Annual Report and Financial Statements

2023

The Year in Numbers

End-December 2023

Medium-Term Inflation Target

8±2%

Headline Inflation

23.2%

Monetary Policy Rate

30%

Real GDP Growth

2.9%

Balance of Payments

US$461.6 million

Surplus

Gross International Reserves

2.7 months

of import cover

Additional data can be found in the Annexes on pages 42 to 51.

BANK OF GHANA

Annual Report and Financial Statements 2023

Prepared and Edited
By
The Editorial Committee
Bank of Ghana

No. 1 Thorpe Road, Accra, Ghana

P. O. Box GP 2674
Accra

ISSN: 0855-0972

Available on the Bank's Website:
www.bog.gov.gh

Contents

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

Photo: Bank of Ghana Head Office, Accra

Abbreviations

AACB	Association of African Central Banks
ACH	Automated Clearing House
AfCFTA	African Continental Free Trade Area
AfDB	African Development Bank
AFI	Alliance for Financial Inclusion
AFRACA	African Rural and Agricultural Credit Association
WACRAT	West Africa Centre for Rural and Agricultural Training
AFREXIMBANK	African Export-Import Bank
AMCP	African Monetary Cooperation Programme
AML/CFT	Anti-Money Laundering/Countering the Financing of Terrorism
AML/CFT&P	Anti-Money Laundering/Countering the Financing of Terrorism and Proliferation of Weapons of Mass Destruction
ATMs	Automated Teller Machines
AUC	African Union Commission
BCP	Business Continuity Plan
bpd	Barrels per day
bps	Basis points
BoG	Bank of Ghana
BoP	Balance of Payments
BSSI	Banking Sector Soundness Index
CAR	Capital Adequacy Ratio
CBDCs	Central Bank Digital Currencies
CBWA	Central Bank of West Africa
CCB	Capital Conservation Buffer
CCC	Cheque Codeline Clearing
CET1	Common Equity Tier 1
CIEA	Composite Index of Economic Activity
CIR	Cost-to-Income Ratio
CISD	Cyber and Information Security Directive
COCLAB	Committee for Cooperation between Law Enforcement Agencies and the Banking Community
CPI	Consumer Price Index
CPMI/IOSCO	Committee on Payment and Market Infrastructures / International Organisation of Securities Commissions
CRD	Capital Requirement Directive
CRR	Cash Reserve Ratio
CSR	Corporate Social Responsibility
CSWAMZ	College of Supervisors of the West African Monetary Zone
DDEP	Domestic Debt Exchange Programme
DEMI	Dedicated Electronic Money Issuer
DMBs	Deposit Money Banks
DSSI	Debt Service Suspension Initiative
E&CP	Ethics and Compliance Programme
ECB	European Central Bank
eFASS	Electronic Financial Analysis and Surveillance System
ECF	Extended Credit Facility
ECOWAS	Economic Community of West African States
EMDEs	Emerging Markets and Developing Economies
EMEs	Emerging Market Economies
ERM	Enterprise Risk Management
EPSP	Enhanced Payment Service Provider
ESRM	Environmental and Social Risk Management
EWP	Employee Wellbeing Programme
FATF	Financial Action Task Force
FDI	Foreign Direct Investment
FEB	Foreign Exchange Bureaux
FHs	Finance Houses
FIC	Financial Intelligence Centre
FICSOC	Financial Industry Command Security Operations Centre
FinTech	Financial Technology
FIO	FinTech and Innovation Office
FSB	Financial Stability Board
FSC	Financial Stability Council
FSIs	Financial Soundness Indicators
FSPs	Financial Service Providers
GACH	Ghana Automated Clearing House
GDP	Gross Domestic Product
GFIM	Ghana Fixed Income Market
GhIPSS	Ghana Interbank Payment and Settlement Systems
GIABA	Inter Governmental Action Group Against Money Laundering in West Africa
GIP	GhIPSS Instant Pay
GIR	Gross International Reserves
GIS	Ghana Interbank Settlement
GoG	Government of Ghana
GSE	Ghana Stock Exchange
GSE-CI	GSE Composite Index
GSS	Ghana Statistical Service
ICT	Information Communication Technology
IFC	International Finance Corporation
IFRS	International Financial Reporting Standards
IIF	Institute of International Finance
IMF	International Monetary Fund
IMFC	International Monetary and Financial Committee
ISMS	Information Security Management System
ISO	International Organisation for Standardisation
LCs	Leasing Companies
M2	Broad Money Supply
M2+	Broad Money Supply (including foreign currency deposits)
MCC	Microcredit Company
MFIs	Microfinance Institutions

MoF	Ministry of Finance
MOU	Memorandum of Understanding
MPC	Monetary Policy Committee
MPCC	Monetary Policy Consultation Clause
MPR	Monetary Policy Rate
MPSP	Medium Payment Service Provider
NBFIs	Non-Bank Financial Institutions
NDA	Net Domestic Assets
NFA	Net Foreign Assets
NFIDS	National Financial Inclusion and Development Strategy
NIM	Net Interest Margin
NIR	Net International Reserves
NIS	Net Interest Spreads
NPL	Non-Performing Loan
NPO	Not-for-Profit Organisation
NRA	National Risk Assessment
OLEM	Other Loans Especially Mentioned
OPEC	Organisation of Petroleum Exporting Countries
ORASS	Online Regulatory Analytics Surveillance System
PAPSS	Pan African Payments and Settlement System
PC-PEG	Post COVID Programme of Economic Growth
PFTSP	Payment and Financial Technology Service Providers
PMIs	Purchasing Managers Index
PMS	Performance Management System
POS	Point of Sale
PPE	Property, Plant and Equipment
ppts	Percentage Points
PRMA	Petroleum Revenue Management Act
PSPs	Payment Service Providers
PSAC	Payment Systems Advisory Committee
PSIWG	Payment Systems Integration Working Group
RBS	Risk-Based Supervision
RCBs	Rural and Community Banks
RFI	Regulated Financial Institutions
ROA	Return on Assets
ROE	Return on Equity
ROEA	Return on Earning Assets
RTGS	Real Time Gross Settlement
S&Ls	Savings & Loans Companies
SBPs	Sustainable Banking Principles
SDIs	Specialised Deposit-Taking Institutions
SDRs	Special Drawing Rights
SEC	Securities and Exchange Commission
SLA	Staff Level Agreement
SMEs	Small and Medium-Sized Enterprises
SOC	Security Operation Centre
SOL	Single Obligor Limit
SOP	Standard Operating Procedures
SSA	Sub-Saharan Africa
SSNIT	Social Security and National Insurance Trust
SWIFT	Society for Worldwide Interbank Financial Telecommunication
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

"I have the fervent hope that next year, we will continue to maintain our focus and remain committed to the pursuit of the policies and programmes that contributed to the emerging recovery process in order to consolidate the gains achieved so far."

In 2023, the global economy was characterised by uncertainties in the first half of the year. Despite these uncertainties, global economic activity rebounded in the second half of the year, amid solid demand and resilient labour markets. Global inflationary pressures also eased substantially, though headline inflation remained above target in many countries. The deceleration was driven, in large part, by declines in energy and food prices. This led to a pause in policy rate hikes by several central banks, but the lagged effects of previous policy tightening measures kept global financing conditions tight in the near-term.

In the domestic economy, following the Staff Level Agreement reached with the IMF in December 2022, the year began with some degree of optimism. Implementation of prior actions, including implementation of the challenging Domestic Debt Exchange Programme (DDEP), and signing of the Memorandum of Understanding between the Bank of Ghana and the Ministry of Finance on zero financing of the budget, paved way for the approval of an IMF Extended Credit Facility of US$3.0 billion, over a three-year period. The programme detailed corrective policies, including stringent fiscal and monetary policies to help restore macroeconomic stability and debt sustainability, while laying the foundation for inclusive growth.

The Monetary Policy Committee (MPC) maintained a tight monetary policy stance during the year, which together with relative exchange rate stability, allowed for a smooth disinflation process. From the peak of 54.1 per cent at end-2022, headline inflation more than halved to 23.2 per cent by the end of 2023. Both food and non-food inflation declined sharply by over 30 percentage points during the period, in line with the monetary policy stance. Additionally, underlying inflationary pressures eased, evidenced by the downward trend in all the core inflation measures. Growth momentum also picked up pace in the year, despite the tight policy stance.

The external sector position also improved, with a provisional balance of payments surplus of US$461.6 million in 2023, from a deficit of US$3.64 billion a year earlier, on account of improvement in the current accounts and lower outflows from the capital and financial accounts. In addition, the domestic gold purchase programme, inflows from the mining and oil sectors, as well as liquidation of some short-term external liabilities, boosted international reserves (excluding encumbered assets and petroleum fund) to US$3.66 billion at end-2023, relative to US$1.45 billion in 2022. The increased reserve levels provided support for the foreign exchange market.

The Bank of Ghana recorded a loss in 2023 in line with experiences of some central banks globally as a result of the cost incured in delivering on their primary mandate of price stability. With interest rates at high levels, the cost of conducting open market operations surged in 2023, contributing to high interest expense. In addition, impairments on newly issued Government of Ghana Bonds, per IFRS standards, added to the loss position reported in the year. On the income side, the improvement in interest income and earnings derived from the Bank's foreign investments could not keep pace with total expenditures. As a result, the Bank recorded a loss of GH¢ 10.5 billion, compared with a loss of GH¢ 60.8 billion in 2022.

Notwithstanding the loss, the overall operations of the Bank were effective enough, and this helped the Bank to defend its mandate of bringing inflation down. Inflation declined significantly in the year, falling from 54.1 per cent in December 2022 to 23.2 percent in December 2023. The Bank continued to be policy solvent as the total income earned from the Bank's group operations was enough to cover the costs associated with the conduct of monetary policy operations. The Bank will continue to pursue policies geared towards high operational efficiency and, together with steps that have been initiated to recapitalise the Bank, the expectation is that positive equity will be restored in the medium-term.

In 2023, the banking sector bounced back from the earlier losses recorded in 2022, as the effects of the DDEP waned, alongside improvement in the macroeconomic environment. Prudential returns submitted by banks indicated strong performance, with the key financial soundness indicators remaining broadly positive. The industry's Capital Adequacy Ratio was 13.9 per cent at the end of December 2023, above the revised prudential minimum of 10.0 per cent.

To deepen financial inclusion and drive broad-based growth, the Bank continued to implement policies and deployed regulatory tools to promote digital financial services. The first cohort of the Regulatory Sandbox was launched during the year to support innovations in the areas of new digital business models and further enhance the financial inclusion agenda.

During the year, the Bank organised a maiden e-Cedi Hackathon to encourage innovation, knowledge exchange, and partnerships to promote local digital financial services. The hackathon gained attention from both domestic and international stakeholders and the winner was eventually crowned in December 2023.

The Bank continued to improve the cyber environment for banks and other regulated financial institutions to promote the delivery of a safe digital financial industry. In the year, the Bank formally launched the Financial Industry Command Security Operations Centre (FICSOC), a project initiated in November 2020, to address cyber risks on a broader level. The FICSOC serves as an intelligence-sharing platform to continuously monitor and safeguard regulated financial institutions and the banking industry from cyber-security threats.

In the review year, the Bank continued to coordinate, monitor, and evaluate risks within its operational areas. To assess system resilience, criticality tests of the Bank's systems were successfully conducted. Also, a strong organisational culture was maintained with programmes and activities to improve the level of ethical awareness and ensure reinforcement of the Bank's core values among staff. Building intellectual capital of staff remained a priority throughout the year. To this end, the Bank continued to implement the Human Capital Support Project and conducted Employee Satisfaction Surveys, both aimed at enhancing staff competencies and improving human resource functions.

Let me conclude by saying that 2023 was a challenging year, but at the same time fulfilling in terms of the progress made in unwinding the macroeconomic imbalances, as well as promoting financial stability. I would like to thank the Board, the MPC, and Staff of the Bank for their unflinching support and hard work. I have the fervent hope that next year, we will continue to maintain our focus and remain committed to the pursuit of the policies and programmes that contributed to the emerging recovery process in order to consolidate the gains achieved so far.

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

Board Members

Dr. Maxwell Opoku-Afari
First Deputy Governor

Dr. Ernest K. Y. Addison
Chairman, Governor

Mrs. Elsie Addo Awadzi
Second Deputy Governor

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

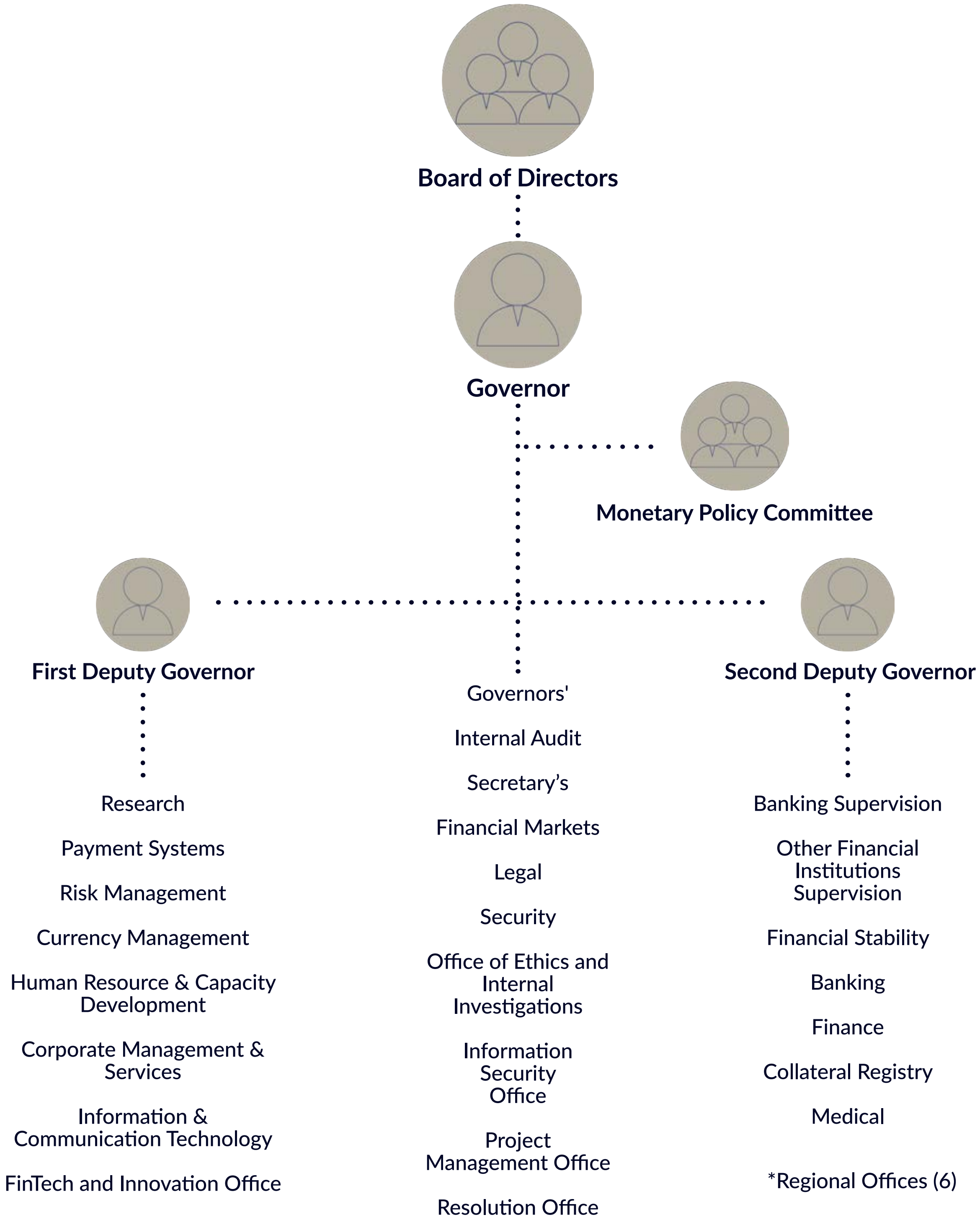
Dr. Regina Ohene-Darko Adutwum
Non-Executive Director

Ms. Angela Kyeremanten-Jimoh
Non-Executive Director

Ms. Sandra Thompson
Board Secretary

* Exited the Board on 28th November, 2023.

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

Mr. Stephen Opata
Advisor

HEADS OF DEPARTMENT

Mr. Emmanuel Kinful[1]
Governors' Department

Dr. Philip Abradu-Otoo
Research Department

Mr. Osei Gyasi
Banking Supervision Department

Mr. George Adu-Sefa
Internal Audit Department

Dr. Settor Amediku
Payment Systems Department

Mr. Yaw Sapong
Other Financial Institutions Supervision Department

Ms. Sandra Thompson
Secretary's Department

Mr. Emmanuel Kyei[3]
Risk Management Department

Dr. Kwasi Osei-Yeboah[5]
Financial Stability Department

Dr. Zakari Mumuni[2]
Financial Markets Department

Mr. Dominic Owusu[4]
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 Otabil
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 Okwaben Assan
Takoradi, Western Region

Mr. Abdul-Aziz Mohammed
Tamale, Northern Region

[1] Mr. Emmanuel Kinful took over from Dr. Alberta Hagan (Acting Head) on 10/08/2023
[2] Dr. Zakari Mumuni took over from Mr. Stephen Opata as Acting Head on 08/05/2023
[3] Mr. Emmanuel Kyei took over from Mrs. Josephine Ami-Narh as Acting Head on 22/05/2023
[4] Mr. Dominic Owusu took over from Mr. John Gyamfi as Acting Head on 15/12/2022
[5] Dr. Kwasi Osei-Yeboah took over from Dr. Joseph France as Acting Head on 04/09/2023

1 GOVERNANCE

Photo: Cedi House, Accra

1.1 Constitutional Mandate

The Bank of Ghana was established on 4th March, 1957 by the Bank of Ghana Ordinance (No. 34) of 1957. 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 establishes the Bank of Ghana as the central bank, 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

Under the Bank of Ghana Act, 2002 (Act 612), 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.

The Act further stipulates that without limiting the primary objective, the Bank shall also:

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

In order to achieve its mandate, 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 nonbanking 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 mandate 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 its statutory responsibility. The Board is aided in its work by a Board Charter. All Committees of the Board also operate with their respective Committee Charters.

1.5.2 Composition

The Board is composed of Executive and Non-Executive Directors. The Executive Directors comprise the Governor and the two Deputy Governors, whereas the remaining Directors constitute the Non-Executive Directors. The 13-member Board is chaired by the Governor, and includes 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*[6]**

Dr. Ernest K. Y. Addison	Chairman, Governor
Dr. Maxwell Opoku-Afari	First Deputy Governor
Mrs. Elsie Addo Awadzi	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

Board Secretary

Ms. Sandra Thompson

1.5.3 Responsibilities of the Board

The responsibilities of the Board include:

a. Formulating policies of the Bank necessary for the achievement of the objects and functions of the Bank; and
b. 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

In the performance of its policy formulation mandate, the Board per section 15 of the Bank of Ghana Act (Act 612), as amended, may appoint a number of committees constituted by members of the Board, for the purpose of advising the Board on matters before them for consideration. The Board has established the following committees to carry out its functions:

- Audit Committee[7];
- 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:

a. Establish appropriate accounting procedures and accounting controls for the Bank and supervise compliance with these procedures;
b. Monitor compliance with enactments applicable to the Bank and report to the Board thereon;
c. Deliver opinions on any matters submitted to it by the Board or Management;
d. Receive and examine the External Auditor's report and recommend to the Board any appropriate action to be taken; and
e. 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

[6] Representative of the Ministry of Finance yet to be appointed. | [7] 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.

security policies in accordance with the requirements of ISO 27001:2013 Standards. This Committee advises the Board on the Bank's compliance with relevant cyber and information security laws and policies adopted by the Board.

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 advises the Board on overall risk governance including assisting the Board to oversee key risk areas and promote an appropriate 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[8]

Dr. Ernest K. Y. Addison	Governor, Chairman
Dr. Maxwell Opoku-Afari	First Deputy Governor
Mrs. Elsie Addo Awadzi	Second Deputy Governor
Dr. Zakari Mumuni	Ag. Head, Financial Markets Department[9]
Dr. Philip Abradu-Otoo	Head, Research Department
Prof. Joshua Abor	External Member[10]
Prof. Festus Ebo Turkson	External Member[11]

MEMBERS OF THE COMMITTEE

Dr. Ernest K. Y. Addison

Dr. Maxwell Opoku-Afari

Mrs. Elsie Addo Awadzi

Dr. Zakari Mumuni

Dr. Philip Abradu-Otoo

Prof. Joshua Y. Abor

Prof. Festus Ebo Turkson

[8] External Members of the MPC are appointed for a five-year term, renewable once, in line with section 27 of the Bank of Ghana Act, 2002 (Act 612), as amended.
[9] Dr. Zakari Mumuni took over from Mr. Stephen Opata in May 2023 as the member responsible for Treasury Operations.
[10] Prof. Joshua Yindenaba Abor was appointed in 2015 and is serving his second term.
[11] Prof. Festus Ebo Turkson was appointed in April 2022 and is serving his first term.

Governor Dr. Ernest Addison delivering the opening address at the AFREXIMBANK Annual meetings held in Accra, Ghana, from June 18 to 21, 2023.

2
DEVELOPMENTS IN THE GLOBAL ECONOMY

Photo: Courtesy iStock.com

2.1 Overview

At the start of 2023, growth outlook for the global economy was uncertain, with concerns over rising inflation and threat of recession. The uncertainty was largely due to the expected unwinding of fiscal policy support to households and firms during the pandemic, short-lived boost from China's re-opening from the COVID-19-related shutdown, weaker manufacturing sector, as well as actual and signalled monetary policy tightening.

Despite these concerns, global economic activity improved in the first half of the year, reflecting strong household consumption amid tighter labour markets, especially in advanced economies, relatively strong services sector, normalisation of supply chain constraints, and the recovery of real incomes due to disinflation. However, global activity slowed down in the second half of the year on the back of weak manufacturing and services sectors. Despite these developments, GDP growth ended the year strong in some major economies, such as China and the USA.

2.2 World Output Growth

IMF estimates showed that global growth ended the year at 3.1 per cent, stronger than expected, but slightly lower than the 3.5 per cent in 2022 (Table 2.1 in the Annexes).

2.2.1 United States

The United States economy expanded by 2.5 per cent in 2023, significantly above the 1.9 per cent in 2022. The robust growth was on the back of strong domestic demand and a resilient labour market, despite tighter financial conditions and distress in some banks in the first quarter of 2023.

2.2.2 United Kingdom

The United Kingdom economy slowed sharply to 0.5 per cent growth in 2023 from 4.3 per cent in 2022, amid lagged effects of tighter financial conditions, higher energy costs and lower real incomes associated with high inflation.

2.2.3 Euro Area

Economic growth in the Euro Area slowed sharply to 0.5 per cent in 2023, from 3.5 per cent in 2022. The slower growth was broad-based, involving the four largest economies — Germany, France, Spain and Italy — reflecting the high exposure of the Euro Area to the war in Ukraine, tighter financial conditions, and declining real incomes.

2.2.4 China

China's economy grew by 5.2 per cent in 2023, higher than the 3.0 per cent in 2022. The stronger growth was on the back of increased demand following the re-opening of the economy, sizeable policy support, and the rebound in consumption spending in the second half of 2023.

2.2.5 Emerging Markets and Developing Economies

Growth in Emerging Market and Developing Economies expanded by 4.1 per cent in 2023, the same as the previous year, mainly driven by strong output in India, Russia, Ukraine, Brazil, and Mexico. Strong domestic demand, fiscal stimulus, and robust investment contributed to the increase in economic activity.

2.2.6 Sub-Saharan Africa

Growth in Sub-Saharan Africa slowed to 3.3 per cent in 2023, from 4.0 per cent in 2022 due to low investment and subdued spending. Elevated prices, rising borrowing cost, weak demand, rising debt levels, and depreciating currencies exacerbated inflationary pressures.

2.3 Global Consumer Prices

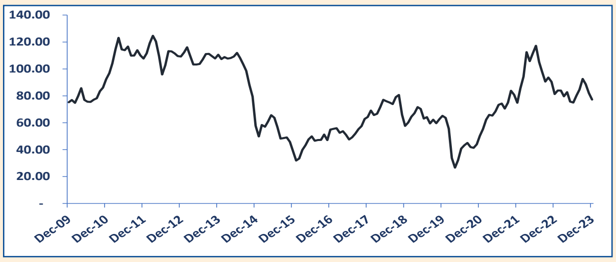
Global headline inflation declined in 2023 to 6.8 per cent from 8.7 per cent in 2022, driven mainly by lower energy and food prices, tighter monetary policy, and the waning effects of past cost shocks. The sharp decline in headline inflation was broad-based, in both advanced and emerging market and developing economies (Table 2.1 in the Annexes).

2.4 Commodity Prices

2.4.1 Crude Oil

Crude oil prices were less volatile in 2023. In June, prices declined to an average of US$74.98 per barrel due to sluggish energy demand in the United States and China. However, prices gradually rose and peaked at US$92.58 per barrel in September, due to announced production cuts by OPEC+, a decline in US inventories, and geopolitical tensions. Brent crude oil prices averaged US$82.19 per barrel in 2023, lower than the average price of US$98.80 in 2022 (Chart 2.1).

Chart 2.1: Trends in International Brent Crude Prices

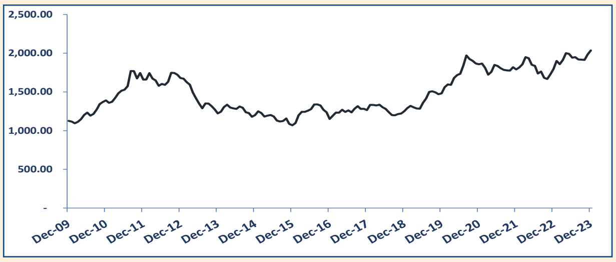


Source: Reuters

2.4.2 Gold

Spot gold prices steadily increased in 2023, on the back of geopolitical tensions, weak US dollar, and declining bond yields. In the last two months, gold prices rose sharply to a high of US$2,035.43 per fine ounce at end-December 2023, largely driven by expectations that the US Federal Reserve would pause interest rate hikes. In the year, spot gold prices averaged US$1,943.62 per fine ounce compared to US$1,801.42 per fine ounce in 2022 (Chart 2.2).

Chart 2.2: Trends in International Gold Prices

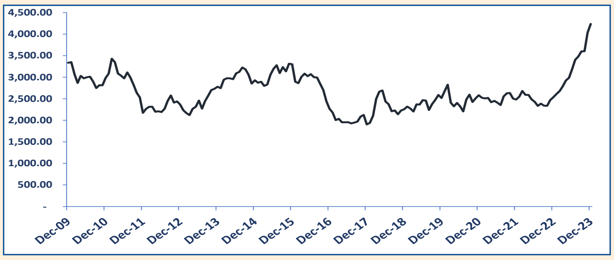


Source: Reuters

2.4.3 Cocoa

The cocoa market was bullish in 2023. Tight supplies, driven by bad weather conditions, black pod diseases, and expectations of a third successive supply deficit in the crop season, contributed to a 66.8 per cent price increase year-on-year. On average, cocoa prices ended 2023 at US$4,235.60 per tonne, compared with US$2,538.57 per tonne in 2022 (Chart 2.3).

Chart 2.3: Trends in International Cocoa Prices



Source: Reuters

3 DEVELOPMENTS
IN THE GHANAIAN ECONOMY

Photo: Courtesy iStock.com

3.1 Overview

The Ghana Statistical Service estimated real GDP growth for 2023 at 2.9 per cent, relative to 3.8[12] per cent in 2022. Non-oil GDP growth was 3.3 per cent in 2023, compared to 4.7[12] percent in 2022 (Table 3.1 in the Annexes). The agricultural and services sectors contributed to the growth in GDP, while industry contracted.

Headline inflation sharply decelerated to 23.2 per cent in December 2023, from 54.1 per cent in December 2022. The decline in inflation was driven by easing food and non-food prices. Food inflation sharply decelerated to 28.7 per cent in December 2023, from 59.7 per cent in December 2022, while non-food inflation also fell to 18.7 per cent, from 49.9 per cent over the same comparative period. Core inflation also eased significantly, affirming broad decline in prices. The disinflation process was supported by tight monetary policy, relative exchange rate stability, and effective liquidity sterilisation efforts.

Base money growth slowed significantly in 2023, supporting the disinflation process. Growth in reserve money, defined to include currency outside banks and commercial banks' reserves, slowed down to 29.2 per cent at end-December 2023, relative to a growth rate of 57.5 per cent in 2022. This was driven primarily by effective liquidity management.

Total outstanding credit of Deposit Money Banks (DMBs) stood at GH¢77.0 billion at end-December 2023, compared to GH¢70.0 billion at end-December 2022, representing nominal growth of 10.0 per cent. The pace of growth in private sector credit slowed to 10.7 per cent, compared with 31.8 per cent annual growth in December 2022. In real terms, credit to the private sector contracted by 10.2 per cent in 2023, relative to 14.5 per cent contraction in 2022.

The MPC's decisions in 2023 were influenced mainly by the elevated headline inflation levels amid heightened inflationary pressures. These necessitated a tight monetary policy stance to reset the economy back on a disinflation path and to regain price stability. Consequently, the MPC cummulatively adjusted the Monetary Policy Rate (MPR) upward by 300 basis points to 30.0 per cent in the year.

The Interbank Weighted Average Rate (IWAR) was broadly aligned within the policy corridor in December 2023. The IWAR increased to 30.19 per cent in December 2023, from 25.51 per cent in December 2022, in line with the MPR and supported by adjustments in the cash reserve ratio. The average lending rates of banks eased marginally to 33.75 per cent in December 2023, from 35.58 per cent a year earlier.

Fiscal policy implementation was broadly aligned with the government's Post COVID Programme of Economic Growth (PC-PEG), supported by the IMF Extended Credit Facility (ECF). Fiscal performance from January to December 2023 showed a deficit of 3.1 per cent of GDP, against a target of 5.7 per cent of GDP.

In 2023, the overall Balance of Payments (BoP) recorded a surplus of US$461.6 million, significantly lower than the deficit of US$3.64 billion recorded in 2022. The surplus was underpinned by favourable developments in the current accounts, as well as lower outflows from the capital and financial accounts.

In the foreign exchange market, the Ghana cedi remained relatively stable against the major trading currencies in 2023. This was due to improved inflows from the first tranche of the IMF ECF, the domestic gold purchase programme, remittances, and FX purchases from mining and oil companies, as well as tight monetary policy. The Ghana cedi cummulatively depreciated by 27.8 per cent against the US dollar. Excluding the sharp depreciation of 20.6 per cent in January, the Ghana cedi cumulatively depreciated by 7.2 per cent between February and December 2023.

3.2 Monetary Policy

The primary objective of the Bank of Ghana is to pursue sound monetary policies aimed at price stability and creating an enabling environment for sustainable economic growth. Price stability, in this context, is defined as a medium-term inflation target of 8±2 per cent. This implies that headline inflation should be aligned within the medium-term target band for the economy to grow at its full potential. To achieve the objective of price stability, the Bank was granted operational independence under the Bank of Ghana Act, 2002 (Act 612), as amended, to use appropriate policy tools to stabilise inflation around the target band. The Act also establishes the Monetary Policy Committee (MPC), charged with the conduct of monetary policy. The Bank's framework for conducting monetary policy is Inflation Targeting (IT), in which the central bank adjusts its primary policy tool–the Monetary Policy Rate (MPR) — to set the monetary policy stance and anchor inflation expectations within the medium-term target band.

3.2.1 MPC Deliberations and Decisions

In 2023, the MPC held its six regular meetings and assessed global and domestic macroeconomic conditions, the outlook for inflation and growth, and took decisions on positioning of the MPR consistent with the outlook for inflation. In the year, the Committee acknowledged heightened risks to the inflation outlook, arising from continued spillovers from geopolitical tensions, aggressive policy tightening in Advanced Economies, amid uncertainty from the DDEP. In response, the MPC increased the policy rate cumulatively by 300 basis points to 30.0 per cent, in the year.

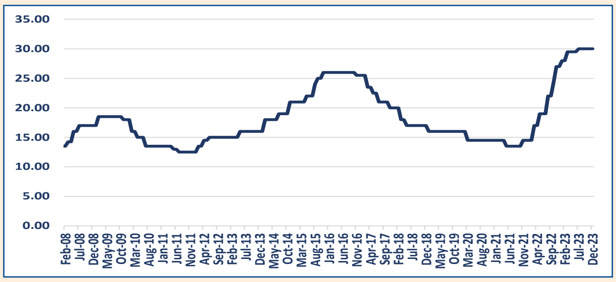
[12] revised in April 2024

Table 3.2: Monetary Policy Decisions

Month	Policy Decision	MPR (%)
January	Increased by 100 bps	28.0
March	Increased by 150 bps	29.5
May	Maintained	29.5
July	Increased by 50 bps	30.0
September	Maintained	30.0
November	Maintained	30.0

Source: Bank of Ghana

Chart 3.1: Monetary Policy Rate



Source: Bank of Ghana

At the start of the year, the Committee raised the MPR by 100 bps to 28 per cent due to the prevalent high inflation levels driven by both demand pressures and supply shocks. Headline inflation eased marginally for two consecutive months between January and March, partly influenced by the tight monetary policy stance, though it remained well above the medium-term target. However, prevalent risks to the inflation outlook, including tighter global financing conditions, heightened uncertainty about the global economic outlook. Also, structural excess liquidity following the risk associated with the implementation of the DDEP raised some concerns. Consequently, the Committee increased the MPR by 150 bps to 29.5 per cent at the March meeting to reinforce the disinflation process going forward. In addition, the Cash Reserve Ratio on domestic currency deposits for banks was increased to 14.0 per cent, from 12.0 per cent to address structural excess liquidity in the economy.

In May, the Committee noted that the policy interventions had begun yielding results. Headline inflation had declined by more than 12.0 percentage points since the beginning of the year, while the proportion of items in the CPI basket with inflation rates above 50 per cent declining sharply. The tight policy, sustained liquidity management operations to address excess liquidity conditions, relative stability in the local currency, and relatively lower ex-pump petroleum prices, were all supportive of the disinflation process. Given these considerations, the MPC maintained the MPR at 29.5 per cent.

Headline inflation inched upwards in May and June, after consistent declines, indicating risks to the outlook. Although inflation was expected to decline in the near-term, baseline forecasts showed a slightly elevated profile in the year ahead, which could pose risks to the outlook. To ensure that these risks would not fully translate into the price-setting behaviour of firms and to anchor inflation expectations, the policy rate was increased further by 50 bps to 30.0 per cent at the July meeting.

At the September and November policy meetings, the Committee noted that the continued maintenance of a tight policy stance and relative exchange rate stability had contributed significantly to the improved inflation outlook. The forecasts indicated that the disinflation process, which had begun earlier on in the year would continue till the end of the year. Additionally, the main core measure of inflation which excludes energy and utility prices were also trending downwards, indicating continued easing in underlying inflationary pressures. Based on these considerations, the committee maintained the policy rate at 30.0 per cent in September and November.

3.2.2 Other Policy Measures

To further support the disinflation process, the Bank stepped up its sterilisation efforts and strictly enforced the Memorandum of Understanding on zero financing of the government's budget signed between the Bank and the Ministry of Finance.

3.3 Money Supply and Credit

3.3.1 Reserve Money

Annual growth in reserve money slowed considerably to 29.2 per cent in December 2023, from 57.5 per cent recorded in the corresponding period of 2022. The significant decline in the growth in reserve money was due to the implementation of the zero financing of the budget by the Bank, the DDEP effect, and sustained sterilisation of excess liquidity. Net Domestic Assets (NDA) grew by negative 1.1 per cent in in December 2023, compared to a growth of 144.6 per cent in 2022. In contrast, the Net Foreign Assets (NFA) of the central bank expanded by 119.2 per cent in December 2023 relative to 312.1 per cent contraction, recorded in 2022.

The net build-up in foreign assets was largely driven by inflows from the Gold for Reserve Programme, forex purchases, and proceeds from the IMF ECF (Table 3.3 in the Annexes).

3.3.2 Broad Money Supply

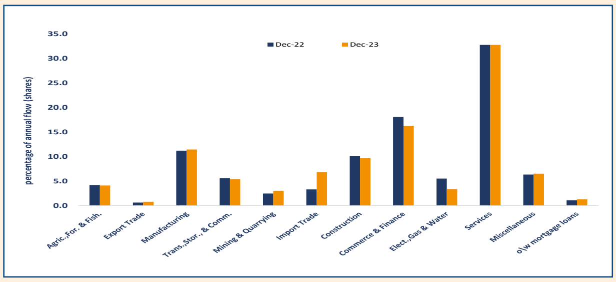
Developments in monetary aggregates for December 2023 showed a significant increase in broad money supply including foreign currency deposits (M2+), relative to December 2022. M2+ increased by 38.7 per cent, year-on-year, in December 2023, relative to 33.0 per cent in December 2022. The growth in M2+ was driven mainly by expansion in NFA, which went up by 303.8 per cent in December 2023, compared to a contraction of 237.0 per cent a year earlier.

3.3.3 Deposit Money Banks' Credit

Growth in total nominal outstanding credit extended by Deposit Money Banks (DMBs) decreased to 10.0 per cent in December 2023, down from 30.2 per cent in December 2022. At end-December 2023, total outstanding credit stood at GH¢77.0 billion, compared to GH¢70.0 billion in 2022. In real terms, total outstanding bank credit contracted by 10.7 per cent in December 2023, compared with a contraction of 15.5 per cent in December 2022.

Growth in credit to the private sector decreased in both nominal and real terms at end-December 2023, reflecting tight monetary policy stance, challenging macroeconomic conditions, and the impact of the DDEP. Growth in nominal credit to the private sector slowed to 10.7 per cent in December 2023, compared with 31.8 per cent in 2022. The outstanding credit to the private sector in the review year stood at GH¢70.56 billion, compared with GH¢63.75 billion the previous year. In real terms, the annual growth of outstanding credit to the private sector was negative 10.2 per cent in December 2023, compared with a growth of 14.5 per cent in December 2022 (Chart 3.3 and Table 3.4 in the Annexes).

Chart 3.3: Allocation of Annual Flow of Credit to the Private Sector



3.4 Interest Rates

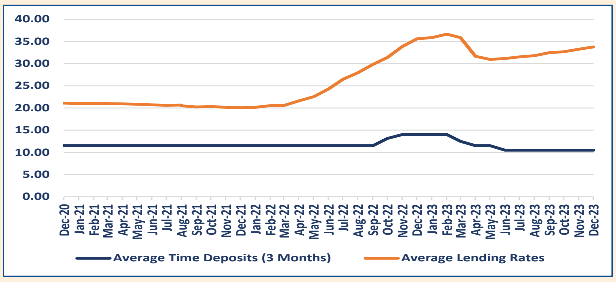
The MPR ended the year at 30.0 per cent, up from 27.0 per cent in 2022. The interbank weighted average rate remained well aligned within the policy corridor by the end of 2023. The rate increased to 30.19 per cent in December 2023 compared to 25.51 per cent in December 2022, in line with the MPR and supported by adjustment in the Cash Reserve Ratio.

Broadly, interest rates on the money market reflected mixed trends on a year-on-year basis. In line with the increase in the MPR, the rates on the 14-day BoG bill increased by 250 bps to 29.50 per cent in December, from 27.00 per cent in December 2022, while the interest equivalent on the 56-day BoG bill also increased to 29.99 per cent in December 2023, compared to 17.00 per cent in December 2022. Following the successful completion of the DDEP, the yields on the 91-day, 182-day and 364-day T-bills decreased by 609 bps, 453 bps, and 309 bps to end 2023 at 29.39 per cent, 31.70 per cent, and 32.97 per cent, respectively.

In the secondary market, the yields on the DDEP bonds were 17.14 per cent, 21.36 per cent, 14.73 per cent, and 14.97 per cent for the 4-year, 5-year, 6-year, and 7-year bonds, respectively. The yields on the 8-year, 9-year, 10-year, and 11-year DDEP bonds, were 16.20 per cent, 29.11 per cent, 14.89 per cent, and 16.00 per cent, respectively. The yields on the 12-year, 13-year, 14-year, and 15-year DDEP bonds stood at 15.95 per cent, 14.80 per cent, 14.96 per cent, and 15.29 per cent, respectively.

For the review period, the average interest rate on 3-month time deposits with DMBs decreased by 350 bps to 10.5 per cent in December 2023. Similarly, the savings rate decreased by 263 bps to 5.0 per cent.

Chart 3.4: Nominal Savings and Lending Rates (%)



Source: Bank of Ghana

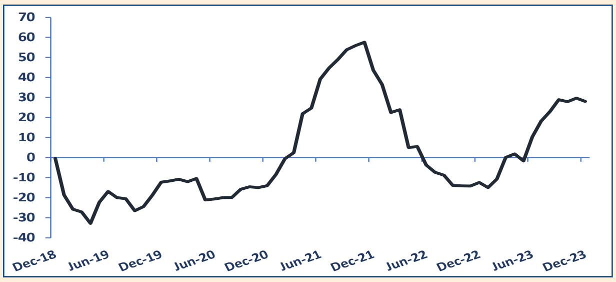
The average lending rate decreased by 183 bps to settle at 33.75 per cent in December 2023, compared to 35.58 per cent recorded in December 2022 (Chart 3.4).

3.5 Capital Market

3.5.1 Equity Market

The Ghana Stock Exchange Composite Index (GSE-CI) closed at 3,130.23 points in 2023, representing a 28.1 per cent annual growth. The improved performance of the GSE-CI reflected increased demand for equities during the review year. The main sectors that contributed to the gain recorded by the GSE-CI were the food and beverages, manufacturing, distribution and agriculture sectors. However, the GSE-Financial Stocks Index (GSE-FSI), a sub-component of the GSE-CI, closed the year at 1,901.57 points, reflecting a loss of 7.4 per cent, compared to a loss of 4.6 per cent, over the same comparative period. Market capitalisation increased by 14.5 per cent to GH¢73.89 billion, compared with GH¢64.51 billion in 2022.

Chart 3.5: GSE Composite Index (Y-o-Y % changes)



Source: Ghana Stock Exchange

3.5.2 Bond Market

The total value of Government of Ghana Notes and Bonds listed on the Ghana Fix Income Market (GFIM) at end-December 2023 stood at GH¢308.96 billion, compared to GH¢160.29 billion in the corresponding period in 2022. The total value of corporate bonds stood at GH¢9.67 billion at end-December 2023, compared with GH¢11.77 billion at end-December 2022. The cumulative volume of trades in 2023 stood at 98.44 billion, valued at GH¢80.0 billion, compared to volume and value of trades of 230.32 billion and GH¢220.76 billion, respectively, in 2022 and 2023.

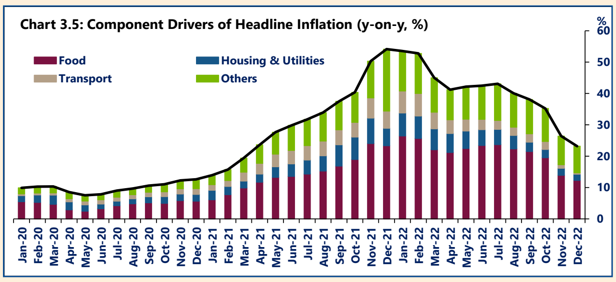
3.6 Real GDP

Real GDP growth was estimated at 2.9 per cent in 2023, compared to 3.8 per cent in 2022. The moderated GDP growth was largely on the back of contraction in industry underpinned by rising input costs and lower crude oil production. Growth was mainly driven by the Services and Agriculture sectors, which grew by 5.5 per cent and 4.5 per cent, respectively, while Industry contracted by 1.2 per cent. In terms of composition, Services dominated with 45.6 per cent share in 2023, compared to 45.6 per cent in 2022. This was followed by Industry with 31.7 per cent share, compared to 33.6 per cent, while the share of Agriculture declined marginally to 22.7 per cent, compared to 20.8 per cent over the same comparative period.

3.7 Prices

Headline inflation declined sharply to 23.2 per cent in December 2023, from 54.1 per cent in December 2022. The decline was on the back of tight monetary policy stance, relatively stable exchange rate, and improved liquidity sterilisation (Chart 3.6).

Chart 3.6: Component Drivers of Headline Inflation

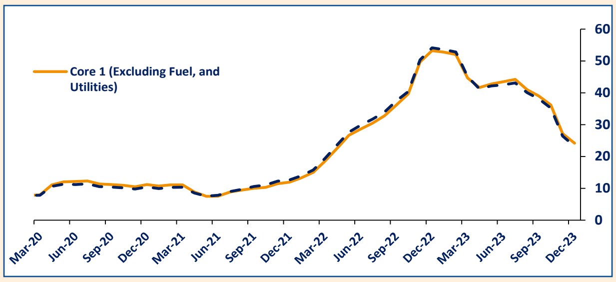


Source: Bank of Ghana and Ghana Statistical Service

Food inflation decelerated sharply by 31 percentage points within the review year to 28.7 per cent in December 2023, down from 59.7 per cent in December 2022. Similarly, non-food inflation dropped significantly by 31.2 percentage points to 18.7 per cent in December 2023, from 49.9 per cent in December 2022.

Underlying inflationary pressures also eased significantly in 2023. The Bank's core inflation measure, which excludes energy and utility, declined to 24.2 per cent in December 2023, down from 53.2 per cent in 2022 (Chart 3.7).

Chart 3.7: Headline and Core Inflation



** Provisional*
Source: Bank of Ghana and Ghana Statistical Service

3.8 Fiscal Sector

The main objective of the fiscal policy framework for 2023 was to pursue a fiscal consolidation agenda to achieve debt sustainability. Execution of the 2023 budget yielded positive results, supported by new revenue mobilisation measures and constrained spending.

3.8.1 Fiscal Outturn

Government budgetary operations recorded an overall deficit (commitment basis) of 3.1 per cent of GDP in 2023, lower than the programme target of 5.7 per cent of GDP. The deficit was financed from both foreign and domestic sources.

Total Government Revenue and Grants amounted to GH¢134.90 billion (15.8% of GDP), as compared to the programme target of GH¢134.91 billion. The major components were Tax Revenue of GH¢109.92 billion (81.5% of Total Receipts), Non-Tax Revenue of GH¢17.65 billion (13.1% of Total Receipts) and Grants of GH¢2.65 billion (2.0% of Total Receipts).

Total Government Expenditure amounted to GH¢155.58 billion (18.2% of GDP), which was below the programme target of GH¢183.86 billion (21.5% of GDP). Recurrent Expenditure was 86.40 per cent of Total Payments, while Capital Expenditure constituted 13.60 per cent (Table 3.9 in the Annexes).

3.8.2 Composition of Domestic Debt

The stock of domestic debt at end-December 2023 was GH¢260.16 billion (30.9% of GDP), compared to

GH¢205.59 billion (33.5% of GDP) at end-December 2022. The increase in the domestic debt stock in the review period was on the back of GH¢32.88 billion increase in short-term securities, and GH¢1.89 billion increase in the medium-term securities. Long-term securities, however, decreased by GH¢19.68 billion.

Total debt stock stood at GH¢611.22 billion at end-December 2023 (72.6% of GDP), higher than the stock of GH¢447.00 billion at end-December 2022 (72.8% of GDP) (Table 3.10A in the Annexes).

3.8.3 Holdings of Domestic Debt

In the review year, the share of the Bank of Ghana's holdings of domestic debt declined to 21.0 per cent at end-December 2023, from 20.6 per cent at end-December 2022. DMB's holdings decreased to 29.2 per cent, from 31.8 per cent. SSNIT's holdings decreased marginally to 0.6 per cent from 0.7 per cent over the same comparative period. The share of Non-Resident's holdings decreased to 5.0 per cent at end-December 2023, from 6.7 per cent at end-December 2022 (Table 3.10B in the Annexes).

3.9 External Sector

The overall Balance of Payments (BoP) recorded a surplus of US$461.60 million in 2023, compared to a deficit of US$3.64 billion in 2022. The BoP outturn was driven by a current account surplus, as well as relatively lower outflows from the capital and financial account (Table 3.11 in the Annexes).

3.9.1 Current Account

The current account recorded a surplus of US$1.11 billion (1.4% of GDP) in 2023, compared to a deficit of US$1.52 billion (2.1 % of GDP) in 2022. The current account surplus was due to lower payments in the services and income accounts and higher remittance inflows during the year.

3.9.1.1 Merchandise Trade Balance

The trade balance recorded a surplus of US$2.65 billion at end-December 2023, compared to a surplus of US$2.87 billion at end-December 2022, on the back of lower export earnings relative to imports.

Merchandise Exports

Total value of merchandise exports for the year was estimated at US$16.66 billion in 2023, a decline of 4.9 per cent on the value recorded at end-December 2022. The drop in value was driven mainly by lower export receipts from crude oil and cocoa products.

Gold Exports

Gold exports in 2023 amounted to US$7.60 billion, representing a year-on-year increase of 15.0 per cent, mainly due to a 9.2 per cent increase in the volume of exports and a 5.4 per cent increase in the average realised price. The rise in the volume of exports was due to improved gold production attributed to the expansion of the Newmont Ahafo Mine, resumption of operations at Anglogold Ashanti Obuasi Mine, and increased volumes from small-scale miners. The average realised price of gold in 2023 was US$1,843.13 per fine ounce.

Crude Oil Exports

Earnings from crude oil exports amounted to US$3.84 billion in 2023, 29.3 per cent lower than the US$5.43 billion recorded in 2022. The lower earnings was driven by a decline in both prices and export volumes. Exports volumes reduced by 13.4 per cent, year-on-year, to 46.9 million barrels, driven mainly by lower production from the Jubilee and TEN fields. The average realised price also declined by 18.4 per cent to settle at US$81.78 per barrel.

Exports of Cocoa Beans and Products

Exports of cocoa beans and products amounted to US$2.12 billion in 2023, 8.4 per cent lower than the earnings in 2022. Cocoa beans exports at end-December 2023 was US$1.31 billion, 1.1 per cent lower than the value recorded in 2022. The fall in value was mainly due to a price drop of 0.2 per cent as well as a 0.9 per cent decrease in export volumes. Price and volume of exports closed the year at US$2,465.47 per tonne and 533,056.34 tonnes, respectively. For cocoa products, the average price increased by 7.1 per cent to settle at US$3,289.39 per tonne, but volume declined by 23.8 per cent to 240,896.35 tonnes. This led to a decrease in earnings by 18.4 per cent to US$792.40 million.

Timber Exports

Provisional data showed that timber export receipts declined by 11.7 per cent to US$142.55 million at end-December 2023, mainly due to a reduction in volume, which fell by 15.5 per cent to 290,306.26 cubic meters. However, the average realised price of a cubic metre of timber increased to US$491.02 in 2023, from US$469.99 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$2.96 billion at end-December 2023, representing a 1.3 per cent decline on receipts in 2022.

Merchandise Imports

The total value of merchandise imports was US$14.01 billion in 2023, a decline of 4.2 per cent over the value recorded in 2022. Both non-oil and oil imports contributed to the decline.

Oil Imports and Non-Oil Imports

The value of crude oil, gas, and refined petroleum products imports dropped by 3.3 per cent, year-on-year, to US$4.48 billion. Of the total, crude oil imports amounted to US$294.47 million, higher than the US$23.85 million imported in 2022. The higher imports was occasioned by the commissioning of the first phase of a two-phased refinery, Sentuo oil Refinery Ltd. Non-oil imports were estimated at US$9.54 billion, a 4.6 per cent decline; from the same period in 2022. All categories of imports contributed to the decline, with the exception of consumer goods.

3.9.1.2 Services, Income and Current Transfers

The services, income and transfers account recorded a lower net outflow of US$1.54 billion in 2023, compared with US$4.39 billion net outflows in 2022. The services account recorded a lower deficit of US$3.40 billion in the review year, relative to a deficit of US$3.46 billion in the previous year. The income account also registered a lower deficit of US$2.08 billion in 2023, down by 53.8 per cent from US$4.51 billion in 2022. Current transfers, largely comprising private remittances, recorded a net inflow of US$3.93 billion in 2023, compared with US$3.57 billion net inflow in 2022.

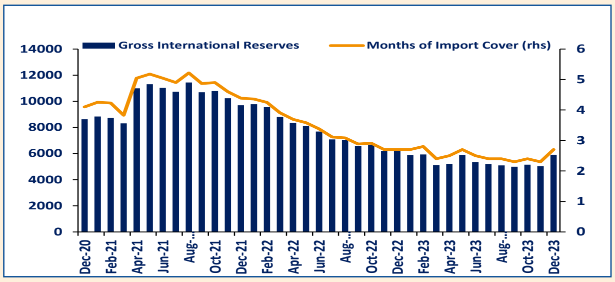
3.9.2 Capital and Financial Account

The capital and financial account recorded a net outflow of US$756.25 million in 2023, compared to US$2.14 billion in 2022. During the review year, the capital account recorded a net inflow of US$148.34 million, against US$142.12 million net inflow in 2022. The financial account, on the other hand, recorded a net outflow of US$904.58 million in 2023, significantly lower than US$2.28 billion net outflows in 2022. The lower net outflows were attributed mainly to minimal portfolio reversals.

3.9.3 International Reserves

At end-December 2023, the stock of Net International Reserves (NIR) stood at US$3.13 billion, a build-up of US$461.60 million from a stock position of US$2.67 billion at end-December 2022. The level of Gross International Reserves (GIR) was US$5.91 billion at end-December 2023, compared to US$6.25 billion at the end-December 2022. The GIR provided cover for 2.7 months of imports in 2023, same as in 2022 (Chart 3.8).

Chart 3.8: Gross International Reserves and Months of Import Cover



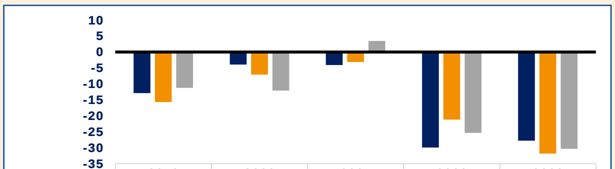
Source: Bank of Ghana

3.10 Foreign Exchange Market

The Ghana cedi cumulatively depreciated by 27.8 per cent against the US dollar in 2023, compared to a depreciation of 29.9 per cent in 2022. Against the British pound, the Ghana cedi depreciated by 31.9 per cent in 2023, compared to 21.2 per cent in the previous year. Also, the local currency depreciated by 30.3 per cent against the euro in 2023, compared to a deprecation of 25.3 per cent in 2022 (Chart 3.9 and Table 3.12 in the Annexes).

Excluding the sharp depreciation of 20.6 per cent in January, the cedi was largely stable, cumulatively depreciating by 7.2 per cent between February and December 2023. The relative stability in the foreign exchange market was largely supported by tighter monetary policy stance, inflows from the first tranche of the IMF ECF, the Domestic Gold Purchase Programme, as well as the purchases of repatriated exports proceeds from mining companies and oil and gas producers.

Chart 3.9 Interbank Exchange Rate (year-on-year Change, %)



	2019	2020	2021	2022	2023
GHC/USD	-12.9	-3.93	-4.09	-29.97	-27.81
GHC/GBP	-15.66	-7.08	-3.11	-21.19	-31.86
GHC/EURO	-11.24	-12.07	3.46	-25.34	-30.33

GHC/USD GHC/GBP GHC/EURO

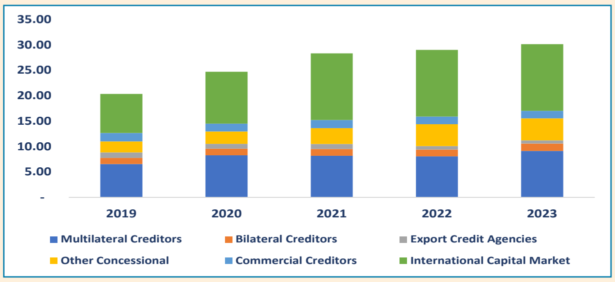
Source: Bank of Ghana

3.11 External Debt

At end-December 2023, the stock of external debt stood at US$30.14 billion (41.7% of GDP), compared with US$29.02 billion (39.3% of GDP) at end-December 2022.

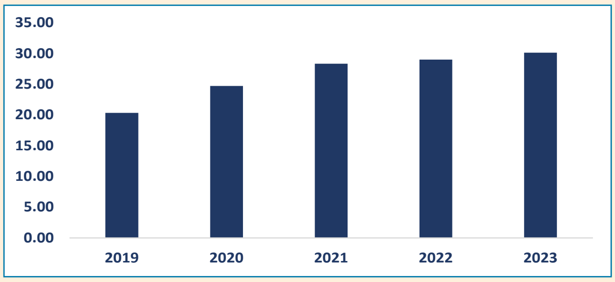
The share of external debt at end-December 2023 by creditor categories were as follows: International capital market, 43.5 per cent; multilateral holders, 30.3 per cent; commercial creditors, 14.3 per cent; other concessional, 5.0 per cent; bilateral holders, 4.8 per cent; and export credit agencies, 2.1 per cent (Charts 3.10 and 3.11; Table 3.13 in the Annexes).

Chart 3.10 External Debt by Creditor Category (US$ billion)



Source: Ministry of Finance

Chart 3.11 Total External Debt (US$ billion)



Source: Ministry of Finance

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

Photo: Courtesy iStock.com

4.1 Overview

In 2023, the performance of the banking sector improved as adverse spillovers from the domestic debt restructuring and macroeconomic challenges receded. The industry's balance sheet was generally strong, underscored by increased assets, funded largely by deposits. Key financial soundness indicators were broadly positive with the Capital Adequacy Ratio (adjusted for reliefs) above the regulatory minimum. The banking sector in the review year remained stable, liquid, and profitable.

To moderate the potential impact and help safeguard financial stability, the Bank gave temporary regulatory reliefs to banks and SDIs that participated in the DDEP. While these reliefs were intended to cushion banks and SDIs from the impacts of the DDEP, the banks were expected to fully restore capital gaps over three years, ending 31st December, 2025, in line with capital restoration plans approved by the Bank. To further support the sector, the Government of Ghana also published the operational framework for eligible banks to access recapitalisation support from the Ghana Financial Stability Fund.

4.2 Regulatory Environment

The Bank continued to monitor the spill-over effects of the DDEP on the industry, and introduced a raft of measures to strengthen the safety and soundness of individual banks and the industry as a whole.

4.2.1 Regulation and Governance

4.2.1.1 Policy Measures to Address the Adverse Impact of the DDEP

To address the adverse impact of the DDEP, the Bank:

- Reduced the Cash Reserve Ratio (CRR) to 12.0 per cent on Ghana cedi deposit from 14.0 per cent, and maintained the CRR on foreign currency denominated deposit at 12.0 per cent;
- Reduced the Capital Adequacy Ratio (CAR) to 10 per cent, from 13 per cent;
- Allowed the deductibility of new bonds, fully, in determining financial exposure limit of banks to counterparties under section 62(8) of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930);
- Granted zero-risk weight to the new bonds for CAR computation;
- Increased Tier II component of regulatory capital to 3.0 per cent of total risk-weighted assets, from 2.0 per cent; and
- Increased the allowable portion of property revaluation gains for tier II capital computation to 60 per cent, from 50 per cent.

Additionally, in collaboration with the Ministry of Finance and other stakeholders, the Ghana Financial Stability Fund (GFSF) was established to mitigate the potential solvency and liquidity challenges arising from the DDEP on financial institutions.

4.2.1.2 Guidance Notes on Banks' Capital Restoration Plan

Banks adversely impacted by the DDEP were required to submit a Capital Restoration Plan spanning three years (2023 to 2025). Further to this, the Bank issued Guidance Notes to banks to clarify the regulatory expectations on their Capital Restoration Plans.

4.2.1.3 Outsourcing Directive

In 2023, the Bank issued the Outsourcing Directive and Methodology for Assessment of banks' Business Models as Exposure Drafts to solicit inputs and comments from industry and the general public.

The draft Outsourcing Directive issued, was to:

1. Provide guidance on regulatory requirements regarding outsourcing arrangements;
2. Ensure that outsourcing arrangements neither diminished banks and SDIs' ability to fulfil their obligations to customers, nor impeded effective supervision by the Bank; and
3. Provide a framework for guidance of financial institutions in all outsourcing arrangements to ensure that,
    i. material outsourcing arrangements entered into by Regulated Financial Institutions (RFIs) were subjected to the appropriate due diligence, approval, monitoring and supervision;
    ii. expectations of the Bank are set out regarding the risks arising from the management of outsourcing arrangements by the RFIs, and that these risks were appropriately managed to ensure that an RFI can meet its financial and service obligations to customers, and other stakeholders;
    iii. dealings between RFIs and outsourced service providers are conducted at arm's length.

4.2.1.4 Regtech and Suptech[13] implementation

In 2023, the Bank completed the onboarding of all RFIs onto its Online Regulatory Analytic Surveillance System (ORASS). This enhanced regulation and supervision of banks, credit institutions, FinTechs and other payment service providers. With the full implementation of ORASS, the Bank integrated its supervisory cycle, improved data integrity, and strengthened its supervisory process.

The Bank also shared its Suptech implementation experiences with a number of regulatory authorities and international bodies, including the central banks of Barbados, Saudi Arabia, Zambia, Egypt, Solomon Islands, Alliance for Financial Inclusion, and the Financial Sector Conduct Authority of South Africa.

[13] Regulatory technology (Regtech) and Supervisory technology (Suptech) are part of the tools the Bank is using to strengthen its regulatory and supervisory structures.

Box 4.1: Sustainable Banking Principles Implementation Update

In the review year, the Bank made progress with the integration of sustainability and climate-related risks within its prudential supervisory structures and took several concrete actions to create more awareness on the Ghana Sustainable Banking Principles (SBPs).

Capacity building programmes were rolled out for industry players and supervisory staff. A collaboration between the Bank, Ghana Association of Banks (GAB), the Ghana Environmental Protection Agency (EPA) and the International Finance Corporation (IFC), led to two capacity building sessions for selected key management persons of banks to strengthen their capacity and enhance the implementation of the SBPs. Over 100 participants from Ghana's 23 universal banks took part in these sessions. The average compliance rate of the SBPs at end-September 2023 stood at 62.5 per cent, from 53.4 in September 2022.

Further, the Bank developed a draft Climate Related Financial Risk Directive in the review year to set out the supervisory expectations for Regulated Financial Institutions (RFIs). The aim of the Directive is to enhance the management of climate-related financial risks by RFIs and contribute to a more resilient financial system in Ghana that could effectively contribute to sustainable economic development. The draft directive is expected to be finalised and issued in 2024 for industry guidance. The sustainability policy initiative was launched in 2019.

Table 4.1.1: Average SBP compliance rate

	Sustainability Principle	Average Compliance Rate (%) (Sep 23)	Average Compliance Rate (%) (Mar 23)	Average Compliance Rate (%) (Sep 22)	Average Compliance Rate (%) (Mar 22)	Average Compliance Rate (%) (Sep 21)	Average Compliance Rate (%) (Mar 21)
1.	Identify, measure, mitigate and monitor environmental, social and governance risks (ESG) in our business activities; Identify environmental and social opportunities in our business activities.	56.52	52.80	45.34	39.13	39.75	36.02
2.	Promote good environmental, social and governance practices in our internal business operations.	71.74	61.96	55.80	50.36	42.75	40.58
3.	Promote good corporate governance and ethical standards.	92.03	89.13	88.41	85.51	84.78	81.88
4.	Promote gender equality	87.58	83.23	73.91	72.67	75.78	66.46
5.	Promote financial inclusion	60.87	67.39	54.35	52.17	47.83	43.48
6.	Promote resource efficiency and sustainable consumption and production.	19.57	16.67	16.67	13.77	18.84	10.87
7.	Measuring and reporting implementation of the Principles	49.28	43.48	39.13	33.33	23.19	16.67
Cumulative Average		**62.51**	**57.13**	**53.37**	**49.56**	**47.56**	**42.28**

4.2.1.5 *Cyber and Information Security*

Banks in the industry largely complied with the Bank's Cyber and Information Security Directive issued in 2018. Under the directive, RFIs were required to establish an Information Security Management System (ISMS) and attain ISO27001 certification to ensure information security, cybersecurity, and privacy protection. Additionally, banks complied with the Payment Card Industry Data Security Standard (PCI DSS) requirements. The Bank also established the Financial Industry Command Security Operations Center (FICSOC), in the review year, to continuously monitor cyber security threats.

4.3 Regulated Institutions

At end-December 2023, the banking sector which consists of licensed banks and non-bank financial institutions comprised Universal Banks (23), Development Finance Bank (1), Savings and Loans Companies (26), Finance Houses (15), Rural and Community Banks (147), Microfinance Institutions (177), Leasing Finance Companies (2), and Foreign Exchange Bureaux (401).

Table 4.1: Assets Structure of Banks and Non-Bank Financial Institutions

	DEC-22			DEC-23		
Institution Type	No.	Total Assets (GH¢'M)	Share (%)	No.	Total Assets (GH¢'M)	Share (%)
Banks	**23**	**212,005.61**	**91.92**	**23**	**274,921.53**	**92.40**
SDIs	**366**	**18,638.84**	**8.08**	**367**	**22,626.45**	**7.60**
S&Ls/FHs & LFCs	42	8,685.37	3.77	43	9,551.33	3.21
RCBs	147	8,548.10	3.71	147	11,103.74	3.73
MFIs	177	1405.37	0.61	177	1,971.37	0.66
Total	**389**	**230,644.46**	**100.00**	**390**	**297,547.98**	**100.00**

Source: Bank of Ghana

4.3.1 Banking Industry

4.3.1.1 *Assets and Liabilities of Banks*

Total assets of banks stood at GH¢274.92 billion at end-December 2023, a 29.7 per cent growth year-on-year. Growth in assets was largely driven by the revaluation of the foreign currency component of banks' assets, which increased the carrying amount in cedi terms on their balance sheet. Foreign currency denominated assets grew by 41.0 per cent in 2023, from the 51.2 per cent growth in 2022, while domestic assets grew by 25.6 per cent in December 2023, compared to 9.4 per cent in 2022 (Table 4.2 in the Annexes).

4.3.1.2 *Financial Soundness Indicators*

In 2023, banks remained stable and profitable despite the challenging macroeconomic environment and the spill-over effects from the DDEP. The FSIs broadly remained healthy, supported by the raft of regulatory measures introduced to mitigate the impact of the DDEP.

Profitability

The profitability of DMBs improved significantly in 2023 on the back of higher investment returns. Return on equity increased to 34.2 per cent in 2023, from -25.5 per cent in 2022, and Return on Assets increased to 5.4 per cent in 2023, from -3.8 per cent in 2022.

Table 4.3: Bank's Profitability Indicators (%)

Indicators	2019	2020	2021	2022	2023
ROE	19.90	21.40	20.60	-25.48	34.16
ROA	4.10	4.40	4.53	-3.83	5.37
ROEA	5.64	5.90	5.96	-5.27	7.81
Net Interest Spread (NIS)	10.55	10.51	9.86	10.09	12.67
Cost to Income Ratio	54.77	51.39	50.27	43.88	46.02
Net Interest Margin (NIM)	10.97	10.87	10.31	10.16	12.73

Source: Bank of Ghana

Asset Quality

The industry's NPL ratio increased to 20.6 per cent at end-December 2023, from 16.6 per cent at end-December 2022. The increase in the ratio was due to the increase in the NPL stock, due to the challenging macroeconomic conditions.

Liquidity

Despite the adverse macroeconomic developments, and the negative effect of the DDEP, liquidity in the banks remained satisfactory. Liquid assets to total deposits increased to 86.3 per cent at end-December 2023, from 85.4 per cent in 2022. Liquid assets to volatile funds also increased to 135.3 per cent in 2023, from 133.8 per cent in 2022.

Table 4.4: Banks' Liquidity Indicators (%)

Indicators	2019	2020	2021	2022	2023
Liquid Assets/ Total Deposit (%)	92.08	89.01	93.09	85.36	86.25
Liquid Assets/ Volatile Funds (%)	150.23	143.70	149.56	133.79	135.27

Source: Bank of Ghana

Solvency

The industry's solvency position, measured by the CAR, declined to 13.9 per cent in 2023, from 16.2 per cent in 2022, but was higher than the prudential minimum of 10 per cent. The decline in the CAR was attributed to losses due to the DDEP and an expansion in the risk-weighted assets of banks.

Table 4.5: Bank's Solvency Indicators

Solvency Indicators	2019	2020	2021	2022	2023
CAR (%)	17.50	19.83	19.61	16.20	13.87
Net Worth (GH¢'M)	17,580.13	21,249.04	24,810.57	18,361.54	29,191.60
NPL (%)	13.94	14.82	15.23	16.59	20.58

Source: Bank of Ghana

4.3.2 SDIs and Other Licensed Institutions

The performance of the SDIs and Other Licensed Institutions improved in 2023, despite the challenging macroeconomic environment. The sector comprises Savings and Loans (S&Ls) Companies, Rural and Community Banks (RCBs), Microfinance Institutions (MFIs), Finance Houses (FHs), Mortgage Finance Companies (MFCs), and Leasing Finance Companies (LFCs).

The combined assets of SDIs and Other Licensed Institutions stood at GH¢22.63 billion at end-December 2023, compared with GH¢18.64 billion at end-December

2022. Deposits was the major source of funding for the sub-sector (Table 4.6 in the Annexes).

4.3.2.1 Savings and Loans Institutions
The total number of licensed S&Ls stood at 26 at end-December 2023. Total assets of the sub-sector stood at GH¢7.37 billion at end-December 2023, representing a year-on-year growth of 25.0 per cent. CAR was below the prudential minimum of 10.0 per cent, declining to 0.10 per cent at end-December 2023, from 1.9 per cent at end-December 2022. The NPL ratio decreased to 15.5 per cent at end-December 2023, from 18.0 per cent at end-December 2022.

4.3.2.2 Rural and Community Banks
The total number of licensed RCBs at end-December 2023, was 147. The total assets of the sub-sector at end-December 2023 was GH¢11.10 billion, representing a 29.9 per cent growth, year-on-year. The average Capital Adequacy Ratio (CAR) at end-December 2023 declined to 7.5 per cent, below the 10 per cent minimum prudential requirement. Non-Performing Loans (NPL) ratio improved marginally to 9.9 per cent at end-December 2023, from 11.7 per cent the previous year. Overall, the profitability of the sub-sector improved during the review year (Table 4.6 in the Annexes).

4.3.2.3 Microfinance Institutions
The total number of licensed MFIs was 177 at end-December 2023. Total assets of the sub-sector stood at GH¢1.97 billion at end-December 2023, representing a year-on-year growth of 40.3 per cent. The average CAR was 23.3 per cent at end-December 2023, above the minimum prudential requirement, compared to 16.4 per cent at end-December 2022. Average NPL ratio declined to 21.2 per cent at end-December 2023, from 29.4 per cent at end-December 2022. Overall, profitability of MFIs improved during the review year.

4.3.2.4 Finance Houses
The total number of licensed Finance Houses stood at 15 at end-December 2023. Total assets of the sub-sector stood at GH¢1.74 billion at end-December 2023, representing a year-on-year growth of negative 5.6 per cent. The sub-sector recorded a negative CAR of 171.00 per cent at end-December 2023, worsening from the negative 58.3 per cent posted in 2022. The NPL ratio increased to 53.9 per cent at end-December 2023, from 44.7 per cent at end-December 2022.

4.3.2.5 Leasing Finance Companies
The total assets of the two licensed leasing companies stood at GH¢59.27 million at end-December 2023, a marginal decline of 0.5 per cent, year-on-year. The sub-sector recorded a CAR of 18.0 per cent at end-December 2023, above the prudential minimum of 10 per cent, but representing a 2 percentage point decline year-on-year. The NPL ratio marginally increased to 11.2 per cent at end-December 2023, up from 11.1 per cent at end-December 2022.

4.3.2.6 Foreign Exchange Bureaux
The total number of licensed Foreign Exchange Bureaux at end-December 2023 was 401, compared to 405 at end-December 2022. The Ghana cedi equivalent of purchases and sales of traded foreign currencies at end-December 2023, were GH¢3.90 billion and GH¢3.19 billion, representing a growth of 48.3 per cent and 15.7 per cent, year-on-year, respectively.

4.4 Collateral Registry

A total number of 229,903 security interests were registered in 2023, compared to 179,441 in 2022, representing a 28.1 per cent year-on-year growth. S&Ls recorded the highest number of registrations in the review year, accounting for 78.2 per cent of the total.

A total of 365,610 assets were registered as collateral in 2023, compared to 325,758 in 2022. Movable assets constituted a share of 68.7 per cent of the registered collateral for secured loans granted in the year. Immovable assets, on the other hand, constituted a share of 2.1 per cent of the collaterals registered. Security interests secured with both Immovable and Movable assets (e.g., Company/Business Assets) accounted for 29.2 per cent of the total number of collaterals registered.

A total of 59,103 searches were conducted in 2023, compared with 62,073 in 2022. S&Ls accounted for 77.9 per cent share of searches conducted (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 2023, the banking sector remained largely strong, liquid and profitable, amid the DDEP. Earnings and liquidity ratios significantly improved year-on-year, with the core liquidity ratio increasing to 29.3 per cent in December 2023, from 26.0 per cent in December 2022. The industry's average CAR, adjusted for regulatory reliefs, was 13.9 per cent in December 2023, compared to 15.7 per cent in December 2022, largely driven by increased credit risk and additional impairment losses on the restructured Government of Ghana (GoG) bonds, Cocoa Bills, and the locally issued USD Denominated Bonds.

The composite Banking Sector Soundness Index (BSSI), which tracks the financial soundness of the banking sector, showed a marginal decline in 2023 due to relatively high NPLs (Chart 4.1 and Table 4.8 in the Annexes).

4.5.1.2 Stress Testing of the Banking Sector

In 2023, the Bank conducted stress tests to evaluate the resilience of the banking sector to sovereign risks emanating from the DDEP and credit shocks from macroeconomic challenges. Results from the stress tests highlighted improved banks' liquidity position, amid rising vulnerabilities to the solvency position. The implementation of the recapitalisation plans of banks and the operationalisation of GFSF were expected to strengthen the resilience of banks to shocks.

Chart 4.1: Banking Sector Soundness Index (BSSI)

Source: Bank of Ghana

4.5.2 Market Conduct

During the year, the Bank promoted fair market practices by ensuring the enforcement of standards that adequately protected consumers and public confidence in the financial sector. The Bank monitored and supervised the conduct of regulated institutions to ensure compliance with regulatory requirements.

4.5.2.1 Credit Reporting

The Bank intensified its supervisory role on the credit reporting system to promote responsible lending. To improve market infrastructure and ensure that credit bureaus were robust and fit-for-purpose, the Bank issued a Notice announcing an increase in the paid-up capital to GH¢6.0 million from GH¢0.5 million, in accordance with section 18(3) of the Credit Reporting Act, 2007 (Act 726). Credit bureaus were given up to January 2025 to meet the new minimum paid-up capital requirements.

4.5.2.2 Complaints

A total of 695 complaints were recorded in 2023, a 29 per cent decline year-on-year. The complaints included disputes on outstanding loan balances, delays in updating the credit bureau database, inability to access matured investments and deposits, and disputes over investment returns. The decline in the number of complaints recorded in the review year was due to the strengthened Internal Dispute Resolution processes within the regulated financial institutions.

4.5.2.3 Conduct Supervision

To assess the extent of compliance with regulatory standards on market conduct, onsite examinations were conducted. The examinations, among others, were to ascertain the adequacy of board oversight over conduct and consumer protection issues in the industry, as well as fair treatment of customers, transparency and disclosure practices, complaint management systems, marketing and advertisement, and data protection. Eight universal banks, 10 RCBs, and four S&Ls were examined. Non-compliant institutions were directed to take prompt remedial actions to correct the regulatory lapses.

4.5.2.4 Financial Literacy

To create awareness on the Consumer Recourse Mechanism Guidelines for Financial Service Providers, Disclosure and Transparency Rules for Credit Products and Services, and the Credit Reporting Act, 2007 (Act 726), among others, the Bank organised a comprehensive financial literacy programme for the public. The channels used for the sensitisation were in-person engagements, radio presentations, print media, brochures, flyers, electronic media, website and social media platforms.

4.5.3 Financial Integrity

In collaboration with the Ghana International Bank (GHIB), London, the Bank organised a training programme on Enterprise-Wide Risk Assessment (EWRA) for all banks in Ghana and within the sub-region, with their correspondent banks. The countries represented were Gambia, Liberia, Sierra Leone, and Ghana. The training programme was aimed at meeting the key conditions of the Market Conduct Authority of the United Kingdom, which required all GHIB's correspondent banks to have a comprehensive EWRA of their respective institutions, to mitigate the risk of money laundering and fraud.

Furthermore, the Bank conducted a targeted on-site examination of 12 Universal Banks with the focus on compliance with AML/CFT requirements on trade financing transactions. Also, full scope examinations for some RCBs, MFIs and forex bureaux were conducted across the country.

4.5.4 The Ghana Financial Stability Council

The Ghana Financial Stability Council (FSC), chaired by Dr. Ernest Addison, Governor of the Bank of Ghana, held quarterly meetings during the year. The work programme of the FSC in the review year focused on the following activities:

- Coordination of regulation and supervision at the micro level;
- Evaluation and mitigation of financial stability risks at the macro level; and
- Crisis preparedness.

In the review year, the FSC commenced work on a draft Supervisory Framework for Financial Conglomerates, and a study was conducted on emerging financial sector risks and a survey on the robustness of the Business Continuity Plans

(BCPs) of regulated institutions.

4.6 Payment Systems

The Bank continued to monitor developments within the payment ecosystem and took the appropriate policy actions in response to the changing dynamics in the industry. Also, the Bank supervised the operations and activities of the Payment Service Providers (PSPs) through on-site and off-site examinations. To strengthen, improve, and enhance the payment and settlement systems, the Bank focused on the following key initiatives:

- Strengthening Prudential and Regulatory Framework;
- Improving oversight of Payment Service Providers;
- Enhancing Product Innovation and Development;
- Strengthening Financial Inclusion and Digital Finance; and
- Improving Non-Cash Payment Streams.

4.6.1 Strengthening Prudential and Regulatory Framework

4.6.1.1 Cheque Printer Accreditation Standard

In 2023, following an assessment of the operations of Camelot Ghana Limited and Checkpoint Ghana Limited, the Bank issued Cheque Printer Accreditation Certificates to the two companies. This action was in line with section 85 (1) (2) of the Payment Systems and Services Act, 2019 (Act 987) and Section 6 of the Cheque Printer Accreditation Standard.

4.6.1.2 Draft Guideline on "Failure to Settle" Rules

The Bank developed a draft "Failure to Settle" rules as a regulatory tool to provide a safety net that would ensure that losses resulting from unsettled positions on the Real Time Gross Settlement (RTGS) were minimised. The "Failure to Settle" rules are intended to guide participants on measures to address liquidity challenges, including instances where participants do not have adequate funds to meet their settlement obligations.

4.6.2 Improving Oversight of Payment Service Providers

Pursuant to section 40 (1) (2) of the Payment Systems and Services Act 2019, (Act 987), the Bank assessed the RTGS against the Committee on Payment and Market Infrastructures (CPMI) / International Organisation of Securities Commissions (IOSCO) Principles for Financial Market Infrastructures (PFMIs) requirements to determine the extent of observance and implementation of the relevant principles applicable to the Systemically Important Payment System. The Bank also conducted on-site and off-site examinations on the operations of PSPs.

4.6.3 Enhancing Product Innovation and Development

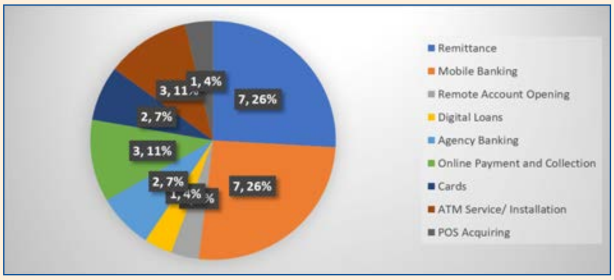
The Bank approved a total of 27 products and services for various regulated financial institutions in 2023, compared with a total of 21 in 2022. The approved products and services included in-bound remittance services, mobile banking services, online payment and collection platform, card issuance, Automated Teller Machines (ATMs) installation, remote account opening, digital loans, and agency banking.

Table 4.9: Total Number of Approved Products and Services

Products/Services	Number Approved
In-bound Remittance	7
Mobile Banking Services	7
Remote Account Opening	1
Digital Loans	1
Agency Banking & Mobile Money Services	2
Card Issuance/Virtual Card	2
ATM Services	3
POS Deployment	1
Others (Online Payment and Collection)	3
Total	**27**

Source: Bank of Ghana

Chart 4.2: Approved Products and Services (2023)



4.6.4 Strengthening Financial Inclusion and Digital Finance

In 2023, the Bank in collaboration with Alliance for Financial Inclusion (AFI), developed policies to further enhance financial literacy and education. The policy interventions and strategies included the following:

- Financial Education and Literacy Policy Framework; and
- Financial Education and Financial Literacy Implementation Plan and Monitoring and Evaluation Framework.

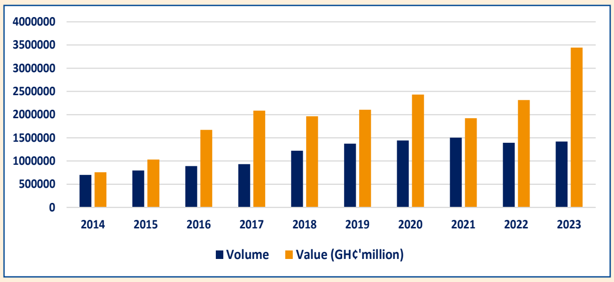
Also, for its pioneering role in promoting financial inclusion and diverse contributions to the AFI Knowledge Products and Policy Guidelines, the Bank won the 2023 Financial Inclusion Institutional Leadership Award at the AFI Global Policy Forum, an annual flagship event.

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 2023 increased to 1,420,679, from 1,391,590 in 2022. The total value of transactions increased by 49.0 per cent, year-on-year, to GH¢3,443,976 million in 2023. On average, value per transaction was GH¢2,424,176 in 2023, compared to GH¢1,661,455 in 2022 (Chart 4.3).

Chart 4.3: Ghana Interbank Settlement Transactions (RTGS)

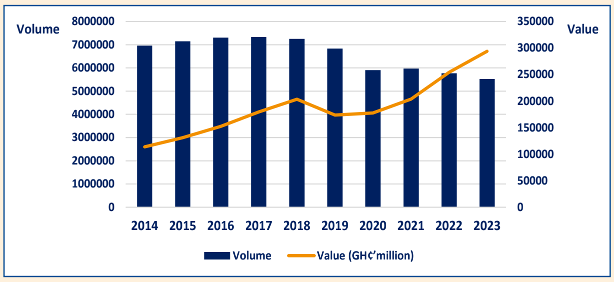


Source: GhIPSS

4.6.5.2 Cheque Codeline Clearing

The total volume of inter-bank cheques cleared in 2023 was 5,525,598, representing a 4.3 per cent decline year-on-year. In contrast, total value of transactions increased by 15.5 per cent to GH¢293,925 million in 2023 (Chart 4.4).

Chart 4.4: Cheque Codeline Clearing



Source: GhIPSS

4.6.5.3 Ghana Automated Clearing House

Direct Credit

The Ghana Automated Clearing House (GACH) direct credit service, which enables individuals and organisations to make bulk payments by electronic transfer of funds directly into bank accounts, posted mixed performance in both transaction volumes and values. Total volume of transactions cleared through the direct credit system declined by 3.2 per cent to 9,494,967 in 2023. However, total value of direct credit transfers increased by 15.8 per cent to GH¢88,745.70 million (Chart 4.5).

Direct Debit

The total volume of direct debit transactions declined by 10.9 per cent to 748,826 in 2023. In contrast, the total value of transactions increased by GH¢784 million to GH¢2.43 billion. The average value per transaction increased to GH¢3,248, from GH¢1,962 in 2022 (Chart 4.6).

4.6.5.4 e-zwich Transactions

The number of e-zwich card holders increased by 11.6 per cent to 4,047,066 in 2023. The total volume of e-zwich number transactions increased to 7,218,198 in 2023, from 6,159,465 in 2022, while the total value of transactions increased to GH¢20.00 billion, from GH¢14.65 billion in 2022 (Chart 4.7).

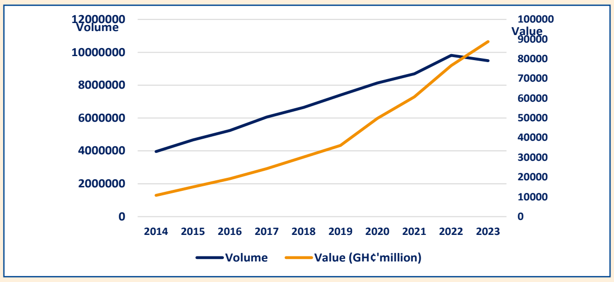
4.6.5.5 gh-link™ (National Switch)

The total volume of transactions recorded on the gh-link™ platform amounted to 1,032,484, representing 1.38 per cent growth, while total value grew by 24.8 per cent to GH¢688.12 million. The average value per transaction amounted to GH¢666.47, representing an increase of 23.1 per cent on the value recorded in 2022 (Chart 4.8).

4.6.5.6 GhIPSS Instant Pay[14]

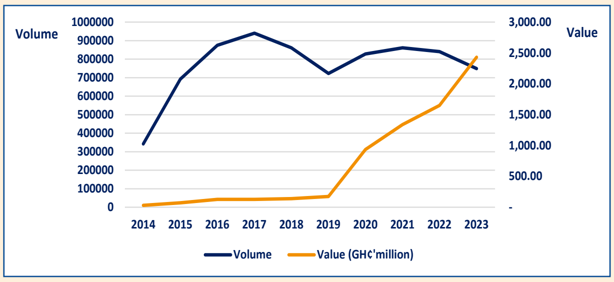
The GhIPSS Instant Pay (GIP) recorded significant growth in transactions. The total volume of transactions for the period was 115,368,700, with a total value of GH¢120.10 billion in 2023, compared with total volume and values

Chart 4.5: GACH Direct Credit Transactions



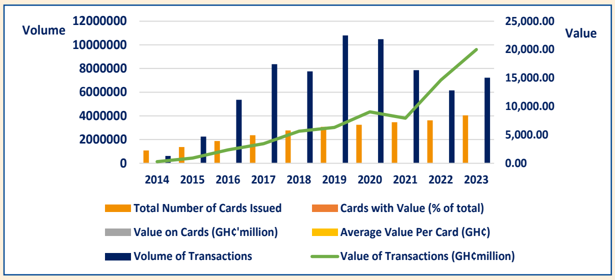
Source: GhIPSS

Chart 4.6: GACH Direct Debit Transactions



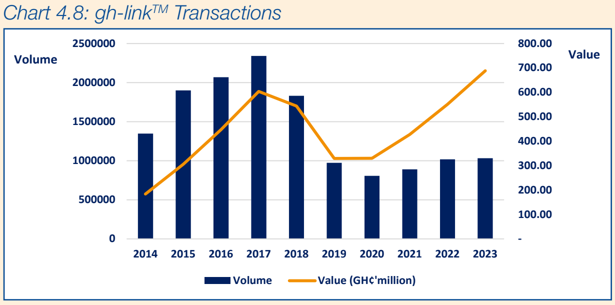
Source: GhIPSS

Chart 4.7: E-zwich Transactions



Source: GhIPSS

Chart 4.8: gh-link™ Transactions

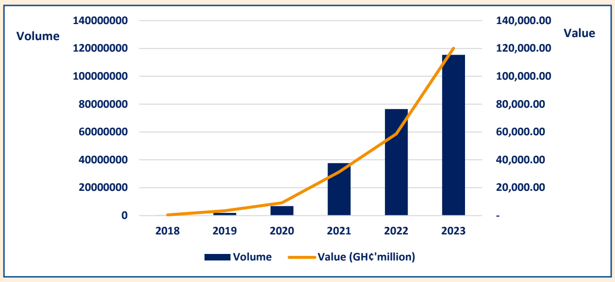


Source: GhIPSS

[14] The GhIPSS Instant Pay (GIP) facilitates a real time inter-bank account-to-account credit transfer service through channels like mobile banking applications, internet banking, in-branch, USSD, ATM and POS services.

of transactions of 76,483,008 and GH¢58.70 billion, respectively in 2022 (Chart 4.9).

Chart 4.9: GIP Transactions



Source: GhIPSS

4.7 FinTech and Innovation

The Bank conducted readiness assessment and on-site inspections for a total of 11 licensed institutions to ensure compliance with the Payment Systems and Services Act, 2019 (Act 987), and other relevant laws and regulations. To further strengthen regulation and supervision of PSPs, the Bank drafted Corporate Governance Guidelines, the Systemically Important PSPs Framework, and the Prompt Corrective Action Framework.

The Bank, in collaboration with EMTECH Solutions Inc., also launched the eCedi Hackathon, as part of its CBDC research project. The competition, which targeted FinTechs, technology developers, and innovators, attracted 88 applications and ended with 10 finalists (Box 4.1).

4.7.1 Digital Financial Ecosystem

A total of 181 licence applications, and product authorisation requests were received during the reporting period. Out of this number, seven licence applications and 26 product authorisations were approved.

Table 4.10: 2023 Applications Received

Application Type	Number Received
DEMI	0
Enhanced	9
Medium	1
Standard	0
PFTSP	0
Authorisations	54
Comments	48
Enquiry	19
Pilot	2
Requests for no objection	12
Integrity Capital Confirmation	6
Appointment of Directors	4
Appeal	3
Request for return of Integrity Capital	1
Regulatory Clearance Requests	10
Request to participate in Departmental product presentations	12
Total	**181**

Table 4.11: Approved FinTech Start-Ups

Licence Category	Number of Approved Entities
PSP Enhanced	39
PSP DEMI	5
PSP Medium	4
PSP Standard	2
PFTSP	3
Total	**53**

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

4.7.2 Regulatory Sandbox

Following the successful launch of the Bank's Regulatory Sandbox in August 2022, project applications on payments, remittances, micro-lending and crowd funding were received. In line with internal processes and procedures published in the Sandbox's operational documentation, applications were reviewed by the Sandbox Technical Committee but were yet to be approved by the Sandbox Steering Committee.

The Regulatory Sandbox is an opportune tool for harnessing the potential of technology to develop an efficient and inclusive financial service industry without risking financial stability.

4.7.3 Central Bank Digital Currency

In 2023, the Bank, in collaboration with EMTECH Solutions Inc., launched the eCedi Hackathon as part of its CBDC research project. The Hackathon was to encourage local talent to develop innovative solutions that would address financial inclusion gaps in the country, forge collaboration among local and global partners, and facilitate CBDC knowledge-sharing among industry players.

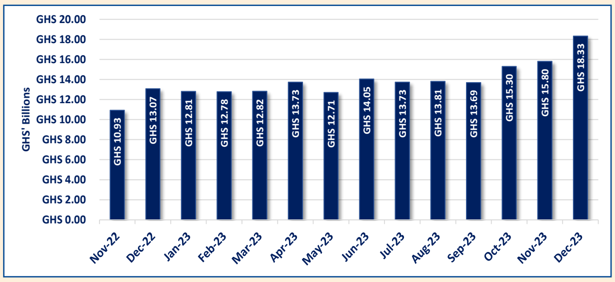
The Bank of Ghana is one of the few African central banks to declare its intention to pilot a central bank digital currency. The Bank made this decision based on the Government of Ghana's digitisation agenda and to promote financial inclusion.

4.7.4 Mobile Money Services

The total volume of mobile money transactions increased to 6.80 billion in 2023, representing a 35.0 per cent growth on the volume recorded in 2022. Total value of transactions increased significantly by 82.0 per cent, to GH¢1.91 trillion in 2023, compared to GH¢1.07 trillion in 2022.

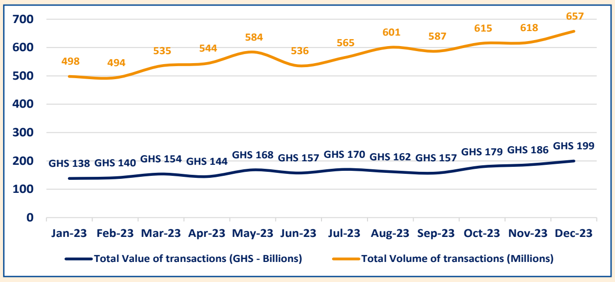
Active agents grew by 21.0 per cent to 608,856 over the same period. The growth in both volume and value was mainly driven by increased number of active mobile money users. The top five transactions performed by users, according to value, included the following: cash-in, cash-out, bank-to-wallet, wallet-to-bank and person-to-person transactions.

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

4.7.5 FinTech Inward Remittance Channel

In 2023, 11 licensed FinTech companies provided inward remittance service to customers. The total value of remittances received in 2023 was GH¢57 billion, compared to GH¢18 billion in 2022. The remittance space, over the years, has seen licensed FinTechs providing innovative solutions, hence the immense growth witnessed in the review year.

4.7.6 Digital Lending Performance

In line with Section 30 (1)(h) of the Payment Systems and Services Act, 2019 (Act 987), Dedicated Electronic Money Issuers (DEMIs) are permitted to offer credit products and services underwritten by licensed banks or SDIs to their customers. For the year 2023, a total of 15.23 million loans were disbursed at a value of GH¢7.59 billion, representing 24.0 per cent and 37.0 per cent growth, respectively, over the same period in 2022. On a monthly basis, an average of 1.27 million loans valued at GH¢632 million were disbursed.

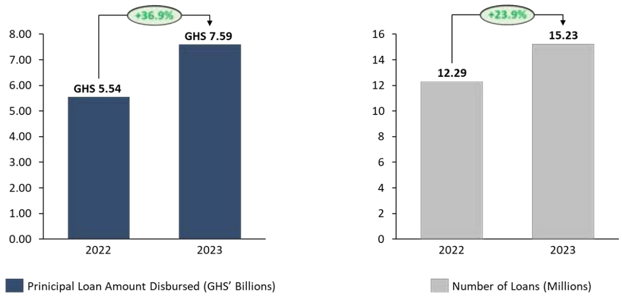


Table 4.13: DEMI Statistics (2022 vs 2023)

Key Performance Indicator (KPI)	2022	2023	Growth (Abs)	Growth (%)
Registered e-money customers (Cumulative) (Thousands)	55,289	65,611	10,323	18.67%
Active e-money customers* (Thousands)	20,381	20,918	537.583	2.64%
Registered Agents (Cumulative) (Thousands)	700	817	117.213	16.75%
Active Agents** (Thousands)	505	609	104	20.54%
Total value of e-money transactions (GHS' Billions)	1,072,157	1,919,874	847,717	79.07%
Total volume of e-money transactions (Millions)	5,068	6,806	1,738	34.30%
Balance on Float (GHS' Millions)	13,071	18,861	5,789	44.29%

Table 4.14: Quarterly DEMI Statistics (2022 - 2023)

Key Performance Indicator (KPI)	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Registered e-money customers (Cumulative) (Thousands)	49,926	51,049	53,280	55,289	57,372	60,174	63,157	65,611
Active e-money customers* (Thousands)	18,881	18,839	19,946	20,381	20,653	22,149	21,950	20,918
Registered Agents (Cumulative) (Thousands)	602	625	661	700	745	742	803	817
Active Agents** (Thousands)	458	462	477	505	521	571	582	609
Total value of e-money transactions (GHS' Millions)	243,453	236,465	253,045	339,193	411,573	455,499	488,404	564,399
Total volume of e-money transactions (Millions)	1,151	1,163	1,294	1,461	1,524	1,641	1,751	1,890
Balance on Float (GHS' Millions)	9,480	9,315	9,799	13,071	12,807	14,043	13,687	18,861

Box 4.2: Bank of Ghana hosts Maiden eCedi Hackathon to raise CBDC Awareness

The Bank, in collaboration with EMTECH Solutions Inc., launched an eCedi Hackathon targeted at FinTechs, developers and innovators, as part of its CBDC research project. The objective was to encourage local talent to develop eCedi-based innovative solutions to address financial inclusion gaps, facilitate knowledge-sharing, and promote local and global collaborations.

In all, the Bank received a total of 88 applications, and through rigorous internal processes and review mechanisms, the applicants were scaled down to 68. The applicants were then presented with the opportunity to pitch their ideas and innovations to seasoned individuals with industry experience. A shortlist of 10 applications covering areas in agriculture, crowdfunding, investments and savings, government payments, collections, investments, and credit scoring made it to the next stage of the competition. Through collaboration with stakeholders, the shortlisted applicants were onboarded to the EMTECH Solutions Inc.'s Hackathon Toolkit platform, and issued with eCedi tokens to test their innovative ideas. As part of measures to ensure that participants obtained the highest benefit from the Hackathon, the Bank organised a short mentorship programme, where participants were paired with selected individuals with the relevant expertise for coaching and mentorship sessions to hone their innovative skills.

The 10 shortlisted applicants demonstrated their innovative ideas through a virtual platform to a selection of judges. The demonstrations highlighted the benefits of each innovation to the target markets, and existing gaps in the payment and FinTech space. In the end, the winners were as follows:

- **1st Position** – Forward Titans of CAL Bank, with a solution aimed at facilitating Government to Person (G2P) payments through the eCedi, thereby promoting transparency, efficiency, and timely disbursements;
- **2nd Position** – Nokofio, a company with a blockchain solution to enhance crowdfunding to ensure secure, transparent, and efficient collection of charitable donations; and
- **3rd Position** – Paycode, a company with a blockchain-based digital financial service infrastructure solution to integrate the eCedi into the financial system for cheaper, faster, and more convenient financial services.

In his remarks at the event, Dr. Ernest Addison, the Governor of the Bank, said that the competition demonstrated "the potential of technology in fostering global partnerships and cooperation in searching for solutions to address the many challenges that confront mankind". He further stated that the Bank would continue to champion policies and implement financial market infrastructures that creates a supportive environment for the digital delivery of financial services.

Forward Titans, winner of the maiden eCedi Hackathon

5

INTERNAL DEVELOPMENTS

5.1 Overview

The Bank continued to strengthen its internal processes to improve operational efficiency in 2023. To maintain work-life balance and enhance the competence of staff, the Bank strengthened workplace safety and improved organisational culture. Employee Satisfaction and Attitude Renewal surveys were conducted to gauge the level of intervention needed to improve job satisfaction. Also, the Bank recruited qualified personnel to key positions, improved work ethic, staff welfare, and information security.

5.2 Human Resource Activities

The Bank continued to maintain a strong organisational culture supportive of its vision to be a central bank of excellence, respected and trusted by stakeholders. In the review year, the Bank continued with the implementation of the Human Capital Support Project and conducted Employee Satisfaction Surveys, both of which were aimed at enhancing staff competences, as well as improving human resource functions. To further enhance the employee performance management process, the Bank developed and implemented an in-house Performance Management System for the 2023 performance assessment cycle. Further, the Human Resource Business Partner (HRBP) programme, which was launched in the year 2022, was successfully piloted and ready to be fully deployed bank-wide.

5.2.1 Staff Strength

The total staff strength of the Bank was 2,234 at end-December 2023, compared to 2,206 at end-December 2022. The categorisation of staff by grade and gender is summarised in Table 5.1 below.

Table 5.1: Staff Position, 2023

	Male	Female	Total	% of Total
Management Staff	222	120	342	**15.31**
Middle Level Staff	739	663	1,402	**62.76**
Junior Staff	423	67	490	**21.93**
Total	**1,384**	**850**	**2,234**	**100.00**

Source: Bank of Ghana

The total number of staff recruited in 2023 was 106, comprising 98 permanent and eight contract staff, while 78 staff exited the service of the Bank. This resulted in a net intake of 28.

5.2.2 Capacity Development

In the review year, the Bank continued to improve staff knowledge, skills, and ability by organising various training programmes for staff. Staff participated in 8,900 locally organised training programmes. The training interventions enabled staff to respond appropriately to the demands of their respective roles.

Table 5.2: Staff Training, 2023

Programmes Attended	No. of Participants
Local Training	**8,900**
In-House	7,023
In-Country	1,877
Foreign Training	**509**
Total	**9,409**

Source: Bank of Ghana

5.3 Ethics and Professionalism

In 2023, the Bank undertook a series of programmes and activities aimed at improving the level of ethical awareness and ensuring the reinforcement of the Bank's core values amongst staff. The Bank continued with the annual Ethics Awareness Week Celebration, making it the fourth edition of the programme. For the 2023 Ethics Awareness Week, the Bank launched its maiden quiz competition to encourage participation and knowledge sharing through fun.

Also, the Bank continued with the publication of its quarterly ethics-related newsletter, referred to as "The Dilemma". The newsletter has been a significant medium for spreading ethics awareness within the Bank while educating and informing members of staff on prevalent ethical issues arising within and beyond the Bank. Through the Bank's ethics e-learning platform, staff were encouraged to take the annual ethics assessment test. To uphold staff accountability, the Bank promptly investigated and resolved all cases of alleged infractions.

5.4 Health Management

In 2023, the Bank's medical outreach programme focused mainly on annual medical examinations, health screening, health webinars and medical tours. The health education was on cancer, non-communicable diseases, kidney disease, safety in the workplace, sexual harassment, and mental health. To identify health risks among staff early and provide the appropriate management, annual medical examinations were conducted for staff. To promote the physical, social and mental wellbeing of all staff, the Bank inaugurated a Health and Safety Committee, and made changes to its occupational health programmes and interventions to address health and safety related challenges.

5.5 Communication Outreach Programme

The Bank organised post-MPC media briefings for selected business and financial journalists to clarify messages and direct attention to key areas in the MPC Press Statement. These engagements helped to ensure that stakeholders were adequately informed about the decisions of the MPC and ensured transparency and openness in the monetary policy process.

To improve financial and 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, developments in the foreign exchange market, currency education, among others. The Bank also participated in various television and radio programmes to educate the public on how to properly handle banknotes and other consumer protection issues.

5.6 Corporate Social Responsibility

Through its Corporate Social Responsibility (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 2023, 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 4-unit classroom block with office and ancillary facilities for St. Theresa's Academy at Kyeamekisi in the Afram Plains.

Health: Provided assistance towards the renovation of the maternity unit and the construction of an operating theatre at the 4 Medical Reception Station, within the 4 Infantry Battalion at Uaddara Barracks, Kumasi.

Humanitarian Support: Provided financial support to the Ghana Society of the Physically Disabled for the organisation of the National Disability Day celebration.

Social Service: Supported the 39th National Farmers' Day and the 2023 Edition of Green Ghana Day. The Bank also provided assistance to other institutions such as the Ghana AIDS Commission, St. Theresa's College of Education, Veterans Administration Ghana, Takoradi Regional Hospital, Sickle Cell Condition Advocates, Public Records and Archives Administration Department, Worawora Senior High School, Western Naval Command, Kpando Municipal Office, and the Ghana Prisons Service.

5.7 Currency Management

To further improve currency operations, the Bank installed two additional BPS M7 machines at the Kumasi Regional Office, bringing the total number to eight. This substantially improved the Bank's banknote processing capacity.

In line with the Bank's Clean Note Directive for all DMBs to examine and circulate only fit banknotes, a number of banknote sorting and authenticating machines were certified by the Bank. Use of the certified machines by DMBs has resulted in the issuance of genuine and clean banknotes, timely removal of unfit banknote from circulation, and the early interception of counterfeit banknotes from circulation.

5.8 Risk Management

In the review year, the Bank continued to coordinate, monitor, and evaluate risk 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 assessment, compliance surveillance, risks and control evaluation, continuity test, among others, were undertaken. To assess system resilience, the Bank undertook a test of its critical systems by *failing-over* from its primary site to the disaster recovery site for a period of five days and *failed-back* seamlessly.

5.9 ICT–Innovation and Software Implementation

5.9.1 Information Communication Technology

The Bank continued to adopt innovative and ICT-enabled services to improve operational efficiency and processes. In the review year, the Bank integrated the M365 suite, including Office applications, Teams, and Exchange Online, with existing infrastructure. Multi-factor authentication and data encryption were implemented across all business areas to safeguard the Banks' systems.

5.9.2 Information Security

The Bank continued to strengthen the Information Security Management System (ISMS), reviewed and implemented policies to contain information security risks. In the review year, several measures to improve the cybersecurity posture of the Bank, and the banking sector, were undertaken. These measures included the implementation of technical controls, and compliance with cybersecurity standards, such as ISO27001:2013. The Bank also took steps to ensure that staff were well educated on cybersecurity issues.

The Bank partially operationalised the centralised Financial Industry Command Security Operations Centre (FICSOC), for the financial sector. FICSOC was aimed at providing actionable threat intelligence to the banking sector to enable the sector to take proactive steps to address cybersecurity-related issues. In the review year, FICSOC also issued three cybersecurity advisories to the banking sector, based on identified cyber threats.

5.9.3 ISO 27001:2013 Certification

The Bank reviewed and implemented all ISMS policies and procedures to strengthen information security and successfully passed external ISO27001:2013 surveillance audit.

5.10 Legal Developments

The Bank continued to implement various financial sector laws within its responsibility and issued Notices, Directives and Guidelines in respect of its objectives and functions. In order to enhance public understanding of the Borrowers and Lenders Act, 2020 (Act 1052), the Bank undertook sensitisation sessions for the National Insurance Commission and selected insurance companies on the Act. Also, 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. Eighteen bank resolution cases and four criminal cases, in which the Bank was the complainant, were before the courts in 2023.

5.11 Audit

The Bank continued to strengthen operational efficiency and conducted a number of risk-based audits, including ISO 27001:2013 audits across all Departments, Offices, and Branches. In addition, the Bank carried out operational audits in all nine Agencies, and migrated from its legacy audit software to a more flexible and user-friendly software.

Deloitte and Touche remained the external auditors of the Bank.

6

EXTERNAL RELATIONS

Photo: Courtesy freepik.com

6.1 Overview

To further strengthen relations with regional, sub-regional and international institutions, the Bank participated in meetings with multilateral institutions, such as the:

- International Monetary Fund (IMF) and World Bank Group (WBG);
- 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); and
- West African Institute for Financial and Economic Management (WAIFEM)

The Bank also facilitated Missions from other multilateral institutions such as the Joint Multilateral Surveillance Mission by ECOWAS-WAMI-WAMA teams, IMF Technical Assistance Mission, and the AfDB's country dialogue Mission to Ghana.

6.2 IMF and WBG

The Executive Board of the IMF, in May 2023, approved approximately US$3 billion under the Extended Credit Facility (ECF), with an immediate disbursement of about US$600 million. The ECF is a three-year programme aimed at restoring the country's macroeconomic stability and debt sustainability.

The WBG, under the International Development Association (IDA) assistance, approved US$200 million in financing for the Ghana Tree Crop Diversification Project (TCDP) in June 2023. This was to modernise agriculture, boost productivity, and diversify the economy. The IDA also granted an additional US$150 million in funding for the Ghana Productive Safety Net Project 2 (GPSNP 2). The project is to improve social safety nets and give the underprivileged access to opportunities to earn a living.

In the review year, an IMF Technical Assistance Mission to Ghana was held in Accra from 16th-27th October, 2023, to perform a Governance Diagnostic Assessment on Ghana. The purpose of the Mission was to support the government to further strengthen the governance system, promote the effectiveness of public spending, and inclusive growth.

6.2.1 Spring and Annual Meetings of the IMF and WBG

The Bank took part in the Spring (April 10-16), and Annual (October 9-15) Meetings, of the IMF and WBG. The Spring Meeting was held in Washington D.C, and the Annual Meeting in Marrakech, Morocco.

The Spring Meetings, among others, discussed the global economic recovery efforts and the threats to financial stability. In her address, the Chair of the International Monetary and Financial Committee, Ms. Nadia Calviño noted that in order to promote global growth and safeguard stability amongst countries, enhanced multilateralism and international cooperation were crucial.

At the Annual Meetings, members considered structural reforms necessary to increase growth. Kristalina Georgieva, the IMF Director, highlighted the need for members to invest in solid financial frameworks that would positively impact inflation management, financial stability and also address the debt sustainability and climate-related issues.

6.2.2 The International Monetary and Financial Committee Meetings

The 2023 International Monetary and Financial Committee (IMFC) Meetings, which were chaired by Ms. Nadia Calviño, the First Vice President of the Government of Spain and Minister for Economy and Digitalisation, took place on 14th April (Spring Meetings) and 14th October (Annual Meetings) in Washington DC, USA and Marrakech, Morocco, respectively.

The Spring Meetings focused on safeguarding economic stability, supporting vulnerable countries and sustaining future prosperity. At the meetings, the Committee discussed the need for macroeconomic stability and sustainable growth. The IMF Managing Director, Kristalina Georgieva, in an address assured members of the Fund's commitment to providing timely and targeted macro-financial advice, financial support and capacity-building.

The Annual Meetings focused on macroeconomic stability, rebuilding buffers, international cooperation to strengthen the global financial safety net, and debt architecture. The discussions at the meetings stressed the need for members to collaborate and work together to solve emerging challenges. Kristalina Georgieva emphasised the Fund's commitment to collaborate with members to achieve the common good, and indicated that the Fund was working on a Domestic Resource Mobilisation Initiative with the WBG and other partners to assist Emerging Markets and Developing Economies (EMDEs) in reaching their developmental objectives through enhanced domestic revenue mobilisation. The Governor of the Bank of Ghana, Dr. Ernest Addison, in his address to the Committee, reaffirmed members' commitment to increased multilateral cooperation, and charged the IMF to continue to be an effective, quota-based and adequately-financed organisation, and continue to play its role as the centre of the global financial safety net.

6.2.3 The Development Committee

The 108th Meeting of the joint WBG-IMF Development Committee was held on 12th October, 2023, in Marrakech, Morocco. The Meeting was chaired by Mr. Mohammed bin Hadi Al Hussaini, Minister of State for Financial Affairs, United Arab Emirates. The Chairman noted that the world faced formidable development challenges, amplified by multiple global crisis that had hit the most vulnerable people hardest.

In a statement, H.E. Guy Parmelin, a Swiss Federal Councillor and head of the Department of Economic Affairs, Education and Research, stressed that global challenges such as climate change, pandemics, and fragility threatened to reverse the development progress made toward the Twin Goals, the 2030 Agenda, and the Paris Agreement. The Committee was informed of the significant efforts made to improve the work of the Multilateral Development Banks (MDBs) to enable them handle global concerns on climate change, pandemics, and conflicts. Members were charged to support these efforts by developing bold and drastic reforms in their respective countries.

The WBG and the other MDBs were tasked to build scalable platforms, such as securitisation platforms, to attract more private investment inflows, and were encouraged to expand and make greater use of de-risking instruments, like guarantees, insurance and local currency financing.

The meeting called for the international community to collectively set a new course of action to address global poverty and other challenges.

The Committee identified eight global challenges. These were:

a. Climate change adaptation and mitigation;
b. Fragility and conflict;
c. Pandemic prevention and preparedness;
d. Energy access;
e. Food and Nutrition security;
f. Water security and access;
g. Enabling digitalisation; and
h. Protecting biodiversity and nature.

6.3 Financial Stability Board

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

The June meeting was hosted by the Bank of Botswana, and the discussions focused on challenges in the banking industry globally, and the significance of crisis preparedness and resolution strategies. Members were encouraged to work on enhancing cross-border trade and payments as this would encourage more investments inflows.

The October meeting was hosted by the South African Reserve Bank, and the discussions focused on macroeconomic and financial market trends, and implications for financial stability. The meeting noted with concern the significant increase in financial sector holdings of public debt in Sub-Saharan Africa and its potential spillover on other sectors in the region, and charged central banks to implement macro-prudential policies to forestall threats to financial stability within member countries.

6.4 African Development Bank Annual Meetings

The African Development Bank (AfDB) held its 58th Annual General Meetings and the 49th Meetings of the Board of Governors of the African Development Fund, in Sharm El Sheikh, Egypt from 22nd-26th May.

The theme for the Annual General Meetings was: “Mobilising Private Sector Financing for Climate and Green Growth in Africa”. The discussions focused on the opportunities and challenges African economies faced in driving private sector financing for environmentally sustainable development. Also, during the review year, the AfDB launched the 2023 edition of the Ghana Country Focus Report in October. The report focused on low climate finance inflows to West Africa, including Ghana, and sought to provide the options available to close the climate financing gap.

6.5 Association of African Central Banks

The Association of African Central Banks’ (AACB) 45th Ordinary Meetings of the Assembly of Governors was held on 4th August, 2023, in Livingstone, Zambia. The symposium for Governors was held on the theme: “Recurrence of Shocks and Macroeconomic Implications for African Economies: Challenges and Prospects for Central Banks.”

The Assembly reviewed the implementation status of the decisions of the Bureau Meeting and noted that 20 out of the 23 decisions were successfully implemented. Also, the Assembly reviewed the status of the African Monetary Cooperation Program (AMCP) in 2022, and noted that only three out of the 52-member countries had met all the five primary convergence criteria, and none had complied with the three secondary criteria. Further, the Assembly noted that West Africa remained the only sub-region in Africa that had successfully developed a harmonised monetary policy framework.

The Assembly encouraged members to hold sub-regional meetings to accelerate the establishment of a roadmap for the Monetary Policy Framework and submit its report before the next AACB Bureau Meeting in 2024. The meeting also reviewed the overall progress on other integration projects, such as the African Monetary Institute (AMI) and the Pan-African Payment and Settlement System (PAPSS), and proposed strategies to effectively address potential payment and compliance issues that may arise from the implementation of PAPSS.

6.6 African Export-Import Bank

AFREXIMBANK held its Annual meetings in Accra, Ghana, 18th-21st June, 2023, under the theme: “Delivering the Vision. Building Prosperity for Africans”. This also coincided with its 30th anniversary celebration.

In his opening address, the Governor of the Bank of

Ghana, Dr. Ernest Addison, commended AFREXIMBANK for working collectively with other African institutions to address important developmental challenges in Africa. Dr. Addison highlighted some of the achievements of AFREXIMBANK, especially those related to intra-African trade.

Discussions at the meetings broadly focused on the following thematic areas:

i. Identifying approaches that could be used to turbo-charge the implementation of the African Continental Free Trade Area (AfCFTA) Agreement;
ii. Finding solutions to the challenges of food security for sustainable development in Africa;
iii. Reinforcing the importance of the use of African literature as a foundation for Africa's renaissance; and
iv. Harnessing the benefits of strong continental financial institutions.

In the course of the meetings, AFREXIMBANK launched the 2023 edition of the African Trade Report, an annual flagship report that examines trade and economic developments in Africa and other parts of the world. Also, AFREXIMBANK signed a US$1 million project preparatory facility with Ghana for an integrated 299 kilometre railway network under the Ghana Western Corridor Railway Project.

6.7 African Rural and Agricultural Credit Association

During the year, the African Rural and Agricultural Credit Association (AFRACA) held its 88th AFRACA Executive Committee meeting in Kenya (June), and the 22nd Annual General Assembly in the Democratic Republic of Congo (October). To build capacity, AFRACA organised training workshops on digital financial services in agriculture, AgriTech strategies, Environmental Social and Governance (ESG) frameworks, warehouse receipt finance, new trends and models in Agric-SME loan assessment, digitising rural and agricultural finance, among others.

In March 2023, AFRACA organised the "Regional Conference and Training Session on Financial and Agricultural Risk Management: New Trend and Developments in Managing Agricultural Risks in a Post Pandemic COVID-era" in Bujumbura, Burundi. The discussions focused on:

- Developing innovative approaches to risk mitigation in agriculture and exploring how countries could build resilient agriculture supply chain; and
- Mobilising private sector agricultural lending and efficiently assessing the effectiveness of financial risk management in financial institutions in the East African Region.

AFRACA introduced the Food and Agricultural Organisation's (FAO) Agric-Loan analyzer tool to the Bank of Ghana, other central banks, and agricultural finance institutions. The tool is to encourage a shift in lending from the traditional collateral-based approach to cash-flow based systems, where financial statements and credit worthiness of loan applicants are prioritised. The tool is also expected to improve the credit analysis process and loan administration systems used by local financial institutions.

6.8 African Continental Free Trade Area

As a step towards economic integration and growth in the continent, 16 commodity exchanges and associated institutions from different African countries established the AfCFTA Association of Commodity Exchanges (A-ACX) in 2023. In promoting intra-African trade, the AfCFTA Secretariat and Zenith Bank Plc signed a Memorandum of Understanding (MOU) to create an extensive web platform to consolidate trade-related data and streamline commercial transactions.

6.9 Sub-Regional Institutions

During the year, the Bank 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 a joint macroeconomic diagnostic and surveillance Mission to Ghana. The Bank also participated in meetings of the regional College of Supervisors of financial institutions.

6.9.1 West African Monetary Agency

WAMA held two meetings in the review year – Mid-year Meetings in Accra, Ghana, and the End-year Meetings in Banjul, The Gambia.

The meetings focused on progress on the roadmap for the implementation of the ECOWAS Monetary Cooperation Program towards the launch of the ECOWAS single currency. At the September 2023 meetings, it was noted that no Member State had met all four primary convergence criteria as at the end of December 2022. It was also noted that multiple economic shocks continued to disrupt economies in the sub-region, and hence tasked WAMA to speed up the assessment study on the likelihood of member countries achieving the ECOWAS Convergence Pact of June 2021, which set a deadline of 2027 for the launch of the single currency.

Also, the meetings discussed issues relating to the proposed Central Bank for West Africa. The discussions included the paid-up capital distribution and reserves, as well as the authorised capital for the ECOWAS Solidarity and Stabilisation Fund.

6.9.2 West African Monetary Institute

The West African Monetary Institute (WAMI) continued to play its role as a technical institution tasked with coordinating the monetary integration agenda of the West African Monetary Zone (WAMZ) countries. Two WAMZ meetings were organised during the year, the End-year meetings in Banjul, The Gambia (February), and the Mid-year meetings in Accra, Ghana (September). The WAMZ meetings noted that Member States' compliance with the convergence criteria had deteriorated, and stressed that the poor performance posed significant challenges to the economic integration agenda.

Recommendations made at the meetings included:

i. Strict observance of the criterion on central bank financing of government budget deficit of not more than 10.0 per cent of previous year's tax revenue;
ii. Member States to negotiate for concessional loans and debt relief with external creditors and adopt frameworks to ensure that subsequent loans are project or programme based; and
iii. Setting up of a Financial Stability Council for the WAMZ, to be made up of banks, non-bank financial institutions, insurance and pension sectors to promote synergy and collaboration to further strengthen the financial system of the WAMZ.

6.9.3 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 – the Mid-year (September) and End-year (February) meetings. The CSWAMZ undertook Joint Examination Exercises of banks, worked on the implementation of Risk Based Supervision (RBS), Basel II and III capital requirements, and the International Financial Reporting Standards (IFRS) for Member States across the WAMZ.

At the end of the meetings, the Committee of Governors made the following recommendations to Member States, among others:

i. Establish the Financial Stability Council for the WAMZ to comprise banks, non-banks, insurance, pension etc., to promote synergy and collaboration for the purpose of the stability of the financial system;
ii. Enhance risk management guidance notes to facilitate effective risk management culture in regulated institutions;
iii. Develop, in a medium to long term, a framework for the management of sovereign exposures;
iv. Strengthen stress testing models to incorporate sovereign exposures;
v. Develop guidelines on beneficial ownership to strengthen AML/CFT regimes;
vi. Develop policies on sustainable banking principles and climate-related financial risk supervision;
vii. Strengthen co-operation and information sharing arrangements between the College and Commission Bancaire on the back of political instability in some countries in the sub-region and its potential impact on financial systems;
viii. Establish a Supervisory College for VISTA Bank Group to help address supervisory concerns posed by VISTA Bank in the respective jurisdictions;
ix. Build capacity programmes on self-assessment of BCPs for the Zone; and
x. Adopt the harmonised framework on Prudential and Regulatory Ratios for WAMZ.

6.9.4 West African Institute for Financial and Economic Management

The West African Institute for Financial and Economic Management (WAIFEM) held two statutory meetings in 2023, and continued to deliver capacity building programmes for Member States. Broadly, the meetings called for further collaboration between WAIFEM and other training institutes, such as the IMF's African Training Institute, to design and execute courses and programmes.

6.10 African Union Commission

The African Union Commission held its 36th Ordinary Session in February 2023, under the theme: "The Year of AfCFTA: Acceleration of the African Continental Free Trade Area Implementation". The President of Ghana, H.E Nana Addo Danquah Akufo-Addo, speaking at a plenary session urged the African Union to adopt the action compact of the African Prosperity Dialogues (APD), as Ghana's contribution to the African Union's call for national submissions on strategies to deepen AfCFTA's impact. The APD is a partnership between the Government of Ghana, African Prosperity Network, and AfCFTA to bring businesses and policy makers together to plan and drive the goal of building the world's largest single market in Africa.

To this end, the APD's compact was adopted by the African Union, as an important instrument for mobilising private sector ownership and promote AfCFTA.

6.11 Visits to Bank of Ghana

During the year, a total of 18 institutions, comprising 16 central banks and two academic institutions visited the Bank to understudy its operations, policies, procedures, and financial market infrastructures, as part of peer-to-peer learning. The study visits were hosted by 17 departments and offices in the Bank. These included Financial Market Department, FinTech and Innovation Office, Banking Supervision Department, Payment Systems Department, Legal Department, Office of Ethics and Internal Investigations, and Risk Management Department.

Table 6.1: Visits to Bank of Ghana

Region	No. of Countries	No. of Visits	No. of Visitors
East Africa	3	4	14
West Africa	7	10	34
Southern Africa	5	7	29
Others	3	4	53
Total	**18**	**25**	**130**

6.12 Memorandum of Understanding with the Central Bank of Barbados

During the year, the Bank of Ghana signed a Memorandum of Understanding with the Central Bank of Barbados for collaboration in the areas of banking supervision, payment systems, currency management, and the leveraging on information technology tools.

Annexes

Table 2.1: World Economic Growth Indicators

	(%, Year-on-Year)				
	ESTIMATE			PROJECTIONS	
	2021	**2022**	**2023**	**2024**	**2025**
World Output	6.3	**3.5**	**3.1**	**3.1**	**3.2**
Advanced Economies	5.4	**2.6**	**1.6**	**1.5**	**1.8**
United States	5.9	1.9	2.5	2.1	1.7
Euro Area	5.3	3.4	0.5	0.9	1.7
Germany	2.6	1.8	–0.3	0.5	1.6
France	6.4	2.5	0.8	1.0	1.7
Italy	7.0	3.7	0.7	0.7	1.1
Spain	5.5	5.8	2.4	1.5	2.1
Japan	2.2	1.0	1.9	0.9	0.8
United Kingdom	7.6	4.3	0.5	0.6	1.6
Canada	5.0	3.8	1.1	1.4	2.3
Emerging Market and Developing Economies	**6.8**	**4.1**	**4.1**	**4.1**	**4.2**
Emerging and Developing Asia	7.5	4.5	5.4	5.2	4.8
China	8.4	3.0	5.2	4.6	4.1
India	9.1	7.2	6.7	6.5	6.5
Russia	5.6	–1.2	3.0	2.6	1.1
Brazil	5.0	3.0	3.1	1.7	1.9
Sub-Saharan Africa	4.7	4.0	3.3	3.8	4.1
Nigeria	3.6	3.3	2.8	3.0	3.1
South Africa	4.7	1.9	0.6	1.0	1.3
Memorandum					
Commodity Prices					
Oil	65.8	39.2	–16.0	–2.3	–4.8
Nonfuel	26.7	7.9	–6.1	–0.9	–0.4
World Consumer Prices	4.7	**8.7**	**6.8**	**5.8**	**4.4**
Advanced Economies	3.1	7.3	4.6	2.6	2.0
Emerging Markets and Developing Economies	5.9	9.8	8.4	8.1	6.0

Source: IMF, World Economic Outlook, 2023

Table 3.1: Selected Economic Indicators

Indicators	**2019**	**2020**	**2021**	**2022**	**2023**
(Annual percentage change; unless otherwise indicated)					
National Income and Prices					
Real GDP Growth (incl. Oil)	4.7	7.3	8.5	3.8	2.9
Agriculture	6.4	-2.5	-0.5	4.2	4.5
Industry	7.6	0.7	9.4	0.6	-1.2
Services	6.5	0.5	5.1	6.3	5.5
Real GDP Growth (excl. Oil)	5.8	1.0	6.6	4.7	3.3
Nominal GDP (Gh₵ Million)	356,544.0	383,486.0	459,131.0	614,336.3	841,632.9
Consumer price index (end period, year-on-year)					
Headline	7.9	10.4	12.6	54.1	23.2
Food	7.2	14.1	12.8	59.7	28.7
Non-food	8.5	7.7	12.5	49.9	18.7
Exchange Rates (End of period)					
GH₵/US$	5.5337	5.7604	6.0061	8.5760	11.8800
[Depreciation (-)/Appreciation (+)] (%)	-12.9	-3.9	-4.1	-30.0	-27.8
GH₵/Pound Sterling	7.3164	7.8996	8.1272	10.3118	15.1334
[Depreciation (-)/Appreciation (+)] (%)	-15.7	-7.1	-3.1	-21.2	-31.9
GH₵/Euro	6.2114	6.9929	6.8281	9.1457	13.1264
[Depreciation (-)/Appreciation (+)] (%)	-11.2	-12.1	3.5	-25.3	-30.3
Monetary Aggregates Annual Growth Rates (%)					
Reserve Money	34.4	25.0	20.0	57.5	29.2
Broad Money Supply (M2)	16.1	25.0	12.0	27.8	37.2
Broad Money Supply (M2+)	21.7	29.6	12.5	33.0	38.7
Private Sector Credit	18.0	10.6	11.1	31.8	10.7
Real Credit to the private sector	9.4	-0.1	-1.3	-14.5	-10.2
Interest Rates (%)					
Monetary Policy rate	16.0	14.5	14.5	27.0	30.0
Interbank rate	15.2	13.6	12.7	25.5	30.2
91-Day treasury bill rate	14.7	14.1	12.5	35.5	29.4
182-day treasury bill rate	15.1	14.1	13.2	36.2	31.7
364-Day treasury bill rate	17.9	17.0	16.5	36.1	33.0

** Provisional*

Table 3.1: Selected Economic Indicators continued

Indicators	2019	2020	2021	2022	2023
(Annual percentage change; unless otherwise indicated)					
Interest Rates (%)					
Average lending rate	23.6	21.1	20.0	35.6	33.8
3-month average deposit rate	11.5	11.5	11.5	14.0	10.5
Lending-deposit rate spread	*12.1*	*9.6*	*8.5*	*21.6*	*23.3*
External Sector					
Exports of Goods (US$ m)	15,667.5	14,471.5	14,727.5	17,494.4	16,657.7
Imports of Goods (US$ m)	-13,410.7	-12,428.6	-13,628.7	-14,621.2	14,010.5
Trade balance (US$' m)	2,256.8	2,043.0	1,098.8	2,873.1	2,647.3
Current Account Balance (US$' m)	-1,864.0	-2,134.0	-2541.42	-1,516.9	1,105.0
per cent of GDP	-2.7	-3.1	-3.2	-2.1	1.4
Overall Balance of Payments (US$' m)	1,341.0	377.5	510.1	-3,639.5	461.6
Gross International Reserves (US$' m)	8,418.1	8,624.4	9,695.2	6,252.7	5,906.6
months of imports cover	4.0	4.0	4.3	2.7	2.7
Gross International Reserves (US$' m, excl Oil Funds, Encumbered Assets)	6,607.9	6,961.8	7,906.0	4,432.1	3,918.8
months of imports cover	3.2	3.2	3.5	1.9	1.8
Net International Reserves (US$' m)	5,192.0	5,569.4	6,079.5	2,673.2	3,134.8
months of imports cover	2.5	2.6	2.8	1.1	1.4
External Debt (US$'m)	20,349.4	24,715.8	28,389.2	29,017.4	30,137.3
Government Budget (% of GDP)					
Domestic Revenue	14.7	14.1	14.9	15.7	15.5
Tax Revenue	12.0	11.6	12.3	12.4	12.9
Total Revenue and Grant	15.0	14.4	15.3	15.8	15.8
Total Expenditure	19.0	25.1	23.8	24.1	18.2
Domestic Primary Balance	1.8	3.3	-1.9	-0.8	-0.3
Overall Balance	-4.7	-11.7	-9.2	-8.3	3.1
Public Debt	61.2	76.0	76.6	72.8	72.6

** Provisional*

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

Table 3.3: Monetary Indicators

	GH¢ Millions			Year-on-Year-Variations					
				As at end-Dec 2021		As at end-Dec 2022		As at end-Dec 2023	
Indicator	**Dec-21**	**Dec-22**	**Dec-23**	**abs**	**per cent**	**abs**	**per cent**	**abs**	**per cent**
Reserve Money	43,244.90	68,103.84	87,987.66	7,162.85	19.85	24,858.94	57.48	19,883.82	29.20
Narrow Money (M1)	69,389.31	88,484.18	121,784.77	8,605.86	14.16	19,094.87	27.52	33,300.59	37.63
Broad Money (M2)	105,737.27	135,142.49	185,426.12	11,288.24	11.95	29,405.22	27.81	50,283.63	37.21
Broad Money (M2+)	135,555.75	180,266.84	250,019.53	15,076.66	12.51	44,711.09	32.98	69,752.68	38.69
Currency with the Public	21,773.90	31,420.65	37,621.03	884.27	4.23	9,646.75	44.30	6,200.38	19.73
Demand Deposits	47,615.41	57,063.53	84,163.74	7,721.59	19.36	9,448.12	19.84	27,100.21	47.49
Savings & Time Deposits	36,347.96	46,658.31	63,641.36	2,682.39	7.97	10,310.35	28.37	16,983.04	36.40
Foreign Currency Deposits	29,818.48	45,124.35	64,593.40	3,788.41	14.55	15,305.87	51.33	19,469.05	43.15
Sources of M2+									
Net Foreign Assets (NFA)	7,531.35	-10,321.15	21,038.44	-11,189.71	-59.77	-17,852.50	-237.04	31,359.59	-303.84
BOG	8,247.02	-17,487.62	3,348.61	-5,997.47	-42.10	-25,734.63	-312.05	20,836.22	-119.15
DMBs	-715.67	7,166.46	17,689.83	-5,192.24	-115.99	7,882.13	-1101.37	10,523.37	146.84
Net Domestic Assets (NDA)	128,024.40	190,587.99	228,981.08	26,266.37	25.81	62,563.59	48.87	38,393.09	20.14
Claims on Government (net)	75,314.27	127,515.37	115,681.46	6,348.68	9.21	52,201.10	69.31	-11,833.92	-9.28
BOG	29,389.54	78,871.20	54,356.08	-2,341.58	-7.38	49,481.65	168.36	-24,515.11	-31.08
DMBs	45,924.73	48,644.18	61,325.37	8,690.26	23.34	2,719.45	5.92	12,681.20	26.07
Claims on Public Sector	6,347.86	7,825.04	1,121.55	1,180.67	22.85	1,477.18	23.27	-6,703.50	-85.67
BOG	966.11	1,578.28	-5,328.80	34.78	3.73	612.16	63.36	-6,907.08	-437.63
DMBs	5,381.75	6,246.77	6,450.35	1,145.89	27.05	865.02	16.07	203.58	3.26
Claims on Private Sector	50,502.62	71,434.32	71,631.56	6,238.76	14.09	20,931.69	41.45	197.24	0.28
BOG	2,117.04	7,680.86	1,072.24	1,386.37	189.74	5,563.82	262.81	-6,608.63	-86.04
DMBs	48,385.58	63,753.45	70,559.32	4,852.39	11.15	15,367.88	31.76	6,805.87	10.68
Other Items (Net) (OIN)	-4,140.35	-16,186.74	40,546.52	12,498.26	-75.12	-12,046.39	290.95	56,733.26	-350.49
o/w BOG OMO (Sterilisation)	-5,654.59	-7,725.48	-24,795.37	4.22	-0.07	-2,070.89	36.62	-17,069.89	220.96

Source: Bank of Ghana

Table 3.4: Sectoral Distribution of Banks' Outstanding Credit

		GH¢ Millions			Year-on-Year-Variations			
					As at end-Dec 2022		As at end-Dec 2023	
	Indicator	**Dec-21**	**Dec-22**	**Dec-23**	**abs**	**per cent**	**abs**	**per cent**
a	**Public Sector**	**5,381.75**	**6,246.77**	**6,450.35**	**865.02**	**16.07**	**203.58**	**3.26**
b	**Private Sector**	**48,385.58**	**63,753.45**	**70,559.32**	**15,367.88**	**31.76**	**6,805.87**	**10.68**
	Agriculture, Forestry & Fisheries	1,656.64	2,664.02	2,884.60	1,007.38	60.81	220.58	8.28
	Export Trade	200.54	386.70	546.39	186.16	92.83	159.69	41.29
	Manufacturing	5,688.17	7,129.87	8,051.85	1,441.70	25.35	921.98	12.93
	Transport, Storage & Communication	3,353.27	3,562.29	3,786.24	209.02	6.23	223.95	6.29
	Mining & Quarrying	817.41	1,564.11	2,128.74	746.70	91.35	564.63	36.10
	Import Trade	1,733.00	2,092.13	4,815.32	359.12	20.72	2,723.19	130.16
	Construction	5,089.74	6,454.74	6,844.49	1,365.00	26.82	389.75	6.04
	Commerce & Finance	7,498.53	11,513.42	11,467.06	4,014.90	53.54	-46.36	(0.40)
	Electricity, Gas & Water	1,961.31	3,501.71	2,370.27	1,540.41	78.54	-1,131.45	(32.31)
	Services	16,867.22	20,855.96	23,084.98	3,988.74	23.65	2,229.03	10.69
	Miscellaneous	3,519.76	4,028.50	4,579.38	508.74	14.45	550.87	13.67
c	**Grand Total**	**53,767.32**	**70,000.22**	**77,009.67**	**16,232.90**	**30.19**	**7,009.45**	**10.01**

Source: Bank of Ghana

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

	SECTORIAL CONTRIBUTION											GSE-CI
MONTH	**F&B**	**MAN**	**FINANCE**	**DISTR**	**MINING**	**IT**	**AGRIC**	**OIL**	**ETFund**	**EDUC**	**AD. & PROD.**	**VALUE**
					GH¢' Millions							
Dec-20	556.84	825.53	1,782.76	2,148.80	135.06	23.20	400.00	39.51	4.20	100.00	100.00	1,941.59
Dec-21	1,250.50	613.36	2,151.85	3,000.37	135.22	40.24	1,330.00	40.07	4.32	100.00	100.00	2,789.34
Dec-22	1,204.74	434.73	2,052.59	2,632.42	159.17	31.90	1,530.00	40.26	5,028.82	100.01	100.00	2,443.91
Dec-23	1,722.04	804.95	1,901.57	3,733.61	165.30	54.66	4,400.00	40.58	5,044.98	100.01	100.00	3,130.23
					Year-on-Year-Variations							
Dec-2022												
ABS	(45.77)	(178.63)	(99.26)	(367.95)	23.95	(8.34)	200.00	0.19	5,024.50	0.01	0.00	(345.43)
(%)	(3.66)	(29.12)	(4.61)	(12.26)	17.71	(20.72)	15.04	0.48	116,220.44	0.01	0.00	(12.38)
Dec-2023												
ABS	517.30	370.22	(151.02)	1,101.19	6.13	22.75	2,870.00	0.32	16.16	-	0.00	686.32
(%)	42.94	85.16	(7.36)	41.83	3.85	71.33	187.58	0.80	0.32	-	0.00	28.08

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

Source: Ghana Stock Exchange

Table 3.6: Sectorial Contribution to Market Capitalisation

	SECTORIAL CONTRIBUTION											MARKET CAP.
MONTH	**F&B**	**MAN**	**FINANCE**	**DISTR**	**MINING**	**IT**	**AGRIC**	**OIL**	**ETFund**	**EDUC**	**AD. & PROD.**	**TOTAL**
					GH¢' Millions							
Dec-20	478.27	592.85	11671.26	923.30	15921.65	7866.92	69.60	16829.22	0.53	10.57	10.70	54,374.88
Dec-21	1074.05	440.48	14788.91	1289.20	15940.22	13643.45	231.42	17065.66	0.54	10.57	10.70	64,495.20
Dec-22	1034.74	312.20	14382.51	1131.10	18763.84	10816.64	266.22	17147.21	631.62	10.57	10.70	64,507.32
Dec-23	1479.04	578.07	13508.94	1604.26	19486.21	18531.66	765.60	17284.49	633.65	10.57	10.70	73,893.17
					Year-on-Year-Variations							
Dec-2022												
ABS	(39.31)	(128.28)	(406.41)	(158.10)	2,823.61	(2,826.81)	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
Dec-2023												
ABS	444.31	265.87	(873.57)	473.16	722.38	7,715.02	499.38	137.27	2.03	-	0.00	9,385.85
(%)	42.94	85.16	(6.07)	41.83	3.85	71.33	187.58	0.80	0.32	-	0.00	14.55

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

Source: Ghana Stock Exchange

Table 3.7A: Headline Inflation

	Year-on-Year Headline Inflation (%)			Month-on-Month Headline Inflation (%)		
	Overall	Food	Non-food	Overall	Food	Non-food
2020						
Dec	**10.4**	**14.1**	**7.7**	**0.9**	**1.5**	**0.4**
2021						
Dec	**12.6**	**12.8**	**12.5**	**1.2**	**1.2**	**1.2**
2022						
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**
2023						
Jan	53.6	61.0	47.9	1.7	2.8	0.8
Feb	52.8	59.1	47.9	1.9	2.0	1.7
Mar	45.0	50.8	40.6	-1.2	-0.9	-1.5
Apr	41.2	48.7	35.4	2.4	4.3	0.7
May	42.2	51.8	34.6	4.8	6.2	3.5
Jun	42.5	54.2	33.4	3.2	3.9	2.6
Jul	43.1	55.0	33.8	3.6	3.8	3.4
Aug	40.1	51.9	30.9	-0.2	-0.3	-0.2
Sept	38.1	49.3	29.3	1.9	1.6	2.1
Oct	35.2	44.8	27.7	0.6	0.1	1.0
Nov	26.4	32.2	21.7	1.5	0.8	2.2
Dec	**23.2**	**28.7**	**18.7**	**1.2**	**1.3**	**1.0**

Source: Ghana Statistical Service

Table 3.7B: Headline Inflation by the Components of the Consumer Price Index (CPI) (%)

		2021	2022				2023			
	Weights (%)	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec
Overall	100.0	12.6	19.4	29.8	37.2	54.1	45.0	42.5	38.1	23.2
Food and Beverages	43.1	12.8	22.4	30.7	37.8	59.7	50.8	54.2	49.3	28.7
Non-food	56.9	12.5	17.0	29.1	36.5	49.9	40.6	33.4	29.3	18.7
Alcoholic Beverages, Tobacco & Narcotics	3.7	9.6	11.4	21.4	22.0	38.5	41.2	43.9	49.4	38.2
Clothing and footwear	8.1	8.6	12.2	23.8	28.7	41.9	38.3	33.9	32.5	22.3
Housing and Utilities	10.2	20.7	21.4	38.4	68.8	82.3	64.7	49.2	28.6	19.5
Furnishings, Household Equipment	3.2	9.6	18.5	39.6	51.5	71.5	67.4	54.2	44.9	26.9
Health	0.7	6.0	8.8	12.8	22.8	34.4	27.9	37.2	31.3	23.0
Transport	10.1	17.6	27.6	41.6	46.8	71.4	52.0	32.3	25.9	4.4
Information and Communication	3.6	9.0	13.4	14.5	14.9	21.5	15.8	21.6	21.1	14.2
Recreation & Culture	3.5	11.4	17.0	31.3	36.3	42.4	32.8	29.7	30.1	24.9
Education	6.5	1.0	2.9	4.4	8.3	11.3	7.9	14.3	11.3	13.9
Hotels, cafes and restaurants	4.6	8.9	12.6	20.2	11.1	9.2	6.9	4.7	19.5	28.0
Insurance and Financial services	0.2	6.3	3.0	5.8	13.6	10.8	10.5	10.7	5.0	8.1
Personal care, social protection & Miscellaneous services	2.4	10.6	17.0	31.7	42.6	60.9	53.7	55.1	49.2	31.1

Source: Ghana Statistical Service

Table 3.8A: Selected Fiscal Indicators 2020-2023 (GH¢ millions)

	2020	2021	2022	2023
Taxes on income and property	23,728.6	27,971.4	38,424.5	56,519.9
Taxes on goods and services	17,792.1	24,733.5	31,391.8	45,630.3
Taxes on international trade	5,513.8	6,944.9	9,848.2	13,933.2
Tax revenue including oil	44,447.8	56,533.1	75,548.2	109,923.2
Tax revenue excluding oil	42,404.8	54,276.5	69,593.8	104,958.0
Nontax revenue	6,667.3	7,908.9	14,561.0	17,645.7
Domestic revenue including oil	53,899.7	68,914.3	95,532.7	132,252.7
Domestic revenue excluding oil	51,856.8	66,657.7	89,578.3	127,287.5
Grants	1,228.7	1,182.2	1,118.6	2,651.7
Total revenue and grants	55,128.4	70,096.5	96,651.2	134,904.3
Compensation of Employees	28,268.9	31,663.3	39,434.1	50,807.8
Goods and services	7,388.3	7,160.8	7,926.2	8,874.5
Interest payments	24,599.3	33,522.6	45,687.4	31,066.2
Subsidies	168.1	135.9	167.0	-
Non-Financial Assets (Capital Expenditure)	12,082.9	16,967.1	18,688.7	21,084.6
Total expenditure & net lending	96,400.4	109,275.9	146,373.0	155,578.3
Overall Budget Balance	(11,672.7)	(16,891.8)	(44,897.9)	(20,673.9)
Domestic Expenditure	53,899.7	68,914.3	95,532.7	132,252.7
Domestic Primary Balance	66,712.2	63,794.8	87,458.4	125,423.1
Stock of Domestic Debt	(12,812.4)	5,119.5	8,074.3	6,829.6
Nominal GDP (Including Oil)	391,940.7	461,694.9	205,593.9	614,336.3
Nominal GDP (Excluding oil)	378,147.9	440,613.4	581,396.9	803,900.9

Source: Ministry of Finance and Bank of Ghana

Table 3.8B: Selected Fiscal Indicators 2020-2023 (Per cent of GDP)

	2020	2021	2022	2023
Taxes on income and property	6.1	6.1	6.3	6.7
Taxes on goods and services	4.5	5.4	5.1	5.4
Taxes on international trade	1.4	1.5	1.6	1.7
Tax revenue including oil	11.3	12.3	12.4	13.1
Tax revenue excluding oil	11.5	12.6	12.1	13.1
Nontax revenue	1.7	1.7	2.4	2.1
Domestic revenue including oil	13.8	15.0	15.7	15.7
Domestic revenue excluding oil	14.1	15.5	15.5	15.8
Grants	0.3	0.3	0.2	0.3
Total revenue and grants	14.1	15.3	15.8	16.0
Compensation of Employees	7.2	6.9	6.5	6.0
Goods and services	1.9	1.6	1.3	1.1
Interest payments	6.3	7.3	7.5	3.7
Subsidies	0.0	0.0	0.0	-
Non-Financial Assets (Capital Expenditure)	3.1	3.7	3.1	2.5
Total expenditure & net lending	24.6	23.8	24.0	18.5
Overall Budget Balance	(3.0)	(3.7)	(7.4)	(2.5)
Domestic Expenditure	13.8	15.0	15.7	15.7
Domestic Primary Balance	17.0	13.9	14.3	14.9
Stock of Domestic Debt	(3.3)	1.1	1.3	0.8

Source: Ministry of Finance and Bank of Ghana

Table 3.9: Composition of Domestic Debt (GH¢ millions), 2019 – 2023

	2019	2020	2021	2022	2023
A. Short-Term Instruments	**16,341.0**	**16,861.0**	**22,617.0**	**34,192.3**	**67,069.0**
91-Day Treasury Bill	7,153.4	10,030.7	9,634.1	18,167.5	30,774.5
182-Day Treasury Bill	2,842.7	2,856.5	4,653.1	8,746.6	16,911.1
364-Day Treasury Bill	6,344.9	3,973.8	8,329.7	7,278.3	19,383.4
1-Year Treasury Note	0.0	0.0	0.0	0.0	0.0
B. Medium-Term Instruments	**65,348.0**	**97,768.1**	**123,271.4**	**123,665.1**	**125,558.9**
2-Year Fixed Treasury Note	13,526.1	17,441.5	20,145.4	13,721.9	391.0
3-Year USD Domestic Bond (Old)	2,057.8	2,231.2	2,777.0	3,851.0	0.0
4-Year USD Domestic Bond (New)	0.0	0.0	0.0	0.0	4,501.2
5-Year USD Domestic Bond (Old)	0.0	0.0	1,013.8	2,879.1	220.7
5-Year USD Domestic Bond (New)					4,501.2
3-Year Fixed Rate Bond (Old)	12,929.6	27,342.7	27,174.3	31,448.9	1,068.3
4-Year GOG Bond (New)	0.0	0.0	541.4	541.4	27,945.5
4.5-Year GOG Bond (New)	0.0	0.0	0.0	0.0	3,265.4
5-Year GOG Bond (Old)	15,808.0	22,499.6	30,019.8	25,859.3	1,498.5
5-Year GOG Bond (New)	0.0	0.0	0.0	0.0	27,749.4
5.5-Year GOG Bond (New)	0.0	0.0	0.0	0.0	3,265.4
6-year GOG Bond (Old)	1,780.7	2,870.6	8,671.4	11,231.2	1,029.2
6-year GOG Bond (New)	0.0	0.0	0.0	0.0	9,414.7
7-year GOG Bond (Old)	6,840.4	9,040.3	11,769.9	12,306.8	1,095.7
7-year GOG Bond (New)	0.0	0.0	0.0	0.0	9,171.5
8-year GOG Bond	0.0	0.0	0.0	0.0	8,874.9
9-year GOG Bond	0.0	0.0	0.0	0.0	8,581.2
10-year GOG Bond (Old)	12,405.5	16,342.2	21,158.4	21,825.6	3,697.3
10-year GOG Bond (New)	0.0	0.0	0.0	0.0	9,287.5
C. Long-Term Instruments	**29,669.3**	**44,005.2**	**46,662.6**	**46,877.3**	**66,562.2**
11-Year GOG Bond	0.0	0.0	0.0	0.0	5,686.8
12-Year GOG Bond (ESLA)		1,629.5	2,950.3	3,029.6	2,023.8
12-Year GOG Bond (New)	0.0	0.0	0.0	0.0	5,405.8
13-Year GOG Bond	0.0	0.0	0.0	0.0	5,255.5
14-Year GOG Bond	0.0	0.0	0.0	0.0	6,059.0
15-year GOG Bond	5,812.7	15,342.6	15,805.7	15,583.2	138.4
15-year GOG Bond (New)	0.0	0.0	0.0	0.0	40,938.4
20-YEAR GOG BOND	162.1	338.6	1,546.8	1,546.8	63.9
3-year Stock(SSNIT)	172.5	0.0	0.0	0.0	0.0
Long Term Government Stocks	22,685.5	25,972.3	25,752.1	26,167.2	990.6
GOG Petroleum Finance Bond	80.0	80.0	80.0	80.0	0.0
TOR Bonds	286.0	171.6	57.2	0.0	0.0
Revaluation Stock	361.1	361.1	361.1	361.1	0.0
Telekom Malaysia Stocks	109.5	109.5	109.5	109.5	0.0
D. Standard Loans	**122.9**	**221.6**	**380.0**	**859.2**	**965.8**
TOTAL (A+B+C+D)	**111,481.2**	**158,856.0**	**192,930.9**	**205,593.9**	**260,155.9**

Source: Ministry of Finance and Bank of Ghana

Table 3.10A: Holding Structure of Domestic Debt (GH¢ millions), 2019 – 2023

	2019	2020	2021	2022	2023
A. Banking system	**49,965.6**	**82,609.8**	**97,616.1**	**110,689.4**	**130,579.5**
Bank of Ghana	15,655.8	33,621.9	35,861.7	42,277.8	54,530.7
Deposit Money Banks (DMBs)	34,309.8	48,987.9	61,754.4	68,411.6	76,048.9
Discount Houses	0.0	0.0	0.0	0.0	0.0
B. Non-Bank Sector	**35,071.1**	**48,331.1**	**65,932.6**	**80,225.1**	**115,553.4**
SSNIT	493.1	1,486.2	1,165.0	1,417.1	1,638.1
Insurance Companies	669.6	945.9	1,213.5	1,625.7	1,864.4
NPRA	0.0	0.0	0.0	0.0	0.0
Others	**33,908.4**	**45,899.0**	**63,554.1**	**77,182.3**	**112,050.9**
Rural Banks	705.7	1,696.0	2,006.7	2,974.6	4,690.9
Firms & Institutions	20,224.9	29,957.8	41,013.8	49,616.6	73,192.2
Individuals	8,737.5	12,186.4	16,517.4	21,596.0	29,060.6
C. Foreign sector (Non-Residents)	**26,321.7**	**27,693.5**	**29,002.2**	**13,820.4**	**13,057.0**
D. Standard Loans	**122.9**	**221.6**	**380.0**	**859.2**	**965.8**
TOTAL (A+B+C+D)	**111,481.3**	**158,856.0**	**192,930.9**	**205,594.1**	**260,155.7**

Source: Ministry of Finance and Bank of Ghana

Table 3.10B: Holding Structure of Domestic Debt (%), 2019– 2023

	2019	2020	2021	2022	2023
A. Banking system	**44.8**	**52.0**	**50.6**	**53.8**	**50.2**
Bank of Ghana	14.0	21.2	18.6	20.6	21.0
Deposit Money Banks (DMBs)	30.8	30.8	32.0	33.3	29.2
Discount Houses	0.0	0.0	0.0	0.0	0.0
B. Non-Bank Sector	**31.5**	**30.4**	**34.2**	**39.0**	**44.4**
SSNIT	0.4	0.9	0.6	0.7	0.6
Insurance Companies	0.6	0.6	0.6	0.8	0.7
NPRA	0.0	0.0	0.0	0.0	0.0
Others	**30.4**	**28.9**	**32.9**	**37.5**	**43.1**
Rural Banks	0.6	1.1	1.0	1.4	1.8
Firms & Institutions	18.1	18.9	21.3	24.1	28.1
Individuals	7.8	7.7	8.6	10.5	11.2
C. Foreign sector (Non-Residents)	**23.6**	**17.4**	**15.0**	**6.7**	**5.0**
D. Standard Loans	**0.1**	**0.1**	**0.2**	**0.4**	**0.4**
TOTAL (A+B+C+D)	**100**	**100**	**100**	**100**	**100**

Source: Ministry of Finance and Bank of Ghana

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

	2019	2020	2021	2022	2023
A. Current Account	**-1,863.97**	**-2,133.97**	**-2,541.42**	**-1,516.94**	**1,105.05**
Merchandise Trade balance	**2,256.83**	**2,042.97**	**1,098.81**	**2,873.13**	**2,647.26**
Exports (f.o.b)	**15,667.53**	**14,471.53**	**14,727.46**	**17,494.36**	**16,657.73**
Cocoa beans & products	2,288.41	2,328.16	2,838.54	2,299.69	2,121.04
Gold	6,229.69	6,799.09	5,083.14	6,608.43	7,600.82
Timber & timber products	169.00	134.00	161.95	161.41	142.55
Crude oil	4,493.07	2,910.62	3,947.72	5,428.61	3,837.34
Other exports	2,487.36	2,299.65	2,696.10	2,996.21	2,955.97
Imports (f.o.b)	**-13,410.70**	**-12,428.56**	**-13,628.65**	**-14,621.23**	**-14,010.47**
Non-oil	-10,990.44	-10,538.02	-10,909.50	-9,994.62	-9,535.21
Oil & Gas	-2,420.26	-1,890.54	-2,719.16	-4,626.61	-4,475.26
B. Balance on Services, Income and Transfers	**-4,120.80**	**-4,176.93**	**-3,640.23**	**-4,390.08**	**-1,542.21**
Services (net)	**-3,572.75**	**-4,511.26**	**-3,164.53**	**-3,457.89**	**-3,397.18**
Inflows	9,924.81	7,605.55	9,173.70	8,249.67	8,672.54
Outflows	-13,497.56	-12,116.81	-12,338.23	-11,707.56	-12,069.72
Investment Income (net)	**-3,952.13**	**-3,398.55**	**-3,830.62**	**-4,505.12**	**-2,079.14**
Inflows	482.94	738.45	719.09	849.50	761.24
Outflows	-4,435.07	-4,137.00	-4,549.71	-5,354.63	-2,840.38
Current Transfers (net)	**3,404.08**	**3,732.88**	**3,354.92**	**3,572.94**	**3,934.11**
Private (net)	3,386.43	3,564.76	3,354.92	3,572.73	3,934.11
Official (net)	17.65	168.12	0.00	0.21	0.00
C. Financial and Capital Account	**3,067.63**	**2,887.19**	**3,303.95**	**-2,141.26**	**-756.25**
Capital (net)	257.08	250.14	203.98	142.12	148.34
Direct investments	3,292.07	1,333.37	2,413.88	1,472.57	1,298.64
Other investments	-2,779.25	1,303.69	686.09	-3,755.95	-2,203.22
D. Net Errors and Omissions	**137.34**	**-375.77**	**-252.40**	**18.69**	**112.80**
Overall Balance	**1,340.99**	**377.45**	**510.13**	**-3,639.52**	**461.60**

Note: Data for 2023 have been revised.
Source: Bank of Ghana and various sources

Table 3.12: Interbank Exchange Rate Developments

	US$/GHC*	Monthly depreciation/ appreciation	Year-to-Date depreciation/ appreciation	GBP/GHC*	Monthly depreciation/ appreciation	Year-to-Date depreciation/ appreciation	Euro/GHC*	Monthly depreciation/ appreciation	Year-to-Date depreciation/ appreciation
2021									
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
2022									
Jan	6.0236	-0.3	-0.29	8.0882	0.5	0.48	6.7506	1.1	1.15
Feb	6.6004	-9.6	-9.00	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	-13.55
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
2023									
Jan	10.7997	-20.6	-20.59	13.2863	-22.4	-22.39	11.7262	-22.0	-22.01
Feb	11.0135	-1.9	-22.13	13.3699	-0.6	-22.87	11.7182	0.1	-21.95
Mar	11.0137	0.0	-22.13	13.6218	-1.8	-24.30	11.9657	-2.1	-23.57
Apr	10.9516	0.6	-21.69	13.7624	-1.0	-25.07	12.0876	-1.0	-24.34
May	10.9715	-0.2	-21.83	13.5888	1.3	-24.12	11.6978	3.3	-21.82
June	10.9972	-0.2	-22.02	13.9879	-2.9	-26.28	12.0073	-2.6	-23.83
July	11.0034	-0.1	-22.06	14.1482	-1.1	-27.12	12.1272	-1.0	-24.59
Aug	11.0192	-0.1	-22.17	13.9514	1.4	-26.09	11.9473	1.5	-23.45
Sep	11.1285	-1.0	-22.94	13.5935	2.6	-24.14	11.7774	1.4	-22.35
Oct	11.4963	-3.2	-25.40	13.9399	-2.5	-26.03	12.1438	-3.0	-24.69
Nov	11.6206	-1.1	-26.20	14.6821	-5.1	-29.77	12.6756	-4.2	-27.85
Dec	11.8800	-2.2	-27.81	15.1334	-3.0	-31.86	13.1264	-3.4	-30.3

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	2022	2023
Multilateral Creditors	6,387.70	6,390.46	6,555.47	8,280.17	8,192.45	8,056.06	9,144.21
Bilateral Creditors	1,210.28	1,204.79	1,227.90	1,297.36	1,336.02	1,349.33	1,437.19
Export Credit Agencies	1,461.23	1,235.56	1,048.99	966.12	981.11	691.53	630.57
Other Concessional	1,782.85	1,701.17	2,165.25	2,415.37	3,114.87	4,304.86	4,324.27
Commercial Creditors	2,437.04	2,365.37	1,657.03	1,541.66	1,594.91	1,511.79	1,497.14
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-21	**Dec-22**	**Dec-23**	**Dec-22**	**Dec-23**	**Dec-22**	**Dec-23**
Cash & ST Funds	35,955.78	61,718.67	84,399.63	71.65	36.75	29.11	30.70
Investments	83,149.77	67,675.10	100,880.56	(18.61)	49.07	31.92	36.69
Loans (Net)	47,297.85	59,796.09	65,410.70	26.53	9.30	28.23	23.79
Other Assets	8,117.32	15,309.85	15,940.57	89.07	3.86	7.24	5.80
PPE	5,282.92	7,505.90	8,290.06	42.08	10.45	3.54	3.02
Total Assets	**179,803.64**	**212,005.61**	**274,921.53**	**17.91**	**29.68**	**100.00**	**100.00**
Deposits	121,056.66	160,014.95	214,488.80	32.18	34.04	75.48	78.02
Borrowings	22,039.97	18,799.30	15,020.42	(14.70)	-20.10	8.87	5.46
Other Liabilities	11,896.44	14,829.82	16,220.70	24.66	9.38	7.00	5.90
Sub-Total	154,993.07	193,644.07	245,729.93	24.94	26.90	91.34	89.38
Paid-Capital	10,165.11	10,386.11	13,039.17	2.17	25.54	4.90	4.74
Reserves	14,645.46	7,975.43	16,152.43	(45.54)	102.53	3.76	5.88
Net Worth	24,810.57	18,361.54	29,191.60	-25.99	58.98	8.66	10.62
Total Liabilities & Equity	**179,803.64**	**212,005.61**	**274,921.53**	**17.91**	**29.68**	**100.00**	**100.00**

Source: Bank of Ghana

Table 4.6: Assets and Liabilities of Banks and SDIs

	2022						2023					
	BANKS	**SDI**	**NBFIs**	**RCBs**	**MFIs**		**BANKS**	**SDI**	**NBFIs**	**RCBs**	**MFIs**	
	Banks GH¢ 'M	**Deposit-Taking GH¢ 'M**	**Non-Deposit Taking GH¢ 'M**	**RCBs GH¢ 'M**	**Deposit-Taking GH¢ 'M**	**Non-Deposit Taking GH¢ 'M**	**Banks GH¢ 'M**	**Deposit-Taking GH¢ 'M**	**Non-Deposit Taking GH¢ 'M**	**RCBs GH¢ 'M**	**Deposit-Taking GH¢ 'M**	**Non-Deposit Taking GH¢ 'M**
TOTAL ASSETS	**212,005.61**	**8,628.21**	**57.16**	**8,548.10**	**842.39**	**562.98**	**274,921.53**	**9,110.61**	**440.73**	**11,103.74**	**1,065.17**	**906.20**
Cash and Bank Balances	61,718.67	608.33	1.46	1,401.35	68.772	37.35	84,399.63	475.77	15.41	1,187.77	88.55	82.58
Investments	67,675.10	1,525.74	0.19	4,025.05	263.96	27.02	100,880.56	1,369.05	5.48	5,994.07	347.18	18.74
Loans & Advances	59,796.09	5,614.21	16.08	2,367.87	372.05	442.02	65,410.70	6,014.22	315.75	3,036.17	454.37	731.33
Other Assets and PPE	15,309.85	879.93	39.44	753.84	137.5986	56.60	15,940.57	812.15	31.84	488.08	175.07	73.49
LIABILITIES AND SHAREHOLDERS' FUND	**212,005.61**	**8,628.21**	**57.16**	**8,548.10**	**842.39**	**562.98**	**274,921.53**	**9,110.61**	**440.73**	**11,103.74**	**1,065.17**	**906.20**
Liabilities	178,814.25	8,684.39	35.90	8,075.91	691.08	443.02	229,509.22	9,154.73	529.04	9,830.92	837.53	771.46
Deposits	160,014.95	5,202.34	-	7,527.26	537.27	7.68	214,488.80	6,671.98	306.63	9,723.08	675.95	9.15
Borrowings and Other Liabilities	18,799.30	3,482.05	35.90	548.65	153.82	435.34	15,020.42	2,482.74	222.42	107.84	161.58	762.32
Shareholders' Funds	18,361.54	-56.18	21.27	472.19	151.30	119.97	29,191.60	9,110.61	104.01	702.71	227.65	134.73
Paid-Up Capital	10,386.11	810.52	15.00	259.70	227.22	86.98	13,039.17	962.36	36.62	267.55	227.49	82.31
Reserves	7,975.43	-866.70	6.27	212.49	(75.91)	32.99	16,152.43	(2,207.41)	67.39	435.16	0.16	52.42

Table 4.7: Performance Indicators of the Collateral Registry

Indicator (%)	**2021**	**2022**	**2023**
Registered Security Interests	151,415	179,441	229,903
Searches Conducted	57,661	62,073	59,103
Registered Collateral	290,828	325,758	365,610
Realisation of security interests (Approved)	734	390	314
Discharge of registration	4,375	50,289	153,470

Source: Bank of Ghana

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

CORE FSIs	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23
Capital Adequacy									
Regulatory capital to risk weighted assets	19.60	21.31	19.35	16.39	15.54	14.20	14.29	13.80	13.87
Regulatory Tier I capital to risk-weighted assets	17.66	19.66	17.51	14.46	14.25	12.07	11.60	11.03	11.04
Asset Quality									
Nonperforming loans net of loan-loss provision to capital	6.16	6.68	6.98	6.96	10.32	11.70	14.26	11.28	14.55
Nonperforming loans to total gross loans	15.12	14.42	14.06	14.05	16.59	16.85	18.71	17.99	20.58
Banks provisions to NPL	81.26	79.40	79.41	81.19	83.58	79.27	76.76	78.89	73.19
Earnings									
Return on assets*	4.57	4.72	4.59	4.50	(3.83)	5.57	5.54	5.33	5.37
Return on equity**	20.91	22.32	21.94	21.91	(0.75)	36.79	37.59	35.58	34.16
Interest margin to Gross income	54.50	51.91	50.90	50.81	47.82	46.13	49.06	51.27	51.80
Liquidity									
Core Liquid asset to total assets	18.50	19.75	20.83	22.48	27.53	23.84	26.77	24.73	29.34
Core Liquid asset to short-term liabilities	23.98	25.64	26.91	29.00	33.21	28.99	32.29	29.83	35.48
Core Liquid assets/total deposits	27.48	29.91	31.73	33.40	36.47	31.09	34.60	31.71	37.61
Broad Liquid assets to total assets	64.61	63.64	61.24	60.83	59.45	62.68	63.78	64.73	65.69
Broad Liquid assets to short-term liabilities	83.73	82.65	79.12	78.50	71.71	76.22	76.92	78.07	79.42
Efficiency									
Noninterest expenses to gross income	42.19	41.37	42.58	40.52	97.04	41.55	41.26	42.69	43.04
Personnel Expenses to Gross income	18.06	17.84	17.91	16.23	16.45	15.20	15.49	15.65	15.67

** 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

Financial Statements

GENERAL INFORMATION

BOARD OF DIRECTORS

Dr. Ernest Yedu Addison	-	Chairman, Governor
Dr. Maxwell Opoku-Afari	-	Executive Director, First Deputy Governor
Mrs. Elsie Addo Awadzi	-	Executive Director, Second Deputy Governor
Dr. Samuel Nii-Noi Ashong	-	Non-Executive Director
Mr. Joseph Blignam Alhassan	-	Non-Executive Director
Dr. Kwame Nyantekyi-Owusu	-	Non-Executive Director
Mr. Andrew Adinorte Boye-Doe	-	Non-Executive Director
Mrs. Comfort F. Ocran	-	Non-Executive Director
Mr. Jude Kofi Bucknor	-	Non-Executive Director*
Dr. Regina Ohene-Darko Adutwum	-	Non-Executive Director
Ms. Angela Kyerematen-Jimoh	-	Non-Executive Director
Prof. Eric Osei-Assibey	-	Non-Executive Director

* Exited the Board on 28th November, 2023.

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

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 2023.

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 2023 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 2023 is reported on page 53.

Directors' fees are disclosed in note 37(c) on page 114.

COMPLIANCE WITH RELEVANT LEGISLATION AND ACCOUNTING FRAMEWORK

The financial statements, including comparative information, are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board 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 dematerialisation 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 2023 are set out in the financial statements, highlights of which are as follows:

	The Bank		The Group	
	2023 GH¢'000	2022 GH¢'000	**2023 GH¢'000**	2022 GH¢'000
Loss for the year	**(10,548,510)**	(60,809,753)	**(10,497,607)**	(60,855,417)
To which is added the balance brought forward on retained earnings of	**-**	-	**223,185**	214,022
	(10,548,510)	(60,809,753)	**(10,320,086)**	(60,632,232)
Out of which is transferred:				
Exchange movement in gold holdings and other foreign assets	**(2,162,845)**	(9,205,614)	**(2,162,845)**	(9,205,614)
Price movement in gold	**(1,570,199)**	(149,993)	**(1,570,199)**	(149,993)
Transfer from other reserves	**14,281,554**	70,165,360	**14,281,554**	70,165,360
Leaving a balance to be carried forward on retained earnings of	**-**	-	**228,424**	177,521

No amount was set aside for reserve appropriation as the reserve amount was in deficit as at 31 December 2023 (2022:GH¢nil).

GOING CONCERN OF THE BANK AND THE GROUP

The Bank and the group reported a loss of GH¢10.50 billion for the year (2022: Loss - GH¢60.86 billion). As at 31 December 2023, the total liabilities of Bank of Ghana and its subsidiaries exceeded its total assets by GH¢65.36 billion (2022: GH¢54.52 billion deficit).

In 2023, total operating income of the Bank and the Group increased by 47.3 per cent to GH¢8.80 billion. This increase in operating income was driven to a large extent by interest earned on the Bank's investments in securities and bonds held abroad, fines imposed on institutions for regulatory breaches, and fees and charges.

Total operating expenses of GH¢19.2 billion reported for 2023 shows a decline when compared with the GH¢66.9 billion recorded in 2022. This was due to impairment charges on Loans and Advances and Bank of Ghana's holding of GoG securities. In 2022, these two-line items accounted for GH¢54.5 billion in expense charges on account of the Domestic Debt Exchange Programme.

The combination of an increase in total income and reduction in operating expenses led to a total loss position of GH¢10.6 billion, representing an improvement when compared with the loss of GH¢60.9 billion recorded in 2022. The loss position was driven largely by an increase in total interest expense incurred on Open Market Operations by GH¢ 6.7 billion.

The total cost of Open Market Operations in 2022 which stood at GH¢1.7 billion, increased to GH¢8.4 billion in 2023. The increase in costs associated with open market operations for 2023 was driven in large part by the need to mop up excess liquidity in the economy in 2023 and to support the dis-inflation process envisaged in the overall macroeconomic adjustment program. This Open Market Operations activity, which accounted for a significant portion of the loss incurred yielded positive results. The aggressive mopping up operations, contributed in slowing down inflation to 23.2 per cent by the end of 2023, significantly down from the rate of 54.1 per cent at the end of 2022.

A NOTE ON POLICY SOLVENCY

In essence, a Central Bank is said to be policy solvent when it is able to generate enough realised income to cover costs associated with the conduct of monetary policy operations. Total group income generated in 2023 was GH¢8.8 billion while total costs associated with the conduct of monetary operations amounted to GH¢ 8.4 billion. The positive policy solvency factor of GH¢0.4 billion in 2023, is indicative that the Bank continues to be policy solvent just as it was in 2022 when a policy solvency factor of GH¢4.27 billion was recorded.

Policy Solvency Estimation

	2023 GH¢'000	2022 GH¢'000
Group operating Income from Operations	**8,803,415**	**5,974,747**
Interest and Similar Income	7,914,160	5,283,443
Fees and Commission Income	276,611	305,333
Other Operating Income	612,644	385,971
Dividend Income	-	-
Group Cost of Open Market Operations	**(8,365,957)**	**(1,708,089)**
Policy Solvency Factor: **Group Operating Income Less of Open Market Operations**[1]	**437,458**	**4,266,658**

Data Source: Bank of Ghana

Note1. A positive solvency factor is indicative of policy solvency, indicating that the Central Bank is generating enough income to help deal with its mandate as captured in the Law

In the view of the Board of Directors and Management, the policy solvency outcome for 2023 is consistent with the view held in 2022, that the Bank will continue to operate efficiently and effectively on a going concern basis and achieve its policy mandates, despite the significant loss recorded at the time. From a macroeconomic perspective, as macroeconomic conditions continue to improve and inflation declines towards the medium-term target, interest rates will also decline and as a result cost of Open Market Operation will reduce. A decline in inflation will support exchange rate stabilisation. The two major expenditures items — cost of open market operations and revaluation losses arising out of exchange rate valuation—which have historically constituted over [68.67 percent] of the total operating expenses will reduce and further improve the financial position of the Bank of Ghana. The Monetary Policy Committee will continue to monitor risks in the economy and pursue policies geared towards anchoring inflation expectations and minimising exchange rate volatilities, with continued efforts at restoring macroeconomic stability and debt sustainability in addition to long-term efforts at building reserves.

In addition to the expected favourable impact of macroeconomic conditions on the financial position of the Bank, the Board is continuing to take actionable steps to ensure a recovery and build-back of a positive equity position within the medium to long term. These steps will include the following:

- Refraining from monetary financing of the Government of Ghana's budget. In this regard, the Bank will continue to adhere to the terms of the Memorandum of Understanding on zero financing of the budget signed between the Bank of Ghana and the Ministry of Finance on 26 April 2023.
- Continuing with policy measures aimed at optimising Bank of Ghana's investment portfolio and operating cost mix to bolster efficiency and profitability; and
- Signing a Memorandum of Understanding to secure early recapitalisation of the Bank of Ghana in the medium-to-long term. Within the context of the second review of the ongoing IMF programme which concluded on April 12 2024, the impact of the Domestic Debt Exchange Program on the balance sheet of the Bank of Ghana was discussed extensively and broad consensus was reached amongst the Ministry of Finance, the Bank of Ghana and the IMF on early recapitalisation of the Bank of Ghana. A Memorandum of Understanding between the Bank of Ghana and the Ministry of Finance on how the recapitalisation is to be executed is expected to be signed by the end of the third quarter.

The Board expects that steadfast implementation of these policy steps alongside fiscal rectitude, continued maintenance of a tight monetary policy stance, and the pursuit of critical structural reforms to underpin sustainability of progress made so far, will provide enough basis for continued operational policy efficiency and the existence of the Bank of Ghana for the foreseeable future.

The financial statements of the Bank and the Group have therefore been prepared based on the going-concern assumption.

DIVIDEND

The Directors do not recommend the payment of dividends for the year ended 31 December 2023 (2022: Nil).

DOMESTIC GOLD PURCHASE PROGRAMME

The role of gold as a reserve asset has taken centre stage following the global financial crisis of 2007. Central banks all over the world have been increasing their gold holdings reserves. In view of this, on June 17, 2021, the Bank of Ghana launched the Domestic Gold Purchase Program (DGPP). The program was initially designed to purchase gold with Ghana Cedis from mining firms and aggregators as follows:

1. Buy refined gold from the mining firms at their respective London Bullion Market Association (LBMA) certified refineries abroad.
2. Buy dore gold from the local gold aggregators for onward shipment to LBMA certified refinery for refining into monetary gold which would then constitute part of the Bank's foreign reserves.

In December 2022, the Gold for Oil (G4O) Program was initiated by the Government to address escalating prices of petroleum products which surged averagely from GH¢6.90 per litre in January 2022 to GH¢22.8 per litre in December 2022. The G4O Program was therefore to leverage on the existing Bank of Ghana DGPP to support the importation of adequate quantities of petroleum products into Ghana at competitive prices.

Under the G4O program, dore gold produced and exported by companies with licensed small-scale concessions, including community mines through the PMMC, shall be purchased by the Bank of Ghana. The purchased dore gold is used for the payment of petroleum products supplied to Ghana, either with the foreign exchange (FX) proceeds of gold sold or through gold barter settlement with the petroleum suppliers.

The DGPP is meeting its objectives of bolstering reserves while supporting relative foreign exchange market stability and the disinflation process.

APPROVAL OF THE FINANCIAL STATEMENTS

The report and the financial statements of the Bank and the Group were approved by the Board of Directors on 8th May, 2024 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 63 to 134, which comprise the consolidated and separate statement of financial position as at 31 December 2023, 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 material 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 2023, its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the IAS 29 directives issued by the Institute of Chartered Accountants, Ghana, 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.

Key Audit Matter	*How the matter was addressed in the audit*
1. Impairment of investments in Government Securities As disclosed in Note 14 of the financial statements, Bank of Ghana and its subsidiaries have various types of securities including Government of Ghana and foreign securities as follows: (see table below) The Government of Ghana executed its domestic debt exchange program resulting in a provision of GH¢48.45	We performed the following procedures on the ECL for investments in government securities: • Evaluated the design and tested the implementation of the key controls over the computation of impairment loss. • 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. • 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.

	2023 GH¢ '000	2022 GH¢ '000
Long-term Government securities	**12,573,180**	12,573,180
Money market instruments	**79,139,909**	67,239,830
Short-term securities	**21,414,548**	30,915,065
Other securities	**925,676**	755,690
Gross amount	**114,053,313**	111,483,765
Less: Impairments	**(53,772,046)**	(48,449,562)
Net amount	**60,281,267**	63,034,203

Key Audit Matter	*How the matter was addressed in the audit*
billion as of 31 December 2022. Old Government securities were derecognised, and the new securities were recognised. The Group reassessed Government securities for impairment as of 31 December 2023. Due to the magnitude of the Government securities and the significant judgements that were applied by Management, we considered the assessment of impairments of Government securities as a key audit matter. The areas of significant judgment within the Expected Credit Loss (ECL) process included: • The determination of cashflows of the new instruments in accordance with the financial terms of the new bonds exchanged. • Whether an appropriate discount rate was used to calculate the ECL of the relevant government bonds. • Whether there was increased credit risk around other instruments issued by the Government of Ghana. • Whether the derecognition of the existing bonds and the recognition of the new bonds were executed in accordance with the applicable accounting standards. 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.	• We reviewed the expected cash flow and payments-in-kind from the bonds based on the financial terms provided in the exchange memorandum. • We engaged our internal specialist to challenge the appropriateness of the discount rate used for determining the present value of cashflows for the bonds and ensured that the rate used was appropriate. • 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. We found that the assumptions used by management are reasonable. • We further tested the disclosures to ensure that the disclosures were made in accordance with the requirements of IFRS 9. • Based on the procedures performed, we found the judgement made by the Group and the Bank reasonable and assessed the related disclosures as appropriate.
2. Gold for Oil Program As disclosed in Note 17 to the financial statements, the consolidated capitalised cost incurred on the Gold for Oil (G40) program was GH¢2.43 billion as at 31 December 2023. The recognition and recoverability of this amount were considered a key audit matter due to the significance of the amount invested and its novelty. The carrying amount represents five (5) main accounts and is segregated into the following: We considered it necessary to assess whether these	We performed the following procedures on the G40 operations balance as of 31 December 2023: • Evaluated the design and tested the implementation of the key controls over the approval of the funds and the subsequent receipts of the gold funds for foreign exchange purposes or oil purposes. • 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. • The Bank of Ghana is a public institution that is responsible for implementing monetary policy, managing the currency of the country, and controlling the money supply including stabilising the exchange rate. We reviewed the whole program's activities and procedures to ensure that they are within the Bank's mandate. We had

	2023 GH¢ '000	2022 GH¢ '000
Oil proceeds receivable	463,340	-
Gold stock	407,344	-
Cash balance	518,241	-
Oil stock	1,719,843	-
Gold purchases payable	(683,239)	-
Total	**2,425,529**	**-**

<table>
<tr><th>Key Audit Matter</th><th>How the matter was addressed in the audit</th></tr>
<tr><td>
balances were appropriately accounted for in accordance with the International Financial Reporting Standards (IFRS).
The areas of the balance that required significant review and judgment within the outstanding balance process included whether:

The Gold for oil program is within the mandate of the Bank.
The determination of cash outflows of the funds disbursed to the aggregators were appropriately approved and recorded in accordance with the IFRS.
The determination of the cash inflows from the sale of the gold were appropriately accounted for and recorded in accordance with the IFRS.
The determination of the outstanding receivable and payable were appropriately accounted for and recorded in accordance with IFRS. Also, whether there was an increased credit risk around the receivable from the various Bulk Distribution Companies (BDC).
The overall gain/loss on the operations of the Bank has also been accounted for and represented fairly.
Whether the disclosures around the total G40 account balance are considered relevant to the users of the financial statements and in accordance with the applicable accounting standards.

</td><td>
meetings with the key players on the program to understand the operations and the role of the Bank in the program. We also reviewed all agreements between the Bank and all stakeholders who participated in the program.

We tested the completeness of the balances in the accounts by:

obtaining confirmations for outstanding receivables and payables
circularising the Collateral Management company to confirm the outstanding stock value and we determined the stock price using industry prices.
reconciling the carrying amount of each category of the balances included in the G40 main account and related exposures.
to ensure they were appropriately valued and allocated.
other related exposures were fully assessed for impairment.

We also tested the occurrence of direct and indirect expenses related to the operations of this program.
For the exchange gains/losses recorded at each point in time of the sale, we tested the reasonableness of the exchange rates used.
We further tested the associated disclosures of all the balances involved.

Based on the procedures performed, we concluded that the G40 main account recorded in the other assets balance has been appropriately recorded and presented.
</td></tr>
<tr><td>
3. Negative equity
As disclosed in Note 2a.ii, Bank of Ghana and its subsidiaries recorded a negative equity of GH¢65.40 billion (2022: GH¢54.52 billion -deficit).
The negative equity resulted from losses during the year of GH¢10.50 billion (2022: GH¢60.86 billion - loss). The loss resulted from:

Increase in Open Market Operations (OMO) cost of GH¢8.37 billion (2022: GH¢1.15 billion).
Depreciation of the local currency resulting in a net exchange loss of GH¢4.27 billion (2022: exchange loss of GH¢5.27 billion).

The negative equity is considered a key audit matter because it is a significant risk for the audit due to the impact on:

The ability of the Bank and its subsidiaries to meet

</td><td>
The Bank of Ghana exists to fulfill its policy mandates, including price and financial stability. Thus, the success of its interventions should always be judged on whether it fulfills these mandates.
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:

Obtained the 2024 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.
Compared the cash availability with future cash flows, for the twelve-month period after 2023, to assess the Bank's liquidity position.
Assessed the Bank's cost-cutting strategy in the

</td></tr>
</table>

Key Audit Matter	*How the matter was addressed in the audit*
their operational and debt obligations as they fall due; • The ability of the Bank to fulfill 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, and ensure effective and efficient operation of the Banking and credit systems in the country. • The ability of the Bank and its subsidiaries to operate as a going concern.	2024 budget and its feasibility. • 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. 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. • Examined the impact of the funds receivable from the International Monetary Fund (IMF) and its impact on the Bank's reserves. • We further tested the associated disclosures. 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.

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 IFRS Accounting Standards as issued by the International Accounting Standards Board, 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.

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 skepticism 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
- 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/2021/129)
Chartered Accountants
The Deloitte Place, Plot No.71
Off George Walker Bush Highway
North Dzorwulu
Accra Ghana

27th May, 2024

Deloitte.

CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS

		The Bank		The Group	
	NOTE	**2023 GH¢'000**	2022 GH¢'000	**2023 GH¢'000**	2022 GH¢'000
OPERATING INCOME					
Interest and similar income	5(a)	**7,430,872**	5,094,081	**7,914,160**	5,283,443
Fee and commission income	5(e)	**194,031**	254,856	**276,611**	305,333
Other operating income	5(f)	**256,963**	143,999	**612,644**	385,971
Dividend income	5(g)	**-**	4,043	**-**	-
Total operating income		**7,881,866**	5,496,979	**8,803,415**	5,974,747
OPERATING EXPENSES					
Cost of open market operations	5(c)	**(8,365,957)**	(1,708,089)	**(8,365,957)**	(1,708,089)
Other interest charges	5(d)	**(1,227,337)**	(1,574,992)	**(1,272,932)**	(1,558,565)
Revaluation loss and exchange differences	5(b)	**(4,299,045)**	(5,267,863)	**(4,273,736)**	(5,247,413)
Other operating expenses	6	**(3,128,251)**	(2,700,792)	**(3,828,375)**	(3,228,018)
Premises and equipment expenses	7	**(357,100)**	(207,684)	**(418,604)**	(227,868)
Currency issue expenses	8	**(688,871)**	(336,940)	**(688,871)**	(336,940)
Impairment recovery/(loss) - loans and advances	9(a)	**231,046**	(6,109,191)	**231,007**	(6,128,379)
Impairment loss- securities	9(b)	**(606,228)**	(48,401,181)	**(595,279)**	(48,424,140)
Total operating expense		**(18,441,743)**	(66,306,732)	**(19,212,747)**	(66,859,412)
Operating loss		**(10,559,877)**	**(60,809,753)**	**(10,409,332)**	(60,884,665)
Revaluation gain on investment property	19(b)	**11,367**	-	**11,367**	-
Loss before taxation		**(10,548,510)**	(60,809,753)	**(10,397,965)**	(60,884,665)
Taxation	10(a)	**-**	-	**(67,008)**	(10,895)
Total loss for the year		**(10,548,510)**	(60,809,753)	**(10,464,973)**	(60,895,560)
Loss attributed to:					
Equity shareholders of the bank		**(10,548,510)**	(60,809,753)	**(10,497,607)**	(60,855,417)
Non-controlling interest	33	**-**	-	**32,634**	(40,143)
Controlling interest		**(10,548,510)**	(60,809,753)	**(10,464,973)**	(60,895,560)

The notes on pages 69 to 134 form an integral part of these financial statements.

CONSOLIDATED AND SEPARATE STATEMENT OF OTHER COMPREHENSIVE INCOME

		The Bank		The Group	
		2023	2022	**2023**	2022
	Note	**GH¢'000**	GH¢'000	**GH¢'000**	GH¢'000
Operating loss for the year		**(10,548,510)**	(60,809,753)	**(10,464,973)**	(60,895,560)
Items that may not be subsequently reclassified to profit or loss:					
Profit on FVOCI financial instruments	32	**289,726**	630,191	**312,839**	591,762
Tax effect		**-**	-	-	-
		289,726	630,191	307,061	601,370
Items that may be subsequently reclassified to profit or loss:					
Foreign currency translation exchange		-	-	378,119	146,531
Tax effect		-	-	-	-
		-	-	378,119	146,531
Other comprehensive income for the year net of tax		**289,726**	630,191	**685,180**	747,901
Total comprehensive income for the year, net of tax		**(10,258,784)**	(60,179,562)	**(9,779,793)**	(60,147,659)
Attributable to:					
Equity holders of the parent		**(10,258,784)**	(60,179,562)	**(9,996,446)**	(60,166,755)
Non-controlling interest		**-**	-	**216,653**	19,096
Controlling Interest		**(10,258,784)**	(60,179,562)	**(9,779,793)**	(60,147,659)

The notes on pages 69 to 134 form an integral part of these financial statements.

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION

		The Bank		The Group	
		2023	2022	**2023**	2022
	NOTE	**GH¢'000**	GH¢'000	**GH¢'000**	GH¢'000
ASSETS					
Cash and balances with correspondent banks	11	13,333,842	6,083,741	20,467,988	11,158,386
Gold holdings	12a	14,028,296	2,646,684	14,028,296	2,646,684
Collaterised gold holdings	12b	3,796,842	2,424,633	3,796,842	2,424,633
Balances with IMF	13	11,813,752	9,622,688	11,813,752	9,622,688
Securities	14	58,290,358	61,160,166	60,281,267	63,034,203
IMF on-lent to Government*	15a	24,131,883	17,198,424	24,131,883	17,198,424
Loans and advances*	15b	1,751,484	5,188,600	2,524,561	5,859,260
Derivative financial asset	16	92,058	-	92,058	-
Other assets	17	6,056,961	9,766,513	6,200,554	9,873,336
Investments	18	2,240,338	1,931,299	1,137,808	848,082
Property, plant and equipment	19a	3,420,179	2,453,618	3,938,637	2,954,522
Investment property	19b	185,962	174,094	185,962	174,094
Intangible assets	20	207,517	27,859	270,739	82,084
Rights of use - Assets	34	-	-	24,511	16,446
Current income tax assets	10	-	-	-	9,751
Deferred tax assets	10	-	-	73,791	71,510
Total Assets		**139,349,472**	**118,678,319**	**148,968,649**	**125,974,103**
LIABILITIES					
Deposits from Government**	21a	24,067,885	22,099,356	24,067,885	22,099,356
Deposits from Financial Institutions and others**	21b	51,678,947	35,509,984	58,919,620	41,229,757
Derivative financial liability	16	-	2,241,833	-	2,241,833
Bridge Facilities	22	3,447,443	24,347,990	3,447,443	24,347,990
Collaterised gold loan payable	23	3,243,060	2,081,015	3,243,060	2,081,015
Liabilities under money market operations	24	26,236,162	10,381,030	26,236,162	10,381,030
Allocation of special drawing rights	25a	16,915,025	12,111,465	16,915,025	12,111,465
Liabilities to IMF	25b	29,305,951	20,849,340	29,305,951	20,849,340
Lease liabilities	34	-	-	29,059	23,922
Current income tax liabilities	10	-	-	33,958	3,436
Other liabilities	26	6,301,596	8,097,286	6,573,985	8,455,936
Currency in circulation	28	44,558,730	36,079,112	44,558,730	36,079,112
Total Liabilities		**205,754,799**	**173,798,411**	**213,330,878**	**179,904,192**
SHAREHOLDERS' FUNDS					
Stated capital	29	10,000	10,000	10,000	10,000
Asset revaluation reserves	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	876,666	586,940	862,548	563,981
Foreign currency translation reserves	32	-	-	846,572	468,453
Other reserves	32	(68,505,780)	(56,930,819)	(68,519,442)	(56,955,256)
Retained earnings		-	-	228,424	177,521
Total Equity Attributable to Equity Holders of the Bank		**(66,405,327)**	**(55,120,092)**	**(65,358,111)**	**(54,521,514)**
Non-Controlling Interest	**33**	**-**	-	**995,882**	591,425
Total Equity		**(66,405,327)**	**(55,120,092)**	**(64,362,229)**	**(53,930,089)**
Total Liabilities and Equity		**139,349,472**	**118,678,319**	**148,968,649**	**125,974,103**

The financial statements on pages 63 to 134 were approved by the Board of Directors on 8th May, 2024 and signed on its behalf by:

Chairman (Governor) ____________________ Director____________________________

The notes on pages 69 to 134 form an integral part of these financial statements.

**The loans and advances in the SOFP above have been disaggregated. Please refer to Notes 15a and 15b.*
***The Deposits in the SOFP above have been disaggregated. Please refer to Notes 21a and 21b.*

CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY

The Bank **Year ended 31 December 2023**	**Stated Capital (note 29) GH¢'000**	**Asset Revaluation Reserves (note 30) GH¢'000**	**Statutory Reserves (note 31) GH¢'000**	**Fair valuation Reserves (note 32) GH¢'000**	**Other Reserves (note 32) GH¢'000**	**Retained Earnings GH¢'000**	**Total GH¢'000**
At 1 January 2023	10,000	1,185,027	28,760	586,940	(56,930,819)	-	(55,120,092)
Loss for the Year	-	-	-	-	-	(10,548,510)	(10,548,510)
Other comprehensive income:							
Profit on FVOCI financial instruments	-	-	-	289,726	-	-	289,726
Total comprehensive income	-	-	-	289,726	-	(10,548,510)	(10,258,784)
Price movement in gold holdings	-	-	-	-	1,570,199	(1,570,199)	-
Movements in gold holdings and other foreign assets	-	-	-	-	2,162,845	(2,162,845)	-
Gold holdings purchase	-	-	-	-	(1,026,451)	-	(1,026,451)
Transfer to other reserves	-	-	-	-	(14,281,554)	14,281,554	-
At 31 December 2023	**10,000**	**1,185,027**	**28,760**	**876,666**	**(68,505,780)**	**-**	**(66,405,327)**

The Bank **Year ended 31 December 2022**	**Stated Capital (note 29) GH¢'000**	**Asset Revaluation Reserves (note 30) GH¢'000**	**Statutory Reserves (note 31) GH¢'000**	**Fair valuation Reserves (note 32) GH¢'000**	**Other Reserves (note 32) GH¢'000**	**Retained Earnings GH¢'000**	**Total GH¢'000**
At 1 January 2022	10,000	1,185,027	28,760	(43,251)	3,990,748	-	5,171,284
Loss for the Year	-	-	-	-	-	(60,809,753)	(60,809,753)
Other comprehensive income:							
Profit on FVOCI financial instruments	-	-	-	630,191	-	-	630,191
Total comprehensive income	-	-	-	630,191	-	(60,809,753)	(60,179,562)
Currency replacement	-	-	-	-	(100,000)	-	(100,000)
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-cedi	-	-	-	-	(705)	-	(705)
Support for new head office	-	-	-	-	(250,000)	-	(250,000)
Transfer to other reserves	-	-	-	-	(70,165,360)	70,165,360	-
At 31 December 2022	10,000	1,185,027	28,760	586,940	(56,930,819)	-	(55,120,092)

The notes on pages 69 to 134 form an integral part of these financial statements.

CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY

The Group

Year ended 31 December 2023	Stated Capital (note 29) GH¢'000	Asset Revaluation reserve (note 30) GH¢'000	Statutory Reserve (note 31) GH¢'000	Other Reserve (note 32) GH¢'000	Foreign Currency Translation Reserve (note 32) GH¢'000	Fair valuation Reserves (note 32) GH¢'000	Retained Earnings GH¢'000	Total GH¢'000	Non-controlling interest GH¢'000	Total GH¢'000
At 1 January 2023	10,000	1,185,027	28,760	(56,955,256)	468,453	563,981	177,521	(54,521,514)	591,425	(53,930,089)
Loss for the year	-	-	-	-	-	-	(10,497,608)	(10,497,608)	32,634	(10,464,974)
Other comprehensive income:										
Gain on foreign currency translation	-	-	-	-	378,119	-	-	378,119	363,291	741,410
Profit on FVOCI financial instruments	-	-	-	-	-	298,567	-	298,567	**8,533**	**307,100**
Total comprehensive income	-	-	-	-	378,119	298,567	(10,497,608)	(9,820,922)	404,458	(9,416,464)
Gain on translation of foreign operation	-	-	-	10,775	-	-	-	10,775	-	10,775
Gold holdings purchase	-	-	-	(1,026,451)	-	-	-	(1,026,451)	-	(1,026,451)
Price movement in gold holdings	-	-	-	1,570,199	-	-	(1,570,199)	-	-	-
Transfer to reserves	-	-	-	(14,281,554)	-	-	14,281,554	-	-	-
Exchange movement in gold holdings and other foreign assets	-	-	-	2,162,845	-	-	(2,162,845)	-	-	-
At 31 December 2023	**10,000**	**1,185,027**	**28,760**	**(68,519,442)**	**846,572**	**862,548**	**228,424**	**(65,358,111)**	**995,882**	**(64,362,229)**

The Group

Year ended 31 December 2022	Stated Capital (note 29) GH¢'000	Asset Revaluation reserve (note 30) GH¢'000	Statutory Reserve (note 31) GH¢'000	Other Reserve (note 32) GH¢'000	Foreign Currency Translation Reserve (note 32) GH¢'000	Fair valuation Reserves (note 32) GH¢'000	Retained Earnings GH¢'000	Total GH¢'000	Non-controlling interest GH¢'000	Total 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-cedi	-	-	-	(705)	-	-	-	(705)	-	(705)
Support for new head office				(250,000)	-			(250,000)		(250,000)
Transfer to reserves	-	-		(70,165,360)	-	-	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 69 to 134 form an integral part of these financial statements.

CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS

		The Bank		The Group	
	NOTE	**2023 GH¢'000**	2022 GH¢'000	**2023 GH¢'000**	2022 GH¢'000
Cash flows used in operating activities	39	**24,338,064**	(4,947,794)	**28,467,750**	(5,211,493)
Interest paid on bridge facilities	22	**(528,551)**	(742,032)	**(528,551)**	(742,032)
Tax paid	10 (c)	**-**	-	**(7,600)**	(22,934)
Net cash flows generated from/ (used in) operating activities		**23,809,513**	(5,689,826)	**27,931,599**	(5,976,459)
Cash flows from investing activities					
Proceeds from disposal of property, plant and equipment	19a	**2,639**	-	**2,639**	-
Investment property	19b	**-**	2,710	**-**	2,710
Addition to investment property	19b	**(501)**	-	**(501)**	-
Transfer of intangibles	20	**-**	-	**-**	(3,147)
Purchase of intangible assets	20	**(239,409)**	(11,855)	**(265,797)**	(45,844)
Purchase of property, plant and equipment	19a	**(1,110,128)**	(626,014)	**(1,274,480)**	(752,998)
Net cash used in investing activities		**(1,347,399)**	(635,159)	**(1,538,139)**	(799,279)
Cash flows from financing activities					
Increase in IMF liabilities	25b	**8,456,611**	4,209,900	**8,456,611**	4,209,900
Drawdown in bridge facilities	22	**3,194,060**	4,896,045	**3,194,060**	4,896,045
Principal repayment of bridge facilities	22	**(31,479,920)**	(5,068,256)	**(31,479,920)**	(5,068,256)
Finance lease payments	34	**-**	-	**(11,130)**	(9,056)
Dividend paid to non-controlling interest	33	**-**	-	**-**	(1,733)
Net cash generated from financing activities		**(19,829,249)**	4,037,689	**(19,840,379)**	4,026,900
Net change in cash and cash equivalents		**2,632,865**	(2,287,296)	**6,553,081**	(2,748,838)
Cash and cash equivalents at 1 January		**6,083,741**	5,775,436	**11,158,386**	10,062,586
Net foreign exchange difference		**4,617,236**	2,595,601	**2,756,521**	3,844,638
Cash and cash equivalents at 31 December	11	**13,333,842**	6,083,741	**20,467,988**	11,158,386

The notes on pages 69 to 134 form an integral part of these financial statements.

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 2023 comprise the separate financial statements of the Bank and that of its subsidiaries, together referred to as "The Group".

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

a.i. 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).

Directive to Accountants in Business and accountants in practice on application of IAS 29 in Ghana

The Institute of Chartered Accountants, Ghana ("Institute") is mandated by the Institute of Chartered Accountants, Ghana Act, 2020 (Act 1058) to regulate the accounting profession in Ghana. As part of its regulatory functions, it issued a directive on whether Ghana is a hyperinflationary economy for the year ended 31 December 2023. The Institute, concluded, Ghana is not operating in a hyperinflationary economy. The requirements of IAS 29 are therefore deemed not applicable in the recognition, measurement, presentation, and disclosures in the financial statements for the financial year ended 31 December 2023. Paragraph 4 of IAS 29 provides at least 5 indicators on which professional judgment of hyperinflation can be reached:

1. The general population prefers to keep its wealth in non-monetary assets or in a relatively stable foreign currency. Amounts of local currency held are immediately invested to maintain purchasing power;
2. The general population regards monetary amounts not in terms of the local currency but in terms of a relatively stable foreign currency. Prices may be quoted in that currency;
3. Sales and purchases on credit take place at prices that compensate for the expected loss of purchasing power during the credit period, even if the period is short;
4. Sales and purchases on credit take place at prices that compensate for the expected loss of purchasing power during the credit period, even if the period is short;
5. Interest rates, wages, and prices are linked to a price index; and
6. The cumulative inflation rate over three years is approaching, or exceeds, 100%.

The assessments of these factors by Institute of Chartered Accountants, Ghana led to the issuance of a directive that the economy of Ghana was not hyperinflationary and therefore the requirements of IAS 29 are not applicable for financial reporting for the year ended 31 December 2023.

a.ii. Going Concern

Bank of Ghana and its subsidiaries recorded a negative net worth of GH¢65.40 billion (2022: Deficit- GH¢54.52 billion) at the end of 31 December 2023. This was largely due to impairment of government securities holdings which was occasioned by the Government of Ghana Domestic Debt Exchange Program (DDEP), cost of open market operations and depreciation of the local currency resulting in exchange losses.

In the view of the Board of Directors and Management, the policy solvency outcome for 2023 is consistent with the view held in 2022, that the Bank will continue to operate efficiently and effectively on a going concern basis and achieve its policy mandates, despite the significant loss recorded at the time. From a macroeconomic perspective, as macroeconomic conditions continue to improve and inflation declines towards the medium-term target, interest rates will also decline and as a result cost of Open Market Operation will reduce. A decline in inflation will support exchange rate stabilisation. The two major expenditures items – cost of open market operations and revaluation losses arising out of exchange rate valuation– which have historically constituted over sixty-eight point six seven per cent (68.67%) of the total operating expenses will reduce and further improve the financial position of the Bank of Ghana. The Monetary Policy committee will continue to monitor risks in the economy and pursue policies geared towards anchoring inflation expectations and minimising exchange rate volatilities. With continued efforts at restoring macroeconomic stability and debt sustainability in addition to long-term efforts at building reserves.

In addition to the expected favourable impact of macroeconomic conditions on the financial position of the Bank, the Board is continuing to take actionable steps to ensure a recovery and build-back of a positive equity position within the medium to long term. These steps will include the following:

- Refraining from monetary financing of the Government of Ghana's budget. In this regard, the Bank will continue to adhere to the terms of the Memorandum of Understanding on zero financing of the budget signed between the Bank of Ghana and the Ministry of Finance on 26 April 2023.
- Continue with policy measures aimed at optimising Bank of Ghana's investment portfolio and operating cost mix to bolster efficiency and profitability; and
- Signing a Memorandum of Understanding to secure early recapitalisation of the Bank of Ghana in the medium-to-long term. Within the context of the second review of the ongoing IMF programme which concluded on April 12, 2024, the impact of the Domestic Debt Exchange Program on the balance sheet of the Bank of Ghana was discussed extensively and broad consensus was reached amongst the Ministry of Finance, the Bank of Ghana and the IMF on early recapitalisation of the Bank of Ghana. A Memorandum of Understanding between the Bank of Ghana and the Ministry of Finance on how the recapitalisation is to be executed is expected to be signed by the end of the third quarter.

The Board expects that steadfast implementation of these policy steps alongside fiscal rectitude, continued maintenance of a tight monetary policy stance, and the pursuit of critical structural reforms to underpin sustainability of progress made so far, will provide enough basis for continued operational policy efficiency and the existence of the Bank of Ghana for the foreseeable future.

The financial statements of the Bank and the Group have therefore been prepared based on the going-concern assumption.

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 a 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

(i) New and amended standards and interpretations

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

In the current year, the Group 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 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements– Disclosure of Accounting Policies

The Group has adopted the amendments to IAS 1 for the first time in the current year. The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'material accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Group has adopted the amendments to IAS 12 for the first time in the current year. The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

Amendments to IAS 12 Income Taxes— International Tax Reform—Pillar Two Model Rules

The Group has adopted the amendments to IAS 12 for the first time in the current year. The IASB amends the scope of IAS 12 to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum topup taxes described in those rules.

The amendments introduce a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

Following the amendments, the Group is required to disclose that it has applied the exception and to disclose separately its current tax expense (income) related to Pillar Two income taxes.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates

The Group has adopted the amendments to IAS 8 for the first time in the current year. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The definition of a change in accounting estimates was deleted.

New and revised IFRS Accounting Standards in issue but not yet effective

At the date of authorisation of these financial statements, the group has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods, except if indicated below.

Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures—Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted. The directors of the Bank anticipate that the application of these amendments may have an impact on the group's consolidated financial statements in future periods should such transactions arise.

Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Non-current

The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or noncurrent in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2024, with early application permitted. The IASB has aligned the effective date with the 2022 amendments to IAS 1. If an entity applies the 2020 amendments for an earlier period, it is also required to apply the 2022 amendments early.

The Directors are assessing these impacts on the group's consolidated financial statements.

Amendments to IAS 1 Presentation of Financial Statements—Non-current Liabilities with Covenants

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or noncurrent). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

The amendments are applied retrospectively for annual reporting periods beginning on or after 1 January 2024. Earlier application of the amendments is permitted. If an entity applies the amendments for an earlier period, it is also required to apply the 2020 amendments early.

The Directors are assessing these impacts on the group's consolidated financial statements.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information.

To meet the disclosure objective, an entity will be required to disclose in aggregate for its supplier finance arrangements.

- The terms and conditions of the arrangements
- The carrying amount, and associated line items presented in the entity's statement of financial position, of the liabilities that are part of the arrangements
- The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers
- Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement
- Liquidity risk information amendments, which contain specific transition reliefs for the first annual reporting period in which an entity applies the amendments, are applicable for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted.

Amendment to IFRS 16 Leases—Lease Liability in a Sale and Leaseback

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, `following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability, that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15, is a lease liability.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. If a seller-lessee applies the amendments for an earlier period, it is required to disclose that fact.

A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.

d. Use of Material 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 material 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.

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.

d. Other Estimates, Assumptions and Judgements

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.

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 of 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.

Employee benefits valuation

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 27.

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.

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 recognised 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.

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 2023. 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 adjusts 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 attributes 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.

(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. Dividends 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.

For purchased or originated credit-impaired (POCI) financial assets (as set out in Note 4.10), the Group calculates interest income by calculating the credit-adjusted EIR and applying that rate to the amortised cost of the financial asset. The credit adjusted EIR is the interest rate that, at initial recognition, discounts the estimated future cash flows (including credit losses) to the amortised cost of the POCI financial asset.

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 Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

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 the translation of holdings in gold, Special Drawing Rights (SDRs) held with the International Monetary Fund (IMF) or holdings of foreign securities which are recognised 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 Rate GH¢	Closing Rate GH¢
US Dollar	10.2280	11.8800
GBP	12.7226	15.1334
EURO	11.1361	13.1264

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 the translation of SDRs at period ends are treated in accordance with note 2(j) above.

l. 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.

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 2022, 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.

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 investments in debt instruments into the following 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.

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:

- 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.

Modification Assessment of Government of Ghana Bonds

In adherence with IFRS 9, Where the contract terms of debt instruments are modified, an assessment is performed to ascertain if the new terms are "substantially different" from the old terms i.e., if the modification is significant or not. The standard further states that in some circumstances the renegotiation or modification of the contractual cash flows of a financial asset can lead to its derecognition of the old instruments although there is no explicit guidance on when a modification of a financial asset leads to a derecognition.

In assessing whether there is a substantial modification, the Bank may, but is not required to, analogise to the guidance on the derecognition of financial liabilities (IFRIC updates, May 2012, and September 2012).

The IFRS9.3.3.2 paragraph regarding derecognition of financial liabilities from which the analogy is drawn states that, an exchange between an existing borrower and lender of debt instruments with substantially different terms or a substantial modification of the terms of an existing financial liability shall be accounted for as an extinguishment of the original financial liability

The Bank assessed the financial assets and applied its analogy to assess the exchange of the old bonds for the new bonds to be acquired under the Phase 2 of Debt Exchange program, will result in a substantial modification due to the following:

» A holder of a single bond or a holder of portfolio of bonds will receive, in exchange for the old bond or portfolio of old bonds, twelve bonds with different maturities and cash flow profiles in accordance with the terms and conditions of the Government of Ghana Domestic Debt Exchange program (GDDEP) and,
» The terms and conditions of the new bonds are substantially different from those of the old bonds. The changes include many different aspects, such as significant extension of the maturity date of the bonds and reduction of the coupon rates.

The Bank participated in the program and exchanged GH¢32.26 billion Government bonds after a 50% haircut on existing bonds of GH¢64.49 billion as of 31 December 2022. The Bank also exchanged GHS3.43 billion of COCOBOD indebtedness after a 50% provision on the existing GH¢6.86 billion. Consequently, the Bank derecognised the old debt instruments, and new the bonds were recognised.

When the modification of a financial asset results in the derecognition of the existing financial asset and the subsequent recognition of the modified financial asset, the modified asset is considered a 'new' financial asset [IFRS 9 paragraph B5.5.25]. Accordingly, the date of the modification is treated as the date of initial recognition of that financial asset when applying the impairment requirements to the modified financial asset. This typically means measuring the loss allowance at an amount equal to 12-month.expected credit losses until there is a significant increase in credit risk.

However, in some unusual circumstances following a modification that results in derecognition of the original financial asset, there may be evidence that the modified financial asset is credit-impaired at initial recognition, and thus, the financial asset should be recognised as an originated credit-impaired financial asset [IFRS 9 paragraph B5.5.26].

I. Financial Assets and Liabilities

(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).

(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.

(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 are 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 is 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 grossly in the statement of financial position.

(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.

m. Gold Holdings

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.

n. 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.

o. 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.

p. 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 on these assets every five (5) years 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.

(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.

q. 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.

r. 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.

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.

s. 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.

t. 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.

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

u. 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.

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.

v. 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.

w. 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.

x. 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.

y. 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 recognised 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.

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¢937.04 million not provided for in the financial statements as at 31 December 2023 (2022:GH¢711.21 million). Capital expenditure commitments include capital expenditure contracts that have been awarded but have not yet been executed. The major projects ongoing include the 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¢117.00 million (2022: GH¢78.95 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¢1.55 billion (2022: GH¢1.01billion).

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 2023 was GH¢6.73 billion (2022:GH¢4.85 billion).

e. Securities and Pledges

The Bank has pledged GH¢456 million as security for a gold holdings loan payable for short term borrowings with the Bank of International settlements (BIS) (2022: GH¢ 291 million. There was GH¢ nil for other short-term borrowing, (2022: GH¢26.79billion). The pledge was 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:

	2023	2022
Assets		
Long term government securities	**0 – 35.84%**	5.00 – 27.00%
Money market instruments	**3.35-33.70%**	12.52 – 36.72%
Short term foreign securities	**0.4 - 6%**	0.05 - 2.30%
IMF on-lent to Government	**0%**	0%
Loans and advances	**27-30%**	14.50-27.00%
Liabilities		
Deposits	**0%**	0%
Liabilities under Money Market Operations	**11.74 – 30.59%**	11.74 – 29.75%

5(a) INTEREST AND SIMILAR INCOME

	The Bank		The Group	
	2023 GH¢'000	2022 GH¢'000	**2023 GH¢'000**	2022 GH¢'000
Interest on overnight lending, government securities, medium/long-term notes and bonds	**7,169,201**	4,710,575	7,284,662	**4,739,873**
Total interest on hold to collect instruments	**7,169,201**	4,710,575	7,284,662	**4,739,873**
Interest on loans and advances	**240,147**	342,572	607,974	**502,636**
Total interest income	**7,409,348**	5,053,147	7,892,636	**5,242,509**
Discount on treasury bill	**21,524**	40,934	21,524	**40,934**
	7,430,872	5,094,081	7,914,160	**5,283,443**

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

	The Bank		The Group	
	2023 GH¢'000	2022 GH¢'000	**2023 GH¢'000**	2022 GH¢'000
Financial assets measured at amortised cost	**7,177,821**	4,751,509	**7,293,282**	4,940,871
Financial assets measured at FVPL	**253,051**	342,572	**620,878**	342,572
	7,430,872	5,094,081	**7,914,160**	5,283,443
Financial assets measured at FVOCI	**354,134**	630,191	**371,468**	601,370

5(b) REVALUATION LOSS AND EXCHANGE DIFFERENCES

	The Bank		The Group	
	2023 GH¢'000	2022 GH¢'000	**2023 GH¢'000**	2022 GH¢'000
Exchange difference in gold holdings*	**1,552,672**	1,801,941	**1,552,672**	1,801,936
Exchange difference other foreign assets*	**610,173**	7,403,673	**610,173**	7,403,678
Transactional exchange differences	**(8,032,089)**	(14,623,470)	**(8,006,780)**	(14,603,020)
Total exchange differences	**(5,869,244)**	(5,417,856)	**(5,843,935)**	(5,397,406)
Revaluation loss				
Price movement in gold holdings*	**1,570,199**	149,993	**1,570,199**	149,993
	(4,299,045)	(5,267,863)	**(4,273,736)**	(5,247,413)

**These balances were previously merged but now segregated with comparatives amended.*

- The exchange differences represent valuations and market exchange losses on swaps, sale and Buy-back transactions and exchange differences on gold holdings, SDR and foreign securities and daily revaluation of assets and liabilities denominated in foreign currency.
- The revaluation loss represents price movement gains from the Bank's holdings of gold.

5(c) COST OF OPEN MARKET OPERATIONS

	The Bank		The Group	
	2023 GH¢'000	2022 GH¢'000	**2023 GH¢'000**	2022 GH¢'000
Interest on open market instruments	**7,997,776**	1,150,618	**7,997,776**	1,150,618
Cost of repurchase agreements	**368,181**	557,471	**368,181**	557,471
	8,365,957	1,708,089	**8,365,957**	1,708,089

The cost of open market operations represents interest expense on Bank of Ghana bills traded with various local banks at the monetary policy rate and repurchase agreements. This is a monetary policy measure aimed at reducing inflation.

5(d) OTHER INTEREST CHARGES

	The Bank		The Group	
	2023	2022	**2023**	2022
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
IMF & SDR allocations	**498,228**	46,509	**498,228**	46,509
Foreign loans and credits	**541,905**	811,139	**541,905**	782,042
Loss on foreign accounts and investments	**-**	710,650	**-**	710,650
Interest on call and notice deposits	**-**	-	**43,803**	11,200
Swap deal	**187,204**	6,694	**187,204**	6,694
Lease finance charge	**-**	-	**1,792**	1,470
	1,227,337	1,574,992	**1,272,932**	1,558,565

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

5(e) 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	
	2023	2022	**2023**	2022
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
Transfers	**142,247**	205,852	**142,247**	205,852
General import	**11,183**	15,030	**11,183**	15,030
Exports	**20,426**	9,114	**20,426**	9,114
Foreign exchange dealings	**16,588**	18,099	**16,588**	18,099
Others	**3,587**	6,761	**86,167**	57,238
	194,031	254,856	**276,611**	305,333

5(f) 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	
	2023	2022	**2023**	2022
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
Penalties	**106,078**	40,460	**106,078**	40,460
Recoveries	**115,693**	72,482	**115,693**	128,956
Forms and Processing Fees	**427**	778	**2,582**	72,443
Gains on foreign accounts and investments	**34,765**	30,279	**388,291**	144,112
	256,963	143,999	**612,644**	385,971

5(g) DIVIDEND INCOME

Dividend income is received from the subsidiaries and other investee entities of the Group when declared. No dividend was received in the year under review, (2022: GH¢4,043,000).

6. OTHER OPERATING EXPENSES

	The Bank		The Group	
	2023	2022	**2023**	2022
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
Personnel costs	**1,956,907**	1,620,636	**2,328,766**	1,873,148
Official travel	**103,375**	76,014	**103,375**	76,014
Capacity development	**51,459**	21,423	**51,459**	21,423
Motor vehicle running & maintenance	**168,893**	131,586	**168,893**	131,586
Electronic data transmission, communication and publication	**54,503**	32,020	**54,503**	32,020
Subscription: Monetary Institutes & others	**21,136**	13,252	**21,136**	13,252
Information technology and licenses	**146,810**	67,987	**146,810**	67,987
Banking supervision expenses	**266,583**	357,923	**266,583**	357,923
Auditor's remuneration	**1,382**	1,044	**5,778**	3,042
Directors' fees	**7,923**	8,644	**31,155**	24,474
External portfolio charges	**23,175**	28,999	**23,175**	28,999
International bodies subscriptions	**14,880**	14,701	**14,880**	14,701
Expense on foreign currency importation	**2,620**	1,454	**2,620**	1,454
Amortisation of intangible assets	**59,805**	10,673	**62,159**	13,522
Depreciation – motor vehicles	**38,535**	26,603	**40,142**	30,680
Other administrative expenses	**210,265**	287,833	**506,941**	537,793
	3,128,251	2,700,792	**3,828,375**	3,228,018

Included in the Banking Supervision expenses of GH¢267 million (2022: GH¢358 million) is an amount of GH¢249 million that relates to Resolution expenses (2022: GH¢341 million).

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

Board of Directors	**11**	12	**40**	32
Staff	**2,231**	2,203	**2,568**	2,483
	2,242	2,215	**2,608**	2,515

7. PREMISES AND EQUIPMENT EXPENSES

	The Bank		The Group	
	2023	2022	**2023**	2022
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
Rent and rates	**8,520**	7,794	**8,520**	7,794
Electricity, water and conservancy	**36,250**	19,933	**36,250**	19,933
Repairs and renewals	**178,513**	64,623	**178,513**	64,623
Insurance – premises and equipment	**2,034**	1,405	**2,034**	1,405
Depreciation – premises & equipment	**103,120**	94,156	**137,542**	114,279
Generator running expenses	**1,301**	1,281	**1,301**	1,281
General premises and equipment expenses	**27,362**	18,492	**54,444**	18,553
	357,100	207,684	**418,604**	227,868

Included in repairs and renewals expenses are repairs on bank buildings of GH¢20.15 million (2022: GH¢4.68 million), Bank notes Processing Systems (BPS) of GH¢101.25 million (2022:GH¢16.37 million) and other repairs of GH¢57.11(2022: GH¢43.57 million).

8. CURRENCY ISSUE EXPENSES

	The Bank		The Group	
	2023	2022	**2023**	2022
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
Agency fees	**6,136**	4,758	**6,136**	4,758
Notes printing	**675,412**	325,640	**675,412**	325,640
Other currency expenses	**7,323**	6,542	**7,323**	6,542
	688,871	336,940	**688,871**	336,940

9(a) IMPAIRMENT (RECOVERY)/LOSSES – LOANS AND ADVANCES

	The Bank		The Group	
	2023	2022	**2023**	2022
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
Loans	**(231,046)**	6,101,644	**(231,007)**	6,119,958
Other assets	**-**	-	**-**	874
Other liabilities	**-**	7,547	**-**	7,547
	(231,046)	6,109,191	**(231,007)**	6,128,379

The write-back of impairments relates to the recovery of liquidity support granted to the defunct banks (in Receivership).

9(b) IMPAIRMENT LOSSES - SECURITIES

	The Bank		The Group	
	2023	2022	**2023**	2022
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
Marketable securities	**606,228**	4,044,757	**595,279**	4,067,716
Non-marketable securities	**-**	44,356,424	**-**	44,356,424
	606,228	48,401,181	**595,279**	48,424,140

Marketable securities

Subsequent to the Domestic Debt Exchange Program, all government securities have been considered for impairment including COCOBOD overdraft which were also exchanged in August 2023.

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 2023	Loans and Advances (note 15) GH¢'000	Other Assets (note 17) GH¢'000	Government Securities (note 14) GH¢'000	Other Liabilities (note 25) GH¢'000	Total 2022 GH¢'000
At 1 January 2023	9,411,590	109,486	48,425,870	11,484	57,958,430
Impairment (write-back)/losses	(231,046)	-	606,228	-	375,182
Transfer	(4,716,585)	-	4,716,585	-	-
At 31 December 2022	**4,463,959**	**109,486**	**53,748,683**	**11,484**	**58,333,612**

The impairment provision of GH¢11.48 million in other liabilities relate to off-balance sheet items.

The Group

Year ended 31 December 2023					
At 1 January 2023	9,448,676	110,360	48,448,829	11,845	58,019,710
Impairment (write-back)/losses	(231,007)	-	606,691	-	375,684
Transfer	(4,716,585)	-	4,716,585	-	-
At 31 December 2023	**4,501,084**	**110,360**	**53,772,105**	**11,845**	**58,395,394**

9(d) RECONCILIATION OF CHANGES IN IMPAIRMENT LOSSES

The Bank

Year ended 31 December 2022	Loans and Advances (note 15) GH¢'000	Other Assets (note 17) GH¢'000	Government Securities (note 14) GH¢'000	Other Liabilities (note 25) GH¢'000	Total 2022 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					
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

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, The Bank Hospital 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.

(a) Income tax charge/(credit)	**2023 GH¢'000**	2022 GH¢'000
Current income tax		
Current year	**52,818**	27,114
Prior year adjustment	**639**	(8,718)
Total current tax charge	**53,457**	18,396
Deferred tax (credit)/charge		
Current year	**13,475**	(18,583)
Prior year adjustment	**76**	11,082
Total deferred tax (credit)/charge	**13,551**	(7,501)
Total charge	**67,008**	10,895

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

Loss on ordinary activities before tax	**(10,397,965)**	(60,884,665)
Tax at 25% (2022: 25%)	**(2,599,491)**	(15,198,498)
Depreciation of non-qualifying assets	**(413)**	(1,923)
Expenses disallowed for other tax purposes	**42,587**	10,908
Effect of change in tax rate of subsidiary	**797**	(2,642)
Prior year adjustment	**1,025**	2,364
Tax effect on capital allowance	**(24,483)**	(638)
Results of the Bank not subject to tax	**2,646,986**	15,201,324
	67,008	10,895

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

At 1 January	**(6,316)**	(1,444)
Charge to statement of profit or loss	**53,457**	18,396
Payment	**(7,600)**	(22,934)
Translation difference	**(5,583)**	(334)
At 31 December	**33,958**	(6,316)

The net current income tax balance of GH¢33,958,000 (2022:GH¢6,316,000) consists of GH¢14,310,000 current income tax asset (2022: GH¢9,751,000) in Ghana International Bank Plc, current income tax liability of GH¢32,573,000 (2022: GH¢1,112,000) in Ghana Interbank Payment System and current income tax liability of GH¢15,695,000(2022: Liability - GH¢2,324,000) in Central Securities Depository (Ghana) Limited.

(d) The movement in the deferred tax balance is as follows:

	2023 GH¢'000	2022 GH¢'000
At 1 January	**(71,510)**	(41,230)
Release to statement of profit or loss	**13,551**	(7,501)
Translation difference	**(15,832)**	(22,779)
At 31 December	**(73,791)**	(71,510)
Deferred tax (assets)/liabilities are attributable to:		
Property, plant and equipment	**22,052**	14,203
Other short term timing differences	**(1,634)**	(1,772)
Leases	**(495)**	(168)
Impairment	**(8,765)**	(5,958)
Trading losses	**(77,672)**	(62,203)
Timing differences on FVOCI	**(7,277)**	(15,612)
	(73,791)	(71,510)

11. CASH AND BALANCES WITH CORRESPONDENT BANKS

	The Bank		The Group	
	2023	2022	**2023**	2022
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
Correspondent bank balances	**11,693,779**	4,508,386	**18,827,925**	9,583,031
Notes and coins holdings	**1,640,063**	1,575,355	**1,640,063**	1,575,355
	13,333,842	6,083,741	**20,467,988**	11,158,386
Cash and bank balances by currency (Ghana cedi equivalent)				
US Dollar	**12,090,472**	5,444,741	**18,152,255**	8,982,211
Pound Sterling	**249,775**	196,600	**739,560**	258,412
Euro	**947,798**	394,442	**1,378,904**	1,537,640
Others	**45,797**	47,958	**197,269**	380,123
Total	**13,333,842**	6,083,741	**20,467,988**	11,158,386

12(a). GOLD HOLDINGS

	The Bank		The Group	
	2023	2022	**2023**	2022
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
Bank of England Gold set aside	**11,881,785**	444,319	**11,881,785**	444,319
Federal Reserve Bank NY Gold	**1,895,521**	1,204,891	**1,895,521**	1,204,891
UBS Gold investment	**-**	837,932	**-**	837,932
Gold-local holdings	**250,990**	159,542	**250,990**	159,542
	14,028,296	2,646,684	**14,028,296**	2,646,684

Gold holding balances consist of **571,339.46** fine ounces of gold at the indicative market price of US$2,066.78 per ounce (2022: 169,579.01 fine ounces at US$1,819.89 per ounce).

12(b). COLLATERALISED GOLD HOLDINGS

	The Bank		The Group	
	2023	2022	**2023**	2022
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
BIS gold account	**3,340,150**	2,133,677	**3,340,150**	2,133,677
Collaterised gold haircut	**456,692**	290,956	**456,692**	290,956
	3,796,842	2,424,633	**3,796,842**	2,424,633

Collateralised Gold Holdings 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 holdings collateral transaction with the Bank for International Settlement (BIS) in 2022.

The Bank exchanged monetary gold for US dollars over a one-month maturity period with the intent to reverse the transaction at maturity.

The initial amount involved in the gold holdings 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. As at 31 December 2023, the value of the gold is US$319.60 million.

The tenor of the loan is one month with an implied indicative annual rate renegotiated at every placement date. The average rate for 2023 was five point nine seven percent(5.97%), (2022: four point five percent (4.5%)). 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	
	2023 GH¢'000	2022 GH¢'000	**2023 GH¢'000**	2022 GH¢'000
Holdings	**50,475**	**1,199,968**	**50,475**	**1,199,968**
Quota	**11,763,277**	**8,422,720**	**11,763,277**	**8,422,720**
	11,813,752	**9,622,688**	**11,813,752**	**9,622,688**

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	
	2023 GH¢'000	2022 GH¢'000	**2023 GH¢'000**	2022 GH¢'000
Long-term Government securities	**12,573,180**	12,573,180	**12,573,180**	12,573,180
Money market instruments	**79,140,238**	67,239,830	**79,140,238**	67,239,830
Short-term securities	**20,325,623**	29,773,026	**21,414,548**	30,915,332
Other securities	**-**	-	**925,676**	755,690
Gross amount	**112,039,041**	109,586,036	**114,053,642**	111,484,032
Less: Impairment losses (note 9c)	**(53,748,683)**	(48,425,870)	**(53,772,375)**	(48,449,829)
Net amount	**58,290,358**	61,160,166	**60,281,267**	63,034,203
Non-current	**55,852,492**	78,877,756	**56,655,355**	78,877,756
Current	**56,186,549**	30,708,280	**57,398,287**	32,606,009
Long term securities				
Government securities	**12,573,180**	12,573,180	**12,573,180**	12,573,180
Money market securities	**79,098,853**	66,304,576	**79,098,853**	66,304,576
	91,672,033	78,877,756	**91,672,033**	78,877,756
Short term securities				
Foreign securities	**20,325,623**	29,773,026	**21,414,548**	29,773,026
Money market securities	**41,385**	935,254	**967,061**	2,832,983
	20,367,008	30,708,280	**22,381,609**	32,606,009
	112,039,041	109,586,036	**114,053,642**	111,483,765

SECURITIES BY CURRENCY

Cedi	**91,906,064**	79,870,850	**91,906,064**	80,014,990
US Dollar	**20,132,977**	29,715,186	**20,667,820**	30,188,203
Pound Sterling	**-**	-	**1,186,044**	1,100,604
Others	**-**	-	**293,714**	179,968
Total	**112,039,041**	109,586,036	**114,053,642**	111,483,765

(a) Long-term Government Securities

The long-term securities represent Government securities that were exchanged for new government bonds under the Domestic Debt Exchange Program and derecognised accordingly. Securities under this group are all measured at amortised 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 held to maturity in 2022. In 2023, they are represented by Domestic Debt Exchange Program(DDEP) bonds. Securities under this group are all measured at amortised cost except for BOG/CBG Investment which are measured at fair value through OCI. These were exchanged for new government bonds under the Domestic Debt Exchange Program and derecognised accordingly.

	The Bank		The Group	
	2023	2022	**2023**	2022
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
DDEP Bond	**56,183,098**	-	**56,183,098**	-
COVID-19 Relief Bonds	**-**	9,656,250	**-**	9,656,250
BOG/CBG Investment	**-**	9,996,900	**-**	9,996,900
10-year Treasury Stocks	**-**	41,379,767	**-**	41,379,767
Other securities	**22,957,140**	6,206,913	**22,957,140**	6,206,913
Gross amount	**79,140,238**	67,239,830	**79,140,238**	67,239,830
Money Market Instruments by Currency				
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
(Ghana cedi equivalent)				
Cedi	**79,140,238**	67,239,830	**79,140,238**	67,239,830
US Dollar	**-**	-	**-**	-
Total	**79,140,238**	67,239,830	**79,140,238**	67,239,830

Other securities include certificate of deposits, treasury bills, sovereign bonds and other corporate bonds.

15(a). IMF ON-LENT TO GOVERNMENT

	The Bank		The Group	
	2023	2022	**2023**	2022
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
Government of Ghana*	**24,131,883**	17,198,424	**24,131,883**	17,198,424

These balances are non-current.

This represents on-lending facilities from IMF to the Government of Ghana. It constituted Extended Credit Facility (ECF) and IMF Allocations of SDR1.05 billion and SDR468.89 million respectively (2023: GH¢24.13 billion), (2022: SDR1.51 billion (GH¢17.20 billion)).

Per the MOU between the Ministry of Finance and the Bank of Ghana (BOG), any amount of SDR Allocation from IMF on-lent by Bank of Ghana to the Ministry of Finance (MOU) shall be on the same terms and conditions 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.

*In the prior year, IMF On-lent to Government balances was presented as part of the loans and advances in note 15. This has been represented separately to ensure funds received from the IMF for onward lending to the Government of Ghana is stated separately from other loans and advances granted by the Bank. The comparative year IMF On-lent to Government note has been represented accordingly.

15(b). LOANS AND ADVANCES

	The Bank		The Group	
	2023	2022	**2023**	2022
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
Financial Institutions*	**3,426,397**	4,584,248	**4,236,600**	5,291,995
Other Quasi-governmental Institutions	**1,414,202**	8,768,083	**1,414,202**	8,768,083
Staff Loans	**1,374,844**	1,247,859	**1,374,843**	1,247,858
Gross Amount	**6,215,443**	14,600,190	**7,025,645**	15,307,936
Less: Impairment losses (9c)	**(4,463,959)**	(9,411,590)	**(4,501,084)**	(9,448,676)
Carrying amount	**1,751,484**	5,188,600	**2,524,561**	5,859,260
Current	**3,556,621**	4,685,344	**4,128,879**	5,190,836
Non-current	**2,658,822**	9,914,846	**2,896,766**	10,117,100
	6,215,443	14,600,190	**7,025,645**	15,307,936

Loans and advances by currency (gross amount)

(Ghana cedi equivalent)

Cedi	**6,215,443**	14,600,190	**6,215,442**	6,373,542
Pound Sterling	**-**	-	**100,928**	421,064
Others	**-**	-	**709,275**	8,513,330
Total	**6,215,443**	14,600,190	**7,025,645**	15,307,936

Loans and advances by currencies and institutions

2023

	Financial Institutions GH¢'000	Other Institutions and Others GH¢'000	Total Total GH¢'000
Cedi	3,426,397	2,789,046	6,215,443
	3,426,397	**2,789,046**	**6,215,443**

2022

	Financial Institutions GH¢'000	Other Institutions and Others GH¢'000	Total Total GH¢'000
Cedi	4,584,248	10,015,942	14,600,190
	4,584,248	10,015,942	14,600,190

16. DERIVATIVES

	The Bank		The Group	
	2023	2022	**2023**	2022
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
Foreign currency swap (Receivable)	**7,760,428**	16,126,646	**7,760,428**	16,126,646
Foreign currency swap (Payable)	**(7,668,370)**	(18,368,479)	**(7,668,370)**	(18,368,479)
	92,058	(2,241,833)	**92,058**	(2,241,833)

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¢7.76 billion (2022: GH¢16.13 billion) from these local banks and GH¢7.67 billion payable to those local banks (2022: GH¢18.37 billion). The balance also includes the fair value of the foreign currency forward contracts included in the arrangements of GH¢1.53 billion (2022: GH¢1.60 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 2023 and 31 December 2022. The column 'net amount' shows the impact on the group's balance sheet if all set-off rights were exercised.

	Gross amounts GH¢'000	**Gross amounts set off in the balance sheet GH¢'000**	**Net amounts presented in the balance sheet GH¢'000**
2023			
Derivative financial instruments	**7,760,428**	**(7,668,370)**	**92,058**
2022			
Derivative financial instruments	16,126,646	(18,368,479)	(2,241,833)

Derivatives are current.

17. OTHER ASSETS

	The Bank		The Group	
	2023 GH¢'000	2022 GH¢'000	**2023 GH¢'000**	2022 GH¢'000
Items in course of collection	**28**	28	**28**	28
Gold for Oil (G4O) Main Account	**2,425,529**	-	**2,425,529**	-
Deposit for shares	**194,934**	199,331	**194,934**	199,331
Other receivables	**3,545,956**	9,676,640	**3,690,341**	9,784,255
	6,166,447	9,875,999	**6,310,832**	9,983,614
Less: Impairment losses (note 9b)	**(109,486)**	(109,486)	**(110,278)**	(110,278)
	6,056,961	9,766,513	**6,200,554**	9,873,336
Current	**6,056,961**	9,766,513	**6,200,554**	9,873,336
Non-current	**-**	-	**-**	-

Included in other receivables are Dore Gold Advance Payment of GH¢2.67 billion (2022: GH¢1.72 billion), asset clearing of GH¢1.46 billion (2022: GH¢0.42 billion), and others of GH¢1.62 million (2022: GH¢7.84 billion).

Gold for Oil (G4O) Main Account

The Gold for Oil (G4O) Program is an initiative of the Government of Ghana to use the existing BOG Domestic Gold Purchase (DGP) program to provide import finance facility to support the importation of petroleum products into Ghana. 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.

As of 31 December 2023, the consolidated capitalised cost incurred on the G40 operations was recorded at GH¢2.43 billion. The carrying amount represents outstanding cash worth GH¢ 0.52 billion, Dore gold holdings in the vault worth GH¢0.41 billion, outstanding oil value of stock worth GH¢ 1.72 billion, oil proceeds receivable worth GH¢0.46 billion, gold holding purchases yet to be paid for with GH¢0.68 billion.

Deposit for shares

Deposit for shares represent Bank of Ghana's contribution to West Africa Monetary Institute (WAMI) in respect of West African Central Bank Capital (US$5,452,715) and Stabilisation Fund (US$10,955,913). The contribution is unencumbered and amounts to 16.20% of expected contribution from member states.

The West Africa Central Bank Capital and Stabilisation Fund represents the 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).

18. INVESTMENTS

		The Bank		The Group	
		2023	2022	**2023**	2022
		GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
Investment in subsidiaries	18 (a)	**1,102,530**	1,083,217	**-**	-
Other investments	18 (b)	**1,137,808**	848,082	**1,137,808**	848,082
		2,240,338	1,931,299	**1,137,808**	848,082
Less: Impairment losses		**-**	-	**-**	-
		2,240,338	1,931,299	**1,137,808**	848,082

18(a) Subsidiaries

The investment in subsidiaries is made up of:

- GH¢529,232,018 (2022:GH¢529,232,018) representing sixty-five point four five percent (65.45%) equity holdings in Ghana International Bank Plc, a commercial bank incorporated in the United Kingdom. In the year 2022, 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(2022: GH¢165,986,285) representing hundred percent (100%) equity holdings in Ghana Interbank Payment and Settlement System (GhIPSS), a company incorporated in Ghana;
- GH¢2,450,000 (2022: GH¢2,450,000) representing seventy percent (70%) in Central Securities Depository, a company incorporated in Ghana; and GH¢404,862,429 (2022: GH¢446,143,444) representing hundred percent (100%) equity holdings in The Bank Hospital Limited, a company incorporated in Ghana.

The percentage holdings of Bank of Ghana in the various subsidiaries are as follows:

	Holding		
	2023	2022	**Nature of business**
	%	%	
Ghana International Bank Plc (GHIB)	**65.45**	65.45	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	**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	
	2023	2022	**2023**	2022
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
Equity investment in Afrexim	**1,137,808**	848,082	**1,137,808**	848,082

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	
	2023	2022	**2023**	2022
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
At 1 January	**848,082**	487,354	**848,082**	487,354
Fair value gain on equity investment measured at FVOCI	**289,726**	360,728	**289,726**	360,728
At 31 December	**1,137,808**	848,082	**1,137,808**	848,082

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 2023, the Bank had a total value of GH¢1.14 billion (2022: GH¢848.05 million) as equity in AFREXIM. The balance includes a fair value surplus on the equity instrument of GH¢289.73 million (2022: GH¢360.7 million). The proportion of the Bank's equity interest to the total holding in AFREXIM is 1.78% (2022: 2.41 %).

19a. PROPERTY, PLANT AND EQUIPMENT

The Bank

2023 **Cost**	**Land and Buildings GH¢'000**	**Motor Vehicles GH¢'000**	**Furniture and Fittings GH¢'000**	**Plant and Equipment GH¢'000**	**Work in Progress GH¢'000**	**Total GH¢'000**
At 1 January 2023	1,531,788	147,096	16,825	321,914	732,771	2,750,394
Additions	22,338	46,260	3,319	61,224	976,987	1,110,128
Disposal	-	(2,869)	(282)	(386)	-	(3,537)
At 31 December 2023	**1,554,126**	**190,487**	**19,862**	**382,752**	**1,709,758**	**3,856,985**
Accumulated Depreciation						
At 1 January 2023	119,843	56,197	10,344	110,392	-	296,776
Charge for the year	41,734	38,538	3,207	58,097	-	141,576
Disposal	-	(1,179)	(209)	(158)	-	(1,546)
At 31 December 2023	**161,577**	**93,556**	**13,342**	**168,331**	**-**	**436,806**
Net book amount						
At 31 December 2023	**1,392,549**	**96,931**	**6,520**	**214,421**	**1,709,758**	**3,420,179**

The Group

Cost	**Land and Buildings GH¢'000**	**Motor Vehicles GH¢'000**	**Furniture and Fittings GH¢'000**	**Plant and Equipment GH¢'000**	**Work in Progress GH¢'000**	**Total GH¢'000**
At 1 January 2023	1,976,596	162,857	26,559	482,013	908,766	3,556,791
Additions	134,153	47,070	5,047	81,093	1,007,117	1,274,480
Disposals	-	(3,061)	(1,195)	(575)	-	(4,831)
At 31 December 2023	2,110,749	206,866	30,411	562,531	1,915,883	4,826,440
Accumulated depreciation						
At 1 January 2023	177,349	61,975	17,190	345,755	-	602,269
Charge for the Year	51,163	42,042	4,806	189,874	-	287,885
Disposals	-	(1,328)	(676)	(347)	-	(2,351)
At 31 December 2023	228,512	102,689	21,320	535,282	-	887,803
Net book amount						
At 31 December 2023	**1,882,237**	**104,177**	**9,091**	**27,249**	**1,915,883**	**3,938,637**

19a. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The Bank

2022

Cost	**Land and Buildings GH¢'000**	**Motor Vehicles GH¢'000**	**Furniture and Fittings GH¢'000**	**Plant and Equipment GH¢'000**	**Work in Progress GH¢'000**	**Total GH¢'000**
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

Cost	**Land and Buildings GH¢'000**	**Motor Vehicles GH¢'000**	**Furniture and Fittings GH¢'000**	**Plant and Equipment GH¢'000**	**Work in Progress GH¢'000**	**Total 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 2022	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

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.

Property, plant & equipment disposal schedule

	The Bank		**The Group**	
	2023 GH¢'000	2022 GH¢'000	**2023 GH¢'000**	2022 GH¢'000
Cost	**3,537**	64,646	**4,352**	69,092
Accumulated depreciation	**(1,546)**	(6,505)	**(2,351)**	(10,370)
Carrying amount	**1,991**	58,141	**2,001**	58,722
Proceeds from disposals	**2,639**	-	**2,639**	-
Profit/(loss)on disposals	**648**	(58,141)	**638**	(58,722)

19b. INVESTMENT PROPERTY

	The Bank		The Group	
	2023	2022	**2023**	2022
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
Balance at 1 January	**174,094**	176,804	**174,094**	174,094
Additions	**501**	-	**501**	-
Transfer	**-**	(2,710)	**-**	(2,710)
Revaluation gain	**11,367**	-	**11,367**	-
Balance at 31 December	**185,962**	174,094	**185,962**	174,094

This represents the Bank's investment in a guest house located at Takoradi in the Western Region of Ghana. It is the policy of the Bank to obtain an independent valuation of its investment property on a biennial basis. The investment property is reflected at fair value as at 31 December 2023. The fair value of the investment property as at 31 December 2023 has been arrived at on the basis of a valuation carried out on the respective date by Valuation & Investment Associates, an independent valuation practice not related to the Group.

The responsible person was Mrs. Grace Djan Winful, a professional valuer in good standing.

The fair value was determined based on the Market Value. Market Value is defined as the estimated amount for which a property should be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

The valuation is based on information/data on present day construction cost of purpose- built hotel facilities buildings with similar constructional details made available by construction companies. The unit cost rate per meter square depends on several factors among which are:

- The quality of finishes to the property;
- The nature/design of the building;
- The quality of workmanship;
- Services provided;
- Exchange rate; and
- The type and quality of materials used in construction.

20. INTANGIBLE ASSETS

	The Bank		The Group	
	2023	2022	**2023**	2022
Cost	**GH¢'000**	GH¢'000	**GH¢'000**	GH¢'000
At 1 January	**94,118**	82,263	**211,865**	162,874
Additions	**239,409**	11,855	**265,797**	45,844
Transfers	**-**	-	**-**	3,147
At 31 December	**333,527**	94,118	**477,662**	211,865
Accumulated Amortisation				
At 1 January	**66,259**	55,642	**129,781**	106,932
Charge for the year	**59,751**	10,617	**77,142**	22,849
At 31 December	**126,010**	66,259	**206,923**	129,781
Net book amount at 31 December	**207,517**	27,859	**270,739**	82,084

Intangible assets relate to computer software.

21a. DEPOSITS FROM GOVERNMENT

	The Bank		The Group	
	2023	2022	**2023**	2022
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
Government of Ghana*	**24,067,885**	22,099,356	**24,067,885**	22,099,356

This balance is current.

*In the prior year, Deposits from Government balances was presented as part of the Deposits in note 21. In order to ensure that the deposits disclosure better reflect the nature of the different deposit streams, Deposit from Government is represented separately. The comparative year Deposit from Government note has been represented accordingly.

21b. DEPOSITS FROM FINANCIAL INSTITUTIONS AND OTHERS

	The Bank		The Group	
	2023	2022	**2023**	2022
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
Financial Institutions/Banks	**44,548,442**	34,655,012	**51,789,115**	40,374,785
Other deposits	**7,130,505**	854,972	**7,130,505**	854,972
	51,678,947	35,509,984	**58,919,620**	41,229,757
Current	**51,678,947**	35,509,984	**58,591,207**	41,229,757
Non-current	**-**	-	**328,413**	-

Deposits by various currencies

(Ghana cedi equivalent)

	The Bank		The Group	
	2023	2022	**2023**	2022
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
Cedi	**29,067,056**	23,272,934	**29,067,056**	21,615,098
US Dollar	**16,914,643**	8,477,286	**23,124,601**	13,115,810
Pound Sterling	**988,863**	655,304	**1,587,787**	2,638,414
Euro	**4,682,928**	3,087,500	**5,109,397**	3,839,901
Others	**25,457**	16,960	**30,779**	20,534
Total	**51,678,947**	35,509,984	**58,919,620**	41,229,757

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 fifteen percent (15%) (2022: twelve percent (12%)) 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.

*Refer to Note 21a for changes in prior year presentation.

22. BRIDGE FACILITIES

	The Bank		The Group	
	2023	2022	**2023**	2022
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
Term Loans	**3,447,443**	**24,347,990**	**3,447,443**	**24,347,990**

The term loans represent short term facilities denominated in US Dollars with Bank for International Settlements. The facility has a three month maturity period with a roll over option and with fixed rates of interest. The interest rate is 5.86% due to expire on 25 March 2024.

The movement in Bridge Facilities is as follows:

	The Bank		The Group	
	2023	2022	**2023**	2022
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
1 January	**24,347,990**	17,047,062	**24,347,990**	17,047,062
Drawdown	**3,194,060**	4,896,045	**3,194,060**	4,896,045
Interest	**542,345**	793,715	**542,345**	793,715
Repayment:				
Principal	**(31,479,920)**	(5,068,256)	**(31,479,920)**	(5,068,256)
Interest	**(528,551)**	(742,032)	**(528,551)**	(742,032)
Exchange loss	**7,371,519**	7,421,456	**7,371,519**	7,421,456
31 December	**3,447,443**	24,347,990	**3,447,443**	24,347,990
Current	**3,447,443**	6,863,659	**3,447,443**	6,863,659
Non-current	**-**	17,484,331	**-**	17,484,331

23. COLLATERISED GOLD LOAN PAYABLE

	The Bank		The Group	
	2023	2022*	**2023**	2022*
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
Bank of International Settlements	**3,243,060**	2,081,015	**3,243,060**	2,081,015

This represents the loan element of the Collaterised Gold Transaction with the Bank for International Settlement (BIS) in October 2022.The tenor of the loan is one month with an implied indicative annual interest rate renegotiated at every placement date. The average interest rate for 2023 was five-point nine seven percent (5.97%) (2022: 4.50%). The facility allows the Bank to rollover on a monthly basis. At the maturity date of 16 January 2024, Bank of Ghana settled the loan amount of US$ 273.694 million in exchange for the value of the 136,000 ounces of gold (net of haircut).

*In the prior year, it was identified as a swap transaction. However, the nature is that of a collaterised loan and this has been amended.

24. LIABILITIES UNDER MONEY MARKET OPERATIONS

	The Bank		The Group	
	2023	2022	**2023**	2022
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
Bank of Ghana Instruments	**26,236,162**	10,381,030	**26,236,162**	10,381,030

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 are 56-day bills, and are current.

25a. ALLOCATION OF SPECIAL DRAWING RIGHTS

The Bank, on behalf of the Government of Ghana, manages assets and liabilities in respect of Special Drawing Rights (SDRs) with the International Monetary Fund (IMF). The allocation of SDR represents Ghana's share of SDRs distributed by decision of the IMF based on the country's IMF quota.

The movement in the allocation of special drawing rights is as follows:

	The Bank		The Group	
	2023	2022	**2023**	2022
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
1 January	**12,111,465**	8,733,674	**12,111,465**	8,733,674
New allocations	**-**	-	**-**	-
Exchange loss	**4,803,560**	3,377,791	**4,803,560**	3,377,791
31 December	**16,915,025**	12,111,465	**16,915,025**	12,111,465

Allocations of SDRs are non-current.

25b. LIABILITIES TO INTERNATIONAL MONETARY FUND

	The Bank		The Group	
	2023	2022	**2023**	2022
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
(a) IMF Currency Holdings				
Operational Account	**136,393**	81,813	**136,393**	81,813
IMF Securities	**10,154,220**	6,090,883	**10,154,220**	6,090,883
(b) IMF Facilities				
Extended Credit Facility	**19,015,338**	14,676,644	**19,015,338**	14,676,644
	29,305,951	20,849,340	**29,305,951**	20,849,340
Current	**10,290,613**	6,172,696	**10,290,613**	6,172,696
Non-current	**19,015,338**	14,676,644	**19,015,338**	14,676,644

26. OTHER LIABILITIES

	The Bank		The Group	
	2023	2022	**2023**	2022
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
Accruals and accounts payable	**3,926,272**	2,457,311	**4,020,893**	2,502,724
Defined pension fund liability	**15,641**	120,854	**15,676**	120,889
Impairment losses	**11,483**	11,483	**11,483**	11,483
Other payables	**2,348,200**	5,507,638	**2,525,933**	5,820,840
	6,301,596	8,097,286	**6,573,985**	8,455,936
Current	**6,301,596**	8,097,286	**6,573,985**	8,455,936
Non-current	**-**	-	**-**	-

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	
	2023	2022	**2023**	2022
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
Defined benefit obligation	**(4,042,150)**	(3,737,557)	**(4,042,150)**	(3,737,557)
Plan assets	**5,473,467**	4,407,595	**5,473,467**	4,407,595
Total recognised benefit (liability) asset	**1,431,317**	670,038	**1,431,317**	670,038

Where the defined benefit obligation exceeds the plan assets, the excess liability is recognised as part of other liabilities. For the year 2023, 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 that are traded on the secondary market.

27. EMPLOYEE BENEFIT OBLIGATION (CONTINUED)

	The Bank		The Group	
	2023	2022	**2023**	2022
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
Plan Assets				
Balance at 1 January	**4,407,595**	3,785,879	**4,407,595**	3,785,879
Contributions by employer during the year	**1,065,872**	621,716	**1,065,872**	621,716
Fund assets in investments	**5,473,467**	4,407,595	**5,473,467**	4,407,595
Fair value of planned assets	**5,473,467**	4,407,595	**5,473,467**	4,407,595
Fund Liabilities				
Balance at 1 January	**3,737,557**	3,209,200	**3,737,557**	3,209,200
Pension payments	**(340,659)**	(261,350)	**(340,659)**	(261,350)
Interest expense	**645,252**	789,707	**645,252**	789,707
Fund obligation at 31 December	**4,042,150**	3,737,557	**4,042,150**	3,737,557

	2023	2022
Actuarial assumptions		
Discount rate at 31 December	**20.20%**	20.20%
Salary increment rate	**18%**	18%
Mortality Rate (SSNIT)	**75%**	75%

The sensitivity of the present values of the defined benefit obligations as estimated by management for 2023 is presented below:

Assumption Variables	Management Best Estimates	i+1%	i-1%	s+1%	s-1%	μ increased by 10%	μ 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 (μ)	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 2022 are presented below:

Assumption Variables	Management Best Estimates	i+1%	i-1%	s+1%	s-1%	μ increased by 10%	μ 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 (μ)	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%

28. CURRENCY IN CIRCULATION

	The Bank		The Group	
	2023	2022	**2023**	2022
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000
Notes and Coins Issued	**80,969,199**	40,733,769	**80,969,199**	40,733,769
Less: Cash Account & Agencies	**(36,410,469)**	(4,654,657)	**(36,410,469)**	(4,654,657)
	44,558,730	36,079,112	**44,558,730**	36,079,112

28. CURRENCY IN CIRCULATION BY DENOMINATION

DENOMINATION	The Bank		The Group	
Notes in circulation	**2023 GH¢'000**	2022 GH¢'000	**2023 GH¢'000**	2022 GH¢'000
GH¢200	**12,370,848**	9,873,145	**12,370,848**	9,873,145
GH¢100	**14,576,725**	8,699,197	**14,576,725**	8,699,197
GH¢50	**8,064,612**	7,704,438	**8,064,612**	7,704,438
GH¢20	**5,065,516**	5,139,963	**5,065,516**	5,139,963
GH¢10	**2,463,579**	2,691,129	**2,463,579**	2,691,129
GH¢5	**1,095,349**	1,328,086	**1,095,349**	1,328,086
GH¢2	**31,600**	7,634	**31,600**	7,634
GH¢1	**11,271**	141,347	**11,271**	141,347
Total notes in circulation	**43,679,500**	35,584,939	**43,679,500**	35,584,939
Coins in circulation				
GH¢2	**231,024**	79,993	**231,024**	79,993
GH¢1	**207,497**	29,338	**207,497**	29,338
50GP	**253,565**	199,811	**253,565**	199,811
20GP	**120,996**	119,852	**120,996**	119,852
10GP	**54,642**	53,714	**54,642**	53,714
5GP	**10,331**	10,310	**10,331**	10,310
1GP	**1,175**	1,155	**1,175**	1,155
Total coins in circulation	**879,230**	494,173	**879,230**	494,173
Total currency in circulation	**44,558,730**	36,079,112	**44,558,730**	36,079,112

29. STATED CAPITAL

	Number of Shares		Proceeds	
	2023 GH¢'000	2022 GH¢'000	**2023 GH¢'000**	2022 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
	100,000	100,000	**10,000**	10,000

Shares are of no-par value. There are no shares in treasury and no installments unpaid on any share.

30. ASSET REVALUATION RESERVE

This represents surplus arising from the revaluation of the Bank's property, plant and equipment. As disclosed in the statement of changes in equity on pages 66-67, 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 by the Bank of Ghana (Amendment) Act, 2016 (Act 918). 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 2023 (2022: Nil).

32. OTHER RESERVES

The Bank 2023	**Gold Price Movement GH¢'000**	**General Reserve GH¢'000**	**Fair valuation Reserve GH¢'000**	**Total GH¢'000**
At 1 January	1,914,237	(58,845,056)	586,940	(56,343,879)
Price movement in gold holdings	1,570,199	-	-	1,570,199
Gold holdings purchase	-	(1,026,451)	-	(1,026,451)
Profit on FVOCI of financial instruments	-	-	289,726	289,726
Exchange movement in gold holdings and other foreign assets	-	2,162,845	-	2,162,845
Transfer of residual loss from retained earnings	-	(14,281,554)	-	(14,281,554)
At 31 December	**3,484,436**	**(71,990,216)**	**876,666**	**(67,629,114)**

No amount has been set aside for further appropriation as the reserve is in deficit.

The Bank 2022				
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 holdings	149,993	-	-	149,993
Exchange movement in gold holdings 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 holdings	-	259,560	-	259,560
Gold holdings 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 earnings	-	(70,165,360)	-	(70,165,360)
At 31 December	1,914,237	(58,845,056)	586,940	(56,343,879)

The Group 2023

	Foreign currency Translation Reserve GH¢'000	**Price Movement GH¢'000**	**General and Revaluation Reserve GH¢'000**	**Fair valuation Reserve GH¢'000**	**Total GH¢'000**
At 1 January	468,453	1,914,239	(58,869,495)	563,981	(55,922,822)
Gain on translation of foreign operation	-	-	10,774	-	10,774
Price movement in gold holdings	-	1,570,199	-	-	1,570,199
Movements in gold holdings and other foreign assets	-	-	2,162,845	-	2,162,845
Proceeds from sale of dore gold holdings	-	-	-	-	-
Gold holdings purchase-	-	(1,026,451)	-	(1,026,451)	
Increase during the year	378,119	-	-	-	378,119
Profit on FVOCI of financial instruments	-	-	-	298,567	298,567
Transfer of residual loss from retained	-	-	-	-	-
earnings	(14,281,554)	-	-	-	(14,281,554)
At 31 December	**846,572**	**3,484,438**	**(72,003,881)**	**862,548**	**(66,810,323)**

The Group 2022

	Foreign currency Translation Reserve GH¢'000	Price Movement GH¢'000	General and Revaluation Reserve GH¢'000	Fair valuation Reserve GH¢'000	Total 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-cedi	-	-	(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)
At 31 December	**468,453**	**1,914,239**	**(58,869,495)**	**563,981**	**(55,922,822)**

- The price and exchange component of other reserves is used to account for price movement in the gold holdings 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	
	2023 GH¢'000	2022 GH¢'000
At 1 January	**591,425**	492,749
Profit/(Loss) for the year	**32,634**	(40,143)
Other comprehensive income	**374,616**	(14,122)
Losses on translation of foreign operations	**(2,793)**	154,674
Dividend paid by the group	**-**	(1,733)
At 31 December	**995,882**	591,425

Material Partly Owned Subsidiary

Ghana International Bank Plc is the only subsidiary which has non-controlling interest that 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	**2023**	2022
Ghana International Bank Plc	United Kingdom	**34.55%**	34.55%

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:

	2023 GH¢'000	2022 GH¢'000
Operating income	**561,454**	291,891
Loss for the year	**70,342**	(83,370)
Other comprehensive income	**512,863**	117,710
Total comprehensive income	**583,205**	34,340
Attributable to Non-controlling interest	**285,771**	16,826
Summarised statement of financial position as at:		
Total assets	**12,055,830**	9,249,817
Total Liabilities	**9,656,575**	7,651,369
Total equity	**2,399,255**	1,598,448
Attributable to:		
Equity holders of parent	**1,223,620**	1,040,151
Non-controlling interest	**1,175,635**	558,297
Summarised cash flow information for the year:		
Cash flows from operating activities	**(611,841)**	309,912
Cash flows from investing activities	**(33,566)**	(43,699)
Cash flows from financing activities	**(13,239)**	515,102
Forex on cash and cash equivalents	**1,706**	1,671
Net increase/(decrease) in cash and cash equivalents	**(656,940)**	782,986

34. LEASES - GROUP

Amounts recognised in the statement of financial position

	2023	2022
Right of use assets		
Leasehold premises	**18,827**	13,953
Office furniture and equipment	**5,684**	2,493
	24,511	16,446
Lease liabilities		
Current	**29,059**	23,088
Non-current	**-**	834
	29,059	23,922
Amounts Recognised In Profit or Loss		
Depreciation charge of right of use of assets - Buildings	**8,489**	6,345
Interest expense on lease liabilities	**1,792**	1470

Additions to the right of use assets during the year were GH¢3,596,000(2022:GH¢4,849,000) and GH¢nil (2022: GH¢ nil) to lease liabilities. The total cash outflow for leases in 2023 was GH¢11,130,000 (2022: GH¢9,056,000).

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 summarised below:

Assets
The Bank

At 31 December 2023	Note	Amortised cost GH¢000	Designated at fair value through profit or loss GH¢000	Designated at fair value through other comprehensive income GH¢000	Total Carrying GH¢000	Fair value GH¢000
Cash and balances with correspondent banks	11	13,333,842	-	-	13,333,842	13,333,842
Balances with IMF	13	11,813,752	-	-	11,813,752	11,813,752
Government securities	14	12,573,180	-	-	12,573,180	14,144,828
Money market instruments	14	79,139,909	-	-	79,139,909	98,291,767
Short-term securities	14	20,307,909	17,714	-	20,325,623	20,782,551
IMF on-lent to Government	15a	24,131,883	-	-	24,131,883	24,131,883
Loans and advances	15b	1,751,484	-	-	1,751,484	1,926,632
Derivative financial assets	16	-	92,058	-	92,058	92,058
Other assets (less prepayments)	17	2,591,375	-	-	2,591,375	2,591,375
Investments (less investment in subsidiary)	18	-	-	1,137,808	1,137,808	1,137,808
		165,643,334	**109,772**	**1,137,808**	**166,890,914**	**188,246,496**
At 31 December 2022						
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
IMF on-lent to Government*	15a	17,198,424	-	-	17,198,424	17,198,424
Loans and advances*	15b	5,188,600	-	-	5,188,600	7,427,302
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

Assets
The Group

At 31 December 2023	Note	Amortised cost GH¢000	Designated at fair value through profit or loss GH¢000	Designated at fair value through other comprehensive income GH¢000	Total Carrying GH¢000	Fair value GH¢000
Cash and balances with correspondent banks	11	20,467,988	-	-	20,467,988	20,467,988
Balances with IMF	13	11,813,752	-	-	11,813,752	11,813,752
Government securities	14	12,573,180	-	-	12,573,180	12,667,479
Money market instruments	14	79,139,909	-	-	79,139,909	77,359,261
Short-term securities	14	21,373,142	17,714	-	21,390,856	21,871,751
Other securities	14	-	-	925,676	925,676	925,676
IMF on-lent to Government	15a	24,131,883	-	-	24,131,883	24,131,883
Loans and advances	15b	2,524,561	-	-	2,524,561	2,777,017
Derivative financial assets	16	-	92,058		92,058	92,058
Other assets (less prepayments)	17	2,666,732	-	-	2,666,732	2,666,732
Investments	18	-	-	1,137,808	1,137,808	1,137,808
		174,691,147	**109,772**	**2,063,484**	**176,864,403**	**175,911,405**
31 December 2022						
Cash and balances with correspondent banks	11	11,158,386	-	-	11,158,386	11,158,386
Balances with IMF	13	9,622,688	-	-	9,622,688	9,622,688
Government securities	14	12,573,180	-	-	12,573,180	12,667,479
Money market instruments	14	67,064,256	-	175,574	67,239,830	65,726,934
Short-term securities	14	25,471,937	5,443,128	-	30,915,065	31,488,184
Other securities	14	-	-	755,690	755,690	755,690
IMF on-lent to Government*	15a	17,198,424	-	-	17,198,424	17,198,424
Loans and advances*	15b	5,859,260	-	-	5,859,260	8,165,028
Other assets (less prepayments)	17	9,632,650	-	-	9,632,650	9,632,650
Investments	18	199,331	-	848,082	1,047,413	1,047,413
		158,780,112	5,443,128	1,779,346	166,002,586	167,462,876

*Refer to Note 15a for changes in prior year presentation.

35. FINANCIAL INSTRUMENTS (CONTINUED)

Liabilities

The Bank

At 31 December 2023	Notes	Designated at Fair Value through profit or loss GH¢'000	Financial Liabilities at amortised cost GH¢'000	Total GH¢'000
Government deposits	21	-	24,067,885	24,067,885
Due to Banks and Financial Institutions	21	-	44,548,442	44,548,442
Other Short-Term deposits	21	-	7,130,505	7,130,505
Bridge facilities	22	-	3,447,443	3,447,443
Collaterised gold loan payable	23	-	3,243,060	3,243,060
Money Market Instruments	24	-	26,236,162	26,236,162
Allocation of special drawing rights	25a	-	16,915,025	16,915,025
Liabilities to IMF	25b	-	29,305,951	29,305,951
Other liabilities	26	-	6,301,595	6,301,595
		-	**161,196,068**	**161,196,068**
At 31 December 2022				
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
Collaterised gold loan payable	23	-	2,081,015	2,081,015
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	26	-	8,097,287	8,097,287
		2,241,833	135,477,467	137,719,300

*Refer to Note 21a for changes in prior year presentation.

The carrying amounts of the financial liabilities approximate their fair value.

Liabilities

The Group

At 31 December 2023	Notes	Designated at Fair Value through profit or loss GH¢'000	Financial Liabilities at amortised cost GH¢'000	Total GH¢'000
Government deposits	21a	-	24,067,885	24,067,885
Due to Banks and Financial Institutions	21b	-	51,789,115	51,789,115
Other Short-Term Deposits	21b	-	7,130,505	7,130,505
Bridge facilities	22	-	3,447,443	3,447,443
Collaterised gold loan payable	23	-	3,243,060	3,243,060
Money Market Instruments	24	-	26,236,162	26,236,162
Allocation of special drawing rights	25a	-	16,915,025	16,915,025
Liabilities to IMF	25b	-	29,305,951	29,305,951
Lease liabilities	34	-	29,059	29,059
Other liabilities	26	-	6,573,985	6,573,985
		-	**168,738,190**	**168,738,190**
At 31 December 2022				
Government deposits*	21a	-	22,099,356	22,099,356
Due to Banks and Financial Institutions*	21b	-	40,374,785	40,374,785
Other Short-Term Deposits	21b	-	854,972	854,972
Bridge facilities	22	-	24,347,990	24,347,990
Derivative financial liabilities	16	2,241,833	-	2,241,833
Collaterised gold loan payable	23	-	2,081,015	2,081,015
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
Lease liabilities	34	-	23,922	23,922
Other liabilities	26	-	8,455,936	8,455,936
		2,241,833	141,579,811	143,821,644

*Refer to Note 21a for changes in prior year presentation.

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's 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 2023 and 31 December 2022, 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 2023 and 31 December 2022 were classified as follows:

The Bank

	Quoted prices in active market (Level 1)		Significant observable inputs (Level 2)		Significant unobservable inputs (Level 3)	
	2023 GH¢'000	2022 GH¢'000	2023 GH¢'000	2022 GH¢'000	2023 GH¢'000	2022 GH¢'000
Assets measured at fair value:						
Gold holdings	**14,028,296**	2,646,684	**-**	-	**-**	-
Collaterised gold holdings	**3,796,842**	2,424,633	**-**	-	**-**	-
Short-term securities	**-**	-	**17,714**	5,443,128	**-**	-
Derivative financial asset	**-**	-	**92,058**	-	**-**	-
Equity investment	**-**	-	**1,137,808**	848,082	**-**	-
Liabilities measured at fair value:						
Derivative financial liability	**-**	-	**-**	2,241,833	**-**	-

The Group

	Level 1 The Group		Level 2 The Group		Level 3 The Group	
	2023 GH¢'000	2022 GH¢'000	2023 GH¢'000	2022 GH¢'000	2023 GH¢'000	2022 GH¢'000
Assets measured at fair value:						
Gold holdings	**14,028,296**	2,646,684	**-**	-	**-**	-
Collaterised gold holdings	**3,796,842**	2,424,633	**-**	-	**-**	-
Short-term securities	**-**	-	**17,714**	5,443,128	**-**	-
Derivative financial asset	**-**	-	**92,058**	-	**-**	-
Hold to collect and sell investments	**-**	-	**925,676**	755,690	**-**	-
Equity investment	**-**	-	**1,137,808**	848,082	**-**	-
Liabilities measured at fair value:						
Derivative financial liability	**-**	-	**-**	2,241,833	**-**	-

There have been no transfers among level 1, level 2 and level 3 during the period.

a) Forward exchange rates and gold holding prices are obtained and used from Bloomberg/Reuters in valuing the derivatives and Gold holdings.

b) The fair value of the Bank's equity investment in Afrexim Bank was determined using Afrexim Bank's quoted price of Class D shares as at 31 December 2023 and applied a discount for lack of marketability (DLOM) to reflect the fact that the Bank's Class A shares are not freely traded in a liquid secondary market like the Class D shares.

c) The fair value on Hold to collect and sell investments were obtained from observable markets without adjustments. These predominantly comprise less liquid sovereign bonds.

The following table presents the changes in level 2 items for the years ended 31 December 2023 and 31 December 2022:

The fair values of other financial instruments not measured at fair value are disclosed in Note 35.

36. FAIR VALUE HIERARCHY (CONTINUED)

The Bank and Group	2023 GH¢'000 Equity investment	2022 GH¢'000 Equity investment
At 1 January	**848,082**	487,354
Gains recognised in other comprehensive income	**289,726**	360,728
At 31 December	**1,137,808**	848,082

Description	Fair value at		Unobservable inputs	Range of inputs (probability-weighted average)		Relationship on unobservable inputs to fair value
	31 December 2023 GH¢'000	31 December 2022* GH¢'000		**2023**	2022	
Unlisted equity securities	**1,137,808**	848,082	Discount rate Share price	5% - 10% -/+ 5%	5% - 10% -/+ 5%	A change in the discount rate by 100bps and 5% increase in the share price would increase /decrease the fair value by GH¢110million.

*This was previously identified as level 3 but now amended to level 2.

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 2023 was GH¢53,748,683 (2022:GH¢48,425,870). No new loans was granted by Bank of Ghana to the Government in 2023. The impairment on security transactions with GoG have been disclosed in notes 14 and 15 respectively.

b) Key management personnel compensation

	The Bank		The Group	
	2023 GH¢'000	2022 GH¢'000	**2023 GH¢'000**	2022 GH¢'000
Short-term employee benefits	**29,302**	16,791	**65,902**	51,193
Post-employment benefits	**4,886**	2,651	**6,876**	5,325
	34,188	19,442	**72,778**	56,518

Key management personnel include top level management officials of the Bank and its subsidiaries.

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¢7.92 million** (2022: GH¢8.64 million).

37. RELATED PARTY TRANSACTIONS (CONTINUED)

d) Transactions with related companies in the year under review are as follows:

Name of subsidiary

	2023 % ownership	2022 % ownership
Ghana International Bank (GHIB) PLC	**65.45**	65.45
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).

The balances on these transactions are included in the respective assets and liabilities in the books of the Bank.

Deposit by Subsidiaries

	2023 GH¢'000	2022 GH¢'000
Ghana International Bank PLC	**70**	598
Ghana Interbank Payments and Settlement Systems Limited	**-**	-
The Bank Hospital	**13,281**	3,435
Central Securities Depository Limited	**10,653**	5,751
	24,004	9,784

Deposit with subsidiary

Ghana International Bank	**2,229,596**	1,648,050
Interest paid on deposits	**78,166**	31,561
Payment of issues charges to CSD	**36,691**	27,626

Dividend received

Central Securities Depository Limited	**-**	4,043

Loan to subsidiary

The Bank Hospital Limited	**30,000**	-

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 of 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, minimising 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.

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 counterparties 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.

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 maximising 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 the 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 2023.

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 is 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 2023.

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 the 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.

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, 2022, 2023) 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 cyclicality of economic conditions.

Economic Variable Assumptions
The most significant period end assumptions used for the ECL estimate as at 31 December 2023 are set out below:

Scenario	Weight %
Base Case	**50**
Upside	**24**
Downside	**26**

Exposure to Credit Risks

The maximum exposure to credit risks at the reporting date was:

Bank	**2023** GH¢'000	**Percentage of financial assets**	2022 GH¢'000	Percentage of financial assets
Assets				
Cash and balances with correspondent banks	**13,333,812**	**12%**	6,083,741	6%
Balances with IMF	**11,813,752**	**11%**	9,622,688	9%
Securities	**58,290,358**	**52%**	61,160,166	56%
Other assets (excluding prepayments)	**2,591,375**	**2%**	9,567,182	9%
IMF on-lent to Government*	**24,131,883**	**22%**	17,198,424	17%
Loans and advances*	**1,751,484**	**2%**	5,188,600	4%
	111,912,664	**100%**	108,820,801	100%
Off balance sheet				
Documentary credit, guarantees and performance bonds	**9,217,663**	100%	6,647,877	100%
GROUP				
Assets				
Cash and amounts due from banks	**20,468,958**	**16%**	11,158,386	10%
Balances with IMF	**11,813,752**	**9%**	9,622,688	8%
Securities	**60,281,267**	**48%**	63,034,203	54%
Other assets (excluding prepayments)	**6,087,357**	**5%**	9,674,007	8%
Loans and advances	**24,131,883**	**19%**	17,198,424	15%
	125,307,778	**100%**	116,546,968	100%
Off balance sheet				
Documentary credit, guarantees and performance bonds	**10,686,346**	**100%**	6,835,592	100%

*Refer to Note 15a for changes in prior year presentation.

The above table represents a worst-case scenario of credit risk exposure to the Group and the Bank at 31 December 2023, 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, 2% (2022: 5%) of the total maximum exposure is derived from loans and advances while securities represent 48% (2022: 54%).

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.

At 31 December 2023, 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
- POCI – Purchase or originated 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).

POCI - Purchased or originated credit impaired (POCI)
These are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognised based on a credit-adjusted EIR. The ECL allowance is only recognised or released to the extent that there is a subsequent change in the expected credit losses.

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 represents the Group's maximum exposure to credit risk on these assets.

Bank

At 31 December 2023	Stage 1 GH¢'000	Stage 2 GH¢'000	Stage 3 GH¢'000	POCI GH¢'000	Total GH¢'000
Cash and balances with correspondence banks (less notes and coins holdings)	11,693,779	-	-		11,693,779
Balances with IMF	11,813,752	-	-		11,813,752
Securities	20,369,198	-	-	91,669,514	112,038,712
IMF on-lent to Government	24,131,883	-	-	-	24,131,883
Loans and advances	1,756,274	-	4,472,876	-	6,229,150
Other assets	6,166,447	-	-	-	6,166,447
Gross carrying amount	**75,931,333**	-	**4,472,876**	**91,669,514**	**172,073,723**
Loss allowance	**(185,159)**	-	**(4,412,877)**	**(53,724,092)**	**(58,322,128)**
Carrying amount	**75,746,174**	-	**59,999**	**37,945,422**	**113,751,595**

Group

At 31 December 2023	Stage 1 GH¢'000	Stage 2 GH¢'000	Stage 3 GH¢'000	POCI GH¢'000	Total GH¢'000
Cash and balances with correspondence banks (less notes and coins holdings)	18,827,925	-	-	-	18,827,925
Balances with IMF	11,813,752	-	-	-	11,813,752
Securities	22,383,799	-	-	91,669,514	114,053,313
IMF on-lent to Government	24,131,883	-	-	-	24,131,883
Loans and advances	2,552,815	-	4,472,876	-	7,025,691
Other assets	6,310,832	-	-	-	6,310,832
Gross carrying amount	**86,021,006**	-	**4,472,876**	**91,669,514**	**182,163,396**
Loss allowance	**(232,927)**	-	**(4,426,388)**	**(53,724,092)**	**(58,383,407)**
Carrying amount	**85,788,079**	-	**46,488**	**37,945,422**	**123,779,989**

Bank

At 31 December 2022	Stage 1 GH¢'000	Stage 2 GH¢'000	Stage 3 GH¢'000	Total GH¢'000
Cash and balances with correspondence banks (less notes and coins 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
IMF on-lent to Government*	17,198,424	-	-	17,198,424
Loans and advances*	2,239,806	13,929	12,346,455	14,600,190
Other assets	9,676,668	-	-	9,676,668
Gross carrying amount	43,245,972	189,503	121,756,917	165,192,392
Loss allowance	(152,536)	(975)	(57,793,435)	(57,946,946)
Carrying amount	43,093,436	188,528	63,963,482	107,245,446

Group

At 31 December 2022	Stage 1 GH¢'000	Stage 2 GH¢'000	Stage 3 GH¢'000	Total GH¢'000
Cash and balances with correspondence banks (less notes and coins 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
IMF on-lent to Government*	17,198,424			17,198,424
Loans and advances*	2,947,553	13,929	12,346,455	15,307,937
Other assets	9,784,285	-	-	9,784,285
Gross carrying 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 amount	50,848,654	164,361	63,958,517	114,971,532

*Refer to Note 15a for changes in prior year presentation.

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 (2022: 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.

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:

Group and Bank **31 December 2023**	**Gross exposure GH¢'000**	**Impairment allowance GH¢'000**	**Carrying amount GH¢'000**	**Fair value of collateral held GH¢'000**
Individually impaired:				
Emergency Liquidity Assistance	2,114,920	(1,725,865)	389,055	200,000
Overnight lending	1,312,754	(1,312,754)	-	-
Total credit impaired assets	**3,427,674**	**(3,038,619)**	**389,055**	**200,000**

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 GH¢'000**	**Stage 2 GH¢'000**	**Stage 3 GH¢'000**	**POCI GH¢'000**	**Total GH¢'000**
Loss allowance as at 1 January 2023	152,536	975	57,793,435	-	57,946,946
Movements with P&L impact					
New financial assets originated or purchased	-	-	-	-	-
Changes in PDs/LGDs/EADs	8,032	-	(239,078)	606,228	375,182
Total net P&L charge during the year	8,032	-	(239,078)	606,228	375,182
Other movements with no P&L impact	-	(975)	(53,116,889)	53,117,864	-
Loss allowance as at 31 December 2023	**160,568**	**-**	**4,437,468**	**53,724,092**	**58,322,128**
The Group					
Loss allowance as at 1 January 2023	184,050	24,216	57,811,445	-	58,019,711
Movements with P&L impact:					
New financial assets originated or purchased					
Changes in PDs/LGDs/EADs	8,032	-	(222,975)	606,228	391,285
Other movements					
Transfer between stages	-	-	-	-	-
Total net P&L charge during the year	8,032	-	(222,975)	606,228	391,285
Other movements with no P&L impact	40,845	(24,216)	(53,162,082)	53,117,864	(27,589)
Loss allowance as at 31 December 2023	**232,927**	**-**	**4,426,388**	**53,724,092**	**58,383,407**

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 modeled 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 analysed by type and performance less impairment.

THE BANK

31 December 2023

	Cash and amounts due from banks GH¢ '000	**Balances with IMF GH¢'000**	**Securities GH¢ '000**	**Loans and advances GH¢'000**	**IMF on-lent to Government GH¢'000**	**Other assets GH¢ '000**
Stage 1 (performing exposures)	11,693,779	11,813,752	20,369,198	1,756,274	24,131,883	6,198,246
Stage 2	-	-	-	-		-
Stage 3 (non-performing exposures)	-	-	-	4,472,876	-	-
POCI	-	-	91,669,514	-	-	-
Gross	11,693,779	11,813,752	112,038,712	6,229,150	24,131,883	6,198,246
Less: Allowance for impairment-	-	-	(53,748,683)	(4,288,958)	-	(109,486)
Carrying value	**11,693,779**	**11,813,752**	**58,290,029**	**1,940,192**	**24,131,883**	**6,088,760**
31 December 2022						
Stage 1 (performing exposures)	4,508,386	9,622,688	-	2,239,806	17,198,424	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	14,600,190	17,198,424	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	5,188,600	17,198,424	9,567,182

THE GROUP

31 December 2023

	Cash and amounts due from banks GH¢ '000	Balances with IMF GH¢'000	Securities GH¢ '000	Loans and advances GH¢'000	IMF on-lent to Government GH¢'000	Other assets GH¢ '000
Stage 1 (performing exposures)	18,828,895	11,813,752	22,383,799	2,552,815	24,131,883	6,310,832
Stage 2	-	-	-	-	-	-
Stage 3 (non-performing exposures)	-	-	-	4,472,876	-	-
POCI	-	-	91,669,514	-	-	-
Gross	18,828,895	11,813,752	114,053,313	7,025,691	24,131,883	6,310,832
Less: Allowance for impairment	-	-	(53,724,092)	(4,349,611)	-	(110,278)
Carrying value	**18,828,895**	**11,813,752**	**60,329,221**	**2,676,080**	**24,131,883**	**6,200,554**

31 December 2022

	Cash and amounts due from banks GH¢ '000	Balances with IMF GH¢'000	Securities GH¢ '000	Loans and advances GH¢'000	IMF on-lent to Government GH¢'000	Other assets GH¢ '000
Stage 1 (performing exposures)	9,583,031	9,622,688	1,897,729	2,947,553	17,198,424	9,784,285
Stage 2	-	-	175,574	13,929	-	-
Stage 3 (non-performing exposures)	-	-	-	12,346,454	-	-
POCI	-	-	109,410,462	-	-	-
Gross	9,583,031	9,622,688	111,483,765	15,307,936	17,198,424	9,784,285
Less: Allowance for impairment	-	-	(48,449,562)	(4,349,611)	-	(110,278)
Carrying value	9,583,031	9,622,688	63,034,203	10,958,325	17,198,424	9,674,007

38. RISK MANAGEMENT (CONTINUED)

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.

38. RISK MANAGEMENT (CONTINUED)

Liquidity Risk (Continued)

BANK

31 December 2023

ASSETS	**Up to 1 month GH¢ '000**	**Between 1-3 months GH¢ '000**	**Between 3 months &1 year GH¢ '000**	**Between 1 year & 5 years GH¢ '000**	**>5years GH¢ '000**	**Undefined GH¢ '000**	**Total GH¢ '000**
Cash and balances with correspondent banks	13,333,842	-	-	-	-	-	13,333,842
Gold holding	-	14,028,296	-	-	-	-	14,028,296
Gold holdings swap	-	3,796,842	-	-	-	-	3,796,842
Balances with IMF	50,475	11,763,277	-	-	-	-	11,813,752
Securities	20,327,812	15,397	20,677	4,103,173	52,083,046	-	76,550,105
Derivative assets	-	92,058	-	-	-	-	92,058
IMF on-lent to Government	-	-	-	24,131,883	-	-	24,131,883
Loans and advances	-	-	130,224	1,621,260	-	-	1,751,484
Other assets	6,056,961	-	-	-	-	-	6,056,961
Investments	-	-	-	-	2,240,338	-	2,240,338
At 31 December 2023	**39,769,090**	**29,695,870**	**150,901**	**29,856,316**	**54,323,384**	**-**	**153,795,561**
LIABILITIES							
Deposits from Government	24,067,885	-	-	-	-	-	24,067,885
Deposits from financial and other institutions	51,678,947					-	51,678,947
Allocations of SDR	16,915,025	-	-	-	-	-	16,915,025
Liabilities to IMF	136,393	-	10,154,220	19,015,338	-	-	29,305,951
Bridge Facilities	-	-	-	3,447,443	-	-	3,447,443
Gold holdings swap payable	-	3,243,060	-	-	-	-	3,243,060
Liabilities under Money Market Operations	3,864,558	1,754,867	20,615,520	1,217	-	-	26,236,162
Currency in circulation	-	-	-	-	-	44,558,730	44,558,730
Other liabilities	6,301,595	-	-	-	-	-	6,301,595
At 31 December 2023	**102,964,403**	**4,997,927**	**30,769,740**	**22,463,998**	**-**	**44,558,730**	**205,754,798**
Maturity (shortfall)/ surplus	**(63,195,313)**	**24,697,943**	**(30,618,839)**	**7,392,318**	**54,323,384**	**(44,558,730)**	**(51,959,237)**

BANK

31 December 2022

ASSETS	Up to 1 month GH¢ '000	Between 1-3 months GH¢ '000	Between 3 months &1 year GH¢ '000	Between 1 year & 5 years GH¢ '000	>5years GH¢ '000	Undefined GH¢ '000	Total GH¢ '000
Cash and balances with correspondent banks	6,083,741	-	-	-	-		6,083,741
Gold holding	-	2,646,684	-	-	-	-	2,646,684
Collaterised gold	-	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
IMF on-lent to Government*	-	-	-	7,660,637	9,537,787	-	17,198,424
Loans and advances*	-	4,584,248	101,095	503,256	-	-	5,188,599
Other assets	9,567,182	-	-	-	-	-	9,567,182
Investments					1,931,299	-	1,931,299
At 31 December 2022	18,697,300	18,158,303	5,422,340	39,114,664	34,430,809	-	115,823,416
LIABILITIES							
Deposits from Government**	22,099,356	-	-	-	-	-	22,099,356
Deposits from financial and other institutions**	35,509,984	-	-	-	-	-	35,509,984
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
Collaterised Gold 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
At 31 December 2022	81,764,463	6,077,715	10,851,272	39,025,850	-	36,079,112	173,798,412
Maturity surplus/(shortfall)	(63,067,163)	12,080,588	(5,428,932)	88,814	34,430,809	(36,079,112)	(57,974,996)

*Refer to Note 15a for changes in prior year presentation.
**Refer to Note 21a for changes in prior year presentation.
***This was previously reported under greater than 5 years but now changed to undefined.

38. RISK MANAGEMENT (CONTINUED) Liquidity Risk (Continued)

GROUP

31 December 2023

ASSETS	**Up to 1 month GH¢ '000**	**Between 1-3 months GH¢ '000**	**Between 3 months &1 year GH¢ '000**	**Between 1 year & 5 years GH¢ '000**	**>5years GH¢ '000**	**Undefined GH¢ '000**	**Total GH¢ '000**
Cash and balances with correspondent banks	20,467,988	-	-	-	-	-	20,467,988
Gold holdings	-	14,028,296	-	-	-	-	14,028,296
Gold holdings swap	-	3,796,842	-	-	-	-	3,796,842
Balances with IMF	50,475	11,763,277	-	-	-	-	11,813,752
Securities	20,327,812	233,818	605,119	6,446,288	50,874,550	-	78,487,587
IMF on-lent to Government				24,131,883		-	24,131,883
Loans and advances	103,445	89,984	480,094	1,849,484	1,554	-	2,524,561
Derivative assets	-	92,058	-	-	-	-	92,058
Other assets	6,200,554	-	-	-	-	-	6,200,554
Investments	-	-	-	-	1,137,808	-	1,137,808
At 31 December 2023	**47,150,274**	**30,004,275**	**1,085,213**	**32,427,655**	**52,013,912**	**-**	**162,681,329**

LIABILITIES							
Deposits from Government	24,067,885	2,840,442	1,380,564	328,413	-	-	28,617,304
Deposits from financial and other institutions	58,919,620	-	-	-	-	-	58,919,620
Allocations of Special Drawing Rights	16,915,025	-	-	-	-	-	16,915,025
Liabilities to IMF	136,393	-	10,154,220	19,015,338	-	-	29,305,951
Bridge facilities	-	-	-	3,447,443	-	-	3,447,443
Gold holdings swap payable	-	3,243,060	-	-	-	-	3,243,060
Liabilities under Money Market Operations	3,864,558	1,754,867	20,615,520	1,217	-		
-	26,236,162						
Currency in Circulation	-	-	-	-	-	44,558,730	44,558,730
Lease liabilities	-	-	-	29,059	-	-	29,059
Other liabilities	6,301,595	90,353	182,037	-	-	-	6,573,985
At 31 December 2023	**110,205,076**	**7,928,722**	**32,332,341**	**22,821,470**	**-**	**44,558,730**	**217,846,339**
Maturity surplus/(shortfall)	**(63,054,802)**	**22,075,553**	**(31,247,128)**	**9,606,185**	**52,013,912**	**(44,558,730)**	**(55,165,010)**

GROUP

31 December 2022

ASSETS	Up to 1 month GH¢ '000	Between 1-3 months GH¢ '000	Between 3 months &1 year GH¢ '000	Between 1 year & 5 years GH¢ '000	>5years GH¢ '000	Undefined GH¢ '000	Total GH¢ '000
Cash and balances with correspondent banks	11,158,386	-	-	-	-		11,158,386
Gold holdings	-	2,646,684	-	-	-	-	2,646,684
Gold holdings 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	-	63,034,203
IMF on-lent to Government*	-	-	-	7,660,638	9,537,787	-	17,198,425
Loans and advances*	5,694	4,767,666	399,609	684,737	1554	-	5,859,260
Other assets	9,674,007	-	-	-	-	-	9,674,007
Investments	-	-	-	-	848,082	-	848,082
At 31 December 2022	23,884,464	18,560,142	6,241,851	41,639,261	32,140,650	-	122,466,368

LIABILITIES							
Deposits from Government**	22,099,356	-	-	-	-	-	22,099,356
Deposits from financial and other institutions**	37,846,790	1,696,685	1,281,786	404,497	-	-	41,229,758
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 holdings 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
Lease liabilities	-	-	-	23,922	-		23,922
Other liabilities	8,097,287	93,599	265,050	-	-	-	8,455,936
At 31 December 2022	84,101,269	7,867,999	12,398,108	39,454,269	-	36,079,112	179,900,757
Maturity surplus/(shortfall)	(60,216,805)	10,692,143	(6,156,257)	2,184,992	32,140,650	(36,079,112)	(57,434,389)

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.

38. RISK MANAGEMENT (CONTINUED)

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 in 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 2022.

Effects in Cedis

	100bp Increase GH¢'000	100bp Decrease GH¢'000
The Bank 2023		
Average for the Period	**1,053,942**	**(1,053,942)**
Maximum for the Period	**1,064,481**	**(1,064,481)**
Minimum for the Period	**1,043,402**	**(1,043,402)**
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 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.

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 optimising 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.

38. RISK MANAGEMENT (CONTINUED)

Interest Rate Risk

The Bank

31 December 2023

ASSETS	**3 months or less GH¢ '000**	**Between 3 & 12 months GH¢ '000**	**Over 1 year GH¢ '000**	**Non-Interest bearing GH¢ '000**	**Total GH¢ '000**
Cash and amounts due from Banks	11,693,779	-	-	1,640,063	13,333,842
Gold holdings	-	-	-	14,028,296	14,028,296
Gold holdings swap	-	-	-	3,796,842	3,796,842
Balances with IMF	-	11,763,277	-	50,475	11,813,752
Securities	20,343,209	20,677	43,630,208	12,573,180	76,567,274
Derivative assets	92,058			-	92,058
IMF on-lent to Government	-		-	24,131,883	24,131,883
Loans and Advances	-	137,852	1,613,632	-	1,751,484
Investments	-	-	-	2,240,338	2,240,338
Other assets	6,056,961	-	-	-	6,056,961
At 31 December 2023	**38,186,007**	**11,921,806**	**45,243,840**	**58,461,077**	**153,812,730**
LIABILITIES					
Deposits from Government	-	-	-	24,067,885	24,067,885
Deposits from other institutions				51,678,947	51,678,947
Bridge facilities	-	-	3,447,443	-	3,447,443
Gold holdings swap payable	3,243,060	-	-	-	3,243,060
Liabilities under Money Market Operations	5,619,425	20,615,520	1,218	-	26,236,163
Allocations of Special Drawing Rights	-	-	-	16,915,025	16,915,025
Liabilities to IMF	136,393	10,154,220	19,015,338	-	29,305,951
Currency in circulation	-	-	-	44,558,730	44,558,730
Other liabilities	-	-	-	6,301,595	6,301,595
At 31 December 2023	**8,998,878**	**30,769,740**	**22,463,999**	**143,522,182**	**205,754,799**
Total interest rate re-pricing gap	**29,187,129**	**(18,847,934)**	**22,779,841**	**(85,061,105)**	**(51,942,069)**

31 December 2022

ASSETS					
Cash and amounts due from Banks	4,508,386	-	-	1,575,355	6,083,741
Gold holdings	-	-	-	2,646,684	2,646,684
Gold holdings 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
IMF on-lent to Government*	-	-	-	17,198,424	17,198,424
Loans and Advances*	4,584,249	108,723	495,628	-	5,188,600
Investments	-	-	-	2,130,630	2,130,630
Other assets	9,567,182	-	-	-	9,567,182
At 31 December 2022	20,569,075	13,852,688	41,852,111	39,748,874	116,022,748
LIABILITIES					
Deposits from Government**	-	-	-	22,099,356	22,099,356
Deposits from Financial Institution and others**	-	-	-	35,509,984	35,509,984
Bridge facilities	-	-	24,347,990	-	24,347,990
Gold holdings 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
At 31 December 2022	7,782,253	10,851,272	39,025,850	116,139,037	173,798,412
Total interest rate re-pricing gap	12,786,822	3,001,416	2,826,261	(76,390,163)	(57,775,664)

*Refer to Note 15a for changes in prior year presentation.
**Refer to Note 21a for changes in prior year presentation.

38. RISK MANAGEMENT (CONTINUED)

Interest Rate Risk (Continued)

The Group

31 December 2023

ASSETS	3 months or less GH¢ '000	Between 3 & 12 months GH¢ '000	Over 1 year GH¢ '000	Non-Interest bearing GH¢ '000	Total GH¢ '000
Cash and amounts due from Banks	18,827,925	-	-	1,640,063	20,467,988
Gold holdings	-	-	-	14,028,296	14,028,296
Gold holdings swap	-	-	-	2,424,633	2,424,633
Balances with IMF	-	11,763,277	-	50,475	11,813,752
Securities	20,746,102	420,646	44,764,829	12,573,180	78,504,757
IMF on-lent to Government	-	-	-	24,131,883	24,131,883
Loans and Advances	193,429	503,019	1,828,113	-	2,524,561
Derivative assets	92,058				92,058
Investments	-	-	-	1,137,495	1,137,495
Other assets	6,200,554	-	-	-	6,200,554
At 31 December 2023	**46,060,068**	**12,686,942**	**46,592,942**	**55,986,025**	**161,325,977**
LIABILITIES					
Deposits from Government	-	-	-	24,067,885	24,067,885
Deposits from other institutions	2,840,442	1,380,564	328,415	54,370,198	58,919,619
Bridge facilities	-	-	3,447,443	-	3,447,443
Gold holdings swap payable	3,243,060	-	-	-	3,243,060
Liabilities under Money Market Operations	5,619,425	20,615,520	1,217	-	26,236,162
Allocations of Special Drawing Rights	-	-	-	16,915,025	16,915,025
Liabilities to IMF	136,393	10,154,220	19,015,338	-	29,305,951
Currency in circulation	-	-	-	44,558,730	44,558,730
Lease liabilities	-	-	29,059	-	29,059
Other liabilities	90,353	182,037	-	6,301,595	6,573,985
At 31 December 2023	**11,929,673**	**32,332,341**	**22,821,472**	**146,213,433**	**213,296,919**
Total interest rate re-pricing gap	**34,130,395**	**(19,645,399)**	**23,771,470**	**(90,227,408)**	**(51,970,942)**

31 December 2022

ASSETS					
Cash and amounts due from Banks	9,583,031	-	-	1,575,355	11,158,386
Gold holdings	-	-	-	2,646,684	2,646,684
Gold holdings 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	63,034,204
IMF on-lent to Government*	-	-	-	17,198,424	17,198,424
Loans and Advances *	4,763,495	425,105	-	-	5,188,600
Investments	-	-	-	1,047,413	1,047,413
Other assets	9,674,007	-	-	-	9,674,007
At 31 December 2022	26,269,239	14,569,039	42,491,104	38,665,657	121,995,039
LIABILITIES					
Deposits from Government**	-	-	-	22,099,356	22,099,356
Deposits from Financial Institution and others**	1,696,685	1,281,786	404,497	37,846,789	41,229,757
Bridge facilities	-	-	24,347,990	-	24,347,990
Gold holdings 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
At 31 December 2022	9,572,537	12,398,108	39,454,269	118,475,842	179,900,756
Total interest rate re-pricing gap	16,696,702	2,170,931	3,036,835	(79,810,185)	(57,905,717)

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.

38. RISK MANAGEMENT (CONTINUED)

Foreign Currency Risk (Continued)

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.

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 31st December, the foreign currency exposures were as follows:

Currency Exposure Analysis

	The Bank		The Group	
ASSETS	**2023 GH¢'000**	2022 GH¢'000	**2023 GH¢'000**	2022 GH¢'000
USD	**50,354,319**	57,794,051	**55,812,054**	55,493,579
GBP	**249,780**	196,605	**465,097**	65,174
EUR	**947,962**	394,556	**1,333,474**	1,425,316
SDR	**35,945,635**	9,679,040	**35,945,635**	12,087,226
Others	**46,259**	82,217	**51,273**	492,193
GHS	**52,113,958**	95,018,843	**53,027,490**	47,132,258
Total	**139,657,913**	163,165,312	**146,635,023**	116,695,746
LIABILITIES & EQUITY				
USD	**28,389,204**	58,397,483	**33,816,478**	**23,643,325**
GBP	**991,084**	656,715	**1,223,336**	**286,644**
EUR	**3,517,699**	2,347,546	**3,900,884**	**2,646,396**
SDR	**47,726,685**	19,479,731	**47,726,685**	**12,542,379**
Others	**2,180,963**	1,760,080	**2,186,333**	**584,701**
GHS	**56,852,278**	80,523,757	**57,781,307**	**76,992,301**
Total	**139,657,913**	163,165,312	**146,635,023**	**116,695,746**
NET POSITION				
USD	**21,969,511**	(603,432)	**21,995,576**	31,850,254
GBP	**(741,304)**	(460,109)	**(758,239)**	(221,470)
EUR	**(2,569,737)**	(1,952,990)	**(2,567,410)**	(1,221,080)
SDR	**(11,781,050)**	(9,800,691)	**(11,781,050)**	(455,153)
Others	**(2,134,704)**	(1,677,864)	**(2,135,060)**	(92,508)
GHS	**(4,742,716)**	14,495,086	**(4,753,817)**	(29,860,043)
Total	**-**	-	**-**	-

38. RISK MANAGEMENT (CONTINUED)

Currency Exposure Analysis (Continued)

The following significant exchange rates applied during the year:

	Average rate		Closing rate	
	2023	2022	**2023**	2022
Currency	**GH¢**	GH¢	**GH¢**	GH¢
US Dollar	**10.2280**	7.2911	**11.8800**	8.5760
GBP	**12.7226**	9.2195	**15.1334**	10.3118
EURO	**11.1361**	7.9869	**13.1264**	9.1457
SDR	**13.1955**	9.8214	**15.1355**	10.4519

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 2022.

	Profit or (Loss)/Equity	
	2023	2022
Currency	**GH¢'000**	GH¢'000
US Dollar	**(2,197,115)**	60,343
GBP	**74,130**	46,011
EURO	**256,974**	195,299
SDR	**1,178,105**	980,069

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.

39. NOTES TO CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

(a) The Bank

Reconciliation of operating profit to net cash flow from operating activities

	Note	2023 GH¢'000	2022 GH¢'000
Loss before tax		**(10,548,510)**	(60,809,753)
Adjustments for:			
Depreciation of property, plant and equipment	19	**141,576**	120,810
Amortisation of intangible assets	20	**59,751**	10,617
Transfer of plant and equipment to expenses	19a	-	21,825
Revaluation gain of investment property	19b	**(11,367)**	-
Impairment on financial instruments	9a	**375,182**	54,510,372
Loss/(profit) on disposal of property and equipment	19a	**(648)**	58,141
Interest expense on bridge facilities	22	**542,345**	793,715
Exchange loss on bridge facilities	22	**7,371,519**	7,421,456
Effect of exchange rate fluctuations on cash held	32	**(4,617,236)**	(2,595,601)
Transfer to Gold holdings Purchase Fund Account	32	-	(220,000)
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 holdings Purchase	32	**(1,026,451)**	259,560
Provision for contingencies	32	-	(30,000)
Utilisation of CSR funds	32	-	(80,000)
Contribution towards e-Cedi	32	-	(705)
Transfer to support the construction of new Head Office	32	-	(250,000)
Change in collaterised gold holdings	12b	**(1,372,209)**	(2,424,633)
Change in IMF on-lent to Government	15a	**(6,933,459)**	(7,078,776)
Change in loans and advances	15b	**3,668,162**	(4,272,681)
Change in securities	14	**2,263,580**	(39,074,489)
Change in gold holdings	12	**(11,381,612)**	440,096
Change in collaterised gold loan payable	23	**1,162,045**	2,081,015
Change in derivative instruments	16	**(2,333,888)**	1,403,121
Change in other assets	17	**3,510,221**	(8,879,682)
Change in IMF receivable	13	**(2,191,064)**	2,211,225
Change in investments	18	**180,018**	(345,742)
Change in Deposit from Government	21a	**1,968,529**	9,304,590
Change in deposits from Financial Institutions and others	21b	**16,168,963**	17,633,890
Change in liabilities under Money Market Operations	24	**15,855,132**	4,375,929
Change in allocations of Special Drawing Rights	25a	**4,803,560**	3,377,791
Change in other liabilities	26	**(1,795,693)**	6,065,179
Change in currency in circulation	28	**8,479,618**	10,815,606
Cash flows used in operating activities		**24,338,064**	(4,947,793)
***Operational cashflow from interest**			
Interest received	5a	**5,487,145**	3,866,778
Interest paid	5c	**(8,305,185)**	(2,792,429)

(b) The Group

	Note	2023 GH¢'000	2022 GH¢'000
Loss before tax		**(10,397,965)**	(60,884,665)
Adjustments for:			
Depreciation of property, plant and equipment	19a	**287,885**	231,981
Depreciation of rights of use-assets	34	**8,489**	6,345
Amortisation of intangible assets	20	**77,142**	22,849
Transfer of plant and equipment to expenses	19a	-	52,697
Asset modification – intangibles	20	-	(3,147)
Impairment on financial instruments	9a	**375,182**	54,552,519
Loss on disposal of property and equipment	19a	**(638)**	58,722
Revaluation gain on investment property	19b	**(11,367)**	-
Lease finance charge	34	**1,792**	1,470
Interest expense on bridge facilities	22	**542,345**	793,715
Exchange loss on bridge facilities	22	**7,371,519**	7,421,456
General Purpose Loan Fund	32	-	50,000
Currency Replacement Fund	32	-	(100,000)
Capital contribution to WAMI	32	-	199,331

* This disclosure was previously omitted, and the comparative have been amended.

b) The Group (continued)

	Note	2023 GH¢'000	2022 GH¢'000
Staff Housing Fund	32	-	60,000
Gold holdings Purchase	32	**(1,026,451)**	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)
Translation difference:			
PPE		-	10,370
SOCE	32	**741,410**	225,845
Effect of exchange rate fluctuations on cash held		**(2,756,521)**	(3,844,638)
Transfer to Gold Purchase Fund Account		-	(220,000)
Change in IMF on-lent to Government	15a	**(6,933,459)**	(7,078,776)
Change in loans and advances	15b	**3,565,707**	(4,234,758)
Change in securities	14	**2,250,312**	(41,319,415)
Change in gold holdings	12a	**(11,381,612)**	440,096
Changes in gold holdings swap	12b	**(1,372,209)**	(2,424,633)
Change in derivative instruments	16	**(2,241,833)**	1,403,121
Change in gold holdings swap payable	23	**1,162,045**	2,081,015
Change in other assets	17	**3,473,453**	(8,925,622)
Change in IMF receivable	13	**(2,191,064)**	2,211,225
Sub-total		**(18,455,838)**	(59,314,042)

(c) The Group

Reconciliation of operating profit to net cash flow from operating activities (continued)

	Note	2023 GH¢'000	2022 GH¢'000
Sub-total brought down		**(18,455,838)**	(59,314,042)
Change in investments	18	**8,840**	55,433
Change in deposits from Government	21a	**1,968,529**	9,304,590
Change in deposits from Financial Institutions and others	21b	**17,689,863**	19,869,303
Change in liabilities under Money Market Operations	24	**15,855,132**	4,375,929
Change in allocations of Special Drawing Rights	25a	**4,803,560**	3,377,791
Change in other liabilities	26	**(1,881,954)**	6,303,897
Change in currency in circulation	27	**8,479,618**	10,815,606
Cash flows used in operating activities		**28,467,750**	(5,211,493)
*Operational cashflow from interest			
Interest received	5a	**5,970,433**	4,056,140
Interest paid	5c	**(8,350,780)**	(2,827,727)

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. ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) PRACTICES

In 2019, Bank of Ghana issued the Ghana Sustainable Banking Principles (GSBP) which details seven (7) Principles and five (5) Sector Specific Guidance Notes which maps the risks and potential impacts in Sustainable Banking and identifies financially viable opportunities.

The GSBPs present sustainable banking as a two-way interrelated imperative of:

- Improving the contribution of finance to sustainable and inclusive growth by funding society's long term needs
- Strengthening financial stability by incorporating environmental, social and governance (ESG) factors in lending decision-making.

Compliance with Principle 2 of the BoG Issued GSBPs

In fulfilment of Principle II which relates to the promotion of good Environmental, Social and Governance Practices (ESG) in the internal operations of Banks, the Bank of Ghana has developed an Internal Sustainability Strategy to apply the issued Principles internally, specifically, Principle II.

In March 2023, the Bank established a Sustainability Unit within the Project Management Office (PMO) with the mandate to coordinate the implementation of all Internal Sustainability projects and programs and undertake Bank of Ghana's responsibility under the Sustainable Banking Principles. The said Strategy has five (5) strategic pillars namely: Environment, Community Investment, Workplace, Governance and Marketplace.

Compliance with the ISSB sustainability standard

Background

The International Sustainability Standards Board (ISSB) was established in November 2021 by the International Financial Reporting Standards (IFRS) foundation trustees to develop and maintain a comprehensive global baseline of sustainability disclosure standards. The ISSB's establishment came in response to growing demand from investors for consistent and comparable sustainability information to make informed investment decisions as lack of standardisation in sustainability reporting across countries and industries made it difficult for investors to assess and compare the sustainability performance of companies effectively. The goal of these standards is to provide investors and other capital market participants with high-quality, transparent, reliable, and comparable information on companies' sustainability-related risks and opportunities. The ISSB's standards focuses on areas such as climate change, biodiversity, and human capital, among others. By creating a global baseline, the ISSB aims to reduce fragmentation in sustainability reporting landscapes and make it easier for companies to report on sustainability issues in a consistent manner. One of the key features of the ISSB standards is their focus on financial materiality, meaning that the disclosures should be relevant to investors decision-making processes, especially in terms of understanding how sustainability issues affect an entity's value creation over time.

It's worth noting that while the ISSB aims to establish a global baseline, countries and regions may still develop their own sustainability reporting requirements that builds upon or supplement the ISSB standards, like how many jurisdictions have adopted or adapted the IFRS accounting standards.

The stand of the Institute of Chartered Accountants Ghana (ICAG)

The Institute of Chartered Accountants Ghana (ICAG) the regulator of the accountancy profession and practice, announced the adoption of the ISSB's first two IFRS Sustainability and Climate-Related Disclosure Standards, better known as IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures) on Monday, 26 June 2023. This is to be implemented effective 1st January 2024.

In the light of this, The Institute established a Steering Committee for the adoption of the standards. The composition of this steering committee includes the country's biggest accounting firms, the Institute's Practice Society, Bank of Ghana, Ghana Stock Exchange, and representatives of ICAG Council. Their terms of reference include capacity-building initiatives and assisting stakeholders to assess their own readiness for the adoption of the sustainability disclosure standards. In addition, the Steering Committee will have oversight of the adoption. promotion and rigorous application of the sustainability and climate-related disclosure standards.

The way forward for Bank of Ghana

The Bank of Ghana has shown interest in promoting sustainable banking and Finance practices within the Ghanaian financial sector. The Bank of Ghana aims to ensure that financial institutions consider the Environmental and Social impacts of their operations and investment decisions, aligning with global trends towards more sustainable and responsible banking practices.

To demonstrate that the central Bank is keen in adopting best practice globally and to comply with ICAG directive, The Bank of Ghana has proactively undergone an awareness training program in the ISSB sustainable standards. This initiative was designed to enhance understanding and facilitate the initiation of comprehensive ISSB sustainability reporting within the institution. The following additional initiatives are being implemented to support the rollout of the Bank's Internal Sustainability Strategy and the ISSB's sustainability standards:

1. The pursuit of EDGE Certification for new residential/office buildings being developed given that the benefits outweigh the costs when introduced at the design stage.
2. The engagement of EPA's GNCPC to assist in the establishment of baselines on energy and water use, waste generation, etc. and Carbon Footprint Accounting
3. Development of a Sustainability Policy and Framework for the Bank of Ghana
4. Formulating a comprehensive roadmap as a strategic measure to make substantial progress to start reporting under the ISSB's sustainability standard come end of 2024 reporting.

These strategic moves underscore the Bank's commitment to integrating ESG principles into its operational framework, reflecting its dedication to transparency, accountability, and sustainable development practices.

ADDRESSES AND TELEPHONE NUMBERS

HEAD OFFICE

Bank of Ghana
1 Thorpe Road
P. O. Box GP 2764
Accra

Cable Address: GHANABANK, Accra
Telex: 2052, 2541 GHBANK GH
Swift Code: BAGHGHAC
International Dial Code: 233
Telephone Numbers: 030-2666174-6
2666361-5, 2666902-8, 2666921-5

Fax: (0302) 662996, 665074
E-mail: bogsecretary@bog.gov.gh
Website: www.bog.gov.gh

Cedi House (Head Office Annex)
030-2665252, 2665253

General Services Complex
030-2811301, 2811006

Bank of Ghana Clinic: 030-2224837

REGIONAL OFFICES

Ashanti Region
P. O. Box 1989
Kumasi
Tel: 032-2022551, 2023944, 2024807
Fax: 032-2026317

Bono Region
P. O. Box 598
Sunyani
Tel: 035-2023814-6, 2023813, 2027161
Fax: 035-2027260

Northern Region
P. O. Box 340
Tamale
Tel: 037-2022130
037-2022664
Fax: 037-2022329

Western Region
P. O. Box 532
Takoradi
Tel: 031-2024035, 2024372, 2024604, 2021257
Fax: 031-2024705

Volta Region
P. O. Box 116
Hohoe
Tel: 036-2722045, 2722122, 2722992
Fax: 036-2722013

Currency Office
Sefwi-Boako
P. O. Box 176, Sefwi-Wiawso
Western North Region
Tel: 027-7765554, 7765558
Fax: 027-7900115

AGENCIES HELD BY BANK OF GHANA

Ghana Commercial Bank Ltd.
P. O. Box 65
Cape Coast
Central Region
Tel: 033-2132812-3, 2132354
Fax: 033-2132549

Ghana Commercial Bank Ltd.
P. O. Box 286
Koforidua
Eastern Region
Tel: 034-2023049, 2023069, 2023059

Ghana Commercial Bank Ltd.
P. O. Box 272
Nkawkaw
Eastern Region
Tel: 034-3122105, 3122222
Fax: 034-3022126

Ghana Commercial Bank Ltd.
Tema Main
P. O. Box 272
Tema - Greater Accra Region
Tel: 030-3202760, 3202768
3202769

Ghana Commercial Bank Ltd.
P. O. Box 66
Wa
Upper West Region
Tel: 039-202038-9, 2020501

Ghana Commercial Bank Ltd.
Dunkwa-on-Offin
Tel: 033-2228236, 2228674
2228528
Fax: 033-2228673

Ghana Commercial Bank Ltd.
P. O. Box 186
Agona-Swedru
Central Region
Tel: 033-2020291
Fax: 033-2020414

Ghana Commercial Bank Ltd.
P. O. Box 12
Bolgatanga
Upper East Region
Tel: 038-2022500, 2023462, 2022446
Fax: 038-2024961

Ghana Commercial Bank Ltd.
P. O. Box 164
Ho
Volta Region
Tel: 036-2027067, 2026436

General enquiries relating to the Bank may be made to the Governors' Department on +233 (302) 663319 / +233 (302) 666174-6 or by e-mail to bogsecretary@bog.gov.gh

www.bog.gov.gh