

SUMMARY STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 GH¢	2022 GH¢
Interest income	424,786,189	334,942,698
Interest expense	(74,852,815)	(91,174,485)
Net interest income	349,933,374	243,768,213
Fees and commission income	50,638,213	45,203,109
Fees and commission expense	(12,090,986)	(9,099,399)
Net fees and commission income	38,547,227	36,103,710
Net trading income	69,969,531	74,831,175
Net income from other financial assets	3,886,554	9,832,338
Other operating income	4,526,483	4,593,721
	78,382,568	89,257,234
Operating income	466,863,169	369,129,157
Net impairment loss on financial instruments	(83,445,599)	(187,032,268)
Personnel expenses	(79,706,878)	(66,748,838)
Depreciation and amortisation	(18,468,337)	(15,994,470)
Other expenses	(110,447,684)	(85,291,888)
Profit before income tax	174,794,669	14,061,693
Growth and sustainability levy	(8,739,733)	(703,084)
Financial sector recovery levy	(8,739,733)	(703,084)
Income tax expense	(45,403,683)	(6,810,136)
Profit for the year	111,911,520	5,845,389
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
Total comprehensive income for the year	111,911,520	5,852,539

SUMMARY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	2023 GH¢	2022 GH¢
Assets		
Cash and cash equivalents	1,415,679,430	729,985,201
Loans and advances to customers	865,420,264	1,048,677,865
Investments securities	666,181,885	1,427,102,134
Current income tax assets	3,355,786	-
Deferred income tax assets	51,222,827	42,850,337
Intangible assets	8,939,964	10,500,438
Other assets	137,344,264	213,679,395
Derivative financial instruments	-	80,710,167
Right-of-use asset	44,548,672	24,780,520
Property and equipment	63,061,804	56,924,147
Total assets	3,255,754,896	3,635,210,204
Liabilities		
Deposits from customers	2,316,643,515	2,038,486,937
Deposits from banks	-	42,899,058
Current income tax liabilities	-	8,091,272
Borrowings	18,056,042	780,443,732
Lease liabilities	35,506,090	26,872,094
Other liabilities	73,278,270	38,057,652
Total liabilities	2,443,483,917	2,934,850,745
Equity		
Stated capital	422,288,538	422,288,538
Retained earnings	88,003,866	28,284,885
Regulatory credit risk reserve	67,934,404	71,697,625
Statutory reserve	234,044,171	178,088,411
Total equity	812,270,979	700,359,459
Total liabilities and equity	3,255,754,896	3,635,210,204

SIGNED

Francis Kalitsi
Chairman

SIGNED

Abderrahmane Belbachir
Managing Director

SUMMARY STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2023

Year ended 31 December 2023:

	Stated capital GH¢	Retained earnings GH¢	Regulatory Credit Risk Reserve GH¢	Statutory reserve GH¢	Other reserves GH¢	Total equity GH¢
Balance at 1 January 2023	422,288,538	28,284,885	71,697,625	178,088,411	-	700,359,459
Profit for the year	-	111,911,520	-	-	-	111,911,520
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	111,911,520	-	-	-	111,911,520
Regulatory and other reserve transfers						
Transfer from credit reserve	-	3,763,221	(3,763,221)	-	-	-
Transfer to statutory reserve	-	(55,955,760)	-	55,955,760	-	-
Transactions with owners:						
Dividends paid	-	-	-	-	-	-
Net regulatory and other transfers and transactions with owners:	-	(52,192,539)	(3,763,221)	55,955,760	-	-
Balance at 31 December 2023	422,288,538	88,003,866	67,934,404	234,044,171	-	812,270,979

SUMMARY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 GH¢	2022 GH¢
Cash flow from operating activities		
Profit before income tax	174,794,669	14,061,693
Adjustments for:		
Depreciation and amortisation	18,468,337	15,994,470
Net impairment loss on financial instruments	83,445,599	187,032,268
Unwinding of modification loss	(20,507,594)	-
Finance cost on lease liabilities	3,808,226	840,058
Exchange loss on lease liabilities	3,415,122	8,395,080
Exchange loss on short-term borrowings	185,714,526	315,745,975
Interest expense on short-term borrowings	25,230,874	55,362,609
Gains on disposal of property and equipment	(508,225)	(159,008)
Operating cash flows before changes in working capital	473,861,534	597,273,144
Changes in loans and advances to customers	183,257,601	(187,512,226)
Changes in other assets	26,864,572	(88,491,103)
Changes in investment securities	760,920,249	(99,445,357)
Changes in mandatory reserve cash with Bank of Ghana	(70,818,255)	(133,591,980)
Changes in derivative financial instruments	80,710,167	(121,087,891)
Changes in deposits from customers	278,156,578	606,875,108
Changes in deposits from banks and other financial institutions	(42,899,058)	(3,391,040)
Changes in other liabilities	21,256,148	(2,443,030)
Cash flows from operating activities	1,711,309,536	568,185,626
Growth and sustainability levy paid	(7,134,880)	(3,403,685)
Financial sector recovery levy paid	(7,134,880)	(3,026,758)
Income tax paid	(68,432,937)	(34,130,471)
Net cash flows generated from operating activities	1,628,606,839	527,624,712
Cash flows from investing activities		
Purchase of property and equipment	(14,446,844)	(12,031,426)
Proceeds from sale of property and equipment	508,225	159,008
Proceeds from sale of non-current asset held for sale	-	4,500,000
Purchase of intangible assets	(827,287)	(6,118,058)
Net cash flows used in investing activities	(14,765,906)	(13,490,476)
Cash flows from financing activities		
Payment for finance leases	(25,631,869)	(9,530,216)
Drawdown from short-term borrowings	317,820,520	3,780,295,669
Repayment of short-term borrowings	(1,291,153,610)	(4,258,268,102)
Dividends paid	-	(15,000,000)
Net cash flows used in financing activities	(998,964,959)	(502,502,649)
Net increase in cash and cash equivalents	614,875,974	11,631,586
Cash and cash equivalents at 1 January	453,232,038	441,600,452
Cash and cash equivalents at 31 December	1,068,108,012	453,232,038

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SUMMARY STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2022

Year ended 31 December 2022:

	Stated capital GH¢	Retained earnings GH¢	Regulatory Credit risk reserve GH¢	Statutory reserve GH¢	Other reserves GH¢	Total equity GH¢
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 to 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

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 2023

Statement of directors' responsibilities

The Directors are responsible for the preparation of financial statements for each financial period which gives a true and fair view of the state of affairs of the Bank at the end of the financial year and of the profit or loss and cash flows for that period. In preparing these financial statements, the Directors have selected suitable accounting policies and then applied them consistently, made judgements and estimates that are reasonable and prudent and followed International Financial Reporting Standards (IFRS) with the IAS 29 Directive issued by the Institute of Chartered Accountants Ghana (ICAG), and complied with the requirements of the Companies Act, 2019 (Act 992), and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

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.

The Directors have assessed the Bank's ability to continue as a going concern and have no reason to believe the business will not continue to operate as a going concern.

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 March 2024 and signed on its behalf by:


Francis Kalitsi
Chairman


Abderrahmane Belbachir
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 Material Accounting Policies

The material 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 have been prepared in accordance with International Financial Reporting Standards (IFRS) with the IAS 29 Directive issued by the Institute of Chartered Accountants Ghana (ICAG).

2.1.2 Basis of Measurement

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

- financial instruments at fair value through profit or loss are measured at fair value;
- non-current assets held for sale measured at fair value less costs to sell; and
- financial assets measured at fair value through other comprehensive income are measured at fair value.

The ICAG issued a directive in November 2023 to accountants in business and accountants in practice, together with an update in January 2024 on the application of IAS 29 in Ghana. The ICAG asserts in the directive that based on its analysis of the quantitative and qualitative indicators referred to in IAS 29, Ghana was not a hyperinflationary economy as of December 2023, therefore, IAS 29 will not be applicable for December 2023 financial reporting period. In compliance with the directive, the financial statements of the Bank, including the comparative figures, have not been stated in terms of the measuring unit current at the end of the reporting period.

2.1.3 Use of estimates and judgments

The preparation of the financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the directors to exercise judgement in the process of applying the Bank's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant are disclosed in Note 3 of the audited financial statements.

2.1.4 Going concern

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

3.1 Risk Management Disclosures

Taking risk is core to the business of banking. In carrying out its core business, 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 minimise potential adverse effects on its financial performance. The most important types of risk faced by the Bank include but not limited to:

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

3.2 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