,145,977                     | 9,784,285                |
| Stage 2                            | -   | -                             | 175,574                | 13,929                         | -                        |
| Stage 3 (non-performing exposures) | -   | -                             | 109,410,462            | 12,346,454                     | -                        |
| Gross                              | 9,583,031                                   | 9,622,688                     | 111,483,765            | 32,506,360                     | 9,784,285                |
| Less:                              |   |                               |                        |                                |                          |
| Allowance for impairment           | -   | -                             | (48,449,562)           | (9448,676)                     | (110,278)                |
| Carrying value                     | 9,583,031                                   | 9,622,688                     | 63,034,203             | 23,057,684                     | 9,674,007                |

The Group  
31 December 2021

|                                    | Cash and amounts due from banks<br>GH¢ '000 | Balances with IMF<br>GH¢ '000 | Securities<br>GH¢ '000 | Loans and advances<br>GH¢ '000 | Other assets<br>GH¢ '000 |
|------------------------------------|---|-------------------------------|------------------------|--------------------------------|--------------------------|
| Stage 1 (performing exposures)     | 10,062,586                                  | 11,833,913                    | 70,163,617             | 14,717,145                     | 857,870                  |
| Stage 2                            | -   | -                             | -                      | 2,746,550                      | -                        |
| Stage 3 (non-performing exposures) | -   | -                             | -                      | 3,729,132                      | -                        |
| Gross                              | 10,062,586                                  | 11,833,913                    | 70,163,617             | 21,192,827                     | 857,870                  |
| Less:                              |   |                               |                        |                                |                          |
| Allowance for impairment           | -   | -                             | (24,689)               | (3,328,718)                    | (109,486)                |
| Carrying value                     | 10,062,586                                  | 11,833,913                    | 70,138,928             | 17,864,109                     | 748,384                  |

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

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## Liquidity Risk

Liquidity risk arises in the general funding of the Group's activities and in the management of positions. It includes both the risk of being unable to fund assets to appropriate maturities and rates and the risk of being unable to liquidate an asset at a reasonable price and in an appropriate time frame.

The Group usually has access to a diverse funding base. Funds are raised using a range of instruments including deposits, other liabilities regulated by law and other credit facilities. This enhances funding flexibility, limits dependence on any one source of funds and generally lowers the cost of funds.

The Group strives to maintain a balance between continuity of funding and flexibility through the use of liabilities with a range of maturities. The Group continually assesses liquidity risk by identifying and monitoring changes in funding required to meet its goals and targets set in terms of overall Group strategy. In addition, the Group holds a portfolio of liquid assets as part of its liquidity risk management strategy. The following are contractual maturities of financial assets and liabilities:

### Liquidity risk management process

The liquidity management processes, as carried out within the Finance Department and monitored by executive management and the Treasury Section include:

- Preparing cash-based budgets and periodic variance reports to ensure management of future cash flows in order to meet payment demands when they come due;
- Managing the concentration and profile of debt maturities;
- Monitoring the Statement of financial position, liquidity ratios against internal requirements; and
- Managing the concentration and profile of asset maturities.

Monitoring and reporting take the form of cash flow measurement and projection for the next day, week and months respectively, as these are key periods for liquidity management. The basis for the projection is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets.

### Financial liabilities and assets held for managing liquidity risk

The table below presents the Central Bank's financial liabilities and assets held for managing liquidity risk by remaining contractual maturities at the reporting date. The amounts disclosed in the table are contractual undiscounted cash outflows, whereas the Central Bank manages the inherent liquidity risk based on expected undiscounted cash inflows.

## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

38. Risk Management (Continued)  
Liquidity Risk (continued)  
The Bank

31 December 2022

|  | 31 December 2022          |                                   |   |   |                     | Total<br>GH¢ '000   |
|--|---------------------------|-----------------------------------|---|---|---------------------|---------------------|
|  | Up to 1 month<br>GH¢ '000 | Between 1-3<br>months<br>GH¢ '000 | Between 3<br>months & 1<br>year<br>GH¢ '000 | Between 1<br>year & 5 years<br>GH¢ '000 | >5years<br>GH¢ '000 |                     |
| <b>Assets</b>                              |                           |                                   |   |   |                     |                     |
| Cash and balances with correspondent banks | 6,083,741                 | -                                 | -   | -                                       | -                   | 6,083,741           |
| Gold                                       | -                         | 2,646,684                         | -   | -                                       | -                   | 2,646,684           |
| Gold swap                                  | -                         | 2,424,633                         | -   | -                                       | -                   | 2,424,633           |
| Balances with IMF                          | 1,199,968                 | 8,422,720                         | -   | -                                       | -                   | 9,622,688           |
| Securities                                 | 1,846,409                 | 80,018                            | 5,321,245                                   | 30,950,771                              | 22,961,723          | 61,160,166          |
| Loans and advances                         | -                         | 4,584,248                         | 101,095                                     | 8,163,893                               | 9,537,787           | 22,387,024          |
| Other assets                               | 9,567,182                 | -                                 | -   | -                                       | -                   | 9,567,182           |
| Investments                                | -                         | -                                 | -   | -                                       | 2,130,630           | 2,130,630           |
| <b>At 31 December 2022</b>                 | <b>18,697,300</b>         | <b>18,158,303</b>                 | <b>5,422,340</b>                            | <b>39,114,664</b>                       | <b>34,630,140</b>   | <b>116,022,748</b>  |
| <b>Liabilities</b>                         |                           |                                   |   |   |                     |                     |
| Deposits                                   | 57,609,340                | -                                 | -   | -                                       | -                   | 57,609,340          |
| Allocations of SDR                         | 12,111,465                | -                                 | -   | -                                       | -                   | 12,111,465          |
| Liabilities to IMF                         | 81,813                    | -                                 | 6,090,883                                   | 14,676,644                              | -                   | 20,849,340          |
| Derivative financial liabilities           | -                         | 2,241,833                         | -   | -                                       | -                   | 2,241,833           |
| Bridge Facilities                          | -                         | -                                 | -   | 24,347,990                              | -                   | 24,347,990          |
| Gold swap payable                          | -                         | 2,081,015                         | -   | -                                       | -                   | 2,081,015           |
| Liabilities under Money Market Operations  | 3,864,558                 | 1,754,867                         | 4,760,389                                   | 1,216                                   | -                   | 10,381,030          |
| Currency in circulation                    | -                         | -                                 | -   | -                                       | 36,079,112          | 36,079,112          |
| Other liabilities                          | 8,097,287                 | -                                 | -   | -                                       | -                   | 8,097,287           |
| <b>At 31 December 2022</b>                 | <b>81,764,463</b>         | <b>6,077,715</b>                  | <b>10,851,272</b>                           | <b>39,025,850</b>                       | <b>36,079,112</b>   | <b>173,798,412</b>  |
| <b>Maturity surplus/(shortfall)</b>        | <b>(63,067,163)</b>       | <b>12,080,589</b>                 | <b>(5,428,932)</b>                          | <b>88,814</b>                           | <b>(1,448,972)</b>  | <b>(57,775,663)</b> |

## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

31 December 2021

The Bank

|  | 31 December 2021          |                                   |  |   |                     | Total<br>GH¢ '000  |
|--|---------------------------|-----------------------------------|--|---|---------------------|--------------------|
|  | Up to 1 month<br>GH¢ '000 | Between 1-3<br>months<br>GH¢ '000 | Between 3<br>months & 1 year<br>GH¢ '000 | Between 1 year<br>& 5 years<br>GH¢ '000 | >5years<br>GH¢ '000 |                    |
| <b>Assets</b>                              |                           |                                   |  |   |                     |                    |
| Cash and balances with correspondent banks | 5,775,436                 | -                                 | -  | -                                       | -                   | 5,775,436          |
| Gold                                       | -                         | 2,174,049                         | 912,731                                  | -                                       | -                   | 3,086,780          |
| Balances with IMF                          | 5,760,223                 | 6,073,690                         | -  | -                                       | -                   | 11,833,913         |
| Securities                                 | 36,069,370                | 8,000                             | 6,497                                    | 5,648,424                               | 28,754,567          | 70,486,858         |
| Loans and advances                         | 6,887,055                 | 6,620,252                         | 2,709                                    | 299,374                                 | 3,327,822           | 17,137,212         |
| Other assets                               | 687,500                   | -                                 | -  | -                                       | -                   | 687,500            |
| Investments                                | -                         | -                                 | -  | -                                       | 1,154,697           | 1,154,697          |
| <b>At 31 December 2021</b>                 | <b>55,179,584</b>         | <b>14,875,991</b>                 | <b>921,937</b>                           | <b>5,947,798</b>                        | <b>33,237,086</b>   | <b>110,162,396</b> |
| <b>Liabilities</b>                         |                           |                                   |  |   |                     |                    |
| Deposits                                   | 30,670,860                | -                                 | -  | -                                       | -                   | 30,670,860         |
| Allocations of SDR                         | 8,733,674                 | -                                 | -  | -                                       | -                   | 8,733,674          |
| Liabilities to IMF                         | 70,423                    | -                                 | 5,242,877                                | 11,326,140                              | -                   | 16,639,440         |
| Derivative financial liabilities           | -                         | 838,711                           | -  | -                                       | -                   | 838,711            |
| Bridge Facilities                          | -                         | -                                 | -  | 17,047,062                              | -                   | 17,047,062         |
| Liabilities under Money Market Operations  | 2,473,840                 | 517,286                           | 2,886,692                                | 127,283                                 | -                   | 6,005,101          |
| Currency in circulation                    | -                         | -                                 | -  | -                                       | 25,263,506          | 25,263,506         |
| Other liabilities                          | 2,024,562                 | -                                 | -  | -                                       | -                   | 2,024,562          |
| <b>At 31 December 2021</b>                 | <b>43,973,359</b>         | <b>1,355,997</b>                  | <b>8,129,569</b>                         | <b>28,500,485</b>                       | <b>25,263,506</b>   | <b>107,222,916</b> |
| <b>Maturity surplus/(shortfall)</b>        | <b>11,206,225</b>         | <b>13,519,994</b>                 | <b>(7,207,632)</b>                       | <b>(22,560,315)</b>                     | <b>7,973,580</b>    | <b>2,939,480</b>   |

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

| 38. Risk Management (continued)<br>Liquidity Risk (continued)<br>The Group<br>31 December 2022 | Up to 1 month |  |  |  |  | Between 1 month & 3 months |  |  |  |  | Between 3 months & 1 year |  |  |  |  | Between 1 year & 5 years |  |  |  |  | >5 years    |  |  |  |  | Total<br>GH¢ '000 |  |  |  |  |
|--|---------------|--|--|--|--|----------------------------|--|--|--|--|---------------------------|--|--|--|--|--------------------------|--|--|--|--|-------------|--|--|--|--|-------------------|--|--|--|--|
|  | GH ¢ '000     |  |  |  |  | GH ¢ '000                  |  |  |  |  | GH ¢ '000                 |  |  |  |  | GH ¢ '000                |  |  |  |  | GH ¢ '000   |  |  |  |  |                   |  |  |  |  |
| Assets   |               |  |  |  |  |                            |  |  |  |  |                           |  |  |  |  |                          |  |  |  |  |             |  |  |  |  |                   |  |  |  |  |
| Cash and balances with correspondent banks   | 11,158,386    |  |  |  |  | -                          |  |  |  |  | -                         |  |  |  |  | -                        |  |  |  |  | -           |  |  |  |  | 11,158,386        |  |  |  |  |
| Gold   | -             |  |  |  |  | 2,646,684                  |  |  |  |  | -                         |  |  |  |  | -                        |  |  |  |  | -           |  |  |  |  | 2,646,684         |  |  |  |  |
| Gold swap  | -             |  |  |  |  | 2,424,633                  |  |  |  |  | -                         |  |  |  |  | -                        |  |  |  |  | -           |  |  |  |  | 2,424,633         |  |  |  |  |
| Balances with IMF  | 1,199,968     |  |  |  |  | 8,422,720                  |  |  |  |  | -                         |  |  |  |  | -                        |  |  |  |  | -           |  |  |  |  | 9,622,688         |  |  |  |  |
| Securities   | 1,846,409     |  |  |  |  | 298,439                    |  |  |  |  | 5,842,242                 |  |  |  |  | -                        |  |  |  |  | 33,293,886  |  |  |  |  | 21,753,227        |  |  |  |  |
| Loans and advances   | 5,694         |  |  |  |  | 4,767,666                  |  |  |  |  | 399,609                   |  |  |  |  | 8,345,374                |  |  |  |  | 9,539,341   |  |  |  |  | 23,057,684        |  |  |  |  |
| Other assets   | 9,674,007     |  |  |  |  | -                          |  |  |  |  | -                         |  |  |  |  | -                        |  |  |  |  | -           |  |  |  |  | 9,674,007         |  |  |  |  |
| Investments  | -             |  |  |  |  | -                          |  |  |  |  | -                         |  |  |  |  | -                        |  |  |  |  | -           |  |  |  |  | 1,047,413         |  |  |  |  |
| At 31 December 2022  | 23,884,464    |  |  |  |  | 18,560,142                 |  |  |  |  | 6,241,851                 |  |  |  |  | 41,639,260               |  |  |  |  | 32,339,981  |  |  |  |  | 122,665,698       |  |  |  |  |
| Liabilities  |               |  |  |  |  |                            |  |  |  |  |                           |  |  |  |  |                          |  |  |  |  |             |  |  |  |  |                   |  |  |  |  |
| Deposits   | 59,946,146    |  |  |  |  | 1,696,685                  |  |  |  |  | 1,281,786                 |  |  |  |  | 404,497                  |  |  |  |  | -           |  |  |  |  | 63,329,113        |  |  |  |  |
| Allocations of Special Drawing Rights  | -             |  |  |  |  | 2,241,833                  |  |  |  |  | -                         |  |  |  |  | -                        |  |  |  |  | -           |  |  |  |  | 2,241,833         |  |  |  |  |
| Derivative financial liabilities   | 12,111,465    |  |  |  |  | -                          |  |  |  |  | -                         |  |  |  |  | -                        |  |  |  |  | -           |  |  |  |  | 12,111,465        |  |  |  |  |
| Liabilities to IMF   | 81,813        |  |  |  |  | -                          |  |  |  |  | 6,090,883                 |  |  |  |  | 14,676,644               |  |  |  |  | -           |  |  |  |  | 20,849,340        |  |  |  |  |
| Bridge facilities  | -             |  |  |  |  | -                          |  |  |  |  | -                         |  |  |  |  | 24,347,990               |  |  |  |  | -           |  |  |  |  | 24,347,990        |  |  |  |  |
| Gold swap payable  | -             |  |  |  |  | 2081,015                   |  |  |  |  | -                         |  |  |  |  | -                        |  |  |  |  | -           |  |  |  |  | 2,081,015         |  |  |  |  |
| Liabilities under Money Market Operations  | 3,864,558     |  |  |  |  | 1,754,867                  |  |  |  |  | 4,760,389                 |  |  |  |  | 1,216                    |  |  |  |  | -           |  |  |  |  | 10,381,030        |  |  |  |  |
| Currency in Circulation  | -             |  |  |  |  | -                          |  |  |  |  | -                         |  |  |  |  | -                        |  |  |  |  | -           |  |  |  |  | 36,079,112        |  |  |  |  |
| Lease liabilities  | -             |  |  |  |  | -                          |  |  |  |  | -                         |  |  |  |  | -                        |  |  |  |  | -           |  |  |  |  | 23,922            |  |  |  |  |
| Other liabilities  | 8,097,287     |  |  |  |  | 93,599                     |  |  |  |  | 265,050                   |  |  |  |  | 23,922                   |  |  |  |  | -           |  |  |  |  | 8,455,935         |  |  |  |  |
| At 31 December 2022  | 84,101,269    |  |  |  |  | 7,867,999                  |  |  |  |  | 12,398,108                |  |  |  |  | 39,454,269               |  |  |  |  | 36,079,112  |  |  |  |  | 179,900,756       |  |  |  |  |
| Maturity surplus/(shortfall)   | (60,216,805)  |  |  |  |  | 10,692,143                 |  |  |  |  | (6,156,257)               |  |  |  |  | 2,184,992                |  |  |  |  | (3,739,131) |  |  |  |  | (57,235,058)      |  |  |  |  |



## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

| The Group<br>31 December 2021              | Maturity                  |  |                                       |                                      |                      | Total<br>GH¢ '000  |
|--|---------------------------|--|---------------------------------------|--------------------------------------|----------------------|--------------------|
|  | Up to 1 month<br>GH¢ '000 | Between 1 month & 3 months<br>GH¢ '000 | Between 3 months & 1 year<br>GH¢ '000 | Between 1 year & 5 years<br>GH¢ '000 | >5 years<br>GH¢ '000 |                    |
| <b>Assets</b>                              |                           |  |                                       |                                      |                      |                    |
| Cash and balances with correspondent banks | 10,062,586                | -                                      | -                                     | -                                    | -                    | 10,062,586         |
| Gold                                       | -                         | 2,174,049                              | 912,731                               | -                                    | -                    | 3,086,780          |
| Balances with IMF                          | 5,760,223                 | 6,073,690                              | -                                     | -                                    | -                    | 11,833,913         |
| Securities                                 | 36,069,370                | 226,421                                | 601,910                               | 5,695,156                            | 27,546,071           | 70,138,928         |
| Loans and advances                         | 6,887,221                 | 6,694,238                              | 458,516                               | 434,360                              | 3,389,774            | 17,864,109         |
| Other assets                               | 748,384                   | -                                      | -                                     | -                                    | -                    | 748,384            |
| Investments                                | -                         | -                                      | -                                     | -                                    | 487,354              | 487,354            |
| <b>At 31 December 2021</b>                 | <b>59,527,784</b>         | <b>15,168,398</b>                      | <b>1,973,157</b>                      | <b>6,129,516</b>                     | <b>31,423,199</b>    | <b>114,222,054</b> |
| <b>Liabilities</b>                         |                           |  |                                       |                                      |                      |                    |
| Deposits                                   | 31,914,260                | 742,628                                | 1,066,676                             | 431,657                              | -                    | 34,155,220         |
| Allocations of Special Drawing Rights      | -                         | 838,712                                | -                                     | -                                    | -                    | 838,712            |
| Derivative financial liabilities           | 8,733,674                 | -                                      | -                                     | -                                    | -                    | 8,733,674          |
| Liabilities to IMF                         | 70,423                    | -                                      | 5,242,877                             | -                                    | -                    | 16,639,440         |
| Bridge facilities                          | -                         | -                                      | -                                     | 11,326,140                           | -                    | 17,047,062         |
| Liabilities under Money Market Operations  | 2,473,840                 | 517,286                                | 2,886,692                             | 127,283                              | -                    | 6,005,101          |
| Currency in Circulation                    | -                         | -                                      | -                                     | -                                    | 25,263,506           | 25,263,506         |
| Lease liabilities                          | -                         | -                                      | -                                     | 20,392                               | -                    | 20,392             |
| Other liabilities                          | 2,024,562                 | 42,547                                 | 77,384                                | -                                    | -                    | 2,144,493          |
| <b>At 31 December 2021</b>                 | <b>45,216,759</b>         | <b>2,141,173</b>                       | <b>9,273,629</b>                      | <b>28,952,534</b>                    | <b>25,263,506</b>    | <b>110,847,600</b> |
| <b>Maturity surplus/(shortfall)</b>        | <b>14,311,025</b>         | <b>13,027,225</b>                      | <b>(7,300,472)</b>                    | <b>(22,823,018)</b>                  | <b>6,159,693</b>     | <b>3,374,454</b>   |

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

## 38. Risk Management (continued)

### Assets held for managing liquidity risk

The Bank manages its liquidity risks through appropriate structuring of its investment portfolios to ensure that the maturity profiles of assets adequately match those commitments. This is monitored and managed on a daily basis. In addition, the Group's investment portfolio comprises mainly highly liquid investment instruments. Maturity shortfalls are managed by putting in place short term borrowing arrangements before they are due. The Bank can also call on the Government to make funds available to manage the shortfalls.

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

- Cash and balances with central banks and other operating banks;
- Loans and advances to operating banks, non-bank financial institutions and Government of Ghana;
- Investment securities;
- Amount due from IMF; and
- Other assets.

### Market Risk

Market risk is the risk that changes in market prices such as interest rates, foreign exchange rates and credit spreads will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return on assets.

Market risk arises from open positions in interest rates and currency, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates and foreign exchange rates.

The Central Bank's primary exposure to market risk lies with its deposits held overseas which are exposed to changes in interest and exchange rates.

Exposure to market risk is formally managed in accordance with risk limits set by senior management by buying or selling instruments or entering into offsetting positions.

### Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date will have an increase/decrease on profit or loss, and equity by amounts shown below. Each analysis assumes all other variables; in particular foreign currency rates remain constant. The analysis is performed on the same basis for 2021.

| Effects in Cedis       | 100bp    | 100bp    |
|------------------------|----------|----------|
|                        | Increase | Decrease |
|                        | GH¢'000  | GH¢'000  |
| The Bank 2022          |          |          |
| Average for the Period | 19,319   | (19,319) |
| Maximum for the Period | 26,702   | (26,702) |
| Minimum for the Period | 12,805   | (12,805) |
| The Bank 2021          |          |          |
| Average for the Period | 4,037    | (4,037)  |
| Maximum for the Period | 3,647    | (3,647)  |
| Minimum for the Period | 4,337    | (4,337)  |

The Group's operations are subject to the risk of interest rate fluctuations to the extent that interest earning assets (including investments) and interest bearing liabilities mature or re-price at different times or in differing amounts.

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

## 38. Risk Management (continued)

### Interest Rate Risk

In the case of floating rate assets and liabilities the Group is also exposed to basis risk, which is the difference between re-pricing characteristics of the various floating rate indices, such as the savings rate and six months LIBOR and different types of interest. Risk management activities are aimed at optimizing net interest income, given market interest rate levels consistent with the Group's strategies.

Asset-liability risk management activities are conducted in the context of the Group's sensitivity to interest rate changes. The actual effect will depend on a number of factors, including the extent to which repayments are made earlier or later than the contracted dates and variations in interest rate sensitivity within re-pricing periods and amongst currencies.

The Central Bank has capacity to manage these risks by monitoring interest rates daily and ensuring within the limits of its policy function that its financial liabilities match the maturing profile of its financial assets.

The following show the extent to which the Bank's interest rate exposures on assets and liabilities are matched. These are allocated to time bands by reference to the earlier of the next contractual interest rate re-pricing date and maturity.

| The Bank<br>31 December 2022              | 3 months<br>or less<br>GH¢'000 | Between 3 &<br>12 months<br>GH¢'000 | Over 1 year<br>GH¢'000 | Non-Interest<br>bearing<br>GH¢'000 | TOTAL<br>GH¢'000    |
|---|--------------------------------|-------------------------------------|------------------------|------------------------------------|---------------------|
| <b>Assets</b>                             |                                |                                     |                        |                                    |                     |
| Cash and amounts due from Banks           | 4,508,386                      | -                                   | -                      | 1,575,355                          | 6,083,741           |
| Gold                                      | -                              | -                                   | -                      | 2,646,684                          | 2,646,684           |
| Gold swap                                 | -                              | -                                   | -                      | 2,424,633                          | 2,424,633           |
| Balances with IMF                         | -                              | 8,422,720                           | -                      | 1,199,968                          | 9,622,688           |
| Securities                                | 1,909,258                      | 5,321,245                           | 41,356,483             | 12,573,180                         | 61,160,166          |
| Loans and Advances                        | 4,584,249                      | 108,723                             | 17,694,052             | -                                  | 22,387,024          |
| Investments                               | -                              | -                                   | -                      | 2,130,630                          | 2,130,630           |
| Other assets                              | 9,567,182                      | -                                   | -                      | -                                  | 9,567,182           |
| <b>At 31 December 2022</b>                | <b>20,569,075</b>              | <b>13,852,688</b>                   | <b>59,050,535</b>      | <b>22,550,450</b>                  | <b>116,022,748</b>  |
| <b>Liabilities</b>                        |                                |                                     |                        |                                    |                     |
| Deposits                                  | -                              | -                                   | -                      | 57,609,340                         | 57,609,340          |
| Bridge facilities                         | -                              | -                                   | 24,347,990             | -                                  | 24,347,990          |
| Gold swap payable                         | 2,081,015                      | -                                   | -                      | -                                  | 2,081,015           |
| Derivative financial liabilities          | -                              | -                                   | -                      | 2,241,833                          | 2,241,833           |
| Liabilities under Money Market Operations | 5,619,425                      | 4,760,389                           | 1,216                  | -                                  | 10,381,030          |
| Allocations of Special Drawing Rights     | -                              | -                                   | -                      | 12,111,465                         | 12,111,465          |
| Liabilities to IMF                        | 81,813                         | 6,090,883                           | 14,676,644             | -                                  | 20,849,340          |
| Currency in circulation                   | -                              | -                                   | -                      | 36,079,112                         | 36,079,112          |
| Other liabilities                         | -                              | -                                   | -                      | 8,097,287                          | 8,097,287           |
| <b>At 31 December 2022</b>                | <b>7,782,253</b>               | <b>10,851,272</b>                   | <b>39,025,850</b>      | <b>116,139,037</b>                 | <b>173,798,412</b>  |
| <b>Total interest rate re-pricing gap</b> | <b>12,786,822</b>              | <b>(3,001,416)</b>                  | <b>20,024,685</b>      | <b>(93,588,587)</b>                | <b>(57,775,664)</b> |

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

## 38. Risk Management (continued)

### Interest Rate Risk (continued)

#### The Bank

| The Bank<br>31 December 2021                  | 3 months or<br>less<br>GH¢'000 | Between 3 & 12<br>months<br>GH¢'000 | Over 1 year<br>GH¢'000 | Non-Interest<br>bearing<br>GH¢'000 | TOTAL<br>GH¢'000   |
|---|--------------------------------|-------------------------------------|------------------------|------------------------------------|--------------------|
| <b>Assets</b>                                 |                                |                                     |                        |                                    |                    |
| Cash and amounts due from<br>Banks            | 5,055,741                      | -                                   | -                      | 719,695                            | 5,775,436          |
| Gold  | -                              | -                                   | -                      | 3,086,780                          | 3,086,780          |
| Balances with IMF                             | -                              | 6,073,690                           | -                      | 5,760,223                          | 11,833,913         |
| Securities                                    | 36,060,021                     | 6,497                               | 21,846,980             | 12,573,180                         | 70,486,678         |
| Loans and advances                            | 13,507,307                     | 10,337                              | 3,619,568              | -                                  | 17,137,212         |
| Investments                                   | -                              | -                                   | -                      | 1,154,697                          | 1,154,697          |
| Other assets                                  | 687,500                        | -                                   | -                      | -                                  | 687,500            |
| <b>At 31 December 2021</b>                    | <b>55,310,569</b>              | <b>6,090,524</b>                    | <b>25,466,548</b>      | <b>23,294,575</b>                  | <b>110,162,216</b> |
| <b>Liabilities</b>                            |                                |                                     |                        |                                    |                    |
| Deposits                                      | -                              | -                                   | -                      | 30,670,860                         | 30,670,860         |
| Allocations of Special<br>Drawing Rights      | -                              | -                                   | -                      | 8,733,674                          | 8,733,674          |
| Derivative financial liabilities              | -                              | -                                   | -                      | 838,712                            | 838,712            |
| Liabilities to IMF                            | 70,423                         | 5,242,877                           | 11,326,140             | -                                  | 16,639,440         |
| Bridge Facilities                             | -                              | 2,886,692                           | 14,160,370             | -                                  | 17,047,062         |
| Liabilities under Money<br>Market Operations  | 2,767,899                      | 3,237,202                           | -                      | -                                  | 6,005,101          |
| Currency in circulation                       | -                              | -                                   | -                      | 25,263,506                         | 25,263,506         |
| Other Liabilities                             | -                              | -                                   | -                      | 2,024,562                          | 2,024,562          |
| <b>At 31 December 2021</b>                    | <b>2,838,322</b>               | <b>11,366,771</b>                   | <b>25,486,510</b>      | <b>67,531,314</b>                  | <b>107,222,917</b> |
| <b>Total interest rate re-pricing<br/>gap</b> | <b>52,472,427</b>              | <b>(5,276,247)</b>                  | <b>(19,962)</b>        | <b>(44,236,739)</b>                | <b>2,939,299</b>   |

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

## 38. Risk Management (continued) Interest Rate Risk (continued)

| The Group                                 | 3 months or less  | Between 3 & 12 months | Over 1 year       | Non-Interest bearing | Total               |
|---|-------------------|-----------------------|-------------------|----------------------|---------------------|
| 31 December 2022                          | GH¢'000           | GH¢'000               | GH¢'000           | GH¢'000              | GH¢'000             |
| <b>Assets</b>                             |                   |                       |                   |                      |                     |
| Cash and amounts due from                 |                   |                       |                   |                      |                     |
| Banks                                     | 9,583,031         | -                     | -                 | 1,575,355            | 11,158,386          |
| Gold                                      | -                 | -                     | -                 | 2,646,684            | 2,646,684           |
| Gold swap                                 | -                 | -                     | -                 | 2,424,633            | 2,424,633           |
| Balances with IMF                         | -                 | 8,422,720             | -                 | 1,199,968            | 9,622,688           |
| Securities                                | 2,248,706         | 5,721,214             | 42,491,104        | 12,573,180           | 63,034,203          |
| Loans and Advances                        | 4,773,360         | 425,105               | 17,859,219        | -                    | 23,057,684          |
| Investments                               | -                 | -                     | -                 | 1,047,413            | 1,047,413           |
| Other assets                              | 9,674,007         | -                     | -                 | -                    | 9,674,007           |
| <b>At 31 December 2022</b>                | <b>26,279,104</b> | <b>14,569,039</b>     | <b>60,350,323</b> | <b>21,467,233</b>    | <b>122,665,698</b>  |
| <b>Liabilities</b>                        |                   |                       |                   |                      |                     |
| Deposits                                  | 1,696,685         | 1,281,786             | 404,497           | 59,946,145           | 63,329,113          |
| Bridge facilities                         | -                 | -                     | 24,347,990        | -                    | 24,347,990          |
| Gold swap payable                         | 2,081,015         | -                     | -                 | -                    | 2,081,015           |
| Derivative financial liabilities          | -                 | -                     | -                 | 2,241,833            | 2,241,833           |
| Liabilities under Money Market Operations | 5,619,425         | 4,760,389             | 1,216             | -                    | 10,381,030          |
| Allocations of Special Drawing Rights     | -                 | -                     | -                 | 12,111,465           | 12,111,465          |
| Liabilities to IMF                        | 81,813            | 6,090,883             | 14,676,644        | -                    | 20,849,340          |
| Currency in circulation                   | -                 | -                     | -                 | 36,079,112           | 36,079,112          |
| Lease liabilities                         | -                 | -                     | 23,922            | -                    | 23,922              |
| Other liabilities                         | 93,599            | 265,050               | -                 | 8,097,287            | 8,455,936           |
| <b>At 31 December 2022</b>                | <b>9,572,537</b>  | <b>12,398,108</b>     | <b>39,454,269</b> | <b>118,475,842</b>   | <b>179,900,756</b>  |
| <b>Total interest rate re-pricing gap</b> | <b>16,706,566</b> | <b>2,170,931</b>      | <b>20,896,054</b> | <b>(97,008,609)</b>  | <b>(57,235,058)</b> |

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

## 38. Risk Management (continued)

### Interest Rate Risk (continued)

| The Group                                 | 3 months or less  | Between 3 & 12 months | Over 1 year        | Non-Interest bearing | Total              |
|---|-------------------|-----------------------|--------------------|----------------------|--------------------|
| 31 December 2021                          | GH¢'000           | GH¢'000               | GH¢'000            | GH¢'000              | GH¢'000            |
| <b>Assets</b>                             |                   |                       |                    |                      |                    |
| Cash and amounts due from Banks           | 9,342,891         | -                     | -                  | 719,695              | 10,062,586         |
| Gold                                      | -                 | -                     | -                  | 3,086,780            | 3,086,780          |
| Balances with IMF                         | -                 | 6,073,690             | -                  | 5,760,223            | 11,833,913         |
| Securities                                | 36,474,065        | 406,466               | 20,685,218         | 12,573,180           | 70,138,928         |
| Loans and advances                        | 13,581,459        | 481,737               | 3,800,913          | -                    | 17,864,109         |
| Investments                               | -                 | -                     | -                  | 487,354              | 487,354            |
| Other assets                              | 748,384           | -                     | -                  | -                    | 748,384            |
| <b>At 31 December 2021</b>                | <b>60,146,799</b> | <b>6,961,893</b>      | <b>24,486,131</b>  | <b>22,627,232</b>    | <b>114,222,055</b> |
| <b>Liabilities</b>                        |                   |                       |                    |                      |                    |
| Deposits                                  | 742,628           | 1,066,676             | 431,657            | 31,914,260           | 34,155,220         |
| Bridge facilities                         | -                 | 2,886,692             | 14,160,370         | -                    | 17,047,062         |
| Derivative financial liabilities          | -                 | -                     | -                  | 838,712              | 838,712            |
| Liabilities under money market operations | 2,767,899         | 3,237,202             | -                  | -                    | 6,005,101          |
| Allocations of Special Drawing Rights     | -                 | -                     | -                  | 8,733,674            | 8,733,674          |
| Liabilities to IMF                        | 70,423            | 5,242,877             | 11,326,140         | -                    | 16,639,440         |
| Currency in circulation                   | -                 | -                     | -                  | 25,263,506           | 25,263,506         |
| Lease liabilities                         | -                 | -                     | 18,708             | -                    | 18,708             |
| Other liabilities                         | 42,547            | 77,195                | -                  | 2,024,562            | 2,144,304          |
| <b>At 31 December 2021</b>                | <b>3,623,497</b>  | <b>12,510,642</b>     | <b>25,936,875</b>  | <b>68,774,714</b>    | <b>110,845,728</b> |
| <b>Total interest rate re-pricing gap</b> | <b>56,523,302</b> | <b>(5,548,749)</b>    | <b>(1,450,744)</b> | <b>(46,147,482)</b>  | <b>3,376,327</b>   |

### Foreign Currency Risk

Foreign exchange risk arises from:

- maintenance of a portion of foreign currency reserves for liquidity management purposes;
- currency intervention to meet monetary policy objectives; and
- active management undertaken in trading portfolios.

The US dollar is the base currency for the entire foreign reserves portfolio. However, investments of the foreign reserves in other approved currencies is permissible.

Foreign exchange risk is managed as follows:

- Positions in securities not denominated in the base currency (i.e. USD) should be hedged to the extent reasonably practicable into the base currency. Foreign currency exposures other than the United States dollar are all managed from the United States dollar perspective;
- A portfolio may also hold foreign exchange forward contracts in non-permissible currencies whose bonds are in a portfolio's benchmark only to the extent that it can be fully hedged to the base currency. A maximum allowance of +/- 0.25% of market value is permitted for fully hedged exposure to allow for market drift; and
- The internally managed portfolio has determined currency limits that take into consideration the Bank's expected foreign exchange liquidity needs. Since the majority of foreign exchange liabilities are in U.S. dollars it carries the most weight in this currency distribution.

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

## 38. Risk Management (continued)

### Foreign Currency Risk (continued)

The Bank also prepares and presents its financial statements in Ghana cedi. As a result movement in the exchange rates of the various foreign currencies in which the Bank maintains selected assets and liabilities impacts these financial statements.

The Bank owns a foreign subsidiary and therefore it is also exposed to foreign currency translation risk. The Group's foreign currency denominated transactions and balances give rise to exchange gains and losses that are recognised in the financial statements in accordance with note 2(j). The translation risk resulting from the consolidation of the foreign subsidiary are accounted for in the foreign currency translation reserves in equity.

As at 31<sup>st</sup> December, the foreign currency exposures were as follows:

### Currency Exposure Analysis

| Assets                          | The Bank           |                    | The Group          |                    |
|---------------------------------|--------------------|--------------------|--------------------|--------------------|
|                                 | 2022<br>GH¢'000    | 2021<br>GH¢'000    | 2022<br>GH¢'000    | 2021<br>GH¢'000    |
| USD                             | 57,794,051         | 51,946,125         | 64,230,481         | 55,493,579         |
| GBP                             | 196,605            | 232,016            | 955,972            | 65,174             |
| EUR                             | 394,556            | 853,101            | 863,053            | 1,425,316          |
| SDR                             | 9,679,040          | 12,087,226         | 9,679,040          | 12,087,226         |
| Others                          | 82,217             | 488,580            | 85,996             | 492,193            |
| GHS                             | 95,018,843         | 46,787,058         | 94,654,656         | 47,132,258         |
| <b>Total</b>                    | <b>163,165,312</b> | <b>112,394,106</b> | <b>170,469,198</b> | <b>116,695,746</b> |
| <b>Liabilities &amp; Equity</b> |                    |                    |                    |                    |
| USD                             | 58,397,483         | 20,116,807         | 64,844,905         | 23,643,325         |
| GBP                             | 656,715            | 457,412            | 1,396,772          | 286,644            |
| EUR                             | 2,347,546          | 2,074,370          | 2,814,447          | 2,646,396          |
| SDR                             | 19,479,731         | 12,542,379         | 19,479,731         | 12,542,379         |
| Others                          | 1,760,080          | 581,983            | 1,762,672          | 584,701            |
| GHS                             | 80,523,757         | 76,621,155         | 80,170,671         | 76,992,301         |
| <b>Total</b>                    | <b>163,165,312</b> | <b>112,394,106</b> | <b>170,469,198</b> | <b>116,695,746</b> |
| <b>Net Position</b>             |                    |                    |                    |                    |
| USD                             | (603,432)          | 31,829,318         | (614,424)          | 31,850,254         |
| GBP                             | (460,109)          | (225,396)          | (440,800)          | (221,470)          |
| EUR                             | (1,952,990)        | (1,221,269)        | (1,951,394)        | (1,221,080)        |
| SDR                             | (9,800,691)        | (455,153)          | (9,800,691)        | (455,153)          |
| Others                          | (1,677,864)        | (93,403)           | (1,676,676)        | (92,508)           |
| GHS                             | 14,495,086         | (29,834,097)       | 14,483,985         | (29,860,043)       |
| <b>Total</b>                    | <b>-</b>           | <b>-</b>           | <b>-</b>           | <b>-</b>           |

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

## 38. Risk management (continued)

### Currency Exposure Analysis (continued)

The following significant exchange rates applied during the year:

| Currency  | Average rate |             | Closing rate |             |
|-----------|--------------|-------------|--------------|-------------|
|           | 2022<br>GH¢  | 2021<br>GH¢ | 2022<br>GH¢  | 2021<br>GH¢ |
| US Dollar | 7.2911       | 5.7699      | 8.5760       | 6.0061      |
| GBP       | 9.2195       | 7.9744      | 10.3118      | 8.1272      |
| EURO      | 7.9869       | 6.5198      | 9.1457       | 6.8281      |
| SDR       | 9.8214       | 8.2632      | 11.4129      | 8.2299      |

### Sensitivity Analysis

A 10% strengthening of the Ghana Cedi against the following currencies at 31 December will have an increase/ (decrease) on profit or loss by the amount shown below.

This analysis assumes that all other variables, in particular interest rates remain constant. The analysis is performed on the same basis for 2021.

|           | Profit or (loss)/equity |                 |
|-----------|-------------------------|-----------------|
|           | 2022<br>GH¢'000         | 2021<br>GH¢'000 |
| US Dollar | 60,343                  | (3,182,932)     |
| GBP       | 46,011                  | 22,540          |
| EURO      | 195,299                 | 122,127         |
| SDR       | 980,069                 | 45,515          |

A 10% weakening of the Ghana cedi against the above currencies at 31 December would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

### Capital Management

The Bank does not have any regulator that sets and monitors its capital requirements. The Bank considers its stated capital and other reserves as its capital. The Central Bank's objective in managing capital and reserves is to ensure the Central Bank's ability to continue to perform its function as set by the Bank of Ghana Act, 2002, (Act 612) (as amended by the Bank of Ghana (Amendment) Act, 2016 (Act 918).

There is no regulation for the Bank to maintain a prescribed ratio of total capital to total risk-weighted assets, for example. The Bank of Ghana Act stipulates the authorised number of shares to be seven hundred billion of no-par value to be taken up from time to time by the Government, which may be increased from time to time. The Act further stipulates that the shares shall not be transferable or subject to any encumbrance. There has not been any non-compliance with capital management requirements of the Bank of Ghana Act, 2002, (Act 612) (as amended by the Bank of Ghana (Amendment) Act, 2016 (Act 918).

The provisions of the Act seek to ensure that the Government of Ghana continues to own a hundred percent (100%) stake to bear all financial risks and rewards.

Ghana International Bank, the material subsidiary's banking operations are directly supervised by its local regulators. For this subsidiary, the Directors regard share capital and reserves as its capital for capital management purposes and its principal objectives in managing capital are to ensure it is sufficient to participate in lines of business and to meet capital adequacy requirements of the Prudential Regulatory Authority in the United Kingdom. Regulatory capital adequacy requirements were met during the year.



# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

39. Notes to cash flow statement for the year ended 31 December 2022

(a) The Bank

Reconciliation of operating profit to net cash flow from operating activities

|   | Note | 2022<br>GH¢'000    | 2021<br>GH¢'000    |
|---|------|--------------------|--------------------|
| (Loss)/profit before tax                            |      | (60,809,753)       | 1,236,861          |
| Adjustments for:                                    |      |                    |                    |
| Depreciation of property, plant and equipment       | 19   | 120,810            | 109,834            |
| Amortisation of intangible assets                   | 20   | 10,617             | 16,306             |
| Transfer of plant and equipment to expenses         | 19   | 21,825             | 5,516              |
| Impairment on financial instruments                 | 9a   | 54,510,372         | 186,668            |
| Asset modification - intangibles                    | 20   | -                  | 75                 |
| Loss on disposal of property and equipment          | 19   | 58,141             | 19,482             |
| Interest expense on bridge facilities               | 22   | 793,715            | 700,207            |
| Exchange loss on foreign denominated borrowings     | 22   | 7,421,456          | 332,206            |
| Effect of exchange rate fluctuations on cash held   | 32   | (2,595,601)        | (397,947)          |
| Transfer to Gold Purchase Fund Account              | 32   | (220,000)          | (200,000)          |
| Transfer to NFA reserves                            | 32   | -                  | (44,642)           |
| General Purpose Loan Fund                           | 32   | 50,000             | -                  |
| Currency Replacement Fund                           | 32   | (100,000)          | -                  |
| Capital contribution to WAMI                        | 32   | 199,331            | -                  |
| Staff Housing Fund                                  | 32   | 60,000             | -                  |
| Gold Purchase                                       | 32   | 259,560            | -                  |
| Provision for contingencies                         | 32   | (30,000)           | -                  |
| Utilisation of CSR funds                            | 32   | (80,000)           | -                  |
| Contribution towards e-Cedi                         | 32   | (705)              | -                  |
| Transfer to support construct of new Head Office    | 32   | (250,000)          | -                  |
| Change in gold swap                                 | 12b  | (2,424,633)        | -                  |
| Change in loans and advances                        | 15   | (11,351,457)       | (4,835,836)        |
| Change in securities                                | 14   | (39,074,489)       | (3,413,907)        |
| Change in gold                                      | 12   | 440,096            | (14,908)           |
| Changes in gold swap payable                        | 23   | 2,081,015          | -                  |
| Change in derivative instruments                    | 16   | 1,403,121          | 228,298            |
| Change in other assets                              | 17   | (8,879,682)        | 594,987            |
| Change in IMF receivable                            | 13   | 2,211,225          | (6,071,632)        |
| Change in investments                               | 18   | (345,742)          | (384,325)          |
| Change in deposit                                   | 21   | 26,938,480         | 7,506,879          |
| Change in liabilities under Money Market Operations | 23   | 4,375,929          | (668,467)          |
| Change in allocations of Special Drawing Rights     | 24a  | 3,377,791          | 6,041,164          |
| Change in other liabilities                         | 25   | 6,065,179          | (5,466,942)        |
| Change in currency in circulation                   | 27   | 10,815,606         | 1,902,684          |
| <b>Cash flows used in operating activities</b>      |      | <b>(4,947,793)</b> | <b>(2,617,439)</b> |

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

39. Notes to cash flow statement for the year ended 31 December 2022 (continued)

(b) The Group

Reconciliation of operating profit to net cash flow from operating activities

|   | Note | 2022<br>GH¢'000     | 2021<br>GH¢'000     |
|---|------|---------------------|---------------------|
| (Loss)/profit before tax                          |      | (60,884,665)        | 1,218,566           |
| Adjustments for:                                  |      |                     |                     |
| Depreciation of property, plant and equipment     | 19   | 231,981             | 120,564             |
| Depreciation of rights of use-assets              | 33   | 6,345               | 1,629               |
| Amortisation of intangible assets                 | 20   | 22,849              | 23,273              |
| Transfer of plant and equipment to expenses       | 19   | 52,697              | (9,490)             |
| Asset modification – intangibles                  | 20   | (3,147)             | (3,951)             |
| Impairment on financial instruments               | 9a   | 54,552,519          | 195,368             |
| Loss on disposal of property and equipment        | 19   | 58,722              | 19,681              |
| Lease finance charge                              | 34   | 1,470               | 285                 |
| Interest expense on bridge facilities             | 22   | 793,715             | 332,206             |
| Exchange loss on foreign denominated borrowings   | 22   | 7,421,456           | 700,207             |
| General Purpose Loan Fund                         | 31   | 50,000              | -                   |
| Currency Replacement Fund                         | 31   | (100,000)           | -                   |
| Capital contribution to WAMI                      | 31   | 199,331             | -                   |
| Staff Housing Fund                                | 31   | 60,000              | -                   |
| Gold Purchase                                     | 31   | 259,560             | -                   |
| Provision for contingencies                       | 31   | (30,000)            | -                   |
| Utilisation of CSR funds                          | 31   | (80,000)            | -                   |
| Contribution towards e-Cedi                       | 31   | (705)               | -                   |
| Transfer to support construct of new Head Office  | 31   | (250,000)           | -                   |
| Transfer to NFA reserves                          | 31   | -                   | (34,075)            |
| Translation difference:                           |      |                     |                     |
| PPE   |      | 10,370              | 8,327               |
| SOCE  |      | 225,845             | -                   |
| Effect of exchange rate fluctuations on cash held | 31   | (3,844,638)         | (612,696)           |
| Transfer to Gold Purchase Fund Account            | 31   | (220,000)           | (200,000)           |
| Change in loans and advances                      | 15   | (11,313,534)        | (5,024,133)         |
| Change in securities                              | 14   | (41,319,415)        | (2,303,846)         |
| Change in gold                                    | 12a  | 440,096             | (14,908)            |
| Changes in gold swap                              | 12b  | (2,424,633)         | -                   |
| Change in derivative instruments                  | 16   | 1,403,121           | 228,298             |
| Change in gold swap payable                       | 23   | 2,081,015           | -                   |
| Change in other assets                            | 17   | (8,925,622)         | 580,352             |
| Change in IMF receivable                          | 13   | 2,211,225           | (6,071,632)         |
| Change in investments                             | 18   | 55,433              | (330,791)           |
| <b>Sub-total</b>                                  |      | <b>(59,258,609)</b> | <b>(11,176,766)</b> |

# Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

Notes to cash flow statement for the year ended 31 December 2022 (continued)

(c) The Group

Reconciliation of operating profit to net cash flow from operating activities (continued)

|   |     |                    |                    |
|---|-----|--------------------|--------------------|
| Sub-total brought down                              |     | (59,258,609)       | (11,176,766)       |
| Change in deposit                                   | 21  | 29,173,893         | 7,676,641          |
| Change in liabilities under Money Market Operations | 24  | 4,375,929          | (668,467)          |
| Change in allocations of Special Drawing Rights     | 25a | 3,377,791          | 6,041,164          |
| Change in other liabilities                         | 26  | 6,303,897          | (5,599,847)        |
| Change in currency in circulation                   | 27  | 10,815,606         | 1,902,684          |
| <b>Cash flows used in operating activities</b>      |     | <b>(5,211,494)</b> | <b>(1,824,591)</b> |

#### 40. Fiduciary Activities

Bank of Ghana is mandated as Fund Managers by the Petroleum Revenue Management Act, 2011 (Act 815) to collect and distribute petroleum funds to various stakeholders and to undertake investment activities with the funds (Ghana Petroleum Funds) based on the provisions of the Petroleum Revenue Management Act, 2011 (Act 815) as amended by the Petroleum Revenue Management (Amendment) Act, 2015 (Act 893).

#### 41. Events After Reporting Date

##### Government Gold for Oil Programme

The Gold for Oil (G4O) Programme is an initiative of the Government of Ghana to use the existing BOG Domestic Gold Purchase (DGP) programme to provide import finance facility to support the importation of petroleum products into Ghana. The initiative is intended to free up foreign exchange resources to meet petroleum imports of the country thereby reducing pressures on the Bank's foreign reserves. The programme also seeks to procure petroleum products at very competitive prices through Government-to-Government arrangements. The expectation is that a reduction in foreign exchange pressures, the reduction in premiums charged by international oil traders as well as efficiency gains from the value chain will translate to lower ex-pump prices in the country.

Under the programme, all the dore gold produced and exported by companies with licensed small-scale concessions including community mines through PMMC shall be purchased by BOG. The purchased dore gold is then used for the payment of oil supply to Ghana. Payment for the oil supply is to be done using either of two channels: barter trade or broker channel.

Currently the Bank uses the Broker Channel for the G4O programme.

#### 42. Environmental, Social & Governance (ESG) Practices

The Bank of Ghana initiated the process of developing an Internal Sustainability Strategy to align the Central Bank with the requirements of Principle II of the Ghana Sustainable Banking Principles. Principle II relates to the promotion of good Environmental, Social & Governance practices (ESG) in internal operations of Banks. The Bank engaged Consultants to assist with the development of its Internal Sustainability Strategy, which has been completed and approved by Management pending implementation.

The Bank's Internal Sustainability Strategy has five (5) strategic pillars namely: Environment, Community Investment, Human Resource, Governance and Market Place.

Management is expected to approve the creation of a Sustainability Unit within the Project Management Office to guide the implementation of the Internal Sustainability Strategy. The Unit is reviewing the Report submitted by the Consultants and classifying the roles to be undertaken by various Departments/Offices of the Bank for further engagement.

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General Services Complex  
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Western Region  
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Ghana Commercial Bank Ltd.  
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Nkawkaw  
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Ghana Commercial Bank Ltd.  
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3202769

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