GHANA EXPORT-IMPORT BANK

ANNUAL REPORT AND FINANCIAL STATEMENTS
31ST DECEMBER 2020

BAKER TILLY ANDAH + ANDAH
CHARTERED ACCOUNTANTS
www.bakertillygh.com

GHANA EXPORT-IMPORT BANK
ANNUAL REPORT AND FINANCIAL STATEMENTS

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GHANA EXPORT-IMPORT BANK
CORPORATE INFORMATION

BOARD OF DIRECTORS	Mr. Kwadwo Boateng Genfi	- Chairman
	Hon. Robert Ahomka-Lindsey	- Member
	Nana Appiagyei Dankawoso I	- Member
	Rev. Peter Kwame Abebrese	- Member
	Madam Catherine Quaidoo	- Member
	Mr. Ernest Akore	- Member
	Mrs. Elsie Addo Awadzi	- Member
	Dr. Afua Asabea Asare	- Member
	Mr. Lawrence Agyinsam	- Member/CEO

SECRETARY

Emma Mullen-Essien
P. O. Box MB 493
Accra – Ghana

SOLICITORS

Minkah-Premo & Co
No. 3 Emmause 2nd Close Labone
P. O. Box 14951
Accra

REGISTERED OFFICE

4th - 8th Floor, Africa Trade House.
P. O. Box MB 493
Accra - Ghana

AUDITORS

Baker Tilly Andah + Andah
Chartered Accountants
C726/3, Nyanyo Lane, Asylum Down
P. O. Box CT 5443
Cantonments, Accra

BANKERS

Absa Bank Ghana Limited
Access Bank Ghana Limited
Agricultural Development Bank of Ghana
Bank of Ghana
Bank of Africa Ghana Limited
Cal Bank Limited
Consolidated Bank Ghana Limited
Ecobank Ghana Limited
FBN Bank Ghana Limited
Fidelity Bank Limited
First Atlantic Bank Limited
GCB Bank
Guarantee Trust Bank
National Investment Bank

Prudential Bank Limited
Republic Bank Ghana Limited
Société Générale Ghana Limited
Stanbic Bank Ghana Limited
Standard Chartered Bank Ghana Limited
Universal Merchant Bank
Zenith Bank Ghana Limited

GHANA EXPORT-IMPORT BANK
DIRECTORS' RESPONSIBILITIES AND APPROVAL

The Ghana Export-Import Bank Act, 2016 (Act 911) requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Bank as at the end of the financial year and of the operating results of the Bank for that year.

It also requires the directors to ensure that the Bank keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Bank. They are also responsible for safeguarding the assets of the Bank.

In preparing these financial statements, the directors have selected suitable accounting policies and applied them consistently, made judgements and estimates that are reasonable and prudent in the circumstances and followed International Financial Reporting Standards and complied with the requirements of the Ghana Export-Import Bank Act, 2016 (Act 911).

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards and in the manner required by the Ghana Export-Import Bank Act, 2016 (Act 911). The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Bank and of its operating results. The directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

The Directors consider the state of affairs of the Bank to be satisfactory and have made an assessment of the Bank's ability to continue as a going concern and have no reason to believe the Bank will not be a going concern in the year ahead.

The external auditors are responsible for independently auditing and reporting on the Bank's annual financial statements. The annual financial statements have been examined by the Bank's external auditors and their report is presented on pages 12 to 16.

The annual financial statements set out on pages 17 to 63, which have been prepared on the going concern basis, were approved by the Board of Directors on 13/10/21 and were signed on their behalf by:

Approval of financial statements

....	....
Director	**Director**
13/10/ 2021	

REPORT OF THE DIRECTORS TO THE MEMBERS OF GHANA EXPORT-IMPORT BANK

The directors have pleasure in presenting the audited financial statements of the Bank for the year ended 31st December 2020.

Principal Activities

The principal activities carried out by the Bank during the year under review are within the limits permitted by its regulations which continued to be the support and development, directly or indirectly of trade between Ghana and other countries and build Ghana's capacity and competitiveness in the international market place.

Operational Results - 2020

The results of operations for the year ended 31st December 2020 are set out in the statement of comprehensive income, statement of financial position and the notes to the financial statements from pages 22 to 62.

The results for the year are summarized as follows:

	2020 GHS	2019 GHS
(Loss)/Profit for the period before taxation amounted to	(9,377,791)	52,443,894
to which is deducted taxation of	-	-
giving a (Loss)/Profit after taxation of	(9,377,791)	52,443,894
which is added to the balance brought forward on Retained Earnings of	607,041,696	582,050,529
giving a total of	597,663,905	634,494,423
from which is transferred from/(to) Credit Risk Reserve	(33,451,072)	(1,230,780)
from which is transferred to Statutory Reserve	-	(26,221,947)
leaving a balance to be carried forward on the Retained Earnings of	564,212,833	607,041,696

In accordance with Section 28(2) of the Ghana Export Import Bank Act, 2016 (Act 911), there was no transfer to the Statutory Reserve Fund, since the Bank made a net loss for the year leaving the cumulative balance on the statutory reserve fund at GHS 29,325,481 (2019: GHS 29,325,481).

The total assets of the Bank increased to GH¢1,922,587,057 in 2020 from GH¢ 1,250,871,103 in 2019, an increase of about 53.70% as at December 31, 2020.

Dividends

The Directors do not recommend the payment of dividends.

State of Affairs

The Directors consider the state of the Bank's affairs to be satisfactory.

In accordance with Section 32 (2) of the Ghana Export-Import Bank Act, 2016 (Act 911), the Auditor- General of the Republic of Ghana under Article 187(2) of the 1992 Constitution appointed Baker Tilly Andah + Andah as the external auditors for the 2020 financial year. They have indicated their willingness to continue in office as auditors of the Bank subject to the Auditor-General's re-appointment.

....	....
Lawrence Agyinsam	**Kwadwo Boateng Genfi**
Chief Executive Officer	**Board Chairman**

13/10/ 2021

GHANA EXPORT-IMPORT BANK
CORPORATE GOVERNANCE REPORT

Corporate governance is the exercise of ethical and effective leadership by the governing body towards the achievement of four governance outcomes; ethical culture, good performance, effective control and legitimacy. Corporate governance seeks the achievement of the long-term goals of the organisation while maintaining the right balance with stakeholders' interests. The stakeholders comprise both internal and external parties.

Ghana Export-Import Bank is conscious of its role as a policy bank, hence, there is a robust system of corporate governance in place.

The Board and Board Committees

The Board of Directors is made up of a Non-Executive Chairman, seven (7) other Non-Executive Directors and one (1) Executive Director/Chief Executive Officer (CEO).

The Board comprises of persons of mixed skills with experience in different fields of human endeavour. The Directors are conscious of their statutory responsibilities as well as their responsibilities to shareholders and other stakeholders. The Board is responsible for the strategic direction of the Bank.

The Chief Executive Officer is responsible for the day-to-day running of the Bank assisted by the Deputy CEO-Banking and Deputy CEO-Finance and Administration. The roles of Chairman and Chief Executive Officer are separate with a clear division of responsibilities between them.

Functions of the Board

In accordance with the enactment Act, Ghana Export-Import Bank Act, 2016 (Act 911), the Board shall:

- formulate policies necessary for the achievement of the object of the Bank;
- ensure the proper and effective performance of the functions of the Bank;
- be responsible for the supervision of the management and affairs of the Bank and for the performance of any other functions conferred on the Board by any other provision of the Act;
- support the national policy and programmes related to the Bank to achieve the object of the Bank;
- ensure accountability of the Bank by defining appropriate procedures for its management; and
- perform any other function that is incidental to the achievement of the object of the Bank.

The Board meets at least once every quarter, but may hold extraordinary meetings as the business of the Bank demands.

Committees

The Board is empowered by the Ghana Export-Import Bank Act, 2016 (Act 911) to establish committees consisting of members of the Board or non-members or both to perform a function. The Board delegates certain functions to well-structured committees but without abdicating its own responsibilities. These Committees have been set up in accordance with statutory requirements and the Board Charter. Each Committee has well-defined terms of reference to guide their functions. The Committees consider only matters that fall within their purview to avoid decision overlaps. The Committees of the Board meet each quarter but may hold extraordinary meetings to address urgent issues that may arise.

The following are the Committees of the Board:

Board Credit, Risk and Investment Committee

The Committee comprises a Chairperson who is a Non-Executive Director, five (5) other Non-Executive Directors and one (1) Executive Director/CEO as members. The Committee assists the Board in its responsibilities related to the oversight of the Bank's credit and risk management policies, procedures, exposures and investment activities; and to consider issues that arise from them.

The composition of the Committee is as follow:

Name of Director		Position
Nana Appiagyei Dankawoso I	-	Chairman
Rev. Peter Kwame Abebrese	-	Member
Madam Catherine Quaidoo	-	Member
Mr. Ernest Akore	-	Member
Mrs. Elsie Addo Awadzi	-	Member
Mr. Lawrence Agyinsam	-	Member
Mrs. Emma Mullen-Essien	-	Secretary

Board Audit Committee

The Audit Committee is made up of two (2) Non-Executive Directors together with one (1) representative from the Institute of Chartered Accountants, Ghana (ICAG) and two (2) from the Internal Audit Agency (IIA). This is in accordance with Section 86 of the Public Financial Management Act, 2016 (Act 921), which requires that all government institutions establish Audit Committees in line with the Act. The Committee is mandated to ensure proper and effective financial management practices by providing oversight supervision of the financial reporting process, the audit process, the system of internal control and compliance with laws and regulations.

Members of the Committee are:

Name of Director		Position
Mr. Felix Haizel	-	Chairman
Mr. Ransford Agyei	-	Member
Ms. Jessie Addico	-	Member
Mr. Ernest Akore	-	Member
Dr. Afua Asabea Asare	-	Member
Mrs. Emma Mullen-Essien	-	Secretary

Board HR, IT and Administration Committee

The Committee is made up of a Non-Executive Chairman, five (5) other Non-Executive Directors and one (1) Executive Director/CEO. The Committee assists the Board by creating a strategic approach to manage the human resources and general administration of the Bank. The Committee also manages the Information Technology (IT) risks to the Bank's business objectives.

Members of the Committee are as follow:

Name of Director		Position
Madam Catherine Quaidoo	-	Chairman
Hon. Robert Ahomka -Lindsay	-	Member
Nana Appiagyei Dankawoso I	-	Member
Rev. Peter Kwame Abebrese	-	Member
Mrs. Elsie Addo Awadzi	-	Member
Mr. Lawrence Agyinsam	-	Member
Mrs. Emma Mullen-Essien	-	Secretary

Board Strategy & Governance Committee

The Committee is made up of a Non-Executive Chairman, five (5) other Non-Executive Directors and one (1) Executive Director/CEO. The Committee is responsible for ensuring the review of effectiveness of the Board and Board Committees; and reviewing the appointments and compensation of the executive and senior management and making recommendations to the Board for its consideration and approval.

Members of the Committee are as follow:

Name of Director		Position
Hon. Robert Ahomka -Lindsay	-	Chairman
Nana Appiagyei Dankawoso I	-	Member
Mr. Ernest Akore	-	Member
Mrs. Elsie Addo Awadzi	-	Member
Dr. Afua Asabea Asare	-	Member
Mr. Lawrence Agyinsam	-	Member
Mrs. Emma Mullen-Essien	-	Secretary

Board Finance & Procurement Committee

The Committee is made up of a Non-Executive Chairman, five (5) other Non-Executive Directors and one (1) Executive Director/CEO. The Committee assists the Board in its responsibilities related to the oversight of the Bank's Finance and Procurement policies, procedures, and activities to ensure proper financial management.

Members of the Committee are as follow:

Name of Director		Position
Rev. Peter Kwame Abebrese	-	Chairman
Hon. Robert Ahomka-Lindsey	-	Member
Madam Catherine Quaidoo	-	Member
Mr. Ernest Akore	-	Member
Dr. Afua Asabea Asare	-	Member
Mr. Lawrence Agyinsam	-	Member
Mrs. Emma Mullen-Essien	-	Secretary

Schedule of attendance at Board Committee Meetings

Below is the schedule of attendance at Board Committee meetings during the year.

Directors	BC	CRIC	HIAC	SGC	FPC	AC
Mr. Kwadwo Boateng Genfi	11	4	2	2	4	N/A
Hon. Robert Ahomka-Lindsey	10	N/A	2	2	5	N/A
Nana Appiagyei Dankawoso I	9	6	1	2	N/A	N/A
Rev. Peter Kwame Abebrese	11	6	2	N/A	6	N/A
Madam Catherine Quaidoo	11	6	2	N/A	6	N/A
Mr. Ernest Akore	11	4	N/A	1	3	7
Mrs. Elsie Addo Awadzi	8	1	2	0	N/A	N/A
Dr. Afua Asabea Asare	10	N/A	N/A	2	4	1
Mr. Lawrence Agyinsam	11	6	2	2	6	N/A

Board Committee (BC), Credit, Risk and Investment Committee (CRIC), HR, IT and Administration Committee (HIAC), Strategy & Governance Committee (SGC), Finance & Procurement Committee (FPC), Audit Committee (AC).
N/A as used above implies 'Not applicable' that is, the Director in question was not a member of the stated committee and hence could not have been expected to attend the Committee meeting.

Other Committees

The Bank has in place, other standing management committees in addition to the afore-mentioned Committees. These include:

Executive Management Committee

The Bank has in place an Executive Management Committee which has oversight over management functions. It is chaired by the Chief Executive Officer. It also provides direction for the staff of the Bank and ensures effective and efficient use of the Bank's resources.

Asset and Liability Committee (ALCO)

The purposes of ALCO are formation of an optimal structure of the Bank's balance sheet to provide the maximum profitability, limiting the possible risk level; control over the capital adequacy and risk diversification; execution of the interest policy; determination of the Bank's liquidity management policy; control over the state of the liquidity ratio and resources of the Bank.

Management Credit Committee (MCC)

The Management Credit Committee (MCC) reviews and recommends to the Board Committee on Credit for approval, credit policy direction including articulation of risk and return preferences at corporate level and for individual asset creating business units in the Bank. The Committee on an ongoing basis ensures compliance of the credit environment in the Bank with approved policies and framework. This Committee is chaired by the Chief Executive Officer. It meets at least once a month to deliberate on issues affecting the Bank. Membership includes Deputy Chief Executive Officer – Banking and Heads of Business Development & Projects, Finance & Accounts, Legal, Corporate Banking, SME Banking, Business Banking, Guarantee & Insurance.

Portfolio Quality Review Committee (PQRC)

The Committee monitors credit facilities from inception and as part of the monitoring process, the PQRC reviews all lending accounts with special emphasis on loan repayment and financial performance of cases that have shown early signs of default. This Committee is chaired by the Deputy Chief Executive Officer – Banking. The committee is made up of Deputy Chief Executive Officer – Banking, Heads of Business Development & Projects, Corporate Banking, SME Banking, Risk Management, Business Banking, Guarantees, Credit Risk Department, Monitoring and Recovery.

Procurement Committees

The Bank has Entity Tender Committee (ETC), Tender Evaluation Panels and Tender Review Board in line with the Public Procurement Act, 2003 (Act 663) that ensures procurement procedures for goods, services and works have been adhered to as prescribed by the Public Procurement Act, 2003 (Act 663).

Systems of Internal Control

The Bank has well-established internal control systems for identifying, managing and monitoring risks. These are designed to provide reasonable assurance of the effectiveness of operations, reliability of financial reporting and compliance with applicable laws and regulations.

The Internal Control and the Internal Audit functions of the Bank play a key role in providing an objective view and continuing assessment of the effectiveness and efficiency of the internal control systems in the business. The systems of internal controls are implemented and monitored by appropriately trained personnel and their duties and reporting lines are clearly defined.

Code of Ethics

The Board is guided to maintain a strong ethical culture communicated in the Board Charter and the Oath of Confidentiality every member took on induction to the Board. Also, Management has communicated the principles in the Staff Manual to its employees in the discharge of their duties. This manual sets the professionalism and integrity required for business operations which covers compliance with the law, confidentiality, conflict of interest, bribery and strict adherence to these principles so as to eliminate the potential for illegal practice.

Conflict of Interest

Directors have a statutory duty in terms of the Ghana Export-Import Bank Act, 2016 (Act 911) not to place themselves in a position which gives rise to a real or substantial possibility of conflict of interest or duty in relation to any matter which is, or is likely to be brought, before the Board.

Shares of the Bank held by Directors and other related parties

No Director or related party held shares as at 31st December 2020.

Independent External Evaluation of the Board

In accordance with Corporate Governance best practices, the Bank conducted an independent external evaluation of the Board. The aim of the evaluation is to assist the Board in improving its effectiveness. The Board engaged a competent professional firm for the exercise to appraise the Board and its members for the period. The scope of the engagement included roles and responsibilities, competencies, structure and composition, processes and relationships, and other key governance issues.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF GHANA EXPORT-IMPORT BANK

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ghana Export-Import Bank, which comprise the statement of financial position as at December 31, 2020 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 22 to 63.

In our opinion, the financial statements of Ghana Export-Import Bank present fairly, in all material respects, the financial position of the Bank as at December 31, 2020 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Ghana Export-Import Bank Act, 2016 (Act 911).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the Code) issued by the International Ethics Standards Board for Accountants (IESBA) and we have fulfilled our other ethical responsibilities in accordance with the Code. 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters.

Impairment of Financial Assets
Impairment of financial assets is a key audit matter due to the significance, complexity and subjectivity of estimating timing and the amount of impairment. The Bank's financial assets and respective impairment, where applicable, as at 31st December 2020, were as follows:

	2020 Gross Amount (GHS)	2020 Impairment GHS	2019 Gross Amount (GHS)	2019 Impairment GHS
Cash & Cash Equivalents	42,359,933	-	25,132,621	-
Restricted Cash	154,822,734	-	-	-
Loans & Advances	1,390,792,480	147,346,487	923,770,530	128,655,684
Investment in Securities	129,296,645	258,593	119,183,247	260,611
Other Assets	46,430,281	-	12,227,240	-
	1,763,702,073	147,605,080	1,080,313,638	128,916,295

The impairment of financial assets was determined on a three-stage expected credit loss impairment model as required by IFRS 9. IFRS 9 requires the application of considerable judgement and interpretation in its implementation. These judgements define the development and implementation of the new models used to measure the expected credit losses on relevant financial assets measured at amortised cost.

Forward-looking information, which shows management's assessment of probable future economic environment, are required to be factored in the determination of Expected credit losses (ECLs). This can be a complicated process and requires significant judgement in establishing appropriate methodologies to arrive at reasonable outcome.

IFRS 9 models come along with increases in data inputs and this increases the risk of obtaining comprehensive data that gives the correct description of appropriate and real-world variable in its right context and attributes. In instances where data is not available, alternatives were applied to make calculations possible.

We have focused on the following significant judgements and estimates which could give rise to material misstatement or management bias:

- Significant increase in credit risk – with particular emphasis on the qualitative and quantitative criteria used by the Bank in such determination
- Definition of default and credit impaired assets with particular emphasis on the qualitative and quantitative criteria used by the Bank
- Probability of Default - PD - (estimate of the likelihood that borrowers will be unable to meet their debt obligations over a particular time horizon)
- Exposure At Default - EAD - (amount expected to be owed the Bank at the time of default)
- Loss Given Default - LGD - (percentage exposure at risk that is not expected to be recovered in an event of default)
- Credit Conversion Factor - CCF (chance of off balance sheet credit risk exposures becoming on balance sheet items)
- Forward looking economic information and scenarios used in the models
- Completeness, accuracy and integrity of data used in the model and the Expected Credit Loss (ECL) calculations.

How the matter was addressed in our audit:

We obtained an understanding and evaluated controls supporting management's estimates, judgements and assumptions and tested selected key controls focusing on the completeness and accuracy of data used as input to the models including the transfer of data between source systems and the impairment models;

We examined a sample of loans and advances which had not been identified by management as impaired or for which there was no significant increase in credit risk at the reporting date and formed our own judgement.

We tested data used in the ECL calculation by reconciling to source systems to check data quality.

We assessed the reasonableness of forward-looking information incorporated into the impairment calculations.

We also performed procedures including the following:

- We evaluated the design and tested the operating effectiveness of key controls over:
  - The internal credit management process to assess the loan quality classification used to identify impaired loans;
  - Implementation of the definition of default and significant increase in credit risk applied in calculating the modelled loan impairments; and
  - The valuation of future cash flows, existence and valuation of collateral, based on the appropriate use of key parameters for the impairment allowance.
- We evaluated the reasonableness of the model methodology and performed recalculation of the expected credit losses for a sample of loans.
- We tested input data in respect of the critical data elements, challenged management assumptions and obtained reasonable explanations and evidence supporting the key model parameters (including the significant increase in credit risk, PD, LGD and EAD).
- We assessed the reasonableness of forward-looking information incorporated into the impairment calculations by challenging the multiple economic scenarios chosen and the weighting applied.
- We tested completeness and accuracy of the transfer of data from underlying source systems to the expected loss calculations.
- We selected appropriate samples of individually credit-impaired loans and considered whether the key judgements and significant estimates applied in the impairment were reasonable. We:

  - assessed the external collateral valuations and the realisation periods for the collaterals used as a basis of forecasted cash flows; and
  - recalculated the expected credit losses on the individually credit-impaired loans.
  - assessed the adequacy of the disclosures, including disclosures on estimation uncertainty and judgements, to assess compliance with the disclosure requirements included in IFRS 7- *Financial Instrument: Disclosures.*

Other Information

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

Responsibilities of Directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRSs), and for such internal controls as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the planning and performance of the audit. We also:

- Identify and assess the risks of material misstatement of the 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 control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 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 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 Bank to cease to continue as a going concern.
- Evaluate the overall presentation structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are required to communicate with the board 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.

Report on other Legal and Regulatory Requirements

The Audit Service Act, 2000 (Act 584) requires that in carrying out our audit work we consider and report on the following matters.

We confirm that:

- we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of the audit;
- in our opinion proper books of account have been kept by the Bank, so far as appears from the examination of those books;
- the Bank's financial statements are in agreement with the books of account.

With respect to the provisions of the Foreign Exchange Act, 2006 (Act723), we did not identify any instances of non-compliance based on procedures we performed.

The engagement partner on the audit resulting in this independent auditor's report is **Samuel Abiaw (ICAG/P/1454).**

Baker Tilly Andah + Andah .... 14th October, 2021

Baker Tilly Andah + Andah (ICAG/F/2021/122)
Chartered Accountants
C 726/3, Nyanyo Lane, Asylum Down
Accra

GHANA EXPORT-IMPORT BANK
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER 2020

	Note	2020 GHS	2019 GHS
Interest Income	7	177,477,901	167,198,087
Funding Cost	8	(83,390,235)	(1,313,200)
NET INTEREST INCOME		94,087,666	165,884,887
Fees and Commission	9	10,321,738	6,190,844
Net Trading Income	10	5,572,129	544,488
Other Operating Income	11	182,007	19,400
TOTAL OPERATING INCOME		110,163,540	172,639,619
Personnel Expenses	12	(57,311,278)	(51,404,417)
Depreciation and Amortization	13	(12,688,559)	10,793,486)
Other Expenses	14	(32,133,263)	(33,451,428)
		8,030,440	76,990,288
Impairment Charge on Financial Assets	15	(17,408,231)	(24,546,394)
(LOSS)/PROFIT BEFORE TAXATION		(9,377,791)	52,443,894
Income Tax Expense		-	-
(Loss)/Profit after tax		(9,377,791)	52,443,894
Other Comprehensive Income		-	-
Total Comprehensive Income		(9,377,791)	52,443,894

GHANA EXPORT-IMPORT BANK
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2020

	Note	2020 GHS	2019 GHS
ASSETS			
Cash and Cash Equivalents	16	42,359,933	25,132,621
Restricted Cash	17	154,822,734	-
Investment Securities (Money Market)	18	129,038,052	118,922,636
Loans and Advances to Customers (Net)	19	1,243,445,993	795,114,846
Investments (Other than Money Market)	20	10,000,000	10,000,000
Other Assets	21	46,430,281	12,227,240
Property, Plant and Equipment	22	292,957,180	284,756,462
Intangible Assets-Computer Software	23	3,532,884	4,717,298
TOTAL ASSETS		1,922,587,057	1,250,871,103
LIABILITIES			
Held for Government	24	600,059,580	531,296,543
Borrowings	25	599,192,958	-
Accounts Payable and Other Liabilities	26	36,293,397	23,155,646
TOTAL LIABILITIES		1,235,545,935	554,452,189
EQUITY			
Stated Capital	27	50,000,000	50,000,000
Retained Earnings		564,212,833	607,041,696
Regulatory Credit Risk Reserve	28	43,502,808	10,051,737
Statutory Reserve	29	29,325,481	29,325,481
TOTAL SHAREHOLDER'S FUNDS		687,041,122	696,418,914
TOTAL LIABILITIES AND EQUITY		1,922,587,057	1,250,871,103

Lawrence Agyinsam
Chief Executive Officer

13/01/2021

Kwadwo Boateng Genfi
Board Chairman

GHANA EXPORT-IMPORT BANK
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER 2020

	Stated Capital GHS	Retained Earnings GHS	Credit Risk Reserve GHS	Statutory Reserve GHS	Total GHS
Balance as at 1st January 2020	50,000,000	607,041,696	10,051,737	29,325,481	696,418,914
Loss for the year	-	(9,377,791)	-	-	(9,377,791)
Transfer from credit reserve	-	(33,451,072)	33,451,072	-	-
Transfer to Statutory Reserve	-	-	-	-	-
At 31st December 2020	50,000,000	564,212,833	43,502,809	29,325,481	687,041,123

	Stated Capital GHS	Retained Earnings GHS	Credit Risk Reserve GHS	Statutory Reserve GHS	Total GHS
Balance as at 1st January 2019	50,000,000	582,050,529	8,820,957	3,103,534	643,975,020
Profit for the year	-	52,443,894	-	-	52,443,894
Transfer to credit reserve	-	(1,230,780)	1,230,780	-	-
Transfer to Statutory Reserve	-	(26,221,947)	-	26,221,947	-
At 31st December 2019	50,000,000	607,041,696	10,051,737	29,325,481	696,418,914

GHANA EXPORT-IMPORT BANK
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2020

	Note	2020 GHS	2019 GHS
Cash Flows from Operating Activities			
(Loss)/Profit before Taxation		(9,377,791)	52,443,894
Adjustments For:			
Depreciation and Amortizations	14	12,688,559	10,793,486
Exchange Gain on Cash and Cash Equivalents		-	(544,488)
Gain on Disposal of Property and Equipment		(182,007)	(19,400)
Impairment on Financial Assets		18,690,802	24,546,394
Write-offs		-	465,391
Exchange loss on borrowing		68,988,413	-
Profit Before Working Capital Changes		90,807,976	87,685,277
Changes in Loans and Advances to Customers	19	(467,021,950)	(266,938,517)
Changes in Other Assets	21	(34,203,041)	60,986,274
Changes in Held for Government	24	68,763,037	95,362,509
Changes In Other Liabilities And Provisions	26	13,137,751	(5,911,297)
Changes in Money Market Instruments		(10,115,416)	34,235,969
Changes in Restricted Cash	17	(154,822,734)	-
Net Cash (Used In)/Generated from Operating Activities		(493,454,377)	5,420,215
Cash Flows from Investing Activities			
Purchase of Property and Equipment		(18,530,628)	(8,418,324)
Purchase of Intangible Assets		(1,174,235)	(7,075,948)
Proceeds from the Sale of Property and Equipment		182,007	19,400
Net Cash Used In Investing Activities		(19,522,856)	(15,474,872)
Cash Flows from Financing Activities			
Proceeds from Borrowing		553,489,741	-
Loan repayment		(23,285,196)	-
Net Cash Generated from Financing Activities		530,204,545	-
Net Increase /(Decrease) In Cash and Cash Equivalents		17,227,312	(10,054,657)
Cash and Cash Equivalents At 1st January	16	25,132,621	35,187,278
		42,459,933	25,132,621

GHANA EXPORT-IMPORT BANK
ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS

	01/01/2020 GHS	Change During the Period GHS	31/12/2020 GHS
Cash	22,357	122,354	144,711
Bank Balances	25,110,264	17,104,958	42,215,222
Cash and Cash Equivalents at 31st December	25,132,621	17,227,312	42,359,933

1. REPORTING ENTITY

Ghana Export-Import Bank is a financial institution incorporated in Ghana. The registered office of Ghana Export-Import Bank is located at Africa Trade House, Ambassadorial Enclave, Liberia Road, Accra, Ghana. Ghana Export-Import Bank operates under The Ghana Export -Import Bank Act, 2016 (Act 911).

2. BASIS OF PREPARATION

a. Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board (IASB).

b. Basis of Measurement

The financial statements are presented in Ghana Cedis which is Ghana Export-Import Bank's functional currency, rounded to the nearest cedi. They are prepared on the historical cost basis except for financial assets and liabilities that are measured at fair value through profit or loss which are stated at their fair values

c. Use of Estimates and Judgement

The preparation of financial statements in conformity with International Financial Reporting Standards (IFRS) as issued by International Accounting Standards Board (IASB) requires management to make judgement, 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 various 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 the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates 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.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the notes to the financial statements.

(i) Impairment losses on loans and advances

The Bank reviews its loan portfolios to assess impairment regularly. In determining whether an impairment loss should be recorded in the income statement, the Bank makes judgements as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cashflows from a portfolio of loans, before a decrease can be identified with an individual loan in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in the Bank, or national or local economic conditions that correlate with defaults on assets in the Bank.

Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows (ii.) *Determining Fair Values*

A number of the Bank's accounting policies and disclosures require the measurement of fair value, for both financial and non-financial assets and liabilities. The Bank regularly reviews significant unobservable inputs and valuation judgements. When measuring the fair value of an asset or a liability, the Bank uses market observable data as far as possible.

(iii) *Useful life of Property Plant and Equipment*

The Bank's management determines and reviews the estimated useful lives of property, plant and equipment and related depreciation charges. The rates applied are set out in note 3 Changes in the estimate in the future years might affect the carrying amounts of associated property, plant and equipment with corresponding effect on the depreciation, impairment.

(iv) *Contingencies*

The assessment of contingencies inherently involves the exercise of significant judgement as the outcome of the future events cannot be predicted with certainty. The Bank, based on the availability of latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence/non-occurrence of the uncertain future event(s).

d. Segment Reporting

The Bank has elected not to provide segmental information in the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently for the period presented in these financial statements by the Bank

a. Revenue Recognition

For the purposes of revenue recognition, the Bank fully takes into account the provisions of IFRS 15 which establishes a comprehensive framework for determining whether the criteria for revenue recognition has been met, how much and when revenue is to be recognised. Revenue is recognised to depict the transfer of promised services to customers in an amount that reflects the consideration to which the Bank expects to be entitled in exchange for the services.

This core principle is achieved through a five-step methodology as required to be applied to all contracts with customers.

(i) The Bank determines whether a contract exist between the Bank and a customer
(ii) Performance Obligations of the contract are identified
(iii) The transaction price is determined (the amount the Bank expects to be owed for the service it has delivered.
(iv) The transaction price is allocated to each of the performance obligations identified in the contract
(v) The Bank recognises for performance obligations that are satisfied.

b. Interest Income and Expense

Interest income and expenses for all interest-bearing financial instruments except for those that held for trading or designated as fair value through profit and loss are recognised within interest income and interest expense in the income statement using the effective interest method. The effective interest rate is the rate that discounts estimated future receipts or payments through the expected life of the financial instruments or, when appropriate, a shorter year, to the net 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. Transactions costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability.

Interest income includes interest on loans and advances and placements with other banks, and is recognised in the period in which it is earned.

c. Fees and Commission

Fees and commission income and expenses that are an integral part of the effective interest rate on financial instruments are included in the measurement of the effective interest rate. Other fees and commission income are recognised as the related services are performed. Loan commitment fees that are not likely to be drawn are deferred and recognised as an adjustment to the effective interest rate on the loan.

Other fees and commission expense related mainly to the transaction and service fees, are expensed as the service are received.

d. Foreign Currency Transactions

The Bank's foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognized in the income statement. Non-monetary assets and liabilities are translated at historical exchange rates if held at historical cost, exchange rate at the date fair value was determined if held at fair value, and the resulting foreign exchange gains and losses are recognized in the income statement or shareholder's equity as appropriate.

e. Employee Benefits

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Bank pays fixed contributions into a separate fund and has no legal or contractual obligation to pay further contributions if the fund does not hold sufficient asset to pay all employee benefits relating to employee service in the current and prior periods.

The Bank contributes to the contributory three-tier pension scheme consisting of a mandatory basic national social security scheme, a mandatory fully funded and privately managed occupational pension scheme and a voluntary fully funded and privately managed provident fund and personal pension scheme in accordance with the National Pensions Act,2008 (Act 766). The obligations under the tier-one and tier-two schemes are limited to specific contributions legislated from time to time and are currently an amount equal to 13.5% and 5% of an employee's basic salary per month respectively. The contributions to the above schemes are 13% by the employer (i.e. the Bank's obligation) and 5.5% by the employee. The schemes are funded by contributions from both the employees and employer. Benefits are paid to retiring staff in accordance with the scheme rules.

The Bank also has a Provident Fund Scheme for all employees who have completed their probation period with the Bank. Employees contribute 5% of their basic salary to the Fund whilst the Bank contributes 10%. Obligations under the plan are limited to the relevant contributions, which are settled on due dates to the fund manager.

Obligations for contributions to defined contribution plans are recognised as an expense in the statement of comprehensive income when they are due.

Short-Term Benefits
Short-term employee benefits are amount payable to employees that fall due wholly within twelve months after the end of the period in which the employee renders the related service.

The cost of short term employee benefits are recognised as an expense in the period when the economic benefit is given, as an employment cost. Unpaid short-term employee benefits as at the end of the accounting period are recognised as an accrued expense and any short-term benefit paid in advance are recognised as prepayments.

Wages and salaries payable to employees are recognised as an expense in the statement of comprehensive income at gross. The Bank's contribution to social security fund is also charged as an expense.

Termination Benefits
Termination benefits are recognised as an expense when the Bank 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 Bank has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptance can be estimated reliably.

Provision for employee entitlements
Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave accrued at the balance sheet date.

f. Property, Plant and Equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost or as revalued amounts from time to time less accumulated depreciation and impairment losses.

Cost includes expenditure that are directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment. When part of an item of property, plant and equipment has different useful lives, they are accounted for as separate items (major components).

(ii) Subsequent Costs

The cost of replacing part of an item of property, plant and 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 Bank and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in the income statement as incurred. Increases in the carrying amount arising on revaluation are credited to a revaluation surplus. Decreases that offset previous increases of the same asset are charged against the revaluation surplus. All other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of an asset (the depreciation charged to the income statement) and depreciation based on the asset's original cost is transferred from the revaluation surplus to revenue reserves. The Bank's policy is to professionally revalue property at least once every five years.

(iii) Depreciation

Depreciation is recognised in the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Freehold land is not depreciated as it is deemed to have an indefinite life. Depreciation is computed using the following annual rates:

Buildings on long leasehold land	2%
Buildings on short term leasehold land	over unexpired period of the lease
Computers	33.33%
Motor Vehicles	25%
Equipment, Furniture and Fixtures	25%

Depreciation methods, useful lives and carrying amounts are reassessed at each reporting date. The carrying amounts of property, plant and equipment are assessed whether they are recoverable in the form of future economic benefits.

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds from disposal with the carrying amount of property, plant and equipment and are recognized in the income statement as other income.

g. Impairment of Non-financial Assets.

The carrying amount of the Bank's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessment of the time value of money and risks specific to the asset. Impairment losses are recognised in the income statement.

Impairment losses recognised in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

h. Intangible Assets

Intangible Assets acquired by the Bank is measured at cost less accumulated amortization and accumulated impairment losses.

Computer software

Generally, costs associated with developing computer software programmes are recognised as an expense when incurred. However, costs that are clearly associated with an identifiable and unique product which will be controlled by the Bank and has a probable benefit exceeding the cost beyond one year, are recognised as an intangible asset. Expenditure which enhances and extends computer software programmes beyond their original specifications and lives is recognised as a capital improvement and added to the original costs of the software.

Subsequent expenditure on intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred. Amortisation is calculated on a straight-line basis over the estimated useful lives not exceeding a period of 3 years. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

i. Assets held for sale

Assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Assets classified as held for sale are measured at the lower of the assets previous carrying amount and fair value less costs to sell.

j. Unquoted investments

Unquoted investments are stated at cost less impairment loss where applicable.

k. Ordinary share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

l. Financial Assets and Liabilities

(i) Initial measurement of financial instruments

Financial asset or liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

(ii) Classification and Measurement categories of financial assets and liabilities

From 1 January 2018, the Bank has classified all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised cost.
- Fair value through other comprehensive income (FVOCI).
- Fair Value through Profit or Loss (FVPL)

The Bank may designate financial instruments at FVPL, if so doing eliminates or significantly reduces measurement or recognition inconsistencies. Before January 1, 2018, the Bank classified its financial assets as loans and receivables (amortised cost), FVPL, available-for-sale or held-to-maturity (amortised cost). Financial liabilities, other than loan commitments and financial guarantees, are measured at amortised cost or at FVPL when they are held for trading and derivative instruments or the fair value designation is applied.
The Bank only measures due from banks and other financial institutions, loans and advances to customers and other financial investments at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. The details of these conditions are outlined below:

Business model assessment
The Bank determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Bank's business model is not assessed on an instrument-by-instrument

basis, but at a higher level of aggregated portfolios and is based on observable factors such as: How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel, the risks that affect the performance of the business model (and the financial assets held within that business model) and; in particular, the way those risks are managed How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual ash flows collected), the expected frequency, value and timing of sales are also important aspects of the Bank's assessment.

The Solely Payments of Principal and Interest (SPPI) test
As a second step of its classification process the Bank assesses the contractual terms of financial instrument to identify whether they meet the SPPI test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset
The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk.

(iii) Financial assets or financial liabilities held for trading
The Bank classifies financial assets or financial liabilities as held for trading when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking. Held-for trading assets and liabilities are recorded and measured in the statement of financial position at fair value. Changes in fair value are recognised in net trading income.

(iv) Debt issued and other borrowed funds
After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR.

(v) Financial assets and financial liabilities at fair value through profit or loss
Financial assets and financial liabilities in this category are those that are not held for trading and either designated by management upon initial recognition or are mandatorily required to be measured at fair value under IFRS 9.

(vi) Derecognition of financial assets and liabilities
Derecognition due to substantial modification of terms and conditions
The Bank derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes.
When assessing whether or not to derecognise a loan to a customer, amongst others, the Bank considers the following factors: Change in currency of the loan, Introduction of an equity feature, Change in counterparty, If the modification is such that the instrument would no longer meet the SPPI criterion If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition.

Based on the change in cash flows discounted at the original EIR, the Bank records a modification gain or loss, to the extent that an impairment loss has not already been recorded.
Financial assets
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Bank also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

Financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

m. Impairment of financial assets

Impairment of financial assets is based on a forward-looking Expected Credit Loss (ECL) model as required by IFRS 9. The ECL allowance is based on the credit losses expected to arise over the life of the asset, the lifetime expected credit loss (LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL).

The Bank's policies for determining if there has been a significant increase in credit risk are set out in the financial statement. The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECLs and 12mECLs are calculated on either on individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

For the purposes of impairment, the Bank groups its loans into Stage 1, Stage 2 and Stage 3 as described below:

• **Stage 1:** When loans are first recognised, the Bank recognises an allowance based on 12mECLs. Stage 1 is the default stage, when no Significant Increase in Credit Risk (SICR) since initial recognition. The Bank assigns Stage 1 when accounts that are identified as Low Credit Risk (LCR) or accounts, for which none of the Stage 2 or Stage 3 triggers are active and that are not currently subject to probation periods for backward transition.

The LCR threshold is an expedient, which can be used for accounts that are associated with a very low risk of default. It is noteworthy that the expedient is regarding the default risk only, disregarding the actual magnitude of loss, so that aspects such as collateralization are not relevant in setting the LCR threshold.

LCR entities can be placed in Stage 1 without ongoing staging assessment. However, in the rare case that the entity's rating falls below the threshold, it should be removed from LCR list and be subject to a regular staging assessment.
Any in instrument deemed to have LCR is automatically placed in Stage 1 and 12-Month ECL is computed for such an instrument. As long as an instrument is classified as LCR, SICR assessment need not be done on every reporting date. The LCR expedient is used for investments in Government of Ghana backed instruments with a very LCR. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

• **Stage 2:** Staged 2 are loans with significant increase of Credit Risk (SICR) since origination – Impairments equal to lifetime expected loss Stage 2 mostly consists of facilities that have undergone SICR since initial recognition. For all Stage 2 exposures, Lifetime Expected Credit Loss is recognized, which might have a significant impact on the overall ECL of the performing facilities.

A facility is assigned to Stage 2 based on qualitative, quantitative and backstop criteria. Loans are assigned to Stage 2 based on the following criteria:
- If the account is over 30 Days Past Due (DPD) on the reporting date
- Account has been placed on a watch list based on the Bank's credit review procedures

- If the credit quality of an exposure since origination has deteriorated beyond a certain threshold resulting to rating downgrade
- The account has been restructured/rescheduled at least once in 12 months (reporting date-restructured date)
- If the account went over 60 DPD at least 2 times in past 12 months.

Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.

Stage 3: Stage 3 Loans are loans considered credit-impaired. This include:

- Such loans that have already been identified to be over 90 DPD.
- Cross default- i.e. if one account of a customer is in Stage 3, all other accounts of the customer is placed into Stage 3 (except cases where payments are ring fenced).

The Bank records an allowance for the LTECLs for all stage 3 loans. The Bank only classifies a loan as a Stage 3 asset only when the facility has been fully disbursed by the Bank.

- **Financial guarantee contracts:** The Bank's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the statement of comprehensive income, and the ECL provision. For this purpose, the Bank estimates ECLs based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs. The shortfalls are discounted by the risk-adjusted interest rate relevant to the exposure. The ECLs related to financial guarantee contracts are recognised within provisions.

The calculation of ECLs

The Bank calculates ECLs based on a probability weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.
The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- PD: The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

- EAD: The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

- LGD: The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral. It is usually expressed as a percentage of the EAD.

Collateral valuation

To mitigate its credit risks on financial assets, the Bank seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/ guarantees, real estate, receivables, inventories, other nonfinancial assets and credit enhancements such as netting agreements. The Bank's accounting policy for collateral assigned to it through its lending arrangements under IFRS 9 is the same as it was under IAS 39. Collateral, unless repossessed, is not recorded on the Bank's statement of financial position. However, the fair value of collateral affects the calculation of ECLs.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

n. Financial guarantees, letters of credit and undrawn loan commitments

The Bank issues financial guarantees, letters of credit and loan commitments. Financial guarantees are initially recognised in the financial statements (within provisions) at fair value, being the premium received. Subsequent to initial recognition, the Bank's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the statement of comprehensive income, guarantee, and an ECL provision as set out in the financial statement

The premium received is recognised in the statement of comprehensive income in Net fees and commission income on a straight line basis over the life of the guarantee.

Undrawn loan commitments and letters of credits are commitments under which, over the duration of the commitment, the Bank is required to provide a loan with pre-specified terms to the customer. These contracts are in the scope of the ECL requirements of IFRS 9.The nominal contractual value of financial guarantees, letters of credit and undrawn loan commitments, where the loan agreed to be provided is on market terms, are not recorded on in the statement of financial position. The nominal values of these instruments together with the corresponding ECLs are disclosed in the financial statement.

o. Loans and Advances

Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Bank provides money, goods or services directly to a debtor with no intention of trading the receivable. Loans and advances are recognized when cash is advanced to borrowers.

Subsequent to initial recognition, loans and advances to customers are stated on the statement of financial position at amortised cost using the effective interest method less impairment losses. The amortisation is included in 'Interest and similar income' in the statement of comprehensive income and losses arising from impairment are recognised in the statement of comprehensive income in 'Credit loss expense'.

p. Cash and Cash Equivalents

Cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash in hand, deposits held with banks and other short-term highly liquid investments with original maturities less than three months.

Cash and cash equivalents are carried at amortised cost in the statement of financial position.

q. Investments Securities

This comprises investments in treasury bills, bonds and term deposits with other financial institutions. Investments in Securities are initialized measured at fair value plus any incremental increases in transaction cost. Subsequent measurement of investments in securities is dependent on their classification as hold to collect or hold to sell.

r. Provisions

A provision is recognised if, as a result of a past event, the Bank has a present legal or constructive obligation that 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.

s. Contingent Liabilities

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is uncertain or cannot be reliably measured.

Letters of credit, acceptances, guarantees and performance bonds are generally written by the Bank to support performance by a customer to third parties. The Bank will only be required to meet these obligations in the event of the customer's default. These obligations not recognised but are accounted for as off balance sheet transactions and disclosed as contingent liabilities.

t. Financial Guarantees

Financial guarantees are contracts that require the Bank 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 guarantees are initially recognised at their fair value being the premium received, and the fair value is amortised over the life of the financial guarantee. The financial guarantees are subsequently carried at the higher of the amount initially recognised less cumulative amortisation recognised in profit or loss, and the best estimate of expenditure required to settle any financial obligation arising as a result of the guarantee. Any increase in the liability is recorded in of profit or loss. The premium received in the Statement of Comprehensive Income in net fees and commission income on a straight-line basis over the life of the guarantee.

u. Repurchase Agreement Transactions

Securities purchased from the Bank of Ghana under agreements to resell (reverse repos), are disclosed as balances with the Central Bank of Ghana as they are held to maturity after which they are repurchased and are not negotiable/discounted during the tenure. The difference between the sale and repurchase price is treated as interest and accrued over the life of the repurchase agreement using the effective yield method.

v. Leases

At the inception of a contract, the Bank assesses whether the contract is, or contains, a lease.

A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Throughout the period of use, the right to obtain substantially all of the economic benefits from use of the identified assets and the use of identified asset must rest with the Bank for it to be qualified as a lease.

Initial Recognition
At the commencement of a lease, the Bank recognizes a right-of-use asset and a lease liability.

Lease Liability

Lease liability is measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the interest rate implicit in the lease, if the rate can be readily determined, if not, the lessee's incremental borrowing cost.

Right- of -use asset

Right -of –use asset is measured at cost. The cost of the right-of-use asset comprises the initial measurement of lease liability, any lease payments made at or before the commencement date, less any lease incentives received, any initial direct cost incurred by the Bank and an estimate of costs to be incurred by the Bank in dismantling and removing the underlying asset or restoring the underlying asset to condition required by terms and conditions.

Subsequent measurement

Lease Liability

After the commencement date, the Bank measures the lease liability by reducing the carrying amount to reflect lease payments made, increasing the carrying amount to reflect interest on the lease liability and re-measuring the carrying amount to reflect any reassessment or lease modifications.

Right- of -use asset

After the commencement date, the Bank measures the right to use asset applying a cost model. The asset is measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of lease labilìty.

Bank as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Bank's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Bank's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease terms.

w. Fiduciary Activities

Assets and income arising thereon together with related undertakings to return such assets to customers are excluded from these financial statements where the bank acts in a fiduciary capacity such as nominee, trustee or agent.

x. Comparatives

Except when a standard or an international interpretation permits or require otherwise, all amounts are reported or disclosed with comparative information. Where necessary, the comparative information has been restated to agree to agree to the current year presentation.

y. Segmental reporting

A segment is a distinguishable component of the Bank that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

z. Events after the Reporting Period

Events subsequent to the balance sheet date are reflected in the financial statements only to the extent that they relate to the year under consideration and the effect is material. The Bank adjusts the amounts recognised in its financial statements to reflect events that provide evidence of conditions that existed at the end of the reporting period.

Where there are material events that are indicative of conditions that arose after he reporting period, the Bank discloses, by way of note, the nature of event and the estimate of its financial effect, or the statement that such an estimate cannot be made.

aa. Dividends

Dividends are charged to equity in the period in which they are declared. Proposed dividends are not accrued until they have been approved at the Annual General Meeting.

bb. Earnings per Share

The Bank presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the period. The Bank has no convertible notes and share options, which could potentially dilute its EPS and therefore the Bank's basic and diluted EPS are essentially the same.

cc. Standards issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2019 reporting periods and have not been early adopted by the Bank. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

4. FINANCIAL RISK MANAGEMENT

Taking risk is core in the business of banking. In the performing of its statutory duties, the Bank analyses, evaluates and assumes positions of taking calculated risks. The degree of risk management taken on by the Bank is meant to be within what it can comfortable manage. The Bank's aim is therefore to achieve an appropriate balance between risk and return and minimize potential adverse effects on its financial performance. The most important types of risk faced by the Bank include:

- Credit Risk
- Liquidity Risk
- Market Risk(i.e. risk related to currency trading, interest rate and other price risk)
- Operational Risk
- Compliance Risk

4(a) Risk Management Framework

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

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

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

4(b) Credit Risk

Credit risk is the risk of potential financial loss to the Bank if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Bank's loans and advances to customers and other banks as well as investment securities. For risk management reporting purposes, the Bank considers and consolidates all elements of credit risk exposure.

4(b) (i) Management of Credit Risk

The Board Credit, Risk and Investment Committee manage the risk of the Bank with the assistance of the various management risk committees. The Board Credit, Risk and Investment Committee fundamentally:

- Sets out the nature, role, responsibility and authority of the risk management function within the Bank and outlines the scope of the risk management function.
- Reviews and assesses the integrity of the risk control systems and ensures that the risk policies and strategies are effectively managed.
- Provides an independent and objective oversight and reviews the information presented by Management and the Audit Committee to the Board on financial, business and strategic risk issues.
- Adopts the principles of governance and codes of best practice.
- Reviews the decisions of the Management Credit Approval Committee and Asset-Liability Management Committee (ALCO) on a quarterly basis.
- Assists the board to determine the maximum mandate levels for the various credit sanctioning bodies.

The purpose of the Board Credit, Risk and Investment Committee is to:

- Oversee the credit risk function of the Bank to ensure a healthy credit portfolio
- Ensure that the bank exercise due care in the use of credit authority
- Approve/decline credit applications above limit of the Management
- Set and determine the Bank's credit policy and general risk climate of the Bank
- Review on quarterly basis the monitoring of policy compliance, compliance of portfolio against standards and recommend for appropriate remedial action to be taken
- Ensure key triggers are kept under review and stress tests on the portfolio conducted whenever significant changes occur or are anticipated
- Agree portfolio targets, industry and credit grading concentrations
- Determine, in tandem with ALCO, market and product pricing based on risk adjusted return
- Ensure compliance with regulatory requirements in credit delivery

Internal credit risk rating

In order to minimise credit risk, the Bank has tasked its credit department to develop and maintain the Bank's credit risk grading to categorise exposures according to their degree of risk of default. The credit rating information is based on a range of data that is determined to be predictive of the risk of default and applying experienced credit judgement. The nature of the exposure and type of borrower are taken into account in the analysis. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default.

The credit risk grades are designed and calibrated to reflect the risk of default as credit risk deteriorates. As the credit risk increases the difference in risk of default between grades changes.

The Bank uses credit risk grades as a primary input into the determination of the term structure of the PD for exposures. The Bank collects performance and default information about its credit risk exposures analysed by type of product and borrower as well as by credit risk grading.

The Bank uses different criteria to determine whether credit risk has increased significantly per portfolio of assets. The criteria used are both quantitative changes in PDs as well as changes in qualitative factors.

The internal risk grading scale is as follows:

Bank's rating	Description of the grade	Average number of days outstanding
Grade A	Low to fair risk	Less than 90 days
Grade B	Higher risk	91 days but less than 120 days
Grade C	Sub-standard	121 days but less than 180 days
Grade D	Doubtful	181 days but less than 360 days
Grade E	Loss	360 days and above

	Stage 1 GHS	Stage 2 GHS	Stage 3 GHS	Total GHS	2019 GHS
Loans & Advances to Customers					
Grade A	965,874,150	-	-	965,874,150	737,110,727
Grade B	-	103,462,946	-	103,462,946	67,073,662
Grade C	-	-	191,676,952	191,676,952	373,736
Grade D	-	-	14,445,236	14,445,236	-
Grade E	-	-	115,333,196	115,333,196	119,212,405
	965,874,150	103,462,946	321,455,384	1,390,792,480	923,770,530
Loss Allowance	(10,341,337)	(10,346,294)	(126,658,856)	(147,346,487)	(128,655,684)
Carrying Amount	955,532,813	93,116,652	194,796,528	1,243,445,993	795,114,846

At 31st December 2020, the Bank's loans and advances were categorised under IFRS 9 as follows:

- Stage 1 – At initial recognition - Performing
- Stage 2 – Significant increase in credit risk since initial recognition - Underperforming
- Stage 3 – Credit impaired – Non-performing

Key Loans and Advances Ratio

i. Loan loss provision ratios is 10.59 % (2019: 13.83%).
ii. Percentage of gross non – performing loans with respect to Bank of Ghana Prudential Norms (individually impaired) to total gross loans and advances is 23.11% (2019: 12.95%).
iii. Ratio of fifty (50) largest exposure (gross funded) to total exposure is 82.60% (2019: 82.78%).

Ageing analysis of past due but not impaired gross financial instruments

	2020 GHS	2019 GHS
Up to 90 days	89,440,613	55,707,088
Up 180 days	14,022,333	75,342,203
	103,462,946	131,049,291
On-balance sheet items		
Deposits Due from Financial Institutions	129,296,645	130,167,150
Loans and Advances to Customers: Individuals	10,882,970	8,853,161
Loans and Advances to Customers: Corporate Entities	1,380,028,244	914,917,369
	1,520,207,859	1,053,937,680
Off-balance sheet items		
Letters of guarantee	42,197,753	42,197,753

The Bank does not perceive any significant credit risk on the following financial assets:

- Balances with Central Bank of Ghana.
- Off balance sheet items

Classification of loans and Advances

The table below represents the maximum credit risk exposure to the Bank at 31 December 2020, and after taking into account provision for impairment.

Loan and advances to customers

2020

	Gross Amounts	Impairment Allowances	Net Amounts
Past Due and Impaired	321,455,384	126,658,856	194,796,528
Past Due but not Impaired	103,462,946	10,346,294	93,116,652
Neither Past Due/ Impaired	965,874,150	10,341,337	955,532,813
	1,390,792,480	147,346,487	1,243,445,993

2019	Gross Amounts	Impairment Allowances	Net Amounts
Past Due and Impaired	119,586,141	114,569,070	5,017,071
Past Due but not Impaired	67,073,662	6,716,401	60,357,261
Neither Past Due/ Impaired	737,110,727	7,370,214	729,740,513
	923,770,530	128,655,685	795,114,845

Collateral held

The Bank holds collateral against loans and advances to customers in the form of cash, mortgage interests over property, other registered securities over assets, and guarantees. Estimates of fair value are based on the value of collateral assessed at the time of borrowing, and generally are not updated except when a loan is individually assessed as impaired. Collateral generally is not held over interbank placements, except when securities are held as part of reverse repurchase and securities borrowing activity. Collateral usually is not held against investment securities, and no such collateral was held at 31 December 2020.

Concentrations of Risk

	2020 Gross Amounts	2020 Percentage (%)	2019 Gross Amounts	2019 Percentage (%)
Agriculture	587,969,950	42.28%	344,568,508	37.30%
Manufacturing	693,086,525	49.83%	477,653,739	51.71%
Commerce & Finance	29,573,949	2.13%	27,852,190	3.02%
Transport & Communication	2,117,589	0.15%	2,127,589	0.23%
Mining & Quarrying	1,406,080	0.10%	1,406,080	0.15%
Building & Construction	-	0.00%	-	0.00%
Services	65,755,417	4.73%	61,386,469	6.65%
Others	10,882,970	0.78%	8,775,955	0.95%
	1,390,792,480	100%	923,770,530	100%

Off-balance sheet items

	2020 Gross Amounts	2020 Percentage (%)	2019 Gross Amounts	2019 Percentage (%)
Commerce & Finance	42,197,753	100%	42,197,753	100%
	42,197,753	100%	42,197,753	100%

Settlement risk

The Bank's activities may give rise to risk at the time of settlement of transactions and trades. Settlement risk is the risk of loss due to the failure of a bank to honour its obligations to deliver cash, securities or other assets as contractually agreed.

For certain types of transactions, the Bank mitigates this risk by conducting settlements through a settlement / clearing agent to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations. Settlement limits form part of the credit approval / limit monitoring process. Acceptance of settlement risk on free settlement trades requires transaction specific or counterparty specific approvals from the Bank's risk function.

4(c) Liquidity risk

Liquidity risk represents whether an entity will encounter difficulty in meeting obligations associated with financial liabilities from its financial assets.

The Bank's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Bank's reputation.
Treasury department maintains a portfolio of short-term liquid assets, largely made up of short-term liquid investment securities, loans and advances to banks and other inter-bank facilities, to ensure that sufficient liquidity is maintained within the Bank as a whole.

4(c) (i) Exposure to liquidity risk

The key measure used by the Bank for managing liquidity risk is the ratio of net liquid assets to total liabilities. For this purpose, net liquid assets are considered as including cash and cash equivalents and investment grade debt securities for which there is an active and liquid market less any debt securities and liabilities, other borrowings and commitments maturing within the next month.

Residual contractual maturities of financial liabilities

The table below presents the cash flows payable by the Bank under non-derivative financial liabilities by the remaining contractual maturities at the balance sheet date. The amounts disclosed in the table are the contractual undiscounted cashflows, whereas the Bank manages the inherent liquidity risk based on expected undiscounted inflows.

6. Liquidity Risk Management

Dec-20	Carrying Amount GH¢	Up to 1 month GH¢	1-3 months GH¢	3-12 months GH¢	1-5 years GH¢	Over 5years GH¢	Total GH¢
Financial Liabilities							
Government Funding	600,059,580	-	-	-	-	600,059,580	600,059,580
Borrowing	599,192,958	56,174,340	-	62,415,933	480,602,685	-	599,192,958
Other Liabilities	36,293,397	1,058,464	2,850,779	10,844,387	21,689,267	-	36,293,397
Total Financial Liabilities	1,235,545,935	57,232,804	2,850,779	73,260,320	502,291,952	600,059,580	1,235,545,935
Financial Assets							
Cash and Cash Equivalents	42,359,933	42,359,933	-	-	-	-	42,359,933
Restricted Cash	154,822,734	-	-	154,822,734	-	-	154,822,734
Investment securities (Money Market)	129,038,052	4,323,790	-	106,363,837	18,350,425	-	129,038,052
Loans and Advances to Customers (Net)	1,243,445,993	193,360,874	25,882,900	147,556,318	761,984,167	114,661,734	1,243,445,993
Investment Securities	10,000,000	-	-	-	-	10,000,000	10,000,000
Other Assets	46,430,281	-	-	46,430,281	-	-	46,430,281
Total Financial Assets	1,626,096,993	240,044,597	25,882,900	455,173,170	780,334,592	124,661,734	1,626,096,993
NET LIQUIDITY GAP	390,551,058	182,811,793	23,032,121	381,912,850	278,042,640	(475,397,846)	390,551,058
At 31st December 2020							
Total Financial Liabilities	1,235,545,935	57,382,303	2,850,779	73,260,320	502,291,952	600,059,580	1,235,545,935
Total Financial Assets	1,626,096,993	240,044,597	25,882,900	455,173,170	780,334,592	124,661,734	1,626,096,993
NET LIQUIDITY GAP	390,551,058	182,662,294	23,032,121	381,912,850	278,042,640	(475,397,846)	390,551,058
Off Balance Sheet							
Financial Guarantee Contract	42,197,753	-	-	42,197,753	-	-	42,197,753

The Bank's cashflow may however vary significantly from this analysis. For example, government funding is maintained for longer periods than the contractual maturity dates hence the deposit base is considered to be of a stable and long-term nature.

Dec-19	Carrying Amount GH¢	Up to 1 month GH¢	1-3 months GH¢	3-12 months GH¢	1-5 years GH¢	Over 5years GH¢	Total GH¢
Financial Liabilities							
Government Funding	531,296,543	-	-	-	531,296,543	-	531,296,543
Other Liabilities	23,009,649	778,570	11,451,657	5,848,452	4,930,970	-	23,009,649
Total Financial Liabilities	554,306,192	778,570	11,451,657	5,848,452	536,227,513	-	554,306,192
Financial Assets							
Cash and Cash Equivalents	14,148,718	14,148,718	-	-	-	-	14,148,718
Deposits and Balances Due from Banking Institutions	130,167,150	-	-	73,713,302	56,453,848	-	130,167,150
Non-Pledge Trading Assets	-	-	-	-	-	-	-
Loans and Advances to Customers (Net)	795,808,348	4,914,602	9,829,205	40,887,843	629,300,875	110,875,822	795,808,348
Investment Securities	10,000,000	-	-	-	-	10,000,000	10,000,000
Other Assets	12,227,240	-	-	12,227,240	-	-	12,227,240
Total Financial Assets	962,351,456	19,063,320	9,829,205	126,828,385	685,754,723	120,875,822	962,351,456
NET LIQUIDITY GAP	408,045,264	18,284,750	(1,622,452)	120,979,933	149,527,210	120,875,822	408,045,264
At 31st December 2019							
Total Financial Liabilities	554,306,192	778,570	11,451,657	5,848,452	536,227,513	-	554,306,192
Total Financial Assets	962,351,456	19,063,320	9,829,205	126,828,385	685,754,723	120,875,822	962,351,456
NET LIQUIDITY GAP	408,045,264	18,284,750	(1,622,452)	120,979,933	149,527,210	120,875,822	408,045,264
Off Balance Sheet							
Financial Guarantee Contract	42,197,753	-	-	42,197,753	-	-	-

The previous table shows the undiscounted cash flows on the Bank's financial liabilities and unrecognised loan commitments on the basis of their earliest possible contractual maturity. The Bank's expected cash flows on these instruments vary significantly from this analysis. For example, unrecognised loan commitments are not all expected to be drawn down immediately. The gross nominal inflow/(outflow) disclosed in the previous table is the contractual, undiscounted cash flow on the financial liability or commitment.

4(d) Market risks

Market risk is the risk that changes in market prices, such as interest rate, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's / issuer's credit standing) will affect the Bank'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 risk.

Management of market risks

Overall responsibility for management of market risk rests with Assets and Liabilities Committee (ALCO). The Risk Department is responsible for the development of detailed market risk management policies (subject to review and approval by ALCO) and for the day to day implementation of those policies.

4(d) (i) Interest rate risk

The Bank is exposed to the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The maturities of asset and liabilities and the ability to replace interest-bearing liabilities as they mature at an acceptable cost, are important factors in assessing the Bank's exposure to changes in interest rates and liquidity.

Interest rates on advances to customers and other risk assets are pegged to the Bank's base lending rate. The base rate is adjusted from time to time to reflect the cost of funds.

The assets and liability committee closely monitors the interest rate trends to minimize the potential adverse impact of interest rate changes.

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of the Bank.

The interest rate risks sensitivity analysis is based on the following assumptions:

- changes in the market interest rates affect the interest income or expenses of variable interest financial instruments;
- changes in market interest rates only affect interest income or expenses in relation to financial instruments with fixed interest rates if these are recognized at their fair value;
- the interest rate changes will have a significant effect on interest sensitive assets and liabilities and hence simulation modeling is applied to net interest margins;
- the interest rates of all maturities move by the same amount and, therefore, do not reflect the potential impact on net interest income of some rates changing while others remain unchanged;
- the projections make other assumptions including that all positions run to maturity.

a) Interest rate risk

Dec-20	Less than 1 month GH¢	1 month less than 3 months GH¢	3 months less than 6 months GH¢	6 months less than 1 year GH¢	1 year less than 5 years GH¢	Over 5 years GH¢	Non interest bearing GH¢	Total GH¢
Financial Assets								
Cash and cash equivalents	-	-	-	-	-	-	197,182,667	197,182,667
Investment in Securities	43,294,131	53,406,950	3,929,910	7,859,821	19,649,552	-	897,688	129,038,052
Non - pledged assets held for trading	-	-	-	-	-	-	-	-
Loans and advances to customers (net)	35,601,160	41,418,727	56,909,938	105,940,285	761,984,167	114,661,734	126,929,982	1,243,445,993
Other assets (excluding non-financial assets)	-	-	-	-	-	-	10,000,000	10,000,000
Total Financial Assets	78,895,291	94,825,677	60,839,848	113,800,106	781,633,179	114,661,734	335,010,337	1,579,666,712
Financial Liabilities								
Government funding	-	-	-	-	-	-	600,059,580	600,059,580
Borrowing	56,174,340	-	-	62,415,933	480,602,685	-	-	599,192,958
Other liabilities (excluding non-financial liabilities)	-	-	-	-	-	-	-	-
Total Financial Liabilities	56,174,340	-	-	62,415,933	480,602,685	-	600,059,580	1,199,252,538
Interest rate sensitivity Gap	**22,720,951**	**94,825,677**	**60,839,848**	**51,384,173**	**304,180,695**	**114,661,734**	**(265,049,243)**	**380,414,174**

Interest Rate Sensitivity Analysis

	GH¢		Impact on Profit or Loss Increase/ (decrease) in rates	Impact on Equity Increase/ (decrease) in rates
Rate Sensitive Assets	1,244,656,375	Increase in	62,232,819	62,232,819
Rate Sensitive Liabilities	599,192,958	500 basis point	(29,959,648)	(29,959,648)
			32,273,717	32,273,171
Rate Sensitive Assets	1,244,656,375	Decrease in	(62,232,819)	(62,232,819)
Rate Sensitive Liabilities	599,192,958	500 basis point	29,959,648	29,959,648
			(32,273,171)	32,273,717

Dec-19	1 month Less than 1 month GH¢	3 months less than 3 months GH¢	6 months less than 6 months GH¢	less than 1 year GH¢	1 year less than 5 years GH¢	Over 5 years GH¢	Non interest bearing GH¢	Total GH¢
Financial Assets								
Cash and cash equivalents	-	-	-	-	-	-	14,148,718	14,148,718
Investment in Securities	43,294,131	53,406,950	3,929,910	7,859,821	19,649,552	-	2,026,786	130,167,150
Non - pledged assets held for trading	-	-	-	-	-	-	-	-
Loans and advances to customers (net)	37,526,081	5,420,020	18,719,444	10,816,677	284,531,143	384,199,234	54,595,748	795,808,347
Other assets (excluding non-financial assets)	-	-	-	-	-	-	12,227,240	12,227,240
Total Financial Assets	80,820,212	58,826,970	22,649,354	18,676,498	304,180,695	384,199,234	82,998,492	952,351,455
Financial Liabilities								
Government funding	-	-	-	-	-	-	531,296,543	531,296,543
Other liabilities (excluding non-financial liabilities)	-	-	-	-	-	-	23,009,649	23,009,649
Total Financial Liabilities	-	-	-	-	-	-	554,306,192	554,306,192
Interest rate sensitivity Gap	**80,820,212**	**58,826,970**	**22,649,354**	**18,676,498**	**304,180,695**	**384,199,234**	**(471,307,700)**	**398,045,263**

Interest Rate Sensitivity Analysis

	GH¢		Impact on Profit or Loss Increase/ (decrease) in rates	Impact on Equity Increase/ (decrease) in rates
Rate Sensitive Assets	869,352,964	Increase in	43,467,648	43,467,648
Rate Sensitive Liabilities	-	500 basis point	-	-
			43,467,648	43,467,648
Rate Sensitive Assets	869,352,964	Decrease in	(43,467,648)	(43,467,648)
Rate Sensitive Liabilities	-	500 basis point	-	-
			(43,467,648)	(43,467,648)

4(d) (ii) Foreign exchange risk

The Bank maintains trade with correspondent banks. The Bank is exposed to the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Bank's currency position and exposure are managed within the exposure guideline recommended by the Bank of Ghana. This position is reviewed on a daily basis by the management.

The exchange rates used for translating the major foreign currency balances at the year-end were as follows:

CURRENCY	2020 GHS	2019 GHS
US Dollar	5.7602	5.5337
GB Pound	7.8742	7.3164
EURO	7.0643	6.2114

Foreign exchange risk sensitivity analysis

The foreign exchange risks sensitivity analysis is based on the following assumptions:

- Foreign exchange exposures represent net currency positions of all currencies other than Ghana Cedis (GH¢).
- The currency risk sensitivity analysis is based on the assumption that all net currency positions are highly effective.
- The base currency in which the Bank's business is transacted is Ghana Cedis (GHS).

a) Foreign exchange risk

2020

The table below summarises the Bank's exposure to foreign currency exchange rate risk as at balance sheet date. (All figures are in thousand Ghana Cedis)

a. Assets	**USD GH¢**	**GBP GH¢**	**EUR GH¢**	**OTHER GH¢**	**TOTAL GH¢**
Cash and cash equivalents	31,632,319	106,224	125,946,953	-	157,685,496
Investment in securities	-	-	-	-	-
Loans and advances to customers (net)	-	-	-	-	-
Other Assets	-	-	-	-	-
Total financial assets	**31,632,319**	**106,224**	**125,946,953**	**-**	**157,685,496**
b. Financial liabilities					
Due to banks and other financial institutions	110,595,840	-	488,597,118	-	599,192,958
Government Funding	-	-	-	-	-
Other Liabilities	-	-	-	-	-
Total Financial Liabilities	**110,595,840**	**-**	**488,597,118**	**-**	**599,192,958**
c. Net bal. sheet position	**(78,963,521)**	**106,224**	**(362,650,165)**	**-**	**(441,507,462)**

Exchange Rate Sensitivity

		Change in Currency Rate % 2020	**Effect on Profit before Tax 2020**			**Change in Currency Rate % 2018**	**Effect on Profit Before Tax 2018**
USD	(78,963,521)	10%	(78,963,521)	USD	152,055	10%	152,055
GBP	106,224	10%	106,224	GBP	60,044	10%	60,044
EUR	(362,650,166)	10%	(362,650,166)	EUR	53,664	10%	53,664
			(44,150,746)				**26,576**

2019

The table below summarises the Bank's exposure to foreign currency exchange rate risk as at balance sheet date. (All figures are in thousand Ghana Cedis)

a. Assets	**USD**	**GBP**	**EUR**	**OTHER**	**TOTAL**
	GH¢	**GH¢**	**GH¢**	**GH¢**	**GH¢**
Cash and cash equivalents	152,055	60,044	53,664	-	265,763
Investment in securities	-	-	-	-	-
Loans and advances to customers (net)	-	-	-	-	-
Other Assets	-	-	-	-	-
Total financial assets	**152,055**	**60,044**	**53,664**	**-**	**265,763**
b. Financial liabilities					
Government Funding	-	-	-	-	-
Other Liabilities	-	-	-	-	-
Total Financial Liabilities	**-**	**-**	**-**	**-**	**-**
c. Net bal. sheet position	**152,055**	**60,044**	**53,664**	**-**	**265,763**

Exchange Rate Sensitivity

		Change in Currency Rate % 2019	**Effect on Profit before Tax 2019**		**Change in Currency Rate % 2018**	**Effect on Profit Before Tax 2018**
USD	152,055	10%	15,206	USD	10%	-
GBP	60,044	10%	6,004	GBP	10%	-
EUR	53,664	10%	5,366	EUR	10%	-
			26,576			**-**

4(e) Operational Risks

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Bank's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Bank's operations and are faced by all business entities.

Operational risks relate to the risk that the Bank's operations may be halted temporarily or permanently by inadequate internal and/or systems controls, allowing for people to take advantage to commit fraud.

The Bank's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Bank's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall bank standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorisation of transactions
- requirements for the reconciliation and monitoring of transactions
- compliance with regulatory and other legal requirements
- documentation of controls and procedures
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- requirements for the reporting of operational losses and proposed remedial action
- development of contingency plans
- training and professional development
- ethical and business standards
- risk mitigation, including insurance where this is effective.

Compliance with the Bank's standards is supported by a programme of continuous reviews by the Bank's risk management function and periodic reviews by the Internal Audit Department. The reports on these reviews are discussed at the Management Risk and Compliance Committee with issues being escalated to the Board Credit, Risk and Investment Committee when necessary.

4(f) Compliance Risk

Compliance risk, is the risk of legal or regulatory sanctions, financial loss, or loss to reputation the Bank may suffer as a result of its failure to comply with all applicable laws, regulations, and codes of conduct and standards of good practice (together, laws, rules and standards").

As part of its efforts to address supervisory issues and enhance sound practices in the Bank, the board, through its Credit, Risk and Investment committee and the Compliance function of the Bank manages compliance related risk of the Bank.

Compliance with laws, rules and standards helps to maintain the Bank's reputation with, and thus meet the expectations of, its customers, the markets and society as a whole. Although compliance with laws, rules and standards has always been important, compliance risk management has become more formalised within the past few years and has emerged as a distinct risk management discipline.

4(g) Management of Compliance Risk

The Board, through its Sub-Committee on Credit, Risk and Investment, oversees the compliance functions of the Bank. The Compliance function of the Bank, on monthly basis, updates the management on critical compliance issues within the period pertaining to statutory regulations and Ghana Export-Import Bank policies. Management of issues related to anti-money laundering is of core importance to management. The issues are aggregated and reported to the Board Credit, Risk and Investment Committee on a quarterly basis.

The Compliance function has standard procedural and policy checklist for every department of the Bank. These check list ensures compliance on all regulatory and statutory issues. The compliance function has also instituted system to ensure that proper Know-Your-Customer (i.e. KYC) and Customer Due Diligence (i.e. CDD) procedures are followed in line with Bank of Ghana and Financial Intelligence Centre (i.e. FIC) recommendations. This is achieved through a developed culture of respecting the standard account opening procedure religiously and a system that fosters a continuous update of our customer data base.

5. CAPITAL MANAGEMENT

Regulatory capital

The Ghana Export-Import Bank Act 2016, Act 911 sets and capital requirements for the Bank.

The Bank's objectives when managing capital are:

- To safeguard the Bank's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for the other stakeholders.
- To maintain a strong capital base to support the current and future development needs of the business.
- To comply with the capital requirements as stipulated in Act 911.
- Capital adequacy and use of regulatory capital are monitored by management employing techniques based on the guidelines developed by the Bank of Ghana. The required information is compiled by management on a monthly basis and presented to the board on quarterly basis.
- The Ghana Export-Import Bank Act 2016, Act 911 requires the Bank to:
- Hold the minimum level of stated capital of GH¢50 million.
- The Bank's regulatory capital is analysed into two tiers:
- Tier 1 capital, which includes ordinary share capital, retained earnings, after deductions for intangible assets (excluding computer software), investments in equity instruments of other institutions and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes.
- Tier 2 capital, which includes Capitalised Revaluations Reserves; Latent Revaluation Reserves; Undisclosed Reserves; Revaluation Reserves; Sub-ordinated Loans and Hybrid Capital subject to a limit of 100% of Tier 1 Capital.

The Bank's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognised and the Bank recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

Capital allocation
The allocation of capital between specific operations and activities is, to a large extent, driven by optimisation of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based primarily upon the regulatory capital, but in some cases the regulatory requirements do not reflect fully the varying degree of risk associated with different activities. In such cases the capital requirements may be flexed to reflect differing risk profiles, subject to the overall level of capital to support a particular operation or activity not falling below the minimum required for regulatory purposes. The process of allocating capital to specific operations and activities is undertaken independently of those responsible for the operation, by the board's Credit, Risk and Investment committee, Risk management or ALCO as appropriate.

Although maximisation of the return on risk-adjusted capital is the principal basis used in determining how capital is allocated within the Bank to particular operations or activities, it is not the sole basis used for decision making. Account also is taken of synergies with other operations and activities, the availability of management and other resources, and the fit of the activity with the bank and government's longer term strategic objectives. The Bank's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors.

Capital adequacy ratio

	2020 GH¢	2019 GH¢
Paid-up capital	50,000,000	50,000,000
Deposit for shares	-	-
Disclosed reserves	636,891,623	646,418,914
	-	-
Tier 1 capital	686,891,623	696,418,914
	-	-
Less		
Goodwill/intangibles	(89,933,089)	(13,971,775)
Adjusted capital base	**596,958,534**	**682,447,139**
Total assets (less contra items)		
	1,922,587,057	1,250,871,103
Less		
Cash at Bank of Ghana	(20,304,777)	(14,148,718)
Claims of financial & guaranteed loans	(244,732,754)	(104,133,720)
Goodwill / Intangibles	(89,933,089)	(13,971,775)
Adjusted total assets	**1,567,616,437**	**1,118,616,890**
Add	-	-
Net contingent liabilities	42,197,753	42,197,753
50% of net open position	220,806,843	132,882
100% of 3years average annual gross income	141,094,523	125,015,930
Adjusted asset base	**1,971,715,556**	**1,286,963,454**
Capital Adequacy Ratio (%)	30.28	53.07
Capital Surplus/Deficit	**399,786,978**	**553,850,794**

6. GOING CONCERN

As at 31 December 2020, the need for additional sources of funding to support our operations and meet the financing needs of our clients and the government's vision for the non-traditional export sector requires the Bank to raise funds on the international capital market. The availability of these funds as well as the cost involved are concerns the board and management are working on earnestly.

The Directors have put in place enhanced measures to avoid and or mitigate these risks and safe guard the survival of the Bank.

7. INTEREST INCOME

	2020 GHS	2019 GHS
Loans and Advances	63,171,930	37,950,366
Placements	13,395,595	15,229,762
Interest Gap Funding	100,910,376	114,017,959
	177,477,901	167,198,087

8. FUNDING COST

	2020 GHS	2019 GHS
Interest Expense	23,710,425	-
Financing Cost	5,080,952	-
Arrangement Fees and Charges	3,175,482	1,313,200
Revaluation Loss	51,423,376	-
	83,390,235	1,313,200

9. FEES AND COMMISSION

	2020 GHS	2019 GHS
Facility Fees	2,811,260	2,209,723
Management Fees	2,180,239	2,428,340
Other Fees and Commission Income	5,330,239	1,552,781
	10,321,738	6,190,844

10. NET TRADING INCOME

	2020 GHS	2019 GHS
Foreign Exchange Dealings	5,572,129	544,488

Net trading income comprises gains less losses related to trading assets and liabilities, and includes all realised and unrealised fair value changes, interest, dividends and foreign exchange dealings.

	2020 GHS	2019 GHS
11. OTHER OPERATING INCOME		
Gain on Disposal of Property, Plant and Equipment	182,007	19,400

12. PERSONNEL EXPENSES

Salaries, Bonuses and Staff Allowances	46,481,190	43,836,615
Social Security Fund Contribution	2,554,285	2,383,321
Provident Fund Contribution	1,961,337	1,830,273
Medicals	1,428,130	1,261,550
Other staff related costs	4,886,336	2,092,658
	57,311,278	51,404,417

13. DEPRECIATION AND AMORTISATION

Depreciation	10,329,910	8,434,837
Amortisation	2,358,649	2,358,649
	12,688,559	10,793,486

14. OTHER EXPENSES

Directors' Fees	4,063,100	4,877,727
Occupancy Cost	3,745,311	3,555,455
Auditors Remuneration	115,665	260,000
Donations and Social Responsibility	2,259,731	2,873,623
Motor Vehicle Running	117,631	196,155
General & Administrative	3,652,908	1,629,061
Repairs and Maintenance	682,563	586,019
Insurance	1,070,215	606,497
Legal and Other Professional Fees	2,960,951	1,429,089
IT, Software & Maintenance	6,210,693	3,596,311
Training & Research	75,543	718,740
Security	506,815	577,969
Public Relations/Marketing	2,418,175	1,363,454
Printing & Stationery	404,281	321,921
Travel & Transportation	3,294,727	9,724,296
Bank Charges	102,803	905,983
Telephone and Postage	452,151	229,128
	32,133,263	33,451,428

15. IMPAIRMENT CHARGE ON FINANCIAL ASSETS

	2020 GHS	2019 GHS
Loans and Advances	17,408,231	24,864,286
Investments	-	260,611
Off balance sheet exposures	-	421,497
	17,408,231	24,546,394

16. CASH AND CASH EQUIVALENTS

	2020 GHS	2019 GHS
Cash on Hand	144,711	22,357
Balances with Bank of Ghana	20,160,066	14,126,361
Nostro Balances	22,055,156	10,983,903
	42,359,933	25,132,621

17. RESTRICTED CASH

Credit Suisse AG DSR Account

	2020 GHS	2019 GHS
At 1st January	-	-
Additions	137,333,206	-
Revaluations	17,489,528	-
At 31st December	154,822,734	-

The Bank's restricted cash consists of cash that the Bank is contractually obligated to maintain in accordance with the terms of its loan agreement with Credit Suisse AG, London dated January 21, 2020.

The Bank is required to maintain an amount equal to twice the Maximum Debt Service Obligation in respect of the current interest period in an Offshore Debt Service Reserve Account (DSRA). This is recorded as restricted cash in the non-current assets. The terms of the agreement requires that no amounts should be withdrawn from the Offshore DSRAs other than where there is insufficient balance in the Onshore Debt Service Account (DSA) to pay any amount due to a Finance Party.

18. INVESTMENTS SECURITIES (MONEY MARKET)

		2020 GHS	2019 GHS
Interbank Placement		129,296,645	119,183,247
Impairment Cost	(18a)	(258,593)	(260,611)
		129,038,052	118,922,636

18(a) Movement in Impairment

	2020 GHS	2019 GHS
At 1st January	260,611	-
Charge for the year	(2,018)	260,611
At 31st December	258,593	260,611

This amount represents investments placed with the following financial institutions; National Investment Bank Limited (NIB), Prudential Bank, Omni-BSIC Bank, United Bank of Africa (UBA), Universal Merchant Bank (UMB), Consolidated Bank Ghana (CBG), GCB Bank and Zenith Bank.

19. LOANS AND ADVANCES TO CUSTOMERS (NET)

	2020 GHS	2019 GHS
Loans and Advances to Customers	1,390,792,480	923,770,530
Impairment Cost (Note 18 (a))	(146,063,916)	(128,655,684)
Interest-In-Suspense	(1,282,571)	-
	1,243,445,993	795,114,846

19(a) Movement in Impairment

	2020 GHS	2019 GHS
At 1st January	128,655,684	104,618,398
Charge for the year	17,408,231	24,037,286
At 31st December	146,063,915	128,655,684

20. INVESTMENTS (OTHER THAN MONEY MARKET)

Investments (Other Money Market Instruments)	10,000,000	10,000,000
	=======	=======

This amount represents an equity investment made by the Bank through Oasis Capital Ghana Limited with the purpose of providing financial support to SMEs in the country. The Bank has elected to measure this investment at fair value through other comprehensive income.

21. OTHER ASSETS

	2020 GHS	2019 GHS
Prepayments	32,960,749	959,450
Prepaid staff cost	3,080,047	2,960,588
Receivables	10,389,485	8,307,202
	---------------	---------------
	46,430,281	12,227,240
	=======	=======

22. PROPERTY, PLANT AND EQUIPMENT

2020	Buildings on Short Leasehold Lands GHS	Office Equipment GHS	Furniture & Fittings GHS	Motor vehicles GHS	Computers Hardware GHS	Work in progress GHS	Total GHS
Cost/Valuation							
At 1st January 2020	276,222,844	633,197	1,360,407	3,885,666	8,855,801	8,243,611	299,201,526
Additions	4,827,108	1,579,484	290,016	726,639	3,608,768	7,498,613	18,530,628
Transfers/(Disposals)	-	-	-	(477,955)	-	-	(477,955)
Balance as at 31st December 2020	281,049,952	2,212,681	1,650,423	4,134,350	12,464,569	15,742,224	317,254,199
Depreciation							
At 1st January 2020	5,524,457	531,483	1,112,245	2,818,230	4,458,649	-	14,445,064
Charge for the year	5,623,705	423,003	133,932	734,525	3,414,745	-	10,329,910
Released on Disp./Reval.	-	-	-	(477,955)	-	-	(477,955)
Balance as at December 2020	11,148,162	954,486	1,246,177	3,074,800	7,873,394	-	24,297,019
Net Book Value							
At 31 Dec. 2020	269,901,790	1,258,195	404,246	1,059,550	4,591,175	15,742,224	292,957,180

2019	Buildings on Short Leasehold Lands GHS	Office Equipment GHS	Furniture & Fittings GHS	Motor vehicles GHS	Computers Hardware GHS	Work in progress GHS	Total GHS
Cost/Valuation							
Balance as at 1st January 2019	-	560,638	1,099,261	3,934,731	2,393,660	283,172,151	291,160,441
Additions	-	125,912	222,562	353,920	3,607,832	4,187,196	8,497,422
Transfers/(Disposals)	276,222,844	(53,353)	38,584	(402,985)	2,854,309	(279,115,736)	(456,337)
Balance as at 31st December 2019	276,222,844	633,197	1,360,407	3,885,666	8,855,801	8,243,611	299,201,526
Depreciation							
Balance as 1st January 2019	-	548,022	1,014,594	2,686,384	2,217,564	-	6,466,564
Charge for the year	5,524,457	36,814	97,651	534,831	2,241,085	-	8,434,838
Released on Disp./Reval.	-	(53,353)	-	(402,985)	-	-	(456,338)
Balance as at December 2019	5,524,457	531,483	1,112,245	2,818,230	4,458,649	-	14,445,064
Net Book Value							
At 31 Dec. 2019	270,698,387	101,714	248,162	1,067,436	4,397,152	8,243,611	284,756,462

23. INTANGIBLE ASSETS-COMPUTER SOFTWARE

	2020 GHS	2019 GHS
Cost/Valuation		
Balance at Jan. 1,	7,264,046	188,098
Additions	1,174,235	7,075,948
Balance at Dec. 31	8,438,281	7,264,046
Depreciation		
Balance at Jan. 1,	2,546,748	188,098
Additions	2,358,649	2,358,650
Balance at Dec. 31	4,905,397	2,546,748
Net Book Value at Dec. 31	3,532,884	4,717,298

24. HELD FOR GOVERNMENT

	2020 GHS	2019 GHS
Opening balance	531,296,543	435,934,034
Total Import Levies on Non-Petroleum Products	202,570,752	213,628,109
50% Levies Recognised as Income	(100,910,376)	(106,814,055)
Utilised for Research, Development, Promotion & Capacity Building	(32,897,339)	(11,451,545)
	600,059,580	531,296,543

Held for Government		
Maturity analysis		
Payable:		
Within one year	-	-
After one year	600,059,580	531,296,543
	600,059,580	531,296,543

25. BORROWING

On January 21, 2020, Ghana Export-Import Bank entered into an agreement with Credit Suisse AG, London Branch, under which the company advanced a multicurrency term loan facility in an aggregate amount equal to US$100 million to be utilized in on-lending to parties within an Approved Sector to support the financing of export trade activities.

The multicurrency loan facility is made up of EUR equivalent of US$80 million and US Dollar component of US$ 20 million. The Dollar portion of the facility attracts interest at an annual rate of Libor plus 5.25%, while the Euro portion attracts interest at an annual rate of Euribor plus 5.25%. Interest is payable at an interval of six (6) months from the signing date until the Final Maturity Date.

The balance on the loan excluding accrued interest was GHS 599,192,958 (Eur 69,164,265 and US$19,2000,00).

Analysis of the loan is shown below:

	2020 GHS	2019 GHS
Proceeds from loan	553,489,741	-
Loan repayment	(23,285,196)	-
Exchange difference	68,988,413	-
	599,192,958	-

26. ACCOUNTS PAYABLE AND OTHER LIABILITIES

	2020	2019
Accruals	5,157,078	2,262,932
Sundry Creditors	4,327,640	11,928,017
Provisions	526,064	526,064
Management Fees	1,311,407	1,288,500
Facility Fees	8,624,169	7,150,133
Interest Payables	16,347,039	-
	36,293,397	23,155,646

27. STATED CAPITAL

	No. of shares 2020	No. of shares 2019	Proceeds 2020 GHS	Proceeds 2019 GHS
Authorized				
Ordinary shares of no par value	100,000,000	100,000,000	-	-
Issued				
For cash 50,000,000	50,000,000	50,000,000	50,000,000	
Other consideration	-	-	-	-
	50,000,000	50,000,000	50,000,000	50,000,000

28. REGULATORY CREDIT RISK RESERVE

	2020 GHS	2019 GHS
1st January	10,051,737	8,820,957
Transfer from Retained Earnings	33,451,071	1,230,780
	43,502,808	10,051,737

	2020 GHS	2019 GHS
REGULATORY CREDIT RISK RESERVE		
GAAP	190,849,296	138,707,421
IFRS	(147,346,488)	(128,655,684)
	43,502,808	10,051,737

This represents the excess of provisions for impairment charge on financial assets based on GAAP over impairment charge as per International Financial Reporting Standards computations

29. STATUTORY RESERVE

	2020 GHS	2019 GHS
1st January	29,325,481	3,103,534
Transfer from Retained Earnings	-	26,221,947
	29,325,481	29,325,481

This represents a mandatory reserve fund established and maintained to cover risk of bankruptcy. It is measured at 50% of the net profits after tax, but before dividend and such amount shall accumulate until it reaches the minimum paid-up capital, after which time the applicable percentage reduces to a minimum of 15%.

30. CONTINGENT LIABILITIES

There were no contingent liabilities at the balance sheet date. (2019: Nil)

31. CAPITAL COMMITMENTS

There were no outstanding commitments for capital expenditure not provided for in the financial statements at the balance sheet date. (2019: Nil)

32. RELATED PARTIES

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial and operational decisions, or one other party controls both.
Ghana Export –Import Bank is wholly owned and controlled by the Government of Ghana.

Remuneration of key management personnel:

The key management personnel and connected persons considered to be related parties for disclosure purposes are defined to include close members of family of key personnel and other entities which such persons exercise control.

Key management compensation during the year is shown below:

	2020 GHS	2019 GHS
Directors Fees	4,063,100	4,877,727
	======	======