

SUMMARY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 GH¢	2020 GH¢
Interest income	232,474,873	231,613,938
Interest expense	(41,608,531)	(51,084,486)
Net interest income	190,866,342	180,529,452
Fees and commission income	33,344,923	25,380,246
Fees and commission expense	(2,593,473)	(3,832,801)
Net fees and commission income	30,751,450	21,547,445
Net trading income	26,303,310	40,515,612
Net income from other financial instruments	6,818,673	-
Other income	2,945,985	2,719,953
	36,067,968	43,235,565
Operating income	257,685,760	245,312,462
Net impairment loss on financial instruments	(19,551,922)	(35,750,839)
Personnel expenses	(50,954,127)	(49,454,768)
Depreciation and amortisation	(16,110,985)	(16,167,789)
Operating expenses	(51,300,683)	(47,252,770)
Profit before income tax	119,768,043	96,686,296
National fiscal stabilisation levy	(5,988,410)	(4,834,318)
Financial sector recovery levy	(4,491,308)	-
Income tax expense	(35,915,822)	(26,036,595)
Profit for the year	73,372,503	65,815,383
Other comprehensive income, net of income tax		
Changes in fair value of investments measured at fair value through other comprehensive income (FVOCI (net of tax)	(457,116)	(1,032,285)
Total comprehensive income for the year	72,915,387	64,783,098

SUMMARY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	2021 GH¢	2020 GH¢
Assets		
Cash and cash equivalents	584,761,635	357,531,967
Loans and advances to customers	883,821,254	751,878,958
Investments securities	1,479,984,951	819,892,912
Deferred income tax assets	1,359,178	4,553,435
Current income tax assets	1,055,277	-
Intangible assets	6,823,282	6,048,263
Other assets	113,593,195	77,921,534
Right-of-use asset	18,317,939	19,242,694
Property and equipment	52,403,522	58,536,972
Non - current asset held for sale	16,512,200	-
Total assets	3,158,632,433	2,095,606,735
Liabilities		
Deposits from customers	1,431,611,829	1,204,062,141
Deposits from banks	46,290,098	-
Current income tax liabilities	-	679,497
Borrowings	887,307,580	205,233,475
Lease liabilities	14,661,824	15,446,290
Other liabilities	69,254,182	23,593,799
Total liabilities	2,449,125,513	1,449,015,202
Equity		
Stated capital	422,288,538	422,288,538
Retained earnings	48,363,291	17,790,520
Other reserves	(7,150)	449,966
Regulatory credit risk reserve	63,696,524	67,583,044
Statutory reserve	175,165,717	138,479,465
Total equity	709,506,920	646,591,533

Total liabilities and equity

The financial statements of the bank were approved by the board of directors on 30 March 2022 and signed on its behalf by:

SIGNED  
Francis Kalitsi  
Chairman

SIGNED  
Kobby Andah  
Managing Director

SUMMARY STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2021

Year ended 31 December 2021:	Stated capital	Retained earnings	Regulatory Credit Risk Reserve	Statutory reserve	Other reserves	Total equity
Balance at 1 January 2021	422,288,538	17,790,520	67,583,044	138,479,465	449,996	646,591,533
Profit for the year	-	73,372,503	-	-	-	73,372,503
Other comprehensive income	-	-	-	-	(457,116)	(457,116)
Total comprehensive income	-	73,372,503	-	-	(457,116)	(72,915,387)
Regulatory and other reserve transfers						
Transfer from credit reserve	-	3,886,520	(3,886,520)	-	-	-
Transfer to statutory reserve	-	(36,686,252)	-	36,686,252	-	-
Transactions with owners:						
Dividends paid	-	(10,000,000)	-	-	-	(10,000,000)
Net regulatory and other transfers and transactions with owners:	-	(42,799,732)	(3,886,520)	36,686,252	-	(10,000,000)
Balance at 31 December 2021	422,288,538	48,363,291	63,696,524	175,165,717	(7,150)	709,506,920

SUMMARY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 GH¢	2020 GH¢
Cash flow from operating activities		
Profit before income tax	119,768,043	96,686,296
Adjustments for:		
Depreciation and amortisation	16,110,985	16,167,789
Net impairment loss on financial instruments	19,551,922	35,750,839
Finance cost on lease liabilities	860,417	621,836
Exchange loss on lease liabilities	197,190	695,413
Exchange loss on short-term borrowings	26,977,714	16,728,093
Interest expense on short-term borrowings	18,133,108	10,302,711
Lease remeasurement	(320,723)	-
Gains on disposal of property and equipment	-	(42,512)

Operating cash flows before changes in working capital	201,278,656	176,910,465
Changes in loans and advances to customers	(156,421,862)	(79,455,109)
Changes in other assets	(43,871,661)	(4,555,926)
Changes in non-current asset held for sale	(12,012,200)	-
Changes in investment securities	(660,769,717)	(73,643,557)
Changes in mandatory reserve cash with Bank of Ghana	(41,056,713)	(6,067,765)
Changes in deposits from customers	227,549,688	119,983,633
Changes in deposits from banks and other financial institutions	46,290,098	(35,014,636)
Changes in other liabilities	54,356,216	8,007,338

Cash flows from operations	(384,657,495)	106,164,443
National fiscal stabilisation levy paid	(6,179,710)	(3,820,304)
Financial sector recovery levy paid	(5,611,475)	-
Income tax paid	(32,992,500)	(27,650,788)

Net cash flows (used in)/ from operating activities	(429,441,180)	74,693,351
Cash flow from investing activities		
Purchase of property and equipment	(3,289,886)	(4,167,247)
Proceeds from sale of property and equipment	-	42,512
Purchase of intangible assets	(1,040,843)	(186,688)
Net cash flows used in investing activities	(4,330,729)	(4,311,423)

Cash flows from financing activities		
Payment for finance leases	(7,018,420)	(6,660,195)
Drawdown from short-term borrowings	3,631,682,013	1,102,217,214
Repayment of short-term borrowings	(2,994,718,729)	(1,223,814,710)
Dividends paid	(10,000,000)	(13,858,131)

Net cash flows (used in)/ from financing activities	619,944,864	(142,115,822)
Net increase (decrease) in cash and cash equivalents	186,172,955	(71,733,894)
Cash and cash equivalents at 1 January	255,427,497	327,315,091
Exchange difference on cash and cash equivalents	-	(153,700)
Cash and cash equivalents at 31 December	441,600,452	255,427,497

REPORT OF THE DIRECTORS TO THE MEMBERS OF BANK OF AFRICA GHANA LIMITED

The Directors have the pleasure of presenting their report and the summary financial statements for the year ended 31 December 2021

Statement of directors' responsibilities

The Bank's Directors are responsible under the Companies Act, 2019 (Act 992) and Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) for the preparation of the financial statements for each financial year, which gives a true and fair view of the state of affairs of the Bank and of the profit or loss and cash flows for that year. In preparing the financial statements, the Directors have selected suitable accounting policies and applied them consistently, made judgements and estimates that are reasonable and prudent; stated whether applicable accounting standards have been followed, disclosed and explained in the financial statements; prepared the financial statements on a going concern basis unless it is inappropriate to presume that the Bank will continue in business and that the financial statements are prepared in accordance with International Financial Reporting Standards.

The Directors are responsible for ensuring that the Bank keeps proper accounting records that disclose with reasonable accuracy at any time, the financial position of the Bank. 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.

Principal activities

The principal activities carried out by the Bank during the year under review are within the limits permitted by its regulations which continued to be banking and finance. These represent no change from the activities carried out in the previous year.

Approval of Financial Statements

The financial statements of the Bank were approved by the Board of Directors on 30 March 2022 and signed on its behalf by:

Francis Kalitsi  
Chairman

Kobby Andah  
Managing Director

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

1.0 Reporting entity

Bank of Africa Ghana Limited (the "Bank") is a financial institution engaged in universal banking. The Bank is a limited liability company incorporated and domiciled in Ghana. The registered office of the Bank is at The Octagon, First Floor, Block A & B, Independence Avenue. The Bank operates under the Banks and Specialized Deposit-Taking Institutions Act, 2016 (Act 930).

The Bank is a subsidiary of the Bank of Africa (BOA) Group. Its majority shareholder is Bank of Africa (BOA) West Africa SA, a holding company incorporated in Cote D'Ivoire. Its ultimate parent is Banque Marocaine du Commerce Extérieur (BMCE), a company incorporated in Morocco.

2.0 Summary of Significant Accounting Policies

The significant accounting policies adopted by the Bank in the preparation of these summary financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2.1 Basis of Preparation

2.1.1 Statement of Compliance

The Bank's financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) and in a manner required by the Companies Act, 2019 (Act 992), and the Banks and Specialised Deposit Taking Institutions Act, 2016 (Act 930).

2.1.2 Basis of Measurement

The summary financial statements have been prepared under the historical cost convention except for the following:

- Financial instruments at fair value through profit or loss measured at fair value;
- Trading assets are measured at fair value; and
- Financial assets measured at fair value through other comprehensive income are measured at fair value

The summary financial statements are presented in Ghana Cedis, which is the Bank's functional and presentation currency.

2.1.3 Use of estimates and judgements

The preparation of the Bank's financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Directors to exercise judgements in the process of applying the Bank's accounting policies.

2.1.4 Going concern

These summary financial statements have been prepared on the basis that the Bank will continue to operate as a going concern.

3.0 Risk Management Disclosures

Taking risk is core in the business of Banking. In the performance of its statutory duties, the Bank analyses, evaluates and assumes positions of taking calculated risks. The Bank's aim is therefore to achieve an appropriate balance between risk and return and minimize potential adverse effects on its financial performance. The most significant risks faced by the Bank include but are not limited to:

- Credit Risk
- Liquidity Risk
- Market Risk (Risks related to currency trading, interest rate, etc.)
- Operational Risk
- Compliance Risk

3.1 Risk Management Framework

The Board of Directors has overall responsibility for the establishment and oversight of the Bank's risk management framework. The Board has established a Risk and Compliance Committee for the management of risk in the Bank. The arm of the committee within management is the Risk Management Department which assists it in the discharge of this responsibility. The Bank's risk management policies are established to identify and analyse the risks faced by the Bank, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered.

Through the compliance department, the Bank ensures it complies with all prudential and regulatory guidelines in the pursuit of profitable Banking opportunities while avoiding excessive, unnecessary and uncontrollable risk exposures. Being an inherent feature in the business of the Bank, various mitigating measures are put in place to better manage risk.

All risk management policies are formulated at the board level through the Board Risk and Compliance Committee. The Bank, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Risk and Compliance Committee is responsible among other things for authorising the scope of the risk management function, renewing and assessing the integrity of the risk control systems, as well as ensuring that the risk policies and strategies are effectively managed.

3.2 Quantitative and Qualitative Disclosures	2021	2020
Capital Adequacy Ratio	41.71%	46.38%
Non-Performing Loan Ratio	9.43%	15.54%
Liquid Ratio	208.74%	115.96%
Leverage Ratio	16.82%	23.78%

Compliance with Statutory requirement	2021	2020
Default in Statutory Liquidity	Nil	Nil
Default in Statutory Liquidity Sanction (GH'S'000)	Nil	Nil
Other Regulatory Penalties (GH'S'000)	Nil	30

3.3 Corporate social responsibility

The Bank spent GH¢70,500 on corporate social responsibilities during the year.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BANK OF AFRICA GHANA LIMITED

Opinion

In our opinion, the accompanying summary financial statements of Bank of Africa Ghana Limited (the "Bank"), are consistent, in all material respects, with the audited financial statements of the Bank for the year ended 31 December 2021, on the basis described in the notes.

THE SUMMARY FINANCIAL STATEMENTS

The Bank's summary financial statements derived from the audited financial statements for the year ended 31 December 2021 comprise:

- The summary statement of financial position as at 31 December 2021;
- The summary statement of profit or loss and other comprehensive income for the year then ended;
- The summary statement of changes in equity for the year then ended;
- The summary statement of cash flows for the year then ended; and
- The related notes to the summary financial statements.

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards and the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon. The audited financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

THE AUDITED FINANCIAL STATEMENTS AND OUR REPORT THEREON

We expressed an unmodified audit opinion on the audited financial statements in our report dated 30 March 2022. That report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the audited financial statements of the current period.

DIRECTORS' RESPONSIBILITY FOR THE SUMMARY FINANCIAL STATEMENTS

The directors are responsible for the preparation of the summary financial statements on the basis described in the notes.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing 810 (Revised), 'Engagements to Report on Summary Financial Statements'.

The engagement partner on the audit resulting in this independent auditor's report is Michael Asiedu-Antwi (ICAGP/1138).

PricewaterhouseCoopers (ICAG/F/2022/028)  
Chartered Accountants  
Accra, Ghana  
30th March 2022

