

SUMMARY STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

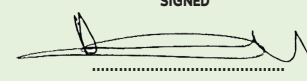
	2022 GH¢	2021 GH¢
Interest income	334,942,698	232,474,873
Interest expense	(91,174,485)	(41,608,531)
Net interest income	243,768,213	190,866,342
Fees and commission income	45,203,109	33,344,923
Fees and commission expense	(9,099,399)	(2,593,473)
Net fees and commission income	36,103,710	30,751,450
Net trading income	74,831,175	26,303,310
Net income from other financial assets	9,832,338	6,818,673
Other operating income	4,593,721	2,945,985
	89,257,234	36,067,968
Operating income	369,129,157	257,685,760
Net impairment loss on financial instruments	(187,032,268)	(19,551,922)
Personnel expenses	(66,748,838)	(50,954,127)
Depreciation and amortisation	(15,994,470)	(16,110,985)
Other expenses	(85,291,888)	(51,300,683)
Profit before income tax	14,061,693	119,768,043
National fiscal stabilisation levy	(703,084)	(5,988,410)
Financial sector recovery levy	(703,084)	(4,491,308)
Income tax expense	(6,810,136)	(35,915,822)
Profit for the year	5,845,389	73,372,503
Other comprehensive income, net of income tax		
Item that may be reclassified to profit or loss		
Changes in fair value of investments measured at fair value through other comprehensive income (FVOCI (net of tax))	7,150	(457,116)
Total comprehensive income for the year	5,852,539	72,915,387

SUMMARY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	2022 GH¢	2021 GH¢
Assets		
Cash and cash equivalents	729,985,201	584,761,635
Loans and advances to customers	1,048,677,865	883,821,254
Investments securities	1,427,102,134	1,479,984,951
Current income tax assets	-	1,055,277
Deferred income tax assets	42,850,337	1,359,178
Intangible assets	10,500,438	6,823,282
Other assets	213,679,395	113,176,092
Derivative financial instruments	80,710,167	-
Right-of-use asset	24,780,520	18,317,939
Property and equipment	56,924,147	52,403,522
Non-current asset held for sale	-	16,512,200
Total assets	3,635,210,204	3,158,215,330
Liabilities		
Deposits from customers	2,038,486,937	1,431,611,829
Deposits from banks	42,899,058	46,290,098
Current income tax liabilities	8,091,272	-
Borrowings	780,443,732	887,307,580
Lease liabilities	26,872,094	14,661,824
Other liabilities	38,057,652	28,488,482
Derivative financial instruments	-	40,348,597
Total liabilities	2,934,850,745	2,448,708,410
Equity		
Stated capital	422,288,538	422,288,538
Retained earnings	28,284,885	48,363,291
Other reserves	-	(7,150)
Regulatory credit risk reserve	71,697,625	63,696,524
Statutory reserve	178,088,411	175,165,717
Total equity	700,359,459	709,506,920
Total liabilities and equity	3,635,210,204	3,158,215,330

SIGNED

Francis Kalitsi
Chairman

SIGNED

Kobby Andah
Managing Director

SUMMARY STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2022

	Stated capital	Retained earnings	Regulatory Credit Risk Reserve	Statutory reserve	Other reserves	Total equity
Year ended 31 December 2022:						
Balance at 1 January 2022	422,288,538	48,363,291	63,696,524	175,165,717	(7,150)	709,506,920
Profit for the year	-	5,845,389	-	-	-	5,845,389
Other comprehensive income	-	-	-	-	7,150	7,150
Total comprehensive income	-	5,845,389	-	-	7,150	5,852,539
Regulatory and other reserve transfers						
Transfer from credit reserve	-	(8,001,101)	8,001,101	-	-	-
Transfer to statutory reserve	-	(2,922,694)	-	2,922,694	-	-
Transactions with owners:						
Dividends paid	-	(15,000,000)	-	-	-	(15,000,000)
Net regulatory and other transfers and transactions with owners:	-	(25,923,795)	8,001,101	2,922,694	-	(15,000,000)
Balance at 31 December 2022	422,288,538	28,284,885	71,697,625	178,088,411	-	700,359,459

SUMMARY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 GH¢	2021 GH¢
Cash flow from operating activities		
Profit before income tax	14,061,693	119,768,043
Adjustments for:		
Depreciation and amortisation	15,994,470	16,110,985
Net impairment loss on financial instruments	187,032,268	19,551,922
Finance cost on lease liabilities	840,058	860,417
Exchange loss on lease liabilities	8,395,080	197,190
Exchange loss on short-term borrowings	315,745,975	26,977,714
Interest expense on short-term borrowings	55,362,609	18,133,108
Gains on disposal of property and equipment	(159,008)	-
Operating cash flows before changes in working capital	597,273,145	201,599,379
Changes in loans and advances to customers	(187,512,226)	(156,421,862)
Changes in other assets	(88,491,103)	(43,871,661)
Changes in non-current asset held for sale	-	(12,012,200)
Changes in investment securities	(99,445,357)	(660,769,717)
Changes in mandatory reserve cash with Bank of Ghana	(133,591,980)	(41,056,713)
Changes in derivative financial instruments	(121,087,891)	40,348,597
Changes in deposits from customers	606,875,108	227,549,688
Changes in deposits from banks and other financial institutions	(3,391,040)	46,290,098
Changes in other liabilities	(2,443,030)	13,686,896
Cash flows from/ (used in) operations	568,185,626	(384,657,495)
National fiscal stabilisation levy paid	(3,403,685)	(6,179,710)
Financial sector recovery levy paid	(3,026,758)	(5,611,475)
Income tax paid	(34,130,471)	(32,992,500)
Net cash flows from/ (used in) operating activities	527,624,712	(429,441,180)
Cash flow from investing activities		
Purchase of property and equipment	(12,031,426)	(3,289,886)
Proceeds from sale of property and equipment	159,008	-
Proceeds from sale of non-current asset held for sale	4,500,000	-
Purchase of intangible assets	(6,118,058)	(1,040,843)
Net cash flows used in investing activities	(13,490,476)	(4,330,729)
Cash flows from financing activities		
Payment for finance leases	(9,530,216)	(7,018,420)
Drawdown from short-term borrowings	3,780,295,669	3,631,682,013
Repayment of short-term borrowings	(4,258,268,102)	(2,994,718,729)
Dividends paid	(15,000,000)	(10,000,000)
Net cash flows (used in)/ from financing activities	(502,502,649)	619,944,864
Net increase in cash and cash equivalents	11,631,586	186,172,955
Cash and cash equivalents at 1 January	441,600,452	255,427,497
Cash and cash equivalents at 31 December	453,232,038	441,600,452

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

The Directors have the pleasure of presenting their report and the summary financial statements for the year ended 31 December 2022.

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 26 April 2023 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 Ltd (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 Specialised 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 S.A, a holding company incorporated in Cote d'Ivoire. The 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 financial instruments at fair value through profit or loss 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

	2022	2021
Capital Adequacy Ratio	31.62%	41.71%
Non-Performing Loan Ratio	13.30%	9.43%
Liquid Ratio	148.20%	208.74%
Common Equity Tier 1	31.62%	41.71%
Leverage Ratio	13.58%	16.84%

Compliance with Statutory requirement

	2022	2021
Default in Statutory Liquidity	Nil	Nil
Default in Statutory Liquidity Sanction (GH¢000)	Nil	Nil
Other Regulatory Penalties (GH¢000)	48	30

3.3 Corporate social responsibility

The Bank spent GH¢168,000 on corporate social responsibilities during the year.

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

Opinion

In our opinion, except for the effects of the matter described in the Basis for qualified opinion section of our report, the accompanying summary financial statements of Bank of Africa Ghana Ltd (the "Bank"), are consistent, in all material respects, with the audited financial statements of the Bank for the year ended 31 December 2022, on the basis described in the notes. However, the summary financial statements are misstated to the equivalent extent as the audited financial statements of the Bank for the year ended December 31, 2022.

The summary financial statements

The Bank's summary financial statements derived from the audited financial statements for the year ended 31 December 2022 comprise:

- the summary statement of financial position as at 31 December 2022;
- the summary statement of 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, 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 a qualified audit opinion on the audited financial statements in our report dated 27 April 2023. The basis for the qualified audit opinion was that contrary to the provisions of IFRS 9 – Financial Instruments, Bank of Africa Ghana Ltd did not recognised an amount of GH¢ 80,883,183 representing impairment losses on certain investment securities held as at 31 December 2022. Had the impairment losses been recognised in the financial statements, the reported retained earnings and the carrying amounts of financial instruments in the audited financial statements would have been materially affected. In addition, ratios that are derived based on the results of the year and the carrying amounts of investment securities would have been materially affected. Our report on the audited financial statements 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 (ICAGP/2023/028)
Chartered Accountants
Accra, Ghana
27th April 2023